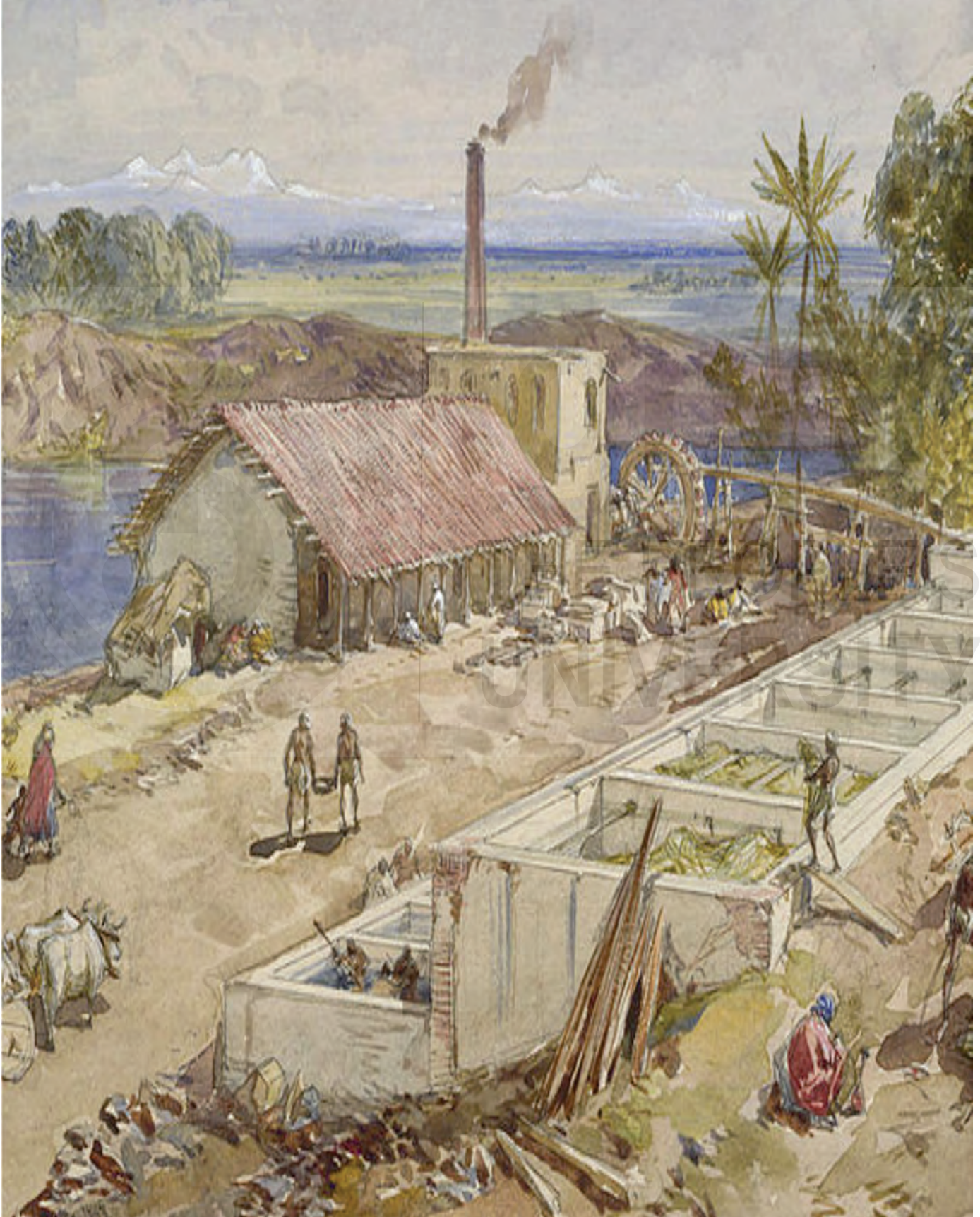


# Theme III

## The Rural Economy



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# THE RURAL ECONOMY

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The present **Theme** focuses on rural society and economy. It looks at agrarian economics and tracks the changes within them over the colonial period. It begins with a discussion on agrarian policies and lands rights (**Unit 5**). Through the agrarian policies the British sought to establish power in the countryside, reorder society in accordance with their vision, and create structures that could both supply agricultural commodities for the market and revenue for the state. There was however no official consensus on how colonial priorities were to be best attained. Officials in India operated with a diverse range of conceptual ideas, related to the intellectual traditions in Europe in varying ways, and reacted differently to local societies in India. So we see a continuous debate over agrarian policies and frequent shifts within them. This Unit discusses these shifts in colonial policies and analyzes their implication for local society. It shows how the impact of these policies varied in the dry and wet regions, and between tracts with different forms of revenue settlement, but some general trends became characteristic of the colonial rural landscape. Everywhere existing rights were redefined, differentiation within local society deepened, smaller holdings increased, migration streams of landless peasants became common.

**Unit 6** looks at the history of commercialization of agriculture. It locates the changes in the colonial period within a longer history of commercialization, tracing the narrative back to the pre-colonial period. It shows that by the time of the Mughals this commercial economy was highly developed. But this pre-modern commercialism occurred within a context where strong territorial boundaries were yet to develop: the landscape was mobile, boundaries fluid, allowing people and goods to move with ease over space and cultures. This Unit discusses the changes that came about when this mobility was sought to be contained, when territorial boundaries become important for governance, and when colonial needs began to determine the trajectory of commercialization of agriculture.

Finally in **Unit 7** we read about the question of growth and stagnation in agriculture. For imperial officials British rule was synonymous with growth and dynamism within agriculture, which in turn meant improved well-being of the people. Against this optimistic view, the nationalists offered a gloomy picture of falling productivity and increasing poverty. Since this early debate, the question of productivity growth has remained central to the discussions on the impact of colonial rule. **Unit 7** looks at these debates, reconsiders the calculations of George Blyn and his critics, and shows that the picture of stagnation and decline within the agricultural sector cannot be doubted.

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**Indigo Factory, Bengal, 1867**

**Image Courtesy**

**Author:** William Simpson

**Source:** <http://www.bl.uk/onlinegallery/onlineex/apac/other/largeimage66601.html>; [https://commons.wikimedia.org/wiki/File:Indigo-factory\\_Bengal4.jpg](https://commons.wikimedia.org/wiki/File:Indigo-factory_Bengal4.jpg)

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# UNIT 5 AGRARIAN POLICY AND LAND RIGHTS\*

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## Structure

- 5.1 Introduction
- 5.2 Motives and Contexts of Land Policies
- 5.3 Revenue Settlements
  - 5.3.1 The Permanent Settlement
  - 5.3.2 The Temporary Settlements
- 5.4 Subsequent adjustments
  - 5.4.1 Preserving Property
  - 5.4.2 Tenancy Reform
- 5.5 New Kinds of Land Rights
- 5.6 Consequences
  - 5.6.1 Differentiation
  - 5.6.2 Politics and Civic Character
- 5.7 Summary
- 5.8 Exercises
- 5.9 Suggested Readings

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## 5.1 INTRODUCTION

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Agrarian policy comprises all the actions of government towards agriculture. It includes policies relating to land revenue, surveying and records; to land ownership, tenancy and rural labour; to agricultural production and trade; and to the science and development of cultivation. It is complex and its detail may seem dull. But it is very important. It affects, among other things, the following:

- **politics** – how power is exercised in the countryside; how the state tries to gain support; what interests it represents;
- **government** – what it can and cannot do, and what it is for; the state's income and how it is spent;
- **economy** – the terms on which societies organise the production of food and the exchange of goods; the comparative importance of cultivation, processing, industry and services; a country's or a region's standing among others;
- **well-being** – the social distribution of food, work and wealth; levels of health and population;
- **culture** – attitudes towards property, employment, family and inheritance; other social and moral values, such as the significance and purpose of cultivation; how people think about socio-economic classes and 'rights'.

For a foreign government, agrarian policy therefore provided what is arguably the most important point of influence upon the subject people and territory. In India the British, though so few and distant from the majority of people, could use agrarian policy to change the nature of landholding, the availability of land, and the capacity of people to move from one place or one job to another. They could use it to influence the kinds of crop that were grown, the manner in which credit was provided to cultivators, and the ways crops were marketed. They could use it to affect the patterns of consumption, the basis of prestige, and the terms on which some Indians gained dominance over others. They could use it to control and reward favoured classes, and to transform India's internal and international economy.

Or, more precisely, as we should not think of any government as being all-powerful and all-knowing, they could introduce policies for a variety of motives, and find that they produced a range of intended and unintended effects.

With hindsight, we can see that agrarian policies led to a kind of revolution in India. Though agrarian legacies and continuities were important, the picture of an India of unchanging villages was never true. But the picture became even less accurate during the nineteenth and twentieth centuries.

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## 5.2 MOTIVES AND CONTEXTS OF LAND POLICIES

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This discussion will concern itself with only one aspect of colonial agrarian policy, the large aspect related to land rights. There are two main contexts, relating to the motives lying behind the policies.

First is the motive of *control*. Land policies are partly about ensuring that there is order in the countryside, and that revenue is readily relinquished to the state. This does not mean that land policies were merely a form of coercion. Just as important, they offered a means of persuasion. The British wanted to support or create classes which would have an interest in collaborating with them, and which would be able to curb those who tried to resist or avoid the state's authority. The British also intended (though they did not succeed) to ensure basic levels of well-being in the population as a whole, so as to avoid the costs and dislocation of famine, disease and desertion, and thus protect future state revenues.

Second, there is the question of *trade*. In the eighteenth century British trade with India centred on exchanging India's manufactured cotton-goods for bullion (silver and gold). This was partly because there was little market in India for British produce, but also because silver and gold were not simply money but commodities wanted by India that Europe could supply relatively cheaply. Even cheaper for the British East India Company, however, was to make its purchases in India using revenues from Indian territories, and profits from the sale of products in which the Company established a monopoly, such as salt and opium. Such strategies also implied land policies.

Later, from the mid-nineteenth century, this not very efficient or profitable system gave way to one that sought to draw on a much wider range of products, and to involve a much bigger proportion of Indian consumers. This meant that land policies became even more important. Overseas land and labour resources were now beginning to support and enrich the population and the capitalists of Britain, as its industrialisation progressed. At first, slave plantations, north American development, and newer colonies of settlement played a larger part in this process than India. But India soon became a source of raw materials (cotton, jute, indigo) and of some foods and drugs (opium, tea, coffee, wheat), and also a market for British manufactures. The surpluses earned by India's foreign trade (except with Britain) helped Britain to finance its own deficits in trade with some other countries. India was also a vital site for British employment, services and investment.

Contrary to what is sometimes thought, colonial land policies were not exactly calculated to achieve these effects, which were the outcome of countless individual economic decisions and not of any far-seeing state plan. But certainly Indian land policies were expected to help or at least not to hinder British economic interests, which were also supported by the economic theories of those days. The success of the policies can be seen in the extent to which India's countryside *did* perform the roles required of it by British industrialists, merchants and consumers.

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## 5.3 REVENUE SETTLEMENTS

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The basis of land policy was the revenue settlement, meaning the decision as to how much would be paid to the state for land, who would pay it, and on what terms and conditions.

### 5.3.1 The Permanent Settlement

The tendency in India was for strong states to reach down as near as possible to the actual cultivators for information about agriculture and land-holding, and in order to fix

responsibility for the payment of land revenue. No pre-colonial states managed to do without local intermediaries – lords, record-keepers, headmen, and so on – but many kept careful records relating to land-holding and revenue payment. The most celebrated survey was that ordered by Todar Mal, finance minister of the Mughal emperor, Akbar. During much of the seventeenth century, this and further surveys permitted a system of regulated revenue settlement based on assessments of agricultural output.

In the eighteenth century, however, there was an ever-increasing demand for revenue. This was attributable to a number of factors: the growth of stronger regional states, the cost of warfare, investment in production and trade, tributes paid to others (especially the Marathas and the British East India Company), and loss of income to intermediaries or to the powerful, again including the European trading companies, which generally avoided local tolls and taxes. This need for money led to agreements between local rulers and either the powerful elites (a few *zamindars*, then meaning the territorial lords and official revenue- collectors) or efficient ‘fixers’, so-called revenue-farmers or *ijaradars* chosen by auction. In general these arrangements implied short-term increases in revenue in return for a reduction of central control.

In 1765 the British East India Company gained control over the revenues of Bengal and Bihar. At first the Company worked through deputies who also served the Nawab of Bengal; and, even when it took control directly at the behest of the Governor, Warren Hastings, in 1772, it still awarded the revenue-collecting right to the highest bidders for terms of one or more years. But the Company was gaining information through access to the revenue records (moved to Calcutta), the experience of some European collectors, and also a commission of inquiry in the districts. Strong theoretical and practical arguments were advanced, notably by Council-member, Philip Francis, that short-term revenue-farming was unwise.

In 1789, therefore, a ten-year settlement was declared by the acting Governor, Sir John Shore. In 1793, under the new Governor, Lord Cornwallis, this was superseded by a settlement that was declared permanent: that is, the rate of tax was fixed for ever. The settlement was to be made by local arrangements using the existing records (without survey) and with what were thought to be (but in many instances were not) hereditary landed interests, the *zamindars*.

Many considerations lay behind this system, which was ordered from Britain. It provided a means of running India through general rules, set out in a long list of Regulations enforceable by the courts. Such minimal direct government was favoured by the political theories of the day. The system was also thought suited to Indian expectations and to conditions in Bengal, where the self-seeking servants of an imperfectly organised commercial company were now in possession of an empire. Making the settlement with *zamindars* would secure, or if necessary create, an indigenous rural aristocracy. Permanence would place a clear and fixed limit to the government’s share of production, and thus encourage investment, higher productivity and trade, which then would increase the government’s income indirectly.

