

COMPREHEHNSIVE COURSE ON MODERN  
INDIAN HISTORY

# BRITISH CONQUEST- ECONOMIC IMPACT

AGRICULTURE - LAND  
REVENUE POLICIES  
RUINING OF INDIAN  
AGRICULTURE



WORKBOOK- CLASS HANDOUT



*By- Pratik Nayak  
(PNLIVE)*





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Sources of Reading-  
Pratik Nayak- Workbook  
Running notes of the class

Comprehensive Coverage-  
Previous Years Questions

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workbook containing topics to covered

This workbook contains the compiled  
information/facts/analysis sourced from  
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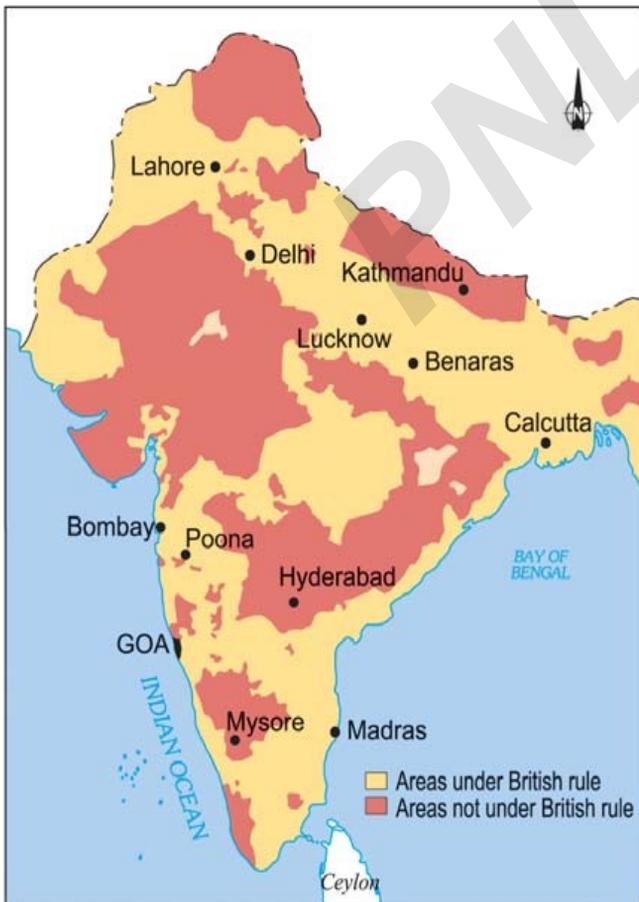
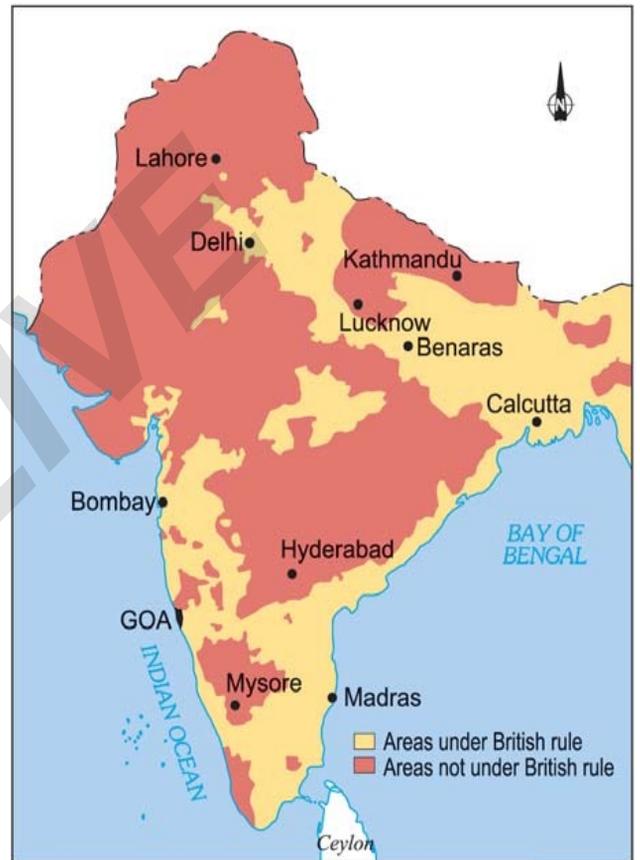
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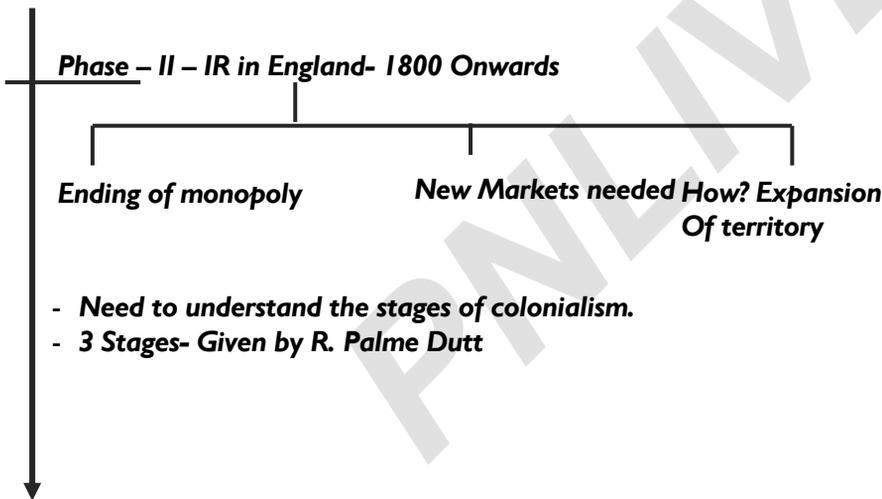
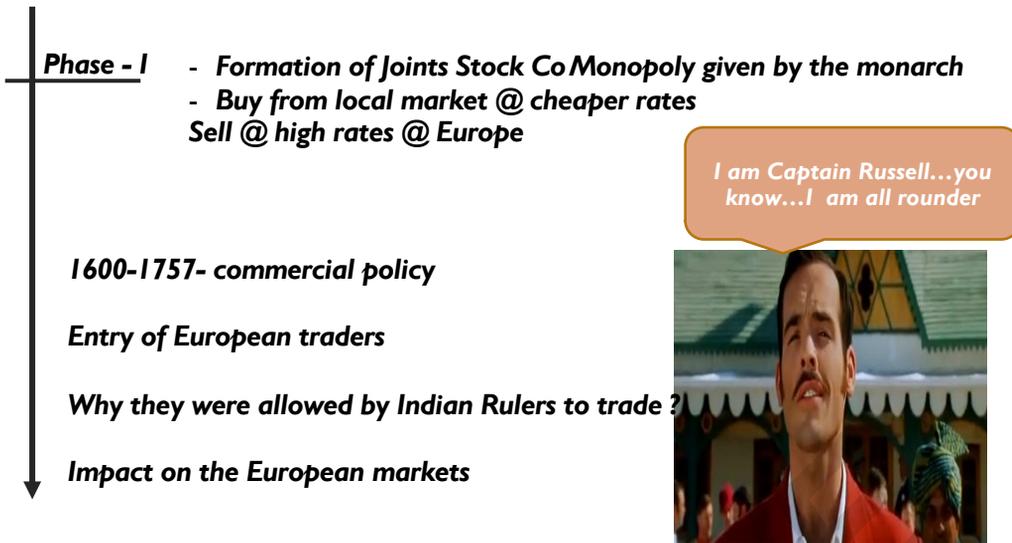
# British Conquest

