JHSR Journal of Historical Studies and ResearchISSN:2583-0198
Volume 5, Number 3 (September - December,2025),PP.319-34.
Open Access, Peer-reviewed, Refereed Journal
Website:www.jhsr.in
Email:jhsr.editor@gmail.com

Impact of East India Company Rule on the Indian Economy

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Abstract*:The impact of the East India Company's rule on the Indian economy was clear and profound. This impact is clearly visible in almost every aspect of the economic life of Indians. The economy followed by the British government was traditional. The Indian economy was transformed into a colonial economy, the nature and structure of which depended on the needs of the British economy. In this respect, the nature of the British invasion of India was different from other foreign invasions of the previous era. The previous foreign conquerors had destroyed the then state powers of India, but did not change the basic basis of the economic structure of India and gradually they merged with the political and economic flow of India. The traditional life of the various classes of Indian farmers, artists and merchants remained more or less the same. Before the British rule, the basic basis of the economic life of India was the self-sufficient rural economy and it continued. But the customs and policies of the British conquerors were of a completely different nature. They completely destroyed the traditional economic structure of India. In India, they were foreigners and their only aim was to exploit Indian resources and take them to their own country. Their economic exploitation continued indiscriminately in the interests of the British trade, commerce and industry. Under British rule, an economic and social revolution began in India, which resulted in the dissolution of traditional institutions and the emergence of a new social order.*
Keywords*: East India Company, Economy,Revenue Settlement, Trade and Industry etc.*
Date of Submission: 10.10.2025 **Date of Acceptance: 15.10.2025**

Introduction

The impact of the East India Company's rule on the Indian economy was clear and profound. This impact is clearly visible in almost every aspect of the economic life of Indians. Transformation of the Traditional Economy: The economy followed by the British government was traditional.The Indian economy was transformed into a colonial economy, the nature and structure of which depended on the needs of the British economy. In this respect, the nature of the British invasion of India was different from other foreign invasions of the previous era. The previous foreign conquerors had destroyed the then state powers of India, but did not change the basic basis of the economic structure of India and gradually they merged with the political and economic flow of India. The traditional life of the various classes of Indian farmers, artists and merchants remained more or less the same. Before the British rule, the basic basis of the economic life of India was the self-sufficient rural economy and it continued. But the customs and policies of the British conquerors were of a completely different nature. They completely destroyed the traditional economic structure of India. In India, they were foreigners and their only aim was to exploit Indian resources and take them to their own country. Their economic exploitation continued indiscriminately in the interests of the British trade, commerce and industry. Under British rule, an economic and social revolution began in India, which resulted in the dissolution of traditional institutions and the emergence of a new social order. There were various issues for the impact of the Indian economy. These are -

New Revenue Settlement

India has been an agricultural country since ancient times. ThereforeThe main source of income of the people was land. The social and economic life of India was built around land. Until the Mughal period, no questions related to land or land ownership and revenue had ever become complicated. But in 1765 AD, when the English East India Company obtained the right to collect the civil or revenue of Bengal, Bihar and Orissa, land-related and revenue-related problems arose. The company's employees had no experience in the agricultural matters of Bengal and India. Therefore, Lord Clive maintained the previous revenue system and entrusted the responsibility of revenue collection to two Naib-Dewans. The next Governor of Bengal, Warren Hastings, introduced some reforms. He abolished the post of Naib-Dewan and appointed a number of Supervisors. When the inspectors failed to assess and collect the revenue, a Board of Revenue was formed by the Governor and his Council on the instructions of the Board of Directors of the London Company. All civil duties were entrusted to this Board. The landowners were given zamindari settlements for a period of five years. A Collector and an Indian Dewan were appointed in each district.But this system resulted in a great disaster. The landlord who promised to pay the highest rent was given the right or ownership of the zamindari for a fixed period.

Since the revenue paid by the landlord was fixed, the government could not claim any future increase in the income from the land. Moreover, under this system the farmer was dependent on the mercy of the landlord. Therefore, Alexander Reid and Thomas-Munro recommended direct revenue settlement with the farmers. This is known as 'Ryotwari Settlement'. This system was introduced in the Madras Presidency and later in the Bombay Presidency in 1820.

According to the supporters of the 'raiyati settlement', this was merely a recognition of the existing system.

In Munro's words, "It is the system which has always prevailed in India." According to this system, land is settled with each farmer in return for a fixed revenue and the farmers acquire ownership of the land. The burden of collecting the revenue is directly entrusted to the officials. The policy of settling the land for a period of thirty years is generally adopted. During this period, the farmers are prohibited from being evicted from the land.

Like the zamindars of Bengal, land was settled in some areas of Madras on the model of permanent settlement with the polygars. But in those areas of Madras where the polygars did not exist, a new class of zamindars was created. But since this system was ultimately unsuccessful, the raiyati settlement was introduced in those areas.

