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Abdul Azim Islahi

Department of Economics, Aligarh Muslim University, India

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Dadabhai Naoroji – From Economic Nationalism to Political Nationalism[*]

ABDUL AZIM ISLAHI

Abstract: Dadabhai Naoroji (1825-1917) was among the leading Indian nationalist leaders who aroused the feeling of economic nationalism and propagated for it. The most instrumental in this regard had been his theory of drain. The paper studies this theory and its role in awakening the desire and movement to achieve economic nationalism. It also examines the stages through, which Dadabhai passed from economic nationalism to political nationalism or the self-rule which was his final call. The paper will conclude with a remark that economic nationalism and political nationalism are complementary and supplementary to each other and none will be realized in true sense of the word without the achievement of other.

EMERGENCE OF ECONOMIC NATIONALISM

In every regime, even in the most oppressive one, there might be some people or groups who benefit from the existing system and flourish. The same was the case during the British period. There were many rajas, maharajas, *nawabs*, *zamindars*, *talukdars*, *mahajans* and *sahukars* who lived in full satisfaction and without the least anxiety. But was the nation as a whole, happy and prosperous? Clearly no, because though a few classes enjoyed, masses suffered. It was sectarian economic appeasement. The country lacked the environment of economic nationalism, in which the whole nation could enjoy the fruits of progress and production. In the words of B.G. Tilak, "A country cannot be said to have economically speaking improved so long as the conditions of the toiling majority in that country have not improved." ¹ The Indian nationalist leaders, especially during the last quarter of nineteenth century, made their focus of attention the condition of masses, and not that of classes. Expressing the same spirit the famous educationist reformer Syed Ahmad Khan (1817-1898) once observed, "To me the national honour refers to a state in which the whole nation is satisfied, majority is equipped with skill and knowledge, and all existing sciences and technology, industries and inventions are found in, the nation."²

Dadabhai Naoroji (1825-1917) was among the leading nationalist leaders who aroused the feeling of economic nationalism and propagated for it. The most instrumental in this regard had been the theory of drain. In the following pages we would like to study that theory and its role in awakening the desire and movement to achieve economic nationalism. We shall also examine the stages through, which Dadabhai passed from economic nationalism to political nationalism or the self-rule which was his final call. The paper will conclude with a remark that economic nationalism and political nationalism are complementary and supplementary to each other and none will be realized in true sense of the word without the achievement of other.

DRAIN - A NATIONAL LOSS

The theory of drain is not the invention of Dadabhai Naoroji. About 230 years ago in 1776 Adam Smith in his work *The Wealth of Nations* described the British rulers of India as 'plunderers of India'. ³ In 1857 Karl Marx used almost the same words as used by Dadabhai

Naoroji to describe the drain.⁴ Dadabhai himself refers to about a dozen of Britishers among his predecessors and contemporaries who vouched for drain.⁵ In the 19th century the drain of wealth from India to England took the form of unrequited surplus of export over import. It was in 1867 that for the first time Dadabhai Naoroji in his paper 'England's Debt to India' put forward the idea that Britain was extracting wealth from India as a price of her rule in India, that out of the revenues raised in India, nearly one-fourth went clean out of the country and was added to the resources of England', and that India was consequently 'being bled'.⁶ Dadabhai Naoroji dedicated his life to propagation of the drain theory and to launching a roaring campaign against the drain which was considered by him to be the fundamental evil of British rule in India.⁷

Since the statistical methods and standardized techniques of national income calculation were not very developed at that time, there was difference of opinion on the volume and extent of wealth transferred to England from India. But the fact that there was continuous drain of wealth from India to England was undisputed issue among the nationalist leaders at that time. Only the agents and some officials of British government did not accept the drain in toto and criticized it. But the truth could not be suppressed much longer.

EXPRESSION OF LOVE AND LOYALTY TO BRITISH RULE - A PERSUASIVE TACTICS

Dadabhai Naoroji was an admirer of British character and system. He acknowledged wholeheartedly the British contribution to India regarding education, centralized administration, discipline, political unification of the country, railways, telegraphs, hospitals, security, etc.⁸ But he could not reconcile himself to the outcome of British rule in India. To him the British rule in India was un-British in character. Hence the title of his book *Poverty and Un-British Rule in India*. He expressed his earnest desire to see in India the true British government. While addressing, a meeting in England in aid of the Indian Famine Relief Fund on July 1, 1900, he said, "If it were British rule and not un-British rule which governed us, England would be benefited ten times more than it is."⁹

Dadabhai Naoroji adopted a persuasive approach to cure the malpractices of British rule and get the drain checked. He frequently referred to British government's pledges and assurances given to Indians.¹⁰ He used to quote many British officials about the importance of India to British empire and that India's prosperity was a prerequisite for Britain's prosperity.¹¹ Perhaps it was his persuasive tactics that he reiterated in the 2nd session of the Indian National Congress that this Congress was not a nursery for sedition and rebellion against the British government and that it was another stone in the foundation of the stability for that government'.¹² Again in the ninth session of the Congress in Lahore in 1893 he declared, "We, the Congress are only desirous of supporting government, and having this important matter of poverty grappled with the settled, we are anxious to prevent the political danger of the most serious order declared to exist by the secretary of state himself. We desire that the British connection should endure for a long time to come for the sake of our material and political elevation among the civilized nations of the world".¹³ He also appealed to the morale of the British people and the government,¹⁴ and emphasized on cooperation to strengthen the British government.¹⁵

