

**On Capitalism and Colonialism:
The Economic Imperatives Underlying Amitav Ghosh's *Sea of Poppies***

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ABSTRACT

This essay analyzes Amitav Ghosh's *Sea of Poppies* as a novel that illustrates the complementarity between literature and economics in offering insight into important historic events. The essay lays out the economic forces behind the novel's narrative. It brings out, on the one hand, the rigorous thinking in the discipline economics on the issues raised in the novel. On the other hand, it illustrates how literature, freed from the shackles of a formalistic approach, delivers broad insights that ring true. The context of the novel is the British colonization of India and Mauritius.

Keywords: British Empire, colonization, opium, poverty, indentured labor

1. Introduction

Economics and literature may seem, at first glance, to be incompatible bedfellows. Economics is a mathematically rigorous discipline. Its theories are laid out with precision in mathematical terms after carefully spelling out the assumptions, and its empirical work designed to unearth the facts is subjected to very rigorous statistical tests of credibility. These restrictions, while imposing rigorous standards on research in the field and enhancing the credibility of the findings, also inevitably turn into straightjackets. Real world phenomena are often the result of a confluence of numerous factors, and so separating them out in theoretical or empirical work is infeasible because of the self-imposed rigorous checks and balances. Literature, on the other hand, has few such constraints. There is virtually no limit to what can be brought into a narrative, as long as the overall requirement that it be coherent is met. It thus offers the latitude to suggest a comprehensive view of a subject without claiming to be true in details.

Despite the apparently unbridgeable chasm between economics and literature, I believe good literature can be a complement to economics in furthering our understanding of economic and social phenomena. In the other direction, the logic of economics can allow us make sense of fictional phenomena portrayed in literature because even fiction ultimately must be grounded in real life if it is to resonate with readers.

Amitav Ghosh's novel, *Sea of Poppies*, is a magnificent example in English literature exhibiting this complementarity.¹ This is the novel I have chosen to use as a vehicle to bring out the said complementarity in some of its history-based fictional events. The book's narrative suggests that the contemporary capitalist world has its roots in Empire, starting from the 17th Century. Indeed, the novel shows that colonization, capitalism, and Christianity are intertwined in ways that are not easy to separate. I wish to focus here on how economics shapes the actions of capitalism and colonization in this novel, which is a gripping read in its own right as literature. And the novel also reveals, with immediacy far more palpable than what is communicable through abstract theories or via dry numbers and statistics, the fundamentally economic nature of the forces driving the events in the narrative.

2. Opium, Colonization, and Trade

The novel is set in 1838 on land and on the deck of a schooner plying the Indian Ocean. The land setting of *Sea of Poppies* was the eastern Indian region of present-day Bihar and Bengal. The major crop that was grown by the farmers in the region at the time, at the insistence of the East India Company, was the poppy, the essential ingredient of opium. The local consumption of this drug was minimal; the crops were meant mainly for export. The reader gets a glimpse of the exploitative nature of this colony early in *Sea of Poppies*.

One of the main characters of the novel is Deeti, a woman who lived in Ghazipur, which lay on the Ganges in what was then the northern part of Bihar. The novel, among other things, tracks Deeti's fate through the events that unfold. Her husband through an arranged marriage, she later found, was impotent and an opium addict. He worked in an English opium factory, and one day he fell seriously ill at work. En route to fetching the ox-cart driver to transport her ill husband home, Deeti had to pass by endless fields of poppies that were getting ready to be harvested to produce opium. She reminisces about how farming was before the English arrived to how it is in the current condition, and wonders about the difficulties involved in the simple job of replacing the thatched roof of her hut.

The difficulty was that the British colonial masters required the peasants to grow poppy so that its derivative, opium, could be exported for profit. In earlier days, Deeti recalls, a family focused on growing crops that were deemed necessary and very little land and effort were devoted to growing poppy for their personal needs. But now, they are mostly devoted to the poppy crop, which is extremely labor-intensive, entailing a sequence of tedious and meticulous tasks. She wonders,

...what sane person would want to multiply these labours when there were better, more useful crops to grow, like wheat, dal, vegetables? But those toothsome winter crops were steadily shrinking in acreage: now the factory's appetite for opium seemed never to be sated... (p. 27)

When choices are voluntarily made, resources like land and labor would never be allocated to luxuries when what is foregone by this choice are necessities that are valued much more. Deeti hopes that this year's poppy crop would be good, so all of the proceeds can be put to repairing

the roof of her hut; if not, the rains will wash away whatever was left of it. How did Deeti's family and millions of others find themselves in such dire straits?