In the Gangetic valley (present-day Uttar Pradesh), the government settled revenue with each village instead of each individual farmer. The then Secretary of the Board of Revenue, Holt Mackenzie, recommended in 1819 that revenue settlements be made with all the rural communities in northern India, recognizing the existence of village communities. Based on Mackenzie's recommendation, the government introduced the Rural Revenue System by issuing the Regulation of 1822.

Mahalbari Settlement

What is known as the 'mahalwari' settlement. The characteristic of this system is that the government contracts with a particular farmer.

Instead of settling the entire village, he settled with the entire village community; the revenue of each village was fixed as a total and it was collected through a responsible person in the village. Every farmer in the village was obliged to pay a fraction of the revenue he paid to the village representative. A system was made for reviewing the land rent every thirty years. An official called 'Muquddam' was recognized as the representative of the village and was the medium of communication with the government. To help him, a subordinate called Patwari was appointed.

It is important to remember here that the Mahalbari revenue system was reintroduced only in those areas of North India, especially in the Gangetic valley, where the village farmers cultivated their land together and on a cooperative basis. In other areas where there were landlords, direct settlements were made with the landlords.

Although the traditional rural organizations remained intact as the land was collectively settled with the rural population under the Mahalbari settlement, the burden of Mahalbari settlement taxes on the individual farmers increased enormously. As a result, both the farmers and the landlords soon fell into poverty. The material development of the villagers becomes impossible. At the same time, the rate of revenue in the future remains uncertain. In the words of Ramesh Chandra Dutta, "The system broke-down ultimately by reason of its own harshness" |
The revenue system introduced in the Gangetic valley was introduced in the Punjab with some modifications and suitable measures were also taken to protect the interests of the subjects in both provinces. In practice, the farmer who had been enjoying land for twelve years in one form or another was recognized as having the hereditary right to enjoy and occupy the land in return for a fixed annual rent. This right of the farmer was legalized by the Punjab Tenancy Act introduced in 1868. A similar Tenancy Act was introduced in the United Provinces in 1869.

Overall results of the new Revenue System

Although the raiyati settlement was introduced, the farmers Real property rights were not recognized. Instead of many landlords, the peasants were placed under the control of one large landlord, i.e. the state. Later, the government openly claimed land revenue as a tax instead of rent. The peasant's property rights became a negation of the peasant's property rights for several reasons. First, in many areas, the land revenue was fixed at a very high rate, making it impossible for the peasant to pay it, and after paying the rent, there was almost nothing left as a surplus. The rate of revenue was 45 to 55 percent of the production. Second, the government had the power to increase the rate of land revenue at any time, and third, the peasant had to pay the fixed rent even if production was disrupted due to drought or other natural disasters. There was no scope for waiving the rent.

The permanent settlement system of zamindari and raiyat was completely opposite to the traditional land system of India. The British government created a new type of private property in land in a way that was not at all profitable for the peasants. The system of selling, mortgaging and transferring land in other ways was introduced all over India. Its sole purpose was to keep the revenue collection of the government safe and secure. With the introduction of the law of selling or transferring land, it became easy for the government to take away land from the peasants on the grounds of non-payment of rent. Therefore, in this situation, the peasants had no other option but to take loans from the moneylenders at high interest rates to protect their land. Another reason for introducing private ownership was that in that case the landlord or the peasant would be more attentive to the development of the land.

By turning land into a commodity for sale and purchase, the British government radically changed the traditional land-related system in India. As a result, the traditional dynamism and stability of Indian rural life were disrupted. In fact, the organization of rural society almost broke down and the peasantry became slaves of local moneylenders. The bonds that existed in rural social life were also broken. The joint family system and the Panchayats were severely damaged. In rural life, cooperation was replaced by competition. Individualism was replaced by collective rural life. It happened. Instead of meeting the needs of the rural people, the tendency to export agricultural products increased and as a result, the prices of these products increased in the villages. In need of cash, farmers started cultivating various types of crops like cotton, jute, sugarcane etc. The fate of the farmer became linked with the rise and fall of the prices of the products in the market. In order to pay rent in cash at a certain time and meet other needs, the farmer was often forced to sell the crop almost immediately after bringing it home. In this way, the farmer was caught in the cycle of financial economy. In this new evolution of the economy, the farmer suffered more losses than gains. The rural crop traders, brokers and moneylenders benefited.

