

Abstract

This paper concerns the institutional origins of economic development, emphasising the cases of 19th-century India and Africa. Colonial institutions – the law, western style property rights, newspapers and statistical analysis – played an important part in the emergence of Indian public and commercial life in the 19th and 20th centuries. These institutions existed in the context of a state that was extractive and yet dependent on indigenous cooperation in many areas, especially in the case of the business class. In such conditions, Indian elites were critical in creating informal systems of peer-group education, enhancing aspiration through the use of historicist and religious themes, and in creating a ‘benign sociology’ of India as a prelude to development. Indigenous ideologies and practices were as significant in this slow enhancement of Indian capabilities as transplanted colonial ones. Contemporary development specialists would do well to consider the merits of indigenous forms of association and public debate, religious movements and entrepreneurial classes. Over much of Asia and Africa, the most successful enhancement of people’s capabilities has come through the action of hybrid institutions of this type.

Keywords: India, Africa, Colonialism, Development

C. A. Bayly is Vere Harmsworth Professor of History, University of Cambridge.¹

¹ Financial support from the WDR 2006/SIDA fund is gratefully acknowledged. The opinions expressed in this paper are solely the view of the author and should not be attributed to the World Bank, its executive directors and member countries, or any affiliated organisation.

I am very grateful to Vijayendra Rao and Michael Woolcock of the World Bank’s Development Research Group for the consistent interest they have shown in the development of this paper and for the many important suggestions for improvement that they have made. Other members of the Group contributed helpful comments at a seminar held at the Bank in 2006. I would also like to acknowledge the help of Simon Szreter and Ruth Watson of Cambridge University for their comments from the perspective of a European economic historian and an African historian, respectively. Research for this paper was partly carried out while I held the Chair of the South in the Kluge Center, Library of Congress, Washington DC in 2006. I warmly thank the Center and its staff for their help during my time there.