Postal variables as Proxy for Economic Growth in the Colonial Period

ANSHUMAN KAMILA
TATHAGATA DUTTA
P J PAUL
UTSAV SAKSENA

Abstract

The study attempts to add to the basic historical debates regarding economic development during the colonial period. It tries to use a new methodology to understand the level of economic growth between 1854 and 1914 and to draw a co-relation between the growth of postal services, a crucial service, and economic growth.

It can be seen that there was very limited economic development during the colonial period. This holds true even for the period 1854 to 1914. There was growth for a brief period of time subsequently, from 1914 onwards, due to the advent of the First World War. It is however wrong to dismiss the growth in postal network as for purely strategic needs. There are sufficient indications that the postal network grew in response to demand for its services from the service sector in the colonial period.

Literature review

The creation of proxies to measure and study economic outcomes has a long history in Economics. Good (1994) uses a weighted index of several proxies including mailed items per capita, the share of the non-agricultural sectors in the total labour force, and school enrolment ratios to measure the relative economic performance of Central and Eastern European territories in the Hapsburg Empire. Henderson, Storeygard, and Weil (2012) created a statistical framework that used satellite data on night-lights to arrive at a measure of economic growth to supplement official statistics. The method had the flexibility to be applied to several different jurisdictions as the unit of analysis. The final index created by Henderson et al. was successful in reducing bias and errors in the official statistics. Young (2012) uses microeconomic data from Demographic and Health surveys to create proxies to estimate the growth and level of consumption in Africa.

The studies quoted above concern relatively recent times, for which systematic and standardized data exists – collected and collated in modern and workable formats. For the purposes of our study, which pertains to the early part of the colonial rule in India, we have to rely on data sets constructed by previous scholars in their study of the period – since official and/or incontrovertibly trusted data is missing for the said time period. Also, the study we propose to undertake is unprecedented and devoid of any indicative literature from the past, to the best of our knowledge. We therefore proceed to use data pertinent to the period and context, and develop a framework for the intended investigation.

Sources

The empirical analysis of postal growth and economic growth requires data from the period 1854 to 1914. We have used secondary data from two well-researched works for postal and economic variables. The data for Net Domestic Product and Service Sector output has been obtained from Tables 4.3 A and 4.3B of The Cambridge Economic History of India Vol. II c. 1757-c. 1970 (ed. Dharma Kumar and Tapan Raychudhuri). The data for postal staff growth and growth in postal offices has been taken from Majumdar (1990).Both the data sets range between 1854 and 1914.

Introduction

The public post was established on 1st October, 1837, by the East India Company under the first Post Office Act XVII of 1837. The postal system in India came to be developed first under the supervision of Lord Clive in 1766 and later under Lord Warren Hastings when he established the first Imperial Post Office, i.e. the Calcutta G.P.O. under a Postmaster General in the year 1774. This culminated in the formation of the Imperial Post in the Bengal Presidency. In the Madras Presidency and Bombay Presidency, the General Post Offices came into existence in the year 1786 and 1793 respectively. The Presidency Postmasters General maintained the postal system independently in their respective jurisdiction in the initial days of the Indian Post Office; all postal rules and regulations framed and issued by each Postmaster General were inconsistent with each other, as there was no uniform procedure under one central administration in India. The Act XVII of the British Parliament in the year 1837 first regulated the post office on a uniform basis to unite the post office organisation throughout the three Presidencies into one All-India Service. However, the Post Office Act XVII of 1854 reformed the entire fabric of the postal system and the Post Office of India was placed on a common administrative footing on 1st October 1854. It is because of this very reason that in our paper, we have restricted ourselves to commence investigation from the year 1854. We have also not ventured beyond 1914 because of paucity of postal data. The economy of India between 1854 and 1914 is subject to several debates. It is impossible to review all these debates here in this paper; however, we have attempted to recapitulate a brief outline of two of the most important debates: The De-industrialization and The Drain of Wealth.

The De-industrialization Debate

A major issue in academic debates about the nature of the Indian economy under colonial rule has been the problem of de-industrialization, or the decline of the indigenous manufacturing industry. In the accounts of nationalist intellectuals, and in the commonsense of much economic history-writing till the 1960s, it was more or less assumed that the nineteenth century in Indian history saw a major decline of handicrafts that was not compensated by the rise of modern industry, that this decline continued into the twentieth century, and that large sections of the working population were forced into agriculture. From the 1960s on, these positions were complicated considerably by a number of revisionist critiques, and in one form or another, the literature bearing on the subject of de-industrialization has continued to grow right up till the present day.

