“India in the World Economy”: A Response

JESSICA MOORE

Comparatively little is known about the history of the Indian subcontinent. A lack of hard facts empirically made it easier for individuals to assert seemingly plausible theories with little or no evidence; while few facts exist to bolster their position, even fewer exist to disprove it. During the past century, a number of groups have interpreted India’s economic history to suit their agendas. The British crown justified a century-long rule and harsh treatment of native Indians with the “orientalist” (or “imperialist”) view that the British Empire’s rule “heralded modernity in India” and thus, India was lucky to play host to colonization.\(^1\) The British brought the “self-legitimating ideas of colonial domination;” the subcontinent did not possess western social philosophy and economic policy, ergo the British were obligated to forcibly institute them.\(^2\) After British control ceased, Jawaharlal Nehru, India’s first prime minister, told the citizens of India that capitalist exploitation produced the nation’s economic woes, legitimizing strong protectionist measures for decades to come.\(^3\) As present day India becomes a rising power in the capitalist system that Nehru blamed for a dark past, questions remain about the reality of India’s economic history. Did the British, in fact, bring the shining beacon of capitalism to the East or were the peoples of the subcontinent already well on their way to a modern market system? Was the region actually as backward as the British crown led the world to believe?

It is not my goal in this essay to develop a theory about India’s recent history or what its future might look like. Rather, I elect to focus on the economic explanations for India’s fall to the British East India Company in 1757, as they shed light on how the region developed before the British and bring us closer to a historically accurate analysis of whether the subcontinent would or could have reached European-levels of advancement. Andre Gunder Frank proposes one theory regarding India’s pre-British economy. In “India in the World Economy, 1400-1700,” Frank posits that the subcontinent maintained a thriving center of commerce, which only fell prey to British expansionism due to problems caused by its own rapid development.\(^4\) I find Frank’s explanation lacking in both historical fact and causal logic, insofar as he focuses too greatly on the overall picture of the Indian economy, missing important details. The most historically accurate view of pre-modern India likely lies between the two most prominent ones. One side of the debate indicates that pre-British India experienced a complete lack of development, while the other portrays the region as economically flourishing during that time period.

Before understanding the debate, however, a basic history of the region must be noted. For the purposes of this paper, “India” does not refer to the present-day nation, but rather the approximate area it encompasses, south of the Hindu Kush Mountains and Tibetan Plateau. Hunter-gatherers originally populated the subcontinent. These early peoples arrived as far back as 30,000 BC; their descendants gave rise to Harappa, the earliest major civilization in India, between 2600 and 1900 BC. Harappa contained mostly farming villages, along with some minor cities, setting a precedent for an agriculture-based economy that would not be broken until industrialization. The Vedas, a set of religious hymns and one of our only sources of information about this era, indicate that the northern-based Indo-Aryans swiftly conquered large portions of the subcontinent around 1200 BC. Their abilities to craft iron weaponry enabled their rapid domination, and resulted in bloody competition between various Indo-Aryan tribes until around 400 BC. The spread of the Indo-Aryan religious practices, based on the Vedas, established most of the foundation for today’s Hinduism and planted the seeds of strict caste regulations. Over the course of the next millennium, a number of powers solidified parts of India, but their rules were consistently brief. During this era of rising and falling empires, the subcontinent’s overland trade with distant regions expanded, bringing the subcontinent increasing quantities of precious metals in exchange for textiles and agricultural products.

A series of European invasions characterized the next period of Indian history. The first Europeans to enter the Indian Ocean arrived by sea in 1498, flying Portuguese flags. The Portuguese dominated trade in the ocean for the next century and established control of some ports, but never made an effort to control land internal to the subcontinent. In the early 1500s, the Mughal Empire consolidated power over most of northern India, though southern India largely remained untamed. The mostly agricultural, village-based society contained significantly more urbanization and division of labor than previous civilizations in the region. The Mughals also aided in scaling up India’s previous experiences with monetization, making trade simpler both within the empire and with outside powers. During the reign of the Mughal Empire, the Dutch East India Company followed the Portuguese into the Indian Ocean and established a much larger trade regime than their predecessors ever maintained. The British East India Company, in its attempts to out-do the Dutch, declared war on the Mughal Empire in 1686, just at the peak of the empire’s power, resulting in a massive set-back for the British. European competition for trade dominance over the Indian Ocean continued for the next century, with little impact from or on the Mughals.

