

Economic Development of British India during the Colonial Period

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Abstract: Since 1757, Britain has gone through 92 years of warfare and established a colony in 1849. It also established its own colony in the Indian subcontinent, leaving a deep impression on India's politics, economy, culture, and even social life. During this process, it triggered the rebellion of India and sparked their ethnic group consciousness. At first, both Indian and Muslim intellectuals advocated for "India" and "anti-British", but unfortunately, there are fundamental differences in religious traditions and cultural backgrounds between Hinduism and Islam. Both are very mature religions, and one cannot completely assimilate the other. In order to study the impact of colonialism on India, this article explored the economic development of British India during the colonial period. After reviewing a large amount of literature, it was found that India produced more products in 1922 than China. At that time, India was probably more developed in terms of industrialization than China, with more factories and production facilities. India was still under British colonial rule in 1922, and the British colonial government may have promoted Indian production through resource allocation and policy support.

1. Introduction

The economic development of British India during the colonial period was a controversial topic. Many historians and economists have conducted in-depth research on the economic development of India during this period, exploring the impact of colonial rule on the Indian economy. In this paper, the economic development of British India during the colonial period is explored, and its impact on the Indian economy is analyzed. The economic development of British India during the colonial period is a complex and multidimensional issue. By conducting in-depth research on the economic policies and practices of British India, people can better understand the impact of colonial rule on the Indian economy, draw lessons from it, and promote sustainable development of the Indian economy.

This article introduces the ruins under colonization and the hindering effect of Britain's tax policy on India's modern industry. Literature research and analysis on the economic development of British India during the colonial period are presented. Finally, a summary of the entire article is made.

2. Related Works

Experts have long conducted specialized research on the economic development of British India. Sakib S M N aimed to explore the diverse cultural traditions of Bangladesh and India, explore the influence of historical, social, and political factors on cultural customs and values, and thus contribute to understanding the cultural sociology of Bangladesh and India. By comparing the similarities and differences between the cultures of the two countries, a deeper understanding of how culture is influenced by the larger social and political environment can be obtained [1]. Krishna V B studied the history and current situation of the Indian economy, as well as the entrepreneurial spirit in India. In addition, he also analyzed the preparatory work for entrepreneurial spirit in the southern Indian state of Karnataka, in order to generate greater academic interest in more research and enable decision-makers to formulate specialized policies for the development of the state, and even the whole country [2]. Sharma S strove to study the development process of Indian mountain society. He revealed the land use decisions, lifestyle, and construction methods adopted by the British in building urban spaces by analyzing the necessity of building mountain stations. Finally, he compared mountainous stations in India and the United Kingdom with overseas stations and analyzed the impact of urban development of mountainous stations on the development of mountainous areas [3].

Bhat R M used a combination of literature and theory to collect information using both primary and secondary data, and interpreted and analyzed the background of the data. Through deeper research on these documents, it was found that colonial oppression, global events, and the emotions of Native Americans overseas played an important role in igniting the Gadar movement [4]. Calvi R examined the long-term impact of Christianity on gender equality in terms of culture, education, and human resources during the colonial period in India. Taking early 20th century Indian missionaries as the research object, this study sorted out their administrative management and field research data. The research findings suggested that engaging with Christian missionaries is likely to lead to changes in women's gender awareness [5].

Mukherjee S used an online survey method from the Indian IT (Information Technology) industry to propose answers to questions about efficiency and productivity, infrastructure and work environment, major challenges and benefits faced, and the sustainability of working from home for different social population classifications [6]. Nilsen A G constructed a conceptual framework to rethink the relationship between law, social movements, and national construction in India's long-standing democratic process. Through the analysis of the three changes in India's hegemonic status, research has found that during this historical process, social movements and the state have formed an interactive relationship, which is achieved through law [7]. On the basis of ethnic research, Rai R adopted an ethnographic analysis approach, viewing India's "race" as a postcolonial neoliberal structure, and reshaping the "Mongolians" in colonialism into the neoliberal "Northeasterners", thus making India's "race" a hierarchical model to construct identity and differences. The report also pointed out that the emergence of the "Northeast" category was due to the exclusion of the "India" category, which was originally racialized based on Hindu Aryanism. Therefore, racism is a product of India's relationship with the postcolonial center peripheral forces in the Northeast region [8].

