On Political Economy and its Fallacies: Why Critiques and Rethinking Matter

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Abstract

This article is the 10th anniversary lecture of *Agrarian South: Journal of Political Economy*, delivered in 2021. It provides a reflection on key issues and fallacies that lie at the origins of political economy. It is argued that, as regards the problem of knowledge production, the formulation of factually and logically incorrect theories begins with English classical political economy. Political economy as developed in England in the second half of the eighteenth century—a period which saw a rapid increase in its trade especially with its colonies of conquest, while also making the transition to factory production—proceeded on the basis of verbal and material fallacies and silences which have been reproduced in historiography and the discipline of economics to this day.

Keywords

Political economy, imperialism, colonialism, trade protectionism, drain of wealth

Introduction

Sam Moyo and I along with Issa Shivji had co-authored a short book titled *The Agrarian Question in the Neo-liberal Era: Primitive Accumulation and the Peasantry* (Patnaik et al., 2011).[1] This book among other issues,

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questioned the received interpretation of productivity-raising agricultural revolution in the first industrializing country. Sam's untimely and tragic death left us all devastated, but all the more determined to carry on the project of questioning received wisdom in the interest of uncovering the true history of the rise of industrial capitalism and the resulting retrogression in the societies of the South that became colonies of conquest of West European nations. The factual basis of this history has been obfuscated in much of the literature, and the theoretical basis is logically highly suspect.

When I was asked to speak in this lecture on the problem of knowledge production in the global South, it struck me that the problem was really of knowledge production in the global North, for the educated in the Southern countries read the textbooks and study the theories emanating from Universities in the North. If anthropology is the child of imperialism, as Kathleen Gough (1968) had argued, to an even greater extent, economic theory is the child of imperialism, for the economic interests of countries in the global North are directly intertwined with the theories of political economy that have been developed in their universities.

The mercantilist writers of the seventeenth and eighteenth centuries in Europe had been concerned primarily with external trade and its effects on their economies, for they were writing at a time when their violent external expansionism and long-distance trade were growing fast. There was no separate discipline called "economics" until well into the second half of the nineteenth century. Moral philosophy and history were studied by those who wrote on political economy. Among the classical economists, Adam Smith was well read in both subjects by the time he penned *An Inquiry into the Nature and Causes of the Wealth of Nations*. Karl Marx wrote a doctoral thesis in philosophy on Democritus and Epicurus before undertaking his *magnum opus*, the study of capitalism in *Das Capital*. David Ricardo, however, was an exception; a stockbroker by profession, he modestly admitted having studied neither philosophy nor history, and this becomes very evident when one reads with a critical eye, Ricardo's (1986) *Principles of Political Economy and Taxation*. Despite his great cleverness in the area of formal logic, he could not avoid committing simple errors in applied logic, most importantly in two respects.

First, Ricardo committed a verbal fallacy by using without any explanation a different definition of "rent of land" which de-linked it completely from landownership and the concentration of property

(which had been emphasized as being the precise reason for rent by both Adam Smith and later by Karl Marx) even while he criticized Smith on rent. Second, Ricardo committed a material fallacy in his theory of trade, wherein specialization according to comparative cost advantage necessarily benefits trading partners, by ignoring the fact that a large range of actually traded goods could not be produced at all in cold temperate lands where today's advanced countries are located, therefore cost of production was not definable for these goods. Each of these fallacies have served an important apologetic function, the first by diverting attention from the reality of rent extraction under parasitic landlordism and the second by positing that all trade based on specialization was beneficial for both parties, when precisely the opposite was true for colonial trade.[2]

These logical errors are never mentioned in the existing modern literature, and indeed text book writers have papered over the errors, very probably because Ricardo's theories served so well not only the interests of England as a rising industrial power but continue to serve the present-day interests of developed capitalist countries vis-à-vis the global South.

