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## Colonial rule and its impact on Indian agriculture

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### Abstract

Colonialism has remained a dominant theme in India. In Post-colonial India heated debates, conferences and seminars were organized around theme of colonialism. Not only in post-colonial India but heat of colonial domination reached apex with the Dada Bhai Naoroji publication of Poverty and Un-British rule in India (Naoroji, 1901). RC Dutt, in his pioneer work which originally came out in Nineteenth century, The Economic History of India (Dutt, 2017), published in two volumes followed by R.P Dutt (Dutt, 1947) magnum opus India Today offered a detailed critique to colonialism. How colonial state has exploited economy of India has been explained from various perspectives. Colonialism has not only led to transformation of economy but arrival of colonial state also led to divergence of Indian culture. The ryotwari and mahalwari system was the privilege which the lambardar and other village headmen enjoyed, and which they abused at times for their self-interest, but these systems proved a great matter of low of small farmers and peasants. This paper not only studies nature and economic impact on farmers of colonialism but also takes into account how colonialism has brought about hardships in life of Indian peasantry and agricultural labourers.

**Keywords:** Colonialism, peasants, Ryotwari, Mahalwari, agriculture

### Introduction

In 1765, the East India Company obtained from the Mughal Emperor the Dewani of Bengal, Bihar and Orissa, which gave it a legal position in the country. Clive, who was instrumental in acquiring the Diwani, described it as the superintendence of all the lands and the collection of all the revenue of the provinces of Bengal, Bihar and Orissa'. The company considered the territory as an estate and the revenues accruing from it as their legitimate income to be sent to their home country. The revenues of the land were not to be spent for the benefit of the land and its people, but for the benefit of a land thousands of miles away<sup>[1]</sup>.

Clive brought the Diwani to the Company but continued to collect revenues through the Nawab's naibs who oppressed the peasants, collected the maximum, kept for themselves sufficient profit and pleased their new masters by paying them what they wanted. Naturally enough the condition of the peasantry and agriculture began to decline rapidly. Clive left India in 1767, and Verdst succeeded him as Governor<sup>[2]</sup>.

Clive and his immediate successors had failed to devise a sound land system. It was expected of Warren Hastings, who assumed office as Governor of Bengal in 1772 and became the Governor-General in 1774 under the Regulating Act of 1773, to introduce an improved system without any delay. But the times were too difficult for him due to the political situation. It was only in a few districts that the company directly managed revenue matters by the auction system. Hastings proceeded to abolish the system of collection through the Nawab's officers and assumed the responsibility directly. He formed a Board of revenue, appointed European collectors to manage revenue matters and introduced a five-year land settlement<sup>[3]</sup>.

The five year settlement proved a ruinous system. At the end of the period, in 1777, another experiment was carried out, namely, annual settlement of land. Under the new annual settlement these *vanishing* zamindars were given preferences over the disreputed *bidders*

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<sup>1</sup> Chandra, Bipin. History of Modern India, Orient Blackswan Pvt. Ltd., Delhi, 2009, pp. 102-103.

<sup>2</sup> Bhattacharya, Satyasachi, Economic History of Modern India, Rajkamal Prakashan, Pvt. Ltd. New Delhi, pp. 48-49.

<sup>3</sup> Arya, Roshan Lal, India Essays on Economic Governance and Religion in the 19th Century, Hope IndiaPublication, New Delhi, 2007, pp. 145-149

who had proved themselves so unworthy in the immediate past. The Zamindars, who now got the land, could not improve upon the situation because of their brief occupation of the land <sup>[4]</sup>.

Thus, the annual land settlement proved defective. Yet, the Government effected such settlements in 1778, 1779 and 1780. Every year the peasants saw new masters. The latter exploited them as much as possible during their one-year term, as they were uncertain about the new term. While the condition of the people *deteriorated*, the company's income from land revenue showed a rise in 1781 by twenty-six lakhs of rupees <sup>[5]</sup>.

When Warren Hastings left India in 1785, the company's land experiments had only exposed its ignorance. They had exploited people through choose and confusion. The next phase opened with an aim to acquire revenue through orderly means <sup>[6]</sup>.

