



## The Impact of British Rule on Indian Villages

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**Abstract:** *The British rule had pronounced and profound impact on India. There was hardly any section of society or corner of county which could escape the long arms of British colonialism. India being a country with predominance of agriculture, any impact of government on the people turned out to be essentially the impact of government on the village. With the initiation of British rule, the new land tenures, new land ownership concepts, tenancy changes and heavier state demand for land revenue triggered of far-reaching changes in rural economy and social relationship. Early British administrators of the East India Company considered India as a vast estate and acted on the principle that the company was entitled to the entire economic rent. Moreover, the impact of other administrative measures like railways, law and order machinery and judiciary was also felt in the remote villages of India. Though, the railways served to integrate India and brought the national consciousness, however, they actively served as the agent of colonialism to drain off the valuable resources from rural regions of India. A major impact of these British policies was the expression of intense poverty and frequent famines. These again found their most dire reflections in rural India. The tragedy also found manifestations in the stagnation and deterioration of agriculture and the transformation of India into an agricultural colony of Britain.*

**Keywords:** *Colonialism; Famine; Land Revenue Settlements; Moneylender; Poverty; Rural Indebtedness*

**Objectives of the Study:** *As the changing life in Indian Village marked best the impact of the British administration on the Indian people, this study has been made to characterize the Indian villages in British period. It narrates how the establishment of British rule altered the basic land relationships in the villages which were governed by traditional customs and usage. It logically interprets how the British tampered the basic stability of the villages through the introduction of the concept of mortgage, sale and transferability of land.*

**Methodology:** *An elaborative research methodology was used to investigate and interpret the impact of British rule on Indian villages from the second half of eighteenth century. The researcher has relied both on primary sources as well as secondary sources for collection of data. Primary data has been gathered from archival records; whereas secondary data is based on analysis and discussions.*

### I. Introduction

The British regime had a pronounced and profound economic impact on India. The economic policies followed by the British led to the rapid transformation of India's economy into a colonial economy whose nature and structure was determined by the needs of the British economy (Dutt, 1906; Guha, 1992). In this reference, the British conquest of India directly differed from all previous foreign conquests. The previous conquerors had overthrown Indian political powers but had made no basic changes in the county's socio-economic structure; they had gradually become a part of Indian life, political as well as socio-economic. The peasants, the artisan and the trader had continued to lead the same type of existence as before. Hence, the change of rulers had merely meant change in the personnel of administrative mechanism (Nanda, 2003). But the British conquerors were entirely different. They totally disrupted the traditional socio-economic structure of the Indian villages.

With the advent of British rule in India, the political and economic scenario underwent far-reaching changes. In order to administer the country effectively, the colonial government did not make any substantial changes in the village infrastructure, but promoted the class of non-cultivating intermediaries. Up-to an extent, the British inherited the institutional form of the agrarian system from the Mughals (Chang, 2007; Fuller, 1922). What they done actually, was the superimposition of a new system over the existing pattern in tune with British customs, laws and interest.<sup>1</sup> The British fundamentally altered the nature of property and land rights throughout the

<sup>1</sup> Under the British control, the introduction of sole proprietary ownership rights considerably altered the rights of property, as the British judiciary no longer formally recognized many of the traditional customs and rights.

country. Previously, the rights of land ownership were not proprietary but overlapping. At that time, land was generally owned by people belonging to high castes, while the low castes held varying rights of occupancy and rights in sharing of crops, as defined by traditional customs.

## II. The Villages in Pre-British Period

Throughout the historical ages, Indian village remained a unique and remarkable socio-economic organization. From time immemorial it has assumed a stable character of its own, with its peculiar but distinct characteristics. Till the introduction of the British rule, the village remained the basis of the rural society and economy (Desai, 1948). Interrelating with economic sense, the village has been termed the village community of its own sources and resources. The villages enjoyed a self-contained and self-sufficing existence. One of the remarkable historians, Elphinstone had described Indian villages as "*Little republics, having nearly everything they can want within themselves.*" The activities of the villages were regulated, as far as possible, a self-propelled and self-dependent economic unit (Moreland, 1968). Broadly speaking, the needs of the village community were satisfied either within the village or by the neighbouring villages. The prime economic necessities were food and clothing. The majority of members of the typical village community were, therefore obvious, cultivators and weavers. The additional needs, such as, farming implements and utensils, were provided by the smith. The potter made pots, and the goldsmith, ornaments. The simple needs of the villager could be met by these craftsmen or tradesmen. The small trader supplied the other goods which the village did not produce. Economic transactions within the village were conducted in a lucid and logical manner. Traditionally, the cultivator purchased his cloth, oil or pot by paying in grain. Other professional groups of the society were also paid a fixed annual share of grain. This procedure of mutual exchange has been termed as barter system. It was only in the British era that money began generally to replace the barter system.<sup>2</sup> But in the traditional village economy money served the purpose of wealth, either in the shape of gold and silver (Bose, 1993; Charlesworth, 1982). Whatever any particular village community could not produce itself, the adjacent village or villages could supply and, thus, the villages remained interdependent to meet mutual needs. If the needs could not be satisfied within the immediate vicinity, there was a periodical or weekly market of various neighbouring villages, where the required commodities could be available. These markets were arranged at regular intervals. Moreover, there was the annual fair to which the inhabitants of a number of villages eagerly looked forward to buy commodities of a specialized nature or technique.