While as students we were given to understand that there were serious problems with neo-classical economics, the major classical economists were considered to be virtually infallible and were to be treated with respect. While not contesting the fact that all serious scholars must be treated with respect, many decades of teaching and reflection has convinced this writer that as regards the problem of knowledge production, the formulation of factually and logically incorrect theories starts with English classical political economy. This is not surprising, because political economy developed in England in the second half of the eighteenth century during a period that its trade was increasing fast especially with its colonies of conquest, and this was also its period of transition to factory production. There was an intimate economic connection between the two processes but, of course, this connection is never mentioned in the present-day literature on the first industrial transition. There were some in England at that time who wrote with an honest regard to facts, on the connection between colonial exploitation and domestic industrial transition. But subsequently these writers have been ignored and a narrative has been assiduously promoted, in which a purely internal dynamic is posited as the driver of the first industrial transition.

The Myth of the "Invisible Hand"

Adam Smith's "invisible hand" was a ghost in the machine of capitalist production which allegedly produced a harmonious development of division of labour and exchange without any conscious planning. The reality was very different for no such "invisible hand" actually existed. It was the very visible actions of highly aggressive and bellicose states that underpinned the efforts of the rising capitalist classes in each of the maritime European states—Spain, Portugal, France, Netherlands and Britain—that bitterly fought each other to wrest control over lucrative trade routes and to establish colonies of conquest. The competition was particularly intense when it came to trade routes to tropical regions and to conquest of the peoples inhabiting these regions.

We need to remember a blatant material reality that is completely ignored in the existing literature on the political economy relating to the rise of capitalist industrialization. This fact is that the cold temperate European countries had a very poor primary resource base at the start of their development process; despite the substantial rise in yields of food crops in modern times, they still remain confined to a severely limited range of crops producible only in their few warm summer months while the ground is frozen in winter and can grow nothing. No amount of technological change under capitalism can alter climatic factors that make single-cropping mandatory for them. Tropical countries on the other hand could produce, apart from the tropical hardwoods and tree crops, at least two field crops in the year. In the winter season (north of the equator) they could produce all the crops producible in summer in cold temperate lands, and in the monsoon season a vast range of crops—cereals, vegetables, fiber crops, stimulants, sweeteners, fruit and vegetables that could never be produced at all in cold temperate lands. In favored areas like the deltas of the great rivers, they produced up to three crops annually.

Leave alone tropical crops that they could never produce, cold temperate Northern countries could grow in a year only one crop of cereals, the main staple of human food and of livestock feed, sown during the spring from April–May and harvested six months later. During the winter months from November to March the ground was frozen and not a blade of grass could grow. The "winter crop" was sown in autumn, the seeds remained dormant through winter and the crop could be harvested only as much as eight to nine months later in the summer of the next year. Even the warm temperate European countries bordering the Mediterranean were in the past, and continue to be today, confined to a

single cropping regime over the year, though they were somewhat better endowed in at least possessing the gift of the vine and the olive. To this day, despite their higher yield per unit area, owing to single-cropping, the 27 countries of the European Union taken together produced only 286 million (metric) tons of cereals in 2020, compared to 303 million tons of cereals in one country alone, India; while the United States, with the largest arable area and highest output per unit area in the world, produced 400 million tons compared to 503 million tons in China.[3]

More importantly it will bear stressing again that India and China, as well as other countries in the global South, in addition to grain, produced in their summer and monsoon season a wide range of tropical crops never producible at all in Europe and North America, while in favored areas like the deltas of the great rivers, they produced up to three crops annually. The output not only of tropical crops but of their own summer crops in winter, in cold temperate lands was zero in the past, is zero at present and will remain zero in future. The commercial supply of tropical crops from domestic sources was and remains zero at any price. The consumption basket of Northern populations was extremely limited and monotonous as long as they were confined to locally produced goods. Not only food, fibers for clothing were limited to wool, and the fiber obtained from the flax plant, which was used to produce costly linen. Raw cotton could not be produced at all in cold temperate lands, although summers were warm enough to create a demand for cotton clothing.

