

A Historical Study of Economic Nationalism: Economic Nationalism and the Development of Indian Business during the Freedom Movement

Dileep Kumar Yadav¹, Meenakshi Goenka²

^{1,2}Research Scholar

ABSTRACT

Economic nationalism played a significant role in shaping the economic dimensions of India's freedom movement and contributed substantially to the emergence and expansion of indigenous Indian business. This study examines the historical relationship between economic nationalism and the development of Indian entrepreneurship during the colonial period, with particular emphasis on the Swadeshi Movement, indigenous enterprise, nationalist economic thought, and the creation of institutions supporting Indian commerce and industry. Colonial economic policies, including discriminatory tariffs, restrictions on indigenous industries, and the extensive export of Indian raw materials, created structural challenges for Indian entrepreneurs. In response, nationalist leaders, intellectuals, traders, industrialists, and consumers promoted economic self-reliance through the production, consumption, and circulation of indigenous goods.

The Swadeshi movement particularly encouraged the establishment of Indian-owned enterprises, banks, insurance companies, textile mills, and commercial organizations. Business leaders such as Jamsetji Tata and other emerging Indian industrialists contributed to the development of indigenous industrial capacity while simultaneously participating in the broader nationalist economic discourse. The study also explores the role of institutions such as indigenous banks, chambers of commerce, cooperative organizations, and business associations in strengthening Indian commercial interests.

It argues that economic nationalism transformed business from a purely commercial activity into an instrument of political resistance and nation-building. The interaction between nationalism and entrepreneurship contributed to the formation of an indigenous capitalist class and laid important foundations for India's post-independence industrial development. The study concludes that economic nationalism was not merely a political response to colonial exploitation but also an important historical force in the evolution of modern Indian business.

Keywords: Economic Nationalism; Swadeshi Movement; Indian Business; Indigenous Entrepreneurship; Freedom Movement

INTRODUCTION

Economic nationalism emerged as an important dimension of Indian nationalism during the late nineteenth and early twentieth centuries. Although the Indian freedom movement is commonly understood in terms of political resistance to British colonial rule, its foundations were also deeply connected with economic questions concerning production, trade, employment, consumption, capital formation, and control over indigenous resources. Colonial rule substantially reorganised the Indian economy around the interests of the British Empire, creating conditions in which Indian nationalists increasingly viewed economic independence as an essential component of political freedom. Economic nationalism therefore developed as an intellectual and practical response to the perceived economic consequences of colonialism and gradually became an important instrument for mobilising Indian society. Goswami (1998) demonstrates that, during the late nineteenth century, nationalist thinkers increasingly conceptualised India as a distinct national economic space, linking the ideas of territory, economy, and political community.

The colonial transformation of the Indian economy had important implications for indigenous business. Traditional handicrafts and manufacturing activities faced increasing competition from British manufactured goods, while colonial trade arrangements facilitated the integration of India into an imperial economic system. Indian economic thinkers consequently began to question the distribution of the benefits generated by colonial commerce. The critique of colonial economic policies was articulated by early nationalists through discussions of poverty, the drain of wealth, discriminatory economic arrangements, and the limited opportunities available to Indian entrepreneurs. Economic nationalism thus

involved not merely opposition to imported goods but a broader aspiration to create an economic system in which Indian capital, enterprise, labour, and consumption would contribute to national development.

The development of indigenous business should therefore be understood within this wider transformation of nationalist thought. Indian entrepreneurs were not simply passive participants in a colonial economy. During the nineteenth and early twentieth centuries, merchant communities, industrialists, financiers, and emerging business associations increasingly sought opportunities to expand Indian-owned enterprises. Textile production became particularly important, especially in Bombay and Ahmedabad, while Indian capital gradually entered other sectors. The historical development of Indian business was consequently connected with both commercial opportunity and nationalist aspirations. Kaushik and Dutta (2012) note that Indian business evolved through important historical changes in sectors such as textiles, sugar, jute, coal, tea, and coffee, while business organisations increasingly sought to influence government policies affecting commercial interests.

Economic nationalism was consequently neither a single doctrine nor a uniform movement. Different groups interpreted it differently. For some nationalist thinkers, it meant protection of indigenous industries and the promotion of Indian manufacturing. For others, it involved the revival of village industries and handicrafts. Still others regarded the accumulation and deployment of Indian capital as central to achieving economic sovereignty. This diversity became particularly evident during the Swadeshi Movement, when economic boycott, indigenous production, nationalist consumption, and political mobilisation became closely interconnected.

Swadeshi Movement and the Growth of Indigenous Enterprise

The Swadeshi Movement following the partition of Bengal in 1905 represented a major turning point in the history of Indian economic nationalism. Swadeshi, broadly associated with the use and promotion of goods produced within India, transformed economic behaviour into a form of political action. Boycotting British products and purchasing indigenous alternatives enabled consumers to participate directly in nationalist politics. At the same time, the movement created incentives for the establishment and expansion of Indian-owned enterprises. Goswami (1998) argues that the development of Swadeshi involved the nationalisation of economic and territorial conceptions, thereby connecting economic activity with the construction of national identity.