It is remarkable, that in the traditional village community, the moneylender had an important socio-economic character to perform. The vast majority of cultivators were men of poor means. If the crop failed, they starved; and to prepare for the next crop they required money. In this scenario, the moneylenders served a valuable instrument for the poor peasant to sustain in the hours of crisis. But, often, they exploited the peasant beyond all proportion, and even forfeited his land (Blunt, 1931; Ghurye, 1961). Their usual rates of interest were high and the manner of recovery was very harsh or sometimes it became inhuman.

The pre-British village infrastructure had its merits and demerits. The community lived on the principle of self-adjustment. The members shared their prosperity as well as adversity according to prevailing conditions. Their wants being limited to bare necessities, the villagers worked intently to produce them. Self-sufficiency was, more or less, a universal feature except in times of natural calamities. Against such merits, the demerits were equally weighty. The isolated existence of the village and the still and quiet village life made the economic activities stereotyped. The incentive for material prosperity was lost in quietist attitudes of self-contentment. The immobile peasant, after his seasonal field work, had much time to spare. The craftsman and the artisan, with all his gift and talent, did not try to create a greater demand for his goods. The small traders had no transport facilities to carry village products to distant markets.

## III. Discussion

Under the regime of East India Company<sup>3</sup> and later on of Crown in India, the colonial rule left behind several everlasting imprint in the socio-economic, political and cultural life of Indians. Due to the process of colonialization, agriculture, trade, and industry of India were ruined badly and India became a poor country as at had never been.<sup>4</sup> Similarly, the ruin of rural artisan and cottage industries proceeded more rapidly once the railways were built in the hinterlands of India.

The disintegration and degeneration of the village communities in India started with the advent of British in India. The introduction of new land laws and consequent infiltration of urban exploitative elements, the opening of trade and breakdown of the village self-sufficiency, and the centralization of revenue were the chief

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<sup>2</sup> In the terms of Economics, Barter system refers the act of trading goods and services between two or more social groups or parties without the use of money. It is a system of exchange by which goods or services are directly exchanged for other goods or services without using money as the medium of exchange.

<sup>3</sup> The East India Company (EIC) or *The Governor and Company of Merchants of London trading into the East Indies* was a Britain based commercial company. Founded on 31<sup>st</sup> Dec. 1600, this company carried out trade and commerce in Indian sub-continent. They entered in India as traders, but the unstable political condition made them the masters of the country.

<sup>4</sup> From 17<sup>th</sup> century onwards, the East India Company enjoyed the status of vital trader partner of India. In the initial phase, the balance of trade was in favour of India, but with political subjection of the country the company started functioning according to the doctrine of colonialism.

characteristics of villages after the mid of eighteenth century (Chaudhuri, 2008). During the British rule the revenue rate were high and in the land settlements that were made between in the second half of 18<sup>th</sup> century, lands were habitually sold by the English Company to the new intermediaries because the old revenue farmers failed to meet out the demand of land revenue. This transformation of land brought into existence a new class of Zamindars (Patel, 1952). This class treated land more as a channel for investment for their rent rather than as a source of agricultural production. Furthermore, the agrarian structure was supplemented by the novel experiments as and when the English Company expanded her control in India.

Tax from the land remained a primary source of revenue for the kings and emperors since time immemorial. Nevertheless, the ownership pattern of land had witnessed changes over centuries. In the pre-capitalist stage of Indian economy, the idea of absolute ownership did not exist. All classes connected with land possessed certain rights (Arvind, 1982; Srinivas, 1955). Unlike, the ancient and medieval period, the British imperial rule unleashed far-reaching changes in Indian agrarian structure. New land tenures, new land ownership concepts, tenancy changes and heavier demand for land revenue brought havoc changes, both in rural economy and social web. From their beginning, as political masters, the English Company relied on land revenue as the principal source of income for the functioning of state.