To some extent these goals were achieved, though the Company soon turned against the Bengal system. The cultivated area increased, and more crops were grown for local and international markets, adding to an already commercialised agriculture, and to established means for the reclamation of land. *Zamindars*, despite pockets of resistance, gave up their broader military and political roles, and became adjuncts to a new political order and subjects of the Company’s government. Gradually, from the early years when land could barely be sold at any price, a valuable land market grew, along with population, giving meaning to the rights created in and after 1793. New landlords, at first often resisted by local communities, were able to call on state force to ensure their possession. A tendency in favour of separate rather than shared landholding led to partitions under official scrutiny, so that the number of *zamindars* increased markedly, especially in some districts. Land became a reliable security for borrowing and mortgages, but also, therefore, a means whereby traders and moneylenders could extract agrarian produce at lower cost and somewhat reduced risk to themselves.

The permanent settlement attached possession to revenue-payment. In the past, non-payers could be punished in their person – by imprisonment or torture, for example. Now their property was at risk. Some great *zamindars* lost out, as the revenue demand was often set at rates that were initially very high (a notional 90 per cent of income). But new regulations were introduced to help the remainder, over the next few decades, by giving them near-absolute powers over their tenants and over tenants' property, including standing crops.

Some agrarian classes had their pre-existing rights recognised. This qualified those given to *zamindars*. In some areas intermediary landholders (*jotedars*) gained most from the permanent settlement, through directly managing production. On the whole, however, the legal position of cultivators was weakened. For most of the nineteenth century, until changes in the law and in official attitudes, they did not share in the benefits as incomes from agriculture improved. Even in the eighteenth century, dispossessed and opportunist people had formed criminal gangs (as dacoits) in the countryside. In the nineteenth century, armed or concerted resistance broke out, expressing various mixtures of religious, social and economic grievances. Disease, scarcity and famine worsened in rural communities, partly because of the gradual spread of the effect of these changes in property law.

### 5.3.2 The Temporary Settlements

Very soon after the introduction of the permanent settlement in north east India, it was challenged by Company officials, especially Thomas Munro, who held that it was inappropriate to the areas they knew. In Munro's case this meant parts of the Madras presidency, where (despite a permanent settlement along the Andhra coast) he claimed that either there were no identifiable landlords, or the local chiefs threatened British rule and should be removed not revived. More generally he argued that a *zamindari* settlement was contrary to Indian understandings of landholding and revenue-obligations. A little later, around 1812, these conservative arguments were allied with the reformist and anti-aristocratic tendencies of Utilitarian thinkers and political economists, such as James Mill, who now controlled the London administration of the Company. This alliance ensured that no further settlements would be permanent.

It was argued that landlords did not generally contribute to prosperity, and were not doing so in Bengal; and that production would be best increased by giving property rights to those responsible for tilling the soil. It was claimed that Indians did not understand or were abusing the elaborate legal system that had been set up in Bengal, and that they would be better served by rulers who combined executive and judicial functions.

In future, therefore, most settlements were '*raiayatwari*', that is made with the *raiayats* (those regarded as 'actual cultivators') rather than with landlords. Such settlements were introduced in southern and western India. Similar but modified versions were later devised for 'village communities' (*mahalwari* settlements) based around co-sharers (*pattidari* or *bhaiachara*), in parts of north India, especially the Punjab.

Broadly speaking, these temporary settlements relied on close surveys of the countryside, and on regularly revised records. Revenue-rates for each cultivated plot were set for a limited period, commonly thirty years. Actual payments depended on annual reports on the use of that plot. Temporary settlements therefore implied close and personal rather than distant and legalistic government. They nevertheless standardised the categories of landholding, and replaced systems based on shares or collective liabilities with ones based on individual title.

The surveys were always elaborate, and became more time-consuming and 'scientific' during the nineteenth century, separating measurement and the drawing of plans from the recording of landholders and from economic, social and historical assessments of the conditions in every village and in regions (called *circles*) of similar character. Revenue rates were increasingly set at levels related to the supposed capacity of the soil (not current output), in order to discourage idleness. They were calculated in accordance with the definition of rent by the classical economist, David Ricardo – namely, that it was merely the unearned extra produce from better land, compared with that from the least favourable land, and therefore both measurable and safe to tax. When this (in fact very

imprecise) calculation led to overly high revenue demands, these were modified by more subjective assessments of what areas could afford to pay.

The Punjab in particular, in the later nineteenth century, advocated a peasant-proprietary model of agrarian policy, and turned the survey and settlement report into an expensive intellectual exercise, one of the founts of today's anthropology and development studies. By contrast, the United Provinces saw a resurgence of belief in aristocratic land-control, especially in Awadh following the rebellion of 1857-8. There, a settlement was made with superior landlords (*taluqdars*) in replacement of a village-level settlement introduced immediately after the British annexation. It was debated whether this and other settlements should be made permanent. In the event they remained temporary, even where superior revenue-collectors were again recognised, for example in central India as well as in Awadh.

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## 5.4 SUBSEQUENT ADJUSTMENTS

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The systems introduced between 1770 and the 1850s did not remain unchanged. New ideas and perceived problems prompted adjustments, which continued up to and after the end of British rule.

### 5.4.1 Preserving Property

Many measures were taken to preserve property. On larger estates the British encouraged primogeniture, so as to avoid the risk of subdivision upon inheritance. In the twentieth century too many, though less effectual, efforts were made to halt the fragmentation of plots of cultivation, and to facilitate land-swaps that would consolidate scattered holdings.

Legislation was passed to ease the burden on 'encumbered estates' whose survival was threatened by bad management or misfortune. The Court of Wards, first introduced into Bengal in 1790 and 1793, provided for the temporary administration of an estate by the Board of Revenue, where necessary or requested, in the stead of an 'incapable *zamindar*' (a description often held to include women).

Especially after riots in the Deccan in 1875, a host of more general measures sought to protect landholders in the temporarily-settled areas against moneylenders who, supposedly, were snapping up land-rights and disturbing the time-honoured political and social equilibrium of the countryside. Various laws qualified the advantage given to creditors by the increased security of landed property, including tenancies, and by the operation of the laws of contract. The most extreme of these was the Punjab Alienation Land Act of 1900, which tried to restrict land transfer (and hence mortgages on rural land) to recognised agriculturists, members of the 'tribes and castes' listed in a schedule to the Act.

### 5.4.2 Tenancy Reform

Whereas in the first half of the nineteenth century the government sought mainly to ensure that revenue was paid promptly, in the second half it became more concerned with agricultural development. This matched the demands of British industry for raw materials and markets, but also responded to worries about rural unrest and about the condition and vulnerability of the poor. Such concerns had become important to policy and to political debate from the late 1830s onwards. One consequence was an attempt once again to use property rights as a means of securing political and economic goals. Gradually the idea of state-enforced rights was applied further and further down the tenorial and social scale.

Various Tenancy Acts set out both to protect superior land-owning interests and to provide a measure of security to the cultivators. In the second half of the nineteenth century these enactments began to give some rights to those who held land from landlords rather than directly or indirectly from the state. In Bengal, the Rent Act of 1859, while purporting to help *zamindars* collect rents, also recorded as settled or occupancy tenants those who had held land for twelve years. It placed restrictions on the enhancement of rents. It also sought to improve landlord-tenant relations, and the more effective resolution of agrarian disputes.

Defects in this legislation, and more radical impulses for reform in the aftermath of further famine and rural unrest, led to the Bengal Tenancy Act of 1885, which added two major points. Firstly, there were more elaborate classifications of tenants and gradations of rights, with a presumption of occupancy status in a village for all those holding any land in that village. In many areas this status now applied to large majorities of first-tier tenants (that is, excluding those who were the tenants of other tenants). Secondly, there was provision for survey and settlement, to establish and record rights, holdings and rents, by analogy with the procedures in temporarily-settled areas. These had the effect, as operations proceeded, of establishing tenant rights and familiarising people with them.

Indian legislation was influenced by the ideas of fair and fixed rents and secure tenure that had been popularised during tenancy debates in Ireland, where they took on a populist and nationalist hue. More important, however, was that the 1885 Act extended the Punjab peasant-proprietary model. The occupancy tenants of Bengal and Bihar (the latter region being the immediate focus of attention, in view of the poverty of the region) were being ensured a kind of property in their land-holdings, in order to encourage them to invest in agriculture – to make them, in short, rich peasants.

The trend after 1885 was for the principles of the Bengal Act to be extended elsewhere, such as to the Central Provinces in 1895. But it was overtaken by measures designed to regulate all aspects of agrarian relations. Other regions had also had tenancy legislation, but the needs were different where numerous cultivators rather than landlords were the ostensible revenue-payers. In the twentieth century, too, further measures were taken in Bengal and Bihar (as elsewhere) to afford some legal protection to sub-tenants, share-croppers and labourers. None of these, strictly, related to property. Rather they built on arguments about equity (also heard during the debates over the 1885 Act).

The role of government was being extended. It was no longer content merely to frame the agrarian structure (that is, establish and define landed property) in the hope of promoting commercial expansion and securing its revenue. It now placed a new emphasis on investigation and statistics, on agricultural experiments and credit-provision, and even on direct intervention (committees for particular crops, price-fixing, and finally development planning), as part of broader social and economic strategies.

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## 5.5 NEW KINDS OF LAND RIGHTS

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Agrarian policy towards land rights, considered in isolation, thus retained an echo of the minimal government favoured in the eighteenth century and by *laissez-faire* doctrines in the nineteenth. This does not mean it was not radically different from what had gone before. Colonial policy introduced new ideas about land use and types of land control. These ideas were common to the different kinds of agrarian policy.

It used to be thought that British laws created land-ownership in India, but it is now plain that this depends on what is meant by the term. In some senses there was private property in land in India from the earliest historical times. Religious notions of renunciation depended on it, as did payments and grants to kings, temples, elites, co-sharers, workers and artisans. Over time, different states found sophisticated ways of measuring and defining land rights, including surveys, records and title-deeds. Land-rights could be sold and inherited; and there were stories and theories about their ultimate origins, and about the proper behaviour of landholders. The holders would enjoy one or more of very many specific kinds of tenure. Of course land-rights were not absolute – they never are – and they could be lost by force or usurpation. They would be qualified by obligations to pay land taxes and/or to supply materials and manpower. They were subject to communal and joint-family obligations, and generally to the rights of others, both superiors and inferiors. All these things also applied to land rights under the British.

What colonial laws and policies did to land rights was more subtle, in theory and also increasingly in practice. They reduced the number of different types of right to those only



which the law specified. They made each type's benefits and obligations more definite – by legal definitions, by more precise measurement through scientific surveys, by more exact records, and by the decisions of a hierarchy of courts. They applied uniform concepts to all land: that is, they tried to deny the existence of land of doubtful or shared ownership. There were no sacred groves or shrines that did not belong to a temple or a *mahant*; no forest or flood-plain without owners; no house, well, *ghat* or *bazaar* without a proprietor. The owner did not need to be an individual, of course. The owner could be a family, a village, a corporation, or the state. But for all that, only one kind of 'ownership' was to be recognised, the kind established in the state's law.

Many local variants and distinctions, and some pragmatic responses to circumstance, were ignored or overridden, for example, between kinds of co-sharers, between resident and non-resident landholders, or between high and low castes. Other pre-existing types were reinforced and generalised, at least in the law, as new categories of landlords, intermediary tenure-holders, tenants and sub-tenants, and later of settled and occupancy tenants or tenants-at-will.

Now, the characteristics or 'incidents' of property were always spelled out. A *zamindar* in Mughal times had any of a range of possible rights, but in particular he had the duty to collect revenue for the state, retaining a proportion for himself (supposedly ten per cent). His revenue-collecting (*malguzari*) right derived from Mughal authority; in regulation districts even the amounts of the collections were theoretically specified by surveys and rules. In addition the *zamindar* might have chiefly powers, derived from his local socio-political standing: his character, caste or lineage, and his command of retainers. These powers carried some obligations to the community, and certainly produced further income, for example through tolls, control over markets, payments for credit, use of forced labour, and further shares of produce. There would have also been others occupying and using *the same land*, who might similarly have had effective rights over it, for example a right to cultivate, or to reside in a village and exploit village resources. Such rights too fell into particular categories and had specific names, and, just like *zamindari* rights, they could be derived from license, or custom, or power. Pre-colonial rights therefore could be of different types and degrees, and could overlap in relation to the same plot of land.

Within British territory (that is, leaving aside the Indian states), all landowning became in one sense identical, as a complete collection of rights to land, unless some legal provision said otherwise. Landlords were given exclusive titles to specified areas, with qualifications made by law reserving certain other rights for the state, for sub-proprietors or for privileged tenants. All these rights derived from the state and its laws, while any unspecified sub-rights derived only from the landlord. The *khudkasht raiyat* – a cultivator with superior, residence rights in a locality – was turned into a 'tenant', for example. And if he was not provided for in the state's regulations, he could legally gain the right to use land only by *contract* – that is, through an agreement he made with the landlord. He might have privileges or he might have no security of tenure; and in theory this was decided by law not force.

Several provisions turned land into a commodity that could be readily bought and sold, firstly because it could not be arbitrarily seized by the powerful, not even by the state itself, and secondly because it was largely free from encumbrances (that is, subordinate rights that would reduce its value).

One consequence was that 'rent' and hence '*abwabs*' (illegal cesses) also changed their meaning. Payments of various kinds had always been made to social and political superiors, on different pretexts, sanctioned partly by the state and partly by custom, and according to what was thought fair or affordable, or what could be extorted given the relative power of the parties involved. Now, there was merely 'rent', meaning a contractual payment for the use of land. Anything beyond 'rent' became illegal. In the absence of formal leases, and given colonial expressions of respect for Indian 'custom', it took a long time before this legal distinction meant anything much in reality. But ultimately rents became more regulated, and 'illegal' cesses and dues became much harder to exact. These changes placed pressure upon landlords, and forced them to devise new ways of securing their

incomes. Some left the land to better-resourced managers (including European planters) or more skilful agriculturists. Others improved their own management, or cultivated more on their own account, or hardened the terms offered to bonded labour and share-croppers.

This leads on to another important point, that the British related ownership to *use*. Like most other states, they favoured settled agriculture over all other modes of land-utilisation, though they also created reserved forests (as the Mughals did hunting tracts). They deliberately set land-revenue rates – and designed the systems and chose the revenue payers – in order to maximise commercial production, though oddly they chose to do this while thinking they were conserving an old order, and while trying to make land tenure more secure.