The significance of Swadeshi extended beyond the simple rejection of foreign goods. It encouraged Indians to reconsider the relationship between consumption and national development. Indigenous enterprises were increasingly represented as institutions serving a collective national purpose. Investment in Indian companies, support for local manufacturers, promotion of indigenous banking and insurance, and the establishment of commercial associations became components of a wider programme of economic self-strengthening. Recent historical scholarship has also demonstrated that the intellectual roots of Swadeshi extended well before 1905. Patel (2024) shows that nineteenth-century attempts to revive Indian industries involved educational institutions, exhibitions, associations, and engagement with international debates concerning free trade, protection, and industrial development. These initiatives created intellectual and institutional foundations that subsequently influenced the Swadeshi Movement.

The relationship between nationalism and business, however, was complex. Indian entrepreneurs were motivated by both economic interests and nationalist considerations, and these motivations did not always coincide. Businessmen needed access to markets, finance, technology, infrastructure, and government support, while colonial policies frequently favoured British commercial interests. Consequently, economic nationalism could provide Indian entrepreneurs with a political framework through which they could demand greater protection and equal commercial opportunities. At the same time, participation in nationalist activities could strengthen the legitimacy and market position of indigenous enterprises.

This interaction is particularly evident in the development of what later became known as Swadeshi capitalism. Velkar (2020) argues that Swadeshi provided an important connection between nationalism and capitalism in late-colonial Bombay. The principle that Indian capital should be deployed for the benefit of Indian industries became increasingly significant by the 1930s. Thus, Swadeshi gradually evolved from a movement primarily associated with the boycott of British goods into a broader conception of economic nationalism concerned with the protection and expansion of Indian capital.

The role of business communities also became increasingly visible during the interwar period. Indian commercial groups, including Marwari businessmen and Gujarati industrialists, expanded their economic influence and, in some instances, developed closer relationships with nationalist political organisations. Misra (1999) demonstrates that Indian business communities increasingly challenged British commercial dominance during this period, with some entrepreneurs acquiring significant interests in enterprises previously controlled by British agency houses. The growing interaction between Indian

business and nationalist politics also encouraged demands for legislative measures that would restrict the dominance of British firms and create greater opportunities for Indian enterprise.

Economic Nationalism, Indian Business and Nation-Building

The relationship between economic nationalism and Indian business became still more significant during the decades preceding independence. The expansion of Indian enterprise contributed to the emergence of an indigenous capitalist class whose interests increasingly intersected with the objectives of the nationalist movement. However, the relationship between business and nationalism should not be interpreted as entirely harmonious. Indian industrialists and commercial groups sometimes supported nationalist demands because such policies could advance their economic interests, while political leaders expected business communities to contribute to national development. Chakrabarti (2009) highlights this debate by showing that Indian big business supported economically nationalistic policies during the interwar period, although historians have differed over whether this support primarily reflected nationalist commitment or business interests.

The economic nationalist agenda also changed over time. In the early Swadeshi period, the emphasis was strongly placed on boycott, indigenous production, and protection from foreign competition. During the Gandhian era, economic nationalism acquired an additional social and ethical dimension through the promotion of khadi, village industries, and self-sufficiency. Gandhi's interpretation of Swadeshi connected political freedom with everyday economic behaviour and encouraged Indians to produce and consume indigenous goods. Trivedi (2010) notes that Gandhian Swadeshi sought economic self-sufficiency from Britain and placed khadi and indigenous production at the centre of mass nationalist mobilisation.

At the same time, industrialists increasingly advocated a more modern industrial interpretation of economic nationalism. Their objective was not simply to revive traditional industries but also to develop large-scale manufacturing, modern technology, infrastructure, finance, and industrial capacity. This produced an important tension within Indian nationalism between Gandhian village-centred economic ideals and industrial visions of national development. Nevertheless, both approaches shared a fundamental concern: the strengthening of India's economic autonomy and reduction of dependence upon colonial economic structures.

The historical study of economic nationalism is therefore essential for understanding the development of Indian business during the freedom movement. Economic nationalism helped create a political and cultural environment in which indigenous enterprise could be represented as an element of national service. At the same time, the growth of Indian business strengthened the material foundations of nationalism by generating indigenous capital, commercial institutions, employment opportunities, and organisational networks. The interaction was mutually influential: nationalism provided Indian entrepreneurs with new markets, legitimacy, and political objectives, while indigenous business provided economic resources and institutional capacity for the wider struggle against colonial domination.

The study of this relationship also challenges the conventional separation between political and economic history. The freedom movement was not only a struggle for constitutional or political sovereignty; it was also a struggle over who would control production, commerce, capital, consumption, and economic policy. Economic nationalism consequently functioned as a bridge between political mobilisation and economic transformation. By examining the Swadeshi Movement, indigenous entrepreneurship, business associations, Indian capitalists, and changing nationalist economic ideas, the present study seeks to demonstrate that the development of Indian business during the freedom movement was an important component of the broader historical process through which economic independence and political freedom became interconnected.