It was the Census figures between 1881 and 1931 that provided the material that Thorner (1962) handled in his critique of the 'de-industrialization' orthodoxy. On the surface, the Census seems to bear out the orthodoxy quite unambiguously. In this period, the Census indicates a growth of the total working population from 115.1 million to 140 million. Within this, the number of people involved in agricultural work seems to have increased from 71.7 million to 100.2 million, and the number of workers in manufacturing activity seems to have fallen from 21.1 million to 12.9 million. Thorner's brilliant essay lays bare the loopholes in this apparently explicit statistical statement, with the basic insight that the categories used in the Census simplified forms and experiences of work that were actually much more complex, and drew clear boundaries between activities that in reality were much less differentiated. The clear separation made between people involved in manufacture and trade is an important instance of this problem. Industry and commerce are actually very difficult to disaggregate, since the household often straddled both spheres of activity, and the makers of goods were also often sellers of goods. Further, the census also separated agricultural labour from 'general' or unskilled labour. In Thorner's view, this is an arbitrary separation. It is possible to deduce from the Census figures an inverse relationship between agricultural and general labour: the years when one grew were also, invariably, the years when the other declined. This would suggest that the same people moved from agricultural labour to part-time non-agricultural activities (construction work, transport services and so on), and back. Finally, Thorner points out that the census figures about female labour were extremely unsound, since they were based on faulty enumerative practices. Women often refused to appear before the Census Commission, and the occupations of women were often equated with those of their husbands. Thus, to arrive at a sounder picture of the occupational structure of the Indian working force, argues Thorner, it is necessary to combine manufacture and trade under a single head, combine the categories of agricultural and general labour, and set aside the data for women (the figures for women involved in manufacture seem to have been especially grossly overstated for 1881). Having made these qualifications, Thorner arrived at the startling conclusion that there was, over these 50 years, a 1% rise in the agricultural working population, and a 3% decline in the numbers of people involved in manufacture and trade. In other words, the occupational structure of India stood unchanged.

The hard empirical grounding of Thorner's analysis is aeons removed from the entirely speculative nature of Morris (1968).Thorner's essay was a careful, meticulous and ultimately dazzling exercise in the interpretation of demographic data. It would not be inaccurate to say that Morris' piece is characterized chiefly by the absence of any kind of data. That said, the content of Morris' vast generalizations about the Indian economy is often (in fact usually) quite untenable, and also quite inexplicable. Statements like these are a case in point: 'Certainly, the general object of the raj was the welfare of the society.' Or: 'The British rule introduced the political framework of the…liberal nation state…Public order was established on a scale never seen before....Taxation and commercial regulations were largely eliminated.'

Matsui (1968) accepts the point that the competitive position of the handloom sector may have been strengthened by the low price of imported yarn. However, he argues, it is important to keep in mind the entirely destructive effect this would have had – and did have – on the indigenous spinning industry. Further, he takes issue with Morris' general conclusion that the Indian weaver benefited from the import of cotton from Britain. The general fall in prices owed as much to the cheapness of the cloth imported from Britain as to that of the yarn. Only the import of yarn would have benefited Indian weavers. Equally importantly, Matsui points out that Morris recognizes, quite correctly, that it was the contraction of prices that caused the expansion of demand, and not the reverse. In such a situation, if generalizations are to be made, it would be more logical to conclude that the position of the Indian weaver declined, especially in the absence of any evidence of qualitative technological changes in the weaving industry. (This is one area where Matsui's conclusions have become outdated, given studies of production processes in the traditional sector). Matsui also argues strongly for the need for a more regionally disaggregated and differentiated history of traditional industry. He points out that the demand for cloth varied very widely, and that not all cloth was bought and sold in the open market. In this context, it makes little sense to talk of a general 'shift to the right of the demand curve'. Regional experiences were, he argues, deeply inscribed into the picture of the fortunes and misfortunes of traditional industry. The survival, prosperity or destruction of handicrafts under colonial rule in specific regional contexts demands study on its own terms.

The 1980s and 1990s saw a series of regional studies that touched directly or indirectly on the subject of de-industrialization. The main focus of many of these studies was the handloom sector in the late nineteenth and the early twentieth century, and a great deal of empirical evidence, far richer than the de-industrialization 'debate' by itself could contain, was generated. The relevant arguments, for the purpose of this essay, are the ones put forward by Specker (1996), Yanagisawa (1993) and Guha (1989).