Moreover, land which was not in regular use the British defined as ‘waste’. Much of such ‘waste’ they denied to landholders and communities who had informal shared control over it; they resumed it for the state or allocated it to private owners. Moreover, they greatly reduced the areas that were revenue-free (*inam* or *lakhiraj*). Earlier regimes had left vast amounts of land and its produce in the hands of others, to pay for public services and goods (officials, armies, temples, mosques, schools), and had drawn much government income from their own state lands (*khalisa*). The colonial government was not eager to manage lands directly or to look to state land as a major source of income. And they recognised revenue-free lands only where they could not avoid doing so. Because they wanted to ensure the validity of titles to land, they had to respect specific, unimpeachable, written revenue-free rights, whether from before or after British rule. But for their own part, even when they needed to show particular marks of favour by making land-grants, for example to soldiers in the Punjab, they very seldom awarded them revenue-free. They preferred to encourage marketing and to collect cash into the treasuries, and then to govern through employees who were paid in money.

What all this implies is a particular idea of the purpose of land: above all, it was to be cultivated, to produce crops that could be sold. The land had to pay, to its owner and then to the state. This was not wholly new of course, as all states and for that matter all settled cultivators had always had much the same idea about land. Exploitation of land resources and the human shaping of landscape certainly long preceded colonial rule in India, and one should not imagine that there was some kind of pre-colonial ecological harmony between man and soil.

But the commercial use of land did become, in British rhetoric, almost the only, the hegemonic idea of what land was for, and this undoubtedly reduced the grip of alternative views: for example, of land as a place of ritual, in such activities as ploughing, sowing and harvesting; of land as sacred and as the basis of the political order; of land as patrimony, or a common good for kin or community; of land as a public store of wealth to be drawn on as necessary; of land as a means of expressing and enforcing social customs and distinctions.

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## 5.6 CONSEQUENCES

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Did it all matter? We return briefly to a couple of the issues raised at the beginning. Other conclusions would also be possible, in regard to all the issues raised then.

### 5.6.1 Differentiation

One consequence of all colonial agrarian policy was the firming up of social classes, and the hardening of divisions between them. With regard to landholdings the evidence is unequivocal. There was a tendency for larger holdings to become relatively more profitable, to preserve their integrity (as seen in statistics of average number and size), and to maintain or even increase their share of total cultivated area. There was also a tendency for the number of smaller holdings to increase, and for their size and share to diminish. These related tendencies had different starting-points and took different forms in different places; and there were differences between permanently and temporarily-settled tracts, and

between irrigated and dry lands. But, broadly, these same two features can be seen everywhere, among and between holdings with many different kinds of title, in lands dominated by large land-owners, and in lands under peasant-proprietors.

There had always been many landless in India, and migrant populations of many kinds. Under colonial rule (and since) the pressure increased for people to settle on land and cultivate it, but larger proportions than ever were unable to subsist from the land in their possession. The growing numbers in cities and in factories were too small proportionately to compensate for this change, especially as population and average life-expectancy rose. Micro-holdings – and share-cropping, and food from landlords' home farms – often became devices to lower cash wages. There was an impoverishment of large sections of India's population. Many factors contributed to this, but an important contribution was made by the very large increase in the numbers of people who could not live by their land alone but had to rely on employment by others.

### 5.6.2 Politics and Civic Character

The property laws and agrarian policies of the colonial state were related to a number of different ideas, of political economy in particular; for example: property rights, landlordism and village community. These ideas were influential, partly because exemplified in real measures of government and law. Thus Mahatma Gandhi had a vision of an India of self-regulating, self-sufficient communities which was in some respects indistinguishable from the ideal advanced by European anti-materialists and moralists, and also by some colonial policy-makers. The latter believed the 'village republic' to be the original Indian way. They tried to recreate it not only in the Punjab but also elsewhere, as a basis for tenancy and commercial production (Bengal in 1885) and even for local policing (the dream of a village watch supported by a local community).

Independent India sought *zamindari* abolition and land ceilings partly because of these colonial debates about the best means of securing economic progress and social equity. This was another victory for the peasant-proprietary school, but also (in the event) for the subterfuge, pragmatism and compromise that had none the less preserved the wealth and power of many landed families.

Many groups identified themselves through class interests that also drew on these debates, and the broader European discourse to which they had been indebted. The *zamindars* came first, with societies defending their political interests and seeking to reduce their liabilities. In Bengal in the 1870s and 1880s both additional local taxation and tenancy laws were resisted as a 'confiscation of property'. On the other hand, as a defence of property, land revenue was repeatedly reduced as a proportion of incomes and of total tax during the colonial period, and rural taxation has remained comparatively low since independence.

Later, each formation of a *kisan sabha* (peasant society), for example, also reflected a complex indigenous and colonial inheritance. Where a society was active, there were usually more successful agriculturists operating within a market economy, and new rivalries as a result of that upward mobility. There were often religious and social movements drawing on older texts and (especially Vaishnava) traditions, and making claims to status within an increasingly generalised *varna* hierarchy. And there were always claims about fair tenancy and enjoyment of property, concepts that had been imbedded in colonial laws, and transmitted through administration, courts, surveys and settlements.

In short, influences from these agrarian policies can be seen in assumptions that nowadays are scarcely questioned. More than that, they may be traced in the very fabric of society. Take the case of Calcutta. It has long been dominated by upper-caste literate service and professional elites, the *bhadralok*. These were not the direct descendants of the mixed bag of landed magnates, merchants, bankers and office-holders that ran the eighteenth-century city. They were the product of a society made in large part by the permanent *zamindari* settlement.

After an upheaval in which some great families were dispossessed, the settlement permitted the emergence of secure and increasingly wealthy landed classes. It allowed them to live

away from the land in the city; to build houses, temples, schools and hospitals; and to sponsor societies, printing, and other civic goods. True, it created many smaller and subordinate landed interests that were less secure, indeed insufficient. But, on the other hand, it demanded a range of lesser employees, the managers, agents, and clerks that worked the system in practice, plus a host of professionals, especially lawyers.

The permanent settlement was based on regulation and then on statute, implying top-heavy and centralised private and public bureaucracies, regulated by the law-courts, rather than dispersed day-to-day hands-on administration by landholder and state. Calcutta's concentration of writers and literate workers was the result, and they in turn required and manned Calcutta's offices, schools, newspapers and associations.

Other kinds of revenue settlement encouraged other kinds of government and society – too many to be detailed here. Colonial Calcutta and Bengal might be contrasted with Bombay (Mumbai) and Madras (Chennai), the administrative, commercial and industrial centres of regions with temporary *raiayatwari* settlements. They might also be compared with colonial Lahore and Punjab. The priorities of military recruitment as reflected in revenue and land policy, the emphasis on peasant proprietorship (of the so-called agricultural castes), the preservation of some great landed families, and in general a paternalist government defending its personalised rule and customary law: these agrarian policies help explain much of the Punjab's twentieth-century political history, before and after partition, and once again remind us of the formative influence of agrarian policies.

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## 5.7 SUMMARY

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Agrarian policies were crucial to the consolidation of British power in India. Through their agrarian policies the British sought to establish order in the countryside, create a social basis of support, and develop a system of production that could supply the colonial demand for agrarian commodities. In 1789, a ten-year settlement was introduced. In 1793 this was superseded by a permanent settlement by which the rate of tax was fixed forever. By the early nineteenth century this revenue system was criticized by officials and questioned by *zamindars*. This Unit looks at the many pressures that shaped these settlements and also analyses the tenancy reforms that were introduced after the mid-nineteenth century. It discusses how these policies led to changes in land rights and transformation of rural society.

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## 5.8 EXERCISES

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- 1) Analyse the chief characteristics of British Indian government's land policy.
- 2) Discuss the reasons behind the introduction of the Permanent Settlement. What were its socio-economic impacts?
- 3) What accounts for the shift from Permanent Settlement to the temporary settlements?
- 4) Critically examine the tenancy reforms by the British Indian government.
- 5) To what extent did British agrarian policy deepen the differentiation within the rural society?

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## 5.9 SUGGESTED READINGS

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## UNIT 6 PATTERNS OF COMMERCIALISATION\*

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### Structure

- 6.1 Introduction
- 6.2 The Classical Approach to Indian Commercialisation
- 6.3 Revising the History of Indian Commercialisation
- 6.4 Commercialisation in Pre-Modern India
- 6.5 Political Territories in Commercial Spaces
- 6.6 Transition to Capitalist Empire
- 6.7 Spatial Patterns of Modern Commercialisation
- 6.8 Geographical Continuities in Indian Commercialisation
- 6.9 The Impact of Indian Commercialisation
- 6.10 Summary
- 6.11 Exercises
- 6.12 Suggested Readings

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### 6.1 INTRODUCTION

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Commerce is market exchange, the trading of things with intermediary media called “money.” In the social relations of commercial exchange, the value of money establishes exchange values, or “prices,” for things called “commodities,” which may have other values, based for example, in culture and nutrition, but only their relative market values appear in the calculations that organize commercial transactions where people buy and sell things for money.

Commercialisation is a historical process that turns more things into commodities, brings more people into market exchange, makes more social transactions commercial transactions, and interprets more of the value of things through pricing. Commercialisation pervades societies with commodities, expands the geographical reach of commerce, and makes markets more pervasive in everyday life. Commercialisation transforms human experience by establishing commercial transactions in settings where markets had previously been absent or unimportant.

To study commercialisation, we can imagine a spectrum of social settings, on one end of which, there is no commerce, as for example, in transactions between a nursing mother and her newborn child, and on the other end of which, markets organize all transactions, as on a stock exchange. We can also imagine this spectrum spatially, as being composed of places, like isolated villages, with little commerce, and others, like cities and suburbs, with a lot. Over time, commercialisation increases the proportion of market transactions in social life and social space.

Moving up the scale of commercialisation implicates culture as well as economic life. Creating markets requires making rules to govern the possession, or ownership, of items held as property and exchanged for money. Commercial actors must also agree about procedures for measuring exchange values. Such shared understandings about the conduct of commerce comprise its cultural content, and we can use “commercialism” to denote any combination of ideas, symbols, values, rules, and institutions that forms the cultural basis of market exchange.

Commercialism often includes people with different cultural identities, defined by ethnicity, language, and religion, because people often share understandings about market exchange despite other differences. Yet each culture also gives commercialism distinctive features, by giving things symbolic values that inform prices, by forming bonds of trust and credit-worthiness, and by legitimating political institutions and social power relations that form effective rules of ownership and legitimate social exchange. Rulers mint money,

define property rights, adjudicate disputes, punish violations, and establish official measurements. Cultural elites engage in commerce within and across cultural boundaries, using assets acquired through trade, gifts, plunder, theft, tribute, and taxation. People with power and authority make implicit rules as well as explicit laws that govern the possession and exchange of commodities. [Appadurai 1986; Curtin 1984; Gregory 1997; Ludden 1996; Rudner 1994]

Many, if not most, social transactions operate without recourse to money and markets. How we understand this realm of non-commercial exchange influences how we understand the conditions under which commercialisation occurs and its impact on social environments.

One method is to classify societies according to their dominant form of social exchange. Using this method, Karl Marx, Max Weber, and others depict societies dominated by communal, feudal, and despotic social relations, which allow commerce a marginal role. Theorists thus identify societies that inhabit the low end of the spectrum of commercialisation, and argue that moving such societies up the scale of commercialisation involves a fundamental transformation of a social structure, a dramatic disjuncture, which generates new social structures characterized by increasingly prevalent market exchange. [Hobsbawm 1964]

Another method is to analyze the range of exchange relationships in society. Using this method, Karl Polanyi defined two forms of non-commercial exchange, called “reciprocity” and “redistribution”. In reciprocal exchange, transactions among individuals express feelings of mutual obligation, and in redistributive exchange, people deliver goods and services to a central authority for redistribution according to established rules of entitlement. E.P.Thompson used the phrase “moral economy” to denote cultural rules that express such obligations and entitlements. Societies that include a mix of reciprocal, redistributive, and market exchange inhabit a range of locations on the spectrum of commercialisation; and moving up the scale involves changing the balance and content of social relations to make markets more prevalent. [Chayanov 1966, 1977, Polanyi 1957a, 1957b; Thompson 1971; Scott 1976; Sen 1981]

Theorists thus provide various ways to conceptualize social environments that may contradict, resist, accommodate, and encourage commercialisation. Historians have used and revised these theoretical approaches to study commercialisation in India.

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## 6.2 THE CLASSICAL APPROACH TO INDIAN COMMERCIALISATION

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By classifying social structures according to their dominant form of social exchange, many scholars have concluded that though commercialism had spread widely across pre-modern Eurasia, only Western Europe generated the globally expansive commercialisation that became capitalism. All histories of commercialisation are entangled with this idea, which thus requires some historical reflection.

When the English term, “capitalism”, entered our vocabulary, about 1850, it referred to the idea promoted by Adam Smith that national wealth grows in proportion to the productive force of autonomous individuals using privately owned assets for personal gain in market exchange. By 1890, the term was in wide circulation, and for the next century, its usage carried three implications: an economic system based on private property, individual profit, and state enforced market principles emerged uniquely in Western Europe; it defines modern economic development; but it also has rivals, based on socialism, communism, and non-European cultural traditions. After 1990, the last of these implications faded away, as the collapse of communist and socialist regimes gave the idea of capitalism a stronger claim to universality, and a new phrase, “global capitalism,” came into circulation, to indicate a new world order in which capitalism has no rivals. [Barber 1967]

In this classical view, European capitalism generated commercialisation around the world. In India, British imperialism appears to have forced commerce into traditional societies, where the dominant unit of social exchange was an essentially self-sufficient village community, in which families, castes, and sects organized exchange with their indigenous

moral economy and with minimal recourse to money or markets. In the social structure of traditional India, commerce operated only on the margins of village society; and merchants moved among villages and urban centres to form exchange relationships embedded in a society that strictly constrained commercial expansion. Traditional state institutions also constrained commerce, because, though states extracted taxes that entered markets, they also subjected social exchange to the dominance of elites who treated markets only as means to enrich themselves. Reciprocal obligations and redistributive systems thus squeezed merchants into strictly confined social roles and gave commercialisation no general indigenous impetus. [Beaud 1983; Habib 1969, 1988; Mukherjee 1957; Wallerstein 1979, 1983]

In this classical perspective, Indian commercialisation began with British imperialism, which introduced capitalism and launched a dramatic transformation of India's social structure. Scholars differ about the outcome. In general, however, they agree that the combined force of indigenous culture and imperialist exploitation prevented the replication of Western capitalism in India. Indian commercialisation thus appears to be a historical process marked by a disjuncture based on the alienation of tradition and modernity, which still coexistence uneasily in India. [Gadgil and Guha 1992]

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### **6.3 REVISING THE HISTORY OF INDIAN COMMERCIALISATION**

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Historical research indicates that pre-modern India was actually quite open to commercialisation, which expanded steadily over the centuries and more rapidly after 1500. Many isolated societies did subsist without commerce, but many regions of commercial expansion also developed. Pre-modern India comprised a vast, diverse mixture of societies and modes of social exchange, rather than one traditional structure.