REVIEW OF LITERATURE

The literature on Indian economic nationalism begins with critiques of colonial exploitation and the economic "drain" from India. Naoroji (1901) provided an influential foundation by arguing that colonial rule systematically transferred Indian wealth to Britain. Dutt (1901, 1903) further analysed colonial land, trade, taxation, and industrial policies and connected them with India's economic underdevelopment. Chandra (2018) comprehensively examined the rise of economic nationalism between 1880 and 1905, demonstrating how nationalist leaders transformed economic grievances into an organised critique of colonialism. Goswami (1998) extended this interpretation by showing how economy, territory, and national identity became interconnected during the emergence of Swadeshi. Bayly (1986) similarly situated Swadeshi within the longer history of Indian cloth production and consumption.

Swadeshi Movement and Indigenous Enterprise

Scholars have increasingly examined Swadeshi not simply as a political boycott but as an important stimulus to indigenous enterprise. Sarkar (1973), in his classic study of the Bengal Swadeshi Movement, demonstrated the relationship between political mobilisation, boycott, indigenous production, and nationalist consciousness. Bhattacharyya (2008) specifically explored Swadeshi enterprise in Bengal between 1880 and 1920, highlighting the growth of indigenous commercial initiatives. Patel (2024) has recently reassessed the nineteenth-century roots of Swadeshi, arguing that industrial revival, exhibitions, educational institutions, associations, and international economic debates contributed to its development before 1905. Trivedi (2007) further examined Gandhian Swadeshi and demonstrated how khadi and indigenous production transformed everyday consumption into a form of nationalist participation.

Emergence of Indian Industrial and Business Classes

The development of Indian business has received substantial attention from economic and business historians. Bagchi (1972) analysed private investment in India between 1900 and 1939 and demonstrated the gradual expansion of indigenous capital. Ray (1979) examined the growth and conflicts of the private corporate sector during 1914–1947, providing important evidence concerning Indian industrial development. Tomlinson (1993) placed Indian business within the broader transformation of the colonial economy. Tripathi (2004) offered a comprehensive historical account of Indian business and the emergence of indigenous entrepreneurial groups. Oonk (2014), focusing on Calcutta, Bombay, and Ahmedabad, identified different patterns in the emergence of Marwari, Parsi, and Gujarati industrialists and emphasised the importance of social background, colonial attitudes, and intermediary networks.

Business, Nationalism and the Indian National Congress

Another major strand of literature investigates the relationship between Indian business and nationalist politics. Markovits (1985) demonstrated that Indian big business was heterogeneous and that its relationship with Congress changed considerably during the 1930s. Misra (1999) showed that Marwari businessmen and Gujarati mill owners increasingly challenged British commercial dominance and, in some cases, developed close connections with the Congress. Chakrabarti (2009) revisited the debate over whether Indian big business supported economic nationalism primarily because of patriotic commitments or because nationalist policies corresponded with commercial interests. Mukherjee (2019) similarly argued that Indian business increasingly aligned with the national movement while simultaneously developing a critique of imperialism.

Recent Interpretations and Research Gap

Recent scholarship has increasingly connected economic nationalism with the history of capitalism. Velkar (2021) conceptualises “Swadeshi capitalism” as a relationship between Indian capital, indigenous industry, nationalism, and responses to globalisation. This approach moves beyond the traditional interpretation of Swadeshi as merely a boycott movement. Goswami (2004) similarly connected colonial economic transformation with the construction of national economic space. Kudaisya (2018) examined Indian business and the Bombay Plan, highlighting the longer-term evolution of economic ideas among business leaders. Subramanian (2016) explored the development of Bombay's merchant entrepreneurs, while Markovits (1985) and Misra (1999) illuminated the political dimensions of business activity. Collectively, the literature establishes that economic nationalism contributed to the growth of indigenous enterprise, but there remains scope for an integrated historical study connecting Swadeshi, indigenous entrepreneurship, business institutions, nationalist politics, and the long-term development of Indian capitalism. The present study addresses this gap by examining economic nationalism as both an ideological movement and a practical force influencing the development of Indian business during the freedom movement.

Research objectives

1. To examine the historical emergence and evolution of economic nationalism in India and its role in challenging colonial economic policies during the freedom movement.
2. To analyse the contribution of economic nationalism, Swadeshi initiatives, and indigenous entrepreneurship to the development and expansion of Indian business during the freedom movement.

RESEARCH METHODOLOGY

The present study adopts a historical and qualitative research methodology to examine the relationship between economic nationalism and the development of Indian business during the freedom movement. The study is primarily based on secondary sources, including books, scholarly journal articles, government publications, contemporary economic writings, archival materials, newspapers, and historical documents relating to the Swadeshi Movement, indigenous industries, Indian entrepreneurs, and nationalist economic policies. Primary historical writings of thinkers such as Dadabhai Naoroji, R.C. Dutt, Mahatma Gandhi, and other nationalist leaders are examined to understand the evolution of economic nationalism.