It was only after initiating trade at gunpoint with today's Southern countries and acquiring colonies of conquest in tropical areas, that the European consumption basket started to diversify and improve, as goods acquired completely free by using locally raised colonial taxes, or goods that embodied slave rent, started pouring in from their colonies of conquest. The Europeans' colonies of settlement far south of the equator, like South Africa and Australia, which experienced summer when it was deep winter in Europe, also enabled the latter to acquire goods that were not producible in their own lands, as did the southern part of today's United States.

During its phase of industrialization beginning from the mid-eighteenth century, Britain became grain-deficient and indeed saw declining per capita grain output over the period 1700 to 1850. Grain for human consumption doubles as feed for animals, with animal power being applied for transporting produce and people, for agricultural operations like ploughing, for haulage in collieries, and for pulling barges. Fossil fuels started to be important in Europe only from the mid-nineteenth century. We find Britain exploiting its first colony, Ireland,

intensively to cover its deficit of grain and dairy products as well as importing grain and other primary products from North America. A precondition for this acquisition of primary commodities from its colonies was to monopolize the colonial market for its own manufactures (and thereby reduce its trade deficit) by strictly implementing mercantilist measures of forbidding the colonies to produce certain manufactures at all, and by prolonged protection of the domestic market against imports of much cheaper manufactures, especially textiles, from tropical lands.

Policies of Mercantile Discrimination and Deafening Silences in the Literature

Mercantilist policies consisted in banning the colonies from producing those manufactured goods which were perceived as competing actually or even potentially with metropolitan products, and insisting on the colonies remaining primary producers for supplying metropolitan needs. After England's North American colonies fought for and won independence, Adam Smith (1986, p. 466) says the following in *The Wealth of Nations*:

> [i]t has been the principal cause of the rapid progress of our American colonies towards wealth and greatness that almost their whole capitals has been employed in agriculture. They have no manufactures, those household and coarser manufactures excepted which…are the work of the women and the children in every private family…. Were the Americans, either by combination or by any other sort of violence, to stop the importation of European manufactures, and, by thus giving a monopoly to such of their own countrymen as could manufacture the like goods, divert any considerable part of their capital into this employment, they would retard instead of accelerating the further increase in the value of their annual produce, and would obstruct instead of promoting the progress of their country towards real wealth and greatness.

We cannot find a clearer example of self-serving advice, where even after independence the erstwhile colonists were being told to remain agriculturists and not try to substitute imports of manufactures (in practice, imported only from England) by developing their own manufacturing capacity. In fact, this advice from Adam Smith was worse than merely self-serving, for precisely the opposite course of protecting the English market was followed without any criticism from him or from David Ricardo, as regards Britain's own imports of manufactures from

Asia undertaken by the English East India Company, comprising cotton textiles from India, carpets from Persia, and the like. Every effort was made by Britain to kill the use within that country of textiles imported from Asia, through measures that, though initially perhaps not intended to do so, ultimately promoted import substitution and enabled it to develop its own manufacturing capacity. The most detailed and scholarly account of the remarkable story of how a country that did not produce the raw material, raw cotton, based its industrial revolution on cotton textiles, is by Paul Mantoux (1970) in his classic *The Industrial Revolution in the Eighteenth Century*, first published in French in 1913.

For the best part of a century before the publication of Adam Smith's *Wealth of Nations*, from 1700 onwards until 1774, there was a complete legal ban on the consumption in England of imported pure cotton cloth from India and Persia, textiles that England at that time lacked the capacity to produce. A coarse cloth called fustian, a mixture of cotton and linen, could be produced by English artisans and was used by the laboring poor, but it certainly did not substitute in the consumers' eyes for imported fine muslins and printed and painted calicoes. The import of Asian textiles by the East India Company had started far back from 1600, and as the English public developed an increasing appetite for these textiles, the traditional powerful woolen cloth manufacturers saw imports as a dangerous competitor to the use of wool. They petitioned Parliament successfully for a complete legal ban on the consumption of pure cottons, a ban that came into effect in 1700. But smuggling and some use of imported pure cottons continued, so the Act was strengthened in 1720 by putting penal fines of £5 on individuals found to be wearing cotton and £20 on merchants selling them—for comparison the annual per capita income in England in 1721 was £8.4. A person had to be very brave to go against the ban for apart from the fines, direct action was taken by the woolen cloth weavers who would attack persons wearing cotton and tear the clothes off their backs.