Instead of imagining that British capitalism invaded a traditional India where commerce played a marginal role, many scholars now envision British imperialism emerging inside and feeding itself on the broad circulation of commodities in commercialized Indian regions, and then expanding imperial power to control commercialisation to serve British interests. Indian commercialisation can thus be understood as a hybrid process, combining local and imperial energies, and transforming Indian societies without producing drastic historical disjuncture, despite all the attending violence, conflict, and radical social, cultural, and economic change. [B.B. Chaudhuri 1996; K.N. Chaudhuri 1985; Ludden 1999, 2002; Roy 2000; Subrahmanyam 1990; Subrahmanyam and Bayly 1988]

Such revised understandings of Indian commercialisation now inform scholarly disputes about the uniquely European origins and character of capitalism. Global commercialisation may indeed have had many origins. Culturally distinct forms of capitalism may have emerged in many environments, connected to one another by Western imperialism, which made Western models of capitalism ideologically dominant. Rather than imagining that Europe forced Asia up the scale of commercialisation, many scholars argue that historical capitalism inhabits shifting cultural spaces where diverse peoples have invented diverse capitalisms, in a world of growing inequality, where the idea of the West's unique capacity to modernize the world became an ideological tool that served imperialism, nationalism, and Cold War, but no longer constrains the historical imagination. [Bose 1990; Ludden 2004; Maddison 1983].

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### **6.4 COMMERCIALISATION IN PRE-MODERN INDIA**

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Structural images of traditional India rest on the geographical premise that India was once a single territory filled with sedentary societies. India was from ancient times, however, a land of vast mobility, open to the mixing and movement of people, goods, ideas, cultures, and technologies, by land, river, and sea. Land was abundant and migrations were constant across lands between the Silk Road and the Indian Ocean, where mobility typified social environments as much as sedentary life, and in many places and times, much more.

The scale of human mobility increased in every century. India was a land of opportunity for all kinds of migrants. Available evidence allows us to speculate that during the two



centuries after 1600, almost half the total population of southern Asia may have comprised mobile artisans and workers; peasants colonizing new land; itinerant merchants and nomads; pilgrims; shifting cultivators and hunters; migratory service workers and literati; herders and transporters; people fleeing war, drought, and flood; and soldiers and camp followers supplying troops on the move.

All this mobility entailed widespread conflict and expanding commercial activity, commodity production, and economic interconnections. Mobility spawned market exchange on routes among places with diverse ecological endowments, where people specialized in using local resources and traded products with other localities, near and far. Borderlands between forest and plain, valleys and uplands, and land and sea were most active commercial spaces.

Caste societies embraced commercialism. Village people active in markets included weavers, oil-pressers, toddy tappers, carpenters, ironsmiths, herders, hunters, and farmers producing tobacco, dyes, spices, cotton, fruits, and vegetables. All variety of cloth, metal, wood, stone, animals, and foodstuffs moved in markets. Elaborate cuisines, arts, and manufactures emerged in sites of commercial accumulation, where social elites stimulated consumer trades, as did rulers and religious institutions. Buddhism and Islam moved along trade routes. Hindu temples became central sites for commercial transactions. Pilgrimage and festivals spawned markets. Many people sold their labour for money, including well diggers, soldiers, and many other service workers.

Cities and towns developed as demographic collections of consumers and specialized occupational groups. Pre-modern urbanism was by no means confined to precincts of walled cities; it rather spread out to envelop settlements in walking or boating distance where mobile people and goods met in dense combinations. State revenues depended especially on regions where people and trade concentrated, where taxes enriched financiers who invested in trade, money exchange, and state taxation. Regions of commercialism developed around such sites, whose influence expanded into hinterlands, creating geographies of commercialisation, anchored in local combinations of state power, religious authority, and social solidarity, connected by trade routes and enriched by networks of mobility with no boundaries whatever.

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## 6.5 POLITICAL TERRITORIES IN COMMERCIAL SPACES

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Pre-modern commercialism moved among many sites, routes, and institutions, and was never contained by political or cultural territory. Yet the political geography of the Mughal Empire had significant consequences for commercialisation, because it incorporated commercial centres and routes from Kabul to Dhaka and from Srinagar to Daulatabad, and thus produced unprecedented economic integration among regions of commercialism, each operating in its own environment yet connected by Mughal militarism, coinage, elites, entitlements, and taxation.

Urbanism became more prominent along routes inside Mughal territory, which extended across southern Asia to Istanbul and Moscow, and across the Indian Ocean to Europe and America. The empire had political boundaries but no economic boundaries: all imperial borders remained entirely open to mobility that provided commercial assets for people inside Mughal territory. In the eighteenth century, Mughal borderlands became more difficult for Mughals to subdue and control, as commercialisation enriched political competitors, including the Bengal Nawabs and British East India Company, who used Mughal techniques to generate revenues and attract commercial investors inside and outside territories of Mughal authority.

Mughal borderlands of Indian commercialisation became heartlands for a new kind of imperialism that arose in highly commercialised coastal regions around Bombay, Madras, and Calcutta. In these coastal regions, all the cultural mixing that typified pre-modern times made Europeans natives, not of India defined by inland territorialism, but rather of another India, defined by settler mobility in an Indian Ocean world without borders, where

sea routes came ashore on the Indian coast and channelled commerce in and out of Mughal domains.

Eighteenth century land and sea routes of Indian commercialism sustained an expansively commercial militarism that engaged many inland rulers who funded war with cash revenues drawn from commercialised regions, with credit from rural and urban bankers, and with direct state borrowing from urban bankers. To this pool of military funding, the English added funds from speculators in London who banked on profits from British conquest in India. Using this combination of commercial assets, the English acquired military supremacy, first on the Indian coast, then in valleys that channelled wealth to and from the coast, and then in the uplands.

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## 6.6 TRANSITIONS TO CAPITALIST EMPIRE

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From its Portuguese beginning, in 1498, European sea trades in Asia had strong military backing. In the eighteenth century, the English East India Company developed an expansive military basis for its Indian commercial operations, which, after 1757, drew commercial capital increasingly from taxation in conquered territory, where British state authority sold property entitlements to local landed elites. In 1785, Warren Hastings defended his military priorities against critics in London by bragging that the Company's military "insured the blessing of peace, security, and abundance to the subjects of its immediate dominion, while it dealt out the terrors of conquest to the remotest enemies of the parent state ... while every other member of the British Empire was afflicted with the plagues of wars or insurrection." British wars with revolutionary France began soon after Lord Cornwallis became Governor General, and by the 1790s, his boosters in London could brag that England had successfully used its military "to revive its arts, diffuse its manufactured productions, restore its revenue, and once more, to give splendour to its empire."

During British wars against Napoleon, Tipu Sultan, and Marathas (1790-1818), an epochal shift occurred in the historic relationship between commerce and militarism, and thus between geographies of commerce and state territorialism. Previously, rulers had used armies to secure territories where commerce expanded in connected but borderless spaces; now, the English used the military to force regions into commercial territories to benefit the parent state of the British Empire. Militarism became a means to integrate commerce and state authority inside the territorial order of capitalism.

After 1820, British industrialism emerged as a pre-eminent economic and political force, having been boosted financially by war state expenditure and Indian revenues. As English industry took centre stage in imperial policy, English industrialists used state power over trade to advance their own interests and thus impoverished weavers in Ireland and India, simultaneously.

In decades from 1820 to 1860, as imperial armies conquered most of what became British India, English investors began to finance railways in the Indian Presidencies, to tighten control over Indian assets, militarily and commercially. Until the 1840s, most Indian revenues were assigned to meet the cost of conquest, administration, and remittance, as trade policies shifted onto *laissez faire* lines to support Britain's global interests. In 1833, the Company became an agency serving British global enterprise, and thus, soon after the abolition of slavery, in 1833, the Company arranged to send shiploads of indentured workers from Calcutta to replace slaves on English plantations in the West Indies. By 1860, state-managed indentured labour migration sustained British plantations in north-eastern British Indian territories, conquered after 1820. [Jha 1996; Siddique 1990; Tinker 1974]

From 1823 to 1854, the exchange value of the Indian Rupee declined, which increased the real value of India taxation and made it more cost effective for government to invest Indian taxes in India. At the same time, London sought outlets for British industrial capital and new supply systems for industrial raw materials. British state investments in India ensued, to cheapen imports, exports, and military operations and to increase revenue by extending British capital investments in plantations, railways, cities, roads, ports, shipping, irrigation, and other ventures.

In the 1840s, a commission of Parliament met to consider ways to improve supplies of raw cotton to Lancashire mills. Bombay Presidency attracted special attention, along with Egypt, as potential sources of raw cotton. The goal was to expand cotton exports from these regions to counter-balance England's dependence on cotton from the American South. When the US Civil War broke out, in 1860, Egypt and India filled a void in cotton supplies created by the Union blockade of Confederate ports in America.

After 1870, state investments produced foundations for India's modern development regime. In 1871, the Indian Government obtained authority to raise loans for productive purposes, and large irrigation projects began, following earlier success raising revenues from smaller projects. Imperial institutions then provided the technical, ideological, and political basis for a modern system of economic development. Government projects focussed sharply on the most commercially profitable agricultural crops. State investments employed native contractors and benefited landowners producing commodities for domestic and export markets. This pattern of trickle-down development patronage, which linked local commercial environments to imperial circuits of capital accumulation through the everyday practice of the state's productive investments, remained in state development operations after 1947. [Ludden 1992, 1994]

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## 6.7 SPATIAL PATTERNS OF MODERN COMMERCIALISATION

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From 1880 to 1920, Europe's High Imperialism organized global commercialism on a larger scale than ever before. Statistical evidence also emerged by which to measure global patterns of economic inequality, which have remained remarkably resilient since then. South Asia and all other subordinate imperial territories became increasingly poor compared to Europe and America. Between 1870 and 1985, ratios of per capita income between the world's richest and poorest countries increased more than six-fold. Today, economic inequality among rich and poor national economies is still increasing.

By 1880, new spatial patterns of commercialisation had emerged in British India. Like Ceylon and Malaya, Assam became a quintessential plantation economy, where British investors drove out peasant producers and controlled markets in land, labour, and all other commodities. Indentured migrants from British territories worked plantation land, which had been taken away by the state from indigenous mountain people. The state organized indentured labour migrations by landless workers, for instance, from southern Tamil districts to Ceylon and Malaya, and from north India, Bihar, and Bengal to Assam.

British East Africa and British Burma also developed circuits of capital accumulation anchored in India. In East and South Africa, merchants from Gujarat and emigrant workers from Bombay, Calcutta, and Madras built railways and urban centres. Between 1896 and 1928, seventy-five per cent of emigrants from Indian ports went to Ceylon and Malaya; ten per cent, to Africa; nine per cent, to the Caribbean; and the remaining six per cent, to Fiji and Mauritius, which became island plantation economies. In Burma, Tamil Chettiyars financed new rice farms in the Irrawaddy River delta, which generated huge exports of rice for world markets, including India, where urbanization increased demand for imported rice. The food crisis that generated the 1943 Bengal famine began when Japan conquered Burma and cut off rice supplies to Calcutta.

Specialized regions of farm production developed in British India along railways that led to major port cities. One major example is the Deccan, which became cotton country, where commercial investments entangled almost all farmers, poor and rich alike. In 1876, Deccan Riots were the first major clash between local farmers and immigrant Indian financiers, and gave birth to official anxiety about village stability during capitalist development. This anxiety became a major impetus for imperial theories of traditional village harmony, which needed support by state patronage for local landed elites.

The responsiveness of Indian farmers to price incentives spawned many commercially specialized regions with an export orientation, producing cotton, wheat, rice, coal, coke, jute, hides and skins, tea, ores, and wool. Data from 1914 show that most Indian cotton

left Bombay and came from Maharashtra. All tea came to Calcutta and Colombo from British plantations in Assam, Darjeeling, and hills around Kandy. Most export rice came to Rangoon. Wheat came primarily from fields under state irrigation in Punjab and western United Provinces (Uttar Pradesh). Oilseeds came to Bombay from Hyderabad territory (Andhra Pradesh), the Central Provinces (Madhya Pradesh), and Bombay Presidency (Maharashtra). Coal, coke, and ores came from Jharkhand to Calcutta and Bombay. Eastern Bengal (Bangladesh) produced almost all the world's jute, which went to Scotland but also increasingly to jute mills around Calcutta.

Indian industrialism emerged in this context and accelerated commercialisation around major cities. After 1880, two decades of low prices in Europe and America and rising prices in South Asia encouraged investments in India by firms producing for Indian as well as world markets. Commodity prices in India rose rapidly after 1880, along with export commodity production, until the crash in 1929. These were decades of the most rapid expansion of commercial farm production to that time.

Early Indian industrialization was so impressive that the imperial Factory Act (1881) imposed rules on Indian factories to reduce their comparative advantage in virtue of low local labour costs and cheap access to raw materials in India. In 1887, J.N. Tata's Empress Mill arose at Nagpur, in the heart of cotton country. Tata Iron and Steel Works at Jamshedpur consumed increasing supplies of ore and coal, which by the 1920s rivaled exports from Calcutta. In 1914, India was the world's fourth largest industrial cotton textile producer. Coal, iron, steel, jute and other industries generated specialized regions of heavy industry around Bombay, Ahmedabad, Nagpur, Kanpur, Calcutta, Jamshedpur, and Madras.

