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## UNIT 2 AGRARIAN RELATIONS DURING BRITISH RULE IN INDIA

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### 2.0 OBJECTIVES

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On going through this unit, you will be able to explain:

- regional variations in landed property relations during British Rule;
- the impact of British rule on village economic system; and
- the poor agricultural growth during colonial regime.

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### 2.1 INTRODUCTION

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During the British rule there was widespread destruction of village communities, formation of land market, rising rents, indebtedness, formation of layers of intermediaries, frequent famines and impoverishment of the population as a result of some direct and indirect influences of the British rule.

There is a subtle difference between ‘agrarian relations’ and ‘land relations’. Agrarian relation is a much broader term and includes credit and marketing facilities apart from land relations. On the other hand, land relation depicts the land tenure system and ownership. In this Unit we will discuss the agrarian relations during the British rule in India. As there were considerable variations in the land tenure system across regions we bring out the important features of this regime at a regional level.

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## 2.2 IMPACT OF BRITISH RULE IN EASTERN INDIA

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The East India Company took over the Dewani (financial rights) of Bengal, Bihar and parts of Orissa in the year 1765. Immediate interest of the company was to collect the maximum amount of income in the quickest possible time. The company required large amount of money to (a) finance trade and commerce, and (b) maintain the army for strengthening and expansion of the rule. To realize the higher land revenue, the zamindari were auctioned to the highest bidders.

The policy of maximizing land revenue altered the composition of landed society. Many old zamindars could not compete in the race. The highest bidders at the public auction in many cases were people who made fortunes through their association with the new administration and through participation in the new trade and commerce. The peasants were literally robbed by these zamindars, in order to pay up the company's dues, and were often forced to abscond. This reckless process, which continued till the permanent settlement, resulted frequently in famines, loss of human life and large areas of land were rendered as waste. Between 1765 to 1793 the revenue demand of the company nearly doubled.

### 2.2.1 Permanent Settlement

The Permanent Settlement of 1793, in Bengal and Bihar, besides declaring the zamindars 'proprietors of the soil', fixed forever their dues to the state. It was argued that this would ensure not only the security of revenue, but also the prosperity of the company's commerce. A thriving commerce was the vital need of the British and agriculture provided variety of goods for export. It was more important also because that was the time of the commencement of the Industrial Revolution in Britain. It was thought that the creation of private property in land would create the right conditions for investment in agriculture. Landed property would acquire a value and the large capital possessed by many natives in Calcutta, which they were employing in usury, or monopolizing salt, or other necessities of life would be appropriated to the more useful purpose of purchasing and improving lands. Moreover, the creation of a class of loyal supporters (zamindars) for the stability of British rule was another important objective.

However, their expectations were only partially fulfilled. As far as the creation of a class of loyal supporters is concerned, the British substantially succeeded in it. But zamindars, new as well as old, failed to become agrarian capitalists, and preferred to remain feudal landlords. Capital was invested not for agricultural development but for purchasing of land. Moreover, in due course of time, a long chain of intermediaries cropped up between the state and the tiller. The Zamindars were expected to pay a fixed sum as revenue to the government. This revenue amounted to 90 per cent of the rent collected by the zamindars, in 1793. However, with increase in prices, the value of money eroded. The state lost because its revenues in terms of money were permanently fixed while the value of money had drastically fallen. The peasant lost because rents were not regulated and the increased value of agricultural produce was transferred to the hand of the zamindars and intermediaries.

The Bengal model was, however, not replicated in parts of Orissa and Assam. It was realized that the freezing of the land revenue demand, which constituted by far the most important source of the government income at that time, would be sheer folly. Both in Orissa and Assam settlements were temporary and the revenue demand was increased from time to time.

In Orissa, between 1805 and 1897, land revenue of the government increased by 93 percent. But in Assam the peasants surrendered to the State a larger proportion of their total agricultural output than peasants in other parts of eastern India. Since the

British had their distinct professional army and an elaborate administrative bureaucracy, the labour services of the *paiks* became redundant (see unit 1). The *paiks* were given a cash tribute, which was quite high as compared to the nominal tax on *paik's* land during Ahom rule. Moreover, the old Assamese aristocracy, to which the Ahom king trusted the defence of the state and a large part of the administration, also became superfluous under the new system. Their revenue-free estates were gradually confiscated.