Consider what economics may contribute by way of insight here. In a pioneering contribution to our understanding of the economic development of former colonies, economists Daron Acemoglu, Simon Johnson, and James Robinson (2001)—who were awarded the Nobel Prize in economics in 2024—argued that whether a colony prospered or was impoverished by colonization depended on whether or not it is a settler colony.² When European colonial masters decided to settle in a colony, it was in their interest to economically develop their adopted countries. The settlers wanted to replicate the conditions and institutions that prevailed in their home countries, institutions such as those ensuring secure property rights, law and order, civil rights, etc. On the other hand, if they chose not to settle in the colony, they were not particularly interested in its development but, rather, merely sought to extract profits from it by way of cash crops, minerals, and the like. Here, the institutions were naturally very different from those in settler colonies. And these 'extractive' institutions, far from benefitting the citizens of the colony, more often than not impoverished them and set them back on the road to prosperity. Not only were these colonies' natural resources exploited, the labor of the citizens was also often harnessed to satisfy the colonial master's ends.

What determined whether a colony became a settler colony or an extractive one? The theory's proponents argued that an important consideration was whether the climate was one that the colonists could tolerate and whether the common diseases were ones against which they had some immunity. Therefore, colonies that were rich in resources but with geography or climate deemed uninhabitable by the European colonists tended to be extractive (like those in Africa and South Asia). On the other hand, resource-rich colonies that were deemed hospitable enough for permanent living tended to become settler colonies (like the United States, Canada, Australia, and New Zealand) and these had institutions that promoted economic development.

An instance of extractive colonization is brought out graphically in the *Sea of Poppies*. India was a colony of Britain for over two centuries, but it was not a settler colony. Before it came under sovereign British rule (in 1858), most of the country was conquered by the British East India Company, a joint stock company that made its profits by trading. In fact, as the historian William Dalrymple (2019, p. xxv) puts it, "India's transition to colonialism took place under a for-profit

corporation, which existed entirely for the purpose of enriching its investors.”³ For this reason, the nature of the exploitation of India was even harsher than what we might have expected from a state implementing extractive institutions.

As mentioned above, in the past Deeti’s family would plant a variety of crops for consumption and only a little of poppy because it was a very labor intensive crop. But now, it was largely replaced by the poppy. Why was there a compulsion to specialize in this manner when it impoverished them?

The answer to this question is worth elaborating on because what happened in Bihar and Bengal under the rule of the British East India Co. illustrates in the specific what economists Acemoglu, Johnson, and Robinson (2002) found as a general phenomenon that they dubbed “Reversal of Fortune”.⁴ Their argument is that, while colonizing, European countries found it most profitable to colonize the relatively most prosperous regions (compared to the rest of the world) because of their abundance of resources. By implementing in these colonies institutions that were extractive in nature and which did not promote long term economic development, over time the fortunes of these regions were reversed, relative to the rest of the world. As a result, regions that had the highest per capita income a few centuries ago, before colonization, tend to have the lowest in contemporary times.

Regions of India offer examples of this reversal at work. The East India Company instituted land tenure regimes that facilitated the collection of taxes (which were substantial) but did not encourage investment in agriculture. Particularly relevant here is the zemindari system of land tenure where huge swathes of land were given over to a few landlords (zemindars), in contrast to having individual ownership or village-level ownership. The contracts used by the East India Company for poppy growing recruited the zemindars into forcing peasants to accept unprofitable offers through the threat of throwing the peasant farmers out of the land they tilled. The terms of the contract under which the opium farmers labored actually resulted in a loss in their income, not a gain.⁵ In fact, the effects of opium growing were long-term because economic development is history-dependent. Even today, villages in areas that grew the poppy are more likely to show less investment in public goods like education and health clinics.⁶

Indian peasant farmers were forced to accept cash advances by the English to grow the poppy and refusal was met with dire consequences such as being falsely accused of stealing and tried in courts where the magistrates are bought off. Deeti knows what her condition would be at the end of the winter season:

And, at the end of it, your earnings would come to no more than three-and-a-half sicca rupees, just about enough to pay off your advance. (p. 27)

This sort of extractive contracts that could not be refused—but which would never have been tolerated by the settlers amongst themselves—were routinely employed to force the planting of a crop for an addictive drug.