Land Trade of Bengal (1757-65 AD)

Like other countries of the world, in the eighteenth century, inland trade in India was carried out by land and navigable rivers and customs were levied for this. In 1717 AD, by the 'Farman' or royal order of Emperor Farooq Shir, the English East India Company obtained the right to trade in Bengal duty-free and in return the company promised to pay three thousand taka annually. This privilege and right were limited to the company's export to and import from abroad. There was no mention of private trade by the company's employees in this farman. The company continued to carry on its export and import business with the help of a 'dastak' or clearance letter signed by the president of the East India Company or the chief officer of the English factory. But soon the company's employees claimed that they were also entitled to the facilities granted by the Farman of 1717 and they misused the 'dastak' or clearance letter to start their own private businesses. From the time of Murshid Quli Khan, the Nawabs of Bengal denied the claims of the company's employees and kept them under control as much as possible.

After the victory in the Battle of Plassey in 1757, the influence and prestige of the British in Bengal and India increased and on that occasion, the Company's employees started to engage in private trade and commerce without duty. They continued to expand their trade and commerce in various ways. They started trading in products such as salt, tobacco and betel nut, which had been the monopoly of the Nawab till then. Secondly, it was not only the Company's employees who started abusing the dastak; their servants, other independent European merchants and wealthy Indian merchants started buying dastak from the Company and started a business of cultivation without duty. Thirdly, the Company's employees often forged dastak and sold them to the native merchants for a lot of money. In fact, the personal license or dastak was transformed into a form of personal oppression. ("License for private trade became license for private tyranny"). The company's employees, through their gomastas, purchased oil, fish, bamboo, rice, betel nut, salt, tobacco and various manufactured goods from the producers in the districts, parganas and villages at arbitrarily low prices and sold them at high prices, and whoever had the company's dastak in his hands considered himself equal to the company. With the help of the dastak, the company's employees and some other merchants traded duty-free. On the other hand, the native and Armenian merchants bore the burden of the duties, and this resulted in duty-free commercial banditry that pushed the business community of Bengal to the brink of ruin. The two English governors, Vansittart and Verelst, strongly condemned the illegal private trade of the company's employees. According to Verelst, this illegal trade was the immediate cause of the war with Mirkasim. An English merchant named William Bolt has mentioned various incidents of the most ruthless collection of goods from the manufacturers of manufactured goods in Bengal. As a result, the cottage industries of Bengal were destroyed. In the words of Ramesh Chandra Dutta, "The Springs of their industry were stopped; the sources of their wealth were dried up

Mir Kashim protested strongly against the illegal trade of the Company, the widespread misuse of the stamp and the indescribable cruelty of the Company's servants and submitted a memorandum containing several complaints to the Company's authorities. In order to put an end to the complications related to illegal inland trade, Vansittart and Warren Hastings met Mir Kashim at Munger and concluded an agreement (1763 AD). Three conditions were important among the terms of this agreement - namely (1) the company's stamp would be respected in the case of import and export trade; (2) the company's stamp would be respected in the case of trade in domestic goods within the country and (3) customs duties would be levied according to the value of the goods within the country. Among the members of the Calcutta Council, those who were involved in inland trade strongly opposed this agreement. In the words of members like Amyatt, Hay, Watts, "The regulations proposed by Vansittart are dishonourable to us as Englishmen and tend to the ruin of all public and private trade". When this agreement was cancelled under pressure from the majority of the Calcutta Council, Mir Kashim

Patience was lost. He withdrew the duty on the trade of the native merchants. All native and foreign merchants were given the right to trade duty-free. As a result, the special monopoly that the English had enjoyed with the help of the Dastak was lost. The ultimate result of this was the war of the English with Mir Kashim and the abdication of Mir Kashim from the throne.

The private trade of the English in Bengal was not to the liking of the English authorities and for this reason, when they appointed Lord Clive as the Governor of Bengal for the second time in 1765, they ordered him to abolish this illegal trade. But Clive, disobeying the orders of the Board of Directors, was more careful to maintain the private trade of the Company's employees. He prohibited the Company's employees from engaging in private inland trade and formed a commercial joint-stock company to compensate them. The monopoly of salt, betel nut and tobacco was entrusted to this company. In 1766, the Board of Directors opposed Clive's plan and again ordered the abolition of private trade by the Company's employees. But on various pretexts, the orders of the authorities were disobeyed and the illegal inland trade of the Company's employees continued for two more years.

Monopoly vs. Free-Trade

According to the Charter granted by Queen Elizabeth,The English East India Company had obtained a monopoly of trade in India. Until the English Company acquired political power in India, this monopoly was exercised against all English merchants not affiliated with the Company. After the conquest of India, the English Company acquired the power to expel its European competitors from the trade of India. At that time, the two strongest competitors of the English Company in India were the Dutch and the French merchants. After acquiring political power in India, the English Company expelled the Dutch and the French from the field of Indian trade, and prohibited them from purchasing goods in India. The monopoly of the English Company in India was strengthened.

