

Colonialism and the Indian economy: the centrality of the land question

Amiya Kumar Bagchi

[Talk given at the Sundaraiah birth centenary celebration, Hyderabad 4 May 2013]

The great son of India, whose birth centenary we are celebrating today led one of the major peasant uprisings of the world in the twentieth century and played a pivotal role in ending the rule of perhaps the most important of the puppet rulers whom the British used to keep under their control those parts of India which they did not directly rule. At the heart of colonialism was the control of the land, and at the heart of the peasant struggle was restoring the control of the land to the tillers of that land, and freeing them from the bondage of the usurpers.

We can divide the history of the impact of direct colonialism in India into four phases (The British had been extracting a monopoly rent by capturing India's trade with Europe and partially also with other Asia, even before they had conquered any major part of India): First phase, 1757-1813 land revenue defrays the cost of exports from the colony and the conquest of the rest of India; second phase 1814-1857 the beginning of the imperialism of free trade, with land revenue still playing a part in balancing the British trade with China; the third phase, 1858-1918 mature imperialism of free trade, land revenue paying for an English barrack in the Eastern seas, defending and extending the empire South of the Mediterranean (role of the Indian army in the British expeditions to China from the *Nemesis* through the sack of Beijing and then in World War I; the final phase 1919-1947: decline and end of formal colonial rule.

it must be noted that this imperialism of free trade could be used only against colonies or semi-colonies such as those of politically independent Latin America: in Europe, the French Revolution had shattered the old empires: the USA, Germany, Italy, France and the British dominions, all adopted protection and government patronage; those which were able to liberate the peasants industrialized successfully. Final phase 1919-1947 (in the final phase, the colonial state appears as a champion of the peasants in Permanent Settlement areas, and landlords resist the slightest change in the acts of 1859 and 1885, and thereby consolidate the movement for the partition of Bengal on communal lines).

Peasant resistance to colonial rule from the 1770s to the 1930s: the legacy of colonialism in land relations is largely preserved by the rulers of independent India, and provides the revolutionary rationale for the Telengana uprising in today's Andhra Pradesh.

Capitalism uses several modes of exploitation (Bagchi 1982, chapter 2), especially in colonial and peripheral countries: the manorial mode of exploitation, with peasants as basically serfs attached to the manor, the demesne mode of exploitation under which peasants have their own plots of land but have to provide *beggar* to the lord, a combination of free peasantry and the other two modes of exploitation; bonded labour exploitation; slave labour exploitation, family labour-based self-exploitation and capitalist mode of exploitation with free wage labour and a

capitalist class. These modes of direct exploitation are combined with policies of exclusion: wherever, the users of any piece of land were unable to show documentary evidence of possession, and such undocumented possessors included pastoralists and users of forests, apart from vast numbers of cultivators, the British usurped the pastures, forests and even cultivated land as state land.

I have cited elsewhere ('Introduction' to Bagchi: *Colonialism and Indian Economy* (2010)) the contribution of land revenue (LR) to the tribute extracted from India. Here I will cite only a few figures: in 1872, LR made up Rs 20.52 crore out of a total central government tax revenue of Rs34.73 crore; by 1914, its share had declined: out of total tax revenue of Rs73.89 crore, LR made up Rs 32.09 crore . However, non-tax revenue accounted for Rs 27.70 crore and a large part of that was contributed by forests and opium. Even in the interwar years when income tax, customs duties and excise taxes had come to form the lion's share of tax revenues, land revenue remained the biggest single item (Reserve Bank of India: *Banking and Monetary Statistics of India* (1954), Section 10).

The fiscal exactions occurred against the background of a society, whose resource flows and incentive structures were systematically biased against sustained increases in growth in per capita output, productivity and instruments of human freedom such as access to education, health care and control over means of production not only for the underprivileged sections of society but also for merchants, the very thin stratum of rich peasants and industrialists. I have called this system and process, a regime of two-century long, IMF-Style structural adjustment. If this was true of regions under direct British rule, it was all the more the case with the region under Nizam's rule where Puchalapalli Sundaraiah conducted his epic, multi-class struggle.