### **2.2.2 Transfer of Zamindari Rights**

As we know, the high land revenue demand, specially during the early British period, and the unprecedented rigour in its collection, created serious difficulties for many zamindars, which led to ruin of their estates. Moneyed persons were interested in buying these, and a market in land gradually developed. In addition to selling land, zamindars also leased out portions of their zamindaris thus creating further layers of intermediaries between the state and actual cultivators.

### **2.2.3 Indebtedness and Alienation of Land**

Whatever was the condition before British rule, the pervasiveness of rural indebtedness during British rule remains an incontrovertible fact. Rural credit provided two sources of control: the dependence of a considerable number of peasants on a regular supply of credit, eventually involving surrender by them of a large part of their produce to the creditors, and the acquisition by creditors of the lands of defaulting peasants.

An important source of peasants' miseries was their undefined rent relations with zamindars, who abused their legal powers towards increasing their rental income. There was an increase in cultivation of cash crops such as indigo, opium and jute, during British rule. However, it contributed to the growth of rural indebtedness. An unremunerative indigo cultivation was largely forced on the cultivators by European planters through various devices. Opium cultivation, though not always forced, was vulnerable to the fluctuations of weather which resulted in frequent losses and indebtedness of the peasants. The cultivators of jute normally borrowed money from money lenders and jute traders, and, in return surrendered part or whole of their crops to the creditors, at lower prices. This affected them adversely thus perpetuating their indebtedness. Sudden slump in jute prices also affected them adversely thus increasing their dependence on moneylenders. Indebtedness of the peasants resulted in *distress sale* of land holdings and such sales increased in number over the years. Indebtedness and certain other factors converted the peasants into agricultural labourers.

### **2.2.4 Tenancy**

The peasants who thus lost land were not necessarily driven out of land, except where the new owners cultivated them directly with hired labourers. The old peasants many a time cultivated their sold plots on a crop sharing basis. The share-cropping (*barga*) system did not result from rural credit relations alone, though its growth was considerably due to these. The *barga* system also prevailed where the owners, for various reasons, were unable to organise the cultivation of their lands. Some owners preferred the *barga* system where this ensured an increased rental income. Because of an increased demand for land by the peasants, share-cropping became more profitable for the land owner.

### **2.2.5 Tenancy Acts**

With the Permanent Settlement the zamindars acquired exclusive property rights in land. Moreover, the entry of new zamindars destroyed all the customary rights of the peasants. The zamindars who bought the zamindari estates were trying to obtain

maximum return for their investments. To get the maximum out of the peasantry, they committed such excesses that the government was forced at times to intervene to stop a possible revolt. Two major tenancy acts were enacted in Bengal after the Permanent Settlement: the Rent Act of 1859 and the Bengal Tenancy Act of 1885, which was amended a number of times in the 1920s and 1930s. The tenancy act put some restrictions on the rights of the landlords to check the excesses committed by them.

Under the tenancy act occupancy rights were conferred on those ryots and under-ryots who had been in possession of any land for twelve consecutive years. The 'occupancy rights' of a ryot or an under-ryot also included rights of inheritance, transfer and mortgage. The occupancy ryot could not be ejected right away by the landlord even for non-payment of rent. However, court could sell his land for failure to pay rents. Rents of these tenants could be enhanced only under certain specified conditions.

Such occupancy ryots did not necessarily cultivate their holdings on their own and many of them, specially some big ryots, further leased out their lands to the tenants and share croppers rarely having any tenancy rights (non-occupancy tenants). One of the motives of the big ryots behind subletting their holdings was the considerable margin between the rent that the non-occupancy-tenants paid and the one they themselves paid. There was no legal protection against an increase of rent of these non-occupancy tenants and share-croppers by the occupancy tenants. By the year 1940, as many as one-third of peasants households were constituted of such inferior tenants, cultivating as much as one-fifth to one-fourth of all land.

**Check Your Progress 1**

1) What was the immediate impact of the East India Company taking over Dewani rights of Bengal, Bihar and Orissa?

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2) What were the objectives behind Permanent Settlement?

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3) In what respect was the Government at loss due to Permanent Settlement?

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4) What was the condition of tenants in Eastern India after the tenancy acts?