Guha (1989), on the handloom industry of central India from 1825 onwards, intricately weaves together a number of economic processes into a complex and nuanced historical narrative. As might be expected, the picture is a differentiated one, and the trajectory of change is uneven, although patterns and correlations can be deduced. For the 1820s, Richard Jenkins' report on Nagpur indicates a situation of flourishing textile manufacture and a large export trade. Jenkins' census (which only took into account the occupations of adult males) also demonstrates that a sizeable workforce was involved in both spinning and weaving. From the 1820s to the 1860s, statistical material is much more limited, but scattered information from official reports and the accounts of the Maheji fair at Khandesh suggest that the market for Nagpur textiles was still immense. Adverse changes, however, took place in the 1860s, as the prices of raw cotton soared. Local weavers dealing in coarser kinds of manufacture experienced a significant starvation of raw material, and a certain differentiation was generated by the shift to the production of finer fabrics, which were less affected by the boom in cotton prices. In general, though, weavers suffered, and this was exacerbated by the high price of food grains (which would have constituted the bulk of their expenditure), and the need to compete with cheaper imported textiles. The dependence of C.P weavers on hand-spun yarn made this struggle all the more unequal. Guha finds a marked decline in the weaving community of Nagpur city in 1866 as compared to 1825. Cotton production picked up after 1868, but there is evidence of considerable economic distress among weavers and spinners (especially the latter), as real incomes contracted. Between 1870 and 1895, two processes appeared to be tied together. First, the weavers shifted to machine-spun yarn, and the spinning industry underwent a great decline. Spinning appeared to be reduced to a secondary or part-time occupation, often combined with agricultural labour. Second, there was a distinct recovery in both the production and the consumption of handloom production, and the demand for coarse cloth picked up. Employment in weaving picked up, although the collapse of hand spinning meant a definite fall in cumulative employment between 1870 and the twentieth century.

This trend was partly modified and partly consolidated after 1900, as a cycle of scarcities and famines permanently destroyed hand spinning. Weaving employment also contracted, though production didn't fall substantially. Guha suggests that the poorest and least credit-worthy weavers would have been most likely to perish in this period of flux. There appears, in the statistical series of this period, a major discrepancy. While the consumption of yarn in traditional industry remained substantially unmodified between the 1880s and the 1940s, employment shrunk dramatically. Between 1901 and 1941, numbers of the employed declined from 150,000 to 70,000. Once again, distinct economic processes intersected here. Guha suggests that much employment in weaving would have become part-time, and many people involved in the production process would have not appeared in the census data, especially with the disappearance of spinning. The increase in yarn consumption after 1930 was also related to a technological change: the replacement of the throw-shuttle by the fly-shuttle. Thus, employment declined, working conditions may have become worse and more casualized for many, and productivity per loom is reported to have increased – and all of these were part of the same historical process.

The Central Provinces, despite the moderacy of Guha's conclusions, seem to bear out some key aspects of the de-industrialization argument quite clearly. The position of weavers had been fairly fluctuating and unstable throughout the period after the 1820s. Employment witnessed a fairly steady contraction from the 1870s, though not as steeply as that experienced in the previous decade. The spinning industry was obviously decimated, and weaving labour in many cases underwent a considerable deterioration in its terms of existence in the twentieth century. The other side of the picture is output and productivity, which underwent a certain qualitative expansion over time. In its basic outline, this does not seem so very different from the south Indian case, where again the case against de-industrialization seems to rest largely on the increase and sophistication of output. However, the individual features of the de-industrialization argument need disentangling and disaggregation, especially in the light of the complexity of the empirical data produced by regional studies. One part of the case for a decline in industry – the quantitative aspects of output and productivity – seems considerably weakened, or at least complicated, as a basis for argument. It is necessary, though, to examine the wider implications of the argument that India was 'de-industrialized'. Logically, this would surely indicate a fall in living standards in substantial sectors and a decline in employment. In other words, 'de-industrialization' also implies the tying together of structural changes in industry with growing immiserisation. In the case of textiles, such a historical correlation seems fairly plausible, though one needs to keep in mind here the qualification that it is unsound to extrapolate too much from such limited sectoral information.

