UNIT 3 LAND TENURE SYSTEMS AND AGRARIAN STRUCTURE-I

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3.0 OBJECTIVES

The basic objective of this unit is to acquaint you with the concept of agrarian structure and agrarian systems and the relationship between land tenure systems and agrarian structure. After going through this unit you will be able to understand:

- the concept of agrarian structure and land tenure;
- the important features of agrarian structure before colonial rule;
- the nature of land tenure systems and agrarian structure during colonial rule and Independent India; and
- major land tenure systems and associated agrarian structure in Eastern and Western India.

3.1 INTRODUCTION

In the previous units you have read about land tenure systems in ancient and medieval India and the changes introduced during the colonial period. Now it has become clear to you that the agrarian structure that existed in India is conditioned by the land tenure systems. It follows that the pattern and pace of rural development would depend by and large on solutions of agrarian problems in all its aspects. In this context, we will analyse agrarian structure in India and its relationship with land tenure systems.

The concept of agrarian system is based on relationship between the people, the groups of people and land as systemic unity. Daniel Thorner in his book “The Agrarian prospects in India” has used the term “Agrarian Structure” as the sum total of ways in which each group functions in relation to other groups. Irfan Habid in the preface of his book “The Agrarian System in Mughal India” is concerned with the agrarian economy, social structure and land revenue administration. In the words of Burton Stein, the concept of agrarian system assumes a whole and developing complex of relationship among groups of people and the basic resource-land. The utilization of this concept demands the recognition of the manifest
dependence of power, livelihood and status upon control of land and any adequate analysis of dominantly agristic societies must indicate the way in which political, economic and social institutions are related and integrated with, control of land.

As you are aware, the system of land tenure governs the traditional or legal rights of individual or groups on land and its consequences on the social relationships of rural population. In the present context, land tenure refers the way in which land is held by an individual from the state and shows the relationship between them. Land tenure systems in India handed down as a colonial legacy was rooted in exploitation of the large majority of rural population and a big section of those who did not having access to land. Due to this, colonial agrarian structure was viewed as an obstacle in agricultural development/rural development and ultimately in national development. After independence it was considered necessary to introduce several measures to change land tenure systems with a view to provide opportunities for the development of every section of agrarian rural society. These measures of change in land tenure systems have introduced the elements of transformation in agrarian structure prevalent during colonial rule.

In these two units related to Land Tenure Systems and Agrarian Structure we will discuss important features of agrarian societies before colonial rule and various initiatives during colonial rule that changed/transformed the traditional relations between land and the people.

3.2 PRE-INDEPENDENCE LAND TENURE SYSTEMS AND AGRARIAN STRUCTURE

3.2.1 Agrarian Structure in Pre-British India

It is generally held that the basic feature of pre-British Indian rural society was self-sufficient village community based on agriculture. Agriculture and allied activities were carried on with the primitive tools and handicrafts. Village as a self-sufficient basic economic unit had existed for centuries in India. It had survived with some minor modifications till the advent of the British rule. Indian village communities had witnessed the emergence of several kingdoms and their collapse, but they retained their character of self-sufficiency. Village in India was like 'little republic' having nearly everything they required within themselves and almost independent of any 'foreign' relations.

The village population was mainly composed of farmers. The village community was represented by the village committee which was defacto owner of village land, which was distributed among the peasant community in the form of holdings. The farmer's family enjoyed a traditional hereditary right to possess and cultivate its holdings from generation to generation. Families in the villages were subject to various collective restrictions and were entitled to various collectively managed services.

During the period of Hindu rulers the land belonged to the village community and was never regarded as the property of the King. The king or his intermediaries claimed only a part of the produce of the land. The claim was met by the village committee as a representative of the village community. The state had merely a right to a share that was always paid in kind. The Muslim rulers had adopted the same tenure and tax systems with some modifications.

Economic Features: In Indian villages the structure of agricultural production remained untouched for centuries. No ruler had challenged the ultimate customary rights of the village community over the village land. The entire agricultural produce was almost consumed locally by the agriculturists and non agriculturist village population, except the share of produce which the village had to surrender to the ruler of that period.
All exchanges of products produced by the village workers, agricultural or industrial was limited to the village community and hence were restricted in scope. The village population consumed almost entire produce.

