HISTORICAL SOURCES AND THE STUDY OF TRADE POLITICS IN DEVELOPING DEMOCRACIES

by Nikhar Gaikwad

Nikhar Gaikwad
is an Assistant Professor of Political Science, Columbia University. His email is nikhar.gaikwad@columbia.edu.

Students of comparative and international political economy have long been interested in explaining how domestic political coalitions influence international economic policy outcomes, particularly in the context of trade policymaking (Rogowski 1989; Scheve and Slaughter 2001; Hiscox 2002; McGillivray 2004). The study of domestic politics on trade is illuminating, both because of the substantial societal welfare implications of these policy conflicts and because trade politics can provide insights into many other forms of redistributive policymaking that are of central interest to political scientists. The vast majority of the scholarship on the domestic politics of trade focuses on theory developed in the context of, and empirical evidence drawn from cases in, North America and Western Europe (Alt et al. 1996). This attention to advanced industrialized economies is understandable, given the oversize role that trade played in the historical economic development of the west as well as the considerable impact that domestic politics in these countries have had on global trade flows over the past two centuries.

Nevertheless, the spotlight on electoral politics surrounding trade in industrialized economies has correspondingly led to a dearth of scholarship on the sources of trade policy contestation in developing democracies (Milner and Kubota 2005; Kohli 1989; Ahmed and Varshney 2012). This is a regrettable oversight. Institutional and cultural contexts in the Global South vary considerably, raising a fresh set of theoretical considerations regarding the channels by which political coalitions and interest groups can influence policymaking outcomes in the electoral arena. Empirically, too, qualitative and quantitative data collected from developing countries can allow researchers to test the external validity of findings from advanced democracies, while subjecting theoretical conjectures that are distinct to legislatures in emerging economies to rigorous evaluation.

In this essay, I will begin by discussing how historical data on the politics of trade can allow researchers to investigate questions that are difficult to answer with more contemporary data sources, and point to opportunities for data collection in archives and libraries in developing countries. I will then draw on my research on trade politics in South Asia to highlight salient ways in which the historical study of trade in the developing world can complicate conventional narratives and, in turn, add to our broader understanding of coalition politics surrounding redistributive economic policymaking.

Archival Sources and the Study of Trade Politics

Scholars interested in analyzing data related to either trade policymaking or trade politics in developing countries face steep challenges. Most publicly available datasets on trade policy measures only begin coverage in recent decades; for example, the United Nations Conference on Trade and Development (UNCTAD)'s Trade Analysis Information System (TRAINS) database, which makes product-level tariffs data available to researchers, has data starting in 1988, with many developing countries gaining coverage only much later.[1] Legislative debates on trade policymaking, politicians' speeches and campaign pledges to labor unions and trade unions, correspondence between industry groups and policymakers, and other forms of evidence essential for studying the domestic politics of trade are similarly difficult to obtain in most developing country contexts.

Scholars may be able to circumvent limitations in data access in contemporary periods by drawing evidence from historical sources

Few governments systematically collect and make available these types of data to researchers; many actively restrict access to contemporary records related to policy deliberations. In interviews that I have conducted with officials at the Ministry of Commerce and Industry in India, for example, respondents regularly requested confidentiality, stating that political calculations related to foreign policy issues were not suitable for public consideration. These challenges are more acute when researchers attempt to study informal sources of policy influence. Kochanek (1996) provides considerable evidence, for example, to show that firms and industry associations in India "developed a highly sophisticated mode of discrete lobbying designed to achieve particularistic benefits" when contesting policy changes during liberalization (see also Chari and Gupta 2008; Gaikwad and Scheve 2016).[2]

Scholars may be able to circumvent limitations in data access in contemporary periods by drawing evidence from historical sources. In South Asia, colonial authorities maintained extensive records of trade policy schedules, legislative deliberations on trade, commerce and tariff board reports, petitions for protection from firms and industry associations, and trade union discussions, for instance. Sensitive records, such as confidential correspondence between government authorities in England and India, which have long since been declassified, are readily accessible to researchers. In turn, archives can provide fertile soil for scholars seeking to unpack from a historical perspective the underpinnings of politics surrounding economic policymaking.

I have encountered a trove of historical sources related to the politics of trade in South Asia in repositories such as the National Archives of India (New Delhi), Ministry of Commerce Library (New Delhi), Central Secretariat Library (New Delhi), Indian Merchants' Chamber (Mumbai), and The British Library (London). These historical sources help recast conventional accounts regarding the domestic determinants of policymaking contests, as I discuss below.