Threading together the different critiques of the notion of de-industrialization, Roy (1999) has sought to evolve a different model of understanding the colonial economy (though he frequently evinces distrust for the use of colonialism as an analytical category). His motives are fairly transparent, and he spells them out in no uncertain terms: he seeks to develop a coherent account of the reasons for India's historical under-development, and to tie the changes in economic relations and international trade in the nineteenth century to factors other than colonialism and exploitation. In so doing, he touches directly on the issue of de-industrialization, and offers to supply an alternative grid of understanding. It would not be unfair to the structure of Roy's argument to describe it as a 'things-were-not-as-bad-as-you-claim' statement. However, it would be unfair to the real insights contained in his empirical investigations, and the implications of these go well beyond any simple 'neo-imperialist' claim. Even when disagreeing with Roy, it is possible to recognize that his work calls for a paradigm shift in the study of traditional small-scale industry.

The real strength of Roy's work is its analysis of the changes in the organization of production and the emergence of what might be described as quasi-capitalist relations in the traditional sector of Indian industry. The significance of this is that it necessitates fresh research along these lines. However, pioneering though it is, Roy's studies of production relations are also rather incongruous. A glance at his bibliography reveals a reference to the English economic historian Maxine Berg, whose brilliant studies of the transformations of traditional industry and labour in the eighteenth century in England are quite possibly a major influence on his own work. Berg had, in the 1980s, demonstrated the significance of changes in organisation of production and the flexibility of management practices in the early Industrial Revolution, and had brought into question the focus on the large-scale factory as the prime (sometimes sole) digit of analysis in an organizational landscape that was extremely diversified though quite uniformly exploitative. Roy's data suggests the validity of enquiries along similar lines in the Indian context, especially given the present-day ubiquity (and, in the neo-liberal age, the sudden legitimacy) of brutally exploitative working conditions and flexible employment practices in an industrial world dominated by small production units. However, Roy's own arguments are wedded too closely to neo-liberal economic doctrine and an unproblematic belief in the free market to allow much nuance after a point.

De-industrialization, to sum up, has been a controversial issue in Indian economic history over almost forty years. In the different positions that have emerged in the academic debate, there seems to be something to be said for – and against – both sides. The overall picture seems more differentiated than any hard-and-fast position would allow. It might tentatively be suggested that there was probably genuine de-industrialization in a number of regions in the nineteenth century, which has direct relevance to the proposed study of the correlation between postal service growth and economic growth. Industrialisation, to a certain extent, acts as a stimulant for investment in the postal service as units develop to demand reliable communication networks; it may also develop as a consequence to provision of a robust communication network that the postal system provides. It is instructive therefore to investigate the relationship between industrial variables and postal system variables, which we do in our analysis.

The Drain of Wealth Debate

The 'drain of wealth' theory, together with deindustrialization, formed the central theme of the Nationalist critique of the exploitative nature of British rule in India. The apparent lack of growth and development of the Indian economy during the colonial period led to a debate about the role of the British government in this regard. The debate began in the 1860s with a critique of the British government by the Nationalists.

The Nationalist school, led by Moderate Congressmen, laid the foundation of the debate between the 1860s and 1905, when its spokespersons Dadabhai Naoroji and R.C. Dutt first spoke of the abuses suffered by the Indian economy as a direct consequence of British rule. This was, however, different from the earlier racial critique of British rule. These scholars argued that India was a flourishing economy prior to British imperialist penetration. The blame for the subsequent lack of progress and persistent backwardness was put on British rule. The Nationalist view was based, therefore, on two assumptions – that decline outweighed growth, and that this was an outcome of British colonial policies.

By the last quarter of the 19th century, the drain took other forms since there was no longer any revenue surplus. At this time, India was the largest purchaser of British exports, a major employer of the British civil servants at high salaries and an important source of the Empire's armed forces, all of which were financed by local revenue. The main form that the drain took, however, was that of excess of exports over imports, for which India got no economic or material return. Naoroji called them 'unrequited' exports since India did not get any share of the profits made upon the sale of goods in European markets. This was, in fact, the essential difference between British rule and earlier rulers like the Marathas or the Mughals; they too had accumulated wealth, but that had stayed within the country. However, the British carried out a continuous drain and exported part of India's national wealth to England, without India getting any adequate return.