---

6 Ibid., 16.
7 Ibid., 20.
8 Ibid., 23.
9 Ibid., 35-54.
12 Ibid., 5.
13 Ibid., 4.
14 Ibid., 4.
16 Ibid., 13.
Many theories exist as to why the decline of the Mughal Empire ultimately began. Some historians suggest that the ruling power taxed its citizens beyond the point they could bear, while others posit that social divisions caused internal competitions for power. A number also put forth the theory that sudden economic disturbances created problems for the rulers’ attempts to fund their pursuits. Whatever the cause, as the Mughals’ power crumbled in later 1700s, the British East India Company became the most powerful force on the subcontinent. The British declared their second war on the rulers of India just as its decline began; this one ended in their favor. The Dutch company was losing strength, and the British poured significantly more money into the war than the Mughals were capable of spending. The British also possessed a more advanced infantry, which decimated the Mughal army. After removing the previous power, the British continued their trade circuit on a much larger scale and slowly advanced inward to establish control of overland trade.

While the extent of British Company rule fluctuated constantly, its continuous presence subjugated India, making it a dependent, mostly agrarian state. The British continued the Mughal’s practice of collecting taxes, but rather than being spent in India, the company transported this income back to Europe. Some speculated that British transfer of wealth from the subcontinent to England both enabled the industrial revolution in England and prevented it in India. About a century into British rule, the British Crown took control of the subcontinent from the British East India Company, immediately following an uprising by the Indians that threatened European dominance. The British left the subcontinent in 1947 in reaction to an increasingly violent independence movement, which arose from nearly two hundred years of British rule. Recent Indian economic success seems surprising given its colonial history and delay of industrialization.

**Historiography**

In spite of agreement about the historical events leading up to the British conquest of India, a significant issue of contention remains among historians. Before the British invasion, was India already behind economically or was the subcontinent’s economy comparable to any European nation’s? If India were underdeveloped prior to Company conquest, it would seem that its modern issues with underdevelopment were inevitable, regardless of its colonial experience. However, if the Indian economy thrived on a similar level to that of its conquerors, one would conclude the opposite, that the nation’s modern economic problems are primarily a function of British conquest.

---

21 Ibid., 18.
22 Ibid., 18.
23 Ibid., 18.
Historians seem divided on this issue. A majority indicates that the subcontinent’s economy lagged far behind that of the Europeans. David Ludden, history professor at the University of Pennsylvania, indicates that Indians simply did not have the technology to expand economically in a manner similar to their European counterparts. Urbanization drove technological progress, which fueled further economic growth and urbanization. Europeans began this self-perpetuating cycle; Indians did not. Shaibal Gupta, an Indian economist and social scientist, offers another theory. He noted the lack of capitalist drive for expansion in pre-modern India prevented growth. A growing minority, however, disagrees with these earlier historians’ conclusions. These “revisionists” describe a technologically advanced Indian society engaging in large quantities of trade. They accuse the more traditional scholars of writing tautologically the east succumbed to the west, ergo the west must have been stronger. For instance, David Washbrook, professor of Oriental Studies at Oxford, criticizes the dichotomy drawn between subsistence and market economies and argues that it is possible for a nation to have a combination of the two. While the revisionists, for the most part, recognize the pre-capitalist nature of pre-modern India, they refuse to embrace the characterization of the subcontinent as “backward.”

