

chapter-1 (Indian economy on the eve of independence)

1. Low level of economic development under the colonial rule
2. Agricultural sector
3. INdustrial sector
4. foreign trade
5. Demographic condition
6. Occupational structure



Low level of economic development under the colonial rule

under colonial rule many countries gone through poor economical development reasons behind this are following-

- 1.**they were use land to produce raw material for their industries instead of india.
- 2.**surplus of budget were use for maintainance of expenses of british officers.
- 3.**infrastructure were devlope for their own transportation to boost supply chain of their own.

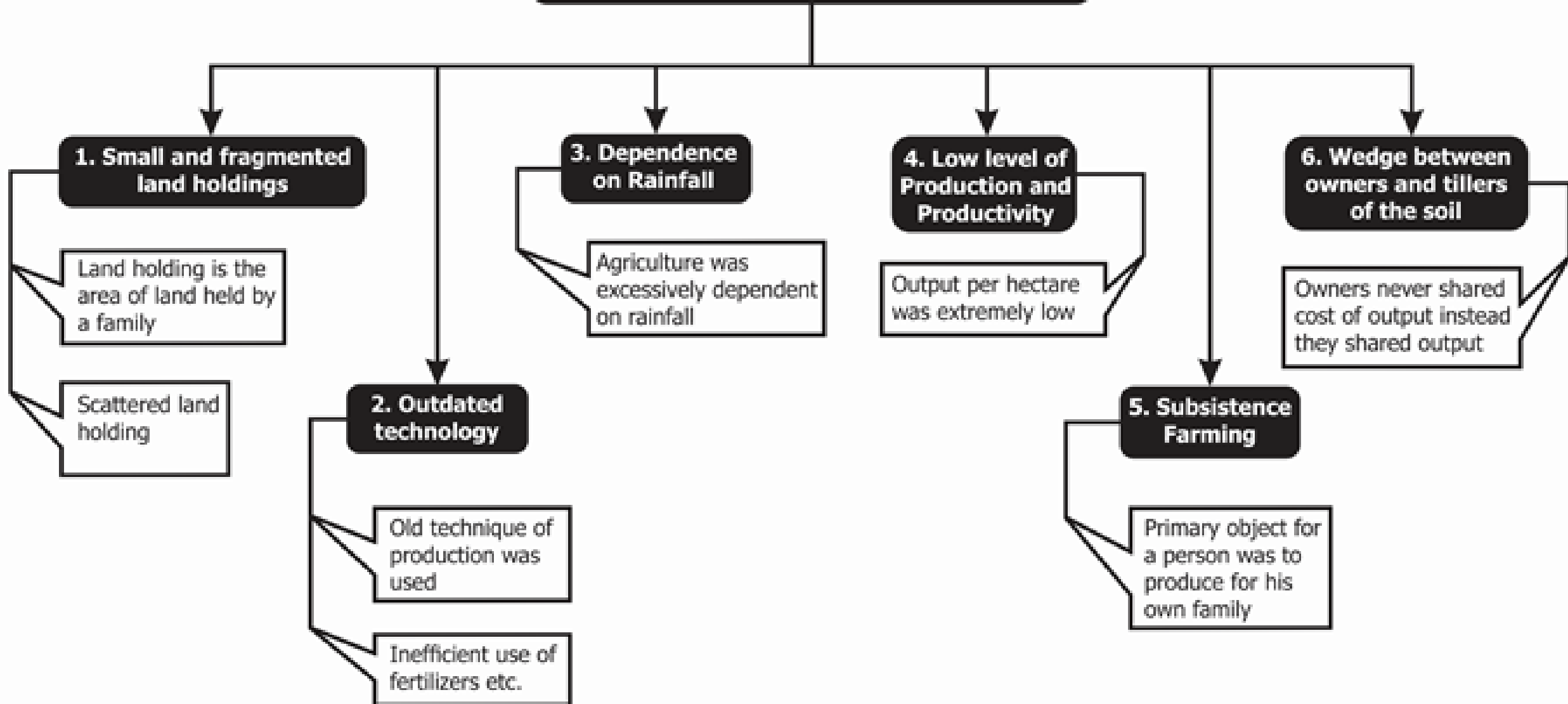
Agricultural sector

About 85% of country population derived livelihood directly or indirectly from agriculture.