Chaudhuri (1968) opposed the Nationalist attempt to explain poverty and stagnation in the colonial period in context of British exploitation. As opposed to the 'wider definition' of drain adopted by some scholars, Chaudhuri gave a 'narrower definition', including only the trade surplus and Home Charges. Further, he saw this as a part of the overall colonial relationship and the terms of trade between a developing and a developed country. According to him, there was always exploitation in the relationship between a primary-producer country and a manufacturing one, in which the former was always at a disadvantage. He also viewed the term 'unrequited exports' as inappropriate since the tributes paid by India were actually Home Charges. India was paying for gold imports and invisible service charges such as freight on shipping, insurance and banking commissions, etc., which he says amounted to 5%

of India's national income in this period. So it was not significant enough to explain India's under-development.

Chaudhuri also pointed out that when a unilateral transfer of capital takes place through exports which are financed by government budgetary expenditures, the immediate effect is to bring the foreign trade multiplier into action, which restores the level of domestic income to the pre-taxation level. Therefore, even if there was a leakage of real resources from the economy, the level of money income remained the same. According to Chaudhuri, in order to measure the value of the drain, it was important to use a 'value added' concept. The cost of producing the exports must be subtracted from their final sales value. This difference represented the real income leakage. He also asserted that in the long run, it was not so much the capital payments as the absence of active measures for economic development which were responsible for the continuing poverty of India. The highly favourable conditions which characterized Indian exports in the 2nd half of the 19th century could have been turned to India's advantage if there had been systematic plans for economic modernization. But this opportunity was lost because Indian foreign trade was a dependent factor in an Imperialist system, which didn't give primary importance to transformation of the domestic economy.

The Nationalists had alleged that British rule expropriated all resources above subsistence, leaving no surplus for any growth. For instance, it was argued that the insufficiency of working capital available in India was due to absence of any large capital accumulation, which, in turn, was partially the result of the drain of capital from India to Britain. Some modern historians working within the Nationalist tradition argued that capital did increase in India but that it accumulated in the hands of 'parasitic' groups of landlords, usurers and native aristocrats who preferred to hoard the specie rather than channel it into productive investments. However, Colonial writers point out that the Nationalists tended to ignore the internal drain caused by conspicuous consumption of these 'parasitic' classes. Also they did not take into account the problems pertaining to technique, entrepreneurial skill or technology necessary to transform an economic surplus into industrial capital. Further, although there was some growth, it developed at a rather slow pace owing to domestic factors, namely cultural, religious and social barriers.

There is very little doubt that the British gained a lot, both economically as well as politically, from their occupation of India. However, this is only tangentially related to the drain of wealth hypothesis. An important question that needs to be analyzed is whether the Indian economy would have developed better if British rule had not been established in India. In conclusion, we may say that though the theory of the drain of wealth has been criticized and revised by subsequent historians, it made an important contribution in terms of explaining the poverty in India. It must also be remembered that apart from the economic implications of the theory, its real importance lay in its political implications, as it enabled the early Nationalists to assert that India's economic backwardness was due to India's political position, i.e., being ruled by a foreign power. As Roy (1999) says, the drain of wealth argument was a 'political tool' for early Nationalists, which were later re-established by Leftist-Nationalist historians as correct and valid descriptions. Further, it is important to view this theory in conjunction with other factors such as the absence of measures for economic modernization within India or the expropriation of capital by parasitic elite that led to backwardness in British India.

Summary

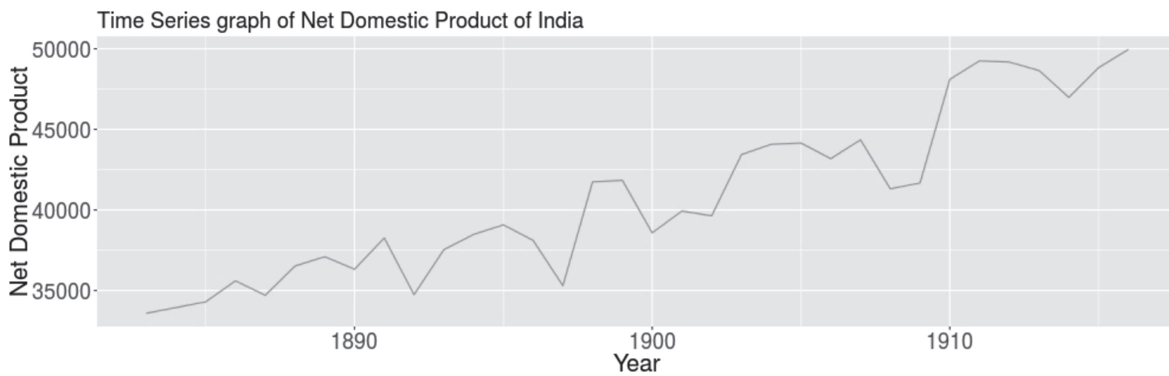
In this paper, keeping in mind the broad framework of the de-industrialization debate and the drain of wealth debate, we have tried to analyze whether postal growth can be taken as an indicator for economic growth. In our mind, there is no doubt that this is an arduous task since postal growth is a very minor variable when compared to more substantial variables as already articulated in the preceding literature review. It is not our attempt to analyze whether there was economic growth in colonial India between 1854 and 1914, but to examine whether postal growth had any effect on the economy or not. It is clear to us that there was no substantial growth in the economy between 1854 and 1914 and our exercise in analyzing the postal and economic data sets only reconfirms the notion.