Frank falls decidedly in the latter camp. In “India and the World Economy,” he indicates that pre-modern India dominated Indian Ocean trade due primarily to its skilled and flexible textile workers and the diversity of exports provided at Indian ports. Frank contends that sea-based trade created prosperity for India, resulting in European trade deficits to the region, while internal, overland trade functioned similarly for more regional exchanges. In spite of minor trade deficits with the Chinese to the north, overland and sea trade complemented each other to make the subcontinent one of the most profitable areas in the world. Frank continues by arguing that the influx of silver from European colonization of the Americas improved the Indian economy by stimulating transactions. He posits that, in spite of the drastic increase in the quantity of silver imported to India, little inflation resulted and the large amounts of specie actually stimulated both Indian supply and demand. The resultant economic expansion in the subcontinent drove territorial expansion, greater trade and a population boom. Moreover, Frank notes that historians give science and technology on the subcontinent significantly less credit than it deserves. Misunderstandings and outright racism prevented an accurate look at these developments. India possessed some of the most advanced ship building techniques in the world and its textile industry was far and away the most innovative. Indian metallurgy and financial systems, as well, appear to have functioned at a level similar to those in Europe. Ultimately, the fall of the subcontinent to

28 Frank, “India in the World Economy,” PE50-PE55.
29 Ibid., 95.
30 Ibid., 95.
British rule, Frank concludes, cannot be attributed to the inferiority of any aspect of Indian economics or culture. Instead, a rise in the subcontinent’s population (due to economic expansion) produced major resource competition and social polarization in Indian society, allowing the British to enter a weak India and pit certain groups against others to the benefit of the company. I believe that Frank’s assessment of Indian levels of development is inaccurate. The subcontinent’s trade system, its economy’s ability to handle large specie influxes, and the regional technology all existed at much lower levels than Frank indicates.

I. Trade

In the first section of his paper, entitled “An Introduction to India in the World Economy,” Frank contends that India’s status as a major trade center indicates pre-modern economic success. He cites urbanization figures for port cities and large balance of trade surpluses with European nations in order to prove his theory. Frank, however, ignores the underlying problems that plagued the subcontinent’s economy in favor of the simpler picture given by the numbers. In spite of the large quantities of trade, many fundamental issues indicate that the Indian economy was not nearly as advanced as Frank would have us believe.

The people of the pre-modern subcontinent moved far more frequently than those in other Western Europe. Because Indian farmers relied on flood and rain as their crops’ primary sources of water, alterations in weather patterns forced families to move in order to maintain their agriculture-based livelihoods. The constant need for labor in most regions further encouraged a migratory lifestyle; it meant that there would always be opportunities elsewhere, potentially ones that would offer a higher rate of return on one’s labor. Construction work, in particular, attracted large numbers of laborers and artisans and then forced them into lifestyles of constant movement. The work “occurred everywhere and continually,” making the original job relatively easy to locate and attain, but the project was soon finished and those hired for it must then leave to find other sources of work. The pattern repeated every few years as most individuals could not find regular employment within a reasonable distance of one’s home. Moreover, the large quantities of trade to which Frank refers required transportation, taken care of by the Banjaras, a group whose primary source of income was to “transport bulk commodities.” Their lives, and the lives of their families, consisted of “travel from one daily encampment to the next.”

Frank credits the migrant nature of a large portion of the subcontinent’s populous with India’s “flexible adaptation to shifting market demands,” but that interpretation seems overly simplistic. The ability to relocate significantly decreased the incentive to invest in basic infrastructure; both the Chinese to the north and the arriving Europeans considered the irrigation

32 Frank, “India in the World Economy,” PE50-PE52.
33 Washbrook “India,” 91.
34 Ibid., 94.
36 Ibid., 94.
37 Ibid., 91.
38 Ibid., 91.
39 Frank, “India in the World Economy,” PE55.
networks that had been established to be “technologically deficient.”