Relevant works of historians and business historians are critically reviewed to identify changing interpretations of Indian entrepreneurship and indigenous capitalism. A descriptive, analytical, and interpretative approach is employed to examine the relationship between nationalist ideology, economic policies, consumer behaviour, indigenous enterprise, and business institutions. The study uses historical analysis and contextual comparison to trace developments from the late nineteenth century to independence in 1947. The findings are interpreted thematically to establish how economic nationalism contributed to the growth of Indian business and economic self-reliance.

Analysis

The present analysis examines the historical relationship between economic nationalism and the development of Indian business during the freedom movement in accordance with the two research objectives: first, to examine the emergence and evolution of economic nationalism and its role in challenging colonial economic policies; and second, to analyse the contribution of economic nationalism, Swadeshi initiatives, and indigenous entrepreneurship to the development of Indian business. Since the study follows a historical, qualitative, and documentary methodology, the “data” presented below are historical and documentary data compiled from established scholarly works and primary economic writings, rather than survey data generated through contemporary respondents. Accordingly, the tables provide chronological, thematic, and comparative evidence from the historical literature.

Emergence of Economic Nationalism as a Response to Colonial Economic Policies

Economic nationalism developed in India as a response to the structural consequences of colonial economic integration. Early nationalist economic thinkers argued that India's resources, labour, markets, and revenues were being utilised disproportionately for imperial interests. Dadabhai Naoroji's *Poverty and Un-British Rule in India* (1901) formulated the influential “Drain Theory,” according to which a substantial portion of India's economic resources was transferred to Britain without an equivalent economic return. R. C. Dutt (1901, 1903) similarly examined land revenue, taxation, trade, agriculture, and industrial decline and argued that colonial economic arrangements contributed to widespread poverty and the weakening of indigenous productive capacity. Bipan Chandra (1966) subsequently demonstrated that economic nationalism became an important intellectual foundation of the Indian nationalist movement, particularly from the late nineteenth century onward.

The historical evidence suggests that economic nationalism evolved through several stages rather than appearing suddenly with the Swadeshi Movement. It initially involved economic criticism of colonial rule, subsequently developed into advocacy for indigenous industry, and ultimately became associated with protection, industrialisation, self-reliance, and economic planning. Dinyar Patel's recent research demonstrates that the roots of Swadeshi extended into the nineteenth century through industrial revival efforts, educational institutions, exhibitions, associations, and engagement with international debates on free trade and protection.

Table 1: Major Historical Stages in the Development of Economic Nationalism

Period	Major Development	Economic-Nationalist Emphasis	Implication for Indian Business
c. 1870–1885	Early economic critique	Colonial exploitation and economic drain	Development of economic consciousness
1885–1905	Organised nationalist economic thought	Indigenous industry and criticism of discriminatory policies	Growing support for Indian enterprise
1905–1908	Swadeshi Movement	Boycott of foreign goods and promotion of indigenous goods	Stimulus to indigenous production
1919–1930	Gandhian mass nationalism	Swadeshi, khadi, village industries	Expansion of nationalist consumer consciousness
1930–1939	Increasing business–nationalist interaction	Protection, Indian capital, industrial development	Greater political organisation of business
1940–1947	Economic planning and industrial nationalism	Industrialisation and economic sovereignty	Foundation for post-independence industrial policy

Source: Compiled from Naoroji (1901), Dutt (1901, 1903), Chandra (1966), Sarkar (1973), Goswami (1998), and Velkar (2021).

The table demonstrates a gradual transition from economic criticism to economic action. In the early phase, nationalists primarily sought to expose the economic consequences of colonialism. By the Swadeshi period, however, economic nationalism increasingly demanded practical alternatives. This distinction is important because the development of Indian business cannot be understood solely through the growth of industrial output. The nationalist movement also attempted to change patterns of consumption, investment, enterprise formation, and attitudes towards indigenous capital.

Swadeshi and the Transformation of Consumption into Economic Resistance

The partition of Bengal in 1905 provided the immediate political context for the rapid expansion of Swadeshi. The boycott of British goods transformed economic consumption into a form of political participation. Sumit Sarkar (1973) established that the Bengal Swadeshi Movement combined political protest with attempts to promote indigenous industries and enterprises. Swadeshi therefore created a new relationship between the consumer and the national economy: purchasing an indigenous product could be represented as an act of patriotism, while purchasing a foreign product could be interpreted as supporting colonial economic interests.

Goswami (1998) argues that Swadeshi contributed to the construction of a national economic space by linking territory, economy, and political identity. Her interpretation is significant because it shows that economic nationalism was not merely an economic policy preference. It was also an attempt to redefine the meaning of belonging to the nation through everyday economic behaviour.

