UNIT 10 : PEASANTS, TRADERS AND WORKERS IN COLONIAL INDIA

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10.1 LEARNING OBJECTIVE

After going through this unit, learners will be able to:

- understand the major features of the colonial economy in India;
- gain knowledge of the impact of British policies on agriculture, trade, and taxation;
- appreciate the changing socio-economic conditions of peasants, traders, workers, and tribal communities; and
- understand the broader consequences of colonial rule on Indian society and economy.

10.2 INTRODUCTION

The colonial period witnessed significant economic and social changes that reshaped Indian society. Colonial policies were guided primarily by the objective of securing revenue and integrating India into the wider interests of the British Empire. Agriculture, which constituted the backbone of the Indian economy, became the principal source of colonial revenue through various land revenue settlements and taxation policies. At the same time, the growing demand for raw materials and markets encouraged the commercialization of agriculture and the expansion of trade.

These developments reshaped the lives of peasants, traders, workers, zamindars, and tribal communities. While colonial policies created new opportunities for some sections, they also intensified social and economic inequalities. High revenue demands, dependence on commercial crops, fluctuations in market prices, and the penetration of colonial capital often increased the vulnerability of rural and labouring populations. Thus, the colonial economy was characterized not merely by economic change but also by new forms of exploitation and dependency. This unit examines these transformations and analyses their impact on different social groups in colonial India.

10.3 BRITISH LAND REVENUE SETTLEMENTS

The British introduction of land revenue settlements was closely linked to their growing political and territorial control over India. Following the Battle of Plassey (1757) and the Battle of Buxar (1764), the East India Company emerged as a major political power in eastern India. In 1765, the Company obtained the Diwani rights of Bengal, Bihar, and Orissa, which gave it the authority to collect land revenue. As the Company's territorial possessions expanded during the late eighteenth and early nineteenth centuries, the need for a systematic and regular mechanism of revenue collection became increasingly important. Consequently, different land revenue settlements were introduced in different regions of India, namely the Permanent Settlement, the Ryotwari Settlement, and the Mahalwari Settlement.

Before the introduction of the land revenue settlements , several land revenue experiments were introduced to maximise the revenue . In 1772, Hastings brought in a new system called the farming system in which European officers called District Collectors were supposed to keep an eye on things, but the right to actually collect revenue was given to whoever bid the highest for it. The farming system failed as they tried to collect revenue as much as possible from the peasants and this led to ruination in agricultural production . From 1770, officers and European observers like Alexander Dow, Henri Patullo, Philip Francis and Thomas Law were pushing for the idea that the land tax should be fixed once and for all, with no further changes.

The first major land revenue settlement introduced by the British in India was the Permanent Settlement of 1793 by Cornwallis. Following the acquisition of the Diwani rights in Bengal, Bihar, and Orissa in 1765, the East India Company became responsible for revenue collection in these regions. The land revenue was fixed at a high level and taking the assessment for the year 1789-90 , the land revenue was fixed at approximately Rs 26.8 million. Under this system, zamindars were recognized as the proprietors of land and were entrusted with the responsibility of collecting revenue from cultivators and paying it to the British government. The revenue demand was fixed permanently on the basis of estimates of agricultural production and rental income. The British expected that the certainty of a fixed revenue demand would encourage zamindars to invest in agricultural improvements. As long as zamindar paid, he was recognized as the legal owner, free to sell, mortgage, or pass the land down to his heirs. But if he failed to pay, the government would seize the estate and auction it off, with the buyer becoming the new owner. However, since the state's demand remained unchanged while rents could be increased, many zamindars sought to maximize their

profits by extracting higher rents from peasants. Consequently, the system strengthened landlordism and often led to the exploitation of cultivators.

The zamindars also had to face a lot of difficulties like the sunset law, in which they had to pay a fixed amount of revenue by a particular date and if they failed to pay the revenue on time , the British would auction the land to another zamindar. It was noticed that between 1794 to 1807 land yielding about 41 percent of the revenue in Bengal and Bihar was sold out in auction and similarly in Orissa between 1804 to 1818 , 51.1 percent of the land was auctioned. As a result, many traditional zamindari families declined, while wealthy tenants, estate officials, and neighboring zamindars acquired these estates. Some zamindars used subinfeudation to reduce their financial risks after the Permanent Settlement. They leased out their estates through Patni tenuresand other subordinate rights. Over time, many levels of intermediaries emerged , sometimes up to twelve layers between the zamindar and the peasant. The tenancy laws enacted in 1859 and 1885 provided limited protection to tenants by recognizing their occupancy rights. Nevertheless, zamindars continued to enjoy significant authority and maintained their close relationship with the colonial administration.

