

## Mahadev Govind Ranade

Ranade (1842-1902) started his career as a lecturer in Economics in the Bombay University in 1864. He analysed the economic problems of India, laid down the conditions of economic development and suggested policies to achieve developmental goals. His chief works are:

Essays on India's Political Economy (1898)

The Rise of Maratha Power (1900).

## Economic Method

- According to Raneade theory, should not studied in isolation, but along with its applicability to particular situations.
- As the economic conditions differ from time to time and from place to place, there is no universal law applicable to all the countries at all times. Free trade theory which is considered beneficial to England may prove harmful to some other country.
- Economic theories are not to be deduced from a priori assumptions; but should be formulated on the basis of historical experiences and modified according to the varying circumstances.

## Economic Nationalism

Ranade viewed nationalism in a broader sense; a nation is strong when it is socially, economically, politically and religiously strong or when it has all-round development.

## Causes of India's Poverty

- Economic development depended not on revival but on the discarding of the old social and religious ideas.
- The caste feeling based on isolation and superiority of some groups over others.
- Lack of freedom of thought and irrational submission to the authority of sacred books.
- The doctrines of Karma which as reinterpreted as a doctrine of passivity, helplessness and lack of initiative.

- Belief is the theory of Maya or the deepness of mundane existence and economic advancement.
- The economical drain of wealth and talents, which foreign subjects has entailed on the economy.

⇒ In his inaugural address at Allahabad session of the social conference in 1892, Ranade raised the following Slogans for a change in ideas, attitudes and practices:

From constraint to Freedom; from credulity to Faith; from status to contract; from Authority to Reasons; From unorganised to Organised life; From Bigotry to Tolerance; and from Blind Fatalism to a sense of Human Dignity.

- ### Industrialisation
- Economic growth in India is to be initiated through industrialisation and active state participation.
  - Urbanisation also stimulates rational thinking and develops modern values. It also increases the productivity of agriculture.
  - Ranade suggested the following measures for developing industries in India:
    - The system of territorial division of labour based on the principle of natural advantages should be discouraged.
    - Urbanisation should be encouraged.
    - Means of communication should be developed.

## State Assistance

- Ranade was against the laissez-faire system and favoured active state aid and protection.
- The state was recognised as the national organ for taking care of national needs. It ally matters in which individual and cooperative efforts are not likely to be so effective and economic as national effort. Most important to meet cost of production.

## Eshwaran

- He was the first Indian economist to criticise the classical economic system and its abstract method and to appreciate the historical approach of Liebig and Sismondi.