The low levels of infrastructure later constrained per-worker productivity. The economy reached the point of diminishing marginal returns; adding another person to a project did little to improve production (or decreased net product) because of the minimal original capital investment. The variability within the economy also prevented strong divisions of labor. In order to decrease the risk that a family would lose its whole income due to one crop failure, most farmers “mixed farming with other activities—-weaving, laboring, soldiering.” Labor’s fluid movement tended also to prevent stable governance over small territories; “faced with an oppressive power, labor and capital were inclined to move.” Individuals avoided exploitation either by threat of movement or physically leaving, thus minimizing total surplus extracted from their work. Gupta states the effect:

In occidental countries investment of capital in mechanical devices provided the basis for technological change, because capital was mobile and was available for industrial investment. The productive use of ‘social surplus’ was the special virtue that enabled capitalism in the west to outstrip all prior economic systems.

Quite simply, it is difficult to justify investing significant time and capital in creating a large mechanical device if one will have no way to take the technology with him, when he is forced to move. It is true that this would still enable small technologies, but the movement of peoples certainly eliminated a significant amount of potential technological advancement. In India, movement of labor ensured that at least a few regions or industries would be producing efficiently, and most of the surplus could be redistributed to underperforming regions. Such redistributive trade between regions frequently took the form of land-based trade, the analysis of which is also crucial.

The unstable nature of overland trade not only indicates economic instability, but calls into question Frank’s thesis about India as a center of exchange. Weather determined most caravan routes, and so the variable weather of the subcontinent, including frequent floods and dry spells, made for irregular patterns of trade. European shipping company records indicate long import wait times due to stymied overland trade and broken contracts. In comparison, the fact that European ships’ logs express annoyance with India traders’ lack of timeliness indicates some variety of regularity existed in Europe. By convention, producers possessed the ability to cancel contracts without repercussions, so long as any down-payment was returned to the purchaser. Many scholars have also concluded that the majority of merchants who operated caravan routes within India could not garner enough revenue to expand their operation due to caravan

---

40 Washbrook, “India,” 92-93.
42 Washbrook, “India,” 96.
44 Gupta, “Potential of Industrial,” 474.
45 Washbrook, “India,” 95.
46 Washbrook, “Merchants,” 278.
47 Ibid., 278.
48 Ibid., 278.
49 Ibid., 278.
robbery, the arbitrary hand of the Mughal Empire and the trade monopoly possessed by ruling elites.\textsuperscript{50} Furthermore, during the centuries between Portuguese arrival and British colonization, overland trade routes to and from the subcontinent became increasingly lengthy as Middle Eastern and then European markets craved ever greater quantities of Indian products, only compounding the likelihood that some factor would disrupt them.\textsuperscript{51}

The insecurity of trade routes carries implications about Frank’s conclusion. Frank quotes Das Gupta to show that “most of the time sea activities had less influence on those on land than vice versa.”\textsuperscript{52} Sea traders desired goods only available through over-land trade; thus, if caravan routes were unstable, sea routes also did not run efficiently. Frank claims that the port traders functioned in “organic symbiosis with caravan routes,” but I find that claim to be an exaggeration at best.\textsuperscript{53} Moreover, Frank cites the trade between different regions on the subcontinent as a chief indicator of economic success, but given the instability of the trade routes that would have transported goods within India, the numerically-based “big picture” of trade misses the point. The apparent inefficiency of trade within India significantly decreased the likelihood of capitalistic expansion. Insecurity minimized risk-taking, and low profits decreased the extent to which Indian commercial powers could grow. While fortunes could be made, they were easily lost.\textsuperscript{54} Irritation with Indian merchants’ ability to deliver products to ports “on time” provided an additional impetus for European conquest of the subcontinent as a method of regulating delivery and maximizing profit.\textsuperscript{55} Even if one agrees with Frank’s argument that pre-modern India was a center of flourishing and efficient trade, some historians believe that the merchant capital (capital accumulated in an economy reliant on merchants as intermediaries) that was accumulated could not be transformed into industrial capital (capital accumulated in a capitalist society of price-takers).\textsuperscript{56} The latter must be highly investment-based and alienating—neither of which are features of merchant capital. Merchant capital-based economies also frequently allow producers to determine price because they are often the only supplier of a given good. In systems of industrial capitalism, however, producers are always subjugated by a higher class, which enables sufficient accumulation of capital and a drive to accumulate more.\textsuperscript{57}