### The Permanent Settlement

When Hastings left, his failure, like that of Clive, was apparent. The growing discontent of the people against their new rulers was a factor which created concern. The home authorities, therefore, appointed Lord Cornwallis as the Governor-General to look to the pressing land problem and to provide relief to the suffering peasantry. Cornwallis himself belonged to the landed *aristocracy* to England, a class with a permanent interest in land <sup>[7]</sup>.

The company's Directors were thinking of a permanent settlement with the old Zamindars in matters of land revenue. They also thought of a ten-year settlement at the first instance before it was made permanent. It was left to Cornwallis to initiate such a system. He was ably assisted by Sir John Shore who issued an elaborate minute in 1789 describing the scope and nature of the proposed settlement <sup>[8]</sup>. He justified the need for the revival of the Zamindars as a class with recognition accorded to them as proprietors of the soil, to hold that property by inheritance. It is through this permanent class that he wanted to achieve 'the security of Government with respect to its revenues, and the security and protection of its subjects' <sup>[9]</sup>.

Cornwallis accepted the proposal. He did not like the idea of a ten year settlement. 'We are, therefore', he said, 'called upon to endeavour to remedy evils by which the public interest are essentially injured, and by granting perpetual leases of the lands at a fixed assessment we shall render our subjects the happiest people in India' <sup>[10]</sup>.

On March 22, 1793 Cornwallis announced by a proclamation the introduction of the permanent settlement. Since the land revenue was going to be fixed in perpetuity, it was assessed at a high rate. After describing the regulations, the proclamation said: "The Marquis Cornwallis, knight of the most Noble order of the Garter, Governor General in Council, now notified to all Zamindars, independent Tallokdars and other actual proprietors of land in the provinces of Bengal, Bihar and Orissa, that he has been empowered by the honourable court

of Directors for the Affairs of the East India Company to declare the Jumma which has been or may be assessed upon their lands under the regulations above mentioned fixed forever <sup>[11]</sup>.

The permanent settlement recognized the landlords as the proprietors of the soil with the rights of hereditary succession for their heirs and lawful successors. They had also the right to transfer, sell or mortgage the land in their possession. But all their rights ceased with their failure to pay the fixed revenue on the fixed date at the Government treasury <sup>[12]</sup>.

The permanent settlement subjected the landlords to such rules 'as might be *enacted* by the British Government for securing the rights and privileges of the tenants in their respective tenures and for protecting them against undue exaction or oppression.' The permanent settlement had merits and demerits. The merits were apparent in the context of that particular time. The demerits became more and more evident as time passed <sup>[13]</sup>.

The peasants knew his land, the amount of revenue to be paid and the time and the mode of payment. The landlord was *habituated* in his hereditary profession of looking into his estate, collecting rents and making payment to the Government at the appointed hour. The state knew its income and was happy to get a regular flow of money without the responsibility of collecting it from individual peasants <sup>[14]</sup>.

In fact, the Government of the East India Company felt immensely relieved by shifting one of the greatest burdens of administration to the shoulders of a class of intermediaries who stood between the Government and the people and looked into all kinds of details concerning the land, the ryots and their rights <sup>[15]</sup>.

The system worked successfully in Bengal, Bihar and some parts of Orissa where it was first introduced and the company therefore wanted to introduce it in other parts of the country which they subsequently conquered. Thus, Bengal, Assam and some parts of Madras were brought under the permanent settlement in due course. To many Englishmen and to some *distinguished* Indians, it appeared as one of the finest land systems ever *conceived* <sup>[16]</sup>.

Even an economist like R.C. Dutt, more than a century after Cornwallis's innovation, remarked: "If the prosperity and happiness of a nation be the criterion of wisdom and success, Lord Cornwallis's permanent settlement of 1793 is the wisest and most successful measure which the British nation has ever adopted in India" <sup>[17]</sup>.

Most of the tenants were too poor, too ignorant and too helpless to carry any *grievances* against their landlords to the higher authorities. Such were the administrative defects. From an economic point of view, the permanent settlement was affected in such a general manner that while making assessment no account of the productivity of land, gradations of soil, situation of plots etc. was taken. Naturally, much of the assessment was arbitrary. Because the settlement was permanent the rates of assessment were

<sup>4</sup> Ibid

<sup>5</sup> Chopra, Puri Das, *A Social Cultural and Economic History of India*, pp. 174-176.

