Where did the idea of international development come from? Scholars addressing this question have devoted much attention to thinkers and policymakers from the United States and Western Europe who were early advocates of the extension of official development assistance to less industrialized regions of the world.¹ Some have focused on US president Harry Truman’s 1949 inauguration speech which announced “a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.”² Others have challenged that focus by highlighting many earlier American and Western European figures who urged their governments to support economic development in colonial and other contexts between the late nineteenth century and World War Two.³

Although these scholarly debates have been important, they have suffered from an important limitation: the relative neglect of thinkers outside the industrialized core of the world economy.⁴ This paper analyzes the ideas of five such thinkers who advanced important ideas about international development before World War Two: Dadabhai Naoroji (India), Sun Yat-sen (China), Mihail Manoilescu (Romania), Benoy Kumar Sarkar (India), and José Manuel Puig Casauranc (Mexico). More thinkers of this kind could be examined, but these five are particularly interesting because they each developed quite innovative and ambitious

¹ In this paper, I focus only the provision of “official” international development assistance rather than wider non-governmental international development assistance. For supporting this research, I thank the Social Sciences and Humanities Research Council of Canada and the Killam Fellowship Program.
⁴ See also Hodge, “Writing,” 157–158. Exceptions are noted in the text.
ideas about international development. For this reason alone, they deserve a much higher profile in histories of international development thought. But just as important is the fact that their ideas challenge some common views about early international development thought. Specifically, they show that not all early international development thought was rooted in Western thought or linked to efforts to rationalize Western domination of other parts of the world. When the ideas of these thinkers are taken into consideration, the origins of international development thought—both its geography and its content—look quite different than the image portrayed in much literature on the subject.

**Naoroji’s Pioneering Ideas in Colonial India**

The earliest of these neglected pioneers of international development thought was Dadabhai Naoroji (1825–1917). Born into a relatively poor family in colonial India, Naoroji studied at the British-run Elphinstone College in Bombay in the 1840s and subsequently taught mathematics and natural philosophy there. In 1855, he moved to Britain, from which he travelled back and forth to India until 1907. In both India and England, he became a well-known critic of British colonial rule and one of the leading pioneers of the emerging Indian nationalist movement.

In writings between 1867 and 1880, Naoroji developed some very sophisticated evaluations of the economic consequences of British imperialism from the perspective of the colonized. At the center of Naoroji’s analysis was the idea that Britain was draining capital from India. Naoroji was not to first to make this point. Indeed, when he first outlined his ideas on the topic in an 1867 lecture, he cited his intellectual debt to “a small band of Hindu students and thoughtful gentlemen” who had discussed this issue “more than twenty years earlier” when they “met secretly to discuss the effects of British rule upon India.” J. V. Naik notes that he was likely referring to figures at Elphinstone College such as Bhaskar Pandurang Tarkhadkar who developed prominent econom-
ic critiques of British imperialism in the 1840s. But Naoroji’s “drain theory” went well beyond these earlier analyses in its depth and detail.

Drawing on his mathematical skills, Naoroji compiled very extensive statistics showing how capital was being exported from India through mechanisms such as the remittances of European employees of the colonial government, payments by the colonial government to Britain for various services, and the export of profits by British investors. He argued that this economic drain not only diminished India’s wealth directly but also inhibited the colony’s industrialization and economic development over time by creating a shortage of capital. As he put it, “the national capital – or, in other words, its capability of production – is continually diminished year after year.”

Naoroji’s drain theory directly challenged rosy British narratives about the prosperity of India under their rule at the time. To reinforce this challenge, Naoroji developed the first detailed calculations ever made of Indian standards of living in comparison to those in other parts of the world. His numbers showed that India’s per capita income was less than one twentieth that of Britain and much lower than that of other places such as Germany, France, United States, Canada, Australia, Turkey and Russia. He concluded from his calculations that India was, in fact, “the poorest country in the civilized world.” His comparative calculations predated by over a half century the publication of Colin Clark’s famous worldwide national income statistics in 1939 that helped boost interest in the idea of international development in the 1940s.

Naoroji used his statistics to plead with British authorities that they should promote India’s economic development rather than undermine it. He went further to suggest that this was a “duty” of the British in their imperial role. The phrase invoked Queen Victoria’s 1858 proclamation in the wake of the Indian mutiny in which she had declared that “it is our earnest duty to stimulate the peaceful industry of India, to promote works of public utility and improvement,