Numerical totals of trade to and from India over time hide the drastic year-to-year problems. The subcontinent’s economy experienced violent fluctuations; “growth in every sector tended to be highly unstable.”\textsuperscript{58} The agriculture-based society depended largely on rainfall, which, in a dry year, caused problems for the subcontinent’s economy.\textsuperscript{59} India often experienced mass

\begin{itemize}
\item Washbrook, “Merchants,” 282.
\item Frank, “India in the World Economy,” PE51.
\item Ibid., PE51.
\item Washbrook, “Merchants,” 279.
\item Ibid., 282.
\item Habib, “Potentialities of Capitalistic,” 75.
\item Washbrook, “India,” 91.
\item Roy, “Economic History,” 114.
\end{itemize}
famines, as indicated by large changes in the price of food from year-to-year. As a general rule, “when a crisis developed within the agrarian system, it was bound to extend to the entire structure of the Indian economy.” Lack of Mughal commitment to food storage and the majority’s strong dependence on the market to overcome difficult times only compounded the problem. Lack of consistent food supply clearly reduced productivity. Famines also imply a decline in agricultural exports such as grain and indigo, which constituted the majority of long-distance trade leaving the subcontinent. Fluctuations in growth indicate that even though trade increased over long periods of time, India was not advancing economically. Frank’s analysis of Indian economic growth clearly misses a number of fundamental issues in the Indian economy that would have prevented the subcontinent from achieving European-like success.

II. Specie

The large quantities of trade on which Frank focuses in the first section of his criticism also become significant in his analysis of the specie influx into India. Upon arriving in South America, Europeans discovered a new method of paying their Indian trade partners, South American silver. The newly discovered specie took time to cross the Atlantic and Eurasia. Historians note a 30 year difference between the silver’s arrival in Spain and its first appearance in the Ottoman Empire. Using coin records and their knowledge of the time goods usually took to cross Eurasia, they conclude that silver’s introduction to India could not have occurred earlier than the first decades of the seventeenth century. Frank indicates that the silver European merchants paid to their Indian counterparts significantly stimulated industry in India; he concludes that “new means of payment generated new effective demand.” Frank also credits the silver influx with India’s population growth and territorial expansion.

Frank’s analysis of silver in the subcontinent does not sufficiently account for inflationary pressures on the market. William Hawkins, Captain of the first East India Company ship to arrive in India commented that “India is rich in silver, for all nations bring coin, and carry away commodities for the same; and this coin is buried in India, and goeth not out.” Even early observers noted the Indian dilemma: avoid trade with Europeans bearing silver or face upward pressure on prices. In response to this logic, Frank cites an article by Joseph Brenning, but gives no analysis as to how Brenning arrived at his conclusions. This absence of explanation is particularly relevant given that little price data exists and the records historians located are at best “scattered and fragmentary.” Anyone basing their understanding of pricing on written records would have

60 Washbrook, “India,” 91.
61 Habib, “Potentialities of Capitalistic,” 78.
62 Washbrook, “India,” 93.
65 Ibid., 478.
66 Frank, “India and the World Economy,” PE53.
not been privy to information about a great deal of market transactions, and thus, analyses of prices across time based on such data are likely incomplete.