The Ryotwari Settlement, introduced mainly in the Madras and Bombay Presidencies during the early nineteenth century, was developed by Captain Alexander Read and later refined and implemented by Thomas Munro. It was an alternative to the Permanent Settlement and was first experimented with by Alexander Reed in Baramahal in 1792. Unlike Bengal, where zamindars played a significant role in revenue collection, many parts of Madras and Bombay lacked a well-defined class of large hereditary landlords. British officials therefore believed that recognizing intermediaries as landowners would be impractical and might reduce the state's revenue.

Under the Ryotwari Settlement, peasants were recognized as holders of land and paid revenue directly to the British government. Revenue assessments were based on the quality and productivity of the land and were revised periodically. While cultivators were granted proprietary rights, the state remained the ultimate owner of the land, with ownership rights being conditional upon the regular payment of land revenue.

The system was theoretically based on detailed field surveys that assessed soil quality, extent of cultivation, and average productivity. According to Munro, the British state could secure greater revenue and administrative efficiency by eliminating intermediaries and dealing directly with peasants. The British argued that this system would eliminate intermediaries and provide cultivators with greater security over their holdings. However, revenue assessments were often high, and cultivators were required to pay taxes irrespective of fluctuations in agricultural production. As a result, peasants remained vulnerable to indebtedness and economic hardship, particularly during years of poor harvests. Although the Ryotwari Settlement differed from the Permanent Settlement in its administrative structure, it continued to serve the colonial objective of maximizing revenue from the agrarian economy.

The Mahalwari Settlement was introduced in the North-Western Provinces in 1822 by HoltMackenzie .Under this system, the village or mahal was treated as the unit

of revenue assessment, and responsibility for revenue payment rested collectively with the village community, its headmen. Unlike the Permanent Settlement, the revenue demand was not fixed permanently and was revised periodically.

Although the Mahalwari Settlement recognized existing village institutions, it primarily served the colonial objective of maximizing revenue collection. Revenue assessments were often high, placing a considerable burden on cultivators. During years of poor harvests, many peasants found it difficult to meet their obligations and were forced to borrow from moneylenders. This resulted in growing indebtedness and, in many cases, loss of land. So, the settlement contributed to agrarian distress and increased the economic vulnerability of the peasantry.

CHECK YOUR PROGRESS

- In which year was the Permanent Settlement introduced?
- Who introduced the Ryotwari Settlement?
- What was the basic unit of revenue assessment under the Mahalwari Settlement?
- Mention one feature of the Permanent Settlement.

10.4 TAXATION

The British administration relied heavily on revenue collected from land, trade, and various commodities to finance its administrative machinery, military establishment, and imperial interests. Colonial taxation was primarily designed to ensure a steady flow of revenue to the state and became an important instrument of economic control.

Land revenue constituted the principal source of government income throughout the nineteenth century. To facilitate revenue collection, the British introduced different land revenue systems, namely the Permanent Settlement (1793), the Ryotwari Settlement, and the Mahalwari Settlement. Although these systems varied in their methods of assessment and collection, their common objective was to maximize revenue from agriculture. Revenue demands were often high and remained rigid even during periods of agricultural distress. Consequently, many cultivators were compelled to borrow money from moneylenders to meet their obligations, leading to indebtedness, land alienation, and rural poverty.

In addition to land revenue, the colonial government imposed several indirect taxes. The salt tax was one of the most unpopular taxes because it was levied on an essential commodity consumed by all sections of society. Customs duties and excise taxes also generated substantial revenue for the government. Income tax was introduced in 1860 by James Wilson to meet the financial pressures faced by the colonial state after the Revolt of 1857. Revenue was also obtained from forests, trade, transportation, and other economic activities, extending colonial fiscal control over different sectors of society.