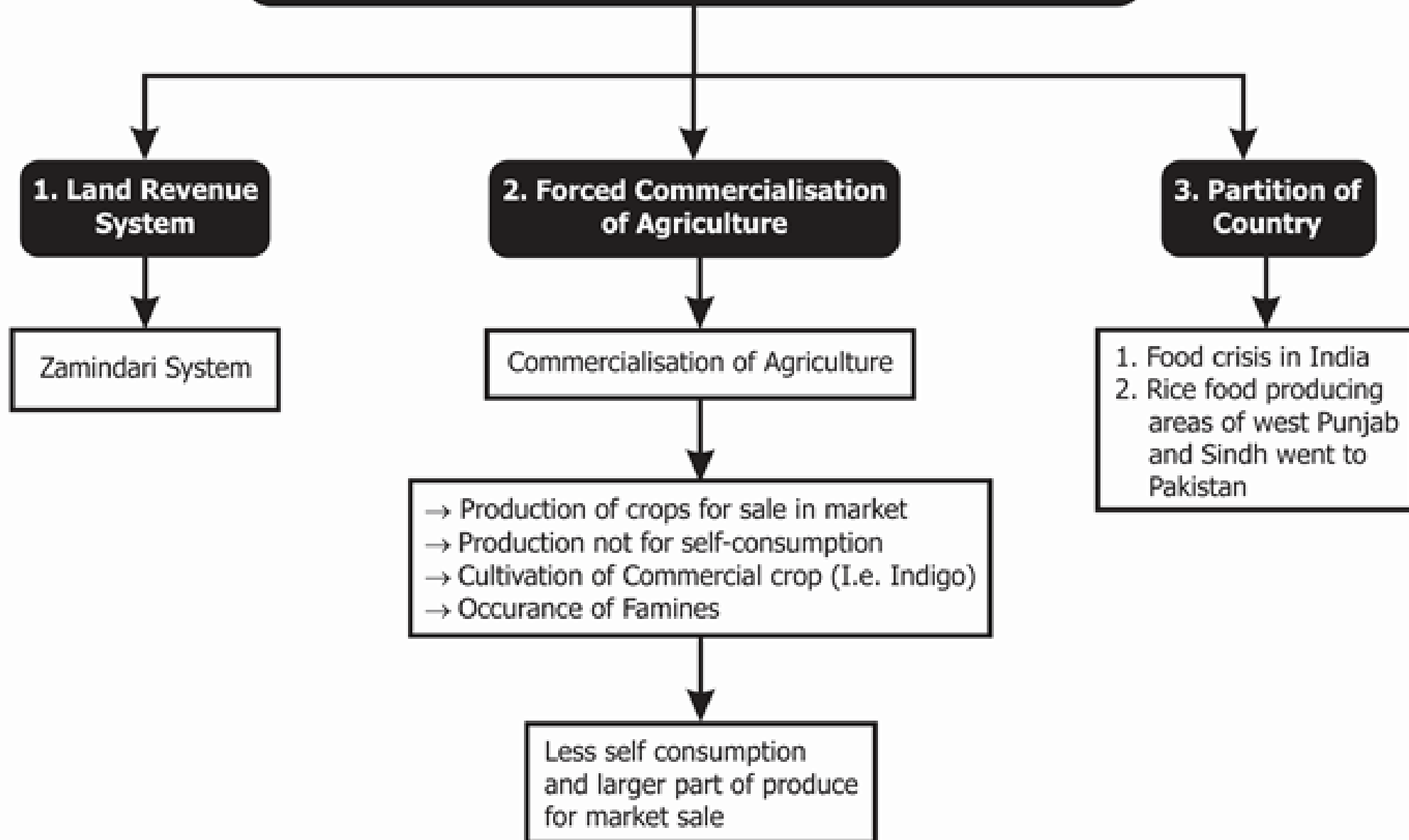
problems in agriculture-

- 1 zamindari system- due to this land owner only kept eye on rental income of land instead of productivity or commercialisation of crop.
- 2 land settlement system- land settlement system was a revenue generating system for ruler instead of productivity.
- 3 commercialisation of agriculture only seen in south india and contribution of this land is very less in area.
- 4 all crop which can generate revenue like cotton,jute,indigo,tea are under british land indirectly.