The reader receives an initial hint in the novel on why the British had settled on opium as the favored product to export from India. Because Deeti's husband was impotent, her domineering mother-in-law arranged for her son, the groom, to get Deeti into an opium-induced torpor on their wedding night and to have his brother rape Deeti—a rape from which she conceived a daughter. While she had no recollection of this event, she arrived at this realization when she found herself pregnant. Furthermore, she received hints from her mother-in-law that more children to Deeti were planned in the future. To put an end to this premeditated rape by her brother-in-law while she was drugged at the behest of her mother-in-law to satisfy her desire for more grandchildren, Deeti decided on a drastic course of action. She routinely took some opium from her husband's cache and added traces of it to her mother-in-law's food and drink. The old woman became very passive and "peaceful" and, over time, was hardly in a position to scheme and manipulate anymore. It is at this point that Deeti wonders about what this drug could do:

As for Deeti, the more she ministered the drug, the more she came to respect its potency: how frail a creature was a human being, to be tamed by such tiny doses of this substance! She saw now why the factory in Ghazipur was so diligently patrolled by the sahibs and their sepoy — for if a little bit of this gum could give her such power over the life, the character, the very soul of this elderly woman, then with more of it at her disposal, why should she not be able to seize kingdoms and control multitudes? (p. 35)

The power to "seize kingdoms and control multitudes" was the motivation for settling on opium as the prime export commodity from India by the British East India Co. Simple economics suggests that a stable demand for a product maintains the profits from its sale, and when there is addiction the demand is stable. In fact, the logic of this is not different for why local drug pushers offer 'freebies' to school kids to get them hooked. More benignly, it is also why a gym

or a music company nowadays might offer us free subscriptions to enroll for a few months. Part of this, of course, is to merely familiarize us with the potential benefits of the product that we might be unaware of. What is different in the case of opium sales by the British East India Company is the enormous scale of the operation in the 19th Century and the fact that the product here is extremely addictive.

Because the Indian market for opium was small and most families could grow a bit of it for their own needs, it would have been difficult for the East India Company to prevent production for private needs. The market for the opium from India was China. But what could be done to induce the Chinese to undertake international trade in which they imported opium?

The answer seems to have been getting the Chinese addicted to opium. China's Qing dynasty naturally wanted to put a stop to the import of opium and then to ban it. This led to two wars (the 'Opium wars') between Britain and China (1839-1842 and 1856-1860), and in which Britain was joined by France in the second. An illuminating exchange in the novel takes place in a scene that is set on a budgerow (a large boat on the Ganges). The participants in the conversation are Mr. Burnham and Neel Rattan Halder, both important characters in the novel, and one Mr. Doughty. Mr. Burnham, an Englishman, was the owner of a shipping company involved in the opium trade between India and China. (The East India Company relegated to private merchants the shipping of the opium to China.) Neel Rattan Halder was an educated zemindar and the Rajah of Raskhali, who recently inherited his estate from his irresponsible and profligate father who had invested heavily in Mr. Burnham's business without serious inquiry into the nature of his business. Mr. Doughty, an Englishman who operated out of Calcutta, was the pilot of Mr. Burnham's recently acquired schooner, *Ibis*.

In the conversation, which takes place a year before the first opium war, Mr. Burnham tells Neel that ending the opium trade with China would be ruinous for him, for Neel, and also for India. When Neel inquired why it would be ruinous and why the British didn't sell products that were more useful than opium to the Chinese, Mr. Doughty replied that Britain had nothing better than opium to offer. The Chinese didn't care for British products whereas the British wanted Chinese tea and silks. He admitted that it was the English and the Americans, through sustained effort, who had managed to get the Chinese people hooked on opium.

The subsequent market for opium was so lucrative for the East India Company that, backed by the British government, it found it worthwhile to undertake the two opium wars with China on the right to sell opium to the Chinese. Another conversation at the same dinner party also includes Zachary Reid, an American who passed as white but was of mixed race (white father, black mother) and was the second mate of the *Ibis*. The conversation suggests British sentiments for ‘free trade’ a year before the first opium war. Mr. Burnham claimed that free trade is a right given by God. He goes further and elaborates on how opium is a boon for India because it boosts the East India Company’s revenues to more than the entire income of India or the United States. This in turn, in his view, enables the British to confer their ‘benefits’ on India, and it is their ‘God-given’ duty to confer this benefit on the Chinese, too, which presumably justified the impending opium war with China. The British Parliament, he states, would not know about the war until it is over!

Mr. Burnham asserts that there would be no British Empire without the East India Company, but he does not acknowledge the immense adverse consequences this had for India. Only after the East India Company had conquered and ruled major parts of India for a century did the country come under the direct control of the British sovereign, following the Indian Mutiny in 1857. In India at least, the extent of the British Empire was most certainly powered by the commercial interests of British capitalism—in particular, those of a single multinational company.