The impact of colonial taxation has been critically examined by several historians. R. C. Dutt argued that excessive land revenue demands contributed significantly to rural poverty and famines. Dadabhai Naoroji maintained that taxation facilitated the transfer of wealth from India to Britain, a process he described as the "Drain of Wealth." Bipan Chandra emphasized that colonial taxation served the interests of British imperialism and intensified the economic exploitation of India. Similarly, Sekhar Bandyopadhyay has highlighted how colonial revenue policies reshaped agrarian relations, encouraged the commercialization of agriculture, and contributed to rural distress.

Thus, colonial taxation was not merely a fiscal measure but a crucial mechanism through which the British extracted resources from India. While it strengthened the financial foundations of colonial rule, it also imposed heavy burdens on peasants and consumers and left a lasting impact on the Indian economy and society.

CHECK YOUR PROGRESS

5.What was the principal source of colonial revenue in the nineteenth century?

6.Who introduced income tax in India in 1860?

10.5 COMMERCIALIZATION OF AGRICULTURE

Commercialisation of agriculture refers to the process by which agricultural production shifted from subsistence-oriented cultivation to market-oriented production. Under British rule, Indian cultivators were encouraged to grow more crops for sale rather than for household consumption. This transformation was closely linked to the expansion of colonial rule and the growing integration of India into the global economy.

The process accelerated during the nineteenth century as the British sought to secure a steady supply of raw materials for industries in Britain and commodities for international trade. The development of railways, roads, ports, and communication networks facilitated the movement of agricultural produce from villages to commercial centres and export markets. Furthermore, the requirement of paying land revenue in cash compelled peasants to cultivate crops that could be sold in the market to generate income .

Before gaining control of Bengal, the Company had to ship gold and silver into India to pay for goods it exported to Europe. Once it acquired the Diwani (revenue rights) in 1765, this changed dramatically. Tax revenue collected from Indian subjects could now fund the purchase of export goods directly, meaning Britain no longer needed to send precious metals abroad. In effect, India was paying tribute to Britain through goods rather than cash, while the Company turned its political authority into commercial gain.

To sustain this system, two things were essential , the tax collection had to cover administrative and military costs while leaving a surplus for trade, and India

needed to supply goods that Western markets wanted, produced cheaply enough to remain profitable. Textiles were an early focus, but Britain's growing cotton mill industry soon saw Indian fabrics as competition, and manufacturers pushed back against their import by the 1780s. The Company responded by shifting toward raw materials and agricultural goods, things that wouldn't threaten British industry but could feed it, such as raw silk and cotton.

The crops the Company prioritized, indigo, cotton, raw silk, opium, pepper, and later tea and sugar in which none competed with British manufacturing, and all carried high value relative to their weight and volume. In essence, the Company engineered a deliberate, controlled commercialization of Indian agriculture, not to develop India's economy, but to extract wealth and secure raw materials for Britain's industrial and trade interests.

Cotton was cultivated extensively in western India and exported as a raw material for the British textile industry. Jute, grown mainly in Bengal, supplied the jute mills and export markets. Indigo was cultivated in Bengal and Bihar for use as a dye in European textile manufacturing. Tea plantations expanded in Assam and Darjeeling, while coffee cultivation developed in parts of southern India. Opium was produced under government supervision and exported largely to China. Sugarcane and oilseeds such as groundnut, mustard, and sesame also emerged as important commercial crops due to growing market demand .

According to Bipan Chandra, the commercialization of agriculture primarily served the interests of British industries and trade. Indian agriculture increasingly produced crops required by British manufacturers and international markets rather than those needed for local consumption. R. C. Dutt argued that the expansion of commercial crops, together with heavy land revenue demands, increased the economic burden on peasants. Cultivators often became dependent on moneylenders and traders for cash, which contributed to indebtedness and rural poverty .

Combined with high land revenue demands and increasing dependence on market forces, this made cultivators more vulnerable during periods of drought, crop failure, and economic crisis. Although commercialization alone did not cause famines, it weakened the ability of many rural communities to cope with food shortages and contributed to agrarian distress during famines and scarcities .Despite these limitations, commercialization contributed to the growth of trade and strengthened links between agriculture and markets. However, the benefits of this process were unevenly distributed.