World War I stimulated imperial policies to enhance India's industrialization to make India less dependent on imports; and the Great Depression, 1929-1933, again boosted industrial growth by reducing prices for farm output compared to manufactures. As a result, industrial output in British India grew steadily from 1913 to 1938 and was 58% higher at the end of the Depression than at the start of World War I; compared to slower and more uneven rates of growth in the UK and Germany. [Morris D. Morris in Kumar, 1983]

By 1920, India had a complex national economy, dominated by agriculture but including a large public sector, major centres of large-scale industrial production, and countless small-scale industrial concerns producing cloth, leather, and metal goods. In 1913, manufactures comprised twenty per cent of Indian exports, valued at ten per cent of national income, figures never since surpassed. In 1914, the US Consul at Bombay called India "one of the few large countries of the world where there is an 'open door' for the trade of all countries." England was still India's dominant trading partner, but losing ground. In 1914, the UK sent 63% of British India's imports and received 25% of its exports; and by 1926, these figures stood at 51% and 21%, respectively. By 1926, total trade with the UK averaged 32% for the five major ports (Calcutta, Bombay, Madras, Karachi, and Rangoon). Bombay and Rangoon did 43% of overseas business with Asia and the Middle East. Calcutta did a quarter of its business with America. [Roy 1999, 2000]

Migration data also indicate the growing complexity of India as a region of the world economy. In 1911, the British numbered only 62% of resident Europeans in British India. Four times more immigrants arrived in India from Asia than from Europe, and seven of ten came from Nepal and Afghanistan. In 1911, Nepalis entering India outnumbered resident Britons by fifty per cent; total Asian immigrants numbered three times as many. By 1921, Indian emigration far exceeded immigration. Between 1896 and 1928, 83% of 1,206,000 emigrants left British India from Madras (which accounted for only 10% of overseas trade), where most went to Ceylon and Malaya. Bombay emigrants went mostly to East and South Africa, and Calcutta emigrants, to Fiji and the West Indies. By 1921, India's modern diaspora was well underway.

## 6.8 GEOGRAPHICAL CONTINUITIES IN INDIAN COMMERCIALISATION

The British began their Indian empire on the coast. Their power then extended up river valleys into the interior, and finally, into highlands and mountains. These coasts, river valleys, highlands, and mountains had been distinctive commercial environments before 1800, and though increasingly forged into a unified imperial pattern, remained distinctive in 1947. Since then, national development has not erased their distinctiveness.

Before 1800, coastal environs had been most open to direct local involvements with overseas commercialism, and after 1800, imperial capitalism concentrated first around ports. The imperial economic order then spread along railways inland from Calcutta, Madras, and Bombay. Coastal ports became cosmopolitan sites for the mixing of inland and overseas cultures and interests. Indications of this distinction appear in the 1911 census, which shows that English literates numbered less than 1% of the population of British India, but 12% of the population of Calcutta. Madras and Bombay shared with Calcutta very high figures for the per cent of literate people who were literate in English. The mixing of old and new social elites was most intense along the coast. Brahmans were about 6% of the total 1911 Indian population, with very high rates of English literacy, especially near the coast. More than 25% of literate Brahmans were literate in English in Madras and Bengal Presidencies, and about 20% in Bombay Presidency.

British imperialism moved inland along river valleys into uplands and regions, where the Mughals and their competitors, allies, and subordinates had held much more power than along the coast. In these regions, commercialisation after 1800 continued to include noticeably higher doses of state coercion, violence, and rebellion. Strategic alliances between imperial and local military force anchored the colonial regime. Cantonments and security installations marked the spatial and social organization of commercialisation.

Post-1857 grants of huge *Talukdar* estates to old *Zamindars* in Western UP represent a broad accommodation of old military elites. In Punjab, military recruitment and establishments grew alongside state investment in irrigation canals that benefited military-peasant-landlords. In Bombay Presidency, Maratha *jagirdars*, *sardars*, *inamdars*, *deshmukhs*, and *deshpandes* kept old estates under new property laws.

Imperial expansion into highlands and mountains combined the force of Indian and British lowland interests, which both moved into areas of shifting cultivation inhabited by groups who became known as “tribals” in British India. Before 1947, many mountain territories were still not conquered sufficiently to allow full incorporation into the lowland economy, but many were. Coffee and tea planters took mountains around Assam and Mysore. Mountain forests everywhere became sites for commercial timber extraction.

Most highlands remote from centres of Mughal power in 1700 remained remote from centres of political and economic power in 1950, but commercialisation of the highlands increased with the expansion of lowland agrarian populations into the mountains, which steadily displaced “tribal” inhabitants, causing numerous clashes; and with the incorporation of tribal people into circuits of labour migration in the plains, which, for example, brought countless Nepalis into India, and incorporated tribals into agrarian economies in Berar and Gujarat. [Bates 1981, 1985, 1988; Breman 1985, 1989; Jha 1996]

As India became a unified commercial economy, old regions of commercialism retained distinctive characteristics and acquired new ones. The Mughal heartland became a corridor of British imperial investments that steadily increased the wealth of western regions compared to the east. This unequal development continues today. Madras and Bombay hinterlands retained independent economic identities, as did commercial regions around Trivandrum, Bangalore, and Hyderabad. Mountain domains became increasingly marked by subordination to the plains, which disadvantaged local populations compared to lowland immigrants. Highlands and dry lands became the modern frontier for agricultural expansion. From 1880 to 1980, the highest rates of increase in the ratio of total farmland to total land area (from 903% to 206%) appear in Tripura, Sikkim, Nagaland, Assam, Rajasthan,

Mizoram, Arunachal Pradesh, and Orissa. The lowest figures (from 122% to 103%) appear in the old agrarian lowlands of Tamil Nadu, West Bengal, Uttar Pradesh, Maharashtra, and Kerala. [J.F. Richards]

## 6.9 THE IMPACT OF INDIAN COMMERCIALISATION

Today, historians focus research on geographical regions in which patterns of change indicate commercialisation had different meanings for different people and in different places and times. Some patterns emerge across regions and comprise national patterns in contemporary India. Regional conditions are significant everywhere: they continue today to inform prices, bonds of trust and credit, and social power relations that set effective rules of ownership and social exchange. One good example is commercial sugar cultivation, which has operated in eastern UP under the impress of local landed elite domination and in Maharashtra under the control of staunchly independent landed entrepreneurs. [Amin 1984; Attwood 1992]

Commercialisation progressed along with other changes that influenced its impact. Most importantly, the quantitative proportion of land and population shifted. India became a densely populated region of the world for the first time after 1850. Social competition for land and other natural resources increased accordingly. The relative market value of land and labour shifted: land became more valuable compared to labour. The imperial state made landed property a strictly defined object of legal possession. Landed property rights thus became a modern institutional basis for commercialisation. In this context, capital investments in land, above all, irrigation, commercial agriculture, and urban development, increase the value of privileged land most rapidly and differentiated the landscape into sites defined by their respective attractiveness for investors. Technological change, above all, in industry, transportation, and communication, enhanced the differential impact of commercialisation, by making some sites especially valuable for commercial investment, particularly around cities and towns. Urbanization advanced rapidly after 1900 and accelerated after 1947. The per cent of India's population living in urban centres increased by just over *one* per cent (from 11% to 12%) during the first three decades after 1900, by *six* per cent during the next three (1931-1961), and by *eight* per cent in the next three decades (1961-1991). Ecological change accelerated similarly. In *three* decades after 1950, livestock, net cultivation, and built-up land increased as much they had during *seven* previous decades, while forest cover declined at the same rate and population grew about fifteen per cent *faster*. [J.F. Richards]

Commercialisation is thus impossible to disentangle from other historical processes that have also changed the composition of social environments. Political change is important in this context. Imperialism has structured commercialisation to serve Western interests. Nationalism has produced new state territories where politics structures commercialisation to serve national interests. New state borders broke old routes of commercial transit in some parts of South Asia, which had, for instance, carried land rents and jute from eastern Bengal to enrich the Calcutta *bhadralok* and to sustain Calcutta jute mills for many decades. The partition of Punjab caused massive disruptions and severed many old commercial connections. India, Bangladesh, Pakistan, and Burma emerged as entirely new territories for commercialisation under national regimes whose respective histories have structured its impact ever since.

In India, regional state regimes emerged after 1956, which enhanced the regionalism of Indian commercialisation and continuities with regional patterns that developed in pre-modern times and under British rule. In all Indian states, local and regional elites now engage in commerce, using power and authority to make rules that effectively govern the possession and exchange of most commodities. India's integration as a national economy and its economic governance in New Delhi increased under a regime of national development planning, which made the Indian bureaucracy and intelligentsia increasingly influential. The politics of commercialism in India today thus involves local, regional, and national institutions, whose combined impact continues to differentiate the meanings of commercialisation. [Bardhan 1984, 1986; Rudra 1984, 1989; Rudra and Bardhan 1978]

In a long-term perspective, commercialisation has comprised a process that began long before 1800 and accelerated thereafter to shift the balance and content of exchange relationships everywhere in India. Two commodities, land and labour, indicate most clearly how that alteration defines Indian capitalism as a distinctive formation operating inside India's national borders. State laws pertain more forcefully to land and labour than to other items of exchange, and the historical process of defining land and labour as commodities is still, in fact, underway. Land reform laws eliminated *Zamindar* property rights and produced a profusion of small private holdings. Social movements continue to demand legal redefinitions of property rights. Labour laws pertain primarily to heavy industry and workers' rights in the informal and agricultural sectors remain subjects of on-going contestation and legal revision. Rural markets for land and labour are today, as they were a century ago, bound up tightly with the local power of landed elites and high status social groups, whose role in law making is most visible inside Indian states but increasingly visible at the national level as well. The lowest status social groups have little landed property and mostly work for higher status employers, as the market value of their labour continues to decline compared to the value of land, as poor land becomes poorer compared to rich land, and as finance capital exerts increasing control over land and labour. [Harriss-White 1996; Yanagisawa 1996; Atchi Reddy 1996]

In this light, it seems that Indian commercialisation evolved into Indian capitalism without causing a drastic disjuncture in the composition of the social structure, allowing many old elite groups to retain substantial control over commodity production and exchange. Political disjunctures, which mark the history of British imperialism and Indian independence, also mark this evolution, as Indian commercialism changed over time in a changing Indian landscape as well as in commercial spaces that escape the confines of Indian national territory. The long period of British rule composed a long transition from pre-modern Indian commercialism to contemporary Indian capitalism, during which modern institutions came into existence that continue to exert substantial influence on social relations of economic development. [Dirks 2001; Ludden 1993; Metcalf 1995; Washbrook 1981, 1989, 1994]

Commercialisation transforms human experience by establishing commercial transactions in settings where markets had previously been absent or unimportant, most notably in villages where the privatisation of land eliminated customary rights to sustenance for landless families, who depended increasingly on informal contracts, indenture, and various forms of bondage and trafficking. One dramatic example of this dilemma appeared in 1981, when researchers found over four lakh low caste labourers from poor villages in northern Bihar working on rich farms in Ludhiana and Hoshiarpur districts of Punjab, where recruiters also brought Chhotanagpur tribals for employers who bid for them at auction. Though this illegal trade had ceased by 1991, Punjab farmers were still advancing huge sums to bring Biharis to work in their fields, and officials who found workers held in bondage had them released to local authorities. [Singh 1995]

Commercialisation has included enrichment and destitution, for families, localities, and regions. Though some progress in reducing the aggregate burden of poverty occurred before 1990, most rural Indians still hover near the poverty line, most precariously in poor regions where capital investments are meagre, as in dry farm regions from eastern Maharashtra south to Rayalaseema, where the limitation of the green revolution to irrigated land is apparent and the contrast with prosperous Punjab could not be greater, and where, in 1997-8, two hundred poor farmers, burdened with huge debts to plant cash crops (mostly cotton, but also *tur dal* and other pulses), committed suicide when faced with crop failure, foreclosure, and destitution. When crop prices crashed in 1997, farmers mortgaged their land to moneylenders, and then drought, floods, and pests killed their crops. Farmers killed themselves by drinking pesticide, a symbol of the green revolution that left them behind.

Social disparities amidst commercialisation have appeared more clearly as scholars have more often applied a gender lens to the study of change. Land ownership remains a male preserve in South Asia, and even more so, the management of land as commercial property. The same privatisation of property that made village workers dependents of landed families

turned even women in landed families labourers working for men inside patriarchal legal systems where the market value of female labour as children, wives, mothers, care givers, and wage workers increasingly defined their position in society. This entailed profound social change, which occurred over many decades and variously in different locations, but always operated inside gender ideologies that evoke traditional values and social norms to regulate change within parameters that hold patriarchal power in place. Thus, commercialisation also appears in the gendered lens of social research as one dynamic process among many others that comprise historical trajectories of Indian capitalism today. [Agarwal 1992, 1994; Banerjee 1989; Borthwick 1984; Clark 1993; Krishnamurthy 1989; Mitra 1981; Omvedt 1980; Prasad 1988; Sangari and Vaid 1989; Sharma 1985; Shiva 1989; Thomas 1988]

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## 6.10 SUMMARY

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We began by defining commercialisation and its impact over the existing culture, society and commerce. The history of commercialisation can be traced back to the pre-colonial period. A high degree of commercialisation was achieved in the Mughal period. During the eighteenth century, with fading Mughal boundaries, we see the emergence of highly commercialised coastal regions – Bombay, Madras, Calcutta. At the same time we also see the growth of a ‘commercial capitalism’ in which European Companies became equal partners, particularly the Portuguese, English and the Dutch. Introduction of railways and the emphasis on plantation economy led to the emergence of new spatial patterns of commercialisation. With British Imperialism commercialisation spread – moving up the hills, into river valleys, across forest areas. This Unit looks at the nature and implication of this expansion.

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## 6.11 EXERCISES

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- 1) What is commercialisation? Do you agree that Indian commercialisation began with British imperialism?
- 2) What role did militarism play in commercialisation during the colonial period?
- 3) Analyse the spatial patterns of commercialisation in the first half of the 20<sup>th</sup> century.
- 4) Critically examine the socio-economic impact of commercialisation during the colonial period.

