

8th – Ruling the Country Side I



India, before the establishment of British rule, was a flourishing centre of craft and industry. It has been described as 'the industrial workshop of the world'. The cities had workshops or karkhanas, where several artisans could work on a piece together. In the villages, the artisans worked from home. They were helped by family members and used their own equipment. Such a system of production is called a cottage industry. The techniques of production of the Indian artisans were far more advanced than those made by Indian artisans had a market the world. The main exports in the 17th century were calico, muslin, yarn, raw cotton, raw gold and silver artifacts, jewellery, leather, sugar, rice, indigo, pepper and other spices. The value of exports into India far exceeded the value of imports into India. Exports were mainly paid in silver or gold.

The country becomes the Diwan: On 12 August 1765, the Mughal Emperor appointed the East India Company as the Diwan of Bengal. As Diwan the company became the Chief financial administrator of the territory under its control. Now it had to think of administering the land and organizing its revenue resources. This had to be done in a way that could yield enough revenue to meet the growing expenses of the company. A trading company had also to ensure that it could buy the products it needed and sell what it wanted. Being an alien power, it needed to pacify those who in the past had ruled the countryside and enjoyed authority and prestige. Those who had held local power had to be controlled but they could not be entirely eliminated.

Revenue for the company: The company had become the Diwan, but it still saw itself primarily as a trader. 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 cotton and silk cloth as cheaply as possible. Before 1865, the company had purchased goods in India by importing gold and silver from Britain. Now the revenue collected in Bengal could finance the purchase of goods for export.

Soon it was clear that 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. Peasants were unable to pay the dues that were being demanded from them. Artisanal production 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.

The decline of Indian industry: The establishment of British rule in India resulted in the slow but steady decline of local industries, and Indian artisans lost a large chunk of their market. The main reasons for the decline were:

Impact of the Industrial Revolution

After the industrial Revolution, Britain started producing machine-made goods and textiles that were made cheaper than Indian goods. They were better also often in quality. Indian handicrafts why died because they could not compete against the cheaper product from Britain that were flooding the Indian markets.

Law of Royal Patronage: Many of the products made by the Indian craftsmen were designed for the local aristocracy. When the British started making over the country, the Indian princes, and nobles could no longer patronise why artisans, as most of them now depended direct or indirect on the British.



Laws of External Markets: There had been a great demand for Indian good in Europe. Therefore manufacturers felt threatened by this. In 1720 strict laws were passed by the British government banning the import of Indian values into Britain. Popular fabrics like Dhaka and Lucknow chintz (a type of printed ability was eased out by the British textile industry. Thus, the Indian artisans also lost most of main external market.

Coercive Tactics Used By the British: Company Agents forced Indian farmers to cultivate cotton and sell it to them at cheap rates. Weavers were made to register with the Company, after which they were not allowed to work for others, or for themselves. Soon only raw cotton was being exported From India, and readymade cloth was being imported.

Indifference of the British Rulers: In Britain, when artisans were displaced by the Industrial Revolution, the government made provisions to absorb them into the new factories which came up. However, in Indian East company made no provisions. They were only interested in maximizing their profits. Millions of artisans were left jobless, leading misery and poverty. The displaced artisans returned to their villages and tried to take up agriculture. This put further pressure on the land, with pieces of land getting subdivided and fragmented.

The traditional industries of India thus went through very troubled times, and many finally disappeared altogether. India becomes a source of raw materials for British Industries and a market for their finished goods.

The need to improve agriculture: Most company officials began to feel that investment in land had to be encouraged and agriculture had to be improved. After two decades of debate the company finally introduced the permanent settlement in 1793. By the terms of the settlement, the rajas and taluqdars were recognized as Zamindars. They were asked to collect rent from the peasants and pay revenue to the company. The amount to be paid was fixed permanently, that is, it was not to be increased ever in future. It was felt that this would ensure a regular flow of revenue into the company's coffers and at the same time encourage the Zamindars to invest in improving the land.

The problem in The Permanent Settlement: The permanent settlement, however, created 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 Zamindars. Numerous zamindars were sold off at auctions organized by the company. On the other hand, in the villages, the cultivator found the system extremely oppressive. The rent he paid to the Zamindars was high and his right on the land was insecure. To pay the rent he had to often take a loan from he was evicted from the land he had cultivated for generations.

A new Mahalwari System is devised: 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. Under his direction collectors went from village to village inspecting the land measuring the field and recording the customs and rights of different groups. The estimated revenue of each plot within a village was added



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up to calculate the revenue that each village had to pay .this demand was to be revised periodically 'not permanently fixed. The charges of collecting the revenue and paying it to the company were given to the village headman, rather than the Zamindars. This system came to be known as the mahalwari settlement.

The Munro system or Ryotwari System:-The new system that was devised came to be known as the Ryotwar. 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. Munro felt that in the south there were no traditional zamindars. The settlement they argued had to be made directly with the cultivators who had tilled the land for generation. 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 charges.