CHECK YOUR PROGRESS

7.Name any two commercial crops cultivated during the colonial period.

10.6 CROPS

The commercialization of agriculture under British rule encouraged the cultivation of several cash crops in different regions of India. These crops were primarily grown to meet the demands of British industries and international markets

rather than local consumption. As a result, Indian agriculture became increasingly market-oriented.

Indigo

Indigo is a blue dye obtained from a tropical plant and used for colouring textiles. Indigo was cultivated extensively in Bengal and Bihar to meet the demand for blue dye in European textile industries. After indigo production declined in the Caribbean during the 1790s, Indian indigo gained a large market in Europe. The East India Company encouraged European planters to grow indigo in India and export it abroad, which led to a rapid increase in its production.

Most indigo was cultivated under the ryoti system, where peasants were forced to grow the crop on their own land and sell it to planters at very low prices. Farmers often faced pressure, unfair debts, and harsh treatment if they refused to grow indigo. Their growing resentment eventually led to the **Indigo Revolt** of 1859–60, highlighting the exploitative nature of indigo cultivation under colonial rule.

Sugar

In the 1830s, when indigo profits fell, European planters started investing in sugar production for the London market, where demand was increasing and import taxes were lower. Large areas in eastern Uttar Pradesh were given to European planters, who set up sugar plantations.

Local peasants, who earlier made gur for local use and trade, were now forced to produce thick sugarcane juice (raab) and sell it to factories at fixed low prices. Like indigo, they often received advances and became tied to delivering crops to planters. Sugar exports rose sharply for a short time, but after 1848 prices fell, many factories closed, and exports declined. After this, local gur makers and khandsaris regained control of the trade.

Raw Silk

The East India Company became interested in the silk trade soon after it gained control in India. In 1770, the Company's directors in London believed that silk produced in Bengal could replace the Italian and Spanish silk used by British weavers if its quality was improved.The Company also set up special workshops called filatures, where silkworm cocoons were processed into silk thread for export.

To earn higher profits, Company officials often forced mulberry farmers and workers in the filatures to sell their products and labour at low prices. This helped traders and contractors make more money while the producers received less. Even with these difficulties, silk remained one of India's important export products until the end of the nineteenth century.

Opium

The British faced a major problem in paying for the large quantities of tea they imported from China. To solve this issue, they began selling opium to the Chinese.

Opium is a highly addictive substance, and once people became dependent on it, they were willing to pay high prices to obtain it. This made the opium trade extremely profitable for the British.

Although opium had been produced in India for a long time in small amounts for medicinal and recreational use, the situation changed in 1773 when Warren Hastings brought its production and trade under government control to increase revenue. Farmers could grow opium poppies only under government contracts and were required to sell their produce to the government at fixed prices. Anyone who tried to bypass these rules faced strict punishment. The British also regulated the supply of opium to keep prices high in the Chinese market. As a result, opium became an important commercial crop as it generated substantial revenue for the East India Company and helped finance the purchase of Chinese tea by creating a profitable trade route through China.

Tea

In the 1830s, the East India Company faced growing opposition in China due to its illegal opium trade. Worried that this might affect its profitable tea business, it began encouraging tea cultivation in Assam within its own territories. When this experiment succeeded, the plantations were handed over to a private company called the Assam Company, and by the 1850s other tea companies also started setting up estates.

Since there was a shortage of local workers, tea plantations brought in large numbers of indentured labourers from places like Chota Nagpur and other regions. This was a rare case where commercial crops were grown on a large scale using capitalist plantation systems.

Cotton

The rapid growth of textile industries in Britain created a steady demand for Indian cotton. Areas such as the Bombay Presidency and Berar became major centres of production. The demand increased further during the American Civil War when British manufacturers sought alternative sources of raw cotton.

The growth of commercial crops transformed Indian agriculture in many ways. While some cultivators benefited from access to markets and higher incomes, many others became vulnerable to fluctuating prices, indebtedness, and the decline of food-crop cultivation. Thus, the commercialization of agriculture had both opportunities and challenges for rural society

10.7 TRADE

Before colonial rule, India was known for its flourishing trade in textiles, spices, handicrafts, and agricultural products. Indian merchants maintained commercial links with regions in Asia, Africa, and Europe. However, with the expansion of British political control, trade increasingly came under the influence of British economic interests.