The production of opium in Bihar and Bengal was disastrous for the poor. It produced far more misery than would have existed otherwise. The extent of it is communicated in Deeti’s reflections. Soon after her husband’s death, Deeti had voluntarily but hastily married her second husband, Kalua, a lower-caste man who saved her from the funeral pyre of her first husband into which she was being forced by her circumstances. They fled from the (high-caste) relatives of Deeti’s first husband, who were out to kill them. When she passes by her natal home during their escape, the sight of the poppy fields there makes Deeti reflect on what would be true also of her and her dead husband’s fields:

This, she knew, was what her own fields looked like, and were she at home today, she would have been asking herself what she would eat in the months ahead: where were the vegetables, the grains? She had only to look around to know that here, as in the village she had left, everyone’s land was in hock to the agents of the opium factory: every farmer had been served with a contract, the fulfilling of which left them with no option but to strew

their land with poppies. And now, with the harvest over and little grain at home, they would have to plunge still deeper into debt to feed their families. (p. 178)

How is it possible, we might wonder, that so lucrative a market for opium could have produced this abject poverty and misery?⁷ Two features of opium production in Bihar and Bengal facilitated this: monopoly and monopsony. To a seller of a product, freedom from competing sellers confers an advantage of being able to raise prices to consumers. The British parliament conferred a monopoly on the East India Company to sell opium in the India-China market (though, of course, this could not prevent sellers from other countries). The Company set up the so-called Opium Department, which was given police-like powers. With over a hundred offices spread out over the region, it recruited locals to enforce strict rules and ensured compliance on contracts that virtually could not be refused.⁸ Not only was the East India Company a monopoly seller, it was also a monopsony, that is, the only buyer of the poppy that was grown. The latter ensured that the price offered to the poppy farmer was minimal and the former that the price at which it sold the final product to the Chinese was the most profitable. While the Company made huge returns on the investment of its shareholders in Britain, the Indian poppy farmers who dedicated their most fertile lands to the poppy became further mired in poverty and debt. This would be an example of what Marx dubbed “primitive accumulation” that, he claimed, provided the capital that capitalism was built on.

3. God in Service of the Opium Trade

An important issue that is touched on in the narrative of *Sea of Poppies* bears on the interaction between economics and religion. The fundamental purpose of the British empire in India, to be sure, was to exercise control over the colony so as to have access to its resources. The motive force behind British imperialism was economic. Nevertheless, the spread of empire and the spread of Christianity occurred simultaneously. Was there a causal relationship between the two? That empire made it easier for missionaries to spread Christianity may seem obvious. History informs us, however, that the East India Company was very averse to openly supporting the proselytizing of Christianity. The reason had to do with governance: if the Indian soldiers largely comprising the British Indian army saw British rule as an excuse for foisting Christianity on them, they would have withdrawn their loyalty, thereby threatening British security. So, the Company resisted the zeal of Protestant missionaries to ‘redeem’ millions of Indian souls

through conversion. The missionary lobby in Britain, however, won out when the charter of the East India Company came up for renewal. The British parliament voted in favor of including a 'pious clause' in the Charter Act of 1813, which stated that Britain was duty-bound to make it possible for the religious and "moral improvement" of Indians.

The Company, nevertheless, remained fairly wary of granting missionaries admission into India. But in the 19th century, the state and the missionaries did manage to see eye-to-eye on the issue of education. The Company felt it would be good to have the Indian elite educated in English because it would help with the administration; the missionaries saw education as a route to introducing the study of the Bible and possible conversion. This led to the state-funded opening of some schools that had mostly secular disciplines in their curricula, but which were largely taught by missionaries. While there was some complementarity between the state and missionary work, the state in colonial British India was careful never to openly promote Christianity in an official capacity.

But to what extent, if any, did Christianity extend the empire? This is, as yet, an unresolved issue, for the evidence seems to be that Christianity may have somewhat impeded British imperialism by planting suspicion in the Indian population.⁹ More specifically here, to what extent did Christianity lend support to the economic motive behind the opium trade? The answer may have been different when seen from the viewpoints of the state and of the commercial interests. In part of the same conversation between Neel and Mr. Burnham reported above, Neel asks Mr Burnham if he was not bothered by the fact that God is being recruited in the opium trade. In reply, Mr Burnham extols the medical benefits of opium, which the Chinese surely should not be deprived of. God would be displeased if the British did not oppose the 'Manchu tyrant' from preventing the benefits of opium from flowing to his citizens. In an astounding remark, which he attributes to a countryman, Mr Burnham claims,

"Jesus Christ is Free Trade and Free Trade is Jesus Christ." (p. 106)

Whether Mr. Burnham's stance was merely a transparent ploy to camouflage his greed or a genuinely held religious belief, one cannot be sure. Since he seems to have been a devout Protestant, it is more likely that it was his cognitive dissonance at work. Given the potentially conflicting choice between his religion and his self-interest, he found a justification in favor of

the latter—not by negating the former but, rather more compellingly, by recruiting it to justify his self-interest. Between capitalism and any reasonable interpretation of genuine Christianity, there may be an irreconcilable antagonism; but the former trumps the latter here in the case of the opium trade. There was an unholy alliance between colonialism, capitalism, and Christianity.

