

# **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.

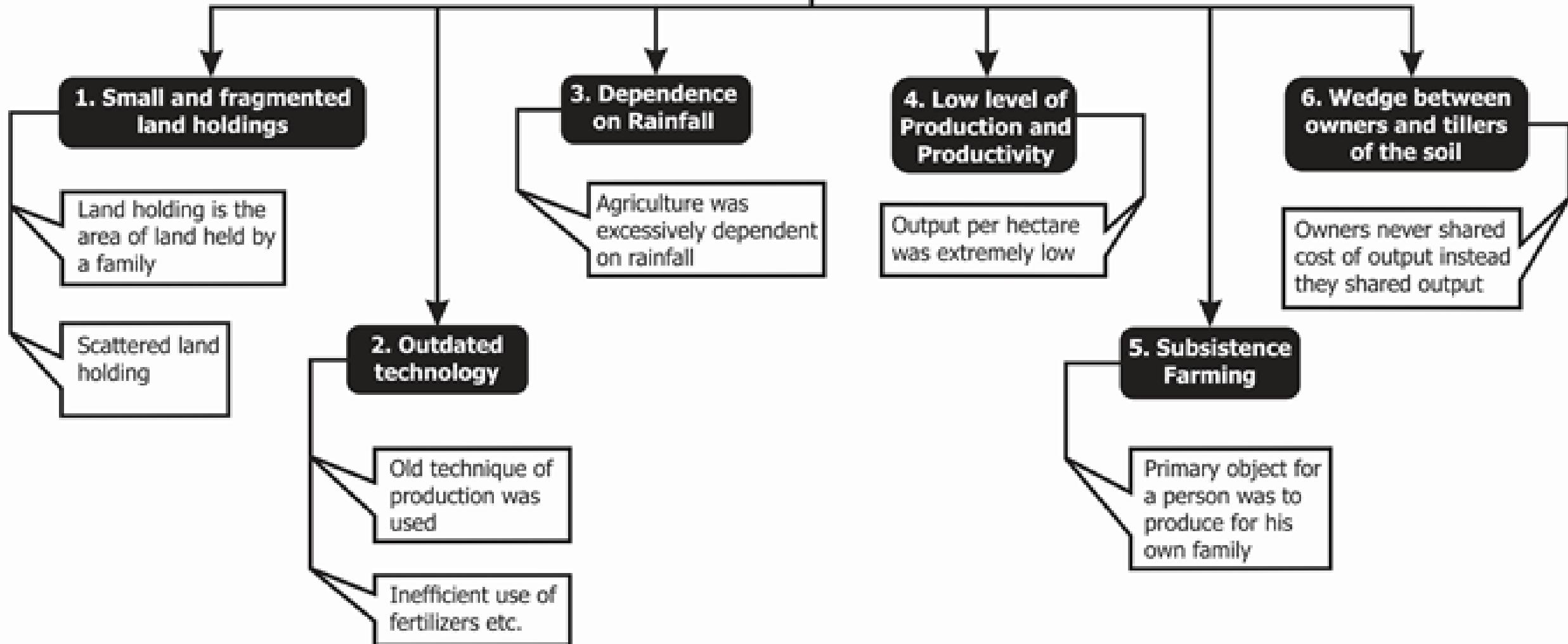
# Agricultural sector

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

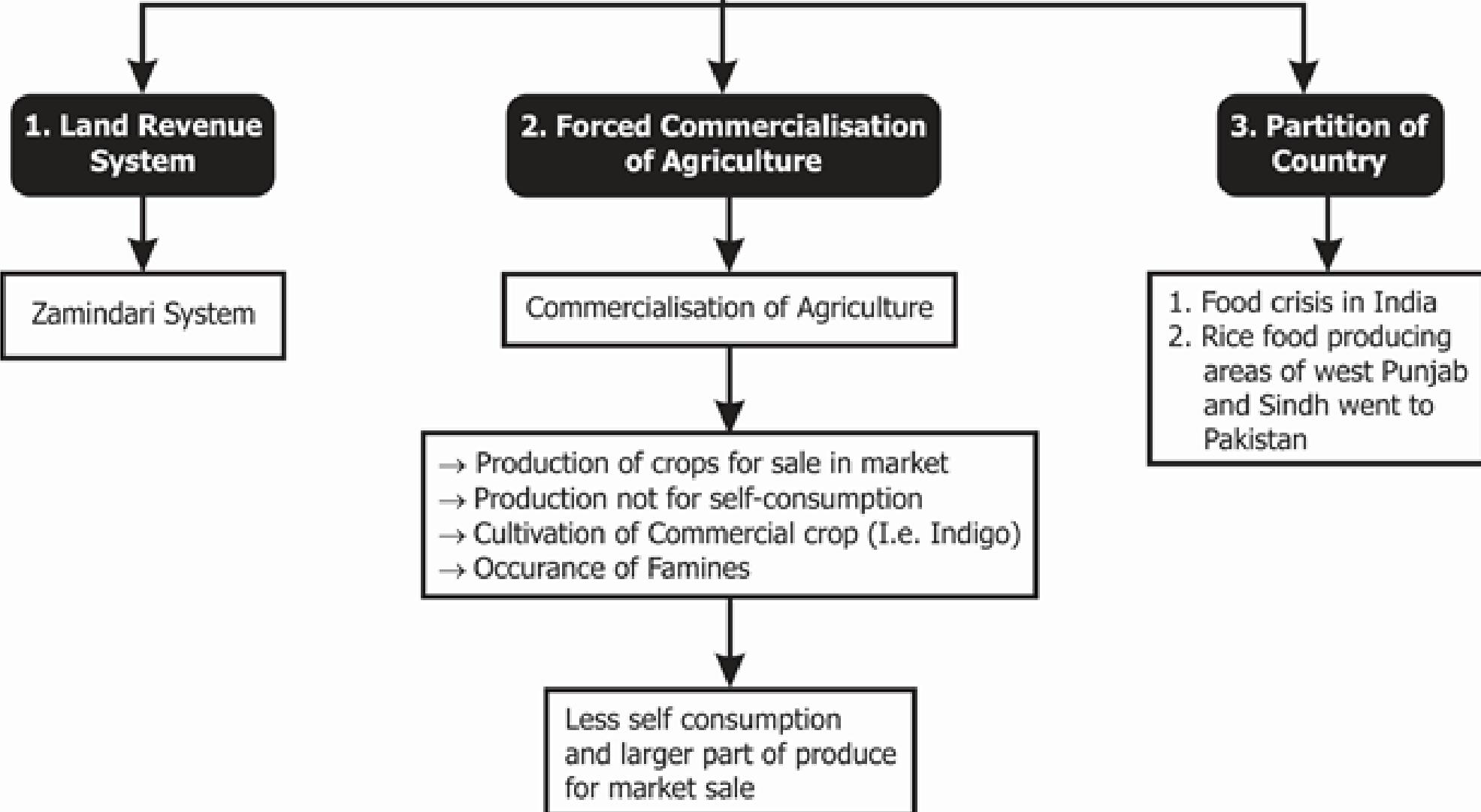
problems in agriculture-

- 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.

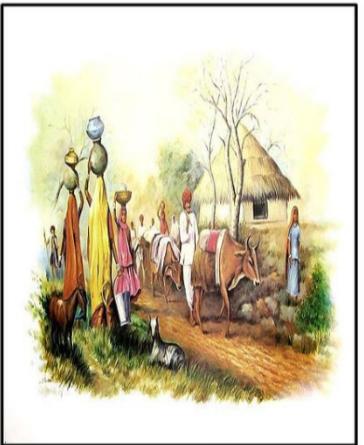
## AGRICULTURE SECTOR ON THE EVE OF INDEPENDENCE



## 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

# Zamindari System of Land Settlement

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



Paid  
Rent



Paid  
Tax



## Farmer

(They  
worked  
on land)

## Zamindar

(They  
Owned  
land)

## Britishers

(They  
collected  
tax)

Strict Rules for  
Rent Collection

(Even in Low  
Produce Full  
Rent to be Paid)