In the early phase of colonial rule, British trade policy was influenced by mercantilist ideas, which emphasized the acquisition of wealth through trade and the

control of colonial markets. The Charter Act of 1813 ended the East India Company's monopoly over Indian trade (except with China) and opened Indian markets to private British merchants. During the nineteenth century, India's foreign trade expanded considerably. The major exports from India included cotton, jute, indigo, tea, coffee, wheat, rice, and opium, while machine-made textiles, metal goods, and other manufactured products were imported from Britain. By the late nineteenth century, India had become one of the principal suppliers of raw materials for British industries.

Colonial trade reflected Britain's broader economic objectives, as India served both as a source of raw materials for British industries and as a market for manufactured goods, thereby supporting British industrial growth. The opening of the Suez Canal in 1869 significantly reduced the travel time between India and Europe and stimulated overseas trade. Likewise, the development of railways, roads, ports, and telegraph networks facilitated the movement of goods from the interior to major ports such as Bombay Port, Calcutta Port, and Madras Port.

Under British rule new opportunities were created for traders through the expansion of commercial agriculture and the growth of export trade. Merchant groups such as the Marwaris, Parsis, Chettiars, and Gujarati traders became active in the trade of cotton, jute, tea, opium, and grains. While some merchant communities accumulated wealth through expanding commercial opportunities, British agency houses and European firms continued to dominate overseas trade, banking, and shipping.

Although the expansion of trade increased commercial activity, its benefits were unevenly distributed. British merchants and trading firms gained considerably, while Indian peasants and artisans often faced difficulties arising from market fluctuations and competition from imported goods. Thus, colonial trade played a significant role in reshaping the Indian economy and strengthening British economic interests.

10.8 PEASANTS, WORKERS AND TRIBAL COMMUNITIES UNDER COLONIAL RULE

Colonial rule in India brought major changes in the structure of society through new land revenue systems, commercialisation of agriculture, and integration into the colonial economy. These changes deeply affected peasants, tribal communities, and urban workers by altering their access to land, resources, and traditional livelihoods.

Under colonial rule, peasants were divided into rich peasants, middle peasants, poor peasants, and landless labourers based on their landholding and economic status. They suffered mainly due to high revenue demands, landlord exploitation, and breakdown of traditional agrarian relations. The British introduced systems like the Permanent Settlement, where revenue demand was fixed at a very high level and had to be paid regardless of harvest conditions. This created pressure on landlords, who in turn increased rents and extracted illegal cesses (abwabs) from peasants. According to Ranajit Guha, colonial rule led to the “revitalisation of landlordism,” where landlords became powerful intermediaries supported by colonial law and administration. At the

same time, moneylenders provided credit at high interest rates, trapping peasants in a cycle of debt that often ended in land loss.

Peasants suffered because they lost occupancy rights, became heavily indebted, and were frequently evicted from land when they could not pay rent or revenue. Another major reason for suffering was the commercialisation of agriculture, which replaced subsistence farming with market-oriented production. This exposed peasants to price fluctuations, debt cycles, and food insecurity. These combined pressures led to revolts such as the Rangpur rebellion (1783), where peasants refused revenue, attacked officials, and created their own leadership.

The expansion of railways, plantations, mines, and modern industries created new categories of workers, including factory labourers in cotton textile and jute mills, plantation workers in tea, coffee, and indigo estates, mine workers in coalfields, railway employees etc. At the same time, British commercial policies and the influx of machine-made goods contributed to the decline of traditional handicrafts and cottage industries, forcing many artisans and weavers to seek wage employment in these emerging sectors.

Factory labourers worked long hours for low wages, mine workers faced dangerous environments, and plantation labourers were subjected to strict supervision and exploitative labour practices. As noted by Amalendu Guha, the tea plantations of Assam depended heavily on migrant labour recruited through contractor-based systems, where workers frequently encountered poor living conditions and limited mobility. Nevertheless, workers played a vital role in industrial production, transportation, and plantation agriculture, all of which supported colonial trade and revenue. Their shared experiences of exploitation gradually fostered labour consciousness, leading to the emergence of trade unions such as the All India Trade Union Congress (1920) and contributing to broader demands for social and economic justice.

