

# **DADABHAI NAOROJI**

## **(1825 – 1917)**

Dr.D.Hema

**Presented**

**By**

**Dr.D.Hema**

# INTRODUCTION

- **Dadabhai Naoroji, the Grand Old Man of India,**
- **the father of Indian nationalism.**
- **He was from a rich Parsi family of Bombay**
- **an intellectual, educator, and a political and social leader.**
- **He was a Member of Parliament (MP) in the United Kingdom**
- **At the early age of 25, he was appointed**

# CONTINUE...

- ◉ **leading Professor at the Elphinstone Institution in 1850,**
- ◉ **In 1854, he also founded a fortnightly publication,**
- ◉ **he was Professor of Mathematics and Natural philosophy in Mumbai.**
- ◉ **Later, he became Professor of Gujarati at University College London. In 1874,**
- ◉ **he became Prime Minister of Baroda and was a member of the Legislative Council of Mumbai (1885–88).**

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# CONTINUE.....

- ◉ **Naoroji was elected President of the Congress in 1886.**
- ◉ **Naoroji published Poverty and un-  
British Rule in India in 1901.**  
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- ◉ **His book brought attention to the draining of India's wealth into Britain**

# **ECONOMIC IDEAS OF NAOROJI**

## **Poverty**

**The economic ideas of Naoroji are found in his celebrated work “Poverty and Un-British Rule in India”.**

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**He considered poverty as the major problem of India and attributed the mass poverty of India to the British rule.**

# CONTINUE..

- ◉ **According to him,**

- the continuous exploitation of  
India by the British government**

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- ◉ **the consequent draining of Indian  
wealth**

- ◉ **to Britain was the reason for the  
poverty of Indians**

# THE DRAIN THEORY

- ❖ **Dadabhai Naoroji is known for drain theory**
- ❖ **he focused on the drain of India's wealth - to England through the colonial rule.**
- ❖ **The consequence of foreign domination was the drain of wealth of India to Britain.**
- ❖ **Naoroji described 6 factors which resulted in the external drain.**

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# CONTINUE..

- **Firstly, India is governed by a foreign government.**
- **Secondly, India does not attract immigrants which bring labour and capital for economic growth.**
- **Thirdly, India pays for Britain's civil administrations and occupational army.**

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# CONTINUE....

- ◉ **Fourthly**, India bears the burden of empire building in and out of its borders.
- ◉ **Fifthly**, opening the country to free trade was actually a way to exploit India by offering highly paid jobs to foreign personnel.
- ◉ **Lastly**, the principal income-earners would buy outside of India or leave with the money as they were mostly foreign personnel.

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# **THE DRAIN OF WEALTH TOOK PLACE IN A NUMBER OF WAYS.**

❖ **First large remittances** were made by the **British officials** of their **savings in India.**

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❖ **Second large remittances** were made in the form of **salaries and pensions**

# CONTINUE..

- ◉ **Third**, India often had to pay for **government expenditure** in England and of course in India too.
- ◉ **Fourth**, **non-official Britishers** made **remittances** from **their business profits** in India.

**The money which has gone out of India to England**

# CONTINUE..

once again come back as **British Capital**  
**has monopolized trade and industry.**

○ **It has once again resulted in the drain  
of wealth.**

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○ **Thus, the drain has become continuous**

○ **it has affected capital formation in  
India.**

# CONTINUE...

- ◉ **Naoroji estimated - the drain was about 3million pounds at the beginning**
- ◉ **19th century to 30 million pounds towards the end of the 20th Century.**

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**When referring to the Drain,**

- ◉ **Naoroji stated that he believed some tribute was necessary as payment for the services that England brought to India such as the railways**

# **CONTINUE..**

**the money from these services was drained out of India.**

**India was paying tribute for something that was not bringing profit to the country directly.**

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**Instead of paying off foreign investment which other countries did,**

**India was paying for services rendered despite the operation of the railway were already profitable for Britain.**

# CONTINUE..

- ⦿ **This type of drain was experienced in different ways as well, for instance, British workers earning wages that were not equal with the work .**  
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- ⦿ **they have done in India, or trade that undervalued India's goods and overvalued outside goods**

# CONTINUE..

- ◉ **English men were encouraged to take on high paying jobs in India,**
- ◉ **the British government allowed them to take a portion of their income back.**

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# CONTINUE..

- ◉ **the East India Company was purchasing Indian goods with money drained from India in order to export to Britain.**

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- ◉ **Free trade allowed Britain to exploit India.**

# CONTINUE..

- ⦿ **Naoroji believed that to solve the problem of the drain**
- ⦿ **it was important to allow India to develop industries.**

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**CONTINUE..**

**According to Naoroji, certain measures  
are needed to reduce Indian poverty**

**India and England should pay all salaries  
to their people within their boundaries.**

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**CONTINUE..**

**As the Englishmen were paid reasonable salaries**

**they served India, there was no need to pay pension to them**

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**India should not be charged any portion of the expenditure incurred for the Indian navy.**

# THANK YOU

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