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### **2.3 IMPACT IN NORTHERN AND CENTRAL INDIA**

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In Northern India there was an intermixing of various kinds of revenue systems. Both Zamindari and Mahalwari systems were introduced in this region. Initially it was Bengal type permanent settlement that was favored, but later, after 1811, considerations of enhancement of revenue led to abandonment of fixed revenue system. So even in the case of zamindari areas only a small proportion was under permanent settlement, the rest were settled temporarily. In Punjab and parts of United Provinces, Mahalwari system was introduced where the unit of assessment was the village and payment of revenue became the joint responsibility of the village proprietary body. Each individual cultivator contributed his share in the revenue. Initially the burden of revenue was very heavy. The British laid claim to about 85 per cent of the rental. In principle it was reduced to two-thirds after 1833 and to one-half after 1855. But in actual practice this principle was not adhered to.

In the central parts of India, in the early decades of British rule, heavy assessments were the rule. They assessed the lands too high, demanded an impossible revenue, and impoverished the people. The mistake was realized at a later date and was condemned in the strongest terms. It was only in 1834 that a long settlement for twenty years was concluded in these territories, which was allowed to continue till the early 1860s. Under the new settlement of 1864, that was introduced in the Central Provinces, malaguzars or revenue-payers were recognized as the proprietors of the soil with a right to sell or mortgage their property. Tenancy rights were conferred on the cultivators. In principle it was decided that the land revenue would be limited to one-half of the rental of estates. But the principle was not adhered to when the assessments were made. Settlement officers did not accept the actual rental of estates. They estimated what the rental should be from their own calculations, and based the land revenue demand on those estimated rentals. Thus, the rental considered as the basis of assessment was higher than the actual rents received by the land owners. As a result, land revenue demanded was higher than 50 per cent of actual rental.

#### **2.3.1 Impact of Land Revenue System**

We noticed that land revenue was to be paid in cash, not in kind. Secondly, the amount of revenue was kept fixed for a period of twenty or thirty years, under permanent settlement. Consequently, the revenue of the state did not increase. On the other hand, the payment of revenue in cash generated a pressure on the cultivators. They were forced to produce cash crops like indigo, sugarcane and wheat. Moreover, they had to borrow money for payment of tax. Sometimes they took advance from the village money lender. Everywhere the local grain dealer-cum-moneylender, who was in some cases also the village accountant (patwari), found his position strengthened. The cultivator was moved more by his immediate cash requirements to meet revenue

and rent installment and to pay marriage expenses rather than by the mere prospect of higher profits from valuable crops. In fact, the profits tended to make their way into the middleman's pocket. In the Shahjahanpur district the fatal effects of accepting the inducement of urban *Khandsaris* or sugar factories became so notorious that the Chandel Rajputs inhabiting the Ramganga tract in the Khundur pargana refused to grow sugarcane rather than risk the loss of their independence and proprietary title to alien creditors.

### 2.3.2 Land Transfers

With the introduction of transferable proprietary rights in land, the land sales increased. The Board of Revenue on revenue administration of North West Province commented in 1854. "In no country in the world probably do landed tenures so certainly, constantly and extensively change hands. These mutations are effecting a rapid and complete revolution in the position of the ancient proprietors of the soil." Behind this alienation and mortgage of land lay the much larger problem of indebtedness. It was estimated that 10 per cent of agricultural land had already passed into the hands of what district officers termed 'the wily *mahajan* and sleek, impassive *bania*'. Yet official opinion remained opposed to any tampering with free trade in land. It was because of the realization that legislative inference might seriously upset the provision of rural credit and jeopardize the security of the land revenue. Similarly in the districts of Central Provinces, by the time of the 1864 Settlement almost the whole of the profits was taken away by the moneylenders. While mortgage was growing rapidly, decrees were being carried out through the civil courts in the 1870s. Continuous transfer of land from cultivators to moneylenders prompted legislation in the shape of Bundelkhand Alienation Act of 1903. But despite the Alienation Act the professional moneylenders in Bundelkhand remained a permanent part of the rural scene and sustained their hold over peasants. These moneylenders-cum-traders were more interested in rent-receiving or in controlling the disposal of peasant grown cash crops than in directly engaging in agriculture. So the introduction of legal private property rights in land tended to lengthen the claim of intermediaries above the actual cultivator and left the peasant based small scale traditional cultivation intact. British hopes of the emergence of capitalist agriculture, which would take benefits of economies of scale, did not materialise.