Methodology

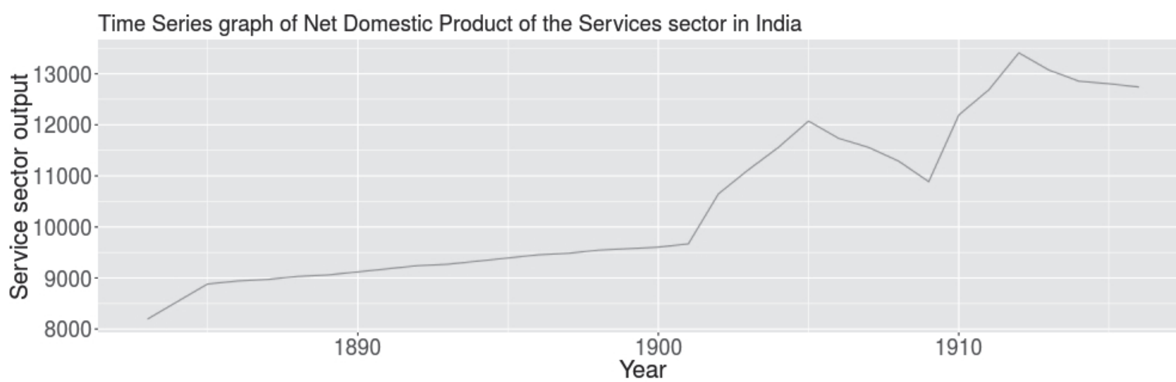
We have processed the postal and economic data by drawing simple line graphs and compared the graphs to draw co-relation in the period 1854-1914.