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## UNIT 7 THE QUESTION OF AGRARIAN GROWTH AND STAGNATION\*

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### Structure

- 7.1 Introduction
- 7.2 Agricultural Production in Colonial India: A Framework for Analysis
- 7.3 Agricultural Production: 1890-1947
- 7.4 Individual Crop Production Trends
- 7.5 Regional Crop Production Trends
- 7.6 Debates Over Agricultural Statistics
- 7.7 The 19<sup>th</sup> Century Trends?
- 7.8 Summary
- 7.9 Exercises
- 7.10 Suggested Readings

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### 7.1 INTRODUCTION

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This Unit aims to familiarise the reader with the main trends in agricultural production during the period 1850-1947. It specifically addresses the question of growth rates of acreage, yield and agricultural output. It also provides an overview of the main debates surrounding the issue of agricultural production. The Unit is structured as follows: The first section discusses the main issues in and the framework for understanding trends in agricultural production. The second section discusses the results of comprehensive agricultural production estimates at the macro level for the three key indicators: acreage, yield and output of both food grain and non-food grain crops. Section III and Section IV analyse the production trends at the individual crop and regional level respectively. Section V examines the debate around agricultural production statistics of the period 1890-1946 and provides a brief discussion of 19<sup>th</sup> century production trends. Section VI provides the summary and conclusion to this Unit.

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### 7.2 AGRICULTURAL PRODUCTION IN COLONIAL INDIA: A FRAMEWORK FOR ANALYSIS

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The question of agricultural growth lies at the heart of the debate about the impact of colonialism in India. The issue of growing poverty, low rates of industrialisation and the destruction of handicrafts and traditional industry – the staple of the nationalist critique of colonialism hinged on the issue of agricultural growth. Did agricultural output grow fast enough under colonial rule to mitigate the consequences of population growth? Or in other words did food supply outstrip population growth during the colonial period? Then there is the question of commercialisation of agriculture. The colonial character of the economy was evident in the transformation of India from a manufacture exporting economy to an agricultural raw material exporting one. Did increasing production of cash crops for exports happen at the expense of food grains? Given that more than half the national income is estimated to have originated from agriculture and also because of the overwhelmingly agricultural character of the workforce in India throughout the colonial period the centrality of agricultural output and its level and trend over time is crucial for understanding how the bulk of the Indian population fared under colonial rule. Apart from temporal changes in agricultural output, variations over space i.e. regional performance of agriculture is a significant issue. Did some regions grow while others stagnated or declined? If there were significant regional patterns discernible – what explains these variations?

Nationalist critiques of colonial rule and its impact on the standard of living of the people of India emerged in the middle of the 19<sup>th</sup> century. Dadabhai Naoroji's *Poverty and Un-British Rule in India* highlighted the utter poverty of Indian people by calculating the

per- capita income in 1868-69 at Rs. 20. William Digby's provocative book 'Prosperous British India'(1901) castigated colonial rule for progressive impoverishment of the Indian population. While Naoroji's estimation of agricultural production was a single point estimate, Digby used three point estimates (1850, 1882, 1900) of agricultural production and national income. These estimations of poverty and low agricultural production gained credence due to the devastating series of famines of the late 19<sup>th</sup> century. There were several rebuttals of nationalist claims indicating low agricultural production and increasing impoverishment of population by the British Officials, the most notable being Lord Curzon's rebuttal of R. C. Dutt as also F.T Atkinson's (1902) systematic critique of Digby (1902)<sup>1</sup>.

The trend and level of agricultural production has been the subject of intense debate since the late 19<sup>th</sup> century and has animated Indian historiography on the subject.<sup>2</sup> The nationalist school of historiography takes a substantially pessimist position, arguing that throughout the colonial period agrarian production was stymied: in the 19<sup>th</sup> century it barely kept pace with population increase while in the twentieth century, definitely lagged behind growing population. The nationalists blamed Colonial State policy of non-development, free trade, land revenue system, forced nature of commercialisation for the poor performance of agricultural production and saw the devastating series of famines in the late 19<sup>th</sup> century and early twentieth century as a direct consequence of such policies. Apart from the official challenge mentioned above, a revisionist view, most notably represented in the work of M.D. Morris and A. Heston (1963), asserted that there was substantial expansion in agricultural output throughout the 19<sup>th</sup> and the first half of the twentieth century, stronger in case of commercial crops and relatively slower for food grains, reflected in the slow but positive growth in the per capita national income. In the revisionist accounts colonial state policies were assessed positively. More recently, there has been a revival of the revisionist position specially in the work of Tirthankar Roy (2000), which has shifted attention away from the colonial state policy to focus on the process of commercialisation of agriculture. Increasing integration of Indian economy with the global market in the period 1860-1920s and the spur given by exports to commercialisation led to rising per capita income and sharp growth in production and productivity in agriculture. Cash crop production led growth was fuelled by productivity growth and rising income throughout the period. This period of relatively open economy and growth was disrupted by the great depression of the 1930s. The 'malign' state of the nationalists is replaced by benign market in the neo-revisionist account as the driver of agricultural growth.

Since the debate over agricultural output growth and its various components has critically hinged on interpretation of agricultural statistics of production and productivity, it is useful to examine the sources and coverage of such statistics. Agricultural statistics became available at the all India level following the recommendation of the Indian Famine Commission (1880). Stray statistics especially of commercial crops were available from the 1860s during the cotton boom. Comprehensive, though imperfect, statistics became available from the end of 1880s. The main source of the agricultural statistics at the All India level were the *Season and Crop Reports* published by the Provincial Directorate of Agriculture which provided district level statistics of cropped area, area under individual crops and estimates of output of each crop. Valuable information on harvest prices of crops and rainfall data was also published in these reports. The information thus generated was collated into two annual publications at the All India level – *Agricultural Statistics and Estimates of Area and Yields of Principal Crops in India*. The former provided data only on area under cultivation while the latter gave figures of area and output of eighteen crop forecasts, which occupied more than 95 per cent of total cropped area of the country. The *Season and Crop Reports*, which formed the basis of the agricultural statistics, was issued mainly for British Indian provinces while the national level statistics also included figures for some Princely States.

<sup>1</sup> Bipan Chandra *The Rise and Growth of Economic Nationalism* (New Delhi, 1966, pp.28-40) provides a synoptic account of the late 19<sup>th</sup> century debate on poverty and agricultural production between nationalist leadership and the colonial officials.

<sup>2</sup> See for instance *Indian Economy in the 19<sup>th</sup> century: A Symposium* (Delhi, 1969).

The *Season and Crop Report* estimated the total output for each (major crop) of the district by a simple formula  $Y = A \times SY \times CF$ , where  $Y$  = Total output,  $A$  = Area under the crop,  $SY$  = Standard or Normal Yield,  $CF$  = Seasonal Condition Factor. The Standard Yield was defined as a 'figure which in existing circumstances might be expected to be attained in the year if the rainfall and the season were of a character ordinary for the tract under consideration, that is, neither very favourable nor the reverse...the average yield on an average soil in an average year.'<sup>3</sup> Standard yield was usually derived by a series of crop cutting experiments of yields in the district and was subject to periodic revision (five years). Yet as is evident from the official definition with its emphasis on 'averageness', statistical accuracy or randomness of sample were hardly the criterion for choosing a particular figure. Seasonal condition factor (SCF), on the other hand, was a purely subjective estimation of the condition of the crop usually denoted in *annas* (1/16 of a rupee or 16 *annas*) which was then converted into a percentage of the normal or standard yield. Thus an 8 *anna* crop yielded a SCF of 50 per cent. The agency which was charged with reporting the condition factor as well as acreage under particular crop in a village in temporarily settled area (*ryotwari* or *mahalwari*) was the village *patwari*. His estimation was then subsequently corrected by a series of supervising officers and finally by the Director of Agriculture at the provincial level. In the Permanently settled areas it was the village *chowkidar* who was the primary reporting agency. Acreage figures in temporary revenue settlement areas were drawn with reference to the village records, but in the permanently settled areas, since the village records for revenue purposes were non-existent, the acreage figures were more of an 'eye estimation' successively corrected by the district level officers. Acreage figures were thus notoriously deficient for the permanently settled provinces such as Bengal, Bihar and Orissa except in districts where cadastral surveys and settlement operation had been carried out.<sup>4</sup>

### 7.3 AGRICULTURAL PRODUCTION: 1890-1947

George Blyn's monumental work on the agricultural production in British India carried out in the late 1940s and published in 1966 remains to date the most important account of the trends in crop production in India. Blyn utilised the Official series published in the *Estimates* and corrected it for discrepancies due to non-reporting of crop figures for certain years in some Provinces. He produced three series that of output, acreage and yield of eighteen principal crops, eight food grain crops and ten non-food grain crops for the years 1891/92- 1946/47. For aggregation of different crops the out turn and series was converted into value terms at constant prices of each individual crop based on average prices the period 1924-29. For the purpose of regional analysis, Blyn grouped together the provinces into six groups. Crops and regions for which Blyn produced production estimates are summarised in **Table 1**.

**Table 1**

Foodgrain	Non-Foodgrain	Regions
Rice, Wheat,	Cotton, Sugarcane, Linseed,	Greater Bengal, United Provinces,
Bajra, Jowar,	Rape and Mustard, Sesame,	Greater Punjab, Bombay-Sind,
Maize, Barley,	Jute, Tea, Indigo, Tobacco	Central Provinces, Madras
Gram, Ragi.		

The all India production figures are presented in **Table 2** which provides the five yearly average figures for acreage, yield and output

<sup>3</sup> *Estimates of the Area and Yield of the Principal Crops of India* Appendix 1, 1938 citing an 1897 circular.

<sup>4</sup> Cadastral Survey and settlement operations were carried out in Bengal and Bihar districts beginning in the 1880s and most districts were covered by the end of 1920s. Revision surveys and settlement were carried out in fewer districts.

**Table 2: Annual Average Agricultural Production : 1891-1946**

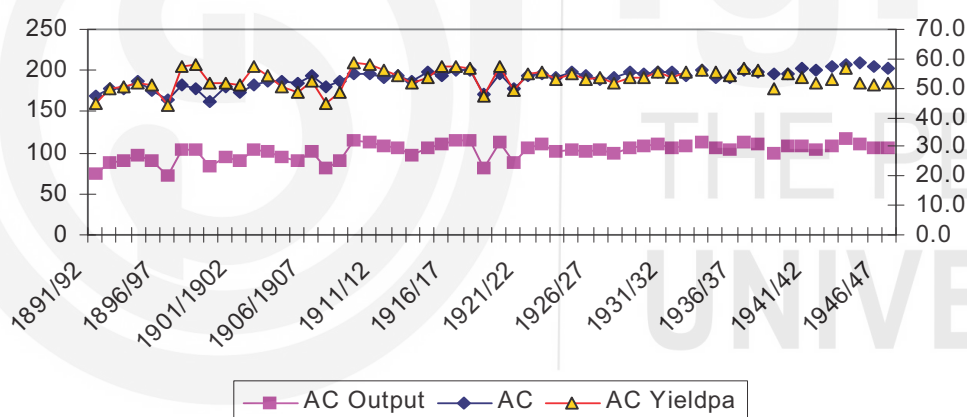
Year	All Crops (AC)			Food Grain (FG)			Non Food-Grain (NFG)		
	Output	Acreage	Yield	Output	Acreage	Yield	Output	Acreage	Yield
1891-1895	8798	177	50	6911	147	47	1899	30	63
1896-1900	9167	174	53	7129	146	49	2038	28	72
1901-1905	9578	183	52	7308	151	49	2271	32	71
1906-1910	10017	190	53	7573	155	49	2444	35	70
1911-1915	10526	193	55	7801	156	50	2724	36	75
1916-1920	10243	189	54	7580	154	49	2657	35	75
1921-1925	10454	195	54	7649	158	48	2805	37	76
1926-1930	10530	195	54	7274	156	47	3256	39	83
1931-1935	10716	195	55	7353	158	46	3363	47	92
1936-1940	10804	199	54	7062	158	45	3742	51	91
1941-1946	10819	205	53	7347	169	43	3472	36	96

**Note:** Output in million Rs, Acreage in Millions, Yield in Rs.

**Source:** George Blyn (1966).

The absolute figures and the trends can be visualised from Chart I. But for an analysis of the trends it is important to examine the trend growth rate. The trend growth rate is computed such that the annual fluctuations are eliminated and an average growth rate for a specified period can be estimated. Blyn computed the trend growth rates by averaging the growth rates of ten overlapping decades beginning from 1891. The growth rate is denoted in per cent per year. Most of the analysis in this and subsequent sections will focus on trend growth rather than absolute figures.

**Chart 1: Agricultural Production Trends: 1891-1946/47 (all crops)**



AC Output = all crops output  
 AC = all crops acreage  
 AC Yield = all crops yield

**Table 3: Agricultural Production: Trend Growth Rate 1891-1946 (per cent per year)**

	Output			Acreage			Yield		
	1891-1946	1891-1916	1921-1946	1891-1946	1891-1916	1921-1946	1891-1946	1891-1916	1921-1946
All Crops	0.37	0.84	0.35	0.40	0.67	0.35	0.01	0.47	-0.02
Food grains	0.11	0.61	0.03	0.31	0.35	0.39	-0.18	0.29	-0.44
Non food grains	1.31	1.66	1.08	0.42	0.86	0.03	0.86	0.81	1.15
Population	0.67	0.44	1.12						

**Source:** George Blyn (1966).

From **Table 2** and **3** the following conclusions can be drawn:

- 1) Between 1891 and 1947, the annual growth rate of output of all crops was low (0.37 per cent) reinforcing the picture of near stagnation of agrarian production over the whole period. Viewed alongside the annual growth rate of population (0.67 per cent)

it is quite clear that agricultural production lagged behind population growth measured over the whole period.