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8 As Naik notes, other previous thinkers than these also commented on the drain of capital from India, including Rammohan Roy who, earlier in the nineteenth century, criticized India’s “tribute” to India; J.V. Naik, “Forerunners of Dadabhai Naoroji’s Drain Theory,” *Economic and Political Weekly* 36, no. 46–47 (2001): 4428–4432, 4428.
10 For these rosy views, see Patel, *Naoroji*, 53.
and to administer its government for the benefit of all our subjects resident here-

in.”¹⁴ Underlying this proclamation was a liberal imperialist discourse suggest-
ing that British imperialism was a force for progress and civilizational advance-
ment. In addition to appealing to this ideology, Naoroji cited the ideas of the
most famous British political economist of the age (and liberal imperialist),
John Stuart Mill, who had highlighted the importance of capital accumulation
for industrialization. Naoroji argued that the British were preventing Indian in-
dustrialization not just with their drain of capital but also because they failed
to create broader conditions for economic progress that Mill highlighted, such
as improved education and moderate taxes.¹⁵

Although Naoroji appealed to Britain’s “duties” towards India, he acknowl-
edged that “the British public know very little of their duties towards India, and
care less.”¹⁶ He summed up some British views of India as follows: “you must
remain poor and of few wants [...]. It is we who must have and would have
great human wants and human enjoyments, and you must slave and drudge
for us like mere animals, as our beasts of burden.”¹⁷ Directly confronting the
lack of British interest in improving Indian living standards, Naoroji called atten-
tion to the human costs of Indian famines and poverty which he blamed on Brit-
ain’s drain of the colony’s wealth. These arguments represented what C.A. Bayly
calls a kind of “counter-preaching” that was “designed to subvert the contempo-
rary self-confidence of colonial elites by emphasizing their moral failure as col-
onial rulers.”¹⁸

In making his case for Britain to promote India’s economic development,
Naoroji also appealed to British interests. Take, for example, his first 1867 lec-
ture on the subject: “Every penny invested in the development of that vast and nat-
urally rich portion of the British empire will be repaid a hundredfold in a hun-
dred different ways. The greater the prosperity of India, the greater will be the
benefits of the commercial and political relations of the two countries.” In the
commercial realm, he argued that a more prosperous India would provide a rich-

¹⁴ “Proclamation by the Queen in Council, to the princes, chiefs, and people of India (1858),”
Queen_in_Council,_to_the_princes,_chiefs,_and_people_of_India.
¹⁵ Dadabhai Naoroji, “The Wants and Means of India [1870],” in Naoroji, Essays. For the influ-
ence of Mill’s work in Naoroji’s student community at Elphinston College, see Vikram Visana,
“Vernacular Liberalism, Capitalism, and Anti-imperialism in the Political Thought of Dadabhai
¹⁸ C.A. Bayly, Rediscovering Liberties: Indian Thought in the Age of Liberalism and Empire (Cam-
er market for British goods. Politically, he warned that Indians might rebel again “if strenuous and great efforts are not made to develop the resources of the country and thereby ameliorate the material condition of the mass of the population.”¹⁹ These passages are notable not just for their appeal to British interests, but also for their early use of the words “development” and “develop” in the modern sense that they came to be employed more widely in the twentieth century. Naoroji did not pioneer this use of these terms, but it is noteworthy they were utilized in this way not just by European thinkers at this early moment.²⁰

In what ways did Naoroji want Britain to promote India’s economic development? The most obvious was by reducing the “drain” through initiatives such as increased local purchasing by the Government of India, and especially the greater employment of Indians in the colonial civil services (who would be less likely to export their earnings). In addition, he was critical of Britain’s imposition of free trade policies on India, given the poverty caused by the drain: “you will easily see that free trade between England and India in a matter like this is something like a race between a starving, exhausting invalid, and a strong man with a horse to ride on.”²¹

But Naoroji also urged British authorities to promote economic development actively through government intervention in the Indian economy. Specifically, he suggested that colonial authorities borrow large amounts of capital from Britain to build up new state-owned industries as well as to undertake “vast public works of productive character” As he put it in 1867, “the least that the British people can do is to lend back to India the wealth derived therefrom, in order to develop its resources.”²² Naoroji insisted that British capital needed to be imported to India through public authorities rather than via private investment in order to minimize exploitation, foreign control, and the benefits flowing to foreign investors. As he put it in 1880, “India sorely needs the aid of English capital.

¹⁹ Quotes from Naoroji, “England’s Duties,” 39. Naoroji even traveled to Lancashire in 1898 (as Gandhi would later do) to try to convince that region that the promotion of India’s development would enable the colony to buy more British exports, see Masani, Dadabhai, 407–409.
²⁰ For European uses, see, for example, Mill’s reference to the need for “development of the productive resources of India”: John Stuart Mill, Principles of Political Economy (London: John W. Parker and Son, 1852), 149. In English language literature, references to economic “development” in the modern sense of the word were particularly extensive in the first English translation in 1856 of Friedrich List, The National System of Political Economy [1841], trans. G.A. Matil (Philadelphia: J.P. Lippincott and Co, 1856), e.g. 71–73 and elsewhere in the volume.
But it is English *capital* that she needs, and not the English invasion, to come also and eat up both capital and produce.”²³