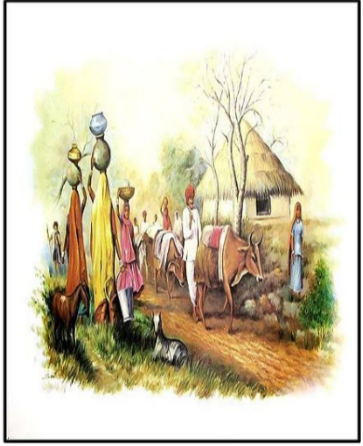
AGRICULTURE SECTOR ON THE EVE OF INDEPENDENCE



CAUSES FOR STAGNATION OF INDIAN AGRICULTURE DURING COLONIAL PERIOD



Population During British Rule



Villages

85% Population

Mostly
Dependent
on
Agriculture

India was an
Agrarian Country



Cities

15% Population

Dependent
on
Industry and
Service

teachoo Zamindari System of Land Settlement

(How did Britishers collected Tax
from India on Agriculture -> LAGAAN)



Farmer
(They
worked
on land)

Paid
Rent



Zamindar
(They
Owned
land)

Paid
Tax



Britishers
(They
collected
tax)

Strict Rules for
Rent Collection

(Even in Low
Produce Full
Rent to be Paid)

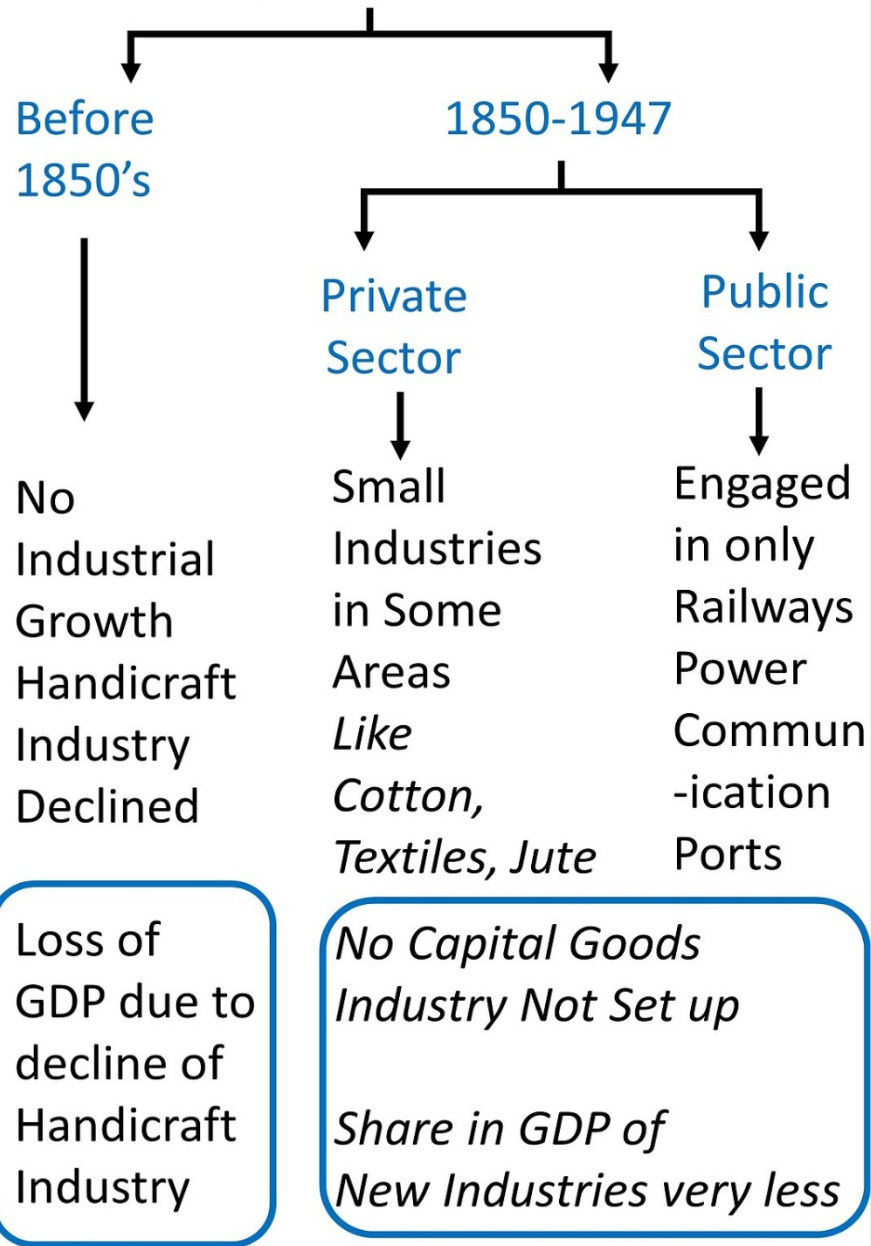
Strict Rules for
Tax Collection

(Amt of tax
and Date of
tax Fixed)

Industrial sector

1. pre colonial india was famous for their handicraft of cotton and jute globally but in british rule textile sector decline.
2. 2nd half of nineteenth century modern industry began to take root in india.
3. cotton mills were established in western region of india and jute mills were in bengal.