Tribal communities under British rule faced severe exploitation due to colonial land, forest, and revenue policies. The British weakened traditional systems of communal land ownership, restricted shifting cultivation, and allowed outsiders such as moneylenders, traders, landlords, and contractors to enter tribal areas. These changes led to land alienation, indebtedness, forced labour, and loss of access to forests, which were essential for tribal livelihoods.

In response, many tribal communities launched movements and rebellions to protect their land, culture, and rights. Important movements included the Santhal Rebellion, the Rampa Rebellion, and the Ulgulan led by Birsa Munda in 1899–1900. For instance, Birsa Munda mobilized the Mundas against landlords, moneylenders, and British authorities while advocating social and religious reform. These movements sought to preserve tribal identity and traditional rights over land and forests. Although these movements were suppressed, they drew attention to tribal grievances and contributed to later protective legislation in some regions. (In the next unit we shall discuss in detail)

10.9 BRITISH COMMERCIAL POLICIES - EFFECTS

From the late eighteenth century onwards, India was gradually transformed from a producer of finished goods into a supplier of raw materials and a market for British manufactured products. Although these policies stimulated trade and improved communication networks, their overall impact was largely shaped by the interests of the colonial state and British capital.

One of the most significant consequences of British commercial policies was the decline of traditional industries. Prior to colonial rule, Indian textiles, silk products, metalwork, and handicrafts enjoyed considerable demand in both domestic and international markets. The Industrial Revolution in Britain, however, enabled manufacturers to produce goods on a large scale and at lower costs. As machine-made textiles entered Indian markets in increasing quantities, indigenous artisans found it difficult to compete. Urban manufacturing centres such as Dacca and Murshidabad experienced a marked decline. According to Sumit Sarkar, the process of deindustrialization did not occur uniformly across the country, yet the overall trend reflected a weakening of traditional handicraft production. Since modern industries developed slowly in India, many displaced artisans moved into agriculture, increasing pressure on rural resources and employment.

British commercial policies also encouraged the expansion of export-oriented agriculture. The growing demand for raw materials in British industries led to the cultivation of crops such as cotton, jute, indigo, tea, coffee, sugarcane, and opium. Agriculture became increasingly linked to market forces and international trade. During the American Civil War (1861–65), for instance, the disruption of cotton supplies from the United States created a temporary boom in Indian cotton exports. However, such developments often exposed cultivators to market fluctuations. Changes in global demand and prices could significantly affect peasant livelihoods. The increasing dependence on commercial crops also contributed to indebtedness as many cultivators relied on credit from moneylenders to finance production.

Another important consequence was the continuous transfer of resources from India to Britain, commonly described as the Drain of Wealth. The theory of ‘Drain of Wealth’ was given by Dadabhai Naoroji in his book ‘Poverty and Un-British Rule in India. Following the establishment of British political dominance, Indian revenues were increasingly used to finance colonial administration and overseas obligations. Payments made towards pensions of retired officials, interest on public debt, military expenditure, railway guarantees, and the expenses of the India Office in London formed part of the so-called Home Charges. Sumit Sarkar notes that these transfers represented a substantial burden on Indian revenues. Nationalist thinkers such as Dadabhai Naoroji argued that this economic drain deprived India of resources that could otherwise have been invested in agriculture, industry, and public welfare. Bipan Chandra similarly viewed the drain as a major obstacle to indigenous economic development and capital formation.

The development of transport and communication networks formed another notable feature of colonial commercial expansion. Railways, roads, ports, and

telegraph lines expanded rapidly during the nineteenth century. These developments facilitated the movement of raw materials from producing regions to ports and enabled the distribution of imported goods throughout the country. Railways also connected previously isolated regions to commercial centres. Nevertheless, historians have pointed out that the primary objective of such infrastructure was to support colonial trade and administration rather than balanced economic development. The benefits derived from these networks were therefore closely tied to the requirements of the colonial economy.