REALISATION OF ACTUAL BRITISH CHARACTER AND INTENTION

But all this was in vain. There was no sign of change in British policy of exploitation and suppression. Realising this, Dadabhai Naoroji started expressing his displeasure and disapproval of British rule in India. '... Is it just and fair, is it British that all the cost of such greatness and glory, and the prosperity of United Kingdom should be entirely, to the last farthing thrown upon the wretched Indians, as if the only relation existing between the United Kingdom and India were not of mutual benefit, but of mere masters and slaves. . . ?' ¹⁶ He exposed the reality of protection provided by the British government. He said, "The way you secure life and property is by protecting it from open violence by anybody else, taking care that you yourselves should take away that property". ¹⁷ In 1895 he clearly understood the aims and objectives of the government in colonization of India and declared that British India was indeed the British India and not India's India. ¹⁸ But he was slow in putting forward the radical demands.

SHIFT IN HIS STAND

Dadabhai Naoroji exposed the danger of drain forcefully and pointed out its impact on the Indian economy. According to him, it was drain that caused and intensified the famines in India. ¹⁹ It was the fundamental cause of mass poverty. ²⁰ The drain was not limited to that of wealth but there was political and intellectual drain too. ²¹ The drain was a slow poisoning to the India's national economy. According to Dadabhai Naoroji the injury inflicted to India by earlier foreign invaders was limited; it was once and over. But the British rule in India was an unending chain of drain and exploitation. ²²

Dadabhai Naoroji opposed the opium trade of Britain with China from the Indian land. According to him this being an act of immorality covered the intensity of drain. Had it been stopped, the British government would be fully exposed. ²³ The British government was behaving with India like a step mother. The other British colonies, e.g. Australia, are advancing and flourishing, but India's condition was worsening day by day. ²⁴

CALL FOR POLITICAL NATIONALISM AND SELF-RULE

Dadabhai spent his full energy to propagate the theory of drain. After years of reconciling effort and persuasion of British authorities, he was disappointed from lack of any reform on the part of British rulers and accordingly the sentiment of disloyalty crept into him whose full demonstration we find in his speeches of 1904 and 1905 in which he declared that the self-government is the only solution for India's misery. In his message of the Benares session of the Indian National Congress he asserted, "Without self-government the Indians can never get rid of their present drain, and the consequent impoverishment, misery, and destruction." ²⁵ Thus, he was guided from economic nationalism to political nationalism, and that the former could not be achieved without the latter. As early as in 1876, in his essay on 'Poverty of India', he laid stress on the fact that Britain was able to keep back a large part of India's exports

chiefly because of the political position it held over India. ²⁶ In 1896, he wrote a letter to Welby in which in an unambiguous term he stressed that drain was all simply the result of the unnatural administration and management of Indian resources by an alien country. ²⁷ He reiterated that Indians must have their full share of public employment and a voice in their own expenditure. ²⁸

In Calcutta session of the Indian National Congress, Dadabhai was overemphatic when he declared in his presidential address that all the political demands of the Indian people could be summed up in one word, 'self-government or *swaraj*', like that of the United Kingdom or the colonies. ²⁹

CONCLUDING REMARKS

Dadabhai Naoroji struggled for this cause for the next 12 years before he died in 1917. But the revolutionary spirit with which he filled the Indian masses continued to work till Indian people achieved the freedom in 1947, and forced the sun of British empire to set down in the East. Now at the passage of about half a century on acquisition of political nationalism, let us pause a moment and ponder whether we have achieved the economic nationalism too? Are we self-reliant in our economic matters and are our resources fully utilized for the nation? Are the fruits of our development and progress fully available to the masses or only enjoyed by some classes as it happened in the past? Is it not true that more than fifty percent of our population still living below the poverty line? If, the answer of these and similar questions is not clearly affirmative, our independence is not complete and the dream that the great Indian leaders saw about India of future has not realized yet. A state where masses are not fully satisfied and suffer from illiteracy, starvation and backwardness is always an easy prey to the machination for foreign powers and vulnerable to internal unrest. It is true, as Dadabhai envisaged, that the prosperity of masses or economic nationalism is not possible without self-rule or political nationalism. Similarly, it is also true that political nationalism or independence is incomplete without the welfare and prosperity of masses. Thus, both economic and political nationalism are supplementary and complementary to each other, and this is what to be struggled for.

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[*] Dr Islahi, a faculty member of the Department of Economics, Aligarh Muslim University, Aligarh, presented this paper to 78th Conference of the Indian Economic Association, held at Chandigarh, India, during Dec. 29-31, 1995. Full paper was published in the conference volume and included in: P.D. Hajela (ed.), *Economic Thought of Dadabhai Naoroji*, New Delhi, Deep & Deep Publication, 2001, pp 85-91.