The prolonged ban gave a strong incentive to meet pent-up demand by producing substitutes in England. Mantoux (1970, p. 201) points out that "[w]hen the import of Indian materials was quite unrestricted, the demand they created already held out the promise of success and fortune to whoever was capable of imitating them. After the prohibition of 1700 these chances were greatly increased." The ban provided the economic climate for repeated and initially failed experiments with mechanical means of spinning fine yarn, for despite their best efforts the local producers "lacked the skill and supple fingers" of the Indian artisans. "No protection could be more complete, for it gave the manufacturers a real monopoly of the home market" (Mantoux, 1970, p. 256).

There is no mention let alone objection by Adam Smith regarding this complete ban targeting Asian textiles for three-quarters of a century, nor is there any mention of it by David Ricardo, in his *Principles of Political Economy and Taxation*. For fifty years after the ban, attempts to imitate the banned goods had failed, for experimental spinning machines were not commercially viable and many of the innovators were physically attacked, some being forced to leave the country. It took another quarter century for innovators to finally develop a workable machine—the Hargreaves spinning jenny was improved into the water frame and the mule spindle—for mechanically spinning yarn strong and fine enough for weaving into cloth potentially comparable with the banned Asian goods. In 1774, Arkwright successfully petitioned Parliament, pointing out that since pure cotton cloth could now be produced in England, it would generate employment to replace any loss by the woolen industry, and there was no rationale for continuing the ban on consumption.

The ban was lifted, but high tariffs were imposed on Asian textiles to keep them out of the English market. Between 1787 and 1813, the *ad valorem* tariff was raised from 16.5% to 85% on printed and painted calicoes, and raised from 18% to 44% on muslins. The prolonged ban followed by rising tariffs was arguably the most important mercantilist measure England ever implemented, stimulating repeated attempts at mechanical innovations in spinning and weaving to find a domestic substitute. We find that D. S. Landes, discussing technical change in cotton textiles, has nothing at all to say about the economic conditions of prolonged protectionism against India, which made such technical change profitable. A full 30 years passed between the first experimental spinning jenny in 1735 and the Hargreaves jenny of 1765.

All the major historians of the industrial revolution and technical change (mainly though not exclusively publishing their work from Cambridge, UK) completely ignore protectionism. The only factual and objective account of Britain's prolonged mercantilist policies of discrimination against Asian textiles is to be found in the writings of scholars from the European Continent, India, and the United States, starting with Friedrich List (1856), who was quoted at length by R. C. Dutt (1970). A detailed account of the mercantile policies that underlay the rise of Britain's textile industry was provided by Paul Mantoux (1970, translated 1928), and Paul Baran (1953) wrote extensively on discrimination against India.

These mercantilist policies targeting Asian textile imports that prevailed for nearly 150 years, as well the work of the authors mentioned above who did discuss these policies, are not mentioned even in a

footnote, let alone text, in the standard economic histories of Industrial Revolution that students read in leading British universities. These books include (but are not confined to) Phyllis Deane and W. A. Cole (1969), *British Economic Growth, 1688–1959: Trend and Structure*; R. Floud and D. N. McCloskey (1981), *The Economic History of Britain*, in two volumes; a history of technical change by D. S. Landes (1969) titled *The Unbound Prometheus*; and the widely read books by E. J. Hobsbawm (1972), especially *Industry and Empire: From 1750 to the Present Day*. Even though Hobsbawm says "Whoever says Industrial Revolution, says Cotton" there is not a word about the prolonged protectionist policies England adopted to keep out Asian cotton textiles, that lasted longer than any protectionist regime ever seen in history.

