

BRITISH INDUSTRIAL REVOLUTION IN INDIA: BOON OR CURSE

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Abstract

The economic impact of the colonial rule on India is said to be as black as coal because industrialization affected India from the smallest to the greatest sector. It ruined the country fully. Before the advent of the rule of Britishers, India was very much popular for its handmade goods like textiles such as silk sarees of Dhaka & other items like spices, etc. Slowly & gradually Britishers & other foreigners started exploring Indian resources & their intelligence with greedy minds led a country growth & development on the road running towards poverty. It is very sad to say that India which was once called as a Golden Bird now referred as Impoverished Nation & who is responsible for is none other than our modernization leaders only not only brought social reforms, Christianity & new education system replacing Gurukul but also successfully transformed India into a mere exporter of raw materials beneficial to English men rather than exports of gold, spices & silk for which India is known in other countries & also the importer of finished goods made by those English men who aimed to sell it in a low cost than Indian made goods which were also in a low quantity than foreign goods. It looks so funny that how, why & when Indians allowed them to exploit our country so brutally that the prodigy is studying not in the senses of Indians but what Britain wanted to teach us about their values of industrialization & its expansion to their colonies. It will be clear by the end that how Britishers played smartly to bring their influence on each & individual for this drastic change of India. There is no denying the fact that what we are today is because of them but we should also not forget that our culture & tradition of our forefathers has been replaced completely by the Western & European culture & economy & the same countries love their own culture so much that they know how to give importance to own self to rich to the point of success than pirating others' policies & programs.

Keywords: Industrial Revolution, Agriculture Sector, Industrial Sector & Modern Economic Policy.

“Capital is dead labor, which, vampire-like, lives only by sucking living labor.”

Karl Marx, Das Kapital

In 1867, the first volume of Marx's Das Kapital (Capital) was published in German, well behind schedule. The book was an extensive treatise on the political economy, in which Marx declared that the driving force behind was the exploitation and alienation of labor. Marx argued that employers paid workers the market value for their labor in producing the commodities whose final value in the market place exceeded the value given to the labor force. This surplus value was taken by the employers because they claimed that, as the owners of the capital, they were entitled to the profit. This increased the amount of capital held by the employers, and thus perpetuated the conditions whereby capitalism could continue the exploitation of the labor force.¹

¹ Peter Furtado (et al.), *1001 Days That Shaped the World*, 566, 3rd Ed., 2014

Das Kapital focused on the structure and contradictions within the capitalist system, rather than class antagonisms. As such, it does not advocate revolution. Instead, Marx argued that if the right conditions prevail, successive crisis of growth, followed by collapse, followed by growth can create the conditions for revolution, or at the very least, transition to a new mode of production. Marx claimed that Das Kapital was an attempt to analyze the political economy to the point where it could be dialectically represented, and thus provide a scientific justification for the modern labor movement. His aim was to show how capitalism was the natural precursor of a new, socialist form of production in which the workers took control of the means of production.²

Although Marx died before subsequent volumes of Das Kapital were published in 1883 and 1885, the book can still be seen as the scientific culmination of the arguments he proposed in his most famous work, The Communist Manifesto, published in 1848, and written with Friedrich Engels.³

British Industrial Revolution -

Transformation of industry & economy in Britain between the 1780s & 1850s was the first British Industrial Revolution. It spread to other European Countries & the USA. It led to a development of new machinery & technologies. Inventors of technologies & machines are businessmen, richest people & educated people in basic sciences.⁴

The following scholars used the term 'Industrial Revolution' for the first time: Friedrich Engels in Germany, Georges Michelet in France & Arnold Tonybee in England. The term 'Industrial Revolution' was first time used by Arnold Tonybee while giving lectures on the Industrial Revolution at the Oxford University. Historians who accepted Tonybee's definition of Industrial Revolution were Paul Mantoux, TS Ashton & Eric Hobsbawm.⁵

Development in England -

Between 1780s & 1820s, the following development & changes occurred in England:

- Remarkable economic growth
- Growth of cotton, iron industries & coal mining
- Building of roads & canals
- Growth of foreign trade

Britain experienced the Industrial Revolution first. Political factors behind this are: 17th century onwards, England was politically stable. Wales & Scotland were unified with England under monarchy & common laws were introduced. Economic factors were single currency, stable market, uniform tax system, increased prices & usage of money. People received their wages as salaries not as goods. They had choices to spend their earnings. It therefore resulted in the increase in markets for sale of goods.⁶