Table 2: Documentary Evidence of the Economic Dimensions of Swadeshi

Dimension	Historical Expression	Business/Economic Consequence
Boycott	Rejection of British manufactured goods	Reduced social legitimacy of imported products
Swadeshi consumption	Purchase of indigenous goods	Expansion of potential domestic markets
Indigenous production	Promotion of locally manufactured goods	Encouragement to Indian entrepreneurs
Nationalist investment	Preference for Indian-owned ventures	Greater visibility of indigenous capital
Khadi and handicrafts	Promotion of domestic production	Support for village and small-scale producers
Economic associations	Organisation of commercial interests	Greater collective bargaining capacity
Industrial revival	Emphasis on manufacturing	Long-term industrialisation agenda

Source: Analytical compilation from Sarkar (1973), Goswami (1998), Trivedi (2007), Patel (2024), and Velkar (2021).

The evidence indicates that Swadeshi affected business through both demand-side and supply-side mechanisms. On the demand side, nationalist consumers were encouraged to purchase indigenous products. On the supply side, entrepreneurs were encouraged to manufacture products that could substitute for imported goods. This created a potentially reinforcing relationship: nationalist consumers generated demand for Indian products, while Indian enterprises attempted to satisfy that demand.

Dinyar Patel (2024) adds an important qualification to this interpretation. His study demonstrates that Swadeshi enterprise did not originate exclusively from political mobilisation after 1905. Nineteenth-century industrial revival efforts had already involved institutions, exhibitions, educational initiatives, technological experimentation, and international intellectual influences. Thus, 1905 should be understood as a moment of acceleration and mass political mobilisation rather than the absolute beginning of indigenous economic nationalism.

Economic Nationalism and the Emergence of Indigenous Industrialists

The second research objective concerns the contribution of economic nationalism to the development of Indian business. The historical evidence suggests that the relationship was reciprocal. Economic nationalism encouraged support for indigenous enterprises, while the growing presence of Indian entrepreneurs provided a material basis for nationalist aspirations.

Gijsbert Oonk's research identifies three important patterns in the emergence of indigenous industrialists between 1850 and 1947: Marwari participation in Calcutta's jute industry, Parsi involvement in Bombay's cotton industry, and Gujarati industrial development in Ahmedabad. Oonk identifies colonial attitudes, minority/intermediary status, social background, and occupational experience as important explanatory variables. This finding cautions against attributing the growth of

Indian business exclusively to nationalism. Indigenous industrialisation had economic, social, regional, and community-specific foundations.

Table 3: Major Centres and Groups Associated with Indigenous Industrial Development

Centre	Major Business Community / Group Identified in Scholarship	Important Sector	Historical Significance
Calcutta	Marwari entrepreneurs	Jute and commerce	Expansion from commercial activity into industry
Bombay	Parsi entrepreneurs	Cotton textiles and industry	Early indigenous industrial capitalism
Ahmedabad	Gujarati industrialists	Cotton textiles	Development of Indian-owned manufacturing
Bengal	Indigenous entrepreneurs	Diverse manufacturing	Swadeshi-oriented industrial initiatives
Wider India	Merchants, financiers and industrialists	Banking, insurance, manufacturing and trade	Expansion of indigenous economic institutions

Source: Based principally on Oonk (2014), Tripathi (2004), Misra (1999), and Velkar (2021).

The table shows that Indian business development was geographically and socially diverse. Economic nationalism did not create entrepreneurship from nothing. Rather, it provided an ideological framework through which existing commercial groups could reinterpret their economic activities as contributions to national development. This was especially significant in industries where Indian entrepreneurs competed with established British firms.

Oonk's analysis is particularly useful because it avoids a simplistic nationalist interpretation. The development of indigenous industrialists was influenced by colonial policy, occupational mobility, community networks, access to capital, and regional economic conditions. Economic nationalism therefore functioned alongside these factors rather than replacing them.

Development of Swadeshi Capitalism and the Changing Role of Indian Business

A major transformation occurred during the interwar period when economic nationalism became increasingly associated with the interests and political organisation of Indian business. Aashish Velkar's concept of "Swadeshi capitalism" is especially relevant. He argues that by the 1930s the principle that Indian capital should benefit Indian industries had become an important component of nationalist thought. Swadeshi consequently developed from a relatively straightforward boycott of foreign products into a broader economic philosophy concerned with the protection and utilisation of Indian capital.

This transformation is significant because it connected political nationalism with capitalist development. Indian industrialists increasingly sought economic policies that could reduce the dominance of European commercial interests and create a more favourable environment for Indian-owned enterprises. At the same time, their support for nationalism cannot be understood exclusively as selfless patriotism.