The village population besides the farmer's families included industrial workers, such as a smith, a carpenter, a potter, a weaver, a cobbler, a washerman, an oilman, a barber and others. They all provided their services almost exclusively to the village population.

**Social Features:** Before the British conquest India had been conquered many times. But these conquest had led to a change in political regimes only. So far as the Indian agrarian structure was concerned, conquests not affected it. The pre-British Indian society was characterized by subordination of the individual to the caste, the family and the village panchayats. Rigidity caste system almost with the inexorable force of natural law, determined the occupation of its members of the village community. Since castes were based on heredity, occupation also became hereditary. The agrarian structure in India during pre colonial period can be summarized at its best in terms of O'Malley–

"The chief social institutions, as they existed in their integrity, were not individualist but collectivist. The unit was not individual but the family which regulated the relations of its members. The interrelations of different families were governed by the village community and the caste, the former of which was a collection of families organized for the purposes of communal self government, while the latter was an aggregation of families united by rules as to marriage, diet, occupation and intercourse with the rest of community but not localized like the village community. All three, the family, the caste and the village community maintained ideological control over the individual who was bound to conform to their standards, the affairs of the caste and family, however, were matters with which the state had no direct concern. The relations of their members were governed not by secular but by Hindu laws and customary regulations." (O'Malley (ed) Modern India and the West 1941, p.355)

### 3.2.2 Impact of British Rule on Agrarian Structure

The political and economic policies adopted by the British government after the conquest of India introduced the elements of transformation in Indian economy and society.

**Impact on Village Community:** Before British conquest of India land belonged to the village community and was never treated as the property of the kings – benevolent or despotic, Hindu, Muslims or Buddhist. Nor it was treated as individual cultivator's property. In short in pre-British India the private ownership of land did not exist in any form. Land belonged to the village community. British conquest introduced the concept of private property in land by superseding the traditional right of village community over the village land. In a sense of British conquest brought about an agrarian revolution. The introduction of private ownership in land divided village community mainly into peasant ownership and large scale landlord ownership. As a result of this material transformation the agrarian society in India witnessed profound social, economic, political, cultural and psychological change.

Under the new land system, the village was no longer owner or supervisor of agriculture. It had little to do with the disputes related to land which had become the subject of courts established by the British. This greatly undermined the prestige of the panchayats which lost power.

The new land revenue system created individual holders of land and introduced the system of individual land assessment and revenue payment. A new method of fixing
the land revenue and its payment was introduced and the new land system and revenue system played an important role in snapping the traditional tie between the peasant and the village community. Consequently the self-sufficient nature of village community received a serious setback. The coexistence of village agriculture and industry which the basic pillar of the self-sufficient village economy, was disrupted. The centralized state took over the functions of the village community. The village slowly but steadily became transformed from self governing community to an administrative unit of centralized state the economic aspect largely a part of the national economy. The collective village life based on common economic interests and the resultant cooperative relations could not be sustained under the new arrangement. Ultimately it gave way to a new village where existence was based on competition and struggle among independent individuals.

3.3 CHANGES IN LAND TENURE DURING BRITISH RULE

In the course of time, India's invasion by the British brought about, a complete transformation in the country's land tenure system. The East India Company experienced difficulty in its trading because the sale of British goods in India was insignificant. The exportation of gold and silver from England to pay for Indian goods was soon prohibited. The Company found a solution by securing money from India to pay for Indian goods. The decisive breakthrough came in 1765, when the office of 'dewan' for Bengal, Orissa, and Bihar, i.e. the financial independence for these areas, was assigned to the Company.

In 1793, after some experimentation, Corwallis' Permanent Settlement brought a final regulation of the procedure for levying taxes. It led to decisive changes in land tenure. The British arrangement meant that all the land belonged to the state and was thus at their disposal. They registered the local tax collectors as zamindars. They were free to decide how much to demand from the cultivators. The fixed lump sum tax payment provided them an incentive to put more land under cultivation. In the beginning, it was not a problem because the cultivators were fewer, which prevented the zamindars from demanding too high taxes. They were interested in attracting people to cultivate the land and to increase the number of tax payers, which in turn would increase the difference between the revenues and the fixed amount that had to be remitted to the state. The zamindars, thus, control the livelihood and this power that shifted into the hands of the zamindars enabled them to extort more and more taxes as the demand for land increased. This led to indebtedness and often to the loss of occupancy rights and relegation to tenants at will.