Naoroji’s innovative appeal to Britain to promote India’s economic development in these ways did not trigger the response that he hoped for. But it highlighted how early discourses of international development within colonial contexts did not all stem from the imperial center. Naoroji’s ideas were also very different from emerging imperial developmentalism in the late nineteenth and early twentieth centuries. Rather than rationalizing colonial rule, his conception of international development stemmed from a critique of British imperialism.²⁴ His advocacy of state-led industrialization also went well beyond the dominant Western conceptions of colonial development that were emerging at this time. Indeed, Naoroji himself called attention to the contested meaning of the word “development,” criticizing those who used the word to support very different goals than his own. For example, when he was sent a prospectus of a British business venture called “Indian Development Ltd” in the early 1900s, he responded by noting that “the correct title for such companies should be “Indian Exploitation Ltd””. In a 1903 speech in Britain discussing British private investment, he also asked: “For whose benefit and for what purpose is the development, when all that is produced is carried away to this country?”²⁵

**Sun’s International Development Organization**

Historians who focus on the Western origins of international development also sometimes identify the creation of the League of Nations as an important historical event in their story. Gilbert Rist, for example, highlights the importance of Article 22 of the League’s Convenant which asserted that the “well-being and development” of peoples in the new mandate territories of the League formed “a sacred trust of civilization” that had to be upheld. This wording was significant because it signaled the first moment when the dominant powers assigned the goal of promoting “development” in less industrialized regions of the world to a multilateral institution. As Rist notes, however, its importance should not be overstated because the task of upholding this goal was assigned to those coun-

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²⁴ In this late nineteenth century period, Naoroji’s critique did not extend to a rejection of imperialism altogether. He was an advocate of imperial reform rather than Indian self-rule at this time, see Patel, *Naoroji*.

²⁵ Quotes from Masani, *Dadabhai*, 421–422.
tries that ran the League’s mandate territories. In this sense, Rist highlights how the provision really just “legitimatized the internationalization” of European intervention in less industrialized parts of the world.26 Indeed, imperial ideology infused the passage, which noted that the “tutelage” of peoples in the mandates was to be “entrusted to advanced nations” because those peoples were “not yet able to stand by themselves under the strenuous conditions of the modern world.”27

Rist is right to highlight this episode in the history of international development, but he makes no mention of another much bolder proposal at this time for creating a multilateral institution with a much more direct and ambitious international development mandate. The proposal came not from Europe or the United States but rather from the prominent Chinese thinker and revolutionary Sun Yat-sen (1866 – 1925).

At the very moment that the League’s convenant was being negotiated by the major industrial powers, Sun developed detailed plans for the creation of a “International Development Organization” (IDO) that would mobilize Western capital and expertise behind the goal of directly promoting China’s economic development. This multilateral institution was to be managed by the “various Governments of the Capital-supplying states” which would also be its only members. It would be tasked with signing contracts with the Chinese government to provide funding and skilled personnel to support a large number of specific development projects that Sun outlined in his plans. Although foreigners would help manage and supervise the projects before the loans were repaid, they would be working “under Chinese employment” and would have “to undertake the training of Chinese assistants to take their places in the future.” All the IDO-financed projects would be “national undertakings” and the property created by them was to be “state owned” and “managed for the benefit of the whole nation.”28

Sun’s ambition for the projects that he wanted the IDO to support was very high. Some projects were massive infrastructural ones, including irrigation schemes, road-building, the creation of “100,000 miles of Railways,” and the construction of three ports equal to New York harbor’s capacity. The IDO was also to support China’s rapid industrial growth, on which Sun placed very high priority. As he put it, “this miserable condition among the Chinese proletar-

26 Rist, The History, 58.
iat is due to the non-development of the country, the crude methods of production and the wastefulness of labor. The radical cure for all this is industrial development by foreign capital and experts for the benefit of the whole nation.” Sun also outlined many development projects in other sectors such as agriculture, mining, forestry, and energy.²⁹

At this time, Sun was a famous figure in China, having served as the first provisional president of the Chinese republic briefly after the country’s 1911 revolution. Although he had no formal political position in the country when he was promoting his IDO scheme, he sent his ideas to leading Western officials involved in the Paris Peace conference in early 1919. He also outlined his ideas in English in the Far Eastern Economic Review later that year and in a lengthy English-language book published in 1920 (and republished in 1922) titled The International Development of China. These publications included detailed maps and plans of his various proposed development projects.³⁰

When appealing to Western officials to support his proposal, Sun highlighted its benefits for their countries. Like Naoroji, he argued the economic development of his nation would create new export markets for the West. He also argued that China was “capable of absorbing all the surplus capital” that existed in Western countries after the World War. From a more political standpoint, he argued that the IDO would bring an end to conflicts arising from the rival spheres of influence that foreign powers had carved out in China. As he put it, “international cooperation of this kind cannot but help to strengthen the Brotherhood of Man. Ultimately, I am sure, this will culminate to be the keystone in the arch of the League of Nations.”³¹

