

CC-12:HISTORY OF INDIA(1750s-1857)

IV. RURAL ECONOMY AND SOCIETY

(B). COMMERCIALIZATION AND INDEBTEDNESS

In the late eighteenth and the early twentieth centuries the colonial state had been perfecting its system of surplus extraction from the agricultural economy of India. Commercialisation of agriculture which favours differentiation within the peasantry, capital accumulation and production for the market, is considered to be a sign of progress towards capitalist agriculture. In the Indian case, however, the initiative often did not come from within the peasant society, and the benefits did not accrue to them either. In the case of indigo, in eastern India, it was directly fostered by the Company's government when in 1788 it offered advances to ten pioneer planter trying to grow indigo in Lower Bengal by using West Indian methods. Since then indigo industry never functioned as a proper plantation economy, as with no right to buy land until 1829, the planters had to persuade, and later force, the local peasants to accept advances to produce indigo in their lands. This created enough scope for friction, because demand remained uncertain, and it was within an eye on the needs of the remittance trade, rather than the requirements of English textile manufacturers, that the amount of production was monitored. The system became more, exploitative and coercive day by day, leading to the indigo rebellion in 1859-60. As for other crops, there is a persistent view that the peasants were "forced" to cultivate cash crops because of high revenue demand, the necessity to pay revenue and rent in cash and above all for debt servicing. This view is refuted by the fact that there was always a positive correlation between the price of a crop and the crop acreage indicating profit motive behind the peasants' decision for preferring particular, cropping pattern. But at the same time it was only the rich peasant who could go for cash crops and they, too remained immensely vulnerable to the fluctuations in the market. In western India, for example cotton cultivation grew in response to the cotton boom in the 60s caused by the American Civil War. It created a pocket of prosperity in the Deccan cotton belt, which disappeared soon after the end of the war and was followed by a famine and agrarian riots in the 1870s. Jute cultivation in eastern India developed as the peasants failed to meet the subsistence necessities and hoped to earn more by cultivating the "golden crop". So an economic motive was certainly there in peasants' decision to shift to jute cultivation.

But as shown by Sugata Bose the primary producers could hardly reap the benefit if the boom in jute market between 1906 and 1913, as jute manufacturers and exporters (majority of whom were British) were able to exercise their monopsony power as purchasers of raw jute, leaving the jute growers no space to bargain for prices.

The impact of commercialisation of agriculture on Indian peasant society could be assessed in light of the following points. Tirthankar Roy has argued that it is possible that the capitalists captured most or all of the increase in value-added. The rich may have become richer. But that does not mean that the poor got poorer. For, total income had increased. One could argue however that if the rich got richer and the poor remained poor (though not poorer) or became just marginally better off, that was not a very happy state of development either. In other words, commercialisation of agriculture did not benefit the majority of the peasants, although it would be hasty to conclude that it signified a "transition" from pre-capitalist to capitalist mode of production marked by the rise of a powerful rural capitalist class and the proletarianisation of the peasantry. The jute economy crashed in the 1930s and was followed by a devastating famine in Bengal in 1943. It is difficult to establish a direct connection between commercialisation and famines, even though cash crops in some areas might have driven out food grains from the better quality land, with consequent impact on output. But even if this had happened, it was an extremely localised phenomenon, as on the whole food crops and cash crops were produced simultaneously. When colonial rule came to an end, food crops were still being grown in 80 per cent of the cropped acreage. But on the whole, as noted earlier, the aggregate production of food crops lagged behind population growth. In view of this, the claim of some historians that growth of trade and integration of markets through development of infrastructure actually increased food security and contained the chances and severity of famines in colonial India remains at best a contentious issue, particularly in the context of the Bengal famine of 1943, which was preceded by a long period of consistently declining per capita entitlement of rice in the province.

Impoverishment of the peasantry in zamindari areas due to oppression of the peasants by the zamindars, impoverishment of the peasantry in ryotwari and mahalwari areas due to the excessive revenue demand of the government, minimum government investment to improve agriculture, revenue collection done in a very rigid manner, being unable to arrange the amount of revenue to

be paid, the peasants were forced to borrow money from the money lenders at high rate of interest, which they most of the time failed to return back and hence lost their rights to the lands. All these caused the indebtedness of the peasantry. This indebtedness of the peasantry especially in the rural areas grew unprecedentedly in the early 20th century.

The peasants became an easy prey to the moneylenders in the absence of state protection in the form of any rural credit policy. The discontentment of the Indian peasantry and the ever increasing oppression by the zamindari class led to a number of riots in 1857 in the Bombay presidency made the government realise the seriousness of the peasantry issues. Most of the riots and revolt of this time had a common grievance i.e., agitation against the money lenders class. Even the Revolt of 1857 also took up this cause along with other agitations against the colonial rule. The Santhal Rebellion in the mid-1850s was of course immediately aimed at the money lending community.

The Deccan riots of 1857 led to the legislation of a series of Acts by the Government regarding the problem of indebtedness and opening of credit banks. The Land Improvement Act of 1883, The Agriculturists' Loan Act of 1884, The Deccan Agriculturists' Relief Act of 1879, Punjab Land Alienation Act of 1902 were some of the Acts passed to protect the rights of the peasants and save them from the oppression of the money lenders and the zamindars. In the 20th century as well a number of Acts were passed by the Government over issues related to the agricultural indebtedness. One such example is the Redemption of the Mortgage Act of 1935.

The exploiter and the exploited were present in the India society in the past from a long time before the British rule started in India. Even in the Early Medieval times there were presence of landholding class and also landless labourers who would work as peasants. But under the British rule the equation between the land holding class and the class of peasantry changed drastically or rather deteriorated. The money lenders secured more power. Land became a valuable and saleable commodity.

The new revenue policies, the new legal system, frequently occurring famines which caused scarcity of food, growing commercialisation of agriculture- all these led to the rise of the money lending class. Many Indian Economists claimed that this rise of money lending class a direct product of the British Economical doctrines which had far reaching impact on the rural indebtedness.

REFERENCE

Bandyopadhyay, Sekhar. *From Plassey to Partition: A History of Modern India*. New Delhi: Orient Blackswan, 2004