Shireen Moosvi recently conducted what I would consider to be the most accurate study yet regarding Indian silver in the 17th Century. She noted that because the Mughal Empire required that each year all citizens bring their precious metals to a mint to be formed into coins, she could analyze the silver entering the economy by looking at the number of coins minted in a given year that appear in present Mughal coin collections. Moosvi showed that quantities of silver changed drastically from decade to decade; the amount entering the subcontinent declined from 290.72 tons per year between 1596 and 1605 to 121.46 tons per year between 1616 and 1625.69 Early in the century Moosvi notes a “wholesale absorption of silver in the Mughal currency system, where it practically entirely replaced copper money.”70 The silver would not have caused price inflation during the early 1600s (while the system could absorb it without price increases by abandoning copper), but a few decades later, after silver replaced copper as the primary medium of exchange. Moosvi concludes that there must have been a price change because the monetary supply grew larger without a corresponding increase in demand as indicated by unused coins (ie: coins not re-minted).71 Moosvi’s figures work out to show that price level of a given basket of goods increased 27% between 1615 and 1705, due in large part to the silver influx.72 Frank asserts that demand increased at the same time, but offers no figures to support that conclusion. He seems to avoid a fundamental question concerning the less than benign effects of European silver on India. Frank also indicates that population growth and growth in demand overcame potential inflationary pressures, but Moosvi’s evidence to the contrary is ultimately more compelling. Other historians similarly conclude that “the stream was so big that it led to a price inflation in spite of this absorptive capacity.”73

The Frank article also glosses over the possible effects of inflation, which are critical to a discussion of Indian economic success. In India, prices were based on an amount of specie, thus, when large quantities of silver entered the economy, all goods priced in silver had to be re-priced. Inflation can also stymie economic efficiency, because rapid price changes prevent the market from reaching a stable equilibrium. By avoiding the discussion of effects and focusing on the question of whether or not inflation occurred, Frank implicitly concedes that inflationary pressures on the subcontinent would have produced mostly negative impacts. Thus, I believe some amount of inflation likely did happen due to the specie influx, and its benefits (evidence for them being less than convincing) were outweighed by the disadvantages brought on by upward pressure on prices.

The evidence regarding whether Europe suffered from similar problems during its own “Price Revolution” is, as yet, inconclusive. Europe possessed the benefit of exporting a significant quantity of the incoming specie to India and the East, thus preventing as much accumulation of

70 Ibid., 85.
71 Ibid., 85.
72 Ibid., 88.
silver as would otherwise have occurred. In fact, John Richards went so far as to say that “the Dutch East Indian simply acted as a European way station for the flow of New World silver and pumped this out to its trading stations in the east.” While I could not locate records of European inflation during this time period, the Ottoman Empire’s average price of goods (which should somewhat reflect Europe’s due to proximity and trade relations) increased only 11% between 1600 and 1700. Ultimately, we need more data to reach a conclusion on the issue of inflation, but even if one assumes the Europeans faced similar levels of price change, Frank’s argument still appears to be in error. Similar levels of inflation and similar quantities of silver passing through the two regions logically aided European growth just as much as they did Indian growth. Such a conclusion eliminates silver influx as a logical reason for Indian economic advancement and, at worst, puts the two regions on the same level, all else being equal.

III. Technology

The third argument Frank posits in “India and the World Economy” is that present Eurocentric views of history have created a perception of technical superiority. He indicates that many historical conclusions about European superiority were drawn based on the tautological notion that because Europeans succeeded, they must have been more advanced. However, Frank believes that Indians possessed technology that put their European counterparts to shame, specifically more durable ships and more efficient textile production. I believe his conclusion is factually incorrect. Records of Indian technology do not indicate that the subcontinent raced toward modernity nearly as quickly as the Europeans. Moreover, I find that such technological development might have been very difficult given Indian economic structure during the period.

Frank’s analysis of pre-modern Indian technologies glosses over many of the areas in which the subcontinent was lacking. Early European travelers to the region “found Indian implements of production rather simple and crude.” Frank references Indian wootz steel exports to England, but India itself lacked either the desire or the capability to use its own product. European explorers noted a “sparing use of metal, wood often serving where iron might be expected” as well as a decided underdevelopment in terms of mining technologies. Artisans used tools sparingly, if at all. Many of the tools they attained were based on developments that occurred outside the region. Indians did not build deep mines, but instead collected iron ore through surface excavation.

