



## Review Paper

# Economic Impact of British colonial rule on Indian Agriculture: A Review

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## Abstract

*The main strength of Indian economy is agriculture and around 70% Indian population relies upon agriculture. In the agriculture sector, prominent progress in the creation of goods and production of commercial crops, oilseeds, food grains, vegetables, fruits, dairy and poultry has found during past years. The agriculture had special importance in self-sufficient village economy. But British colonial rule distorted the complete nature and structure of India economy. The main cause for this was land revenue, which was the major source of the state income. They implemented land revenue systems i.e. permanent, mahalwari and ryotwari system to collect maximum revenue and set up a colonial marketplace in this realm for the British produce. This results into destruction of economic conditions of India.*

**Keywords:** Indian economy, Zamindari System, Mahalwari, Ryotwari, Agriculture, Commercialisation.

## Introduction

Under British rule the Indian economy undergo a stage of arrested development. In India the Britisher's main motive to start political control was chiefly related with the exploitation of commercial and economic setting of the nation. They want to set up a colonial marketplace in this realm for the British produce. Force of British rule on the economic setting of India was actually very destructive and devastating. To make use of India's huge rich economic raw materials of India, Britain used the most complex methods and they totally crushed the Indian economy after a control of two hundred years. Consequently, after the independence, the country's scenario was that of an economically immature realm existing with poverty, starvation and low nationalized income, etc.

Agriculture is spinal cord of Indian economy. About 60-70% population of India precisely rely upon agriculture which records for about 15-20% of GDP (Gross domestic product). In the agriculture sector, prominent progress in the creation of goods and production of commercial crops, oilseeds, food grains, vegetables, fruits, dairy and poultry has found during past years<sup>1</sup>. Moreover, agriculture had special importance in self-sufficient village economy. However, the British colonial rule distorted the nature and structure of economic set up of India. It was mainly because of land revenue, as it was the major source of the state income. In addition, the British administration chiefly wants to set up their agricultural foundation in this realm, with the intention that agrarian products in India may perhaps supply low-priced raw materials to corporations in England.

## Land revenue systems in India during British rule

**'Permanent Settlement' or Zamindari System:** The scheme of cultivation of land revenue became old. Lord Cornwallis brought in a 'Permanent Settlement' (also called Zamindari) scheme of Land Revenue in Bihar, Bengal, Varanasi division of UP, Orissa and Northern Karnataka, which approximately covered 19% of the total area of British India, in 1793 through Permanent Settlement Act, by which the zamindars acquires permanent rights over the land<sup>2</sup>. Zamindars had to collect land revenue of which 1/10th to 1/11th was taken by them as their remuneration (salary), and the rest was handed over to British company. The struggle for land raised and there come up a series of middleman and mediator rent – receiving interests among cultivator and original landlord, whose place was that of a mere renters at the sympathy or will of the zamindar. Failure to collect rent usually from the renters constrained the zamindars to defaulting revenue payment to the Government. This caused intricacy to the Government. Lord Wellesley contemplated it necessary to make stronger the power of the zamindars. In 1799, for this purpose a rule (known as Haptam) was approved, which gave landlords power to impound practically all the land of raiyats including seed, plough and plough cattle for rental fee arrear without any notice to the court<sup>3</sup>. Then landlord could simply put up for sale those distrained land and so recover the rental fee arrear immediately<sup>4,5</sup>.

**Ryotwari system:** Thomas Munro and Captain Reed introduced Ryotwari System in 1820 in Bombay, Madras, Coorgh (division of Karnataka) and parts of Assam<sup>6</sup>. The British administrators directly lay down the earnings with the farmers and decided a fixed government demand at 55% of the total production<sup>7</sup>. In

this system, the ryots were given the possession and occupancy rights in property and they were individually responsible for the land revenue payment to the state and no intermediaries is present in the form of zamindars. Thus an arrangement of present ownership was purposed. "The zamindari system had revolutionized the relationships between tenants and revenue farmers (landlords); the raithwari system revolutionized the relationships between the debtors and creditors and thus introduced another exploiting and grasping rudiments into the rustic civilization (Rural Society)". The prime aims of the raithwari system were the regular revenue collection and improvement of ryots situations in the society. The first aim was realized, but the other remained annoyed<sup>4</sup>.