### 2.3.3 Landholding Structure and Tenancy

The picture presented by the Zamindari Abolition Committee's report of 1948 was a startling one. In North Western Provinces, the landholding structure was such that the greater part of land was held by relatively small group of large landholders. Altogether a mere handful of zamindars, just 1.3 per cent of the total population held more than half of the land. Yet it must be remembered that large proportion of such 'estates' had no physical existence as larger local landholdings but were simply bundles of rent-collecting rights over scattered parcels of land. Thus a large part of land in this region was cultivated by one or the other type of tenants. Similarly, in Punjab just 3.5 per cent of the total landowners owning above 50 acres of land owned more than one-fourth of the total area in 1924. By 1939 their proportion in total landowners came down to 2.4 per cent but area owned increased to 38 per cent. Invariably these bigger owners in Punjab were leasing out their lands to the tenants. This is also borne out by the fact that in 1924 around 120,900 owners owned more than 50 acres of land whereas only 20,000 cultivated more than 50 acres. In Punjab, which was generally considered as the land of peasant proprietors, between 1891-92 and 1939-40, area cultivated by the tenants increased from 10.6 million acres to 17.8 million acres whereas its proportion in the total cultivated area increased from around 46 per cent to 57 per cent (total cultivated area also increased from 23.1 million acres to 31.2 million acres during this period). Around 85 per cent of all the 'tenants at will' were without any security of tenure and they were normally paying very high rents.

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## 2.4 IMPACT OF BRITISH RULE IN WESTERN INDIA

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The system of revenue collection adopted in this part was basically the ryotwari system. Settlement was normally for a fixed period of 30 years, which meant that the revenue demand could be enhanced after that period. Under the *ryotwari* settlement, the *ryoti* cultivator is directly under the state. He is recognized as proprietor and can sublet, mortgage or transfer by gift or sale his plot of land. He cannot be ejected so long as he pays the revenue, which is fixed.

With the introduction of new land revenue system in Western India, the *miras* and *upart* tenures were merged and the occupant of the land had the same rights irrespective of their earlier status. The hereditary village and higher officials (*patils*, *desais* and *desmukhs*) were prohibited from collection of customary perquisites from people. In addition to this, exclusion of these hereditary officials from revenue administration also tended to lower their independence.

### 2.4.1 Changes in Agrarian Society

In the 1860s the American Civil War stimulated the international demand for Indian cotton (which was earlier fulfilled by North America) and large investments in railways and irrigation also facilitated exports. During this period, there was a sharp rise in prices of agricultural commodities, specially of cotton. The first to benefit from the boom were the traders and moneylenders but cultivators also got some benefit. But new settlements were due in many districts in the late 1860s. On the basis of prevailing high prices the new settlements of land revenue raised the assessment. Between 1856-57 and 1870-71 the total revenue of Bombay Presidency went up by 37 per cent (and by a further 18 per cent by 1890). Prices began to decline after 1870 and by 1876 many agricultural prices had fallen to 1860 level. Thus it became difficult for the ryots to pay the increased revenue and they went to the moneylenders for loans. Increasing indebtedness of the cultivators culminated in the Deccan riots in 1875 against moneylenders.

In addition to heavy land revenue demand, the new legal system had also given the village moneylender more freedom. As we know from the previous Unit, during the Maratha rule, the moneylenders knew that the government would not support them if they tried to confiscate peasant's land for recovery of debt. But the British courts were much more rigid in enforcing the land transfer and the cultivators were often ignorant of the new laws.

But what the *baniyas* were interested in, was control of the crops, and the trade. By the middle of the nineteenth century the moneylenders controlled nearly all the internal trade in both grains and cotton in the Deccan. Their main interest was to preserve this control through advancing loans to the peasants who were required to sell their crops to them at a much lower price than prevailing market prices. However, not only the *baniyas* but the prosperous members of the traditional cultivating castes, the *kunbis*, also took to moneylending. In fact these agriculturist moneylenders had a much greater appetite for land than the mercantile castes and possibly the land transfers in favour of the *kunbis* may have been of greater importance than transfers to traditional moneylenders. In 1930, it was reported that only 29 per cent of the peasants in Konkan were free from debt, and in the north Konkan much of the land held by peasants had passed into the hands of creditors, whether professional moneylenders or large peasants.