More generally, as self-interest has been hardwired in humans over eons, it is very deeply entrenched. Because capitalism is based on self-interest, it can recruit almost any and every vehicle to increase profits—even religion. In other words, Christianity is generally more likely to have been an aid rather than a primary driving force behind capitalism, and so, it seems, was it the case in this instance of the opium trade of the East India Company.¹⁰

4. Colonization and Indentured Labor

Related to the problem of the impoverishment of the already-poor farmers for profit, there is another aspect of *Sea of Poppies* intimately connected with capitalism that economics sheds some light on. This is the transportation of indentured laborers (called *girmityas*) to the island of Mauritius in the Indian Ocean, 500 miles east of Madagascar. Girmityas are people who have sold themselves for paltry sums of money, usually to help their families and, in exchange, have become bonded laborers for a few years until the debt is paid off. The schooner *Ibis*, which previously transported slaves, was purchased by Mr. Burnham and refitted with the intention of shipping opium to China. But since the opium trade with China was temporarily in abeyance—an interruption that the opium wars sought to put a stop to—Mr. Burnham wanted use the *Ibis* in the interim period to transport indentured workers. Each way, the trip was expected to be about a couple of months. The migrants were liberally fed before the journey, ostensibly to alleviate their hunger, but more likely to entice people into signing up as migrants and to strengthen them for the labor that awaited them at the other end. Deeti and her second husband, Kalua, desperate from hunger while escaping from her relatives through her first marriage, were two of the many who decided to join the girmityas.

The reason for Mr. Burnham's decision to ship indentured laborers was that he received a communication from Mauritius, which was now another British colony. On Zachary Reid's voyage to Calcutta, his vessel had stopped off at Port Louis, Mauritius. A plantation owner,

Monsieur d'Epinay, explained his predicament to Zachary and asked him to deliver a letter to Mr. Burnham in Calcutta:

'My canes are rotting in the field, Mr Reid,' said the planter. 'Tell Mr Burnham that I need men. Now that we may no longer have slaves in Mauritius, I must have coolies, or I am doomed. Put in a word for me, will you not?' (p. 20)

It was in response to this request from Monsieur d'Epinay that Mr Burnham decided to send over girmityas to Mauritius. But indentured laborers could be employed within India itself and Mr. Burnham could have transported them elsewhere in the same country. Why transport them from Calcutta to Port Louis, Mauritius, nearly 4,000 miles away, which entailed a journey fraught with danger for the crew and the passengers? Transporting indentured migrants (and a few convicts to Mauritius, which also served as a British penal colony) was seen as a side business for Mr. Burnham, not as lucrative as trading in opium to be sure but nevertheless financially worthwhile. Those who are willing to pay the most for indentured laborers are from regions that are abundant in land, not labor. India was abundant in labor and the demand for indentured workers would not be high, relatively speaking, because hired labor can be had cheaply. In his choice of shipping girmityas overseas, Mr. Burnham may well have been informed by the thinking of colonists at the time.

Edward Gibbon Wakefield was a 19th Century British entrepreneur, and is little-known today as a theorist of colonization. He had strong views on how to develop British capitalism using colonies, and had an influence on the colonization of Australia and New Zealand.¹¹ His claim to fame was the idea that, for Britain to continue its accumulation of capital, the country needed to colonize other countries, sell some land to capitalists, and have labor from over-populous Britain immigrate to the colony. Instead of making the colony's abundant land cheaply available, he argued, the bulk of the immigrants should be deprived of land ownership for a considerable period of time by maintaining artificially high land prices through state intervention. By being forced to provide labor for their livelihood, these immigrants would enable capitalist landlords to earn returns on their ownership of land and contribute to their accumulation of capital. If land were cheaply available to all, no one would be willing to work for another and the returns to owning land would be very small and this would thwart the accumulation of capital. As Marx recognized, this was a state-contrived restriction of the means of production to some people in the interest of capital accumulation.¹²

The economic historian Evsey Domar had an elegant theory on when we might expect to see the emergence of serfdom or slavery or, more generally, coerced labor.¹³ Based on the evidence gathered by the Russian historian V. Kliuchevsky, Domar argued that this is more likely to occur in regions where land is abundant and labor is scarce. If the movement of labor was unfettered, would-be workers would acquire land that they could cultivate for themselves—eliminating the possibility of a landowning class that lived off labor. To ensure the existence of such a landowning class, political pressure would have to be brought to bear that prevented the free mobility of labor, thereby reducing their outside options. And this tying of labor to a piece of land is serfdom by another name.¹⁴

With this bit of economic theory from Domar, we may return to *Sea of Poppies*. The island of Mauritius had a string of European colonial masters. The French colonized the island in 1721 and the French settlers cultivated sugarcane using imported African slave labor on their plantations. The colony changed hands in 1810, when it was wrested from the French by the British. In 1833, the Slavery Abolition Act eliminated slavery in the British Empire and it was implemented in Mauritius in 1835. The slaves in Mauritius were freed as a result, and the sugarcane plantations were in difficulties because of labor scarcity—which was what Monsieur d’Epinay’s letter alludes to.