Christopher Hill (1969), the eminent Marxist historian, in his *Reformation to Industrial Revolution, 1530–1780*, specifically describes the mercantilist policies which forbade the Irish from producing woolen cloth themselves so that they had to import from England, and forbade the North American colonists from manufacturing a large range of articles from cloth to hats and even nails for horseshoes. Surprisingly, however, Hill too makes no mention at all of the most important and most prolonged area of mercantilist discrimination by England, that against India, without which it would have been impossible for cotton to become the leading industry of the Industrial revolution.

We are not talking about "Eurocentrism" here, indeed it is European economic historians like Friedrich List and Paul Mantoux (and later Paul Baran, who was a first-generation European immigrant to the United States) who discussed British protectionism at length. We are talking about basic competence in researching and writing on economic history, which requires that important factual information cannot be suppressed, for thereby a distorted and untrue picture is presented of the actual conditions under which the industrial transition took place. The distortion arises not so much from acts of commission, as from truly heroic acts of omission, whereby the most important economic policy lasting in various forms, for nearly a century and a half, is simply ignored, nor is any reference made to the few persons who did discuss this policy even though they were far from being obscure authors, but were eminent and well-known writers. To ignore completely such a long period of protectionism of the British market against lower-cost foreign products, and its domestic economic effects, is no mean feat of academic mendacity, whether intended or not. It means that a deafening silence was maintained in the past, and continues to be maintained to this day, about the real conditions under which the industrial transition actually took place.

The classical economists, Adam Smith and David Ricardo, had assiduously promoted the idea that the "free trade" they advocated, actually prevailed, by the very fact of their silence on the mercantilist policies of discrimination that their own country actually followed in their own lifetime, even while Smith in particular, advised other countries not to protect their economies. Friedrich List had remarked, not surprisingly, that the policies of political economy propounded in Britain were both hypocritical and clever. Their leading luminaries advocated free trade, but practiced protectionism. Their objective was the rational one of promoting their own "powers of production", at the expense of extinguishing the productive powers of the colonized.

As List (quoted in R. C. Dutt, 1970, Vol.1, p.208) pointed out speaking of the English,

> [h]ad they sanctioned the free importation into England of Indian cotton and silk goods, the English cotton and silk manufactories must, of necessity, soon come to a stand. India had not only the advantage of cheaper labour and raw material, but also the experience, the skill, and the practice of centuries. The effect of these advantages could not fail to tell under a system of free competition.

He went on to write about England (Dutt, 1970, Vol.1, p.209),

> [h]ow could it be expected of her that she should give up her own market for manufactures, the basis of her future greatness, to a people so numerous, so thrifty, so experienced and perfect in the old systems of manufacture as the Hindus? Accordingly, England prohibited the import of the goods dealt in by her own factories, the Indian cotton and silk fabrics. The prohibition was complete and peremptory. Not so much as a thread of them would England permit to be used. She would have none of these beautiful and cheap fabrics, but preferred to consume her own inferior and more costly stuffs. She was however quite willing to supply the Continental nations with the far finer fabrics of India at lower prices, and willingly yielded to them all the benefit of that cheapness.

It may be noted in the interests of precision, that England did not in fact prohibit the import of Indian manufactures but prohibited their sale in England. The East India Company imported increasing volumes of Indian textiles for over 140 years after the 1700 ban, and was permitted to warehouse the goods in English ports, add a 15% mark-up and re-export the textiles mainly to the European Continent and the Caribbean. The trade was very valuable for Britain because it represented a pure

drain from India. These goods were obtained completely free by the Company since the Indian producers were paid out of the rupees collected from them as taxes; and the whole of the enormous sums of precious metals that these products earned when re-exported, went into Britain's coffers.

Once Again on Incorrect Trade Estimates

The treatment of the first industrial revolution by the economic historians writing in England and later also by academics in North America, illustrates very clearly the deep biases—that were perhaps unconsciously held by at least some if not all the authors—that have led to a factually completely incorrect analysis of the process, which is portrayed as one of effortless pulchritude free of discrimination against colonized peoples.