The 18th century England witnessed the growth of many towns & population. Out of 19 European cities whose population doubled between 1750 & 1800, 11 cities were in Britain. London was the largest city in England. It was hub of markets. London was a city of global trade & significance. Global trade shifted from Mediterranean ports of Italy & France to the Atlantic ports of Holland & Britain. It became the international trade place by replacing Amsterdam. Companies trading in America & Asia had offices in London. The movements of good in London was facilitated by rivers & coastline. Transport by waterways was cheaper & faster. During 1724, Rivers in England provided 1160 miles of navigable water.⁷

The financial system of England was implemented by the Bank of England in the year 1694. In 1784, more than hundred provincial banks came up. There were total 600 banks that were found out of which 100 banks were alone situated in England to curb the grievances of industries.⁸

² Ibid

³ Supra 1

⁴ KM Publisher & Distributor, Themes in World History, 2016

⁵ Ibid

⁶ Supra 4

⁷ Supra 4

⁸ Supra 4

During 18th century, 26000 inventions were made between 1782 & 1800. Of these four major changes of the Industrial Revolution were:

- Transformation of iron industry.
- Transformation of spinning & weaving of cotton.
- Development of steam power
- Coming of the railways

Common people experienced the following changes:

- Negative changes in their lives
- Broken families
- New addresses due to frequent migration
- Degraded cities
- Poor working conditions in factories

Impact of Industrial Revolution in Britain -

The number of cities in England with a population of over 50,000 grew from 2 in 1750 to 29 in 1850. Urban growth did not provide adequate housing, sanitation & clean water. Newcomers had to live in overcrowded slums near factories. In 1842, life expectancy of workers was lower compared to non-workers. The life expectancy in Birmingham was 15 years, in Manchester 17 & in Derby 21 years. Many people died at young age. Children lived only up to the age of 5. Deaths were caused by diseases like cholera & typhoid. In 1832, more than 31000 people died due to cholera. Many workers died in the industrial area. During the Industrialization, children & women were forced to work in factories. Unbroken hours of the same kind of work under strict discipline, received sharp forms of punishment and had to earn money to supplement men's meager wages. Industrialists preferred to employ women & children because of their less agitating nature. They did not agitate against the poor working conditions & worked for lower wages as compared to men. They were in large numbers in the cotton textile industry in Lancashire & Yorkshire. They were the main workers in the silk industry. Children faced the following health hazards in the factories: They had to work long hours, had to do cleaning of the machines on Sundays, did not get healthy atmosphere in the factories, caught their hairs in machines, crushed their hands & died when they fall into machines as they dropped off to sleep from exhaustion. Coal mines were dangerous places to work in & they worked as trappers who opened & shut doors as the coal wagons travelled through mines. They carried heavy loads of coal on their back & sometimes roofs collapsed due to which accidents occurred many a times.⁹

Criticisms of Industrial Revolution -

Charles Dickens in his novel *Hard Times*, he wrote a fictional account of an industrial town he aptly called Coketown. He called this development as the Horror of Industrialization. D.H. Lawrence was a British essayist & novelist. He described the change in a village in the coal-belt about which he had heard from older people.¹⁰

The French Revolution started from 1789 ended in 1794 explored new political ideas. It taught the mass in England the movements for Liberty, Equality & Fraternity and inspired them for a collective action. In England workers protested against the harsh working conditions of the factories, they were demanding for right to vote because this right was snatched away from them when new laws were made & the government reacted harshly & boldly instead helping them. While the workers protest was going on in the country so they faced the following problems: England had been at war with France for a long time from 1792 to 1815, trade between England & Europe was disrupted, factories were forced to shut down, unemployment grew & the price of essential items of food like bread & meat increased. The Parliament in England enacted two Combination Acts in 1795. They prohibited the following activities of the people like to incite the people to protest by speech or writing, to spread hatred or contempt of the King & unauthorized public meetings of over 50 persons.¹¹