### 2.4.2 Stratification

There was rise of the rich peasantry and increasing stratification of the peasantry during the late 19th and early 20th centuries. The cultivation of cash crops such as

sugarcane, tobacco, groundnut and cotton expanded. The small section of the cultivators who had a surplus to market made large profits, and invested them back into agriculture mainly into irrigation. They also bought carts and instead of handing over their grain to the local shahukar at his price they could seek better markets. These rich farmers, who had been able to seize the new market opportunities, often replaced the traditional moneylenders as sources of credit in the village. These commercialized agriculturists also often purchased the land of small cultivators, who were often in heavy debt. Data collected for the Royal Commission on Agriculture showed that in 1924-25, 86 per cent of the total cultivated area was held by large owners each having more than 25 acres and they formed just 12 per cent of the total landowners.

### 2.4.3 Tenancy

There were landlords and tenants in south Konkan, north Kanara and in *inam* lands in the Deccan even before the British period. But there appears to have been a significant growth in the number of tenants, especially from the 1880s onwards. Many former revenue officials and moneylenders were leasing out their land to the tenants. It seems that well-to-do owner cultivators started withdrawing from cultivation and leased out their land during the first half of the twentieth century. In Gujarat land owned by non-cultivating holders increased from 24 per cent to 30 per cent of the agricultural area between 1916-17 and 1942-43 while their number rose from 65,000 to 1,01,000.

Most of these tenants were tenants-at-will. The majority of tenants in Maharashtra paid in kind; the general rate was half the crop, with the landlord paying the land revenue. This system was particularly advantageous to the landlords when prices were rising.

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## 2.5 IMPACT OF BRITISH RULE IN SOUTH INDIA

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The first half of the nineteenth century was a period of experimentation with methods of collecting the land revenue. As the British extended their rule over South India, they were faced with the question of whom to settle with for the land revenue. Whether revenue be taken directly from individual cultivators or contracts be made with intermediaries. In general, the policy adopted was that, for the sake of political stability, there should be minimum disturbance of the traditional rights. However, the British did not always uphold this principle.

Initially in certain districts ryotwari settlements were introduced. But soon after the introduction of Permanent Settlement in Bengal, similar arrangements were made in certain districts of Madras Presidency.

The land revenue was fixed in perpetuity, the zamindaris were made both inheritable and transferable, and uncultivated land were given to the zamindars tax free. The zamindars were a diversified group. Some claimed descent from kings or military chieftains, others from tax officials. Yet others were new men who had bought estates. The zamindaris were varied in size. Some were enormous, sometimes covering almost the whole of a district while others consisted of just a few villages. Though the land revenue and tenure in this part of India was basically ryotwari, by 1830 over a third of the Presidency was under zamindari system. Thereafter, the area under zamindari declined. Whenever zamindars were unable to pay the revenue as demanded, the government confiscated their estates and converted them to ryotwari. But even then around one-fourth of the area remained under zamindari system until the 1940s.

In this part of India, the division of rights between the peasants and the zamindars remained undefined. It appears that the peasants of the southern zamindaris were



in general more secure than those in northern zamindaris. When the Permanent Settlement was introduced, it was assumed that the zamindars would collect half the gross produce and pay two-thirds of that to the government in cash, retaining one-third for the expenses of his revenue establishment and his personal income. But the actual collection from the peasants were much higher than this.

For sometime the land revenue collection from the villages in most areas was contracted out to middlemen, who might be former rent collectors, or the leading cultivators of the village, or in some cases, speculators with little experience of the revenue system. These leases were initially to last for three or five years followed by decennial leases. But by 1822, it was decided that the ryotwari system should be introduced in all the non-zawmindari areas, as and when the village leases expired. Under the ryotwari system, in principle, the land revenue was generally fixed at half the gross produce on unirrigated lands and three-fifths on irrigated lands. Besides the land revenue and the amounts officially set aside for community purposes and village officials, there was unrecorded plunder by revenue officials. The cultivator was thus often left with very little.

### **2.5.1 Changes in Agrarian Structure**

During the later half of the nineteenth century, the area under cultivation increased faster than the population. Large irrigation works were completed on the Godavari and the Krishna. The cultivation of cotton, groundnut and oilseeds increased. The building of roads and railways facilitated trade. Between 1881-82 and 1915-16, price of gains rose by 100 per cent or even more. The terms of trade moved in favour of agriculture. The burden of land revenue fell. The cultivator was able to invest in land. Progress was rapid in some regions, notably the Krishna-Godavari delta. This led to tremendous increase in prices of land. In one village, Peddapadu in east Godavari, N.G. Ranga calculated in 1926 that the price of fertile land had risen from Rs. 40 to Rs. 1500 per acre in sixty years. The real income of the village had increased by 250 per cent during the same period. The rich peasants widened the sphere of their activities and invested in rice mills, mica and other industries. They extended their money-lending business and went into banking.