Manali Chakrabarti (2009) identifies an important historiographical debate concerning the motivations of Indian big business. One interpretation holds that Indian business groups transcended narrow economic interests and actively participated in anti-imperial nationalism. Another argues that their support for economic nationalism was substantially influenced by commercial interests, particularly their competition with European businesses. Chakrabarti shows that Indian big business campaigned for economically nationalistic policies during the interwar period and that antagonism between Indian and European commercial interests became increasingly significant.

Table 4: Changing Relationship between Business and Economic Nationalism

Historical Phase	Dominant Relationship	Business Interest	Nationalist Objective
Before 1905	Emerging relationship	Protection of indigenous enterprise	Critique of colonial economic policy
1905–1918	Mobilisational	Expansion of indigenous demand	Boycott and Swadeshi
1919–1930	Increasing interaction	Market development and protection	Economic self-reliance
1930–1939	Institutional engagement	Protection and industrial expansion	Economic nationalism
1940–1947	Strategic alignment	Industrial development and planning	Economic sovereignty

Source: Analytical synthesis based on Markovits (1985), Misra (1999), Chakrabarti (2009), and Velkar (2021).

The evidence therefore supports a dual interpretation of business nationalism. Indian entrepreneurs could simultaneously be motivated by commercial self-interest and nationalist objectives. These motivations were not necessarily contradictory. In a colonial economy where British firms enjoyed substantial institutional and commercial advantages, policies promoting Indian enterprise could serve both national and business interests.

Gandhian Swadeshi and the Broadening of Economic Participation

The Gandhian phase broadened economic nationalism beyond large industrialists and urban commercial groups. Gandhi placed Swadeshi, khadi, village industries, and self-reliance at the centre of mass mobilisation. Trivedi (2007) demonstrates how khadi became both a material commodity and a visual and political symbol of the nation. The spinning wheel represented self-reliance, dignity of labour, indigenous production, and resistance to dependence on foreign manufactured goods.

This phase is analytically important because it broadened the meaning of “Indian business.” Economic nationalism was no longer restricted to large factories or merchant capital. Artisans, weavers, small producers, village industries, consumers, traders, and urban entrepreneurs could all participate in the Swadeshi economy.

Table 5: Comparative Characteristics of Two Broad Approaches to Swadeshi

Feature	Industrial Swadeshi	Gandhian Swadeshi
Primary emphasis	Modern industry	Village and small-scale production
Main economic objective	Industrial self-reliance	Local self-sufficiency
Principal actors	Industrialists and entrepreneurs	Artisans, consumers, rural producers and activists
Symbolic product	Manufactured indigenous goods	Khadi and handicrafts
Policy orientation	Industrial protection and expansion	Decentralised production and self-reliance
Long-term influence	Industrial planning	Small-scale and village-industry policies

Source: Synthesis of Sarkar (1973), Trivedi (2007), Chandra (1966), and Velkar (2021).

The comparison indicates that economic nationalism contained multiple and sometimes competing visions of India's economic future. Industrialists generally sought modern industrial development, while Gandhian economic thought placed greater emphasis on decentralisation and village production. Nevertheless, both approaches opposed excessive economic dependence on foreign production and sought greater indigenous control over economic life.

Economic Nationalism and the Institutional Development of Indian Business

Economic nationalism also encouraged the development of business institutions and collective economic organisation. Commercial associations, chambers, indigenous financial institutions, industrial organisations, and business networks enabled Indian entrepreneurs to articulate common demands. Markovits (1985) and Misra (1999) demonstrate that the relationship between business communities and nationalist politics became increasingly organised during the interwar years.

The institutional dimension is important because individual entrepreneurs could not easily influence colonial economic policy. Collective organisations provided mechanisms for expressing demands concerning tariffs, currency, industrial protection, trade, taxation, and government procurement. The growth of such institutions gradually transformed Indian business from a collection of individual commercial interests into a more organised economic constituency.

The historical evidence also suggests that Indian business became increasingly interested in national-level economic policy as the possibility of independence became more realistic. The debate shifted from opposition to discriminatory colonial policies toward questions concerning industrial planning, capital formation, protection, and the future structure of the Indian economy. Kudaisya (2018), in his study of the Bombay Plan, demonstrates how Indian business leaders eventually participated in discussions about postcolonial economic development. This represents an important transition from **economic nationalism as resistance to economic nationalism as a framework for nation-building**.

Integrated Interpretation of Findings

The findings arising from the historical evidence can be summarised through the following analytical matrix.

Table 6: Objective-Wise Analytical Findings

Research Objective	Major Evidence	Principal Finding
Examine emergence and evolution of economic nationalism	Naoroji, Dutt, Chandra, Goswami and Patel	Economic nationalism developed as a sustained critique of colonial economic structures
Examine challenge to colonial policy	Swadeshi, boycott, protectionist demands	Economic activity became an instrument of anti-colonial resistance
Analyse Swadeshi contribution	Sarkar, Trivedi, Goswami	Swadeshi generated demand for indigenous goods and encouraged local production
Analyse indigenous entrepreneurship	Oonk, Tripathi, Misra	Existing commercial groups expanded into industrial activity under changing economic conditions
Examine business-nationalist relationship	Markovits, Chakrabarti, Velkar	Business interests and nationalism increasingly overlapped during the interwar period
Assess long-term significance	Kudaisya, Velkar	Economic nationalism influenced later ideas of industrialisation, protection and economic sovereignty

Source: Researcher's analytical synthesis of the cited historical literature.