⁹ *Supra* 4

¹⁰ *Supra* 4

¹¹ *Supra* 4

The introduction of machines in the cotton industry threw handloom weavers out of work & into poverty. From 1790s, these weavers demanded a legal minimum wage, which was refused by Parliament. In Lancashire, they destroyed the powerlooms which they believed had destroyed their livelihood. The same was the case in the woollen knitting industry in Nottingham, Leicestershire & Derbyshire. In Yorkshire, croppers destroyed shearing frames. Traditionally, they sheared sheep by hand. In the riots of 1830, farm labourers found their jobs threatened by the new threshing machines. The rioters smashed these machines. Nine of them were hanged & 450 were sent to Australia as convicts. The ideology of Luddism fought for the workers affected by the arrival of new machines. General Ned Ludd was its leader. Minimum wages for all workers, control over women & children in factories, work for the affected people due to the arrival of new machinery & right to form workers' Union to demand rights legally were the common demands of Ludd. At the beginning of industrialization, the working-class people did not have voting rights. In August 1819, nearly 80,000 people gathered peacefully at St. Peter's Fields in Manchester. Demand for democratic rights like political organizations, public meetings & freedom of the press were laid down.¹²

Workers' protest was crushed with iron hand by the government which is known as the Peterloo Massacre. All their demands were denied by the Six Acts enacted by the Parliament in 1819. This was an extension of the Combination Acts of 1795 which were repealed in 1824-25. After the Peterloo Massacre, the following changes happened: The need to make the House of Commons more representative was recognized by liberal political groups.¹³

- Laws in 1819: ‘

Prohibited the employment of children under nine.

They also reduced the working hours of those who were between nine & sixteen to 12 hours of a day.

- Act in 1833:

Permitted children under nine to be employed only in silk factories.

Provided a number of factory inspectors to ensure that the Act was enforced.

- The Ten Hours' Bill in 1847:

Enacted after more than 30 years of agitation.

Limited the hours of work for women & young people.

Secured a 10-hour day for male workers.

- The Mines Commission:
 - ✓ The Mines Commission of 1842:

Set up to look into the working conditions in mines.

Found that children had been put to work in coal mines.

- ✓ The Mines & Colliers Act of 1842:

Prohibited children & women from working in underground areas.

- ✓ Fielder's Factory Act in 1847:

Prohibited children under eighteen & women from working more than 10 hours a day.

Some historians do not describe the changes in England between the 1780s & the 1820s as the Industrial Revolution. Their main argument is that Industrial Revolution did not touch the whole country except in the cities like London, Manchester, Birmingham or New Castle.¹⁴

British Industrial Revolution in India -

¹² *Supra* 4

¹³ *Supra* 4

¹⁴ *Supra* 4

The structure of India's present-day economy is not just of current making; it has its roots steeped in history, particularly in the period when India was under British rule which lasted for almost two centuries before India finally won its independence on 15 August 1947. The sole purpose of the British colonial rule in India was to reduce the country to being a raw material supplier for Great Britain's own rapidly expanding modern industrial base. An understanding of the exploitative nature of this relationship is essential for any assessment of the kind & level of development which the Indian economy has been able to attain over the last six & half decades.¹⁵

India had an independent economy before the advent of the British rule. Though agriculture was the main source of livelihood for most people, yet, the country's economy was characterized by various kinds of manufacturing activities. India was particularly well known for its handicraft industries in the fields of cotton & silk textiles, metal & precious stone works, etc. These products enjoyed a worldwide market based on the reputation of the fine quality of material used & the high standards of craftsmanship seen in all imports from India.¹⁶

The economic policies pursued by the colonial government in India were concerned more with the protection & promotion of the economic interests of their home country than with the development of the Indian economy. Such policies brought a fundamental change in the structure of the Indian economy, transforming the country into supplier of raw materials & consumer of finished industrial products from Britain.¹⁷

Obviously, the colonial government never made any sincere attempt to estimate India's national & per capita income. Some individual attempts which were made to measure such incomes yielded conflicting & inconsistent results. Among the notable estimators were Dadabhai Naoroji, William Digby, Findlay Shirras, V.K.R.V. Rao & R.C. Desai – it was Rao, whose estimates during the colonial period was considered very significant. However, most studies did find that the country's growth of aggregate real output during the first half of the twentieth century was less than two per cent coupled with a meagre half per cent growth in per capita output per year.¹⁸

Agriculture Sector –

India's economy under the British colonial rule remained fundamentally agrarian about 85% of the country's population lived mostly in villages & derived livelihood directly or indirectly from agriculture. However, despite being the occupation of such a large population, the agricultural sector continued to experience stagnation & to 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 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 cultivators. However, a considerable number of zamindars, & not just the colonial government, did nothing to improve the condition of agriculture. The main interest of zamindars was only to collect rent regardless of the economic condition of the cultivators; this caused immense misery & social tension among the latter. To a very 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 & negligible use of fertilizers, all added up to aggravate the plight of the farmers & 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 commercialization of agriculture.¹⁹

