

Commercialization of Agriculture During British Rule in India

What is Commercialization of Agriculture?

Commercialisation of agriculture is a phenomenon where agriculture is governed by commercial consideration i.e. certain specialised crops began to be grown not for consumption in village but for sale in national and even in international market.

Commercialization of agriculture in India began during the British rule. Revolutionary changes had occurred in the agrarian property relations towards the end of the 18th century. The commercialization of Indian agriculture started post 1813 when the industrial revolution in England gained pace. Commercialization of agriculture became prominent around 1860 A.D (during American Civil War which boosted demand of Cotton from India to Britain as America was not able to export Cotton).

The commercialization of Indian Agriculture took place not to feed the industries of India because India was far behind in industrial development as compared to Britain, France, Belgium and many other European countries of eighteenth century.

The commercialization of Indian Agriculture was done primarily to feed the British industries that it was taken up and achieved only in cases-of those agricultural products which were either needed by the British industries or could fetch cash commercial gain to the British in the European or American market.

For example, several efforts were made to increase the production of cotton in India to provide raw and good quality cotton to the cotton-textile industries of Britain which were growing fast after the Industrial Revolution in Britain. Therefore, cotton growing area increase in India and its production increased manifold with gradual lapse of time. Indigo and more than that, tea and coffee plantation were encouraged in India because these could get commercial market abroad.

Most of the plantations for commercial crops were controlled by the English. Jute was another product that received attention of the English company because the jute made products got a ready market in America and Europe.

Cash transactions become the basis of exchange and largely replaced the barter system.

How Commercialization of Agriculture Happened?

The commercialization of India agriculture was initiated in India by the British through their direct and indirect policies and activities.

The new land tenure system introduced in form of permanent settlement and Ryotwari

Settlement had made agricultural land a freely exchangeable commodity.

The Permanent settlement by giving ownership right to the zamindars created a class of wealthy landlords; they could make use of this ownership right by sale or purchase of land. Further, the agriculture which had been way of life rather than a business enterprise now began to be practiced for sale in national and international market.

Moreover, crops like cotton, jute, sugarcane, ground nuts, tobacco etc. which had a high demand in the market were increasingly cultivated. The beginning of the plantation crops like Tea, coffee, rubber, indigo etc heralded a new era in agricultural practices in India. These were essentially meant for markets and thus commercialization of agriculture took to new heights with the expansion of the British rule.

The commercialization of agriculture was a forced and artificial process for the majority of Indian peasants. It was introduced under coercion of the British and not out of the incentive of peasantry at large. The peasantry went for cultivation of commercial crops under duress. He had to pay the land revenue due to the British government in time. Moreover, he had to grow commercial crop on a specified tract of his land under the oppression of planters.

What Caused Commercialization of Agriculture in India during British Period?

A large number of factors encouraged and facilitated commercialization of Indian agriculture. The political unity established by the British and the resultant rise of the unified national market was an important factor. Further, the spread of money economy replaced the barter and agricultural goods became market items.

The chief factor was the colonial subjugation of India under the British rule. India was reduced to the supplier of raw materials and food grains to Britain and importer of British manufactured goods. Many commercial crops like, cotton, jute, tea, tobacco were introduced to meet the demand in Britain.

The replacement of custom and tradition by competition and contract also led to the commercialization of Indian agriculture

Better means of communication (equipped with rapid development of railways and shipping) made trade in agricultural products feasible, especially over long distances.

The emergence of grain merchants was a natural adjunct to this and greatly facilitated agricultural trade.

Monetization of land revenue payments was another important casual factor for agricultural commercialization.

Another boosting factor for commercialization of agriculture in India was the gaining of speed of Industrial Revolution in England. This led to factor in commercialization as more and more agricultural goods were produced to satisfy the demand for raw materials by the British industries.

The enlargement and expansion of international trade and the entry of British finance capital also belted commercialization of agriculture.

Increasing demand for some of the commercial crops in other foreign countries gave impetus to commercialization of agriculture.

The American Civil War also indirectly encouraged commercialization of agriculture in India: the British cotton demand was diverted to India. The demand of cotton was maintained even after the civil war ceased because of the rise of cotton textile industries in India.

British policy of one way free trade also acted as sufficient encouraging factor for commercialization as the manufactured items in textile, jute etc could find free entry in Indian markets, where as the manufactured goods did not have similar free access to European markets.

The peasants went in for growing commercial crops to pay back the interests due to money lenders in time.