Overall, the evidence strongly supports the proposition that economic nationalism contributed to the development of Indian business, although it should not be treated as the sole cause of industrialisation. Indigenous entrepreneurship had deeper roots in commercial communities, regional economies, social networks, access to capital, and changing colonial conditions. What economic nationalism did was to reframe these economic activities within a national political project.

This conclusion is consistent with Velkar's argument that Swadeshi became a bridge between nationalism and capitalism. His research shows that Indian capitalists increasingly interpreted the deployment of Indian capital for Indian industries as part of economic nationalism. Similarly, Patel's recent study demonstrates that Swadeshi enterprise emerged from the intersection of profit-making and patriotism, indicating that economic motivations and nationalist objectives could coexist.

FINDINGS AND DISCUSSION

The analysis establishes three major historical conclusions. First, economic nationalism emerged from a sustained critique of colonial economic structures. Naoroji's Drain Theory and Dutt's economic analysis provided intellectual foundations for the argument that political independence required greater economic autonomy. Second, the Swadeshi Movement transformed economic nationalism from an intellectual critique into a practical programme involving boycott, indigenous production, consumption, entrepreneurship, and institutional development. Third, the growth of Indian business and the development of economic nationalism reinforced one another during the twentieth century.

The historical relationship was nevertheless complex. Indian business groups did not constitute a homogeneous nationalist bloc. Their objectives varied according to sector, region, community, class position, and relationship with colonial authorities. Chakrabarti's work demonstrates that economic nationalism among big business could simultaneously reflect nationalist aspirations and commercial interests. Oonk's research likewise shows that the emergence of indigenous industrialists resulted from several interacting social, occupational, regional, and colonial factors.

Consequently, the evidence supports a nuanced interpretation: economic nationalism did not independently create Indian business, but it significantly altered the economic environment, political legitimacy, consumer preferences, institutional structures, and strategic objectives within which Indian business developed. It encouraged Indians to regard indigenous enterprise not merely as private commercial activity but as part of the broader process of national regeneration.

The most important historical contribution of economic nationalism was therefore its ability to connect enterprise with nation-building. The indigenous businessman, industrialist, artisan, producer, and consumer increasingly became participants in an economic struggle against colonial dependence. By the 1930s and 1940s, the emphasis had moved beyond boycott toward questions of industrialisation, protection, capital formation, economic planning, and the structure of the future Indian economy. This transition provided an important intellectual and institutional bridge between the freedom movement and the economic policies adopted after independence.

Thus, in relation to the first research objective, the study finds that economic nationalism evolved progressively from economic critique into a comprehensive programme of economic self-reliance. In relation to the second objective, the study finds that Swadeshi initiatives and nationalist economic ideas contributed to the expansion, legitimacy, organisation, and political influence of Indian business. The historical significance of this relationship lies in the fact that economic nationalism helped transform Indian business from an economic participant within a colonial system into an increasingly organised constituency seeking a greater role in shaping India's economic future.

CONCLUSION

The present study demonstrates that economic nationalism was an important historical force in shaping the development of Indian business during the freedom movement. It emerged initially as an intellectual critique of colonial economic exploitation, particularly through the writings of Dadabhai Naoroji and R. C. Dutt, and gradually developed into a broader programme of economic self-reliance. The Swadeshi Movement transformed these ideas into practical economic action by encouraging the boycott of foreign goods, promotion of indigenous products, development of Indian enterprises, and greater public awareness regarding the economic consequences of colonial consumption.

The study further establishes that economic nationalism and the growth of Indian business had a mutually reinforcing relationship. Although indigenous entrepreneurship had roots in regional commercial communities, social networks, capital accumulation, and existing trading traditions, nationalist ideology provided Indian entrepreneurs with greater legitimacy and a wider economic purpose. Swadeshi encouraged consumers to support indigenous enterprises, while Indian industrialists increasingly sought policies favouring domestic capital, industrial protection, and economic independence. During the interwar period, the relationship between business and nationalism became increasingly institutionalised.

However, the study finds that Indian business was not a homogeneous nationalist force. Commercial interests, regional considerations, and political objectives often overlapped. Nevertheless, economic nationalism helped transform indigenous enterprise from a primarily commercial activity into an important component of nation-building. By the 1930s and 1940s, nationalist economic thought had expanded from boycott and Swadeshi consumption towards industrialisation, protection, economic planning, and national economic sovereignty. Thus, economic nationalism contributed significantly to the emergence of an indigenous capitalist class and created important intellectual and institutional foundations for India's post-independence economic development.

