

ECONOMIC CAUSES

By

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- 1. Exploitation of Economic Resources
- 2. Drain of Wealth
- 3. Decay of Cottage Industries and Handicrafts
- 4. Economic Decline of Peasantry
- 5. Growing Unemployment
- 6. Inhuman Treatment of Indigo Cultivators
- 7. Poverty and Famines
- 8. Decline of Landed Aristocracy

1. Exploitation of Economic Resources

- Agricultural India was made an economic colony to serve the interests of industrial England.
- India was forced to export at cheaper rates raw materials like raw cotton and raw silk that the British industries needed urgently; plantation products (like indigo and tea); and food grains which were in short supply in Britain.

- India was made to accept readymade British goods either duty-free or at nominal duty rates, while Indian products were subjected to high import duties in England.
- The Indian handmade goods were unable to compete with the cheaper, machine-made British products.
- This ruined the Indian industry, deprived the artisans of their income and reduced the avenues of employment for labour.
- On the other hand, the export of raw materials and food grains deprived the country of her agricultural surplus and raised the prices of raw materials.
- Thus, the change in the nature of India's trade became an instrument for exploiting India's resources.

2. Drain of Wealth

- Till the Battle of Plassey (1757), the European traders used to bring gold into India to buy Indian cotton and silk.
- However, after the conquest of Bengal, the British stopped getting gold into India.
- They began to purchase raw material for their industries in England from the surplus revenues of Bengal and profits from duty-free inland-trade. Thus, began the process of plundering India's raw materials, resources and wealth by Britain.
- **The transfer of wealth from India to England for which India got no proportionate economic return, is called the *Drain of Wealth*.**
- The drain included the salaries, incomes and savings of Englishmen, the British expenditure in India on the purchase of military goods, office establishment, interest on debts, unnecessary expenditure on the army, etc.

3. Decay of Cottage Industries and Handicrafts

- Heavy duties on Indian silk and cotton textiles in Britain destroyed Indian industries. On the other hand, British goods were imported into India at a nominal duty.
- By the middle of the 19th century, export of cotton and silk goods from India practically ceased.
- The art of spinning and weaving, which for ages had given employment to thousands of artisans, became extinct.

Economic Decline of Peasantry:

- The peasants were discontented with the official land revenue policy and the consequent loss of their land.
- In fact, it was the peasantry that bore the heavy burden of exorbitant taxes to provide money for the trade and profits of the Company, the cost of administration and the wars of British expansion in India.
- For example, in Bengal, the land revenue was raised to double the amount collected under the Mughals in a period of thirty years. Not even a part of this revenue was spent on the development of agriculture or on the welfare of the cultivator.

- Increase in the land revenue forced many peasants into indebtedness or into selling their lands.
- The traditional zamindars were replaced by merchants and moneylenders. These new landowners had no concern for the peasants. They pushed rents to exorbitant levels and evicted their tenants in case of non-payment.
- The economic decline of the peasants affected cultivation and led to many famines.

Growing Unemployment

- The traditional rulers had given financial support to scholars, preachers and men of arts. The coming of the British led to the decline of such rulers and gradually their patronage came to an end. Thus, all those who depended on their patronage were impoverished.
- When the native States were annexed to the British dominion, thousands of soldiers and officials in administrative, military and judicial posts became unemployed because **British policies excluded Indians from high posts**. All these people became bitter enemies of the British rule in India.

Inhuman Treatment of Indigo Cultivators

- Indigo trade was highly profitable to the British but the conditions under which the peasants had to work were inhuman.
- The peasants were forced to cultivate only indigo in the fields chosen by the British planters.
- If they planted anything else, their crops were destroyed, and their cattle was carried off as punishment.

Poverty and Famines

- British economic exploitation, decay of indigenous industries, high taxation, the drain of wealth, stagnation of agriculture and exploitation of the poor peasants reduced the Indians to extreme poverty.
- Famines ravaged all parts of the country in the second half of the 19th century. There were twelve major and numerous minor famines between 1770 and 1857. The famines were the result of drought, other natural calamities as well as bad administration. The British government did nothing to lessen people's misery.

Decline of Landed Aristocracy

- The landed aristocracy which included the taluqdars and the hereditary landlords were deprived of their estates.
- According to the provisions of the *Inam Commission (1852)*, 20,000 estates were confiscated when the landlords failed to produce evidence like title-deeds by which they held the land.
- These confiscated lands were sold by public auction to the highest bidders. Such estates were usually purchased by merchants and moneylenders who did not understand the tenants and fully exploited them.
- This drove the landed aristocracy to poverty without benefitting the peasantry which suffered under the weight of exorbitant land revenue.
- The landed aristocracy of Awadh faced many hardships after the annexation of Awadh as they were deprived of their estates.

ECONOMIC CAUSES IN SHORT

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