1. https://wits.worldbank.org (Accessed October 1, 2019). See Ballard-Rosa et al (2016) for additional discussion.
2. Challenges regarding data access certainly also exist in industrialized country settings, but it is worth noting that in countries such as the United States, data on lobbying, campaign contributions, trade policies, legislative voting histories, and political speeches are publicly available and typically easier to access than in developing countries.

Trade Policymaking Under Colonial Rule

For much of the period between the mid-nineteenth and mid-twentieth centuries, a large class of developing countries were subject to some form of direct or indirect colonial rule (Mahoney 2010). A rich lineage of intellectual thought holds that colonization was driven primarily by trade, and that colonizers deployed political and military control over dominion territories in order to structure trading relations in ways that advantaged the metropole (cf. Hobson 2011; Lenin 1988). Kleiman (1976, 459) summarizes these claims, arguing that colonial powers, by "forcing the colony's population to buy their imports for more and to sell their exports for less than going world prices" generated a trading system built on the "economic exploitation of colonial territories through trade." In these accounts, trade policy served as a vital tool of the colonizer, brandished relentlessly to advance the economic interests of manufacturers in colonial metropoles to the detriment of citizens and producers in dominions.

At the same, many colonies—from India to South Africa to Malaysia—obtained limited forms of electoral and policymaking autonomy for significant periods while subject to colonial annexation. Trade policy was one among a select few policy levers over which legislatures in colonies had control (Tomlinson 1975). How did limited enfranchisement, granted for the first time from faraway metropoles, affect the aggregation and representation of economic interests related to trade in these legislatures? In cases where conflicts arose between manufacturers based in colonizer nations and producers in the colonies, whose voices prevailed and influenced policy?

Research questions such as these are unlikely to arise in the context of the historical study of trade policymaking in the west, yet are central for understanding the origins of political conflict over trade in countries that were once subject to imperial rule. In a working paper, Don Casler and I set out to answer these questions by considering colonial-era data on industry-level import tariffs in British India, as well as an in-depth analysis of legislative debates and a plethora of contemporaneous sources pertaining to trade protectionism in the Indian parliament (Casler and Gaikwad 2019).

The historical data that we collect and analyze in our research paints a nuanced story regarding democratization and trade policymaking that considerably revises conventional narratives, such as those articulated by Lenin and Hobson. We find that the devolution of political authority over trade policy to India's legislature, starting in the 1920s, led to sharp changes in the balance of power between the interests of Lancashire and London and those of domestic manufactures in India.

For instance, declassified telegrams between British officials in England and the Viceroy of India acknowledge that London would soon need to begin accommodating political demands to safeguard Indian manufacturing interests from British competition:

> "The steel industry in India is represented by the Tata Iron and Steel Company. It is common knowledge that this Company is in difficulties... it is generally believed that they are due to the dumping of cheap Continental and English steel into India, and many people think that this dumping is deliberate, and is designed to bring the Company down...There is the usual suspicion that we are more interested in British manufacturers than in an indigenous Indian industry,

and the protection of that industry is regarded as a matter of national importance and national pride...It would be a calamity if the Company were to fail."[3]