But the depression of the 1930s hit both the rich as well as the poor. Agricultural prices and employment fell sharply. Payment of fixed revenue became difficult. It was difficult for the farmers to pay back their loans. Grain looting and attacks on rich moneylenders and landlords were symptoms of the widespread agrarian distress. The rural economy as a whole grew much poorer in the 1930s. Moreover, during the 20th century, population was growing faster than agricultural output. Until 1916 or so, the increase in agricultural output probably managed to match the increase in population; from then on the two diverged. Foodgrains output per head was 30 per cent lower in 1946 than in 1916.

Indebtedness of rural population increased during the 19th century. The same trend continued during the early 20th century and during the Great Depression; the burden of debt became so pressing that the government was forced to take action. The debt conciliation boards set up by the government during the depression scaled down debts in some cases but over the 1930s the volume of debt rose further. It was only during Second World War, when agricultural prices rose sharply, that, probably, there was a fall in the real burden of debt.

### **2.5.2 Tenancy**

According to Dharma Kumar, there is little evidence regarding the growth of tenancy during British rule. The most common arrangement was share cropping and the tenant commonly got half the crop on dry lands but his share could be less on fertile, irrigated

lands ranging from one-third to one-fourth of the crop. The tenants' share also depended on input sharing arrangements. Generally, the landlord paid the land revenue and made substantial repairs to well and water channels. The tenant provided the manure. The quantities of manure per acre and the number of manuring was occasionally prescribed. Usually the leases were oral but were continued for long periods. Tenants in ryotwari areas had no legal standing, and they being a weak party, tenancy disputes were rare. Whether because of the relative infrequency of tenancy disputes or because of an implicit assumption that tenancy could not be a problem under a system of 'peasant proprietorship' like ryotwari, hardly any measures were taken in Madras presidency to protect tenants.

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## 2.6 AGRICULTURAL LABOURERS

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In the traditional village economy of pre-British India, the small cultivator was the focal point and there was no scope for a distinct class of persons working solely as agricultural labourers on the lands of others. The absence of such a separate class of agricultural labourers is also strikingly borne out by the fact that none of the accounts, which contain a detailed list of the traditional occupations in Indian village communities refer to agricultural labour as the sole occupation of a sizeable part of the population. In sharp contrast to this the 1931 census figure shows that nearly 38 per cent of the entire agricultural population was composed of landless agricultural labourers. This reveals that the structure of the traditional Indian agrarian society had undergone a great transformation under the British rule.

The number and proportion of agricultural labourers had not been evenly spread throughout the country. In Bombay, Madras and Central provinces their proportion was more than half of the total agricultural population in 1931. It was 58 per cent in Bombay, 53 per cent in Madras and 52 per cent in Central Provinces. S.J. Patel calls this Southern Triangle of India as the 'land of the landless labourers'. The second region, where the proportion of agricultural labourers to the total agricultural working population was between 22 to 35 per cent, comprises Bihar, Orissa, Bengal and Assam, i.e., eastern India. Separately, their proportion was 35 per cent in Bihar and Orissa, 33 per cent in Bengal and 22 per cent in Assam (including plantation workers). The third region comprises those areas where the proportion of agricultural labourers to the total agricultural population was still lower, i.e., less than 20 per cent in 1931. The United Provinces (22 per cent), Punjab (14 per cent), North-West Frontier Province (18 per cent) were in this region.

The tremendous increase in the proportion of agricultural workers was the result of a great social and economic transformation that went on in India during the nineteenth and the twentieth centuries. An important change which took place during the nineteenth century was in the organisation of village communities. The agrarian society of India, before British Rule, was founded on the integrated units of cultivation and handicrafts. Groups of cultivators and artisans, supplementing each other's needs, lived together in substantially self-sufficient village communities. The cultivators and the artisans lived together for centuries on the basis of traditional arrangements regulating the exchange of the cultivators' products and the artisans' services. Each cultivator carried on the cultivation of his farm with the assistance of his family. In such a society, there was no room for the existence of an independent and distinct class of agricultural labourers whose main source of livelihood was work on the land of others for which they received wages in kind or cash. During the 19th century, the village communities were confronted with economic, social and political changes of a far reaching character, which served ultimately to bring about their disintegration. One of the reasons of their disintegration was the decline of domestic industries. With the Industrial Revolution in England, exports of British manufactured goods to India rose sharply. The construction of a network of railways during the later half of the 19th

century further stimulated it. The net result was a decline of handicrafts in India without being compensated by modern industrialisation. Many artisans left their earlier profession and became agricultural labourers.