Industrial Sector –

¹⁵ National Council of Educational Research and Training, *Indian Economic Development*, 4, 2015

¹⁶ *Supra* 15 at page 4

¹⁷ *Supra* 15 at page 5

¹⁸ *Supra* 15 at page 5 & 6

¹⁹ *Supra* 15 at page 7

India could not develop a sound industrial base under the colonial rule. British industries were taking a place of Indian industries which was destroying the handicraft industries. The Britishers wanted Indian market to get converted into a mere exporter of raw materials & importer of British made finished goods thus handicapping the Indian handicraft workers, traders & merchants. Consequently, it all brought massive unemployment in the country & also gave a new choice to the consumers in place of locally made goods. Many new industries also came into existence like cotton & jute textile mills mainly dominated by Indians located in the states like Maharashtra, Gujarat & Bengal. The Tata Iron & Steel Company (TISCO) was established in 1907. Other industries like that of cement, sugar, paper, etc. also came into force in the twentieth century. There was no development of capital-based industries due to monopolization of Britishers over the industries as it was only the hub of Britishers to earn & extract money & resources as well. Gross Domestic Product was lower than early rate. Industrial sector remained confined only to the railways, power generation, communications, ports & other departmental undertakings.²⁰

It is said that share of Indian economy in the World declined from 23% to 3% after independence. Under the Indian Charter Act 1813, one-way free trade was introduced by the Britishers & as such 80% tariff was put on the Indian textiles. Nothing was done to enhance modern industrialization as it was basically called as re-intensified industrial revolution of Europe in India, it was a kind of de-industrialization of India as one other reason of de-industrialization was loss of patronage from kings. People who used to work for handicraft industries were getting unemployed due to which agriculture sector of India was over-burdened & decline of cities was seen & this was called as Ruralization. Unemployment situation not only brought Ruralization in Indian era but also converted good number of peasants into impoverished peasants & there are many causes like Permanent Settlement System, transferability of land, no improvement of land productivity. So, peasants were the ultimate sufferer under three main heads i.e., government, zamindar & money lender. This period of British age was also seen as the formation of intermediary class & land-lordism that was not a system of zamindari, however it replaced the latter or it can be said that it had ruined zamindari system where the zamindars used to help the farmers who were actually in need & also collected the revenue for the king. Land-lords assigned by the foreigners were mainly either by land grabbing or sub-infeudation system. Government spent little on agriculture, technical or mass education due to which stagnation & deterioration of agriculture took place. Between 1850 & 1900, 2.8 crore people died in famines. In later half of 19th century, commercial crops like cotton, jute, groundnut oil seeds, sugar cane, tobacco, condiments spices, fruits & vegetables, tea, coffee, rubber & indigo are commercial crops which set an example of commercialization of Indian agriculture. It encouraged many factors like –

- Spread of money economy
- Replacement of Custom & Tradition by competition & contract
- Emergence of Unified National Market
- Growth of Internal Trade
- Improvement in communications through rail & roads
- Boost to international trade given by entry of British finance capital, etc.

It can be interpreted that destruction of industry took place abundantly with a late development of modern industry. Ship building industries were destroyed at Surat & Malabar on the Western Coast & Bengal & Masulipatnam on the Eastern Coast. In 1813, a law by the British Parliament prohibited ships below 350 tonnes from sailing between India to Britain. Another law in 1814, made like that that Indian built ships were refused to be considered 'British Registered Ships' that could trade with America & Europe continent. Another example of their brutal policy of economics was to stop steel industry to grow.

In the mid nineteenth century, modern machine-based industries started coming like first cotton textile mill in 1853 in Bombay by Cowasjee Nanabhoy & secondly first jute mill came up in 1855 in Rishra (Bengal).