To his Chinese audience, Sun emphasized how the IDO could provide much-needed foreign capital and expertise but in a manner that avoided past problems associated with private foreign financiers. Whereas the latter had “entirely disregarded the will of the Chinese people,” he insisted that no contract would be signed between the IDO and the Chinese government without securing “the confidence of the Chinese people.”³² In other writings, he was extremely critical of Western private financiers for undermining Chinese “independence” and for per-

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²⁹ Sun, The International, 6–7, 198.
³¹ Sun, The International, 8, 9.
petuating foreign “economic domination” of the country. He saw the IDO as a way of securing foreign assistance for China’s economic development in a way that avoided this domination. More generally, Sun also emphasized to his Chinese readers at the time the importance of industrialization and economic development for boosting not just China’s wealth but also its power to throw off Western “economic oppression” and imperialism that had imposed free trade and threatened “the loss of our country as well as the annihilation of our race.”

No Western thinker had outlined a vision of international development as ambitious as this at the time. Indeed, Arndt argues that even Sun’s vision of economic development itself outlined in his 1920 book was unprecedented in his scope: “In breadth of imagination, it anticipates by a generation much of the post-1945 literature on economic development.” Amanda McVety agrees, noting that Sun was “ahead of his time when he constructed his plan for China’s economic development.” Where did Sun’s innovative ideas come from?

There were certainly important Western influences. For example, the negotiations in Paris to create the League provided a key prompt for Sun to propose a new kind of multilateral institution. He was also likely encouraged to think about how Western nations could cooperate financially by the US government’s efforts at the time to create an international consortium of private bankers to lend to China. More generally, Sun’s insistence on the importance of state-led industrialization drew direct inspiration from the experience of Western countries (as well as Japan). Sun was very familiar with Western (and Japanese) ideas, policies, and practices arising from his schooling, extensive world travels, and his voracious reading.

It is important, however, not to overstate the Western influences on Sun’s thought because he also drew extensively on Chinese intellectual traditions. His advocacy of Chinese industrialization and economic development was deeply rooted in Chinese developmentalist thought that had emerged (with little engagement with Western political economy) in the wake of the Opium Wars. As-

34 Quotes from Sun, San Min, 37, 53.
associated with the self-strengthening movement of the time, thinkers such as Zheng Guanying had argued that state-led industrialization and economic modernization were needed to boost China’s wealth and power in ways that fended off the Western challenge.³⁸ Sun’s first writings about Chinese economic development in the 1890s were developed in the context of his close relationship with Zheng. His ideas, and those of Zheng and others linked to the self-strengthening movement, were, in turn, inspired by earlier Chinese developmentalist thinkers dating as far back as ancient Legalist texts such as *The Book of Lord Shang* and *Guanzi*. The ambition of Sun’s ideas about economic development reflected what William Rowe called his “flair for the dramatic,” but his core commitment was firmly grounded in Chinese intellectual tradition.³⁹ Indeed, he went out of his way to challenge Eurocentric understandings of the roots of economics: “Economics initially originated in China, Guanzi was an economist in ancient China.”⁴⁰

Even Sun’s interest in international institutions had Chinese roots. In the late nineteenth and early twentieth centuries, the prominent Confucian reformist thinker Kang Youwei had predicted a future Great Harmony Age when humans joined together to create a world government and realize the ancient Confucian ideals of universal moral empire. This prediction attracted enormous attention in Chinese intellectual circles and Sun explicitly noted that it helped to inspire his IDO proposal. As he noted in the 1922 edition of *The International Development of China*, the end of World War One had created a situation in which “the hope of the peace-loving nations in the world was raised so high that we Chinese thought that the ‘Tatung’ or the Great Harmony Age was at hand.”⁴¹ Indeed, Sun went out of his way to remind his readers that the cosmopolitanism of Confucian thought was much older than the European cosmopolitan aspirations that some associated with the League of Nations: “Cosmopolitanism has just flowered out in Europe during this generation, but it was talked of two thousand years ago in China.”⁴²

Manoilescu’s International Development Agenda for the League

Although Sun’s ideas gained no traction at the 1919 Paris peace conference, Rist and others have shown how Western European officials who dominated the League of Nations became increasingly interested in how the institution could support economic development beyond the context of the mandate territories. Initially, the League’s focus was on quite limited initiatives involving technical assistance missions to various less industrialized regions of the world, including China from 1931 onwards. By the late 1930s, however, policymakers within the League discussed more ambitious visions of international development cooperation that went beyond the focus on individual nations that had characterized these missions (and the earlier ideas of Sun and Naoroji). They began to see the promotion of economic development in all less industrialized regions of the world as the basis for the prosperous world economy.43