Towards the end of the eighteenth century, with the spread of the Industrial Revolution in England, various types of industries emerged there and a need arose for a larger market for the sale of these manufactured goods. But as a result of the Napoleonic Wars and the American War of Independence, the markets of Europe and America were closed to England for some time. In this situation, the new industrialists and the wealthy in England started a vigorous movement for free trade by ending the monopoly of the English Company in India. On the other hand, when political dominance was established in India, it became impossible for the English Company to conduct business and trade smoothly and the income generated from trade was used to protect the Indian Empire and conduct administrative work. As a result, the Company gradually became indebted. The Board of Directors was unable to pay this accumulated debt. As a result, a great movement against the Company gradually developed in England. In this situation, when the

Company's charter was renewed in 1813, the demand for the abolition of the Company's monopoly of trade became strong. According to the charter of 1813, the Company's monopoly of trade remained in the Chinese Empire alone and Indian trade was opened to all Europeans. All the restrictions that had been imposed on the permanent residence of the English in India were abolished and the English wealthy were given the right to invest in agriculture and industry in India.

The end of the Company's monopoly on trade and the adoption of a free trade policy marked the beginning of a new era in Anglo-Indian relations. The volume of imports of goods increased dramatically. Very little duty was levied on these imports. But the Indian High rates of duty were imposed on the export of goods. As a result, industries, especially the cotton textile industry, suffered. As a result of the high rates of duty, the export of Indian goods gradually decreased; British goods became dominant in the Indian market and Indian industries were destroyed. The formerly populous industrial centers were devastated. Workers and artisans were forced to leave the cities and move to the countryside.

Destruction of Trade and Industry

Although the English East India Company came to India with the aim of trade and commerce, the company's success was very limited at first. Initially, the company was not particularly interested in importing British goods to Bengal or India. The company exported various goods (spices, cotton and manufactured goods) from India or the East Indian Islands cheaply to England and Europe. Because at that time, the industries were underdeveloped and there was a lack of demand for English woolen goods. So, initially, as a result of the commercial opportunities received from the Mughal emperors, the English Company in India purchased Indian goods in small quantities and imported gold and silver into India in exchange.

But after the battles of Plassey and Buxar, when the British established political dominance in Bengal and other parts of India, the situation changed rapidly. After gaining political power, the main aim of the British Company was to purchase as many Indian goods as possible at low prices. The misuse of political power in the field of trade and commerce began.

Goods were collected from Indian weavers and farmers by imposing arbitrary conditions on them. This policy was followed first in Bengal and later in other parts of India.

As a result of this policy, the condition of the artisans and craftsmen initially became deplorable. At that time, the most notable of the company's exports to India were cotton and silk. Because until then, there was no competitor for these two Indian industrial products in Europe. Therefore, oppression of Indian craftsmen began for these two products. They were forcibly employed in the company's factories for very small wages. Sometimes, work was obtained from them by physical torture and intimidation. The company's employees used to forcefully bring the weavers from the villages and tie them up in the company's factories to obtain work. In return, they were often not even paid. They did not have the right to work for any Indian merchant other than the company.

The company employees regularly forced the weavers to sign advance contracts for the supply of cotton. Unspeakable torture was also practiced on the weavers for the advance contracts. The weavers were forced to sign contracts at a much lower price than the production price. This type of torture was also practiced on the farmers engaged in the production of raw silk. In short, the Indian craftsmen became slaves of the English company. The complete destruction of the Indian weavers was complete when the textile industry of Bengal, that is, India, came into the hands of the English company. As a result of the imposition of high duties on Indian goods imported to Britain in the eighteenth and nineteenth centuries and the emergence of large industrial establishments in Britain, the European market was almost closed to Indian manufacturers after 1820 AD. Meanwhile, the disappearance of the Indian royals and their servants, who were the patrons of cottage industries, dealt a severe blow to cottage industries. For example, military armaments were manufactured under the patronage of the Indian royals. But the British rulers adopted a policy of importing weapons from Britain instead of purchasing weapons manufactured in India. As a result, this industry and the craftsmen associated with it were destroyed. Moreover, instead of the Indian royal elite, the British military and civil servants emerged as the ruling class and they continued to patronize only British-made goods. By exporting raw materials from India and increasing their prices, The British Company's monopoly on the internal trade of Bengal and India caused great damage to the industry.

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The company obtained the right to trade duty-free from Shuja. When the next Subadar of Bengal, Murshid Quli Khan, refused to grant the company duty-free trading rights, the company again obtained the above-mentioned privileges from the Mughal emperor Farrukh Shir in 1717. However, it was also decided that the company's 'dastak' or clearance certificate would not be used for inland trade and would be used only for the company's imports and exports by sea. But two types of misuse of the company's dastak continued. First, with the help of the company's dastak, the company's employees engaged in personal trade and commerce free of charge. Secondly, in many cases the company's dastak was sold to Indian merchants.