- 2) Practically the whole of the growth of agricultural production came from the expansion of acreage under crops – thus there was in fact near complete stagnation in agricultural productivity. Low quantitative growth was accompanied by the absence of qualitative growth in agrarian production.
- 3) However this dismal picture of low output growth and stagnation of productivity needs to be analysed by disaggregating the trend over time and separating out the trends for different crops. Thus in terms of temporal span, all three measures of agrarian production present a more favourable picture in the first half (1891-1921) of our period compared to the later half (1921-47). In the first half agricultural growth manages to keep ahead of population growth. It is mainly due to the drastic deceleration of growth of crop production in the second half that the overall growth rate for the whole period is pulled down. Since population growth accelerates during the second phase, at nearly two and half times the rate of the earlier period, per capita output plunges down by nearly 30 per cent.
- 4) Non-Food Grain (NFG) production during the whole period displayed sufficient dynamism with growth rate of output, acreage and yield being substantially higher than that of Food Grain (FG) crops and above the growth rate of population. An interesting aspect of the performance of NFGs is that the most of the growth of output of these crops was not from acreage expansion but from productivity growth. Thus between 1921 and 1947, while acreage under NFG crops stagnated, output grew by a healthy 1.08 per cent per annum and the resultant productivity growth was 1.15 per cent per annum.
- 5) In contrast to this food grain (FG) output growth was a near stagnant 0.11 per cent while productivity actually declined over the whole period at 0.18 per cent. FG output growth in the first period was above the population growth rate but after 1921 FG output stagnated at 0.03 per cent while population growth soared to 1.12 per cent (leading to a sharp decline in per capita food grain production).

Blyn's agricultural production figures based on official statistics show two phenomena that need explanation: a) The lag between population growth and yields per acre intensified in the last quarter of British rule; and b) the contrast in the performance of the NFG or cash crops against that of FG. We can begin explaining these macro trends if we further disaggregate these trends for different crops and regions.

## 7.4 INDIVIDUAL CROP PRODUCTION TRENDS

We first examine the broad changes in the composition of crop acreage over the period 1891-1946.

**Table 4: Crop Composition : 1891-1946**

Crops	1891-95 million acres	Per cent of all crops	1941-46 in million acres	Per cent of all crops
Rice	66	37.3	74.1	36.0
Wheat	21.9	12.4	26.4	12.8
Jowar	20.9	11.8	22.1	10.7
Gram	11.1	6.3	15.1	7.3
Bajra	11.7	6.6	15.1	7.3
Barley	5.2	2.9	6.7	3.3
Maize	5.1	2.9	6.3	3.2
Ragi	4.4	2.5	3.4	1.7
<b>Total Food grains</b>	<b>146</b>	<b>82.5</b>	<b>169</b>	<b>82</b>
Cotton	9.6	5.6	11.6	5.6
Sugarcane	2.9	1.6	3.6	1.7
Jute	2.2	1.1	2.5	1.2
Groundnut	0.4	0.0	5.6	2.7
Oilseeds	12.5	7.0	11.1	5.4
Indigo	1.4	0.8	0.0	0.0
<b>Total Non Foodgrain</b>	<b>30.4</b>	<b>17.2</b>	<b>536.5</b>	<b>17.7</b>
<b>All Crops</b>	<b>176.4</b>	<b>100</b>	<b>205.5</b>	<b>100</b>

Source: George Blyn (1966).



What is remarkable is that there was hardly any change in the relative acreages under food grain and non-food grain crops. But there were fairly significant changes in the case of individual crops. To take up FG crops first. Acreage under rice and wheat expanded absolutely but there was no significant change in their relative weight in all crop acreage. Amongst the NFG crops, the only significant change was the rapid rise of groundnut as a major crop. From a completely insignificant crop at the beginning of our period 5 million acres were added in the next fifty years. This expansion of acreage was the maximum in Madras Presidency and to an extent in Bombay. During the same period total cropped area under oil seeds declined by nearly one and half million acres. This period also witnessed the total eclipse of indigo as an important cash crop – accentuating the trend beginning in the second half of the 19<sup>th</sup> century. Cotton acreage grew but most of the growth occurred in the first half of the period. In contrast, acreage of sugarcane expanded almost exclusively in the post-1921 phase and more spectacularly after 1931 when a protective duty imposed on imported sugar stimulated expansion. (Blyn 1966, pp.146-7)

Now as to the output of individual crops **Table 5** shows the different trajectories of individual crops.

**Table 5: Trend Growth Rates of Output and Yield : 1891-1946**

Crops	1891-1946	1891-1916	1921-1946
Rice	-0.09 (-0.24)	0.35 (0.39)	-0.02 (-0.47)
Wheat	0.84 (0.38)	1.89 (1.25)	0.57 (0.02)
Jowar	0.05 (0.00)	0.50 (0.64)	-0.34 (-0.63)
Gram	0.26 (-0.26)	1.73 (0.52)	-1.15 (-0.88)
Bajra	0.72 (0.06)	1.86 (0.35)	-0.59 (-0.24)
Barley	0.02 (-0.12)	2.03 (0.71)	-1.34 (-1.11)
Maize	0.51 (0.21)	1.55 (0.88)	0.44 (0.10)
Ragi	-0.37 (0.12)	0.24 (0.29)	-0.98 (-0.10)
<b>All Foodgrains</b>	<b>0.11 (-0.18)</b>	<b>0.61 (0.29)</b>	<b>0.03 (-0.44)</b>
Sugar cane	1.30 (0.73)	0.22 (1.03)	3.00 (1.20)
Cotton	1.30 (0.95)	2.84 (0.98)	-0.01 (1.27)
Jute	0.27 (0.14)	2.13 (0.86)	-0.72 (-0.30)
Tea	2.74 (1.43)	4.24 (2.22)	2.08 (1.59)
Tobacco	0.03 (0.17)	-0.29 (0.72)	0.32 (-0.24)
Groundnut	6.26 (0.23)	8.74 (0.73)	3.24 (-0.61)
Rape and Mustard	0.07 (0.19)	0.59 (0.48)	0.03 (0.31)
Sesamum	0.09 (0.29)	1.22 (0.58)	-0.38 (-0.08)
Linseed	-0.47 (-0.10)	0.52 (1.05)	-1.27 (-0.80)
Indigo	-6.19 (0.47)	-6.02 (1.28)	-6.27 (-0.89)
<b>All NFG</b>	<b>1.31 (0.86)</b>	<b>1.66 (0.81)</b>	<b>1.08 (1.15)</b>
<b>ALL CROPS</b>	<b>0.37 (0.01)</b>	<b>0.84 (0.47)</b>	<b>0.35 (-0.02)</b>

**Note:** The figures in brackets represent the yield trend growth rates.

**Source:** George Blyn (1966).

Among food grain crops, rice was the predominant crop and the trend in the yield of the crop influenced the overall trends in food grains. Thus the decline in rice yield was the most important reason for the overall low performance of food grain crops generally. The decline was most pronounced in the second half (1921-1946). This must be contrasted with the trends in yield of the other major cereal crop – wheat, which experienced significant growth. But even in the case of wheat the rate of growth of output was more than three times faster in the first half of the period compared to the latter half. The yield of wheat rose by 1.25 per cent per year in the first half and fell in the second half to a near zero rate. Thus while all food grain crops except rice and ragi witnessed some growth in output during the whole period, all crops except wheat and maize experienced negative rate of growth during the second half of the period (1921-1946). Yield was positive for all crops in the first half (including rice) and negative for all crops in the second half (except wheat and maize which too saw a significant retardation in growth).

As we have seen, non food grains, as a whole performed better than food grain crops, but there were significant differences between individual crops. Production of tea remained buoyant throughout though, given the nature of its production (plantations managed by foreign companies), complete export orientation and low backward linkages, its impact on the general welfare of the population was minimal. Cotton, on the other hand, was an important cash crop grown in large parts of the Deccan, Central Provinces and in the canal colonies of Punjab by mainly peasant producers. Sugarcane was an important cash crop in United Provinces, Bombay and Bihar and was produced by small peasants. Jute was the main cash crop grown by small peasants in Eastern Bengal and supplied both domestic and export markets. Groundnut, which was a insignificant crop at the beginning of the period, became the dominant cash crop in Madras where it grew on relatively infertile soil unsuitable for cultivation of other crops. All these crops (excepting sugarcane) saw sharp increases in production between 1891-1916, stimulated largely by increasing exports. Except tea, where India had a strong market dominance, rest of the agricultural crop exports declined after 1921 which in turn slowed down the production growth of these crops.

**Table 6: Value of Exports of Selected Agricultural Products,1881-1941 ( Rs Million)**

	Raw Jute	Jute	Cotton	Cotton goods	Tea	Wheat
1881	43.7	12.0	111.5	21.7	30.7	11.2
1891	76.0	24.8	165.3	94.9	55	60.4
1901	108.7	78.6	101.3	123.1	96.8	0.3
1911	154.9	170	360.5	116.1	124.6	129.5
1921	163.6	530	416.7	156.4	121.5	41
1931	128.8	319	464.1	48.4	260	2.1
1941	78.4	244	—	147.2	278.8	4.9

**Source:** K.N Chaudhuri, 'Foreign Trade and Balance of Payments (1757-1947)' in Dharma Kumar (ed) (1983), *The Cambridge Economic History of India*, Vol II, Delhi.

The stimulus of export markets as fillip to cash crop production can be seen also in the case of wheat-rapid growth till 1911 and relative decline afterwards. Production of wheat and cotton, were both stimulated by the massive expansion of canal irrigation in Punjab. Irrigation expansion seemed to have stopped by 1921 and that accounted for the retardation and relative decline of cash crop growth after 1921. Nearly 20 million acres of canal-irrigated area were added in the 40 years between 1885-1925.

## 7.5 REGIONAL CROP PRODUCTION TRENDS

Now let us look at the regional variations in the rates of growth. Apart from the crop wise growth differential there were regional variations too.

**Table 7: Regional Trend Growth Rates of Agricultural Output,1891-1946**

( per cent per year)

	Food grain 1891-1946	Non food grain 1891-1946	All Crop 1891-1946	All Crop 1891-1916	All Crop 1921-1946
Greater Bengal	-0.73	0.23	-0.45 (0.65)	-0.40 (0.56)	-0.23 (0.95)
United Provinces	0.35	0.92	0.42 (0.40)	1.02 (0.00)	0.27 (1.07)
Madras	0.42	2.37	0.98 (0.80)	1.71 (0.75)	0.42 (1.08)
Greater Punjab	1.10	2.40	1.57 (0.93)	2.17 (0.20)	1.30 (1.41)
Bombay-Sind	0.27	1.44	0.66 (0.71)	0.70 (0.30)	0.79 (1.45)
Central Provinces	0.29	0.97	0.48 (0.58)	1.73 (0.61)	-0.56 (0.96)
British India	0.11	1.31	0.37 (0.67)	0.84 (0.44)	0.35 (1.12)

**Note:** The figures in bracket are trend growth rates of population.

**Source:** George Blyn (1966).

The regional trends show that the All India figures of low growth in crop output was largely a result of the negative growth rate in Greater Bengal. Rest of the five regions show on an average a slightly better growth of output over the whole period (0.80 per cent per year) which is ahead of the population growth rate by a very small margin. If by including Greater Bengal, the All India story of agricultural production presents a dismal picture of very low output growth and declining per capita production, by excluding it we have a picture of low output growth and stagnating per capita production. Yet here again the inter temporal variation is different between regions. In the first half the output growth is positive in all regions except Bengal but in the second half Central Provinces also shows a negative growth. In the first half of the period, all regions (excepting Bengal) have higher output growth rate compared to population. But in the second half, output growth rate of all regions are below the population growth rate. It is interesting to note that Greater Bengal and Rest of India display contrasting trends between the first and second half of our period. In Greater Bengal the rate of decline of output is reduced in the second half by nearly fifty per cent (-.40 to -.23 per cent per year) while in the rest of the regions of British India the rate of growth of output is drastically reduced by 66 per cent (1.41 per cent to .48 per cent).

Let us stay with the regional contrast a little longer and explore the experience of Greater Bengal and Greater Punjab. These two regions represent two extremes in the performance of agricultural production. In Greater Bengal included Bengal, Bihar and Orissa and Assam. The main component of decline in all crop output was determined by the yields of rice which accounted for more than 75 per cent of the total acreage. The Bengal figures in turn were determined largely by the rapid decline in the rice output in Bihar and Orissa. If we exclude Bihar and Orissa, the figures of rice output in Bengal show stagnation rather than decline. What was the reason for the precipitous decline in the output of rice and other minor food grains in Bihar and Orissa? Blyn found that there was a fairly strong trend element in the total rainfall, which declined over the period 1911-46 for Bihar. But even after accounting for this possible decline there was still a large and unexplainable decline in rice output in Bihar and Orissa. This according to Blyn was a statistical aberration due to the continuation of a very high standard yield till 1922-23. This standard yield used for measuring annual yields was abruptly lowered after that year. The normal yield of Bihar and Orissa was from now calculated on independent crop cutting experiments, and this recalculated figure was now assumed to be the standard yield. To rectify for the presumed lower standard yield of rice for Bihar and Orissa, Blyn corrected the series by assuming the average output of 1937-41 to be the standard yield for the entire period.<sup>5</sup> Thus with an assumption of a constant standard yield the Greater Bengal rice output was modified by Blyn to generate an alternative series for food grain output for Greater Bengal and British India as a whole. This modified series, raised the trend growth rates of food grain output of Greater Bengal by .58 per cent for the whole period. The differences between the trend growth rates of the original and modified series for Greater Bengal and British India can be seen in **Table 8**.

**Table 8: Trend Growth Rates: Agriculture Production-Greater Bengal and British India, 1891-1946**

	Greater Bengal		British India	
	Original Series	Modified Series	Original series	Modified series
FG Yield	-0.55	-0.10	-0.18	0.04
AC Yield	-0.34	0.07	0.01	0.27
FG Output	-0.73	-0.15	0.11	0.30
AC Output	-0.45	0.00	0.37	0.55

Source: George Blyn (1966).

<sup>5</sup> Blyn reduced the average yield of the period 1891-1911 in Greater Bengal by 22 per cent each year to bring the 20 year average to the level of 1936-1941 (749 lbs per acre). This latter figure was then applied to the whole period 1891-1946. Thus with an assumption of a constant standard yield the Greater Bengal rice output was modified by Blyn to generate an alternative series for Foodgrain output for Greater Bengal and British India as a whole (Blyn 1966, p. 222).

