

Indian Economic Thought

Indian Economic Thought in the recent past has been influenced by many factors such as the mass poverty, Indian nationalism, anti-British sentiments and contact with the West.

India during the British Raj provides a classic example of arrested economic growth. The colonial and imperial policy of Britain resulted in the exploitation of the Indian economy. In order to encourage their industries, and to promote the market for their machine-made goods, the British policies resulted in the decline and downfall of Indian handicrafts. It resulted in poverty and underemployment.

The policy of Free Trade followed by Britain was all to the advantage of her manufacturing industry. Even the policy of discriminating protection granted to some of the Indian industries did not go a long way in developing the Indian industry. During the British Raj, India became the market for the manufactured goods of Britain. At the same time they got many raw materials from India at cheap rates. In short, the British were in India not for our good, but for our goods.

During the period of the Nationalist movement, the Indian leaders attributed the mass poverty in India to the British rule. Naturally, they thought in terms of freedom from colonial rule as the remedy. Economic theory in India during the nationalist movement was concerned with one main aim. That was to provide a momentum to the nationalist movement. Some of leaders formulated certain economic theories to show that the British Government was exploiting the Indian masses in a number of ways.

Another thing we notice about the recent Indian economic thought is that it has concentrated much attention on applied economics rather than on pure theory. In other words, our economists were concern mainly with Indian economic problems. Heroic attempts have been made to estimate India's national income, population, and many agricultural problems. Not only was that, those who wrote on economic problems in the recent past not always professional economists as such.

However, since the advent of planning in India, our mists as economists have contributed a sizable literature to the study of problems of economic planning in the social context of a planned economy under a democratic set up.

We shall now study the main economic ideas of some of our leaders in the recent past such as R.C. Dut, Dada Bhai Naoroji, Ranade, Gopal Krishna Gokhale and Mahatma Gandhi.