**What was the Economic Impact of this conquest ?**

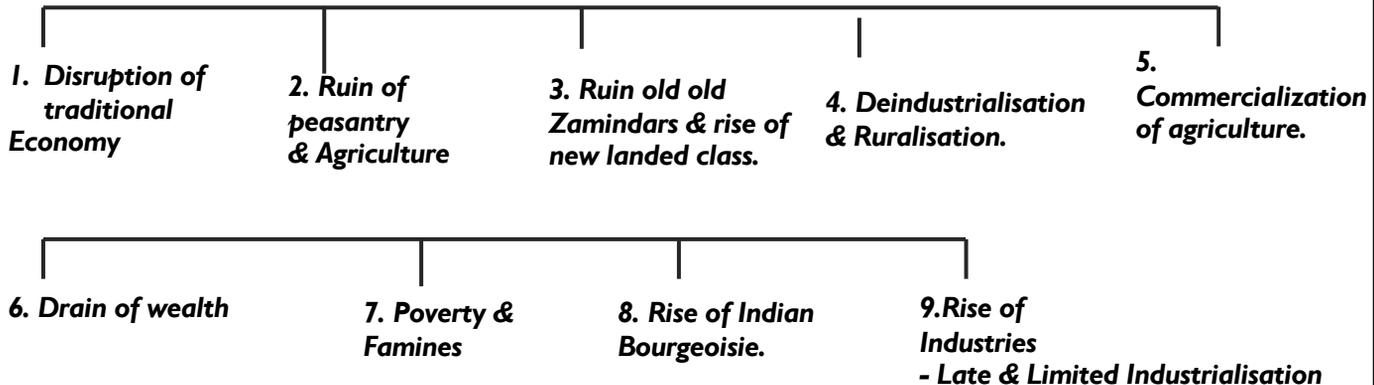


## Economic Impact of Colonial Rule On India.

### Q. Trends / Features.



### Impact



## The Impact of Colonial Rule On Indian Economy

### Q. Indian Economy during the British Conquest?

#### 1. Self Sufficient village communities

- Self Sufficient & Self Governing
- Barter System
- Community ownership

- Isolated communities, had its own drawbacks as well
- No Interconnection

#### 2. Agriculture

Cultivator → Patil / mamlatdar → State

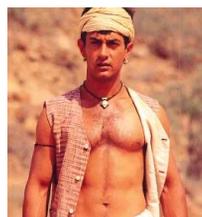
Right to cultivate over land

Intermediary

#### 3. Urban Economy

- Development of handicrafts
- Artisans industry
- Cotton, silk, carpets
- Jewellery

1/3<sup>rd</sup> of the World Trade was controlled by India



### Q. How the colonial rule impacted on the Agriculture?

- Understanding the land revenue settlement
- British → Maximize economic advantage from India.
- Main source for Government Revenue.
- EIC → Considered India as an Estate
  - End of village communities



- Broke back of the agriculture
- New land tenures

Tenure – Latin word Teneo To hold

- EIC adopted different land Tenures & Policy



### Q . Revenue for the Company ? After Diwani ?

Now the revenue collected in Bengal could finance the purchase of goods for export.

It wanted a large revenue income but was unwilling to set up any regular system of assessment and collection.

The effort was to increase the revenue as much as it could and buy fine cotton and silk cloth as cheaply as possible.

The Bengal economy was facing a deep crisis.

Artisans were deserting villages since they were being forced to sell their goods to the Company at low prices.

#### Phase- I – Diwani Right

Treaty of Allahbad-

Revenue Source for the EIC

1. Trade & Commerce-
2. Land Revenue- Collection from Agriculture

Target was to Finance the trade & commerce from the land revenue collected

## The Impact of Colonial Rule On Indian Economy

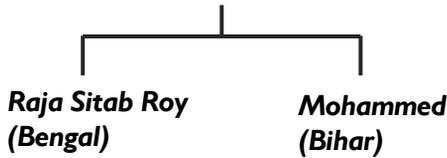
### Phase – I- Diwani Rights to EIC



Dyarchy / Dual Govt.

Nawab – Administration

EIC – Revenue – Appointed 2 Naib Diwans



- Harsh method of collection started
- Revenue @ any cost, even during famine.

1772 → End of Dyarchy

- COD asked the president to take charge

Peasants were unable to pay the dues that were being demanded from them.

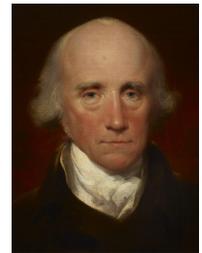
Artisanal production was in decline, and agricultural cultivation showed signs of collapse.

Then in 1770 a terrible famine killed ten million people in Bengal.

About one-third of the population was wiped out.

1772

- Warren Hastings
- Formed board of revenue
- Appointment of European officials “Collectors”
- Shifting of capital Murshidabad to Calcutta.
- New System → Land rights given via auction to highest bidder for 5 years panchshala bandobast.
- Contractor / Revenue farmer – revenue @ Any cost (Izaredar)
- Corruption started, Benami transactions
- Accusations on Hasting



1777

New one year settlement / Salana Bandobast.