British commercial policies further encouraged the growth of foreign capital in India. British-controlled banks, insurance companies, trading firms, plantations, and mining enterprises expanded their operations across the country. Investment in tea plantations, jute mills, coal mines, and railway construction created new opportunities for profit. However, a significant share of these profits was repatriated to Britain. As a result, the expansion of economic activity did not necessarily translate into comparable levels of domestic capital accumulation.

Certain groups, including merchants, moneylenders, plantation owners, and some zamindars, were able to benefit from commercial opportunities created under colonial rule. In contrast, peasants often faced rising indebtedness and economic insecurity. Artisans experienced the loss of traditional occupations, while plantation and industrial workers were subjected to harsh working conditions and low wages. Tribal communities were also affected by the expansion of plantations, commercial agriculture, and resource extraction, which frequently disrupted their traditional livelihoods and access to land.

Thus, British commercial policies brought about far-reaching changes in the Indian economy and society. They expanded trade, strengthened transport networks, and integrated India into the global economy. At the same time, these policies contributed to deindustrialization, commercialization without broad-based development, the drain of wealth, and increasing economic dependence on Britain. While colonial commerce generated new economic linkages, its benefits remained unevenly distributed and were largely directed towards the interests of the British Empire rather than the welfare of the Indian people.

CHECK YOUR PROGRESS

8.Name any two industries that declined under British rule.

9 .Who gave the Drain of Wealth theory ?

10.10 LET US SUM UP

British colonial rule brought major changes to the Indian economy and society. Land revenue settlements, taxation policies, and the commercialization of agriculture were introduced primarily to increase colonial revenue. Cash crops such as indigo, cotton, tea, and opium gained importance, while trade expanded and India became more closely integrated with the global economy.

These changes affected different social groups in different ways. While some zamindars, merchants, and traders benefited, many peasants, workers, and tribal communities faced exploitation, indebtedness, and economic insecurity. British commercial policies also contributed to the decline of traditional industries, the growth of export-oriented agriculture, and the drain of wealth from India to Britain. Thus, colonial economic policies transformed India but largely served the interests of the British Empire.

10.11 FURTHER READING

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10.12 ANSWER TO CHECK YOUR PROGRESS

Answer to Q1 : 1793

Answer to Q2 : The Ryotwari Settlement was developed by Captain Alexander Read and later refined and implemented by Thomas Munro.

Answer to Q3: The village or mahal was the basic unit of revenue assessment under the Mahalwari Settlement.

Answer to Q4 : Under the Permanent Settlement, zamindars were recognized as proprietors of land and were responsible for collecting revenue from cultivators and paying it to the British government.

Answer to Q5 : Land revenue

Answer to Q6 : James Wilson

Answer to Q7 : Cotton , indigo

Answer to Q8: Textile industry and silk industry

Answer to Q9: Dadabhai Naoroji

10.13 MODEL QUESTIONS

Very short questions

1. What is meant by the "Drain of Wealth"?
2. What is meant by commercialization of agriculture?
3. What is meant by deindustrialization?
4. How did the Permanent Settlement strengthen the position of zamindars?
5. Mention one problem faced by peasants under colonial rule.

Short questions

1. Explain the main features of the Permanent Settlement.
2. Discuss the significance of the Sunset Law under the Permanent Settlement.
3. What were the main characteristics of the Ryotwari Settlement?
4. Examine the impact of colonial taxation on Indian peasants.
5. Discuss the factors responsible for the commercialization of agriculture in colonial India.
6. Discuss the impact of British commercial policies on peasants.
7. How were tribal communities affected by colonial economic policies?

Long Questions

1. Discuss the various land revenue settlements introduced by the British in India and examine their impact on agrarian society.
2. Critically analyse the Permanent Settlement of 1793 and its consequences for zamindars and peasants.
3. Explain the features of the Ryotwari and Mahalwari Settlements. How did they differ from the Permanent Settlement?
4. Examine the nature and impact of colonial taxation policies in India during the nineteenth century.
5. Discuss the process of commercialization of agriculture in colonial India. What were its major causes and consequences?
6. Critically discuss the process of deindustrialization in colonial India.
7. Explain the Drain of Wealth theory and assess its significance in understanding colonial exploitation.
8. "British commercial policies benefited the British Empire more than the Indian people." Discuss.
9. Discuss the impact of British colonial policies on zamindars, peasants, workers, and tribal communities in India.