**Mahalwari system:** During the period of Warren Hastings, Mahalwari system was introduced in 1833. This system proved very overwhelming in, Uttar Pradesh, some parts of Punjab and Central India<sup>8</sup>. This system comprises, the revenue settlement was to be made village by village with the heads of families; jointly claiming to be the landlords. At first, the land revenue distributed of the state was high i.e. 83 percent of gross production but later on it was revised to 66 percent of gross production. The farmers were together responsible for paying revenue of land to the state. It was first followed in Awadh and Agra, and later on broadened to other "added and conquered" states of the United Provinces<sup>4,9</sup>.

**Development of New Agrarian Relations, Economic failure of Peasantry:** In 1815, about half of the entire land has moved into new hands in Bengal. The new agrarian relationships stabilized the government revenues but, however, reduced the farmers to miserable poverty. Now, land became saleable, alienable and mortgageable which weaken the framework of the rustic society. The most evils were the emergence of creditors (money-lenders), rustic indebtedness, agricultural labour and sub-infeudation. The Government is only paying attention in increasing the rents and robbing its division of revenue, and imposed the permanent settlement system in wide areas of the country. Transferability of land rooted immense uncertainty to the renters who vanished every one's customary rights in land. The burdened farmers approached the creditors to compensate their owing to zamindars. The moneylender (i.e. village grain-merchant), constrained the peasants towards trading of production at lowest rates to clear their owing. The commanding creditor was manipulated the magistrates and regulation into his support. Due increase in number of intermediaries i.e. Government, creditors and zamindar, the farmers turned out to be the ultimate victim. At the time of scarcity and famine his suffering augmented. The zamindar had no motivation to spend in the upgrading of agriculture, with no humanitarian or traditional ties with the renders. The zamindars interest lies solitary into maintenance of British regulation and in contrasting the nationalized association<sup>10</sup>.

**Indian Agriculture: its commercialisation:** In the 2<sup>nd</sup> part of the 19<sup>th</sup> century, a new substantial movement was the

development of the commercialisation of Indian agriculture i.e. some specialized crop begin to grown not for use in village but for trade in domestic and universal market. It had harshly affected the rustic wealth and live configuration of agriculture was previously damaged, which was further broken down by the cultivation of food grains and crops for the marketplace rather than for utilization<sup>11</sup>. Commercial crops like jute, cotton, sugarcane, groundnut, tobacco and oilseeds etc were more remunerative than food grains. It seemed a forced process for Indian peasantry. There were hardly a few surpluses in favour of peasantry to spend in trading crops, known the survival stage at which he live, As long as commercialisation links Indian agriculture with global marketplace and its fluctuations. This further curtailed the monetary conditions of the peasantry.

**Attempts to upgrade Indian agriculture:** Moreover Britisher's were made some efforts to upgrade Indian agriculture, throughout colonial period. They set up Botanical Survey of India and Royal Botanical Gardens to familiarize exotic crops of commercial significance to Indian conditions; a variety of unproductive attempts to cultivate the long-stapled American variety of cotton here<sup>12</sup>; the effort to expand the farming of existing commercial crops and the beginning of new crops like tea; and the setting up of a variety of plantations scamper by Europeans. In 1905 at Pusa (Bihar), Agricultural Research Institute (ARI) was set up, which functioned with several departments i.e. Agriculture, Chemistry, Cattle Breeding, Mycology and Economic Botany<sup>13</sup>. The name of ARI was transformed to Imperial Institute of Agricultural Research in 1911 and later it was renamed as Imperial Agricultural Research Institute in 1919.

## Conclusion

In India the Britisher's main purpose was to set up political control, which was chiefly related through the use of commercial and economic circumstances of nation. They want to set up a colonial/compound marketplace in this realm for the British supplies. During British rule Indian economy experience a phase of arrested growth and in reality economic conditions of India was overwhelming. As a result, the country's scenario was that of an economically immature country existing with scarcity, famine and lower nationalized earnings, after the independence.

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