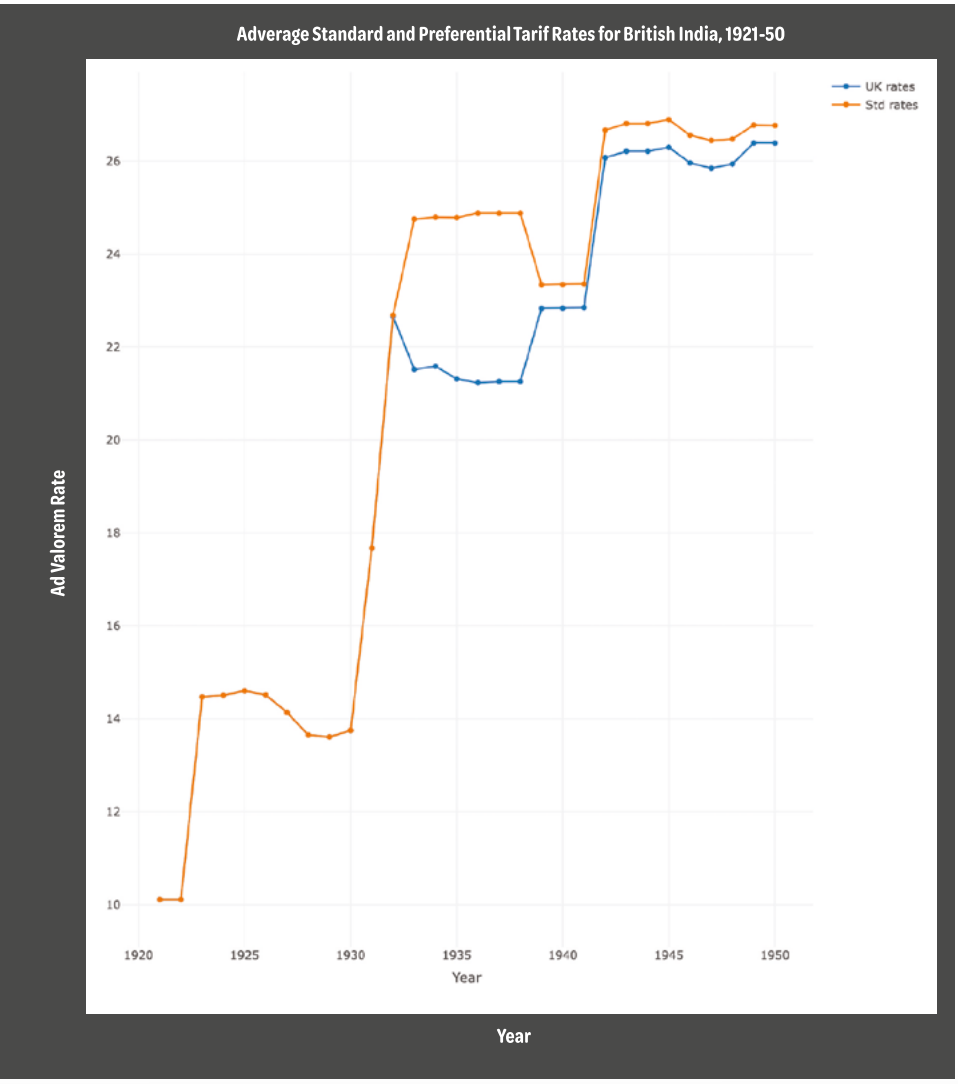

Figure 1: Import Tariffs in British India under Colonial Rule

The observations of these British agents were prescient. Soon after India's Central Legislative Assembly (CLA) commenced debate on steel industry policymaking, it enacted a series of protectionist measures to shore up domestic manufacturers. This represented a sea change in India's trade policy; as Sir Purshotamdas Thakurdas, the representative of the Indian Merchants' Chamber in the CLA, remarked in 1924, "I think, Sir, that the introduction of this measure [in favor of trade protection] in the House marks a new departure in the policy of the British Government in India ever since the time of British rule in India."[4] Evidently, the onset of limited democratic representation was marked by a brand of foreign policy assertiveness unseen during prior periods of colonial annexation.

In our paper, we document a steady rise in import tariffs on foreign products over the next three decades, with the average ad valorem tariff rate increasing from approximately 10 percent in 1921 to 26 percent in 1947 (i.e., an increase of about 160 percent), on the eve of India's independence. *Figure 1,* which plots the average ad valorem tariff rate on goods from around the world ("Standard Rate") and on goods from the United Kingdom under the system of Imperial Preferences which began in 1933 ("Preferential Rate"), makes this point clearly. Undergirding this rise in protectionism, we argue, was a steady increase in the representation of the interests of domestic actors in colonial legislatures.

Evidence from transcripts of parliamentary debates on trade policy in India—which were among the most vigorously contested policy debates taken up by elected representatives—buttresses this interpretation. In a 1926 debate over steel tariffs, Muhammad Ali Jinnah, leader of the All-India Muslim League and the future Governor-General of Pakistan, provided the following rationale for increased protectionism:

3. Telegram from Viceroy, Commerce Department to Secretary of State for India, March 10, 1924, Delhi (quoted in Casler and Gaikwad 2019).
4. Extract from the Legislative Assembly Debates, Vol. IV, No. 39, British Library, London, p. 20 (quoted in Casler and Gaikwad 2019).

"It is not the Government that want to give us protection. It is not the Government who are in love with this policy. The interests of India demand protection and without protection, let me tell you, there will be no labour, nothing to eat and there will be no Labour Members... [T]he greatest men that India has produced... have forced the hands of this bureaucratic Government at last to commit themselves to a policy of protection."[5]

These and related calls for protectionism certainly did not go uncontested in parliament. Legislative representatives pitted the interests of domestic manufacturers against those of labor unions and consumers in India. For example, Mr. Chaman Lall, the representative from West Punjab, argued vociferously against protectionism by pointing to the higher prices that consumers would need to pay as a consequence of import protection:

"Sir, I am really surprised at the nauseating atmosphere of self-congratulation in which we have been living through the whole day to-day. It seems to me that the gentlemen who represent the capitalists of India are thumping each other on the back at having produced a baby... and congratulating each other for having come upon a common platform, the platform of exploiting the common people of India."[6]

But a striking trend that we encountered pertained to the increasing attention that legislators paid to safeguarding and promoting Indian manufacturing interests vis-à-vis those of British and other foreign firms.[7] As representative Jamnadas M. Mehta argued in 1926, "it is necessary that this House and the country should stand by these industries to whom we promised protection...[because] there is a deliberate attempt made by the manufacturers in Wales to kill this industry."[8] In other words, electoral representation—even of the incipient kind that was afforded under colonial control—created avenues for domestic actors to influence policy outcomes and circumscribe, in turn, the rapacity of the colonial state.