Dincecco M takes the Indian subcontinent as his study and describes it in detail by creating a new geocode base. He found that there is a strong link between the conflicts of the colonial period and the local economic development of today. Based on documentary and indirect sources, he also found that places that were more severely affected by the wars of the former colonies had earlier statehood and were less politically violent, with longer inputs of material and human resources [9]. Velasco C studied the events in colonial Kenya where the major commercial banks of India

competed fiercely for government accounts and sought to break their monopoly over the state-owned banks [10]. Dejung C has re-examined the economic history of India from two perspectives. He charts the development of a continental European enterprise active in South Asia to better understand the economic relations between the subcontinent and the wider world, often outside the empire [11]. Ince O U argues that Crawford's portrayal of India's 'empire of freedom', although he rejected slavery and the exploitation of the Aborigines, was not the same as the 'empire of the free'. Exploitation of the aborigines, but his capital, labor, and values were deeply racial [12]. Brahma A considers the use and appropriation of Indian land during the British colonial period. Today, one can still feel that land issues are still relevant and intense across India; especially in Assam [13]. Sadiq K examines the residual effects of the flow of low-skilled labor from South Asia to GCC (Gulf Cooperation Council) countries using contractual migration from India during the British Empire. The findings suggest that labour coercion and the process of commercialization remained the dominant features of immigration control during the colonial period and beyond [14]. Rasool G explores the historical shortcomings and challenges faced by the intra-Muslim divisions during the colonial era in India and highlights that a complete and nuanced understanding of the recent history of Sindh is necessary to outline it. Finally, he explores the complex dynamics behind the Muslims as a subject of study [15].

3. Methods

3.1 Ruins under Colony

The British colonization of India aimed to continue its dictatorship. Therefore, British capitalists are not concerned about the current situation of Indian society after the invasion. Due to the inherent arrogance of the British nobility, they have to defeat India, while the wealthy British are determined to plunder more capital from India and sell it to other countries. In addition, the UK also hopes to turn India into its vassal state or a boost to the UK's economic growth. Therefore, the wars and famines caused by Britain's colonial rule in India are only a superficial layer, while reforming its social structure is the foundation of India. However, shaking India's social foundation does not necessarily mean that Britain must reshape and rebuild it. The UK regards India as an instrumental goal, and as a result, Indians have broken free from the "vacuum" of traditional Indian society, unable to engage with the previously familiar world or create a completely new society on their own [16].

3.2 Obstructive Effect of Britain's Tax Policy on Modern Indian Industry

In the first few years of India's conquest, although it suffered a fierce blow from the British side, its handicrafts were still very developed, and it continuously exported a large number of handicrafts to Britain, especially those exquisite handmade fabrics, which became popular in Britain. In order to protect the owners of British cotton mills and seize the Indian market, the British and Indian colonial governments enacted a series of laws and regulations, and implemented protective tariffs and other measures to prevent the introduction of Indian handicrafts, allowing British cotton products to be widely introduced into India. In 1824, Britain implemented a unified tariff on India's handicrafts. In addition, the British government also reduced the tariff on imported British fabrics for Indian craftsmen. For example, in 1863, the import tax on various cotton products was only 2% to 3.5% [17]. In India, the transportation taxes levied by colonial governments also varied. British fabrics were subject to a 5% tariff, while Indian fabrics were subject to a 20% tariff [18-19].

In historical records, the British Empire had a large number of records on the economy of British India. This trading method was extremely unfair. In 1840, the commercial relationship between

India and Britain was exposed, which has been proven to be well founded. British silk and wool products were shipped to India via British ships, with a tax rate of 3.5%, while in the UK it was only 2%. However, Indian cotton imported from the UK was subject to a 10% tax; silk imported from India was subject to a 20% tax; Indian wool was subject to a 30% tax. It was not surprising that in 1837, Britain exported 64 million yards of cotton to India, compared to less than one million yards in 1824.

Britain used the economic facade to conceal its political goals and its true intentions, and it coincided with the British colonization of India, coinciding with the global industrial restructuring. The era in which Marx and Engels lived was an era of rapid development of European capitalism and extremely uneven development of the world economy, as well as the most uneven development of the world. The division of labor worldwide determines the relationships between people of different countries, as well as the relationships between countries. The development of a country's productivity and production relations directly affects the formulation of its foreign policy. The UK has been accumulating capital for hundreds of years, with relatively complete internal division of labor but limited resources; the agricultural culture in India gives the internal division of labor the characteristics of feudal society. Therefore, in order to seize resources, Britain spared no effort in using military power to establish colonies in India. Under the high-pressure rule of Britain, the Indian people successively erupted in activities against colonialism, such as the National Uprising, the Blue Indigo Uprising, and the Deccan Uprising. Marx pointed out that "the weapon of criticism cannot replace the criticism of weapons. Only through the power of material can the power of material be eliminated; however, as long as the people grasp it, it can be transformed into material power. However, the huge difference in power has forced India to embark on a path that is conducive to the development of capitalist productive forces and production relations".