Although scholars are right to note the importance of these discussions in the late 1930s, thinkers from less industrialized regions of the world had already proposed this kind of ambitious international development role for the League years earlier. One pioneer of this vision of broad-based international development cooperation was the Romanian thinker and politician Mihail Manoilescu (1891–1950). Born to a modest family, Manoilescu studied engineering before joining the Romanian government and rising to the position of a government minister in 1930 and governor of the country’s National Bank in 1931. Through his government work, he became very interested in international economics and published a book in 1929 titled *Théorie du Protectionisme et de l’Échange International* (The Theory of Protectionism and International Trade) that attracted extensive international attention. During the 1930s, it was translated into five languages and its ideas were invoked by politicians and industrialists across many less industrialized regions of the world, from Eastern Europe to Latin America.44

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Manoilescu’s book is best known for updating and expanding Friedrich List’s famous 1841 advocacy of trade protectionism as a tool for promoting industrialization.⁴⁵ But Manoilescu also placed his protectionist ideas in a wider multilateral vision that urged the League of Nations to support the development aspirations of less industrialized countries. Those aspirations, he argued, were undermined by the free trade orientation of the League of Nations which not only prevented industrialization in poorer countries but also endorsed a form of “invisible exploitation” of the latter. In his view, this exploitation arose in any free trade relationship between agricultural and industrial countries because exports of the former embodied more labor than the latter. In this context, industrialized countries were able to “make more men work for them abroad than are put to work at home to create these products.” The result, he suggested, was a new kind of slavery: “At the time of slavery this result came through compulsion; at the present time it is obtained by the free exchange of products.”⁴⁶ Manoilescu’s ideas about the exploitation of agricultural countries by industrial ones built on some earlier ones developed and popularized in the late nineteenth century by a Romanian thinker, Alexandru Xenopol, who had also been influenced by List’s work but who went beyond it in innovative ways that drew on his Romanian experience.⁴⁷

Because free trade policies contributed to international inequality, Manoilescu argued that the League’s endorsement of them could only be justified if “the disadvantages of free-trade to certain nations could be corrected by certain conscious measures of distribution.” But he insisted that conscious redistributive initiatives of this kind could be guaranteed only with a unified political entity, whereas “it is impossible to regulate distribution among different nations.” In the absence of world political union, he insisted that an international system of free trade would merely be a “system of slavery” in which industrialized countries exploited non-industrialized ones and inter-country inequality grew in politically unsustainable ways. As he put it, “nothing that is unjust can last.”⁴⁸

For these reasons, he urged the League of Nations to recognize that the use of protectionist policies was a “reasonable and legitimate” right of all countries. If the League supported less industrialized countries’ protectionist policies, greater inter-country equality would result as industrialization spread across

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the world. Like Naoroji and Sun, Manoilescu also argued that state-led industrialization in poorer countries would create larger export markets for wealthier ones as the “buying capacity” of the former grew. For these reasons, Manoilescu argued that the League’s endorsement of protectionism would provide the basis for a new kind of international solidarity between nations: “Real solidarity does not mean to let rich countries live on the poverty of poor countries, but the enrichment of poor countries and incidentally also of rich ones.”

Manoilescu went further to suggest that industrialized countries should also support poorer countries’ industrialization by exporting capital to them. He cited John Hobson’s 1902 analysis of England’s problem of underconsumption caused by domestic inequality and excessive savings among the rich, and suggested that the same was true of the world as a whole. There were, he argued, “countries that are too rich, which allocate too large a part of their revenue for national savings” alongside “poor countries unable to raise their purchasing power.” The solution was clear: “Newly created capital in rich and industrial countries must not remain there in order to augment a production apparatus already far too developed, but must migrate into poorer countries and assist their industrialization. Thanks to this method, poor countries will increase their production and their buying capacity for goods produced by large industrial countries, and a better equilibrium between production and consumption will be realised throughout the world.”

Hobson himself had argued that capital exports from rich to poor countries had encouraged imperialist forces. But Manoilescu applauded how capital exports could create a more equal world that benefited all and created “a better equilibrium between production and consumption” at the global level. Unlike Sun, Manoilescu did not discuss how international financial flows would be channeled from rich to poor countries, but his insistence that this “must” happen suggested that he saw a role for the public sector in this process.