The fact that Mr. Burnham sent him, for his own profit, not just migrants but indentured laborers is not an accident. To maintain an artificial scarcity of land and thereby support a landlord class that accumulates capital in the spirit of Wakefield, labor had to be prevented from the easy purchase of land. Preventing the free movement of the migrants out of labor would lower their outside options. What better expedient for ensuring a captive labor force than to have indentured laborers, who are obligated to work off their debt, and are assigned to specific plantations upon arrival in Mauritius? The logic of capitalistic and colonial exploitation was apparently perfectly understood by both Mr. Burnham and Monsieur d’Epinay.

The economic history of Mauritius records the country as having experienced a boom in their sugar exports starting from the 1820s. The labor shortage caused by the emancipation of African slaves in the country was alleviated by the active involvement of the colonial state government to safeguard the export sector. The export-driven economic development of Mauritius came at the expense of slaves and indentured laborers. In the present context, the profitable opium export

from India to China reduced farmer peasants to desperation by having them devote the most fertile land to opium cultivation at unremunerative prices and at the expense of growing subsistence crops. And the escape of the poor to improve their condition was seen as another source of profit by transporting them as indentured servants to Mauritius to benefit the landed Franco-Mauritians by their export of sugar. More importantly, Britain, the mother country of Empire, it has been argued, profited from slavery to the point that it augmented the capital needed for its Industrial Revolution.¹⁵

Even in the manner in which the indentured laborers were supervised onboard *Ibis*, the novel offers economic insights into how capitalism maximizes profit by minimizing supervision costs. Since the number of crew is much smaller than the number of migrants being transported, maintaining discipline and preventing uprisings is matter of concern. Part of the strategy to deal with this seems to have been to hire a sturdy upper caste man, Bhyro Singh, as the subedar (a junior officer) who would oversee the lower caste migrants. Caste distinctions and ingrained hatred towards the lower castes are harnessed to keep the migrants in line. Byro Singh, a ruthless man, was favorably looked upon by his superior, the first mate Mr. Crowle, and Bhyro Singh's sadistic excesses were even indulged by the ship's captain, Mr. Chillingworth.

One incident graphically illustrates the method of control. To help out a friend who was being ill-treated by the crew, Deeti had protested. She was then summoned to come below deck and was led to an isolated store room where Bhyro Sigh, her deceased husband's uncle as it turned out, was waiting for her with the intention of rape. A cry for help from Deeti alerted her husband, Kalua, who was on deck with his hands tied with a rope. In the scuffle that followed, one of his guards accidentally fell overboard and perished. The penalty for this, it was quickly determined, would be death by hanging (which was to be preceded by a trial, with this predetermined verdict). But Bhyro Singh wanted to first flog Kalua 60 lashes the day before the intended hanging. Bhyro Singh had falsely told the captain that Kalua had run away with an upper caste woman who happened to be his relative (which is true) and that he needs to be punished. Captain Chillingworth, without verifying the claim, went along with this because he apparently did not wish to interfere with caste practices. When Zachary Reid questioned the decision, the captain said that he was surprised that an American would ask this, taking Zachary for white. He asked

Zachary what they would do in Bhyro Singh's place if a 'darkie' eloped with their wives or sisters.

Here is a snippet of the scene of the lashing on the deck, where all male migrants watched Bhyro Singh run up before each lash to the menaced and barely clad Kalua, whom he referred to as a scavenging dog:

Kalua heard him clearly, through the buzzing in his head, and he asked, in a whisper: Malik – what have I ever done to you?

The question – as much as the bewildered tone in which it was asked – further enraged Bhyro Singh. Done? he said. Isn't it enough that you are what you are?

These words echoed through Kalua's head as the subedar walked away, to begin his next run: Yes, what I am is enough . . . through this life and the next, it will be enough . . . this is what I will live through, again and again and again . . . (p. 447)

Here we have it: Isn't it enough that you are what you are? Extreme caste hatred recruited and tolerated because it lowered supervision costs. Why incur the expense of treating the captive migrants properly in order to avoid costly confrontations? One can accomplish the same end more economically by engaging ancient caste animosities and by having the subjugated people turn on one another by eliciting the most depraved aspects of human nature. Separate along existing and entrenched cleavages, and then rule—a principle that works for governance as well as for capitalism.