The right to land conferred on the zamindars was alienable, rentable, and heritable. This meant the introduction of a complete novel arrangement in India. Land became a saleable good. Those who had been cultivators, obtained the status of 'occupancy tenants'. These occupancy rights were heritable and transferable and were not tampered with as long as the holders paid their taxes. In contrast to these, the tenants who cultivated the land owned by the tax collectors were "tenants at will", i.e., they could be evicted.

The great discrepancy between the fixed amount of taxes to be remitted and the increasing revenues made the zamindars wealthy. Consequently, they no longer took the trouble of collecting the taxes themselves but sub leased this office to others. The difference between the revenues and the amounts to be remitted was so big that even the "sub assignees" tried to sub lease.

Because of the experience of running of this system and better knowledge of the conditions in India, as well as the liberal influence on the colonial policy, the zamindari
system was not extended to the whole of India. The provinces which came under the British were assigned other taxation systems later on. The ryotwari system was introduced in Madras, Bombay, and Assam. Under this system, the government claimed the property rights to all the land, but allotted it to the cultivators on the condition that they pay taxes. They could use, sell, mortgage, bequeath, and lease the land as long as they paid their taxes, failing which, they were evicted. This direct tax relation between the government and the cultivators was meant to prevent sub tax collectors, thus increasing purchasing power, and, in that way, improving the marketing prospects for English products. But taxes were only fixed in a temporary settlement for a period of thirty years and then revised, which helped the government to increase its revenue.

In North India and in the Punjab where joint land rights on the village were common, an attempt was made to utilize this traditional structure in a new form known as Mahalwari system. Under this system, taxation was imposed on the village community since it had the rights over land. The village community had to distribute these taxes among the cultivators who owed taxes individually and jointly. Everyone was thus liable for the others’ arrears. A village inhabitant, called the lambardar, collected the amounts and remitted them in bulk. Here, too there was a provision to revise tax assessment at intervals.

### 3.3.1 Land Tenure System

Land tenure refers to the way in which land is held by an individual from the Government, and the relationship between the land holder and the State. The absolute ownership of land rests with the Government. Government gives proprietary rights to individuals or communities. Thus, a land owner, is in that sense is the proprietor of the land and has to pay land revenue for that.

In the previous unit we have discussed the evolution of land tenure systems in detail. It is clear that the Mughals did not introduce any fundamental change in the ancient revenue system though they put a coherent system in place of customary and unwritten usages of the Hindu administration. But in the declining days of Mughal Empire, the control over the revenue officials became weak and the flow of income to the Empire started declining. So, the system called ‘revenue farming’ was introduced in Bengal in the reign of Farukhsiyar (1713-19), under which the ‘revenue farmer’ paid the Government nine-tenth of the whole collection and kept the rest as his collection charges. However, in the later period, the right of collecting land revenue for a pargana or a district was sold by public auction to the highest bidder. This practice was the beginning of the exploitation of the cultivators. The ‘revenue farmers’ became more dominant. Revenue farming system that started during the Mughal rule in Bengal was soon extended to other parts of the country. During this era of the Zamindari system was introduced to ensure proper collection of taxes. Zamindar’s, also known as Zemindar were employed by the Mughal to collect taxes from peasants.

With the Mughal conquest of Bengal, “zamindar” became a generic title embracing people with different kinds of landholdings and rights that ranged from the autonomous or semi-independent chieftains to the peasant-proprietors. All categories of zamindars under the Mughals were required to perform certain police, judicial and military duties. Zamindars under the Mughals were, in fact, more of public functionaries than revenue collecting agents. Although zamindaris were allowed to be held hereditarily, the holders were not considered to be the proprietors of their estates.

The territorial zamindars had judicial power. Judge-magistracy, as an element of state authority naturally conferred higher status with attendant power, which really made them the lords of their domains. They held regular courts, called zamindari adalat. The courts fetched them not only power and status but some income as well
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by way of fines, presents and perquisites. The petty zamindars also had some share in the dispensation of civil and criminal justice. The Chowdhurys, who were zamindars in most cases, had authority to deal with the complaints about debts, thefts and petty quarrels and to imposition paltry fines.