- By 1784, new system needed
- Lord Cornwallis sent to India.
- Cleaning needed.
- Chaos in the revenue system
- In the year 1790- 10 years settlement was to be made



1. With whom the settlement was to be made → Zamindars or actual tillers?

2. What should be the state's share in the produce of land?

3. Should the settlement be fixed term or permanent?

## The Impact of Colonial Rule On Indian Economy



### Phase – II

Lord Cornwallis – By 1784, Initially came up with 10 years settlement



John Shore

2 Views

James Grant



- Zamindars are owners
- Should be made permanent
- Zamindars are intermediaries
- Just tax collectors

- By 1790, Zamindars recognized as owner of land.
- They were asked to pay annual revenue.
- 89% Govt, 11% Zamindar
- Different Names → Jagirdari
- Mal Guzari, Biswedari

Area covered – Bengal, Bihar, Orissa, Varanasi, Gazipur, North Karnataka 19% of British India.

### Q. Permanent Settlement – Bengal, 1793

#### With Whom to make Settlement?

- Zamindars / Contractors
- Made plunder of their lands
- Right of ownership Hereditary & Transferable
- Initial land revenue fixed @ ₹2 crore and 68 lakhs.
- Now revenue was fixed, assessment done.
- Zamindars given target, but Q. Zamindar also had ownership right, hence rent was also collected.

Converted into Land lords

- Cultivator
- Revenue }  
Rent } Harsh method of collection  
Beating, Flogging, Eviction  
of Peasantry

#### Why Zamindars were given ownership rights?

- Political allies
- Financial stability
- Simple collection methodology
- Increase in Revenue
- Passing of Bengal Rents Act (1859, 1885)



British



Zamindar



Tillers

ensure a regular flow of revenue into the Company's coffers

encourage the zamindars to invest in improving the land

zamindar would benefit from increased production from the land

the rajas and taluqdars were recognised as zamindars

asked to collect rent from the peasants and pay revenue to the Company

amount to be paid was fixed permanently, that is, it was not to be increased ever in future

What are we supposed to do now ?

For Sometime- the Zamindari System continued  
But it had its own problems.

Q. The problems in the Zamindari System ?

**The Problem → Permanent Settlement ?  
Q. What were the problems ?**

-Company officials soon discovered that the **zamindars were in fact not investing in the improvement of land.**

-The revenue that had been fixed was so high that the zamindars found it difficult to pay.

Anyone who failed to pay the revenue lost his zamindari.

Numerous zamindaris were sold off at auctions organised by the Company.

By the first decade of the nineteenth century the situation changed.

-The **prices in the market rose and cultivation slowly expanded.**

-This meant an increase in the income of the zamindars but no gain for the Company since it could not increase a revenue demand that had been fixed permanently.

-Even then the zamindars did not have an interest in improving the land.

- Some had lost their lands in the earlier years of the settlement; others now saw the possibility of earning without the trouble and risk of investment.

-As long as the zamindars **could give out the land to tenants** and get rent, they were not interested in improving the land.

-On the other hand, in the villages, the cultivator found the system extremely oppressive.

-The rent he paid to the zamindar was high and his right on the land was insecure.

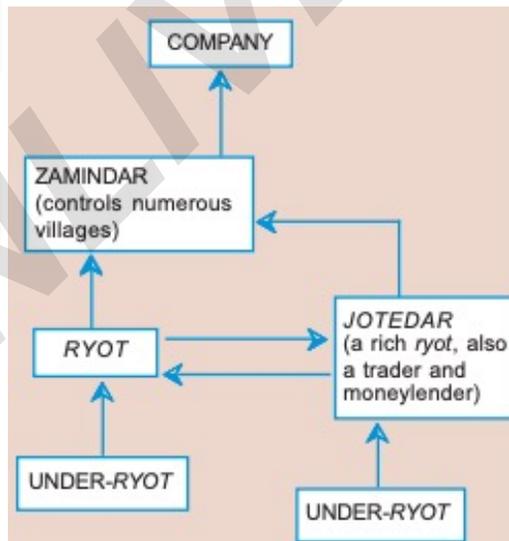
-To pay the rent he had to often take a loan from the moneylender, and when he failed to pay the rent he was evicted from the land he had cultivated for generations.