When the British established their rule in Bengal, the internal trade of Bengal and India came under the complete control of the British Company and its employees. The illegal trade of the Company's employees increased to a huge extent. However, apart from paying duties, the native merchants had to face various adverse conditions. Indian merchants were prohibited from purchasing goods directly from farmers and weavers, and the Company and its employees were the only ones entitled to purchase these goods. The Company's agents and employees would buy daily necessities cheaply and force Indian merchants to buy them at high rates. If any merchant refused to do so, various forms of physical torture and oppression were practiced on him. With no remedy against injustice and oppression, Indian merchants abandoned trade and commerce and became farmers, and the British monopoly on trade and commerce in India was firmly established.

The same situation also happened in the case of Indian industry. Earlier, cotton and silk fabrics made in India were imported by English companies to England and Europe. When these products became popular in England, the English industrialists felt very uncomfortable and tried to destroy the cotton industry in India with the help of laws. In 1700 and 1720, the British

Parliament passed two laws prohibiting the use of Indian cotton fabrics in England. At that time, there was a great demand for these products in Europe. England first imported them to England and then exported them to various countries in Europe! But The destruction of Indian industry; When England and other European countries clashed during the American War of Independence and the Napoleonic Wars, the export of Indian cotton and silk to those countries was stopped. This was different from the case in 1780 when the English Board of Directors ordered the export of dyed fabrics from India for four years.

On the one hand, the export of cotton and silk cloth from India was prohibited by law and on the other hand, the industrial revolution in England led to the mass production of all these materials with the help of mechanical looms. For the benefit of English textile manufacturers, the import of Indian cloth was stopped in England and India was turned into a raw material producing country for England. As a result of the industrial revolution, large-scale yarn factories were built in England. Then raw cotton from India was imported to England.

The cotton was being exported and cotton goods made from that cotton were being imported to India in large quantities. Indian cottage industries were unable to compete with the cloth made on machine-looms. As a result, Indian industries were destroyed. Even the essential articles of daily life were flooded into the Indian market in large quantities. The British government made no effort to protect the cottage industries of India from illegal and unfair competition, and Indian industries were destroyed. The cottage industries of India provided food for many families. Therefore, when they were destroyed, countless artisans and craftsmen became unemployed. Unable to compete with the English merchants and trading establishments, many artisans and merchants abandoned trade and became farmers. In the first half of the nineteenth century, despite the heavy import duties on manufactured goods imported from England to India and the reduction in the price of the goods due to the use of machinery, they were unable to compete with the goods manufactured in India, especially cotton. In this situation, England used its political power to benefit British products. In addition to imposing a ban on the import of Indian products into England, orders were issued to reduce the price of products imported from European countries to India as much as possible. That is, the English company adopted the policy of keeping the price of Indian products expensive compared to European products by any means. In general, the duty of a sovereign power was to pave the way for the prosperity of the people by encouraging production. But the English company, being until then mainly a commercial institution, its aim was to earn as much profit as possible. Adam Smith has rightly remarked that the interests of the English company in India were contrary to the interests of the Indians. The Indian cotton industry was almost destroyed as a result of the determination of prices of goods contrary to the interests of the artisans, oppression of them and various restrictive policies. Arbitrarily collecting goods from the artisans and arbitrarily determining their prices became a natural rule. The oppression of the Beniyas and Gomastas employed by the company in this regard was well known.

Ramesh Chandra Dutt, in his famous book 'Economic History of India', has tried to show that in 1812 the Select Committee of the Parliament of England tried to establish English manufacturers in India in place of Indian manufacturers and how to establish English industrialists in exchange for the interests of Indian industry. In the meantime, British industrialists and manufacturers gradually became vocal against the East India Company's monopoly on oriental trade and finally in 1813 the Company's monopoly on Indian trade was abolished. From then on, the trade policy of the English Company was conducted in favor of British industry. One of its goals was to transform India into a market for British goods and a center for the supply of raw materials. This situation continued until 1833.

As a sovereign power, the East India Company was duty bound to encourage the expansion of production and to pave the way for the economic prosperity of its subjects. But due to its mercantile nature, the Company was more concerned with increasing its profits. By adopting price controls and imperialist industrial policies that were against the interests of Indian artisans, the Company brought about the ruin of Indian industry, especially the cotton industry. William Bolts, one of the most prominent critics of the East India Company, remarked (1767 AD) that the inland trade and for Europe, the basis of its investment in India was the oppressive and repressive policy that every Indian artist and manufacturer had to suffer; the company had a monopoly on almost all manufactured goods made in India. Another method of the company was to manipulate the prices of raw materials against the interests of Indian manufacturers. The company's employees monopolized the sale of raw cotton throughout India. As a result, the weavers had to buy it at a high price. Thus, the weavers suffered in two ways - as buyers and as sellers. Because according to the contract, the weavers could not demand a higher price for any cloth, and they had to calculate a higher price for raw cotton.

