

Class-11th

Subject- Economics (Part-A)

Chapter-1 Agriculture Sector On The Eve Of Independence

Agriculture Sector On The Eve Of Independence. It is an acknowledged reality that more than 70% of India's National Income is derived from its agricultural activities. Before 1947, more than 95% of the nation's income was derived from its agricultural activities. And more than 85% of the country's residents survived in villages where living completely relied on agriculture. The most prominent Indian sector was suffering from massive stagnation and constant degeneration. The economy on the eve of independence with regard to agriculture was demoralizing.

Consequently, the resulting circumstance of the sector was as follows:

- **Low Productivity Level:**

Productivity and yield per hectare of the area were low. This circumstance directed to a very low yield of output regardless of the extensive farming land.

- **High Vulnerability Level:**

Agricultural activities are reliant on climatic circumstances. Because bad rainfall usually headed to a low output level and high crop collapses. And no attempts were made by the British to abolish irrigation concerns. Therefore, making it unsafe to external factors.

Also read: Indian Industries during british rule

Mentioned below are some of the causes for the stagnation of the agricultural sector:

The Indian economy on the eve of independence experienced and continues to undergo the outcomes of the zamindari system. In this system, the chief focus of the landowners is to extract rent despite the economic conditions of the farmers. Therefore, leading to a stagnant agricultural sector.

The shortage of resources, be it financial or contrarily, is a decisive factor leading to a stagnant agricultural sector.

Widespread commercialization of agriculture refers to the shift from cultivating for self to cultivating for sale in the market. This has not been helpful in developing the condition of farmers due to the presence of middlemen. Hence, the stagnation or hindrance of the Indian agricultural sector.

Agricultural Sector during the Independence

The State Of Agriculture In India On The Eve Of Independence?

Or

What Were The Characteristics Of Indian Agriculture On The Eve Of Independence?

The Indian economy was an agro-based economy on the eve of independence.

75% of the Indian population was earning a livelihood from agriculture.

Despite being a primary source of income for a major population, this sector faced decline under British rule.

State Of Agriculture On The Eve Of Independence

Following Chief Characteristics:

(1) Small And Fragmented Land Holdings

The landholding is defined as the area of land which a person or a family owns.

Land holdings in India were not only small but scattered as well

Small and scattered land holdings were very difficult to cultivate.

(2) Use Of Outdated And Old Technology

At the time of independence, old and outdated methods of farming were used in the agriculture sector.

There was insufficient use of fertilizers and other machines etc.

(3) Dependence On Rainfall

Agriculture was excessively dependent upon rainfall.

Good rainfall implied good output, while poor rainfall implied poor output.

(4) Low Level Of Productivity And Production

Level of productivity i.e. output per hectare of land was extremely low.

Low productivity implied a low level of output, despite large area was under cultivation but due to fragmentation low output could be produced.

(5) Subsistence Farming

Subsistence farming is one where the primary objective of the farmer is to produce for his own family.

The sole aim is to produce for self-consumption or for his family rather than selling it to others to earn money.

(6) A Wedge Between Owners Of The Soil And Tillers Of The Soil

Owners were seldom tillers of the soil they never shared the cost of output, instead, they shared the output.

They were only interested in maximizing their rental income.

The tillers of the soil (farmers) were given very less for subsistence.

The consequence was backwardness and stagnation of agriculture.

Indian Industries During British Rule - All you need to know

Indian Industries During British Rule was a well-known producer of handicraft and textile business. India was also famous for its industries in silk and cotton textiles. In addition, Indians were skilled in metal and high-priced stonework too. When the Britishers came, they were followers of de-industrialization in India. They did this by devising circumstances which were helpful to the decline of the handicraft and textile industry. They also did not make any attempt to help to allow the production of the metal and high-priced stone works.