**For Sometime- the Zamindari System continued  
But it had its own problems.**

**Q. The problems in the Zamindari System ?  
Peasant- adhiyars or bargadars**

**Q. The problems in the Zamindari System ?  
-Giving out the land to the tenants**

**Rise of the jotedars called haoladars, elsewhere they were known as gantidars or mandals**



■ Zamindars were responsible for:  
(a) paying revenue to the company  
(b) distributing the revenue demand (*jama*) over villages.

■ Each village ryot, big or small, paid rent to the zamindar.

■ Jotedars gave out loans to other ryots and sold their produce.

■ Ryots cultivated some land and gave out the rest to under-ryots on rent.

■ Under-ryots paid rent to the ryots.

**Phase III**

- Defects of permanent settlement
- New areas conquered → hence new system devised.
- Ryotwari & Mahalwari

**I. Ryotwari**

**The Munro system- South India  
The Ryotwari System**

In the British territories in the south there was a similar move away from the idea of Permanent Settlement.

The new system that was devised came to be known as the **ryotwar (or ryotwari).**



- **By 1792 Ryotwari implemented in Barmahal district.**
- **It was tried on a small scale by Captain Alexander Read in some of the areas that were taken over by the Company after the wars with Tipu Sultan.**

## The Impact of Colonial Rule On Indian Economy

### Phase III

#### I. Ryotwari

- Origin → 1792 – Thomas Munro & Alexander reed sent to Madras.
- Madras had no large zamindars
- They suggested revenue to be collected directly from the Ryots.
- Assessment of land, Soil Quality recommended
- But no survey carried out.
- Ryots asked to pay revenue,
- **oppressive / Torturous way**
- **51% of the produce to be paid**



#### Q. Why they went for Ryotwari System

Read and Munro felt that in the south there were no traditional zamindars.

The settlement, they argued, had to be made directly with the cultivators (ryots) who had tilled the land for generations.

Their fields had to be carefully and separately surveyed before the revenue assessment was made.

Munro thought that the British should act as paternal father figures protecting the ryots under their charge.

**By 1820** - Thomas Munro was made the Governor of madras

**1825** - Implemented in madras presidency  
- Implemented in Bombay  
- Elphinstone & Chaplin's Report

**By 1835** - St. Wingate did a survey

**By 1858** - Implemented in Deccan.

**1866** - American civil war → Increased demand for cotton  
∴ Increased Assessment / Revenue  
- Reaction – Deccan riots in 1875

Ryotwari → 50% of estimated produce to be paid as revenue  
- Area covered – More than 51% of British India. Madras, Bombay, East Bengal, Assam, Coorg



British

Zamindar

Tillers

#### 2. Mahalwari

- Unit of revenue is the village / Estate / Mahal
- Village body – Co-share / Common land resource
- North west provinces UP, North India – Conquered during 1800 to 1820

**By 1822** - Holt Mckinzie – Recommended existence of village communities collect land revenue through headmen or Lambardar.

- ∴ 1822 Regulation → Revenue was fixed @ 80% of rental value. Payable by zamindar
- 95% of the rental value when state collected from Cultivators.
- System Breakdown, Excessive state demand.

In the **North Western Provinces** of the Bengal Presidency (most of this area is now in Uttar Pradesh), an Englishman called **Holt Mackenzie** devised the new system which came into effect in 1822.

He felt that the **village was an important social institution** in north Indian society and needed to be preserved.

Came up with **Mahalwari System**

**Mahal** – In British revenue records  
Mahal is a revenue estate which may be a village or a group of villages.

## The Impact of Colonial Rule On Indian Economy

Holt Mckenzie → gave the new system ? Features ?

Under his directions, collectors went from village to village, inspecting the land, measuring the fields, and recording the customs and rights of different groups.

The estimated revenue of each plot within a village was added up to calculate the revenue that each village (mahal) had to pay.

This demand was to be revised periodically, not permanently fixed.

The charge of collecting the revenue and paying it to the Company was given to the village headman, rather than the zamindar.

