

of 1919. The Gold Standard Fund could be used for investment in public utilities and produced revenue for the government. However, the Silver Certificate Reserve could not be used for that purpose, and thus it did not produce any revenue for the government. Nagano documents that during the early 1910s the BIA was endeavoring to increase the revenue of the Philippine government through an efficient management of both currency reserves. The idea was to combine the two currency funds and grant the Philippine government the authority to use the combined funds for increasing its revenues. After many reforms reflecting BIA's intentions, the two currency reserves were combined in order to compensate for the depletion of the Gold Standard Fund in 1918.

Nagano concludes that the consequence was the financial crisis. With the economic boom that accompanied WWI, Filipino and American bank officials provided numerous large loans to export businesses. With the sudden collapse of the export market at the end of the war in 1918, these loans could not be repaid. The combined Gold Standard fund was depleted in 1919. The book would be an excellent read for those who look for a thoughtful analysis on the relationship between the crisis and the instability of the currency system. It will also help students and scholars to understand the political and administrative system of the Philippines in relation to the political influence of the BIA, and the organization link between Washington and Manila.

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*A New Economic History of Colonial India.* Edited by Latika Chaudhary, Bishnupriya Gupta, Tirthankar Roy, and Anand V. Swamy. London and New York: Routledge Press, 2016. Pp. xiv, 270. \$160, hardback; \$59.95, paper.  
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What happens when leading economic historians of South Asia gather at a conference? An exciting new book. The book is really a hybrid between a textbook and a collected volume. Chronologically, the chapters span India's colonial experience, from the origins of the East India Company to the Partition. Thematically, they cover both broad topics such as trade, labor, and industry, and more India-specific phenomena such as the railways and land tenure systems. To appeal as a textbook, each chapter is presented in an accessible way, with useful comparisons to other geographical regions.

In the first substantive chapter, Stephen Broadberry and Bishnupriya Gupta show how India fits into the Great Divergence debate, tracing the pattern of wages and GDP growth from 1600–2000. The first date falls late within the reign of the Mughal emperor Akbar, a time of relative peace and prosperity in much of India, and coincides with the chartering of the English East India Company. Strikingly, Broadberry and Gupta find that the amount of grain the average wages of unskilled workers in India could buy was 95 percent of those in Britain as late as 1650. The relative fortunes of unskilled workers begin to diverge after that, and severely so in the eighteenth century. In fact, unskilled Indian workers had yet to match their own counterparts from Akbar's time in terms of their grain wages as late as 1961. Indian per-capita GDP as a whole, already only 60 percent of that in Britain in 1600, fell substantially in both absolute and relative terms until the nineteenth century. As Broadberry and Gupta point out, the divergence happens well before the Battle of Plassey in 1757, preceding British rule over substantial Indian

populations. This suggests that the colonial experience can only be part of the story of why India fell behind.

The colonial causes for Indian underdevelopment, both relative to the rest of the world, and within-regions of India, are compared in subsequent chapters. Gopalan Balachandran, Bishnupriya Gupta, Indrajit Ray, and Susan Wolcott shed fascinating light on colonial trade and industrial development. India's pre-colonial position as the leading global exporter of cotton textiles does not, of course, survive the Industrial Revolution or colonization. However, the U.S. Civil War provides a new opening. It not only disrupted U.S. exports of raw cotton to Britain but northern U.S. textile exports as well, allowing the re-emergence of Indian textile manufacturing. Gupta points to the role of within-ethnic network information flows in explaining the segregation of British and Indian capital into different sectors. With superior information on European demand, British firms dominated export-oriented sectors, such as jute and tea. In contrast, Indian firms knew Indian markets, and entered import substituting sectors. Cotton textiles in particular reemerged as the core of indigenous industrial activity. The picture is enriched further by Balachandran. He points out, for example, that Gujarati cotton traders were part of a global network, carrying *Marekani* textiles from Salem, Massachusetts to East Africa. The U.S. Civil War therefore allowed Indian textile makers to divert this trade, gaining market share not only in India but in East African markets as well. Wolcott shows that, ultimately however, such openness did not bring large efficiency gains. Labor productivity stagnated well into the 1930s in virtually all industrial sectors. She argues that the relative rise in industrial wages reflect industrial workers acting collectively to restrict work and collect rents rather than production processes adapted to India's relative labor abundance.