In 1781, Colonel Watson took steps to revive the shipbuilding industry in Bengal, and between 1761 and 1821, 235 ocean-going ships was built in Calcutta. These ships were used in the Asiatic trade. In 1813, the names of a few Bengali shipowners were found - such as Ramdulal De, Panchu Dutt, Ramgopal Mallick, etc. In 1814, Indian shipbuilding was banned in the interests of the company. Lack of enthusiasm and the advent of steam-powered ships led to the complete extinction of the shipbuilding industry in Bengal. In fact, the first period of British rule can be described as a history of British barbarity, plunder, oppression and the destruction of Indian cottage industries and production. The once prosperous Indian industrial cities were destroyed. The traditional industries of India were destroyed, but no matter how strong the organization of Indian industry was, it was by no means possible for it to survive in the face of the constant opposition of foreign rulers.

The organization of Indian industry was also quite weak and not up to date. First, Indians were not at all enthusiastic about expanding the market for the sale of their manufactured goods. This was different from the fact that even before the establishment of British rule, India's foreign trade was in the hands of foreigners. As a result, Indian artisans and manufacturers became dependent on foreigners for the export of their products abroad.

Secondly, India had no trade policy of its own to counter the aggressive mercantilism of the West. Even during the heyday of the Mughal Empire, the emperors remained silent spectators to the activities and enthusiasm of foreigners in the field of Indian trade and industry. As a result, European merchants were able to set up trading posts and factories in various parts of India, which was detrimental to Indian trade and industry.

Thirdly, the weakness of India's naval power can be said to be one of the reasons for the decline of Indian industry and the decline of state power. Due to the lack of adequate naval power, India failed to capture the markets of the outside world, which soon fell into the hands of European merchants. While the rapid expansion of industry in Europe through the Industrial Revolution was taking place, India fell far behind in the field of industry and became an underdeveloped agricultural country. Fourthly, the main pillar of medieval European industry and trade was the 'guild' or industrial organization. Similarly, Indian guilds were extremely weak. In fact, independent industrial organizations and financial Lack of organization was another reason for the backwardness of Indian industry and trade. Along with this, modern mechanized industries, which were developed in Britain and It happened in Western Europe. As a result, other means of food supply were also closed to the ruined artisans and artists. The only way open to them was agriculture. Moreover, the balance of rural economic life was also destroyed as a result of British rule. When the rural cottage industries were destroyed, the connection between agriculture and cottage industries was severed and this resulted in the collapse of the self-sufficient rural economy. On the one hand, millions of farmers who were partly involved in cottage industries and earned their income became completely dependent on agriculture. On the other hand, when the traditional way of life of millions of artisans and artists was disrupted, they also became agricultural labourers and some of them bought a small piece of land and started cultivation. As a result, the pressure on agricultural land increased. India lost its prosperous trade and became an agricultural country. As a result, a great disaster also befell the economic sector.

Destruction of the Indian Economy

Not only was Indian industry and trade destroyed under the rule of the British Company, but the exploitation of the Company also destroyed the foundation of the traditional Indian economy. Till the eighteenth century, India was prosperous in agriculture and industry and Indian manufactured goods were highly valued in the markets of Europe and Asia. The mainstay of the Indian economy was agriculture and industry and these agriculture and industry were the backbone of Indian society. But the British, by destroying agriculture and industry, initiated a great disaster in Indian society.

When the industry of India was destroyed under the rule of the Company, the source of wealth of the people of India dried up and when the artists and craftsmen were destroyed, its effect on agriculture was strong. The people of India abandoned trade and industry and became farmers. But due to the lack of necessary measures for the development of agriculture and the successive increase in rent, the condition of the farmers also reached an extreme point. As a result, the rural economy was in a state of collapse. Hundreds of villages became sparsely populated due to the oppression of the Company's employees on the one hand and the landlords on the other.

Along with the destruction of the rural economy, the urban economy also suffered. Until the eighteenth century, cities like Dhaka, Murshidabad, Surat, Masulipatnam, Tanjore, etc. were rich in industrial resources. These industries provided food for many people. But as a result of the destruction of industry, all those rich cities also became deserted and countless people were deprived of their livelihood.