Frank’s analysis revolves predominantly around the advanced nature Indian of ships and textiles. These items are less relevant to the discussion of Indian potential for an industrial revolution than are modern uses of metal, which drastically increased the precision of European

77 Habib, “Potentialities of Capabilities,” 62.
78 Ibid., 62.
79 Ibid., 62.
80 Ibid., 62.
technologies. Substitution of metal in place of materials such as wood also increased the life of any technology. Both improvements became critical to other technological developments, such as the steam engine. In general, Indian technologies existed on a comparatively small scale. The people of the subcontinent considered family-scale equipment to be “appropriate technology” as the small family farm was the predominant method of agricultural production. Even the large irrigation system Indians eventually established only came to exist due to its benefits to individual farmers, who at first worked alone to construct private systems for watering their own crops. It appears that Frank uses one example to prove a general statement, which does not hold up to scrutiny.

The lack of modernity in Indian technology likely arose from structural factors in the subcontinent. While some capital accumulation occurred, indeterminate ownership of the means of production hindered progress beyond that point. According to the Europeans who encountered this situation, “the question whether the land was owned by the raja, the talukdar, zamindar, the cultivator or the king was not a real question” because “each had claim based upon custom or upon grants made by the king or a raja, or upon grants made by a talukdar or zamindar.” Multiple individuals owned the land in different ways, meaning none of them possessed a solid claim to it. The constant question of who owned the land complicated any process of land development; fewer marginal benefits to development existed because all of the land “owners” shared revenue and control. The number of people in charge of a given piece of land also stifled invention. Intellectual property ownership is a key incentive to innovate. A worker who invented a new technology on the land did not truly own the technology, and thus had minimal incentive to invent it in the first place. Moreover, records of the subcontinent’s history tend to lack mention of exploitative production, or surplus extraction on par with those occurring in Europe. In Europe, capital accumulation from surplus extraction “provided the basis for technological change,” as it was available for investment in such developments. India, lacking the former, became unable to do the latter. Ultimately, it seems that “the weakness of Indian technology was not that it was primitive but it was unprogressive.”

82 Ibid., 8.
83 Ibid., 5.
88 Ibid.,1171.
90 Chatterjee and Rudra, “Relations of Production,” 1172.
91 Gupta, “Potential of Industrial,” 474.
92 Ibid., 474.
Conclusion

Frank concludes that the expansionary nature of the Indian economy ultimately led to overutilization of resources and social polarization due to resource constraints. Frank’s explanation of the resource crunch necessitates the concession that India faced issues of resource depletion, a fact which indicates the region could not have expanded for long due to its inability to effectively utilize resources. Excepting the regional constraints on resources, Frank concludes that India was highly advanced. I have concluded, however, that instability of trade prevented economic regularity and thus, consistent economic growth. The large influx of silver, which occurred as a result of India’s large trade surplus with Europe, may have contributed to the subcontinent’s economic decline. Regional technology seems to have been extremely unprogressive and not nearly as advanced as that which the Europeans utilized.

Thus far, no historian has explicitly taken issue with Frank’s “India and the World Economy.” Few have even responded to revisionist historians’ theories on India, but based on my analysis of Frank’s views, revisionist beliefs may not have historical grounding when applied to the subcontinent. The lack of discussion regarding pre-colonial India seems odd since it presents a fundamental historical question: What differentiated Europe from the rest of the world and enabled it to dominate only centuries later? Today, India thrives economically, but in spite of this overt growth, the nation possesses less obvious tendencies toward rural poverty and religious extremism. A lingering question exists as to whether history will repeat itself, if less than apparent issues will ultimately constrain future possibilities.

---

93 Frank, “India and the World Economy,” PE60.