



ALJAZEERA

LIVE



Enrich your Al Jazeera experience by signing in or creating an account.

Trending

War on Gaza

Donald T

OPINION

Opinions | Conflict

How Britain stole \$45 trillion from India

And lied about it.



Jason Hickel

Professor at the Institute for Environmental Science and Technology (ICTA-UAB) and Fellow of the Royal Society of Arts

19 Dec 2018



You rely on Al Jazeera for truth and transparency

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

List of Partners (vendors)

Allow all

Reject all

Manage preferences

Lord Louis Mountbatten, the last Viceroy of India, and his wife, Lady Edwina Mountbatten, ride in the state carriage towards the Viceregal lodge in New Delhi, on March 22, 1947 [File: AP]



There is a story that is commonly told in Britain that the colonisation of [India](#) – as horrible as it may have been – was not of any major economic benefit to Britain itself. If anything, the administration of India was a cost to Britain. So the fact that the empire was sustained for so long – the story goes – was a gesture of Britain’s benevolence.

New research by the renowned economist Utsa Patnaik – [just published](#) by Columbia University Press – deals a crushing blow to this narrative. Drawing on nearly two centuries of detailed data on tax and trade, Patnaik calculated that Britain drained a total of nearly [\\$45 trillion](#) from India during the period 1765 to 1938.

RECOMMENDED STORIES

Explosions, violations reported after India and Pakistan agree ceasefire

‘Act of war’: What happened in Kashmir attack that killed 26 tourists?

India-Pakistan tensions: A brief history of conflict

Multiple explosions, blackout in Indian-administered Kashmir’s Jammu city

It’s a staggering sum. For perspective, \$45 trillion is [17 times more](#) than the total annual gross domestic product of the [United Kingdom](#) today.

How did this come about?

You rely on Al Jazeera for truth and transparency

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

their own pocket, British traders acquired them for free, “buying” from peasants and weavers using money that had just been taken from them.

Sign up for Al Jazeera

Breaking News Alert

Get real-time breaking news alerts and stay up-to-date with the most important headlines from around the globe.

E-mail address

Subscribe

By signing up, you agree to our [Privacy Policy](#)

protected by reCAPTCHA

It was a scam – theft on a grand scale. Yet most Indians were unaware of what was going on because the agent who collected the taxes was not the same as the one who showed up to buy their goods. Had it been the same person, they surely would have smelled a rat.

Some of the stolen goods were consumed in Britain, and the rest were re-exported elsewhere. The re-export system allowed Britain to finance a flow of imports from Europe, including strategic materials like iron, tar and timber, which were essential to Britain’s industrialisation. Indeed, the Industrial Revolution depended in large part on this systematic theft from India

You rely on Al Jazeera for truth and transparency

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

How did this work? Basically, anyone who wanted to buy goods from India would do so using special Council Bills – a unique paper currency issued only by the British Crown. And the only way to get those bills was to buy them from London with gold or silver. So traders would pay London in gold to get the bills, and then use the bills to pay Indian producers. When Indians cashed the bills in at the local colonial office, they were “paid” in rupees out of tax revenues – money that had just been collected from them. So, once again, they were not in fact paid at all; they were defrauded.

Meanwhile, London ended up with all of the gold and silver that should have gone directly to the Indians in exchange for their exports.

This corrupt system meant that even while India was running an impressive trade surplus with the rest of the world – a surplus that lasted for three decades in the early 20th century – it showed up as a deficit in the national accounts because the real income from India’s exports was appropriated in its entirety by Britain.

Some point to this fictional “deficit” as evidence that India was a liability to Britain. But exactly the opposite is true. Britain intercepted enormous quantities of income that rightly belonged to Indian producers. India was the goose that laid the golden egg. Meanwhile, the “deficit” meant that India had no option but to borrow from Britain to finance its imports. So the entire Indian population was forced into completely unnecessary debt to their colonial overlords, further cementing British control.

Britain used the windfall from this fraudulent system to fuel the engines of imperial violence – funding the invasion of [China](#) in the 1840s and the suppression of the Indian Rebellion in 1857. And this was on top of what the Crown took directly from Indian

You rely on Al Jazeera for truth and transparency

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

to the present. Adding it all up, she finds that the total drain amounts to \$44.6 trillion. This figure is conservative, she says, and does not include the debts that Britain imposed on India during the Raj.

These are eye-watering sums. But the true costs of this drain cannot be calculated. If India had been able to invest its own tax revenues and foreign exchange earnings in development – as [Japan](#) did – there's no telling how history might have turned out differently. India could very well have become an economic powerhouse. Centuries of poverty and suffering could have been prevented.

Advertisement

You rely on Al Jazeera for truth and transparency

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

rule helped “develop” India. While he was prime minister, David Cameron asserted that British rule was a [net help](#) to India.

This narrative has found considerable traction in the popular imagination: according to [a 2014 YouGov poll](#), 50 percent of people in Britain believe that colonialism was beneficial to the colonies.

Yet during the entire 200-year history of British rule in India, there was almost [no increase](#) in per capita income. In fact, during the last half of the 19th century – the heyday of British intervention – income in India collapsed by half. The average life expectancy of Indians dropped by a fifth from 1870 to 1920. Tens of millions died needlessly of policy-induced famine.

Britain didn’t develop India. Quite the contrary – as Patnaik’s work makes clear – India developed Britain.

What does this require of Britain today? An apology? Absolutely. Reparations? Perhaps – although there is not enough money in all of Britain to cover the sums that Patnaik identifies. In the meantime, we can start by setting the story straight. We need to recognise that Britain retained control of India not out of benevolence but for the sake of plunder and that Britain’s industrial rise didn’t emerge sui generis from the steam engine and strong institutions, as our schoolbooks would have it, but depended on violent theft from other lands and other peoples.

Editor’s note: A previous version of this article erroneously had the beginning of the British Raj as 1847. The correct year is 1858.

You rely on Al Jazeera for truth and transparency

We and our 909 partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.

Connect ▾

Our Channels ▾

Our Network ▾

Follow Al Jazeera English:



© 2025 Al Jazeera Media Network

You rely on Al Jazeera for truth and transparency

We and our **909** partners store and access personal data, like browsing data or unique identifiers, on your device. Selecting Allow all enables tracking technologies to support the purposes shown under we and our partners process data to provide. Selecting Reject all or withdrawing your consent will disable them. If trackers are disabled, some content and ads you see may not be as relevant to you. You can resurface this menu to change your choices or withdraw consent at any time by clicking the Manage preferences link on the bottom of the webpage . Your choices will have effect within our Website. For more details, refer to our Privacy Policy. **To learn more, please view our Cookie Policy.**

We and our partners process data to provide:

Use precise geolocation data. Actively scan device characteristics for identification. Store and/or access information on a device. Personalised advertising and content, advertising and content measurement, audience research and services development.