Under the British Rule, there were three main types of land tenure systems which existed for many years even after Independence, namely Zamindari, Mahalwari and Ryotwari.

i) Zamindari: This system was introduced by Lord Cornwallis in Bengal in 1873, known as the Bengal Settlement or the Permanent Settlement. The outcome of the permanent settlement is known as zamindari system widely introduced in Eastern India. Under this system, the land of a village or few villages was held by one person or few joint owners who were responsible for the payment of land revenue to the Government. Generally there were a number of intermediaries between the zamindars and the actual tillers of the soil. This system was adopted in several forms such as Zamindari, Jagirdari, Inamdari, etc. In many cases revenue collectors were raised to the status of land owners. This system was introduced in many parts of the country. As per this settlement arrangement, tenure was a form of socio-economic authority or control; moreover the tenants and subtenants all enjoyed similar kinds of power and privileges, each based on similar kind of settlement or agreement. In this system, tillers of the soil were exploited by way of exorbitant rents. It is said that the British introduced zamindari system to achieve two objectives. First, it helped in regular collection of land revenue from a few persons i.e. zamindars. Secondly, it created a class of people who would remain loyal to the British. The zamindari system was a way of collecting taxes from peasants. The zamindar was considered a lord, who would collect all taxes on his land and hand over the collected taxes to the British authorities. Under the system there was a provision of keeping a portion of taxes for the zamindar himself.

ii) Mahalwari: Under this settlement there was direct contract between village community and officers of the government. The village community did not necessarily mean entire village population. It was a group of elders, notables of high castes. They in joint capacity governed the affairs of the village and faced the demands made by the superiors backed by the higher authority. In this system, the village land was held jointly by the village community and members jointly, or in group, were responsible for the payment of land revenue. Land revenue was fixed for the whole village and the village headman (Lambardar) collected it. Many names were used for this kind of settlement i.e. joint rent, ‘joint lease’, ‘brotherhood’ tract (mahal) holding and ‘gram wari’ etc. All in all this form at its best was considered as the village settlement or Joint Village Settlement. This system was prevalent in Northern and Central India.

iii) Ryotwari: Introduced by Sir Thomas Munro at first in Madras State, this settlement was intended to deal with each ‘ryoyat’ or ‘cultivator’ as an individual. Under this settlement every registered holder was recognized as its proprietor who could sell or transfer the land. He was assured of permanent tenure as long as he paid the revenue. The land holder was allowed to sublet his land. Madras and Bombay Presidency areas are generally classified as Ryotwari areas.

Check Your Progress 1

Note: i) Use the space provided for your answers.

ii) Compare your answer(s) with the text.
3.4 CONSEQUENCES OF LAND TENURE SYSTEMS ON AGRARIAN SOCIETY

The major changes introduced by the British rule were the new land revenue systems, high rates of revenue, new administrative and judicial system, which not only damaged the management of the villages, but introduced major changes in the Indian socio-economic and legal systems also. The functions of gram panchayat in the fields of land management and judicial function were taken away. As a consequence the old social, economic and political institutions prevalent in the Indian village were destroyed. Due to the destruction of small village industries and crafts, land acquired much importance. Both the ownership of land and farmers became mobile bringing in the absentee landlords and moneylenders on the villages. The land revenue was very high in both the zamindari and the Ryotwari systems and when zamindars or ryotwars were not in a position to pay revenue in time, the British took away the lands from them and sold it to businessmen, who were not farmers, and were not too worried about the farming but worried more about the extracting maximum revenue from it. The moneylender and zamindars became an inseparable part of the village life because the villagers always needed them for their survival. In such a situation the majority of the farmers stopped farming and land became sterile/unproductive. The number of sharecroppers and landless farmers increased significantly.

The British land tenure system of Zamindari, Ryotwari and Mahalwari destroyed the self-sufficiency of the Indian villages and brought fundamental changes in the rural social and economic life which were often damaging to the old customs. The permanent settlement helped the British in making British imperialism more powerful and mature by suppressing oppositions targeted towards them. It provided the British establishment more permanency by making poor villagers poorer. These new arrangement had opened the door of exploitation by breaking age old Indian agricultural system.

The land revenue was dependent on the geological state of land rather than the old tradition of equality. The land revenue was fixed on the part of land not on the total land of the farmers. Instead of any systematic method of fixing revenue was based on mere guess. The land revenue was increased from 66 percent to 100 percent after American civil war. The farmers had no right to appeal in the court of law.