Like Naoroji and Sun, Manoilescu’s ideas found little immediate support in the industrialized world. After leaving the Romanian government in 1931, Manoilescu continued to press unsuccessfully for international economic reforms. By the end of the decade, however, he embraced the fascist cause and turned his back on his earlier views, supporting Romania’s role as agricultural exporter

within the German-led economic bloc being forged through military and economic coercion on the European continent.\(^5\)

**Sarkar’s “Economic Statesmanship” for Global Transformation**

Manoilescu was not the only figure from a less industrialized part of the world who pressed the League to embrace broad-based ideas of international development during the Great Depression. Another was Benoy Kumar Sarkar (1887–1949) who Manu Goswami has described as “the most prominent social scientist in interwar colonial India.”\(^5^4\) Born in Bengal, Sarkar initially became involved in politics through the post-1905 swadeshi movement that urged societal support for Indian industrialization via boycotts of foreign goods and other activities. After traveling extensively in Europe, the Americas, and Asia between 1914 and 1925, Sarkar became a professor of economics at the University of Calcutta and a leading advocate of state-led Indian industrialization.\(^5^5\)

Like Manoilescu, Sarkar was keen on List’s work and even produced the first translation into Bengali of the German thinker’s 1841 book.\(^5^6\) But Sarkar also drew inspiration from non-Western thinkers, including Sun Yat-sen who he praised as “one of the greatest Asians of modern history.”\(^5^7\) He also dedicated his 1926 book *Economic Development* to Mahadev Govind Ranade who had first popularized List’s ideas in India and who had helped (with Naoroji) to pioneer modern Indian developmentalist thought in the late nineteenth century (and also provided early support for swadeshi ideas starting in the 1870s).\(^5^8\) Sarkar dedicated an-"
other book he wrote on international relations in 1926 to a much earlier South Asian thinker, Kautilya (375 – 283 BCE) who is usually identified as the initial author of the *Arthashastra* (Science of wealth) which advocated the cultivation of state wealth and power through mercantilist policies. Sarkar praised this ancient work of political economy and argued that “the logical apparatus of international diplomacy and the machinery of thinking in regard to the philosophy of foreign politics remain the same as in the days of our old Kautilya.”

Sarkar’s ideas about broad-based international development emerged from his travels through depression-struck Europe between 1929 and 1931 after which he published *Studies in Applied Economics*. In that book, he urged industrialized countries such as Britain, Germany, and the United States to engage in the “economic statesmanship” of “promoting the economic development of regions which to-day find themselves in different degree of backwardness, for instance, the Balkan states, Russia, China, India, Latin-America, and the African Continent.” His reasoning was that these industrialized regions would not be able to address unemployment and poverty at home without expanding foreign markets for their products. The best way for them to do that, he argued, was by exporting capital to these regions in ways that boosted the latter’s industrialization and thus their purchasing power. As he put it, “the unemployment-stricken countries of the world are, therefore, called upon to export capital to those regions which are seeking to industrialize themselves.”

Sarkar acknowledged that the industrialization of these regions would create new competition for some manufacturers in Europe and America who were making “commonplace goods.” But he argued that it would greatly expand demand for the goods of more “specialized industries” making higher quality goods as well as machinery. Indeed, Sarkar argued creatively that the growth of these specialized industries would help to generate a “Second Industrial Revolution” in wealthy countries alongside the “First Industrial Revolution” that was taking place in poorer regions of the world. In this way, complementary economic transformations would take place in both parts of the world that brought rising incomes to all: “the heightening of the standard of living among the working classes in Germany, Great Britain and the U.S.A., is going to become a reality, – but only to the extent and in so far as a simultaneous improvement takes place in the purchasing power, consumption scale etc., of the peasants in the

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59 Benoy Sarkar, *The Politics of Boundaries and Tendencies in International Relations*, vol. 1 (Calcutta: N. M. Ray Chowdhury, 1926¹, 1938²), x.

Balkan Complex, Eastern Europe, Russia, China, India, Brazil, Chile, Africa etc."\(^6\)

For this reason, Sarkar argued that the Great Depression was not just a “cyclical” crisis but also an “epochal” one which provided an opportunity for “socio-economic transformation” on a global scale. His advocacy of international development was designed to accelerate this transformation:

This is to be a “long run” phenomenon which is perhaps to be counted in terms of half a generation, a generation or so. It should appear that we are to-day witnessing the transformation of the world’s economic and social structure on a monumental scale and its transition to the next stage or epoch of its possibilities. The processes involved are really so many items constituting the final consummation of what may be called the “Second Industrial Revolution” in certain regions and of the “First Industrial Revolution” in others.\(^6\)

During his travels in Europe, Sarkar visited Geneva and spoke with officials from the League of Nations and International Labour Office about his ideas. But he had been disappointed in their reaction: “It is curious that the League of Nations and the International Labour Office have bestowed hardly any attention on these aspects of the world-economy while discussing the present crisis.” He implied that these organizations could be doing more to facilitate the epochal global transformation that was underway, if nothing else by identifying it and providing a mental road-map for policymakers to follow. In the absence of that kind of intellectual leadership, Sarkar had taken it upon himself to try to furnish “Indian economic statesmen as well as experts of other countries” with ideas that could “help them to visualize in a concrete manner the basic foundation of genuine world-economy, namely, the export of capital and ‘instruments of production’ (Produktionsmittel) from the regions of the Second Industrial Revolution to those of the First in order that the purchasing power of the men and women of the latter might rise helping thereby to heighten the standard of living of the former.”\(^6\)

**Puig’s Proposals in the Inter-American System**

As noted above, League officials did finally begin to endorse the idea of broad-based international development cooperation by the late 1930s. But it was not

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\(^6\) Sarkar, *Studies*, 292.