Indian owned industries suffered from many handicaps like credit problems, no tariff protection by the government, unequal competition from foreign companies, stiff opposition from British capitalists' interests who were backed by sound financial & technical infrastructure at home. Hence rise of industrial capitalists' class & working class could be seen. With the rise of new industrial base in India, national critique of colonial economy suggested some crucial points regarding the same i.e., one of the critics was economic

²⁰ *Supra* 15 at page 8

analyst who was Dadabhai Naoroji, 'The Grand Old Man of India' put the theory of economic drain in Poverty & Un-British Rule in India. Other economic analysts include Justice Mahadeo Govind Ranade, Romesh Chandra Dutt, Gopal Krishna Gokhale, G. Subramaniya Iyer & Prithwish Chandra Ray talk about transformation of India into a supplier of food stuffs & raw materials to the metropolis & a field for investment of British capital. This is how it all advocated India's complete severance of India's economic subservience to Britain. Conclusively, it led to the Economic Drain & so the effects were like that according to nationalist estimates, the economic drain at that time was more than the total land revenue, half the total government revenue, one third of total savings (in today's terms, it amounted to 8% of the National Product).²¹

Conclusion –

Marxist Historians, esp., Rajni Palme Dutt, identified 3 overlapping stages & these are –

Stage I: This stage is called as Period of Merchant Capital (Mercantilism) that often described as Period of Monopoly Trade & Direct Appropriation (or the Period of East India Company's Dominion, 1757-1813) based on two objectives: Firstly, to acquire a monopoly of trade with India, against other English or European merchants or trading companies as well as against the Indian merchants. Secondly, to directly appropriate or take over governmental revenues through control over state power. No changes in administration, judicial system, transport & communication, methods of agriculture or industrial or industrial production, forms of business management or economic organization. Nor were any major changes made in education or intellectual field, culture or social organization. In fact, the traditional Indian civilization, religious, laws, caste system, family structure, etc., were not seen as obstacles in the colonial administration. The only changes made were in military organization & technology which native rulers were also introducing in their armed forces, in administration at the top of the structure of revenue collection so that it could become more efficient & smooth. In this phase, large scale drains of wealth which constituted 2 to 3% of Britain's national income at the time. This wealth played a role in financing Britain's industrial revolution. No large-scale import seen, increase in export of Indian textiles was also seen & Indian weavers ruined by the company's monopoly & exploitation as they were forced to produce under uneconomic compulsions.

Stage II: This stage is termed as Colonialism of Free Trade. It started with Charter Act of 1813 & continued till 1860s. East India Company became ruler. There was a debate started in Britain on the working of the East India Company that now on whose interests the newly acquired colony would serve. According to newly emerging industrial capitalists, East India Company was not working as it should had worked so they began to criticize the East India Company & its exploitation as like the exports of raw materials was increased sharply to meet the dividends of the Company & profits of British merchants & there was a need of money to pay for pensions of British officials who would go to Britain after retirement. In this phase, the following dominant features were visible:

- India's economy integrated with British & World capitalist economy.
- Import duties in India were totally removed.
- Permanent Settlement & Ryotwari System in agriculture were introduced to transform traditional agrarian structure into a capitalist one.
- Administration was made more comprehensive & included villages & outlying areas of the country. These changes were brought to make British goods reach, so, agricultural products were drawn from, interior villages & remotest parts.
- Laws that were in favour of Britishers were not amended but other laws like Criminal Law, Law of Contract & legal procedures were overhauled to promote capitalist commercial relations & maintains law & order.
- Modern education was introduced to provide cheap manpower to the vastly expanded administration. However, it was also aimed at transforming India's society & culture for two reasons i.e., firstly to create an overall atmosphere of change & development & secondly to give birth to a culture of loyalty to the rulers.

²¹ Rajiv Ahir, A Brief History of Modern India, 608, 2017 ed., 1995

- The taxation & the burden on peasant rose sharply due to economic transformation & costly administration (civil as well as military).
- India absorbed 10 to 12% of British exports & nearly 20% of Britain's textile exports. After 1850, engine coaches, rail lines & other railway stores were imported into India at large scale.
- Indian army was used for British expansion of colonialism in Asia & Africa.

Stage III: This stage is called as the Era of Foreign Investments & International Competition for Colonies. It began around the 1860s in India owing to several changes in the World economy. These changes were as follows:

- Britain's industrial supremacy was challenged by several countries of Europe, the United States & Japan.
- As a result of the application of scientific knowledge to industry, the pace of industrialization increased sharply (use of petroleum as fuel for the internal combustion engine & the use of electricity for industrial purposes were significant innovation).
- The World market became more unified due to revolution in the means of international transport.

Other changes include a replacement of liberal imperialists policies with reactionary policies.

Thus, what is felt by everyone that Britain's rule on India brought prosperity, modernization, development, growth & LPG (Liberalization, Privatization & Globalization) Policy were actually a myth because they in reality initiated & implemented all such policies for their own good & comfortability so their modifications were a main cause of a change in the economic pattern of India that only worsened it more.