4. Results and Discussion

This article reviews a wide range of literature and sources to examine the economic development of British India during the colonial period. The article examines economic indicators, per capita productivity relative to British subsectors from 1850 to 1900, and changes in Indian imports from 1923 to 1937. Specific data are given below.

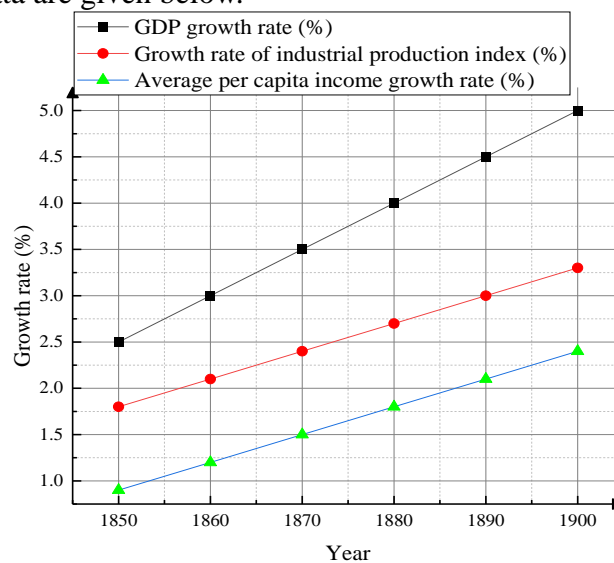


Figure 1: Growth rates of GDP, index of industrial production and average per capita income from 1850 to 1900

It can be analyzed from Figure 1:

(1)Trend of economic growth: From 1850 to 1900, the economy of British India showed a trend of sustained growth. The GDP growth rate increased gradually from 2.5% per year to 5.0% per year, which shows the steady growth of the economy during this period.

(2)Industrialization: The growth rate of the Index of Industrial Production (IIP) also showed a trend of steady growth, increasing from 1.8% per annum to 3.3% per annum. This indicates that during the colonial period of British India, the process of industrialization was advancing and the level of production in the industrial sector was increasing.

(3) Growth of per capita income: The growth rate of average per capita income also increased steadily over the period, from 0.9% per annum to 2.4% per annum. This indicates that despite the overall growth of the economy, the income level of the people has also increased to some extent.

(4) Changes in the rate of growth: It is noteworthy that these rates of growth seem to have accelerated in the later period, especially from 1880 onwards. This may reflect some policy changes or economic restructuring that led to faster economic growth.

To sum up, British India experienced sustained economic growth during the colonial period, with increasing industrialization, along with rising income levels of the people. However, these growth trends may have been influenced by different factors and require further research and analysis for a deeper understanding.