\(^6\) Sarkar, *Studies*, 297, ft. 33, viii.
until the 1944 Bretton Woods conference that this idea was institutionalized at the international level for the first time with the creation of the International Bank for Reconstruction and Development (IBRD). The bank represented the first international financial institution ever to be created with an explicit international development mandate. In the words of Article 1(i) of its Articles of Agreement, its purpose included assisting “the development of territories of members by facilitating the investment of capital for productive purposes, including [...] the development of productive facilities and resources in less developed countries.”

The IBRD is often depicted as the brainchild of the American official Harry Dexter White, who developed a first draft of the institution in early 1942 and who was the lead US negotiator in the subsequent international discussions that produced the Bretton Woods agreements. But it is important to recognize that White and other supporters of the IBRD proposal drew on earlier ideas advanced by thinkers from less industrialized regions of the world. For example, Sun’s IDO proposal was invoked by Chinese officials involved in the Bretton Woods negotiations as well as by some prominent American supporters of the creation of an international development institution in the early 1940s. The much more important inspiration, however, came from Latin America in the form of proposals for an inter-American bank dating back to the early 1930s.

Proposals for an inter-American bank had been advanced much earlier in the late nineteenth century but without any kind of development mandate. One with the latter feature first appeared prominently in a proposal put forward by Mexico’s José Manuel Puig Casauranc (1888–1939) at an inter-American conference at Montevideo in 1933. Initially trained as a medical doctor (like Sun), Puig assumed various positions in the Mexican government after the country’s revolution, including the position of foreign minister by the time of the Montevideo meeting. At that meeting, Puig took a leading role in criticizing American proposals to expand free trade as a solution to the economic chaos of the Great Depression. At a time when many Latin American countries were suffering from severe external debt and payments crises, he argued that protectionism was necessary given that the economy of Latin American countries was “of the colonial type [...] exporting raw materials and necessarily importing manufactured products.”

64 Helleiner, Forgotten, 190, 192, 198.
65 Helleiner, Forgotten, 52–79.
Puig also devoted considerable attention to the need for international financial reform. He insisted on the need for “a new legal and philosophic conception of credit” at the international level that recognized it as “a ‘social function’ the same as property.”67 In Christy Thornton’s words, he wanted recognition not just that “lenders needed to make productive use of their surplus capital” but also that “borrowers needed capital for their industrialization and development efforts.” Thornton explains how his proposal was rooted in the ideas of his country’s revolution: “Much as Mexico’s revolutionary constitution of 1917 redefined property rights as vested not in the individual, but in the nation, Puig’s proposal sought to reveal the social character of international finance, and to create institutions that would serve its social function.”68 Puig also emphasized other values from the Mexican revolution such as “inviolability of the principle of national autonomy” and the fact that his reforms were “something logically, decidedly, systematically and firmly on behalf of ‘the many’ as against the unjust privileges and interests of the few.”69

A number of the specific reforms that Puig advanced were designed to address Latin America’s external debt problem, such as a moratorium on debt payments, acceptance of the Drago Doctrine (which prohibited the use of force to collect debt repayment), and the creation of “public international organizations to take care of debts negotiations and agreements, in order to exclude thereby the intervention of Bankers’ Committees.”70 But Puig also recommended the establishment of an inter-American bank that the Mexican delegation suggested would be “authorized to intervene effectively in the exchange, liquidation, and discount operations among the American countries and contribute, thus, to the development of agriculture, industry, and commerce.”71 Other Latin American governments were also interested in this idea, with one Peruvian delegate suggesting that it could help “the definite economic liberation of Latin America.” After some discussion, two subcommittees of the conference recommended the creation of an inter-American bank that could grant credit facilities, “mobilize” capital, and “improve the onerous conditions in which many of the Latin American countries negotiate their foreign loans.”72 The conference as a whole then

68 Thornton, “Mexico,” 269.
69 Thornton, Revolution, 48, 54.
70 Helleiner, Forgotten, 53.
71 Thornton, Revolution, 62–63.
72 Helleiner, Forgotten, 54.
recommended further consideration of the creation of an inter-American bank at the next Pan-American financial conference.