Broadly speaking, the English adopted three types of land tenure, as the Zamindari tenure (Permanent Settlement), the Ryotwari tenure and the Mahalwari tenure. Zamindari settlement was made in Bengal, Bihar, Orissa and Banaras. The Mahalwari tenure was introduced in major portions of the U.P. and Punjab. The Ryotwari settlement was made in major portions of Bombay and Madras presidencies, in Assam and some other parts of British India. Whatever the name of the system, it was the peasant cultivators who suffered most (Baden-Powell, 1972; Chandra, 1966). They were forced to pay very high rent and for all agricultural purposes they functioned as tenant-at-will. They were compelled to pay many illegal dues and were often required to perform forced labour.

Due to the exploitive nature and functioning of the British rule, moneylenders emerged as an influential economic and political force in the country. Because of the high revenue rates demanded and the rigid manner of collection, the peasant cultivators had often to borrow money to pay taxes.<sup>5</sup> In addition to paying exorbitant interest, when the crops were ready the peasants were invariably forced to sell their produce at cheap rate. The chronic poverty of the peasant compelled him to take recourse to the moneylender especially in times of droughts, floods and famines (Bhatia, 1968). The moneylenders, on the other had manipulated the new judicial system and the administrative machinery to his advantage. In his regard the government, in fact, actually helped him because without him the land revenue could not be collected in time, nor could the agricultural produce be brought to the ports for export. Likewise, to promote the commercialization of agriculture,<sup>6</sup> the government depended on the moneylenders to persuade the cultivators by offering to finance him through loans. It is not surprising, therefore, that in course of time the moneylender began to occupy a dominant position in the rural society and economy. This led to landlordism becoming the dominant feature of land relationship in North India (Desai, 1948).

By the end of the 19<sup>th</sup> century, the moneylender had become a major curse of the countryside and an important cause of the growing poverty of the rural people. In 1911 the total rural debt was estimated at Rs. 300 crores. But 1937 it amounted to Rs. 1800 crores (Hartwell, 1971). The entire process became a vicious circle. The pressure of taxation and growing poverty pushed the cultivators into debt which in turn increased their poverty. In fact, the cultivators often failed to understand that the moneylender was an inevitable cog in the mechanism of imperialist exploitation and turned their anger against him as he appeared to be the visible cause of their impoverishment. For instance during the Revolt of 1857, wherever the peasantry rose in revolt, quite often its first target of attack was the moneylender and his account books. Such peasant reactions soon became a frequent occurrence.

The new landlords, thus, constituted the new renter class which claimed the large portion of the cultivation. The original owners of land were being rapidly dispossessed of their rights over land and were reduced to the position of tenants (Davis, 1951; Banerjee, 2005). This revolution in the property relations had far-reaching effect on the structure of the agrarian society of the Indian villages. Afterwards, the village community lost its authority and gradually disintegrated.

While this process of disintegration was going on the British rule backed by a more powerful techno-economic power in the wake of the industrial revolution<sup>7</sup> delivered the deadly blow to the Indian villages (Chandra, 1966;

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<sup>5</sup> Time bound and excessive demand of revenue by the British government forced the peasants to take loans from the moneylenders. These moneylenders often exploited the peasants by charging high interest rates. They often used unfair means like false accounting, forged signatures and thumb impressions.

<sup>6</sup> Commercialization of agriculture denotes a process where peasants start producing agricultural products primarily for sale in distant markets, rather than to meet their own need or to sell in local markets. These agricultural products were needed by the British industries or could fetch cash gain to the British in the European or American market, e.g. cotton, indigo, jute, etc.

<sup>7</sup> The Industrial Revolution took place in Europe in general and England, in particular, during the mid of eighteenth century. It can be defined as the application of power driven machinery to manufacturing, which accelerated output significantly. Historical researches prove that the colonies of East India Company, particularly in Asia and Africa, contributed immensely in rapid industrialization.

Hartwell, 1971). Moreover, the introduction of centralized administration, the codified revenue arrangements and the extension of modern means of communication broke the isolation and identity of the villages. Local produce began to be exported and the imports found their way in the countryside. High rents and increasing indebtedness pushed the village in unprecedented poverty. The village migration was further necessitated because of the destruction of village handicrafts. The village economy became a part of the world market linked with money transactions.

The impact of British rule, thus, led to the evolution of a new structure of agrarian relations that was extremely regressive. The new system did not at all permit the development of agriculture. New social classes appeared at the top as well as at the bottom of the social scale (Dyson, 1989). There arose landlords, intermediaries, and moneylenders at the top and tenants-at-will, share-croppers and agricultural labourers at the bottom. The new pattern was neither capitalism nor feudalism, nor was it a continuation of the old Mughal arrangement. It was a new structure that colonialism evolved. It was a semi-feudal and semi colonial in character.