<sup>6</sup> Ibid

<sup>7</sup> Dutt, R.C. *The Economic History of India*, Govt. of India Publication, London, 1960, p. 81.

<sup>8</sup> Ibid., P. 82

<sup>9</sup> Ibid., P. 82

<sup>10</sup> Chandra, Bipin. *op. cit.*, p. 107

<sup>11</sup> Dutt, R.C. *EHII*, p. 209

<sup>12</sup> *Ibid.*, p. 58.

<sup>13</sup> Chopra Puri Das, *A Social Cultural and Economic History of India*, p. 177.

<sup>14</sup> Dutt, R.C. *EHII*, p. 210.

<sup>15</sup> *Ibid.*, p. 210.

<sup>16</sup> Chandra, Bipin. *History of Modern India*, p. 103.

<sup>17</sup> Dutt, R.C. *EHII*, p. 210.

fixed rather high. Out of the rent received by the landlord from the ryots, the Government's share was fixed approximately at ten-elevenths of the total. The one eleventh was the remuneration of the land lord<sup>[18]</sup>.

The landlord's share was meant for the maintenance of his status and staff. If the landlord's income increased through extension of cultivation, it did not benefit the state. Nor did it benefit the peasantry. But the permanent settlement made them full proprietors of the land overlooking all kinds of rights of the people<sup>[19]</sup>.

It gave undue importance to a small class of people at the cost of the people in general. Finally, in a political sense, the British Government regarded the landlords as the props of their imperial structure. As such, the authority and importance of this class was upheld at the expense of the people's interests<sup>[20]</sup>.

### The Ryotwari Settlement

Thomas Munro, a lower middle class Glaswegian who joined the company's services in the 1800s was the primary architect of this policy. Thomas Munro and Captain Reed introduced Ryotwari System in 1820 in Bombay, Madras, Coorgh of Karnataka) and parts of Assam. Munro was a great advocate at peasant rights. It is perhaps no coincidence that in the same areas of southern India, where the ryotwari system was instituted, agricultural growth has subsequently been more sustained<sup>[21]</sup>.

Originally, in the case of the Ryotwari system, the aim was to make the assessment of revenue as permanent as under the permanent settlement. But after a period of time, the Government felt it desirable to effect periodical settlement that gave the individual ryots a sense of insecurity. They were apprehensive of higher assessment, and consequently distrusted new settlements. Another defect of the system was that as long as the ryot paid the revenue, he was the master of his land, but if and when he failed to pay, the Government could take over his land into its direct possession. The high rate of assessment fixed by Government officers proved at time hard enough for the poor cultivators. The individual ryots often suffered oppression and harsh treatment at the hands of Government tax collectors. Thus, the direct relation between the state and the tiller of the soil was not always an unmixed blessing<sup>[22]</sup>.

### The Mahalwari System

In most of the areas of Uttar Pradesh and in Punjab and Madhya Pradesh, the British adopted the Malguzarior Mahalwari revenue system. A malguzar was a village landlord and a mahal was a village estate. Under the system, the state fixed the revenue not forever but for a limited period of thirty years at some places and twenty years at other places. This intermediary system was aimed neither at the big landlord nor at the peasantry, but rather at the headman of a village, or group of small villages<sup>[23]</sup>.

The assessment under the Mahalwari settlement was the responsibility of the Government settlement officers who, in consultation with the lambardar and the village bodies, fixed

the revenue. The tenants possessed their records of rights. The village possessed its land charts, maps and statements of individual holdings. Since the settlement rested on periodical assessments, the Government had the advantage of ascertaining the productivity of different categories of lands from time to time. The revenue was fixed according to the yielding capacity of the soil, the nature of crop it produced and the prices of such crops. Once the assessment was done, it continued for the full term of the settlement<sup>[24]</sup>.

The Chief demerit of the Mahalwari system was the privilege which the lambardar and other village headmen enjoyed, and which they abused at times for their self-interest. Since they entered into an agreement with the government, the latter was directly in negotiation with them in revenue matters. Thus, between the Government and the rest of the villagers, the lambardar and the few headmen acted as intermediaries. Taking advantage of their recognized position, the intermediaries took large areas of village lands under their own possession. The possession of bigger areas of village land used smaller tenants as their cultivators. These subordinate cultivators actually got just a subsistence remuneration and the rest of the produce went into the hands of the big owners<sup>[25]</sup>.

