

# The Evolution of National Wealth and Private Capital in the Long Run of Indian History: 1860-2015

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How does wealth accumulate and evolve over the course of economic development? We construct a new long run data series to answer this question for India. Our benchmark series stretches back to the mid-eighteenth century and allows us to map the metamorphoses of the national wealth. We find a dramatic and structural transformation, much more turbulent than seen in today's rich countries. Overall, we make three main findings that are indispensable to studying questions of capital accumulation in emerging economies with a colonial past. First, we mark a century long U shape in the trajectory of land values starting with India's first mortality decline in the 1920s. Second our decompositions show that the dynamics of the wealth-income ratio were dominated by asset price effects rather than volume (savings) effects. Finally we mark the resurgence of private wealth over the last three decades, reversing the accumulation of national wealth between 1950-1980. Our results have deep implications for understand how wealth evolves in large developing economies. Using the case of India we are able to show that a slowdown in economic growth need not necessarily lead to a rise in the wealth-income ratio as has been observed in advanced capitalist economies.