In North India → Mahalwari settlement became the basis

Q. What about the South India ?

New System given by Thomas Munro

So by 1833 – William Bentinck made a review

- New survey conducted, field maps drawn, field registers, Soil classification
- New Revenue Rates → 66% of rental value implemented under supervision of Mertinns bird (Father of land settlement in North India)
- Reaction – Discontent & unrest in the society revolt of 1857.....
- Area covered → 30%
  - UP
  - Punjab
  - Central Province

Q. Factors that affected the nature of land revenue settlement

1. Nature of Conquest

Slow and Gradual process

2. British Perception towards Indian Socio-Economic structure

3. Historical Experiences with the land revenue settlement

4. Influence of ideological currents

Liberals, missionaries, free traders etc.

5. Local Situations



Q. Implications/ Significance of the British Land Revenue Policy

1. Capitalist transformation of Agrarian life

2. Entry of non agrarian class into agriculture

3. Creation of a landed hierarchy

4. Emergence of Absentee landlordism



## The Impact of Colonial Rule On Indian Economy

### Q. Implications/ Significance of the British Land Revenue Policy

5. Neglect of traditional rights & claims of both peasants & village community

6. High rate of revenue

Heavy incidence of taxation

7. Harsh method of collection

8. Absence of remission/rebate/concession even @ time of natural calamity

Doogna lagan dena padega



9. Rural Indebtness → Death trap

10. Eviction of Peasantry → Depeasantisation

11. Emergence of new class → Landless Labours

12. Stagnation of Indian Agriculture

13. Emergence of the idea of private property in land



1. Capitalist transformation of Agrarian life
2. Commercialisation of Agriculture

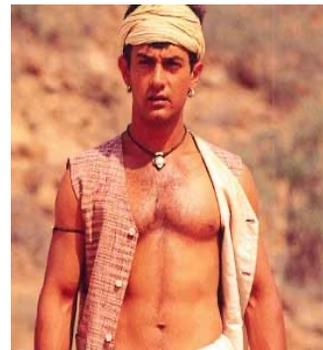
### Q. Commercialisation



- Impact on Indian agriculture?



I don't want to grow Indigo



Commercial crops like cotton, jute, groundnut, oilseeds, sugarcane, tobacco, etc were more remunerative than foodgrains

Development in the plantation sector-tea, coffee, rubber, indigo

For the Indian peasant, commercialisation seemed a forced process

## Commercialisation of Agriculture

### Crops for Europe → Commercialisation of Agriculture

The British also realised that the countryside could not only yield revenue, it could also **grow the crops that Europe required.**

#### Which crops ? Location ?

By the late eighteenth century the Company was trying its best to expand the Cultivation of **opium and indigo.**

In the century and a half that followed, the British persuaded or forced cultivators in various parts of India to produce other crops:

jute in Bengal,  
tea in Assam,  
sugarcane in the United Provinces (now Uttar Pradesh),  
wheat in Punjab,  
cotton in Maharashtra and Punjab,  
rice in Madras.

#### Indigo

After sometime → Agricultural expansion took place  
India started exporting crops to Europe → How ?

The British used a variety of methods to expand the cultivation of crops that they needed

Q. What was the method of production ?

Q. Where to get the Indigo crop from ?  
Britain turns to India.....

Q. How was the Indigo Cultivated ?

### Britain turns to India

-Faced with the rising demand for indigo in Europe, the Company in India looked for ways to expand the area under indigo cultivation.

-From the last decades of the eighteenth century indigo cultivation in Bengal expanded rapidly and Bengal indigo came to dominate the world market.

-In 1788 only about 30 per cent of the indigo imported into Britain was from India.

-By 1810, the proportion had gone up to 95 per cent.

#### Q. Impact of this Indigo Trade ?

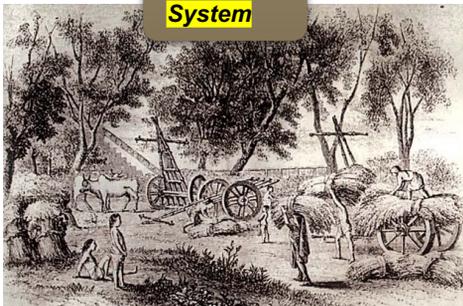
As the indigo trade grew, commercial agents and officials of the Company began investing in indigo production.

Over the years many **Company officials left their jobs** to look after their indigo business.