As we have already noted earlier, with the introduction of new land revenue system, private property in land was strengthened and free alienation of land also granted. Further, under the new land revenue system, government revenue was a fixed amount, irrespective of crop output, and was to be paid in cash. Thus during periods of bad crops or low prices the peasants were forced to borrow from moneylenders to pay the land revenue. Once in the clutches of moneylenders they were rarely able to free themselves from debt and the end result invariably was mortgage or sale of land. This, in addition to commercialization, led to the proletarianisation of some poor peasants and concentration of land with few resourceful rich peasants who later on employed the landless on their farms. Thus decline of domestic industries and the distintegration of the peasantry led to the transformation of the social basis of the agrarian society in India. New classes appeared on the scene: the moneylenders and rich peasants on the one hand, pauperized peasants and agricultural labourers on the other.

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## 2.7 LAND TENURE STRUCTURE AND AGRICULTURAL GROWTH

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The net result of all these changes in agrarian structure in India during the British period was stagnation of agricultural sector. During the period of 1891 to 1947 for British India as a whole, output rose at a rate of just 0.37 per cent per annum (see Table 2.1). Moreover, growth rate of foodgrains output was 0.11 per cent which was significantly lower than the population growth rate of 0.67 per cent per annum. Agricultural crop output seems to have gradually increased over the period, but the pace was slower than population growth, especially after 1921. Foodgrains output declined (after 1921) so that per capita output fell markedly. Commercial crop output increased rapidly, nearly doubling over the period.

**Table 2.1**

**Agricultural Output and Population Growth Rates in British India: 1891 to 1947**

Region	Percentage growth rates (per annum) in			
	Foodgrains	Population	Non-foodgrains	All crops
British India	0.11	0.67	1.31	0.37
Greater Bengal	- 0.73	0.65	0.23	- 0.45
United Province	0.35	0.40	0.92	0.42
Madras	0.42	0.80	2.37	0.98
Punjab	1.10	0.93	2.40	1.57
Bombay and Sind	0.27	0.71	1.44	0.66
Central Provinces	0.29	0.58	0.07	0.48
Five Regions excluding Bengal	0.47	0.64		0.80

**Source:** George Blyn, Trends in Agricultural Output in India, 1891-1947

If we look at the regional trends, Greater Bengal's steep rate of decline stands out among the regions (Table 2.1). Though there is a marginal increase in the output of

non-foodgrains in this region, it is nullified by a significant decline in foodgrains output. The remaining regions all had growth rates higher than the British India average. But, only Punjab had average growth rate of foodgrains production higher than its population growth rate. In fact, its overall growth rate is also significantly higher than other states. In case of United Provinces the average growth rate of foodgrains is almost touching the population growth rate. The remaining three regions, however, had foodgrains growth rates considerably less than their population growth.

Production could have increased only through expansion of area under production or raising productivity. The potential for increasing yield per acre was great (considering its initial low level), but it appears that institutional as well as material requirements for growth were not conducive. Land tenurial structure was such that there were layers of intermediaries between the ultimate owner and actual cultivators. The owners of land in most cases were absentee landlords without having any contact with land. The small cultivators, burdened by government taxes, heavy indebtedness, relatively high rent, and exploited by middlemen, did not have any margin to invest in land. It was not possible to invest by taking loans because of the high rate of interest and fluctuating prices and yields. A considerable share of economic surplus accruing to the landlords in the form of rents was being spent on lavish living. To maintain their style of life, many among them got heavily indebted. More thrifty among the big owners mainly invested their money in the purchase of land rather than improvement of agriculture. For moneylenders (agriculturists as well as professionals) moneylending was more profitable than any productive investment in land. As a result, net investment in agriculture was almost negligible and yield rates of most crops in different regions were either stagnant or declined.