During the British period the payment on the land revenue was decided on the basis of grown crops on the land which was different every year. Even the mode of
payment of land revenue had changed in cash while earlier it was not in always cash. The amount of revenue was not subject of change even if the crops were not good. The zamindar had to give a fixed amount of revenue from their area in time. But the amount that was extract from the farmers was fixed at the will of zamindars. The farmers were left little after paying their taxes.

The creation of a class of zamindar provided social support for the colonial government and made it easier to impose control over the rural population. Special privilege was for zamindar was a necessary part of the colonial rule, and the British government provided them special representation in the reformatory planning and did not hesitate in using this conservative class against the Indians. The zamindar class had become a tool of economic exploitation by the government. Lack of resources prevented the farmers to make any improvements in the lands.

The selling and buying of land under the system brought moneylenders of Mahajan Baniya class, who owned land and were in control of village land without any accountability.

**Agricultural Labourers** were the larger class of people who emerged as a result of the British economic policy, constituting the lowest echelon of rural socio-economic structure. They were earlier farmers but due to the British agricultural and economic policies and land revenue system they started loosing their land and were transformed into the class of agricultural labourers. These small farmer were left with very small portion of their land. This class of agricultural labourers comprised almost half of the agricultural population. They were in the grip of debts and under the grip of moneylenders, often leading to the emergence of "bonded" labour. They were offered the loan/debt on this agreement that whenever zamindars needed labour they would came and work on his land. This practice prevented them of any right to bargain for their labour. They were bonded with their life long labour.

**Poverty of Farmers**

The main cause of lower production was that farmers did not have the required money to invest in agriculture. The expansion of British rule and the requirement of more and more money led to the increase in land revenue. It made agricultural production costly ultimately resulting into agricultural backwardness. High level of revenue, costly agricultural production put farmers into high debt. The farmers were gradually caught in the debt trap because of high rate of revenue and uncontrolled and unchecked practices followed by the moneylenders.

### 3.5 IMPACT OF BRITISH RULE IN THE EASTERN AND WESTERN PARTS OF INDIA

#### 3.5.1 Eastern India

The East India Company took over the Dewani (financial rights) of Bengal, Bihar and parts of Orissa in the year 1765. Immediate interest of the company was to collect the maximum amount of income in the quickest possible time. The Company required large amount of money to finance trade and commerce, and to maintain the army for strengthening and expansion of the rule. To realize the objective of higher land revenue, the zamindari were auctioned to the highest bidder.

The policy of the Company of maximizing land revenue introduced the elements of transformation/alteration in the nature of agrarian society. Many old zamindars could not compete in the race. The highest bidders at the public auction in many cases were people who made fortunes through their association with the new administration and through participation in the new trade and commerce. The peasants
were literally robbed by these zamindars in order to pay up the Company’s dues, and the presents were often forced to abscond. This reckless process, which continued till the permanent settlement was followed by frequent famines, loss of human life and large areas of land were rendered as waste. The impact on agrarian society can be assessed from the fact that between 1765 to 1793 the revenue demand nearly doubled.

The Permanent Settlement of 1793 in Bengal and Bihar, besides declaring the zamindars, proprietors of the soil, fixed their dues to the state on a permanent basis. It was argued that it would ensure not only the security of revenue, but also lead to the prosperity of the Company’s commerce. A thriving commerce was the vital need of the British and Indian agriculture provided variety of goods for export. This period was of special significance because it was the time of the commencement of the Industrial Revolution in Britain. It was thought that the creation of private property in land would create right conditions for investment in agriculture. Landed property would acquire a value and the large capital possessed by many natives in Calcutta, supported by usury, or monopolizing salt, or other necessaries of life, would be utilized for more useful purpose of purchasing and improving land. Moreover, behind these measures another objective was the creation of a new class, loyal to company as ‘zamindars’ which will help in the stabilization of British rule in India. As far as the creation of a class of loyal supporters is concerned, the British substantially succeeded in it. However, their expectations were only partially fulfilled, in so far as the zamindars, new as well as old, failed to turn into agrarian capitalists, and preferred to remain feudal landlords. Capital was invested not in agricultural development but for purchasing of land. Moreover, in due course of time, a long chain of intermediaries cropped up between the state and the tiller. The zamindars were expected to pay a fixed sum as revenue to the government. This revenue amounted to 90 per cent of the rent collected by the zamindars. However, with increase in prices, the value of money was eroded. As a consequence state and peasants both were in no-win situation. The state lost because its revenues in terms of money were permanently fixed, while the value of money had drastically fallen. The peasant lost because rents were not regulated and the increased value of agricultural produce went to the zamindars and the intermediaries.