5. Opium's Effect on the Psyche of Rural Indians

Opium production under the rule of the East India Company seems to have dominated rural life in the eastern part of India. It seems to have penetrated the psyche of some peasants to such an extent that even their escape to indentured servitude 4,000 miles away was infused by its presence. This is brought home in a simple but touching scene set on the *Ibis*, in which Sarju, a midwife who was one of the migrants, lay dying. She bequeathed to Deeti what she considered her most prized possession. After handing over some ganja and datura (narcotics), she gives yet another pouch containing what she thought was even better:

Sarju pushed yet another pouch into Deeti's hands. In this, she whispered, there is wealth beyond imagining; guard it like your life – it contains seeds of the best Benares poppy.

Deeti thrust her fingers into the pouch and rubbed the tiny, specklike seeds between her fingertips...How was it possible that after spending so much of her life with these seeds

she had not had the foresight or wisdom to bring some with her – as a keepsake if nothing else?

Deeti extended her hand to Sarju, as if to give back the pouch, but the midwife pushed it back towards her. It's yours; take it, keep it...They'll keep for many years. Keep them hidden till you can use them; they are worth more than any treasure... (p. 414)

The worth of this treasure to Sarju was obviously not the prospect of any financial benefit it could confer. After all, in that regard the poppy was only a source of financial ruin for the peasant farmers, not a source of material enrichment. Rather, the source of the perceived benefit to Sarju from this 'treasure' appears to have been the relief it could bring from the conditions of living—conditions that she seemed not to have believed would change in the future as an indentured worker. The irony that a woman who, for a living, helped bring children to life also saw in the poppy seed the remedy for the travails accompanying that life is not lost on the reader.

The extent to which the poppy had insinuated itself into the lives of peasants in eastern India because of the British East India Company is communicated towards the end of the novel in a manner that only superb literature can manage. With magnificent economy, Amitav Ghosh delivers the sense of the lived experience of the beleaguered peasants. Soon after her meeting with Sarju, Deeti ruminates on the main deck of *Ibis*, en route to years of indentured servitude:

As she was listening to the sighing of the sails, she became aware that there was a grain lodged under her thumbnail. It was a single poppy seed: prising it out, she rolled it between her fingers and raised her eyes, past the straining sails, to the star-filled vault above. On any other night she would have scanned the sky for the planet she had always thought to be the arbiter of her fate – but tonight her eyes dropped instead to the tiny sphere she was holding between her thumb and forefinger. She looked at the seed as if she had never seen one before, and suddenly she knew that it was not the planet above that governed her life: it was this minuscule orb – at once bountiful and all-devouring, merciful and destructive, sustaining and vengeful. This was her Shani, her Saturn.

When Kalua asked what she was looking at she raised her fingers to his lips and slipped the seed into his mouth.

Here, she said, taste it. It is the star that took us from our homes and put us on this ship. It is the planet that rules our destiny. (pp. 414-415)

6. Concluding Remarks

Sea of Poppies is a novel that has a wide canvas and uses a broad brush; few contemporary novels do, in my view. Its themes defy easy compartmentalization but it nevertheless paints a

compelling picture of how British colonization affected the lives of people in the Indian subcontinent. The novel's various aspects are infused with economics—in particular the economics of capitalism and colonialism—and yet the book remains a splendid piece of literature.

The benefits of capitalism are well-known and are frequently reiterated in standard western economics. Ghosh brings out the downsides of capitalism, especially as it pertains to colonialism. Driven by self-interest, capitalism harnesses whatever is at its disposal to enhance the goals of capitalists, and colonialism is an important means in its repertoire. When a colony is extractive in nature, self-interest in this context boils down to the maximization of profits for the shareholders in the home country. Underlying the various modes of exploitation alluded to in this essay, there is a common thread: an asymmetry in power. Whether one considers the cultivation by farmers of opium under unremunerative contracts or in the elimination of alternative buyers the farmers could sell their product to or in the shipping of indentured laborers to where it is most lucrative or in the keeping of discipline at least cost on a schooner, the direct use of force or the implicit threat of force is at work. Ghosh reveals through his engaging narrative the paucity of the presumption—so blithely invoked in neoclassical economics—that participation in a voluntary arrangement must make all parties better off; or else, why would they participate? The under-emphasized possibility that asymmetry in power may undermine the outside options of some parties—which makes participation a caricature of free choice for them—is at the heart of the colonization project in its myriad aspects. This is the overarching message I take away as an economist from the various interrelated themes in the novel.

