

# VIDYA BHAWAN BALIKA VIDYA PITH

## शक्ति उत्थान आश्रम लखीसराय बिहार

Class 12 commerce Sub. ECO(b) Date 10.04.2021

Teacher name – Ajay Kumar Sharma

### INDIAN ECONOMY ON THE EVE OF INDEPENDENCE

#### AGRICULTURAL SECTOR

India's economy under the British colonial rule remained fundamentally agrarian — about 85 per cent of the country's population lived mostly in villages and derived livelihood directly or indirectly from agriculture (See Box 1.2)

. However, despite being the occupation of such a large population, the agricultural sector

#### Box 1.2: Agriculture During Pre-British India

The French traveller, Bernier, described seventeenth century Bengal in the following way: "The knowledge I have acquired of Bengal in two visits inclines me to believe that it is richer than Egypt. It exports, in abundance, cottons and silks, rice, sugar and butter. It produces amply — for its own consumption — wheat, vegetables, grains, fowls, ducks and geese. It has immense herds of pigs and flocks of sheep and goats. Fish of every kind it has in profusion. From *rajmahal* to the sea is an endless number of canals, cut in bygone ages from the Ganges by immense labour for navigation and irrigation."



Fig. 1.1 India's agricultural stagnation under the British colonial rule

➤ Take note of the agricultural prosperity in our country in the seventeenth century. Contrast it with agricultural stagnation around the time when the British left India, around 200 years later.

continued to experience stagnation and, not infrequently, unusual deterioration. Agricultural productivity became low though, in absolute terms, the sector experienced some growth due to the expansion of the aggregate area under cultivation. This stagnation in the agricultural sector was caused mainly because of the various systems of land settlement that were introduced by the colonial government. Particularly, under the zamindari system which was implemented in the then Bengal Presidency comprising parts of India's present-day eastern states, the profit accruing out of the agriculture sector went to the zamindars instead of the cultivators. However, a considerable number of zamindars, and not just the colonial government, did nothing to improve the condition of agriculture. The main interest of the zamindars was only to collect rent regardless of the economic condition of the cultivators; this

caused immense misery and social tension among the latter. To a very great extent, the terms of the revenue settlement were also responsible for the zamindars adopting such an attitude; dates for depositing specified sums of revenue were fixed, failing which the zamindars were to lose their rights. Besides this, low levels of technology, lack of irrigation facilities and negligible use of fertilisers, all added up to aggravate the plight of the farmers and contributed to the dismal level of agricultural productivity. There was, of course, some evidence of a relatively higher yield of cash crops in certain areas of the country due to commercialisation of agriculture. But this could hardly help farmers in improving their economic condition as, instead of producing food crops, now they were producing cash crops which were to be ultimately used by British industries back home. Despite some progress made in irrigation, India's agriculture was starved of investment in terracing, flood-control, drainage and desalinisation of soil. While a small section of farmers changed their cropping pattern from food crops to commercial crops, a large section of tenants, small farmers and sharecroppers neither had resources and technology nor had incentive to invest in agriculture.