4. Tata iron and steel company was also established in 1907 in india.
5. some sugar, cement and paper companies also appeared at that time.

Industrial Growth of India During British Rule



Difference Between Handicraft Industry and Modern Industry

Handicraft Industry



Traditional Method

- Goods Produced by Hand
- Time taking
- Less Quantity Produced
- Goods were Expensive

India Famous for Handcrafts before British Rule

Modern Industry



Modern Method

- Goods Produced by Machines
- Less Time taken
- More Quantity Produced
- Goods were Cheaper

British Industries used this method

Foreign Trade

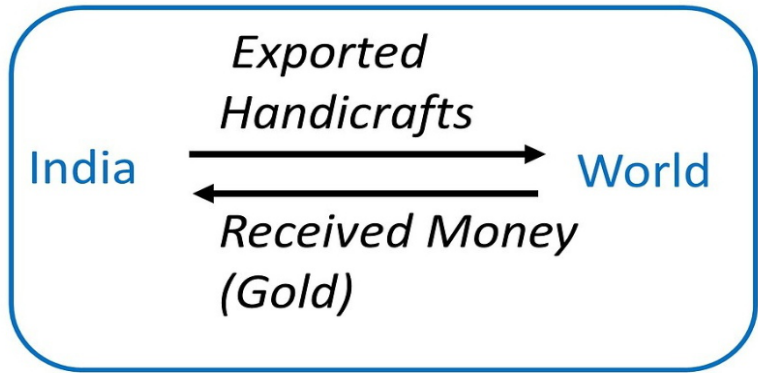
1. Foreign trade of india mainly depend on british and rest was with china,persia and srilanka.
2. From a exporter nation india become a nation who was export raw material to britain.



Summary- Foreign Trade Before and After British Rule

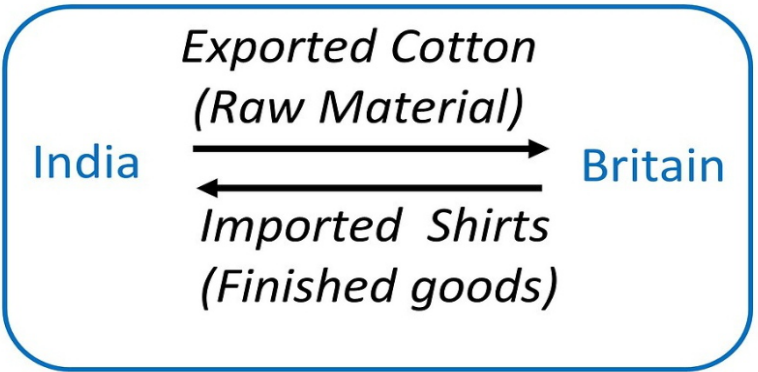
Before British Rule

India Exported Foreign Handicraft Goods and Earned Foreign Exchange (Gold)