Another reason for the collapse of the old Indian economy was the introduction of new revenue arrangements. Revenue reforms were introduced to provide raw materials from India for the big factories of England and to turn India into a market for British goods. These reforms were introduced mainly in the interest of British industrial capital. As a result of Warren Hastings's several revenue reforms, many of the old landlord families of Bengal were destroyed and a new class of landlords emerged who had no connection with the land before. They purchased zamindari for a period of a few years on the promise of paying a fixed revenue. Since they had no permanent title to the land, their only aim was to exploit the subjects as much as possible. These new zamindars were subjected to various atrocities by the employees of the company and they were exploited in various ways. As a result, the new landlords often fled the company's demands for money, and the tenants were free from the oppression of the landlords. They would flee their lands and places in the hope of finding work. As a result, the rural economy was in ruins.

In 1793, the permanent settlement was introduced and the landlords were recognized as the real owners of the land. The landlords were entitled to enjoy the rights of the land in exchange for paying a fixed revenue. But the tenants suffered because the amount of rent paid to the landlord was not fixed. In many cases, the landlords were given the right to settle the land and determine the rent, so the landlords began to collect high rent and additional taxes. As a result, the tenants started to suffer at the hands of the naib-gomastas. On the other hand, according to the 'sunset' law of the permanent settlement, many landlords were initially overthrown for not paying rent on the specified day and all those zamindaris changed hands. Within twenty years of the introduction of permanent settlement, almost half of Bengal's land wealth changed hands many times, and most of the landowners were merchants and wealthy people from Calcutta.

The new landlords sold some parts of their land to a group of intermediaries or brokers for a large sum of money. They were known by various names such as Pattanidar, Dar-Pattanidar and She-Pattanidar. These subordinate landlords exploited the tenants arbitrarily. As a result of the emergence of these intermediary landlords between the main landlord and the tenants, the financial condition of the tenants became miserable and agriculture deteriorated considerably. Many farmers lost their landholdings and became labourers. Most of the new landlords were businessmen. They invested their surplus money in land in the hope of profit. They had no idea or experience about farming and were indifferent to the development of farming. On the other hand, the farmers, burdened with taxes, were not willing and interested in developing agriculture. As a result, the amount of agricultural production gradually decreased.

In contemporary Europe, the agricultural revolution had brought about considerable improvement in agriculture and the enterprising landlords were very interested in the development of agriculture. But in India, the opposite happened. Earlier in India, the peasant was a cultivator, a labourer and a landowner at the same time. But as a result of the land revenue reforms introduced by the British government, the peasant lost the ownership of the land and became a land cultivator, and a class of traders acquired the ownership of the land. As a result, two classes emerged in society, the exploiters and the exploited. As a result, the previous economy collapsed.

In Bombay and Madras Presidencies, the new land revenue reforms also brought about a great change. In these regions, instead of the landlords, the farmers were given ownership of the land and were also given the right to mortgage, transfer and sell the land. But despite all these powers, the financial condition of the farmers did not improve. Because the amount of government rent and other taxes increased unimaginably, the farmers had nothing left. As a result, the value of the land decreased unimaginably. The farmers had to approach the moneylenders to pay the rent paid to the government. As a result, countless farmers became slaves of the moneylenders. Most of the land property of the farmers in Bombay and Madras came into the hands of the moneylenders. The wealthy of Bengal used to buy the zamindari directly. The moneylenders of Bombay and Madras used to take over the land and land of the farmers by giving loans to them. As a result, on the one hand, the financial condition of the farmers deteriorated and on the other hand, The dominance of moneylenders in the rural economy was well established. As in Bengal, the traditional economy in the Bombay and Madras Presidencies also underwent major changes.

These different production methods and the rural economy underwent great changes. Until now, the agricultural products that were produced met the needs of the villagers. But as a result of the land revenue policy of the British government, that situation changed and the practice of shipping agricultural products outside the village began. Due to the need for money, the farmer was often forced to sell his crops at low prices. Taking extreme advantage of the helpless condition of the farmers, a class of brokers called crop traders.

The changes in the rural economy did not only affect farmers, but also affected rural industries and artisans. As the products of the village industries were exported, the trade of the rural artisans almost ceased and they became unemployed.

Thus, the British Company government's economy led to the destruction of Indian agriculture, along with the disappearance of rural industries, and the transformation of the Indian economy.

Economic Drainage

The greatest evil of the Company's rule in India was the economic drain of Indian wealth to England. But in return for this, the amount of wealth imported from England to India was very negligible. Such a deplorable situation never happened in India even during the rule of corrupt governments in the previous era. The huge expenditure on the army, palaces, monuments and expensive splendors etc. during the rule of the Afghan and Mughal emperors was kept at home and the manufacturers of Indian goods, artists and craftsmen helped and encouraged their livelihood. Following the example of the Delhi court, the emirs and ummahs of the empire, provincial governors and other wealthy people used to build beautiful buildings, temples, mosques, roads, inns etc. at their own expense. Many people used to earn their living by engaging in all these public works. The taxes levied by the rulers on the people for all these activities indirectly returned to the people and helped their trade and industry. In short, the wealth of the country remained in the country.