While the decline of Bihar and Orissa rice yield may have been a statistical aberration, it is doubtful if Blyn's correction assuming a constant yield for the whole period for all of Greater Bengal is justifiable since it lowers the initial base period figures by about 22 per cent. Even with this most optimistic correction neither the food grain production nor all crop output could keep pace with the population growth. We still see a persistent decline in per capita food grain and all crop output over the whole period. The picture of stagnation and declining per capita output does not change substantially.

The trajectory of agricultural growth in Greater Punjab represents a sharp contrast to Greater Bengal. The overall output growth rate of 1.57 per cent in Punjab is the highest in the whole of British India. This rate was composed of the food grain crop output growth rate of 1.10 per cent (three times the All India Rate) and NFG output rate of 2.40 per cent. In terms of temporal variation however we notice that the maximum growth was in the first half of the period ( 2.17 per cent) which decelerates to 1.30 per cent in the second half falling below the population growth rate (1.42 per cent). Most of the expansion of output appears to have been due to the massive growth of acreage in the first half of our period due to the great increase in cultivation in the canal colonies. Productivity (output/acre) growth rate was relatively less even though proportion of irrigated area to total cropped area increased substantially during this period. In 1885, only 29 per cent of cropped area was irrigated in Punjab but by 1911 the proportion increased to 50 per cent.

**Table 9: Punjab Agricultural Production : Trend Growth Rates, 1891-1946**

	Yield/acre			Acreage			Output			Population
	FG	NFG	AC	FG	NFG	AC	FG	NFG	AC	
1891-1916	0.30	0.52	0.47	1.70	1.75	1.75	1.99	1.56	2.17	0.20
1921-1946	0.47	1.70	0.90	0.39	0.50	0.44	0.92	1.80	1.30	1.41
1891-1946	0.31	1.13	0.62	0.87	1.20	0.96	1.10	1.40	1.57	.93

**Source:** George Blyn (1966).

If agricultural production in Punjab was driven by acreage expansion in the first half of our period, the growth in the second half is propelled by productivity growth specially in the NFG crops Cotton and Sugar. Extensive use of better seeds, the practice of intensive cultivation drove productivity up in these two crops.<sup>6</sup> Though FG productivity also grew in the second half due to increased adoption of better seed and greater use of chemical fertiliser, the growth was not spectacular. The area of wheat under improved seeds grew from 5 per cent in 1922 to about 50 per cent by 1938-39, the irrigated area under wheat increased more slowly, and the improvement in wheat yields was even lower than the combined effect of these two factors would indicate. It seems that there were powerful counter tendencies operating to reduce yield specially in the food grain crops. One major counter tendency was the increasing problem of water logging and rising alkalinity of soil mainly as an effect of rapid growth of canal irrigation. It was estimated that nearly 24 per cent of cropped area of Western Punjab districts were found to be beset with water logging in 1946-47.<sup>7</sup> In the second half of our period, acreage expansion slows down as does productivity growth and consequently the output growth falls below the population growth. Blyn estimates that the trend of decline in per capita food production begins from the decade of 1911-1921 and in the next thirty years this decline was about 29 per cent. So even in the most dynamic region of agricultural production, the spectre of declining per capita food grain production is an undeniable reality. But how rapid really was the growth before 1911? M.M. Islam has argued that Blyn might have overestimated

<sup>6</sup> See Carl Pray 'Accuracy of Official Agricultural Statistics' in Sumit Guha (ed) *Growth, Stagnation Or Decline?: Agricultural Productivity in British India*, pp185-187 for extensive use of improved varieties of seeds in Sugar cane and Cotton and consequent rise in productivity. Acreage under improved variety sugar cane ( Coimbatore variety) grew from 1per cent in 1921 to 78 per cent of the total acreage under sugar cane by 1944. Similarly larger area of Cotton came to be cultivated by high yielding American variety.

<sup>7</sup> See M.M Islam 'Trend in Crop Production in Undivided Punjab' in Sumit Guha (ed) *Growth Stagnation or Decline?* P201-203.

agricultural production growth between 1891 –1911 and that the picture of Punjab’s dynamism need to be substantially modified. Islam uses an alternative production series based on the *Season and Crop Reports* to show relatively lower rates of growth compared to Blyn. Islam suggests that Blyn overestimates the growth rates for food grain crops, in the period 1891-1906 ( i.e before the publication of fuller production estimates of *Season and Crop Reports*) to arrive at a much rosier picture of Punjab agriculture.<sup>8</sup>

**Table 10: Alternative Crop Output Trend Growth Rates : Punjab, 1891-1946.**

	Islam’s estimate 1891-1946	Blyn’s estimate 1906-1946	Blyn 1891-1946
All crops	0.79	1.10	1.57
Foodgrain	0.42	0.41	1.10
Non Food Grain	2.64	2.10	2.40

**Source:** George Blyn (1966).

## 7.6 DEBATES OVER AGRICULTURAL STATISTICS

While Blyn’s work on the agricultural production remains the single most comprehensive account of All India agricultural performance, several attempts have been made to improve upon it at the regional level. We need to consider some of these to reflect on the debate over agricultural stagnation and growth.

Blyn’s agricultural production statistics was the basis for important estimations of national income by S. Sivsubrahmanian for the period 1900-1947 and enjoyed a great deal of reputation in the radical nationalist historiography of the 1970s and early 1980s. However doubts were soon raised about Blyn’s production estimates and the veracity of the official yield figures on which they were based. M.D. Morris, an early dissenter, doubted whether the picture of decline food grain yield per acre could be sustained for the whole period. Citing an early study by Walter C. Neale, Morris argued that wheat yields in the districts of Muzaffarnagar and Bareilly increased by 900 per cent between 1840-1940. Alan Heston provided the first systematic critique of the Blyn’s production series by casting doubt over the official statistics especially on the Standard Yield and Seasonal Condition Factor components of the Production series. Clive Dewey debunked the official statistics because of the arbitrariness and unreliable methods used by those who collected the statistics, the *patwaris* and the *Kanungos*. Regional revisions were attempted by M.M. Islam for Bengal and Carl Pray for Punjab. Islam revised the acreage and production figures of the 1920s and Pray argued that the official statistics were serious underestimates since they neglected the role of improvements in technology. The debate over the relative merits of Blyn’s agricultural production series has been ably summarised in Sumit Guha (*Growth, Stagnation or Decline: Agricultural Productivity in British India, 1992*).

Those who have criticised Blyn’s figures have focussed mainly on two components of the three that went into the making of the production series namely the Standard Yield and Seasonal Condition Factor (the product of these two elements gave the official yield or productivity). Heston’s main criticism was that the official yield figures were subjectively estimated and were marked by an administrative bias. This bias was largely due to the proverbial “*patwari* pessimism” or the tendency on the part of the primary reporting agency to underestimate good years and overestimate bad years which led to systematic reduction of the seasonal condition factor. A second point of criticism was about the Standard Yield figures. It was argued that the Standard Yield figures were based on insufficient crop cutting experiments and were marked by large sampling errors, and changes in these figures did not reflect underlying yield trends. Heston demonstrated through a detailed analysis of the Bombay official yield figures that there was a declining

<sup>8</sup> K.L Datta, who also published an estimate of the Food Grain output between 1890-1911 for Punjab found much higher initial crop out than Blyn and also a weak growth trend for that period. See arguments in favour and against Blyn’s estimation in Punjab in Sumit Guha ‘Introduction’ in Sumit Guha ed) *Growth, Stagnation or Decline*, pp. 22-25.

trend over time which was unsupported by total rainfall trend during the period 1907-1947. (Heston, 1973) He suggested that the administrative bias was reinforced by a political bias towards remission of revenue (colonial officials were keen to show low yields and higher revenue remission to counter growing nationalist mobilisation). Secondly, Heston felt that Standard Yield figures were initially very high because European yields were projected on to India and when more realistic figures came to be adopted, there was a decline in Standard Yield figures over time. For Heston Blyn's downward trend in food grain crop yield was a statistical illusion. Since official yield figures were spurious, Heston emphasized that the picture of declining yield for food crops should be abandoned in favour of a constant yield for the whole period. He proposed that the yield figures of 1951-54 for all food crops based on extensive crop cutting methods should be applied to the acreage figures to generate a revised output series. For crops like cotton, sugarcane and tea, which showed a continuous increase in yield in the official series, he advocated the maintenance of official, yield figures.

How bad were the official yield figures in reality? It is interesting to note that for certain years in which both official yield and extensive crop cutting yields were published (1944-1946), R.C. Desai who did an extensive study of crop trends in 1937-1948 found that the official yields were underestimated vis-à-vis Crop-cutting Yields by a very narrow margin – 3.5 per cent for rice and 1.5 per cent for wheat. R.C. Desai V.G Panse and P.V. Sukhatme who were the pioneers of crop-cutting method for yield estimations generally supported the *Patwari* estimations. Secondly, Heston's objections against declining condition factor in the official series due to administrative and political bias has been found to be untenable by Ashok Desai, Aswini Saith and Sumit Guha. The major point than had to be considered was whether the trend of declining official yield reflected underlying movements in real yield. And here Heston's alternative of constant yield (based on 1951-54 crop-cutting yield) for the whole period 1868-1947 for major crops has been found wanting in many respects. Ashwini Saith's careful examination of United Provinces' wheat yield for the period 1840-1946 in Muzaffarnagar and Bareilly districts showed that contrary to an optimistic assessment of rising yield, there was a long term tendency for "intrinsic yield" to decline. This decline was partly offset for a short period due to what Saith calls a "shift effect"– i.e shift of wheat from unirrigated to irrigated land. (Since irrigated wheat yield was nearly double the unirrigated yield.) But once the shift effect had played out its role either with slowing down of expansion of canal irrigation or due to increasing alkalinity due to water logging, the long-term trend of decline in intrinsic yield resumed its course. If there is, as Saith shows, a long term tendency for decline of "intrinsic yield" then Blyn's figures are not implausible and the alternative of constant yield proposed by Heston is untenable. We are then left with Blyn's series of agricultural production for the period of 1890-1947 as the best and perhaps the most plausible estimation of trend in the key aspects of agrarian production in British India.

Blyn's portrayal of the overall picture of low growth and stagnation strengthens the nationalist argument about the baneful impact of colonial rule while the revisionists could take some consolation from the positive growth trend in the cash crop production. Yet Blyn's statistics only seemed to deepen some of the paradoxes of agrarian growth. First: how did Indian population grow so rapidly (between 1921-1946) on the basis a stagnant food grain production? Second: how do we square the fact of rapid agricultural growth in the late 19<sup>th</sup> century with evidence of recurring famines and scarcities? The answers depend seemingly on the relation between population growth and agrarian production. Were the trends in these two variables independent of each other or was there a causal relation between them? If we accept Blyn's picture we still are left with a huge gap about the trends for most of the 19<sup>th</sup> century. Were the trends of 1890-1920 a continuation of longer term trends of growth from the 19<sup>th</sup> century or was there only a brief period of growth within a larger cycle of stagnation and decline initiated in the 19<sup>th</sup> century?

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## 7.7 THE 19TH CENTURY TRENDS?

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What can we say about the longer term 19<sup>th</sup> century trend as a whole? It may be noted here that Heston's revised output estimates effectively lowers the estimates of the earlier

periods and thus instead of a declining trend we are presented a rising trend of output, yield and per capita food grain production, specially for the later half of the 19<sup>th</sup> century. (Heston, "National Income" in Dharma Kumar (ed) *Cambridge Economic History of India*). The 19<sup>th</sup> century trends, in the absence of any series, are at best speculative. Heston's backward extrapolations of the mid-20<sup>th</sup> century yields are, as we have seen, highly improbable. Sumit Guha, on the basis of scattered evidence, a mix of reliable and highly speculative figures spread across several regions, has estimated that total cultivated area might have increased by 33 per cent between 1825-1890.<sup>5</sup> During the same period the best estimates of population growth range between 26 per cent and 87 per cent. Only with the lowest estimate of population growth can the acreage growth keep ahead of population. During the same period he estimates, on the basis of all available crop cutting experiments in the *District Settlement Reports* of North India and South India, a tendency for the yields to decline, though in several regions such as Punjab and United Provinces irrigation might have countered this decline to an extent. Combining the trends in acreage, yields and population, Guha estimates a fairly slow growth in output and a decline in per capita output between 1825-1890.

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## 7.8 SUMMARY

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Blyn's production figures based on the official yield and production series, established the following:

- a) Very low rates of growth of agricultural output between 1891-1946 and a strong trend of decline of per capita output.
- b) The relatively brighter performance of non-foodgrain crops, while foodgrain output stagnated. Within foodgrains, rice production declined while wheat production increased at a healthy rate.
- c) There were strong regional variations. Greater Bengal was stagnant while Punjab showed much greater buoyancy.

Agricultural production grew much faster in the first half of our period and stagnated or declined in most regions in the second half. Consequently per capita production increased in the first half and declined most precipitously in the second. Combined with the available trend estimates of the 1825-1890 we can now conclude that the period 1890-1920 represented a brief upward blimp in the overall trajectory of agrarian stagnation and declining per capita output in the colonial period. The long trend of 19<sup>th</sup> century stagnation explains the massive mortalities due to recurrent famines in the late 19<sup>th</sup> century. The stagnant population trend of 1890-1921 and rapid expansion of acreage due to canal irrigation can explain the only favourable period of rising per capita output in the colonial period.

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## 7.9 EXERCISES

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- 1) Discuss the main trends in agricultural production in British India over the period 1890-1950.
- 2) What are the main factors for the difference in the performance of foodgrains and non-foodgrains crops in the late 19<sup>th</sup> and early 20<sup>th</sup> century. Discuss with reference to regional variations.
- 3) Explain the reasons for the inter-temporal variations in agricultural production from the late 19<sup>th</sup> to mid-20<sup>th</sup> century in British India.
- 4) How does the debate on agricultural statistics enhance our understanding of agricultural production?

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## 7.10 SUGGESTED READINGS

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