Nor are these biases confined to Northern academia; most of the contributors to the *Cambridge Economic History of India*, Vol. 2 (Kumar & Desai, 1984) are Indian academics, and many follow uncritically, the slippery path of apologetics laid out by their mentors. K. N. Chaudhuri in his chapter on "Foreign Trade and the Balance of Payments" makes no mention at all of metropolitan mercantile policies of protectionism against Indian textiles, and nor does the chapter in the same volume by Morris D. Morris, which is specifically on Indian textile production.

The silences and suppression of facts that we have pointed out so far, have arisen from one basic bias, that of ignoring the large positive impact of colonial exploitation through trade involving the drain of wealth on the metropolitan economies, and promoting the idea that there was a purely internal dynamic at work that resulted in technical change and industrialization. A most bizarre outcome of this almost universally held bias has been that virtually every single economic historian of Britain dealing with the eighteenth and nineteenth centuries and doing any empirical work at all has presented incorrect historical trade estimates for Britain, grossly underestimating the actual extent of that country's trade.

After all, there is a conceptual and technical dimension to terms used in economics as a discipline. Economic historians cannot simply, without any explanation, apply at their own sweet will concepts for data estimation which differ from their accepted meaning in economics. The definition of the merchandise trade of a country which the economic historians of Britain have been arbitrarily applying (starting with Deane and Cole, without a word of explanation about their reason for doing so)

is for Exports, domestically produced export goods alone, and for Imports, only that part of imports which is retained for use within the country; they thus leave out completely the part of Imports which is re-exported, both from the import figures as well as from the export figures.

This is not the correct definition of the merchandise trade of a country. The correct definition of Exports is Total exports and the correct definition of Imports is Total imports, where if there are re-exports of part of imported goods, these re-exported imports are included in Imports and also in Exports. The Total Trade of a country is the sum of its Total Exports and Total Imports. The correct definition is to be found in every macroeconomics textbook for an open economy, and it is applied by every organization giving country-wise trade data (World Bank, United Nations, International Monetary Fund). It makes a very big difference if the incorrect concept is used, as it is by the economic historians, to the estimated magnitude of trade for imperialist powers like Britain, France, and Netherlands, since they all had a large re-export trade in tropical goods. We have not studied the time series for France or Netherlands, but have estimated the correct time series for Britain and have found that the difference is very large: for example, the incorrect Deane and Cole (1969) estimate of exports and imports for Britain leaving out re-exports, gives a trade to GDP ratio of 36% by the triennium centered on 1801, while the correct definition gives a trade to GDP ratio of 58%.[4]

Incorrect historical estimates of the magnitude of Britain's trade are presented not only by Deane and Cole, but following their lead, for the nineteenth century also by Thomas and McCloskey (1981), Crafts (1985), Harley and McCloskey (1981), and no doubt in many other papers as well. Incidentally, we find that Adam Smith writing two centuries earlier, was never confused in this matter but had explained at length that the goods imported into Britain that were in excess of its own needs were re-exported to other countries to purchase the other goods like raw materials and food it needed for its own production and consumption.

Hegel on Africa: Not Eurocentrism, but Germano-centrism

The philosopher G. W. F. Hegel had a profound influence on many generations of scholars including, as we know, on Karl Marx and Friedrich Engels, who developed their ideas in opposition to his. Some of Hegel's

lectures were put together by his students and published after his death in 1831, such as *Lectures on the Philosophy of World History* (1975), which has aroused a great deal of controversy owing to the extreme and ill-informed comments Hegel (1975, p. 54) made regarding the world outside Christian Europe:

> world history is the record of the spirit's efforts to attain knowledge of what it is in itself. The Orientals do not know that the spirit or man as such are free in themselves. And because they do not know that they are not themselves free. They only know that One is free…. The consciousness of freedom first awoke among the Greeks and they were accordingly free; but, like the Romans, they only knew that Some, and not all men as such, are free…. The Germanic nations, with the rise of Christianity were the first to realize that All men are by nature free, and that freedom of spirit is his very essence.