The village based cotton-weaving and spinning cottage industries were the worst hit. Silk and woolen textiles fared no better and a similar fate overtook the iron, pottery, glass, paper, metals, guns, shipping, oil-pressing, tanning industries, etc. This collapse was caused largely by competition with the cheaper imported machine-goods from Britain. The ruin of Indian industries, particularly rural artisan industries, proceeded even more rapidly once railways were built.<sup>8</sup> The railways enable British manufactures to reach and uproot the traditional industries in the remotest villages of the country (Kerr, 1995; Rao, 1978). As the American writer, D.H. Buchanan has put it, "*The armour of the isolated self-sufficient village was pierced by the steel rail, and its life blood ebbed away.*"

The loss of land and the over-crowding of land caused by de-industrialization and lack of modern industry compelled the landless peasants, ruined artisans and handicraftsmen to become either tenants of the moneylenders and zamindars by paying rack-rent or agricultural labourers at starvation wages (Bardhan, 1984; Klein, 1973). Thus, British conquest led to increased dependence of the people on agriculture. No figures for the earlier period are available but, according to census Reports, between 1901 and 1941 alone the percentage of population dependent on agriculture increased from 63.7 per cent to 70 per cent (Blyn, 1966). This increasing pressure on agriculture was one of the major causes of the extreme poverty of India under the British rule. Hence, the peasantry of Indian villages was crushed under the triple burden of the Government, the zamindar or landlord, and the moneylender. After these three had taken their share not much was left for the cultivator and his family to subsist on. It has been calculated that in 1950-51 land rent and money-lenders' interest amounted to Rs. 1400 crores or roughly equal to one-third of the total agricultural produce for the year (Patel, 1952). The result was that the impoverishment of the peasantry continued as also an increase in the incidence of famines. People died in millions whenever droughts or floods caused failure of crops and produced scarcity. In the very beginning of British rule in Bengal, the policy of Clive and Warren Hastings (1775-82) of extracting the largest possible land revenue had led to such devastation that even Governor-General Cornwallis (1785-92) complained that, "*One-third of Bengal had been transformed into a jungle inhabited only by wild beasts.*"

Rural indebtedness was one of the serious problems faced by the Indian villages during the British rule. There is a well-known saying about rural indebtedness i.e., the Indian farmer is born in debt, lives in debt and dies in debt. Before the Second World War, it is estimated that rural debt ran to as much as 1800 crores of rupees (Beer, 1962). The decay of traditional cottage industries made the ruined handicraftsmen and artisans to crowd into agriculture. The gradual destruction of rural crafts destroyed the union between agriculture and domestic industry in the countryside and thereby made millions of peasants rely overwhelmingly on cultivation. Millions of rural artisans, who lost their traditional livelihood on this account, became agricultural labourers on petty tenants holding small plots (Arnold, 1991). They also added to the pressure on land. The number of agricultural labourers was very large and was rapidly growing. They lived a life of abject poverty. They were treated as the most backward, the most exploited and the most neglected class in the social structure. Indeed, they formed the weakest link in the chain of rural economy.

#### IV. Conclusion

The impact of government on the people meant essentially the impact of government on the village. Accordingly, in pre-British era, the village communities represented an economic stability resting on a balanced system of agriculture, village industry and local trade. The laws of demand and supply operated in a natural manner and general happiness prevailed. However, the British rule unleashed far-reaching changes on agricultural based Indian village structure. Excessive land revenue demands proved counter-productive.

<sup>8</sup> In their expedition from trade to colonization, the British government carved out various instruments to maintain their hegemony in which colonial railways were the single largest and the most significant investment programme made in the history of the British Empire. Under the facade of laissez faire doctrine, the British rule released open support to encourage private investors for railway introduction and extension in India. Colonial railways had a regressive impact on the land, environment and the people of India. Fundamentally, railway infrastructure accelerated the process of deindustrialization, poverty and frequent famines. Railway and famines went hand in gloves, as maximum food grains were transported to Europe and Indians were forced to face terrible famines.

Agriculture began to languish, large areas went out of cultivation and famines stared the people in the face. Right from the beginning of their relationship with India, the British, who had come as traders and had become rulers and administrators, had influenced the economic and political systems of the country. One result of the British rule was the sudden and quick collapse of the rural cottage industries caused by the competition with cheaper imported machine-made goods from Britain. The building of railways and the oppression practiced by East India Company together with the gradual disappearance of Indian rulers and courts served to accentuate and accelerate the process. The ruined artisans and craftsmen unable to find an alternative job began to come to villages and crowded agriculture. This broke the union of agriculture and self-sufficient rural economy. The peasant was also progressively impoverished under the British rule. The British policy of extracting the largest possible amount of land revenue ruined the peasant's condition. In the Zamindari and Ryotwari settlement areas, the loss of peasants remained unenviable. They were left at the mercies of the zamindars who ransacked them, compelled them to pay illegal dues and to perform forced labour. The high land revenue demand was accompanied by rigidity in collection, rise of new landed gentry, and intrusion of money lenders. All this resulted in the unprecedented poverty in Indian villages throughout the British regime.

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