Indian capital was disproportionately deployed in Western India, archetypally in the cotton mills of Bombay and Gujarat. These regions continue to be among India's most prosperous. In contrast, the jute and tea industries, dominated by British export firms, were located in the Northeast, centered around Calcutta, areas where economic development has lagged. Explaining the differing development trajectories across regions within India is, in my view, the second key theme of the book.

On the one hand, British rule unified diverse parts of the sub-continent, both economically and politically. Daniel Bogart and Latika Chaudhary discuss how, surprisingly, the nationalization of railways in British India rendered them more efficient, reducing trade costs and fostering migration. And Tirthankar Roy points to the emergence of such outside options in reducing traditional self-employed artisanship in favor of wage labor.

Yet, India's colonial experience also accentuated other regional differences. Chaudhary traces literacy rates and education across regions of India, pointing to the incentives of upper caste individuals to redirect local education expenditures. Prashant Bharadwaj and Kevin Quirolo document how the Partition moved relatively literate and skilled groups across borders, particularly benefiting Pakistani cities such as Karachi. Lakshmi Iyer explains divergent economic performance as the result of two institutional differences: the extent of direct versus indirect rule by the British, and the different land tenure systems the British chose to adopt in areas that they did rule. In native states, concentrated disproportionately in the West, some Indian rulers, such as Sayajirao of Baroda, adopted more enlightened educational policies. Among those conquered early, such as Bengal, the British also codified inequitable institutions that gave landlords significant power. In later conquests, including in Western India, the British did away with such intermediaries, having arguably important consequences for the subsequent distribution of political and economic power.

The perennial challenges of monitoring agents and administering India effectively is the third key theme of the book, a topic addressed by Santhi Hejeebu examining the East India Company and Anand Swamy more generally. Instead of the distributional consequences of land tenure, for example, Swamy points to the costs of monitoring as the key parameter in shaping the effectiveness of colonial policies, whether it be monitoring landlords collecting revenue or peasant producers who could sell their production elsewhere. He contrasts indigo, where intermediaries in Bengal resisted the monitoring of the coercive practices, leading to social unrest and undermining the industry, to opium, where the East India Company established a monopoly as well as a careful monitoring structure, and there was sustained profitability for some time.

I greatly enjoyed reading the book and found much in it that will be very useful both in teaching and as a reference for researchers. The book covers its chosen topic—the Indian colonial economy—well. What would I have like to see more of? First, I would have loved a deeper consideration of the parallel and sometimes confounding political developments, from the collapse of the Mughal empire, to Tipu Sultan’s attempts to build modern Indian state, to the coalitions for self-rule. The Congress movement, for example, is mentioned only twice in the book, and George III gets more mentions (2) than Gandhi (0). However, the work presented could, I believe, be highly informative of India’s broader political economy. For example, the chapters on India’s industrial sector, taken together, provide intriguing directions for explaining why industrial workers and capital provided the vanguard of India’s struggle for both autarky and democratic self-rule. Relatedly, Broadberry and Gupta’s finding that India falls behind *before* the colonial period emphasizes the importance of pre-colonial conditions, including political and cultural ones, in shaping trajectories both in the colonial period and beyond. I would have loved to learn more about how. Third, I wished there had been more dialogue and synthesis between the different works. We get intriguing hints into different factors that shaped regional differences, particularly between the landlord hinterlands of Calcutta, where British capital was paramount, and the more equitable tenure systems, coinciding with greater indigenous capital in Bombay and the West. However, I wanted a greater idea of the common drivers of these components, their relative importance and how they interacted to shape the whole elephant.

Ultimately, however, the book provides a great resource for appreciating the state of the art of much of Indian economic history. I will definitely be referring to it time and again in my own research and recommend it strongly to those teaching not just economic history but as great background for classes in development economics and political economy as well.

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#### GENERAL AND MISCELLANEOUS

*The Great Depression in Latin America*. Edited by Paulo Drinot and Alan Knight. Durham and London: Duke University Press, 2014. Pp. 362. \$26.95 paper.  
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The global financial crisis that began in 2007 and its repercussions sparked an interest among economists to turn to history for an explanation. Economic historians throughout the world have been revisiting the causes and consequences of the famous