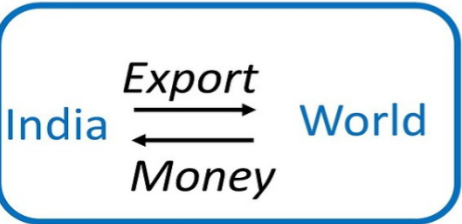
During British Rule

India was both Raw Material Supplier and Customer of Finished Goods



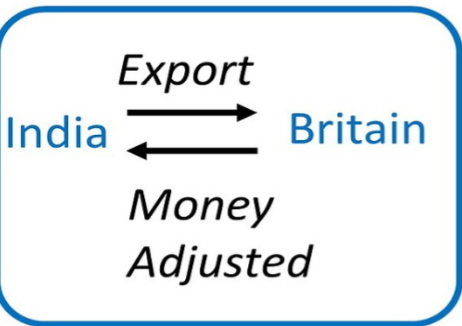
Why was Export Surplus not good for India during British Rule?

Normal Export Surplus



Money Received from outside Country used for welfare of economy (Increases country's wealth)

Export Surplus During British Rule



Money adjusted against

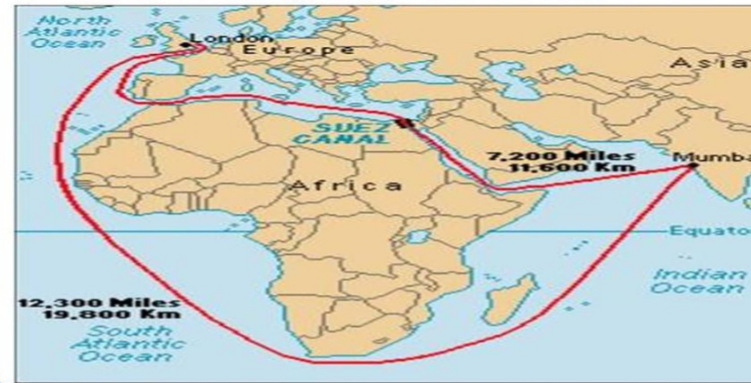
- Expenses on War
- Salary of British Officers in India
- Import of Invisibles

No Money left for welfare of Indian People

When did Foreign Trade with Britain intensify (Increase)

It increased after opening of Suez Canal in 1869

Foreign Trade with Britain (both Import and Export)



Before 1869

Goods had to Sail
Around Africa

*Took More time
High Cost of
Transportation
Less Trade*

From 1869

Suez Canal opened
(Shorter Route)

*Took less time
Reduced Cost of
Transportation
Trade Intensified)*






Demographic condition

- 1.various detail about population of british india were first collected through a census in 1881.
- 2.second stage of transition began after 1921,population growth of india was not so high
- 3.major outcome was literacy level was less than 16%,mortality rate was very high,life expectancy was also very low







What is Demography?

It is the Study of Human Population
Here we measure Human Statistics like

	Birth Rate <i>(Number of live Births per 1000 Population)</i>
	Mortality Rate (Death Rate) <i>(Number of Deaths per 1000 Population)</i>
	Literacy Level <i>(Percentage of Population who can Read and Write)</i>
	Life expectancy <i>(Number of year a person is expected to live)</i>
	Poverty <i>It mean state of not Having income to meet basic needs)</i>

Social Economic Indicators During British Rule

Literacy Level <i>(Percentage of Population who can Read and Write)</i>		Very Low	16% Overall 7% for Women
Mortality Rate (Death Rate) <i>(Number of Deaths in Given Population during a period of time)</i>		Very High	Infant Mortalit Rate 218 per 1000
Life expectancy <i>(Number of year a person was expected to live)</i>		Very Low	Average Life 44 Years
Poverty <i>It mean state of not having income to meet basic needs)</i>		Very No High	No Reliable Data

Different Stages of Demographic Transition

Stage Name	Birth Rate	Death Rate
Stage 1 Pre industrial Stage	High (Lack of Birth Control Measures, to Lack of Education)	High (Due to diseases)
So Population Growth is slow		
Stage 2 Industrializing Stage	High (Lack of Birth Control Measures, Lack of Education)	Low (Advancement of Medicine)
So Population Growth is fast		
Stage 3 Mature Industrial Stage	Declining (Some Birth Control Measures, Women Education)	Low (Advancement of Medicine)
So Population begins to Level		
Stage 4 Post Industrial Stage	Low (High Birth Control Measures, Choice of People)	Low (Advancement of Medicine)
So Population begins to decline		