This is not to say that conventional narratives about colonialism and trade exploitation are incorrect. Indeed, we do find evidence that Britain was able to negotiate preferential access for its goods (relative to the products of continental and other foreign manufacturers) in India through the system of Imperial Preferences enacted in 1933 (de Bromhead et al 2019). Yet, even preferential access was fought tooth and nail by domestic coalitions; the difference in India's import tariff rates between non-Commonwealth imports and British imports decreased from an average of three percentage points in 1933 to about half a percentage point by the 1940s, driven by domestic opposition to British manufacturers' preferential market access. Qualitative accounts underline the role of electoral representation in circumscribing preferential access, as evidenced by legislative minutes registering dissent to Imperial Preferences:

"[The] overwhelming majority of people of this country will refuse to countenance Imperial preference in any shape or form; this is not due

5. Extract from the Legislative Assembly Debates, Vol. VII, No. 17. British Library, London, p. 6 (quoted in Casler and Gaikwad 2019).
6. Extract from the Legislative Assembly Debates, Vol. IV, No. 39, British Library, London, p. 36 (quoted in Casler and Gaikwad 2019).
7. Extract from the Legislative Assembly Debates, Vol. IX, No. 20. British Library, London, p. 30-32 (quoted in Gaikwad 2019).
8. Extract from the Legislative Assembly, Debate, Vol. VII, No. 17, British Library, London, p. 1390 (quoted in Casler and Gaikwad 2019).

> to any hostility toward the British people…but to our deep-seated conviction based on the painful experience of nearly two centuries that the British imperialists and capitalists are at the bottom of all our troubles."[9]

The insights that we gleaned from this historical research can help shed light on coalition politics in colonial-era legislatures, yet have implications for our broader understanding of political competition on trade in a range of cases. Enfranchisement was a gradual process in many democracies outside of the colonial context, and notions of "national interest" were likely fluid and contested in other territorial units during transitions to nationhood, just as they were in the nascent Indian state during its path to independence. The exhaustive archival records developed and preserved by the British in India during the colonial era may thus provide a unique lens to examine how coalitions first emerged and wrested policy concessions in the legislative arena in other early democratizing states.

In a different vein, historical sources from the colonial period also hold the potential for explicating the behavior of coalitions in postcolonial democracies that were drawn into the orbits of great powers during the Cold War (Berger et al 2013) or have become de facto client states in contemporary geopolitical struggles between Asia and the west (Scheve and Zhang 2016). A historical turn in the study of trade politics in developing countries thus holds the potential of providing new theoretical and empirical insights into fundamental questions of subjugation and resistance that are of considerable interest to scholars of international and comparative political economy.

Conclusion

Qualitative and quantitative data retrieved from repositories can provide researchers with evidence that might be difficult to obtain from more contemporary sources. These records are beneficial in myriad ways, helping scholars both test whether theories that have found support in advanced industrialized economies extend to developing country settings and interrogate the validity of new theoretical models that may better take into account institutional and cultural contexts in the Global South. In this essay, I have underlined some analytical payoffs that can accrue when archival evidence is used to advance the study of the domestic politics of trade and economic policymaking. Similar gains are also likely in other substantive areas of political inquiry.

At the same time, some notes of caution are in order. Archives across developing countries vary in scope and depth; some colonial authorities, for example, were more diligent than others in retaining contemporaneous records, and some postcolonial states have been relatively more committed to preserving their historical legacies. Bias in the availability of archival sources is therefore a key challenge for researchers relying on historical data to make evidentiary claims. Even in repositories where records have been preserved, resource gaps and staff shortages often leave source materials poorly organized, creating practical barriers to data access. Many

9. Legislative Department, February 7, 1927, p. 1 (quoted in Casler and Gaikwad 2019).

developing country archives, moreover, have stringent reproduction and copyright restrictions, challenging transparency and replicability goals in the knowledge production process (Gaikwad et al. 2019). Nevertheless, researchers who are attuned to these concerns can expand considerably the scope of their investigations by drawing on new forms of data available in repositories of the past. ●

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