Amitav Ghosh's novel leaves no doubt that good fiction can be insightful on matters that are fundamentally economic and also that economics can return the favor by offering insights on the mechanisms underlying what is portrayed with a broad brush. *Sea of Poppies*, in fact, was the first of a trilogy of novels by Amitav Ghosh, the other two being *River of Smoke* and *Flood of Fire*, also dealing with the opium trade. Recently, the same author has delivered another masterful piece of work, *The Nutmeg's Curse*, where he traces out the root causes of the current environmental crisis the earth is facing.¹⁶ Though this last book is not a novel, the author's attention to historical detail and the uncanny ability to relate seemingly unrelated phenomena and to detect in them the origins of serious subsequent developments characterizes this work, too. In

systematically tracing the responsibility of today's environmental crisis to the doorsteps of colonialism, capitalism, and the developed world's geopolitical goals, foreign policies, and the military industrial complex, *The Nutmeg's Curse* offers yet another gripping and illuminating read.

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¹ Ghosh, A., *Sea of Poppies* (New York, Farrar Strauss, and Giroux, 2008). The page numbers I cite here refer to this edition.

² Acemoglu, D., S. Johnson, and J.A. Robinson, "The Colonial Origins of Comparative Development: An Empirical Investigation," *American Economic Review*, 91 (2001), 1369-1401.

³ Dalrymple, W., *The Anarchy: The East India Company, Corporate Violence, and the Pillage of an Empire*, (Bloomsbury Publishing, 2019).

⁴ Acemoglu, D., S. Johnson, and J.A. Robinson, "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution", *Quarterly Journal of Economics*, 117 (2002), 1231-1294.

⁵ Bauer, R., *The Peasant Production of Opium in Nineteenth Century India*, Library of Economic History, Volume 12 (Brill Academic Publishers, 2019).

⁶ This is shown in Lehne, J., "An opium curse? The long-run economic consequences of narcotics cultivation in British India," Paris School of Economics, Paris, France, 2018.

⁷ The utter callousness of the East India Company was seen decades earlier, even before it seriously entered the opium trade. After repeated crop failures due to inadequate rainfall in successive years, a serious famine developed in Bengal in 1769-70. The Company neither undertook serious measures of famine relief nor relented in its tax collections. The historian Dalrymple (2019, p. 219) remarks about the Company, "Nor did it make seed or credit available to the vulnerable, or assist cultivators with materials to begin planting their next harvest, even though the government had ample cash reserves to do so. Instead, anxious to maintain their revenues at a time of low production and high military expenditure, the Company, in one of the greatest failures of corporate responsibility in history, rigorously enforced tax collection and in some cases even increased revenue assessments by 10 per cent." Around 10 million people are estimated to have died in this famine.

⁸ As Bauer (2019, p. 179), cited earlier, puts it: "It is, therefore, important to realise that the peasants dealt with a very powerful contract partner. One that could not only dictate the contract's conditions but also force the peasants into signing it at the very beginning."

⁹ For a summary of the work on this, see Copland, I., "Christianity as an Arm of Empire: The Ambiguous Case of India Under the Company, c. 1813-1858," *The Historical Journal*, 49 (2006), 1025-1054.

¹⁰ The mechanism responsible for the origin of capitalism and those shaping the forms of capitalism as it later evolved may be very different. Max Weber famously argued that the work ethic espoused by Protestantism was responsible for the rise of capitalism. Subsequent work, however, has shown that what spurred capitalism was not the work ethic per se but the fact that Protestantism strongly insisted on individual literacy (so that the faithful could read the Bible for themselves). See Becker, S.O. and L. Woessmann, "Was Weber Wrong? A Human Capital Theory of Protestant Economic History", *Quarterly Journal of Economics*, 124 (2009), 531-596. In capitalism's later incarnations, Weber's proposed causal relation between religion and capitalism may have been reversed.

¹¹ A short overview of Wakefield's work is found in Ballantyne, T., "The Theory and Practice of Empire-Building: Edward Gibbon Wakefield and 'Systematic Colonisation'", in *The Routledge History of Western Empires*, (ed.) Aldrich, R., (Routledge, 2013), 89-101.

¹² See Marx's, "The Modern Theory of Colonisation," Ch. 33 in *Capital: A Critique of Political Economy*, Vol. 1 (Penguin Classics, 1976).

¹³ Domar, E.D., "The Causes of Slavery or Serfdom: A Hypothesis," *The Journal of Economic History*, Vol. 30 (1970), 18-32.

¹⁴ Rigorous empirical and historical evidence on the suppression of outside options to reduce wages using data from British West Indies sugar colonies is provided in the interesting paper by Dippel, C., A. Greif, and D. Treffler,

"Outside Options, Coercion and Wages: Removing the Sugar Coating," *The Economic Journal*, 130 (2020), 1678-1714.

¹⁵ This famous hypothesis was put forward by Eric Williams in 1945 in his book, *Capitalism and Slavery*, a claim for which there is mounting statistical evidence gathering.

¹⁶ Ghosh, A., *The Nutmeg's Curse: Parables for a Planet in Crisis* (University of Chicago Press, Chicago, 2021).