Occupational structure

1. agriculture sector workforce was huge about 70-75% and rest are in manufacturing and service sector.
2. distribution of workforce was different in different part of india



Occupational

Structure of British India

(Distribution of Occupations in India during British Rule)



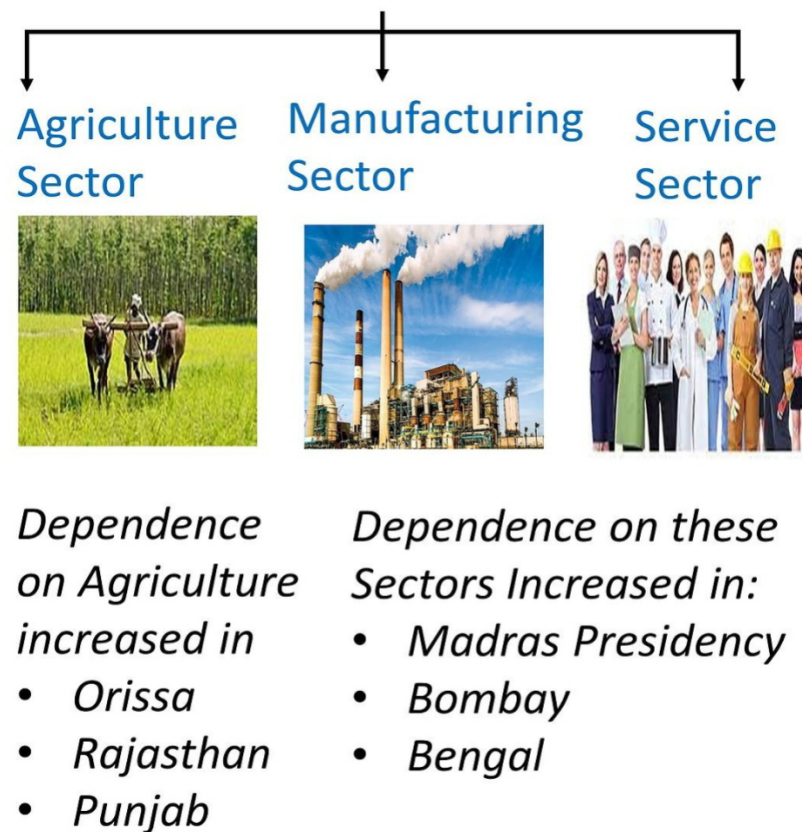
Regional Variation in Occupational Structure

Areas
or
States

Difference
Or
Change

Distribution
of
Occupation

Different Occupational Structure in Different States of India



Infrastructure

1. in colonial regime basic infrastructure such as railways, port, water transport, posts and telegraphs did develop but real motive was not to provide amenities to the people but use transportation for himself.
2. the british introduced the railways in india in 1850 and it is considered as one of their most important contribution.



Railways, Roads, Bridges, Communication

Infrastructure Before British Rule



Horse Travel



**Pigeon
Messenger**

Infrastructure During British Rule



Railways



**Postal
Service**



Roads



**Tele-
graph**

Introduction of Railway **teachoo** By Britishers in 1850's (1853)



Positive Points

Long Distance Travel Possible

*(Geographic and
Cultural Barriers
Broken)*

Commercialization of Agriculture

*(Agricultural Goods
grown for sale
transported over long
distances)*

Increase in Exports

*(Raw Material
Exported from India
to Britain, transferred
to port by Railways)*

Negative Effect

Economic Loss to India

*(High cost of
Making Rail
Infrastructure)*

Self Sufficiency of Village affected

*(Villages now
dependent
upon goods
from other areas)*

Inadequate Infrastructure

*(especially in
villages and
remote areas)*

Development of Other *teachoo* Infrastructure By Britishers



Post

Social benefit
(People can communicate)



Telegraph

Social benefit
(People can communicate faster through Telegram)

Expensive Project



Coast Canal

Expensive Project
(Had to be abandoned)

Overall Infra-structure

Modernised the Economy

Inadequate In Rural areas