The following was the condition of the industrial sector on the eve of independence:

- **The decay of the Handicraft Industry:** The traditional handicraft industry in India was in high demand. But the British rule absolutely victimized the work. The predominance of unfair tariff policy and the competition from machine-made goods was very important for the destruction. The introduction of railways in India was one of the reasons for market expansion. Consequently, the demand for handicrafts began to face the downfall.
- **Slow Growth of the Modern Industry:** Due to the confined growth of the PSEs and the unbalanced industrial formation, the growth of the modern industry was stagnant. In addition, there was a scarcity of basic and heavy industries.

The state of industrial sector under british rule?

Similar to the agriculture sector in India, Industrial sector also did not see much growth and development.

Following were the major reasons which were responsible for bleak growth of industrial sector.

- **Systematic De-Industrialisation**

The Primary motive of Britishers behind de-industrialization was two-fold(i) To make India a net

exporter of Raw material to the British Industries.(ii) To sell British products at a higher rate in the Indian market.

- **British followed Discriminatory Tariff poll**

Discriminatory Tariff policy signifies free export of raw material from India and Import of Finished product from Britain and placing a heavy duty on Export of Indian handicrafts.

- **Lopsided modern industrial structure**

British rulers never permitted modernization nor did they encourage the growth of Industries.

Unbalanced and lopsided growth structure was a legacy of British rule in India.

In 1850-55 first cotton mill, jute mill and coal mine were established.

By the end of the 19th century, 194 cotton mills and 36 jute mills were located in the western part of the country (Maharashtra and Gujarat)

- **Lacking capital goods industry**

Capital goods industry refers to the industry which produces goods such as machines, tools, etc. which are further capable of producing consumer goods.

Primary objective of British rulers was to develop such an industry in India which would never be able to compete with the British Industry.

They want to make Indian industry to be dependent upon British industry for capital good

The state of india's foreign trade during the colonial rule.

(or)

Indicate the volume and direction of trade at the time of independence. (ncert)

(or)

What do you understand by the drain of indian wealth during the colonial period?

Since ancient times, India is one of the important trading nations.

But the discriminatory tariff and trade policies adopted by the colonial government unpleasantly hampered the structure, volume, and composition of India's foreign trade

Following was the state of india's foreign trade during the colonial rule :

- **Britain had monopoly control on foreign trade**

Britain retained its monopoly control and ruled over India's imports and exports.

- **Half of India's foreign trade was only authorized to Britain**

And the rest half was allowed to trade with other countries like Ceylon (Sri Lanka), China, and Persia (Iran).

In 1869, the beginning of the Suez Canal increased the British authority over India's foreign trade.

- **Net exporter of raw material and importer of finished goods**

Net Exporter of raw material- India became an exporter of primary products (raw material) such as raw silk, cotton, wool, sugar, indigo, jute, etc.

- **Importer of finished goods-**

India became an importer of finished consumer goods like cotton, silk and woolen clothes and capital goods like light machinery produced in the factories of Britain.

- **Drain of Indian wealth during british rule**

Drain of wealth means that the main motive of economic policies in India was to snatch maximum benefits from India's trade.

Foreign trade of India during the colonial period generated a surplus export due to excess exports.

However, this surplus export did not flow any silver or gold into India.

Rather, this surplus export was utilized to make payments for :i. The costs made for the office set up by the colonial government in Britain,ii. Expenses on the war fought by the British government,iii. Import of invisible items etc.

All of this led to the drain of Indian wealth.

drain of india's wealth during british rule

Under the British rule, India became an exporter of raw materials and an importer of finished goods.

There was a huge export surplus due to excess exports.

However, the export surplus was used for:i. To make payments for administrative expenses incurred by the British government in Britain.ii. To meet expenses on the war fought by the British Government.iii. To import invisible items etc.

Suez canal

It is an artificial waterway running from north to south across the passage of Suez in North-Eastern Egypt. Trading through Suez Canal opened in 1869.

Assessment Questions-

Q1. Explain agricultural sector in eve of Independence?

Q2. What is suez canal?

Q3. Explain industrial sector in eve of Independence?

Q4. What do you understand by the drain of indian wealth during the colonial period?

Q.5- What is meant by draining of wealt?