Analysis

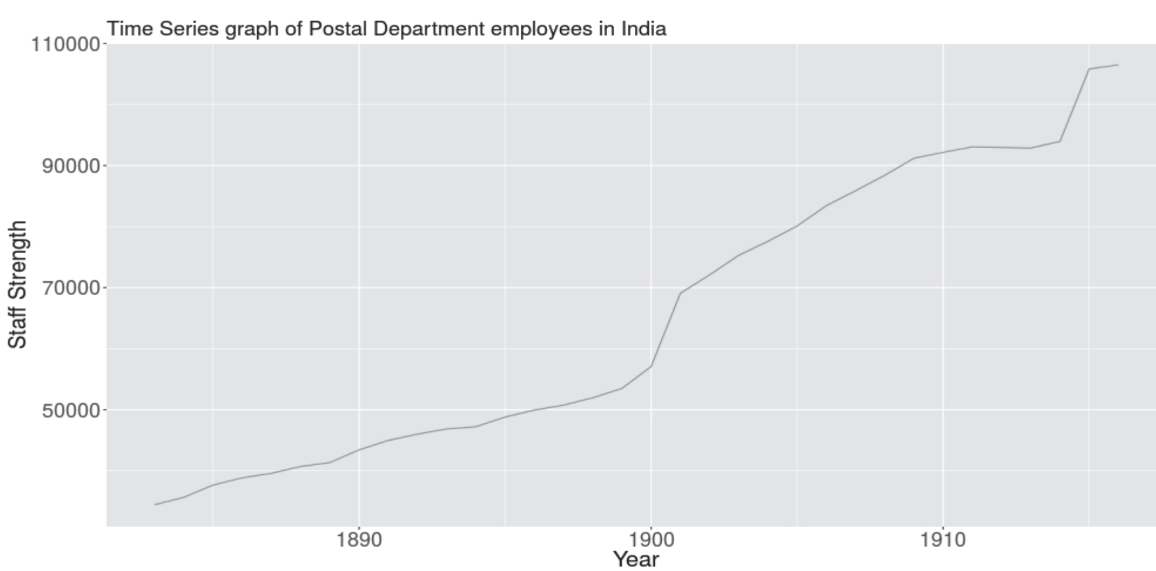
Graph 1



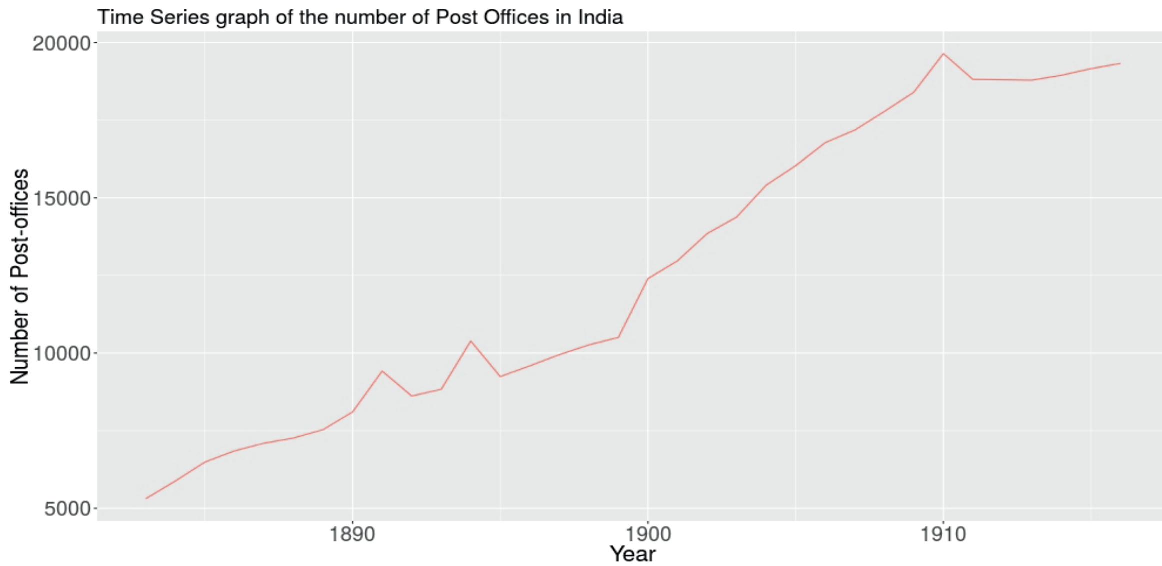
Graph 2



Graph 3



Graph 4



Using the raw data, we have drawn comparative graphs. From a simple study of the graphs, it is evident that there is very little co-relation between NDP as shown in Graph 1 and the two postal variables i.e. Staff Strength (Graph 3) and Number of Post Offices (Graph 4). This is natural as earlier discussed, the Indian economy was highly agrarian and therefore there is little co-relation between NDP (dominated by the agrarian sector) and growth in postal variables.

This situation is somewhat better if we compare Service Sector Output and the growth in postal variables. This was anticipated because the service sector output (involving services such as banking, insurance, remittances, etc.) is more likely to be influenced by the postal system than others.

Accordingly, we witness a close fit between movement in postal staff numbers and movement in service sector output in colonial India starting from the 1900s. In Graph 2, the service sector experienced a boom in terms of expansion of output, which continued well up till 1905 before getting moderated. Accordingly, we see a significant spurt in hiring of postal employees during the said period (Graph 3).The service sector boom was in fact, a reflection of the global expansion of the commodity market. Jute from India became a major export item and this led to a corresponding increase in the service sector. The 1905 slump in the service sector was because of the Swadeshi Movement in Bengal which adversely affected the Jute Industry in Bengal. The review on the operation of post offices in India during the period of ten years from 1890-91 to 1900-01 made by the Director General reveals the growth of the rural delivery facilities. The total number of village postmen or rural messengers was 6,251 (1890-91); 7,291 (1895-96) and 7,936 (1900-01). The rate of increase had been lower during the last five years than during the preceding five years, and the rate of progress, judged by the figures alone, may appear to be slow. Moreover, many of those who were formerly designated village postmen were no longer included under that head, as all delivery agents who returned daily to the post office to which they were attached, were classified as postmen. The total number of postmen and village postmen, taken together was 14,802, 16,871 and 19,141 during the years respectively. The new post offices opened year by year were small village offices in charge of extra departmental agents, as they were termed, for extending facilities of rural delivery and sale of postal stationery at the door of the rural inhabitants.