The Bengal model was, however, not replicated in parts of Orissa and Assam. It was realized that the freezing of the land revenue demand, which constituted by far the most important source of the government income at that time, would not be advisable. Both in Orissa and Assam settlements were kept temporary and the revenue demand was increased from time to time.

In Orissa, between 1805 and 1897, the government increased the land revenue to around 93 per cent. In Assam, the peasants surrendered to the State a larger proportion of their total agricultural output. Since the British had their district professional army and an elaborate administrative bureaucracy, the labour services of the paiks became redundant. The paiks were given a cash tribute, which was quite high as compared to the nominal tax on paik’s land during Ahom rule. Moreover, the old Assamese aristocracy, on which the Ahom King trusted for the defence and most of the administration, also became superfluous under the new system. Their revenue-free estates were gradually confiscated.

Tenancy

The peasants who thus lost land were not necessarily driven out of land, except where the new owners cultivated them directly with hired labourers. The old peasants many times cultivated their sold plots on a crop sharing basis. The share-cropping (barga) system did not result from rural credit relations alone, though its growth was considerably due to this important factor. The barga system also prevailed where the owners, for various reasons, were unable to organize the cultivation of
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their lands. Some owners preferred the barga system where this ensured an increased rental income. Because of an increased demand for land by the peasants, share-cropping became more profitable for the land owner.

**Tenancy Acts**

Two major tenancy acts were enacted in Bengal after the Permanent Settlement: the Rent Act of 1859 and the Bengal Tenancy Act of 1885, which was amended a number of times in the 1920s and 1930s. The tenancy act put some restrictions on the rights of the landlords and put some checks on the excesses committed by them.

Under the tenancy act, occupancy rights were conferred on those ryots, and under ryots, who had been in possession of any land for twelve consecutive years. The 'occupancy rights' of a ryots or an under-ryot also included rights of inheritance, transfer and mortgage. The occupancy ryot could not be just ejected the landlord even for non-payment of rent. However, the court had jurisdiction to sell the land on the failure of payment of rents. Rents of these tenants could be enhanced only under certain specified conditions. Such occupancy ryots did not necessarily cultivate their holdings on their own and many of them, specially some big ryots, further leased out their lands to the tenants but sharecroppers rarely had any tenancy rights (non-occupancy tenants). One of the motives behind the big ryots subletting their holdings was the considerable margin between the rent that the non-occupancy tenants paid and the one they themselves paid. There was no legal protection against an increase of rent of these non-occupancy tenants and share-croppers by the occupancy tenants. By the year 1940, as many as one-third of peasants households were constituted of such inferior tenants.

3.5.2 Western India

For assessment of revenue the British started systematic surveys in 1855 in those areas which had previously escaped from revenue payments. This survey was completed in 1864. The assessment of revenue was very high. This massive increase in the revenue generated huge revenue for the British. The system of revenue introduced in these areas was known as ryotwari system.

The system of revenue collection adopted in Western part of India was basically the ryotwari system, but other systems of land revenue were also in practice. Under this system the settlement was normally for a fixed period of 30 years, which meant that the revenue demand could be enhanced after that period. Under the ryotwari settlement, the ryot cultivator was directly under the state, was recognized as proprietor and had right to sublet, mortgage or transfer his plot of land by gift or sale. He could not be ejected so long as he paid the fixed revenue.

With the introduction of the new land revenue system in Western India, the ‘miras’ and ‘upari’ tenures were merged and the occupant of the land had the same right irrespective of their earlier status. The hereditary village and higher officials (patils, desais and desmukhs) were prohibited from collection of customary perquisites from the people. In addition to this, exclusion of these hereditary officials from revenue administration also tended to lower their independence. The new system (ryotwari) adopted cash system of revenue.