Increasing output of cash crops was mainly due to the shift of area from foodgrains to cash crops. Though in Punjab also, area under tenancy was quite high, but here generally tenants (who themselves were mostly small owners) leased in from landowners who were normally living in the village and supervising their cultivation. Tenancy in Punjab was basically a method of labour mobilisation by those owners whose holdings were bigger (not as big as in zamindari areas) than what could be cultivated with family labour. Moreover, an important source of agricultural growth in Punjab was area expansion which increased during this period from 23 million acres to 31 million acres. Though in India as a whole the British were neglecting irrigation works, yet in Punjab during this period there was a tremendous investment in irrigation. Area irrigated by government canals during 1901-02 to 1939-40 in Punjab increased from about 4.5 million acres to 12.5 million acres. In fact, irrigation was provided in those areas of Punjab which otherwise were lying vacant due to scanty rainfall; and with the provision of irrigation, area under cultivation also increased.

In general, the output growth was higher in ryotwari and mahalwari areas. Greater Bengal was the area where land tenure structure was most retrogressive. There were layers of parasitic landowners living on rental incomes. The traditional irrigation system kept decaying. Possibly these were the reasons for deterioration of agriculture there. In addition to it, Bengal was the region where colonial exploitation was most rapacious and lasted for the longest period. Punjab came under British rule much later when the burden of land revenue was relatively modest. The disintegration of handicrafts was also on a lesser scale in the Punjab than in Bengal.

**Check Your Progress 2**

- 1) What are the reasons behind the tremendous increase in agricultural labourer during British rule?

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2) What are the reasons for the lower growth in agricultural production in spite of great potential during the first half of the 20th century?

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3) Why did Punjab witness relatively higher agricultural growth than other parts?

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## 2.8 LET US SUM UP

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During British rule the traditional village economy underwent social and economic transformation, mainly through the decline of handicrafts and domestic industries without being compensated by modern industries. This process resulted in creation of a whole lot of agricultural labourers. With the introduction of new land revenue system, of course, right to alienation of land was granted and land revenue was fixed at a particular amount irrespective of level of output, but bad crops forced the peasants to borrow from the money-lenders.

Once trapped in the clutches of money-lenders with hardly any opportunity to free themselves from debt, the peasants had no other option but to mortgage or part with land. This, in addition to commercialisation of agriculture, led to the pauperisation of poor peasants and concentration of land in a few rich landlords.

There were some variations across regions in the nature of agrarian relation during the British period. Punjab, for instance, witnessed some growth in output during this period. On the other hand, Bengal witnessed a decline in agricultural output. The overall growth rate was very low.

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## 2.9 KEY WORDS

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**Land tenure system** : It indicates the period for and the manner in which land is retained by a cultivator. In case of tenants it reflects the occupancy of land, security of tenure, inheritance and transferability of tenancy rights, etc.

- Industrial Revolution** : The 'Industrial Revolution' took place in Europe in general and England in particular during the eighteenth century. It may be defined as the application of power-driven machinery to manufacturing, which accelerated output growth significantly. Large deposits of coal, abundant supply of labour and technological developments contributed to this rapid industrialisation. Apart from the manufacturing sector it transformed the English countryside as well through new farming techniques in agriculture.
- Great Depression** : Depression is the downward phase in a business cycle. During this phase there is decline in output and employment in the economy. The depression that took place globally during 1929-33, more intensely in America, is termed as the 'Great Depression' because of its severity.
- Commercialisation of agriculture** : Traditionally Indian farmers cultivated food crops for self-consumption and sale in the market. Cash crops were grown but not at a bigger scale. During their rule, the British encouraged farmers, rather forced them through several means, to grow cash crops such as cotton and indigo. Cultivation of cash crops required huge investments and involved higher risk of crop failure. This left the farmers in indebtedness and resulted in ultimate sale of land.
- Peasant** : Farmer in rural areas owning or renting a small piece of land which he cultivates himself. Generally he is poor with low-income level. Peasants as a social class or group are termed peasantry.
- Proprietary Title** : Rights or claims to ownership of property.

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## 2.10 SOME USEFUL BOOKS

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## **2.11 ANSWERS/HINTS TO CHECK YOUR PROGRESS EXERCISES**

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### **Check Your Progress 1**

- 1) The immediate impact was a rise in land revenue. For reasons see Section 2.2, second paragraph.
- 2) See Sub-section 2.2.1 first paragraph.
- 3) See Sub-section 2.2.1 and answer.
- 4) See Sub- section 2.2.4 and 2.2.5 for answer.

### **Check Your Progress 2**

- 1) See Section 2.6. See the reasons for the disintegration of village communities.
- 2) See Section 2.7 and answer.
- 3) See Section 2.7. The reasons are higher investment in irrigation, less retrogressive land tenure system and being absorbed into the British Empire at a later date.