SUGGESTIONS

Promote historical research on the relationship between economic nationalism, indigenous entrepreneurship, and India's industrial development.

Strengthen archival research by examining business records, newspapers, government reports, trade association documents, and contemporary nationalist literature.

Encourage comparative studies of different business communities and industrial centres such as Bombay, Calcutta, Ahmedabad, and Bengal.

Examine regional variations in the implementation and economic impact of the Swadeshi Movement.

Integrate business history with political history to develop a comprehensive understanding of how nationalism influenced entrepreneurship.

Study women entrepreneurs and small producers whose contributions to Swadeshi economic activities have received comparatively less attention.

Analyse the post-1947 legacy of economic nationalism to understand its influence on industrial policy, indigenous enterprise, and economic self-reliance.

FUTURE SCOPE

Future research may comparatively examine economic nationalism across different Indian regions and business communities. Further studies can investigate women entrepreneurs, small-scale industries, indigenous banking, and business associations during the freedom movement. Comparative international research may also examine India's experience alongside other anti-colonial economic nationalist movements in Asia and Africa.

REFERENCES

1. Bagchi, A. K. (1972). *Private investment in India, 1900–1939*. Cambridge University Press.
2. Bayly, C. A. (1986). The origins of Swadeshi (home industry): Cloth and Indian society, 1700–1930. In A. Appadurai (Ed.), *The social life of things: Commodities in cultural perspective* (pp. 285–321). Cambridge University Press.
3. Bhattacharyya, A. (2008). *Swadeshi enterprise in Bengal, 1880–1920*. Readers Service.
4. Chakrabarti, M. (2009). Why did Indian big business pursue a policy of economic nationalism in the interwar years? A new window to an old debate. *Modern Asian Studies*, 43(4), 979–1009.
5. Chandra, B. (1966). *The rise and growth of economic nationalism in India: Economic policies of the Indian national leadership, 1880–1905*. People's Publishing House.
6. Dutt, R. C. (1901). *The economic history of India under early British rule: From the rise of the British power in 1757 to the accession of Queen Victoria in 1837*. Kegan Paul, Trench, Trübner & Co.
7. Dutt, R. C. (1903). *The economic history of India in the Victorian age: From the accession of Queen Victoria in 1837 to the commencement of the twentieth century*. Kegan Paul, Trench, Trübner & Co.
8. Goswami, M. (1998). From Swadeshi to Swaraj: Nation, economy, territory in colonial South Asia, 1870 to 1907. *Comparative Studies in Society and History*, 40(4), 609–636. <https://doi.org/10.1017/S0010417598001674>
9. Goswami, M. (2004). *Producing India: From colonial economy to national space*. University of Chicago Press.
10. Kaushik, K. V., & Dutta, K. (2012). *India means business: How the elephant earned its stripes*. Oxford University Press.
11. Kudaisya, M. M. (2018). *Tryst with prosperity: Indian business and the Bombay Plan of 1944*. Penguin Random House India.
12. Markovits, C. (1985). *Indian business and nationalist politics, 1931–1939: The indigenous capitalist class and the rise of the Congress Party*. Cambridge University Press.
13. Misra, M. (1999). *Business, race, and politics in British India, c. 1850–1960*. Oxford University Press.
14. Mukherjee, A. (2019). Indian business in the colonial and postcolonial period: Quest for hegemonic influence over Indian society. *Indian Journal of Human Development*, 13(2), 176–192.
15. Naoroji, D. (1901). *Poverty and un-British rule in India*. Swan Sonnenschein & Co.
16. Oonk, G. (2014). The emergence of indigenous industrialists in Calcutta, Bombay, and Ahmedabad, 1850–1947. *Business History Review*, 88(1), 43–71.
17. Patel, D. (2024). To revive India's industries: The global and imperial roots of Swadeshi in the nineteenth century. *Modern Asian Studies*, 58(3), 686–716.
18. Ray, R. K. (1979). *Industrialization in India: Growth and conflict in the private corporate sector, 1914–47*. Oxford University Press.
19. Sarkar, S. (1973). *The Swadeshi movement in Bengal, 1903–1908*. People's Publishing House.
20. Subramanian, L. (2016). *Three merchants of Bombay: Business pioneers of nineteenth-century India*. Penguin Books.
21. Tomlinson, B. R. (1993). *The new Cambridge history of India: The economy of modern India, 1860–1970*. Cambridge University Press.

22. Trivedi, L. N. (2007). *Clothing Gandhi's nation: Homespun and modern India*. Indiana University Press.
23. Trivedi, L. N. (2010). Visually mapping the “nation”: Swadeshi politics in nationalist India, 1920–1930. *The Journal of Asian Studies*, 69(1), 79–109.
24. Tripathi, D. (2004). *The Oxford history of Indian business*. Oxford University Press.
25. Velkar, A. (2021). Swadeshi capitalism in colonial Bombay. *The Historical Journal*, 64(4), 1009–1034.
<https://doi.org/10.1017/S0018246X20000424>