

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

V. TRADE AND INDUSTRY

(D). GROWTH OF MODERN INDUSTRY

The period of 18th-19th century in Europe was a period of Industrial Revolution. Industrial Revolution was gradually taking place in England from 1750 onwards. As a result of the Industrial Revolution in Europe there was an increase in production of goods. Gradually hand-made products were getting replaced by the machine-made products which in turn increased the quantity of production. The rapid development of industries and increase in amount of industrial production demanded more and more markets for selling the goods. The development of the Indian industries during the period of 18th-19th century were dominated over by the imperial policy of the British Government.

Textile like cotton and silk, ship-building, handicraft were some of the major industries in India during the eighteenth century, but, by the end of the same century the flourishing economy and export of Indian goods, especially of textiles to Europe and other countries, received a major setback. The Colonial rule and its economic policies had adverse impact on Indian handicraft industries. Following the industrial revolution, not only did this export demand gradually evaporated, but colonial rule opened the Indian markets for British manufactured goods and led to "deindustrialisation" or destruction of indigenous handicraft industries in India. The policy of free trade adopted by the colonial Government and other imperialist policies of the British Government to safeguard the interest and development of industries in England were the major factors that contributed to the deinitialization in India.

The revolt of 1857 made the British government realise the importance of speedier transport and communication in India, though initiative for this

purpose had already begun a few years before. Since no large scale private capital for this huge undertaking was forthcoming, the Company decided that English companies, interest on whose capital investment was guaranteed by the state, be constituted to take up this work. Thus, with the beginning of the first phase of the development of Indian railways i.e., the 'old guaranteed system' in 1849, there was a sort of revolution in the in the process of industrialization in India. Subsequently during the later half of the nineteenth century various industries of sorts like cotton plantation, iron and steel, paper, coal mining etc started to re-emerge to make way for the growth of modern industries.

The machine age began in India with the starting of cotton textiles, jute and coal mining industries in the 1850s. The development of other mechanical industries such as rice, flour and timber mills, leather tanneries and woollen textiles, paper and sugar mills, iron and steel works and some mineral industries during the second half of the nineteenth century and beginning of the twentieth century contributed further to the development of modern industries in India.

Growth of plantation industries such as indigo, rubber, tea and coffee during the nineteenth century was a significant development in the British Indian economic history.

Cotton manufacture probably started in India and from the earliest times up till around the eighteenth-century India enjoyed extensive trade of cotton textile. Indian cotton goods were very popular in the foreign markets and thus there was huge demand for it. The Indian cotton industries began to decline from the onset of the nineteenth century as a result of the trade monopoly policy adopted by the English East India Company and also due to flooding of the Indian markets by the cheap cotton products made in the industries in England. India during that time only supplied the raw material for the cotton industries of Europe.

But the cotton mills again started to flourish during this new phase of industrial development in India. First cotton mill was started in Bombay in 1854 and by the end of the 19th century the number of cotton mills increased significantly. The mills were built mainly according to the Manchester and Lancashire design. It was Jamshedji Tata who for the first time installed the ring spindles in his mill in Nagpur. The Swadeshi movement and the boycott of the foreign goods in further gave impetus to the cotton industries in India.

Along with the development of the cotton industries there also developed the indigo plantation industries in India by the initiative of the British Government. India was famous for its indigo cultivation and it was an important article of export. Manually processing of the indigo was replaced by machine for the processing of indigo by the mid- nineteenth century. But towards the end of nineteenth century as a result of the competition put forth by the synthetic dye the indigo cultivation and dye manufactured out of it received a major set back and finally died out.

Another major plantation industry was tea, the manufacture of which also attracted the Europeans. Indian tea plantation made work opportunities for many people since this industry required a lot of manual labour. From the 1850 onwards there was expansion in tea plantation and also the tea industries flourished and made huge profit.

The coffee industry also developed and flourished during the same time and some years later the rubber industry was also developed.

Another important industry was that of coal mining which developed during this time. Coal being a much-needed commodity in the daily life of people as known since ancient time but there was not scope for its large-scale production. The industry for the mining of coal that developed during this period was a slow runner at the beginning but during the second half of the second half of the

nineteenth century it gained momentum and flourished. Its demands increased and so did the establishment of more industries for serving that purpose. The development of the railway system of communication helped in transport of coal from one place to another.

Iron and steel manufacture in India have begun a long time ago. But due some reasons it could not flourish. There were a series of experiments and initiative and attempts taken up by the Government and the European firms for the establishment of modern Iron and steel industries. However, the iron and steel industries could not stabilize before the twentieth century.

Thus, the first phase of industrialization in India were dominated by the European managing agencies. It saw the development of light manufacturing industries, planting and mining industries which relied heavily of market abroad.
