



The Land Tenure Systems in India

Land Tenure refers to the system of land ownership and management. The features that distinguish a land tenure system from the others relate to the following:

- (a) Who owns the land ;
- (b) Who cultivates the land;
- (c) Who is responsible for paying the land revenue to the government.

Based on these questions, three different types of land tenure existed in India before Independence. They were Zamindari system, Mahalwari system and Ryotwari system.

Zamindari System or the Land lord-Tenant System

This system was created by the British East India Company, when in 1793, Lord Cornwallis introduced 'Permanent Settlement Act'. Under this system the landlords or the Zamindars were declared as the owners of the land and they were responsible to pay the land revenue to the government. The share of the government in total rent collected was fixed at 10/11th, the balance going to the Zamindars as remuneration.

Mahalwari System or Communal System of Farming

After introduction of this system, it was later extended to Madhya Pradesh and Punjab. The ownership of the land was maintained by the collective body usually the villagers which served as a unit of management. They distributed land among the peasants and collected revenue from them and pay it to the state.

Ryotwari System or the Owner-Cultivator System

This system was initially introduced in Tamil Nadu and later extended to Maharashtra, Gujarat, Assam, Coorg, East Punjab and Madhya Pradesh. Under this system the ownership rights of use and control of land were held by the tiller himself. There was the direct relationship between owners. This system was the least

Oppressive system before Independence.

Process of Industrial Transition and Colonial Capitalism

This process of industrial transition in India during the British period can be broadly classified into two as given below:

- (a) **Industrial growth during the 19th century**



During the 19th century, British investors started to pioneer industrial enterprises in India as they had experiences of running industries at home. British enterprises also received maximum state support. Although the Britishers initiated industrialization process in the 19th century, they were

primarily interested in making profit and not in accelerating the economic growth in India. At the end of 19th century, there were about 36 jute mills, 194 cotton mills and a good number of plantation industries. The production of coal had risen to over million tonnes per annum.

(b) Industrial progress during the 20th century

During the first part of 20th century, Swadeshi movement stimulated the industrialization process in India. The existing industries and new industries had maintained a slow but steady growth till the outbreak of the First World War in 1914. By this time more than 70 cotton mills and 30 jute mills were set up. Coal production was doubled. The foundation of iron and steel industry was laid. Railway network was extended. During the period 1924-39, various major industries like iron and steel, cotton textiles, jute, matches, sugar, paper and pulp industry etc. were brought under protection scheme. This led to rapid expansion of protected industries in India. These protected industries captured the entire Indian market and eliminated foreign competition totally. Thus in the early part, British rule tried to transform the Indian economy as the producer of industrial raw materials and tried to capture Indian market for their industrial finished goods and thus started exploiting Indian economy in a different way. Later on, British capitalists gradually developed various industries like, jute, tea, coffee, cotton and textiles, paper and paper pulp, sugar etc, in India for vocational advantages and exploited Indian laborers extensively.

Problems of British Rule

1. The British rule stunted the growth of Indian enterprise.
2. The economic policies of British checked and retarded capital formation in India.
3. The drain of wealth financed capital development in Britain.
4. Indian agricultural sector became stagnant and deteriorated even when a large section of Indian population was dependent on agriculture for subsistence.
5. The British rule in India led the collapse of handicraft industries without making any significant contribution to development of any modern industrial base.
6. Some efforts by the colonial British regime in developing the plantations, mines, jute mills, banking and shipping, mainly promoted a system of capitalist firms that were managed by foreigners. These profit motives led to further drain of resources from India.



Important Industrial Policies Prior to 1991

India is the Asia's third largest economy. The 70 years of Independence have brought a remarkable change in the socio – economic landscape of India. Economic development of a country particularly depends on the process of industrialisation. At the time of Independence, India inherited a weak and shallow industrial base. Therefore during the post–Independence period, the Government of India took special emphasis on the development of a solid industrial base. The Industrial Policy Resolutions of 1948 and 1956 clearly stated the need for developing both small scale industries and large scale industries.

Industrial Policy Resolutions 1948

The Government of India recognized the significant contribution of industrialization. Therefore the Government of India declared its first Industrial Policy on 6th April 1948. The main importance of this policy was that it ushered in India the system of mixed economy

1. Industries were classified into four groups such as public sector (strategic industries), public–cum –private Sector (key industries), controlled private sector, private and co-operative sectors.
2. This policy endeavoured to protect cottage and small scale industries.
3. The central and state governments had a virtual monopoly in rail roads and exclusive rights to develop minerals, iron ore etc.
4. The Government encouraged the significance of foreign capital for industrialization but the government decided that the control should remain with Indian hands.

Industrial Policy Resolution 1956

1. The Industrial Policy of 1956 sought to give a dominant role to public sector. At the same time, it assured a fair treatment to the private sector.
2. The Government would support and encourage cottage and small scale enterprises by restricting volume of production in the large scale sector by differential taxation or by direct subsidies.
3. This industrial policy emphasized the necessity of reducing the regional disparities in levels of development.
4. The Government recognized the need for foreign capital for progressive Indianisation of foreign concerns.