Strict Rules for  
Tax Collection

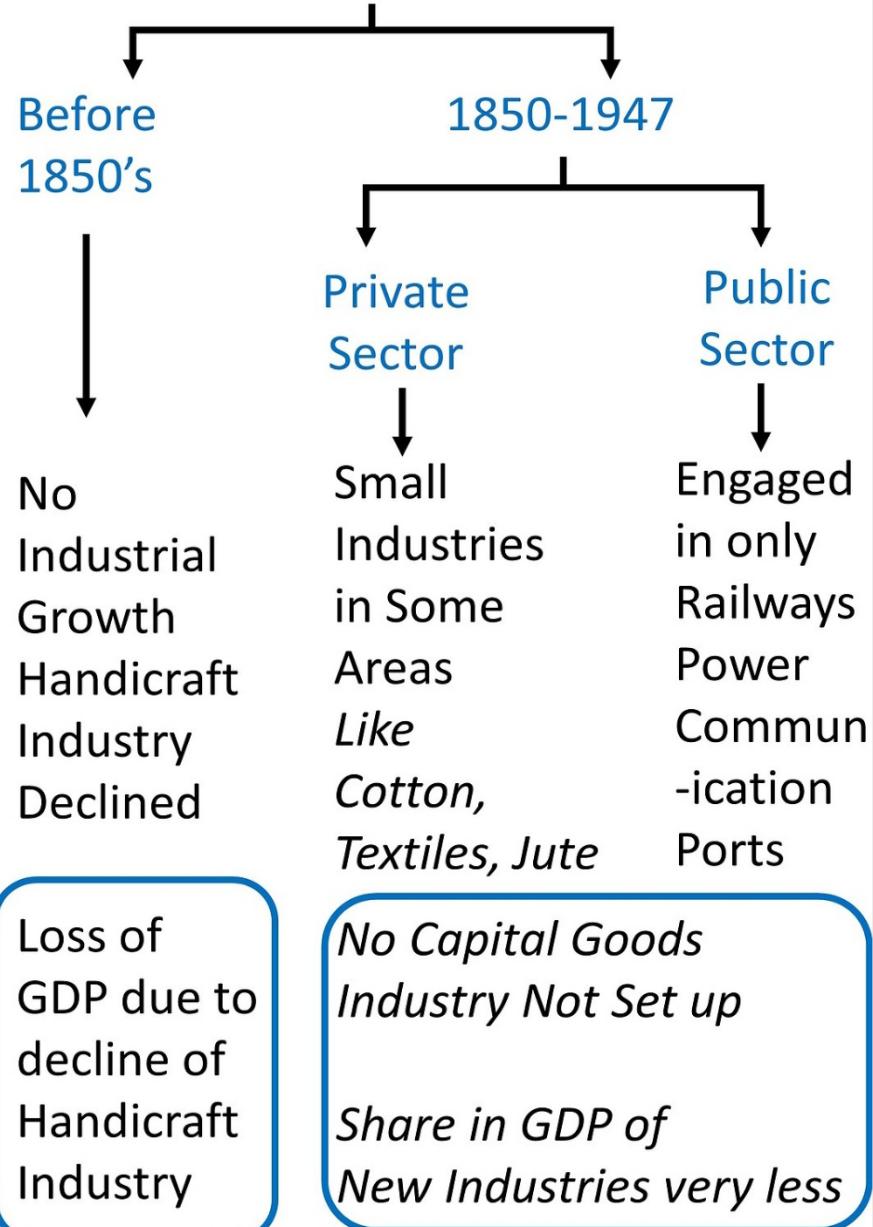
(Amt of tax  
and Date of  
tax Fixed)

# Industrial sector

1. pre colonial india was famous for their handicraft of cotton and jute globally but in british rule textile sector decline.
2. 2<sup>nd</sup> half of nineteenth century modern industry began to take root in india.
3. cotton mills was established in western region of india and jute mills was in bengal.
4. Tisco iron and steel company of tata was also established in 1907 in india.

5. some sugar, cement and paper company also seen 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