What was Impact of Commercialization of Agriculture?

- 1) Increase in Equality-Normally speaking, it should have acted as a catalyst in increasing agricultural productivity. But, in reality this did not happen due to poor agricultural organization, obsolete technology, and lack of resources among most peasants. It was only the rich farmers; who benefited and this in turn, accentuated inequalities of income in the rural society.
- 2) Major benefits to planters, traders and manufacturers- The commercialization of agriculture beneficial to the British planters, traders and manufacturers, who were provided with opportunity to make huge profits by getting the commercialized agricultural products at, throw away prices. The commercialization of Indian agriculture also partly benefited Indian traders and money lenders who made huge fortunes by working as middlemen for the British.
- 3) Increased dependency on moneylenders-The poor peasant was forced to sell his produce just after harvest at whatever prices he could get as he had to meet in time the demands of the government, the landlord, the money lender and his family members' requirements. This placed him at the mercy of the grain merchant, who was in a position to dictate terms and who purchased his produce at much less than the market price. Thus, a large share of the benefit of the growing trade in agricultural products was reaped by the merchant, who was very often also the village money lender. Commercialization of agriculture did not encourage growth of land market because major profit of commercialisation went to company traders and mediators. Indian money lenders advanced Cash advances to the farmers to cultivate the commercial crops and if the peasants

failed to pay him back in time, the land of peasants came under ownership of moneylenders.

- 4) Decline in Food Production & Frequent Famine-Most of the Indian people suffered miserably due to the British policy of commercialization of Indian agriculture. It resulted in reduced area under cultivation of food crops due to the substitution of commercial non-food grains in place of food grains. Between 1893-94 to 1945-46, the production of commercial crops increased by 85 percent and that of food crops fell by 7 percent. This had a devastating effect on the rural economy and often took the shape of famines.
- 5) Impoverishment of Indian People- The misery was further enhanced because the population of India was increasing every year, fragmentation of land was taking place because of the increasing pressure on land and modern techniques of agricultural production were not introduced in India. Thus, the commercialization of agriculture in India by the British was also one of the important causes of the impoverishment of the Indian people.
- 6) Regional Specialization of crop- Regional specialization of crop production based on climatic conditions, soil etc., was an outcome of the commercial revolution in agriculture. Deccan districts of Bombay presidency grew cotton, Bengal grew jute and Indigo, Bihar grew opium, Assam grew tea, Punjab grew wheat, etc.
- 7) Linking Agriculture sector to World Market- Another important consequence of the commercial revolution in agriculture was linking of the agricultural sector to the world market. Price movements and business fluctuations in the world markets began to affect the fortunes of the Indian farmer to a degree that it had never done before. The farmer in his choice of crops attached greater importance to market demand and price than his home needs. The peasant class got adversely affected owing to imbalances in market condition.
- 8) Adverse effect on self-Sufficiency-Commercialization of agriculture adversely affected self-sufficiency of village economy and acted as major factor in bringing the declining state in rural economy.
- 9) Effect on traditional agriculture-industry relation-Commercialisation effected traditional relations between agriculture and industry. In India, traditional relations acted as factors for each other's development which were hampered
- 10) No Technological Development-Commercialization of agriculture indicated a commercial revolution. But this was devoid of any support from any technological revolution. Owing to true the healthy benefits which agriculture and associated fields would have enjoyed were lacking.

The commercialization of agriculture had mixed effects. While it assisted the industrial revolution in Britain, it broke the economic self-sufficiency of villages in India. The commercialization of agriculture was a new phenomenon in Indian agriculture scene introduced by the British. While the upper class and British

industries benefited-from it, the Indian peasants' life was tied to remote international market.

11) Peasant Revolts-The worst effect of commercialization was the oppression of Indian peasants at hands of European. This found expression in the famous Indigo revolt in 1859. Moreover, commercialization of Indian agriculture got manifested in series of famines which took a heavy toll of life.

Positive Impacts of Commercialization of Agriculture:

In spite of having many negative effect commercializations in one sense was progressive event. Commercialisation encouraged social exchange and it made possible the transformation of Indian economy into capitalistic form.

Commercialisation linked India with world economy. It led to the growth of high level social and economic system. The important contribution of commercialisation reflected in integration of economy. It also created a base for growth of national economy commercialisation of agriculture led to growth of national agriculture and agricultural problem acquired national form.

It also brought about regional specialization of crops on an efficient basis.