### Effects of Land Policy

During the nineteenth century, the Indian cultivators suffered a number of economic problems. The British land systems brought for them considerable hardship. The passive attitude of the Government towards the condition of the peasantry kept the latter in a state of helplessness and despair. Finally, there being no improvement or development in the manner of agriculture, the same outmoded methods of cultivation continued and degenerated further and further<sup>[26]</sup>.

The main difficulty arising out of the land systems was a sense of fear and insecurity on the part of the peasant. For example, the permanent settlement theoretically preserved the old *patta* and *kabuliyat* system giving guarantees to the peasant about his holding. But in reality the landlord could evict the tenants on one ground or another. In order to check his arbitrary power of the landlord, the Government passed in 1859 a Rent Act which gave the ryots the occupancy rights. The Act provided that a tenant who held land for twelve consecutive years gained a right to that land. After that he could neither be evicted nor could the landlord increase his rent. But the landlords knew how to get round the law. They transferred the tenant from field to field and did not allow him to complete his occupation of the land for 12 years<sup>[27]</sup>.

To prevent such abuses, further Acts were passed in 1885 and 1907. But at any time the landlord could abuse the law by virtue of his power. The tenant remained in perpetual fear of the *Zamindar* the *taludqdar*, the *lambardar* and the tax-collector as the law could not give him real protection against the wrath of any of these groups. The temporary settlement which the Government conducted at many places harmed agriculture to some extent by making the cultivator fearful of his rights. He feared an increase in the rent to avoid which he would not improve the productive capacity of his field. Even so, it was on the undeniable right of the cultivator that the condition of agriculture greatly depended.

<sup>18</sup> Ibid.

<sup>19</sup> Bhattacharya, Satyasachi, *Economic History of Modern India*, pp. 48-49.

<sup>20</sup> Chopra Puri Das, *A Social Cultural and Economic*, Govt. of India, Life of India, p. 179.

<sup>21</sup> Ibid.

<sup>22</sup> Dutt, R.C. *EHI* II, pp. 238-40.

<sup>23</sup> Dutt, R.C. *EHI* II, p. 46.

<sup>24</sup> Ibid., P. 61.

<sup>25</sup> Dutt, R.C. *EHI* II, p. 384.

<sup>26</sup> Dutt, R.C. *EHI* II, pp. 59-60.

<sup>27</sup> Ibid.

Since the British Government made the said right doubtful and uncertain, the peasant suffered the consequences and agriculture suffered considerably <sup>[28]</sup>.

The money-lender usually kept the land in mortgage and charged high interest rates. The poor peasant, in order to continue cultivation, had to lose his land to the money-lender when he failed to return the money with interest. The Government was aware of the brutal activities of the money-lenders, but did not provide adequate laws to save the poor peasants from complete destruction. Land were invariably for feited to the money lenders and *Mahajans* for the small sums they advanced to the poor peasants in time of dire emergency. With the help of the Government, the worst consequences of rural indebtedness could have been avoided <sup>[29]</sup>.

While all these factors operated to harm agriculture, the peasant himself tried to make the best of a job. He continued to remain satisfied with his primitive tools and old techniques of cultivation. He laboured against many odds, but fled content with the little which he produced to keep himself and his family alive just as a subsistence level. He did not realize the harmful trends arising out of landlordism, uneconomic holding and indebtedness, etc, on account of his ignorance. He was conscious of his hopeless conditions, but could not think of any remedy. Social and religious obligations hung heavy on his shoulders and forced him to exhaust his surplus foodgrains, if any, or run to the money-lender for loans <sup>[30]</sup>.

### 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>[31]</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>[32]</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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<sup>28</sup> Chopra Puri Das, *A Social Cultural and Economic History of India*. p. 183.

<sup>29</sup> Sabyasachi, Bhattacharya, *Economic History of Modern India*, pp. 48-51.

<sup>30</sup> Chopra Puri Das, *A Social Cultural and Economic History of India*, p. 184.

<sup>31</sup> Sarkar S. (1983). *Modern India 1885-1947*. Madras: Macmillan.

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