Attracted by the prospect of high profits, numerous Scotsmen and Englishmen came to India and became planters.

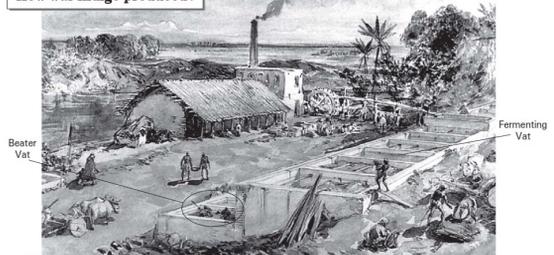
Those who had no money to produce indigo could get loans from the Company and the **banks that were coming up at the time.**

**Nij System**



**Ryoti System**

How was indigo produced?



**Vat** – A fermenting or storage vessel

## Ruling the Countryside

### Q. How was the Indigo Cultivated ?

#### How was indigo cultivated?

There were two main systems of indigo cultivation –

1. Nij and
2. Ryoti

#### **Nij Cultivation** →

Within the system of nij cultivation, the **planter produced** indigo in lands that he directly controlled.

He either bought the land or rented it from other zamindars and produced indigo by directly employing hired labourers.

-The planters found it difficult to **expand the area** under nij cultivation.

-Indigo could be cultivated only on **fertile lands**, and these were all already densely populated.

-Only small plots scattered over the landscape could be acquired.

-Planters needed large areas in compact blocks to cultivate indigo in plantations.

#### Q. Where could they get such land from?

They attempted to lease in the land around the indigo factory, and evict the peasants from the area.

But this always led to **conflicts and tension**.

Nor was labour easy to mobilise.

A large plantation required a vast number of hands to operate.

labour was needed precisely at a time when peasants were usually busy with their rice cultivation.

### Q. The problems in the Nij System ? - Factors of production ?

Nij cultivation on a **large scale also required many ploughs** and bullocks.

One bigha of indigo cultivation required two ploughs.

This meant that a planter with **1,000 bighas would need 2,000 ploughs**.

Investing on purchase and maintenance of ploughs was a big problem.

Nor could **supplies be easily got from the peasants** since their ploughs and bullocks were busy on their rice fields, again exactly at the time that the indigo planters needed them.

Till the late nineteenth century, planters were therefore **reluctant to expand the area under nij cultivation**.

**Less than 25 per cent** of the land producing indigo was under this system.

The rest was under an alternative mode of cultivation – **the Ryoti system**.

**Slave** – A person who is owned by someone else – the slave owner. A slave has no freedom and is compelled to work for the master.

### Q. What is the Ryoti System ?

## Ruling the Countryside

### Q. What is the Ryoti System ?

#### Indigo on the land of ryots

Under the ryoti system, the planters forced the ryots to sign a **contract, an agreement (satta)**.

At times they **pressurised the village headmen** to sign the contract on behalf of the ryots.

#### Q. Impact of this Contract Signing ?

Those who signed the contract **got cash advances** from the planters at low rates of interest to produce indigo.

But the loan **committed the ryot to cultivating indigo** on at least 25 per cent of the area under his holding.

The **planter provided the seed and the drill**, while the cultivators prepared the soil, sowed the seed and looked after the crop.

When the crop was delivered to the planter after the harvest, a new loan was given to the ryot, and the cycle started all over again.

### Q. Impact of the Ryoti System ?

Peasants who were initially tempted by the loans soon realised how harsh the system was.

The price they got for the indigo they produced was very low and the cycle of loans never ended.

There were other problems too.

The planters usually insisted that indigo be cultivated on the best soils in which peasants preferred to cultivate rice.

Indigo, moreover, had deep roots and it exhausted the soil rapidly.

After an indigo harvest the land could not be sown with rice.