**Changes in Agrarian Society**

During 1860, there was a sharp rise in prices of agricultural commodities, specially of cotton. The first to benefit from the boom were the traders and moneylenders, but cultivators also got some benefit. Farmers, who were relatively well off concentrated on cash crops, because of the increase in prices. The farmers who
were comparatively less well off tended to cultivate food grains where price situation was relatively stable. Thus, the incidence of land revenue on the rich farmers declined faster than for the less well to do farmers. Therefore, it became difficult for the ryots to pay the increased revenue, and they were forced to approach the moneylenders for loans. Increasing indebtedness of the cultivators culminated in the Deccan riots in 1875 against moneylenders.

In addition to heavy land revenue demand, the new legal system had also given the village moneylender more freedom. As we know from the previous unit, during the Maratha rule, the moneylenders knew that the government would not support them if they tried to confiscate peasant's land for recovery of debt. But in the new legal system the British courts were much more rigid in enforcing the land transfer and the cultivators were often ignorant of the new laws.

In the beginning the business community/moneylenders were mainly interested in control of crops and trade. By the mid nineteenth century the moneylenders controlled nearly all the internal trade of both grain and cotton in the Deccan. Their interest was also to preserve this control through advancing loans to the peasants who were required to sell their corps to them at a much lower price than prevailing market prices. Later on other prosperous members of the traditional cultivating castes, like the kunbis, preferred this business of moneylending. In fact, these agriculturist moneylenders had a much greater appetite for land than the mercantile castes. In 1930, it was reported that only 29 per cent of the peasants in Konkan were free from debt, and in the north Konkan much of the land held by peasants had passed into the hands of creditors, whether professional moneylenders or large peasants.

The cultivation of cash crops such as sugarcane, tobacco, groundnut and cotton expanded during the late 19th and early 20th centuries, leading to the emergence of rich peasantry. The small section of the cultivators who had a surplus produce for market, made large profits, and invested them back into agriculture, mainly into irrigation. With the help of merely bought carts they started selling their produce in the market on a price which was better than what was offered by the local ‘sahukars’. These rich farmers, who had been able to seize the new market opportunities, often replaced the traditional moneylenders as sources of credit in the village. Very often these commercialized agriculturists purchased the land of small cultivators, who were in heavy debt. Data collected for the Royal Commission on Agriculture showed that in 1924-25, 86 per cent of the total cultivated area was held by large owners each having more than 25 acres, and they formed just 12 per cent of the total landowners.

Since 1808, a significant growth in the number of tenants has been observed. Many former revenue officials and moneylenders were leasing out their land to the tenants. It seems that well-to-do owner cultivators started withdrawing from cultivation and leased out their land during the first half of the twentieth century. In Gujarat land owned by non-cultivating holders increased from 24 per cent to 30 per cent of the agricultural area between 1916-17 and 1942-43, while their number rose from 65,000 to 1,01,000.

Most of these tenants were tenants-at-will. The majority of tenants in Maharashtra paid in kind; the general rate was half the crop, with the landlord paying the land revenue. This system was particularly advantageous to the landlords when prices were rising.
3.6 LET US SUM UP

In this unit attempts have been made to analyse socio-economic features of agrarian society prior to the colonial rule. We noted that before the advent of British rule Indian villages were self-sufficient. And for the fulfillment of economic needs they were not dependent on outside world. Village land were owned by the village community. The concept of private property was absent in village community. More or less the social and economic life was guided by predominant Hindu Laws. So far as Muslim rulers were concerned they did not interfere much in the socio-economic life of the village. It was the British rule which introduced the concept of private property in land and commercialization of agriculture. It was colonial rule which broke the traditional socio-economic structure of the village community and introduced their own set of laws for their advantages.

In this context we have studied the impact of British rule in Eastern and Western parts of India. The impact of the British rule; so far as agrarian structure and land tenure system is concerned, had deep-rooted impact on Indian society which was visible even after Independence. Indian Government after Independence was bound to initiate measures to do-away with the evils created by land tenure systems introduced during the colonial rule.

3.7 KEY WORDS

Agrarian Structure : The sum total of ways in which each group of rural society functions in relation to other groups.

Bengal Settlement : Known as Permanent Settlement introduced by Lord Cornwallis in Bengal in 1873.
3.8 SUGGESTED READINGS