Carrying on with the analysis, we notice that the service sector was subject to substantial gyrations in output during the period 1905 to 1915, even as the long term output trend of the service sector for the period taken from 1900 to 1915 is a positive climb. The postal system simultaneously continued its accelerated hiring program to accommodate the rise in the service sector over the said period. The fluctuation in service sector output during the 1905-1915 period was not reflected in a similar behaviour in the number of postal employees perhaps because of the government's ignorance about the temporary setback to the service sector (to be fair, the period of fluctuation was too short-lived to have provoked an administrative response) or due to rigidities in public sector employment conditions (lack of flexibility in hiring-and-firing decisions). A slight moderation in hiring of postal employees in the period around 1910 is, however, noticeable and could be attributed to the slowdown and/or variation in service sector output. In general, we also record similar behaviour of number of postal employees and service sector output in the broad period of consideration – that is, a moderate growth rate in service sector output and number of postal employees till 1900 and a more accelerated growth in both parameters thereafter. The causation seems, from literature, to have run from service sector growth to postal growth rather than the other way.

The number of post offices in India, on the other hand, is assumed to be less sensitive to service sector output. This is reasonable to argue, because the quickest way to cater to greater demand for services is by taking in more people and enhancing efficiency; whereas expanding the network by splitting jurisdiction under existing post offices into multiple other offices comes only as a last response. However, we do observe a similar trend in number of post offices vis-à-vis service sector output and number of postal employees – that is, a smaller rate of expansion till 1900 and a faster growth thereafter. The minor blips – where the number of post offices rose for a brief period before falling to a lower level, albeit higher than the number of post offices before the rise – can be attributed to taking over of postal administration of zamindari dawks and further rationalizing the number of offices as per the integrated postal network under the British administration. Thus, we can assert with an agreeable degree of certainty that the postal system indeed grew in response to demand for its services from the service sector in colonial times.

Conclusion

It can be seen from the above study that there was very limited economic development during the colonial period. This holds true even for the period 1854 to 1914. There is a brief growth subsequently due to the advent of the First World War from 1914 onwards. It is however wrong to dismiss the growth in the postal network as for purely strategic needs. There is sufficient indication that the postal network grew in response to demand for its services from the service sector in the colonial period. Based on the analysis above, we are inclined to conclude that the postal system grew in response to the demand for postal and allied services and the role of postal service in inducing greater economic activity is not so pronounced. However, the latter conclusion is so far tentative and is a promising field for further research and investigation based on tools and techniques, which are beyond the remit of our immediate agenda.

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Anshuman Kamila *is a Post Graduate in Economics from Delhi School of Economics, where he was the Dr Manmohan Singh Fellow for 2015-16. A major in Economics from St Stephen's College, University of Delhi, Anshuman has contributed to national and global journals and also writes short pieces on popular applications of economics. He has headed several publication wings in college life and has bagged numerous honours and scholarship programs from Delhi University, National Council of Educational Research and Training (NCERT) and Bank of Tokyo-Mitsubishi UFJ (BTMU). Anshuman can be reached at kamila.anshuman@gmail.com*

Tathagata Dutta *pursued his undergraduate at St Stephen's College, University of Delhi and is currently enrolled in the World History MPhil Programme at the University of Cambridge, UK. He is working on the Bengali diaspora in Malaya and Singapore during the Second World War. He is interested in modern South Asian history and economic history, and war economics, especially the Second World War. Tathagata can be reached at tathdutta@gmail.com*

P J Paul *is a graduate in economics from St Stephen's College, University of Delhi. An avid reader, Paul also has a knack for research on a wide range of topics in economics, apart from a taste for testing theories empirically. He has presented his findings at several forums, including the South Asian Economics Students Meet 2015 in Colombo. Debating is his hobby. He is currently an Associate at IDinsight and Strategy Consultant for INDUSaction. Paul can be reached at pjpaul.stephens@gmail.com*

Utsav Saksena *did his undergraduate studies in Economics from St. Stephen's College, University of Delhi. He is currently pursuing a master's degree in Economics from Tilburg University in the Netherlands. His research interests include economic and financial development, economic history, and the international political economy. He is equally interested in the empirical side of the subject with a particular focus on the fields of behavioural and experimental economics, even as he follows the latest academic developments in political science and law. Utsav can be reached at dodgevipercrazy@gmail.com*