## IMPOVERISHMENT OF PEASANTRY

### Q. How?

Government, only interested in **maximisation of rents**

Enforced the **permanent settlement system**

**Transferability of land** → caused great insecurity to the tenants, lost all their traditional rights in land

Zamindars,, resorted to **summary evictions**, demanded illegal dues and 'begar' to maximise their share in the produce

Overburdened peasants had to approach the **money-lenders**

Peasant turned out to be the ultimate sufferer

Government, zamindar and moneylender

Doogna lagan dena padega



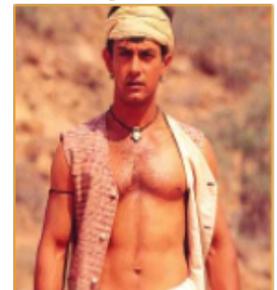
24 hr kaam karna padega



Paise to milenge lekin 50% interest charge hoga



हाय देया



## Economic Impact of Colonial Rule On India.

### EMERGENCE OF NEW LAND RELATIONS, RUIN OF OLD ZAMINDARS

Land in Bengal had passed into new hands

New zamindars resorted to land grabbing and sub-infeudation

Rise To absentee landlordism



### STAGNATION OF AGRICULTURE

Q. How it happened?

Cultivator had neither the means nor any incentive to invest in Agriculture

Zamindar had no roots in the villages, paid little interest in agriculture

Government spent little on agricultural

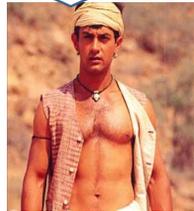
Majja ni life ;)



Sheeshe se Sheesha takraye....!



Kheti karni hai lekin paisa nahi hai



### FAMINE AND POVERTY

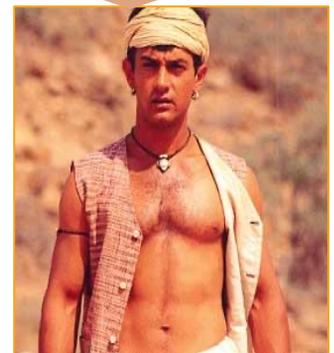
Regular recurrence of famines became a common feature of daily existence in India

Change in structure of India's trade also contributed to food insecurity

Famines were not just food grain scarcity-based phenomena, but were a direct result of poverty

Between 1850 and 1900, about 2.8 crore people died in famines

का ले मेघा का ले मेघा  
पानी तोह बरसाओ



Economic Impact of Colonial Rule On India.

**FAMINE IN COLONIAL INDIA**

Recurring famines- Why When How ?	Reasons	Nature of Famines & Impacts	Famine Relief Measure ?
1770- EIC- Dyarchy 1 crore died Bengal, Bihar & Odissa	1790-93 Famine @ Bombay, Odissa, Madras, Northern Circars	1806-07- Famine @ Madras and Carnatic  1860's Famine in UP, Ajmer & east Punjab	1866- madras, odissa, Bengal and Bihar <b>Campbell Committee set up for the the first time</b>
1876-78-lytton's tenure North india under famine First famine commission – John Strachey	1896-97- 2 <sup>nd</sup> Famine Commission set up- James Lyall	1899- Chappania Akal Vikram Samvat 1956- Curzon's tenure 3 <sup>rd</sup> famine commission- Anthony McDonell	1943- Great Bengal Famine - During world war-2 Viceroy Linlithgow Manmade reasons - Woodhead Commission

Sil Sil- why  
the recurring  
famines ?



Golu, abhi tak kya  
samjha apne ?



**Nature of Famines & Impact**

**Recurring famine**

Before 1850's- outcome of  
scarcity of food grains- confined  
to a particular region

After 1850's- development of  
railway- roads- opening of Indian  
economy-

Famine outcome of  
administrative policies  
impact all over India

**Rainfed agriculture in India- if failure of  
monsoon- it will lead to famine  
Neglect of irrigation/agriculture infra by the  
British**

**Lack of alternative occupations- low income-  
poverty & famine**

**Continuous wars- less focus on agriculture**

**Commercialisation of agriculture**

**Mal administration- policy issue**

**Extraction of revenue**

**Changing the nature of land ownership**

**Lack of distribution network**

**Export of agricultural crops/food**

**Free market policies- laissez faire**

**Government's attitude- viceroy's neglect**

**Famine codes- only for namesake**

**Inflationary economy- no investment by  
individual sector**

**Impact of famine ?**

**Famine- food crises**

**Poverty & unemployment**

**Along with health crises- plague & epidemics**

**Human and animal loss**

**Rise of nationalism**

**Why was there a sudden spurt in famines in colonial India since the mid-eighteenth century? Give reasons. (Answer in 150 words) 10**

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