### Modern Industry



### Modern Method

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

India Famous for Handcrafts before British Rule

British Industries used this method

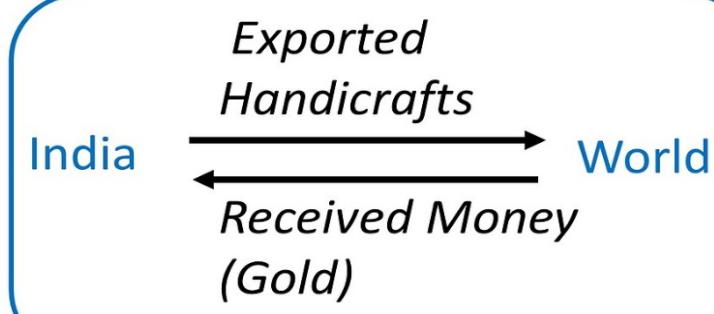
# Foreign Trade

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

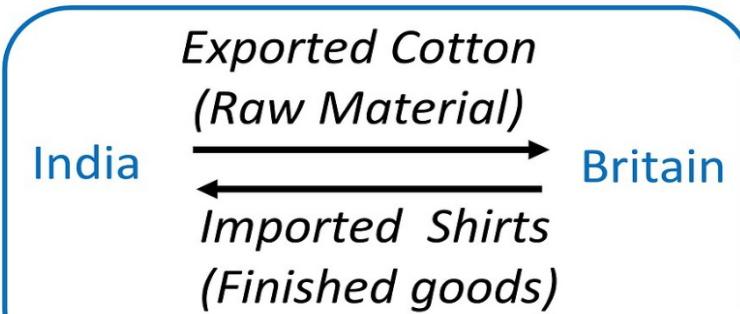
## Before British Rule

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



## During British Rule

India was both Raw Material Supplier and Customer of Finished Goods

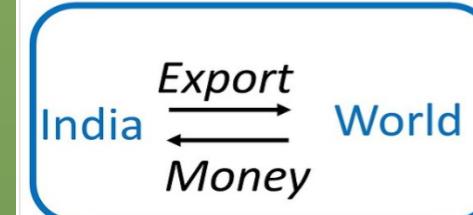


## Why was Export

**teachoo**

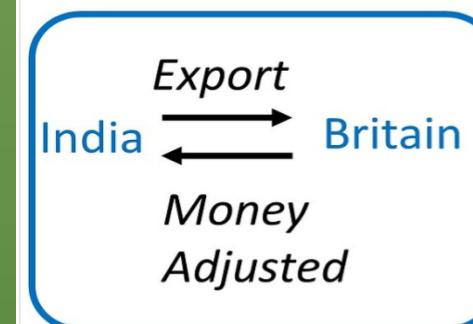
Surplus not good for India during British Rule?

### 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

(Number of live Births per 1000 Population)



## Mortality Rate (Death Rate)

(Number of Deaths per 1000 Population)



## Literacy Level

(Percentage of Population who can Read and Write)



## Life expectancy

(Number of years a person is expected to live)



## Poverty

It means state of not Having income to meet basic needs)

## Social Economic Indicators

### During British Rule

#### Literacy Level

(Percentage of Population who can Read and Write)



Very Low 16%

Overall 7% for Women



#### Mortality Rate (Death Rate)

(Number of Deaths in Given Population during a period of time)

Very High Infant Mortality Rate

218 per 1000



#### Life expectancy

(Number of years a person was expected to live)

Very Low Average Life 44 Years



#### Poverty

It means state of not having income to meet basic needs)

Very No High Reliable Data

## Different Stages of Demographic Transition

teachoo

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

# **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

## Structure of British India

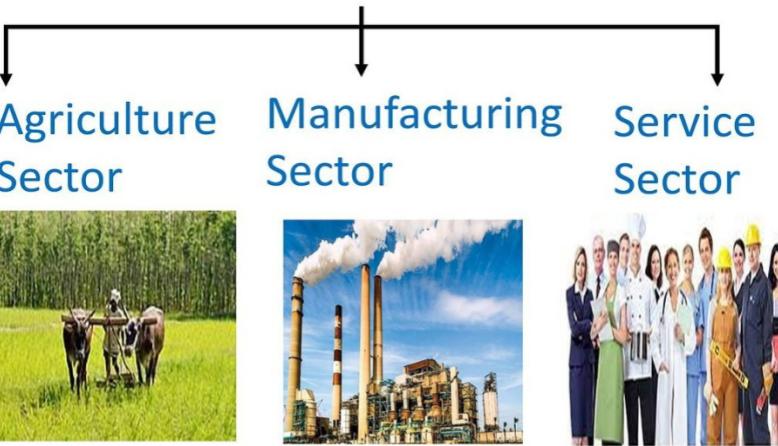
(Distribution of Occupations in India during British Rule)



## Regional Variation in Occupational Structure



## Different Occupational Structure in Different States of India



Dependence on Agriculture increased in:

- Madras Presidency
- Orissa
- Rajasthan
- Punjab

Dependence on these Sectors Increased in:

- Bombay
- Bengal

# 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

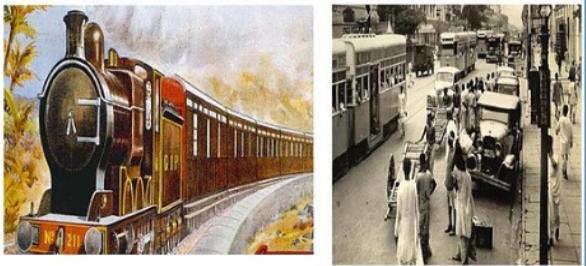


**Horse Travel**



**Pigeon Messenger**

## Infrastructure During British Rule



**Railways**

**Roads**

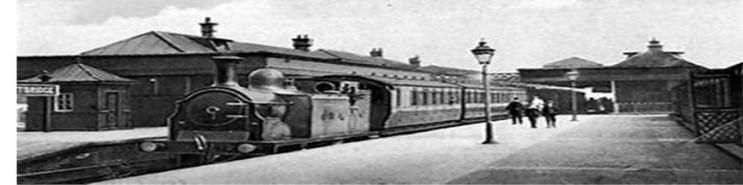


**Postal Service**



**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



Telegraph



Coast  
Canal

Overall  
Infra-  
structure

Social benefit  
(People can  
communicate)

Social benefit  
(People can  
communicate  
faster through  
Telegram)

Expensive  
Project

Expensive  
Project  
(Had to be  
abandoned)

*Modernised  
the  
Economy*

*Inadequate  
In Rural  
areas*