It is important to note that the enthusiasm for this idea came from Mexico and other Latin American governments, not the United States. While supporting further study of the idea, the US delegation made clear that their country was not willing to commit to participate in a future bank of this kind. The new Roosevelt administration was focused on the domestic economic troubles of the United States and wary of multilateral financial commitments, including those that might involve it directly in the negotiation of Latin American debts to Wall Street investors. US officials continued to oppose the proposal after this and only relented in 1939 when Mexico and other Latin American governments pressed once more for the idea at an inter-American meeting at the start of World War Two. In a new geostrategic context where US officials were trying to cultivate Latin American support, finally backed the establishment of an Inter-American Bank (IAB). US and Latin American officials then quickly negotiated the convention and bylaws of such a bank by 1940 whose mandate included the promotion of “the development of industry, public utilities, mining, agriculture, commerce, and finance in the Western Hemisphere.” Once again, Latin American officials saw the bank as pioneering a new pattern of international financial relations, one that would bolster their sovereignty and support their development aspirations in ways that American private investors had not. As the lead Mexican advocate at this time, Eduardo Villasenor, put it in 1939, the bank had to “avoid in all cases the aspect of hegemony or privilege that [foreign] investment could represent in the internal economy.”

At the center of these negotiations was Harry Dexter White who declared that the new institution’s “principal importance will lie in investigating and facilitating rather long-term development projects in other American republics.” The IAB was never approved by US Congress, but it served as a key template for White’s later Bretton Woods plans. His IBRD draft of early 1942 built directly on this earlier proposal but transformed its international development mandate from a regional context to a global one. Interestingly, Puig in 1933 had hoped for this eventual outcome, noting that his new conception of international finance “may perhaps come to have some effect of a universal order.”

When White’s IBRD plan was discussed in the Bretton Woods negotiations, Latin American governments showed particular interest in its development lend-

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73 Helleiner, Forgotten, 64.
74 Thornton, Revolution, 68.
75 Helleiner, Forgotten, 64.
76 Thornton, Revolution, 54.
ing mandate and compared it to the earlier IAB plan. Led once again by Mexico, they also worked hard to ensure that the IBRD’s commitment to lending for European reconstruction would not dilute its development focus.

Because they made up almost half of the 44 governments represented at the conference, their views had to be taken seriously by the Americans and other delegates. The final text of the IBRD’s charter that refers explicitly to assisting “less developed countries” was a product of Mexican lobbying, as was a clause that committed the bank to give “equitable consideration to projects for development and projects for reconstruction alike.” The IBRD’s development mandate, thus, had strong Latin American roots.

Conclusion

The idea of international development was invented not just by figures from the United States and Western Europe who wanted their governments to support the economic development of less industrialized regions of the world. It was also pioneered by thinkers from the latter who wanted their societies to receive assistance from those same governments (and/or from international institutions they controlled). It is curious that the thinkers analyzed in this paper have received relatively little attention from historians of international development. Not only did these thinkers each develop ambitious and innovative ideas on the topic, but some of their ideas also influenced thinking in the United States about international development such as the Sun’s IDO plan and inter-American bank proposals of Puig and other Latin American thinkers. The diffusion of ideas about international development, in other words, flowed not just from the industrialized core to the rest of world but also in the reverse direction.

What explains the relative neglect of these thinkers in histories of international development? No doubt, it is partly a product of the fact that the broader history of economic thought devotes so much more attention to American and Western European thinkers than to those from countries such as India, China, Romania, and Mexico. But it may also be because so many scholars of international development have embraced the thesis that international development was invented in the leading Western powers to legitimate their domination of

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77 Helleiner, Forgotten, 165. See also 163–164.
78 Harry Dexter White had also read Manoilescu’s book but apparently was critical of it; David Rees, Harry Dexter White (New York: Coward, McCann and Geoghegan, 1973), 39. It is also noteworthy that Naoroji’s ideas were widely known in European and American anti-imperialist circles in the late nineteenth century and turn of the twentieth, see Patel, Naoroji, 223–236, 251.
other parts of the world. The idea that key pioneers of this concept came from regions of the world suffering from that domination challenges that thesis. Even more unsettling may be the fact that these pioneers were leading critics of that domination, and saw international development as a tool for overcoming it.

The content of the ideas of these thinkers also undermines the common notion that international development was rooted in only Western traditions of thought. Although all five of these thinkers were familiar with Western thought, their ideas were not merely derivative of it. Not only did they innovate intellectually in important ways in response to local contexts, but they also drew inspiration from earlier thinkers from their own parts of the world. Some of the earlier thinkers they cited were part of autonomously-generated, non-Western developmentalist intellectual traditions, including those that dated back to ancient times in China (in the case of thinkers cited by Sun) and South Asia (in the case of Kautilya cited by Sarkar).

The case for devoting more attention to these thinkers, then, is not just to build a more comprehensive history of the intellectual origins of international development. The study of their ideas also encourages scholars to see those origins in a new light. In addition to showing the wider geographical sources of early ideas of international development, it reveals greater diversity in the content of those ideas and intellectual traditions that informed them. In short, the birth of international development thought looks more complicated than much conventional wisdom suggests when its history includes thinkers from outside the industrialized core of the pre-World War Two world economy.

For others who have called for more attention to this diversity, see Hodge, “Writing”; Stephen Macekura and Erez Manela, “Introduction,” in The Development Century, ed. Macekura and Manela, 1–18.