

STAGES OF BRITISH RULE IN INDIA

3. FINANCE CAPITAL

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THREE STAGES

- ① 1. Merchant capital
- ② 2. Industrial capital
- ③ 3. Finance capital

FINANCE CAPITAL

- ◉ The third stage of British colonialism is known as Finance Capitalism which began after 1860.
- ◉ from the closing years of the 19th century and continuing till independence.
- ◉ The rebellion of 1857 was the most vehement expression of the people's resentment, more particularly of the peasantry, against British colonial policies.
- ◉ After the rebellion, there was a collusion between the British and India's conservative and reactionary elements.

FINANCE CAPITAL..

- ◉ During this phase, finance-imperialism began to entrench itself through the managing agency firms, export-import firms, exchange banks, and some export of capital
- ◉ To meet their commercial and social needs roads and railways, post and telegraph, banking and other services were developed.
- ◉ These measures helped in augmenting the investment of British capital in India.
- ◉ As a result of these capital investments, the burden of British public debts on India kept on increasing exponentially every year.

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- ◉ To retain control over Indian capital and industrial development, the 'managing agency' system was also adopted.
- ◉ During this third phase India, in the real sense, became a colony of Britain.

CONCLUSION

- ◉ The effect of all this on Indian economic and social life was disastrous.
- ◉ The former Indian manufacturing centres were depopulated and destroyed, the pressure on the existing cultivable land increased enormously, the old basis of village economy was dismantled, and India was reduced to not only a market for British goods but also an agricultural colony of Britain for the supply of raw materials.

CONCLUSION

- As a result of the nearly two-centuries-long economic exploitation of India by England, the Indian economy was not only completely ruined, but the basic character of almost every aspect of Indian economy also totally altered.

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