The words "free" and "freedom" are perhaps the most problematic and misapplied terms ever used in the history of nations. The government of Hegel's home country Germany, a mere century later installed the infamous words "*Arbeit macht frei*" (work makes one free) in wrought iron letters above the gates of the concentration camp of Auschwitz where at least three million Europeans were incarcerated and more than one million were put to death over five years. The actual evolution of the history of the "Germanic nations" certainly could not have contradicted more decisively the realization that Hegel had attributed to them, that "All men are by nature free."

In relation to Africa, Hegel (1975, p. 190) had the following to say:

> [w]e shall therefore leave Africa at this point, and it need not be mentioned again. For it is an unhistorical continent, with no movement or development of its own. And such events as have occurred in it—that is, in its northern region—belong to the Asiatic and European worlds. Carthage, while it lasted, represented an important phase; but as a Phoenician colony, it belongs to Asia. Egypt will be considered as a stage in the movement of the human spirit from east to west, but it has no part in the spirit of Africa. What we understand as Africa proper is that unhistorical and undeveloped land which is still enmeshed in the natural spirit, and which had to be mentioned here before we cross the threshold of world history itself.

Karl Marx's much debated remark in *Capital*, Vol. 1 (Marx, 1978, p. 29, afterword to the second German edition), on the necessity of standing the Hegelian dialectic on its head, of inverting his propositions, perhaps holds most true and most clearly so for the above assertions on Africa.

Far from Africa having no history, we know today that without Africa there would be no history for the whole of humankind in every continent, for their forebears originated from Africa and migrated elsewhere. Scientists tell us that only eight thousand years ago the ancestors of present populations of Europe are likely to have been dark skinned. It is indeed strange that any professor in Europe lecturing in the 1820s could imagine that everything there was to know about African civilizations was already known. We find that Hegel constructed the idea that "Africa" lacked any historical movement, by the tendentious method of defining "Africa" in such a manner that every such region of the actually existing African continent was cut out and conceptually annexed to Asia or to Europe, that happened to be known to Europeans at that time as having a recorded history! It follows that a faithful Hegelian following his method, should have said that Germany was not part of Europe but a part of the Russian civilization, because the characteristic movement of the history of the Europeans from the sixteenth century was their rapid maritime expansion to faraway lands, in which Germany, as a virtually landlocked region, played no part until over three hundred years later.

Hegel's views were not unique to him, but owing to his standing as a philosopher, his views in particular have had a profound and mephitic impact on the way that European scholars have mis-conceptualized Africa, using the metaphor of "dark continent" for it in the same way that "the dark ages" was used for Europe to refer to a certain stage of its medieval history, but with a racial overtone added to the term in the case of Africa. Of course, such mis-conceptualization was also a useful cultural aid to the ruthless imperialist exploitation of the peoples of that continent, in particular, of that part of Africa that was singled out as "Africa proper."

Imperialist European countries, on the other hand, far from languishing in "darkness", basked in the refulgent glory of the enormous fortunes they made by kidnapping and enslaving Africans to transport to the Americas, and by continuously appropriating without payment the tropical raw materials and the exhaustible mineral wealth of the continent. In the territories controlled in Congo personally by King Leopold of Belgium, during 1884 to 1908, local male inhabitants were forced to give unpaid labour for collecting natural rubber, while their families were held as hostages. Those workers who were considered to be recalcitrant, had their right hands cut off, which were then put on permanent display in order to discipline the remaining workers. The complete disruption of the small producer rural economy in Belgium-controlled Congo precipitated famine, in which the population of 20 million is estimated to have halved in less than three decades, to only about 10 million (Gondola, 2002).

Under the economic system of capitalism that is motivated solely by making money, moral considerations become redundant and are readily jettisoned. Imperialism is inherent in the money form itself that dominates the capitalist mode of production, and a study of history shows that it reduces its agents to monsters of amorality. Belgium was far from unique in committing atrocities against local populations. Germany, as a late-industrializing power, made its determined thrust for acquiring colonies from the last two decades of the nineteenth century, and particularly in Namibia it used both enslavement of local workers and genocide of peoples considered to be insufficiently cooperative in relation to its policies. The concentration camps it set up in Namibia before World War I to stamp out local resistance, of which the largest was a death camp, are widely regarded as providing the blueprint for the concentration and death camps set up a mere quarter century later, under Nazism in Germany.