But from the beginning of British rule, a great change took place in India and Indian wealth flowed out of the country like a stream of water. The famous English orator and member of the British Parliament, Edmund Burke, called this a "drain of wealth from India". Some English and Indian historians have called this outflow the "loot of India". This outflow of Indian wealth took place in various ways and in various sectors.

The outflow of this wealth first began after the Battle of Plassey, which can be called nothing more than a mere plunder. In describing that plunder, Lord Clive himself admits that the wealth accumulated in the treasury of Murshidabad had so increased the greed of the English officials that their only aim was to divide that wealth among themselves.

After Mir Jafar was installed on the throne (1757 AD), plundering began. In exchange for the throne, Mir Jafar promised to give the British the additional reward of power.He was. After ascending the throne, the Nawab gave the British one and a half crores of rupees in various fields. In addition to the personal reward of 27 lakhs of rupees, Clive received an estate with an annual income of thirty thousand pounds. In addition to this, the Nawab was forced to pay an additional twenty-five lakhs of rupees for the English fleet and army. When Clive came to India from England, he was completely penniless. But in two years (1765-67 AD) he collected one lakh pounds of money and took it to his homeland.

After ruling for three years, Mir Jafar was deposed and Mir Kashim was installed on the throne (1760 AD). In exchange for the throne, Mir Kashim also gave two hundred thousand pounds as a reward to the English officials. Of this, the English Governor Vancistrut himself received about 28 thousand pounds as a reward. Apart from this, Mir Kashim donated five hundred thousand rupees to the Company for the war expenses in South India. This was not the last plunder of Bengal's financial resources. Three years later (1763 AD), the Company deposed Mir Kashim and installed Mir Jafar on the throne again. Mir Jafar again gave five hundred thousand pounds as a reward to the Company and its officials in various fields. After Mir Jafar's death, despite the prohibition of the company's board of directors, the English employees in Bengal accepted a large sum of money as a reward from Mir Jafar's son, Nazim-ud-Daula. The British first started this policy of plunder in Bengal. Later this policy was applied to other parts of India as well. A large amount of wealth collected from the Indian princes, who became playthings in the hands of the British, went abroad.

Another way of transferring money from India was through trade. After the Company acquired the Diwani of Bengal, Bihar and Orissa in 1765, the surplus revenue of the Bengal Suba was invested in the Company's business and commerce. The first outflow of money to England through trade began from Bengal. The land revenue collected in Bengal was used to purchase Indian goods and export them to England. This purchase system was called 'investment'. Through the 'investment' system, Bengal's revenue went to England. For example, between 1765 and 1770, goods worth about 4 million pounds went to England, that is, 33 percent of Bengal's net revenue. The actual outflow was even higher. Because, in addition to the company's own revenue, a large part of the salaries of the company's employees and a large part of the profits of the English merchants went to England. Apart from the company, its employees also carried on business and trade privately and illegally, and exported a large amount of wealth to their own country. Between 1766 and 1768, wealth worth 63 million pounds was exported to England from Bengal alone. During this period, only 624 thousand pounds worth of goods were imported from England to Bengal. In short, India exported to England ten times more than what it imported from England. Therefore, this proves how much Indian wealth went abroad every year. Although it is not possible to determine the exact amount of annual outflow from Bengal and India, English historians and English officials have admitted that the outflow of money from India was extensive between 1757 and 1857. In 1840, Lord Ellenborough, the Governor-General of India, admitted that the amount of wealth that was every year, a small amount of goods were imported into India, worth no more than two to three million sterling, in exchange for what was exported to England. In 1773, the British Parliament passed the Regulating Act, prohibiting the Company's employees in India from accepting rewards from the native kings and also prohibiting their participation in internal trade and commerce without the Company's license. After 1784, the Company opened a new path for the exploitation of India by reforming the land revenue.

The consequences of the outflow of capital in the economic life of Bengal and India were terrible. The outflow of capital led to a miserable shortage of capital in India. Disaster struck the field of trade and industry. Innumerable merchants and artisans became unemployed. Indian capital helped the industrial revolution in England and large factories were built there. The goods manufactured in England overwhelmed the Indian market and as a result Indian Cottage industries were destroyed. Earlier, the British Company had been importing silver in India.

Conclusion

It used to import and invest in domestic and foreign trade. But after the land revenue and trade of India came into the hands of the Company, the import of silver into India stopped. Instead, Indian silver and gold went to England in large quantities. The tradition of the Indian economy was destroyed. Once a wealthy country, India became a poor country. Famine and epidemics appeared as a curse in the lives of the people of India. In 1789, the Governor-General Lord Cornwallis admitted that about one-third of the Company's kingdom had become jungle and many prosperous villages and towns had become crematoriums.

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