The British were perhaps the most clever among the imperialist powers, for while they too decimated many millions of persons in India who were subjected to repeated famines, in the main this was not done through the methods of direct genocide using visible, crude military force. In the main as befitted the home of political economy, it was done through non-transparent, clever economic and financial methods of exploitation that oppressed the people severely and killed millions through starvation, but whose mechanism remained invisible and obscure not only to the general public but to most academics as well. The mechanism consisted in operating surplus budgets every year for 180 years, whereby a large fraction averaging at least one-third of the budgetary revenues raised through taxation and product monopolies was not spent in the normal manner but used to pay out rupees against the export surplus earnings of the local producers, from whom the taxes had been collected in the first place (so while appearing to be paid, they were not actually paid); while all the gold and foreign exchange earnings from their global export surplus went straight into the British treasury.[5]

The exception when direct force was used was the first decade of the East India Company's rule, which saw a massive famine in Bengal in 1770 resulting from a trebling of land revenue collections over the mere five years 1765 to 1770, when the Company seemingly went mad with avarice on acquiring the *Dewani* or revenue collecting right in that province in 1765 from the Mughal Emperor. After a tour of the famine affected areas, the members of the Council of the Company estimated that in excess of ten million persons or one-third of the province's population died in the famine and large tracts of land were completely depopulated (see Dutt, 1900, pp. 1–2).

So successfully were the facts of the 1770 famine suppressed through silence that in subsequent histories, such as *The Cambridge Economic History of India*, Vol. 2 (Kumar & Desai, 1984), there is no mention of this famine in Bengal marking the inception of British rule, and in present day books by Indian economic historians too, including those written by sophisticated academics hailing from Bengal, the reader will not find a single reference to it. Nor have scholars in India understood that the great Bengal famine of 1943–1944 was owing to a deliberately engineered profit inflation theorized by J. M. Keynes and applied in practice in India in order to make the Indian people pay for war spending.[6] This extraordinary state of affairs, the complete intellectual hegemony exercised by imperialism, is the result of the setting up of a colonial education system, and over many decades, the inculcation amongst the local elite of intellectual subservience to conservative Northern academia—a most notable "achievement" of imperialists. This has ensured that, through deafening silences and acts of omission, fake history from academia abroad is effectively transmitted through local educated elites, and such fake history is taught to students by local teachers themselves, albeit most of them do so in good faith, quite unaware that what they teach is a result of the colonization of their minds.

Overcoming the colonization of the mind is essential for any real academic and economic progress not only in the global South, but also in the interest of truth in general. It is in the interest of ridding disciplines developed in the period of colonialism and imperialist expansion of their blatantly ideological underpinnings that serve the interests of particular nations and classes at the expense of others. The best way of countering fake history in a particular area is to undertake honestly a careful examination of facts as far as they can be ascertained and interpret these facts in the light of critical theory. The only way of doing so is to subject received theories to rigorous and critical analysis, and wherever possible, to retrieve the rational kernels if they exist, from within their ideological shell (to paraphrase an idea that Karl Marx had put forward, in a somewhat different context, of rescuing the dialectical method from idealist mystification).

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Notes

1. This article is the 10th Anniversary Lecture of *Agrarian South: Journal of Political Economy*, delivered in virtual format on January 25, 2021, during the SMAIAS-ASN Summer School.
2. A discussion of these fallacies is available in this author's previously published papers; see "Ricardo's Fallacy" in Patnaik (2005) and "Introduction" in Patnaik (2007).
3. China's declared grain availability of 670 million ton in 2020 has been adjusted for comparability by deducting potato output and the estimated volume of paddy husk.
4. See Patnaik (1999, 2011) for detailed tables.
5. For a detailed discussion, see Patnaik and Patnaik (2021).
6. See Keynes (1930) for the explanation of profit inflation, and see Patnaik and Patnaik (2021) for an analysis of the 1943–1944 famine in Bengal.

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