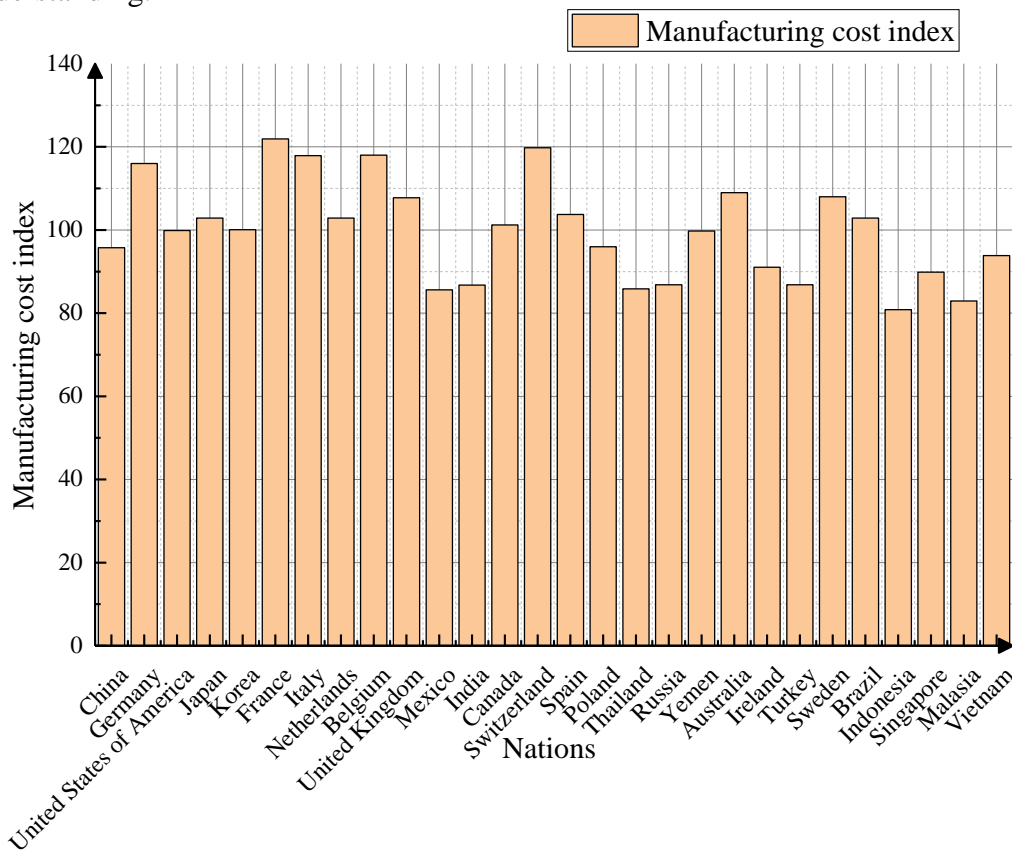


Figure 2: Manufacturing indices for different countries

As can be seen in Figure 2, India's manufacturing cost index is relatively low compared to other countries during the colonial period. India's industrialization has a latecomer advantage, which is not obvious due to various factors such as the backwardness of infrastructure facilities, labor protection laws, and land laws. These factors affect resource deployment and labor mobility. As India accelerates its opening up to the outside world, the Modi government aims to create a "Made

in India" initiative by expanding infrastructure and releasing reform dividends. It is expected that India's industrialization will demonstrate the advantages of being a latecomer.

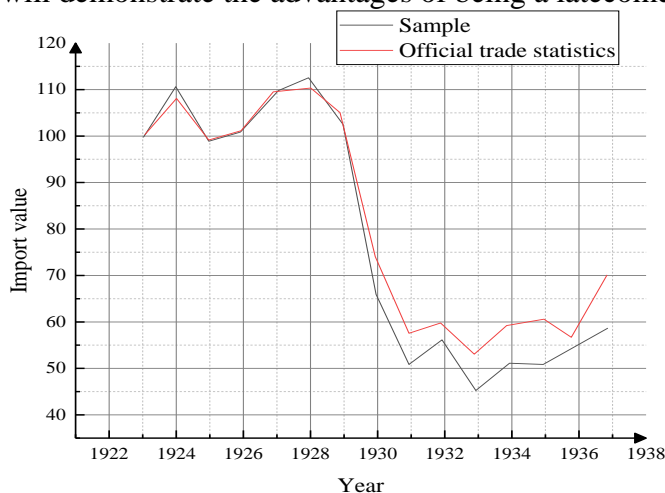


Figure 3: Changes in India's imports (1923-1937)

In 1923, India adopted a trade protection policy. This article selected trade data of 114 types of goods from 42 countries including India from 1923 to 1937 as the research object, and conducted empirical analysis on them. Firstly, this article examined the impact of trade protectionism policies on India's total import volume. From Figure 3, it can be seen that based on the 1923 tax rate, a contrary conclusion was drawn, which is that India's imposition of high tariffs leads to a decrease in India's imports, rather than adopting trade protectionism (that is, the 1923 standard). Indeed, India's imports decreased by about 40% in 1934. Therefore, this article believed that approximately 1/4 of the reasons for the decline in agricultural product imports are due to high tariffs imposed by trade protectionism. Trade protectionism has indeed had a restraining effect on imports.

Table 1: Comparison of major industrial product production between China and India in 1922

Products	Unit	China Production	India Production
Cloth	billion meters	18.9	34.6
Sugar	million tons	20	118
Raw Coal	billion tons	0.32	0.32
Steel	million tons	15.8	137
Cement	million tons	66	214
Soda ash	million tons	8.8	1.8

As can be seen from Table 1, India produced more products in 1922 than China. At that time, India was probably more developed in terms of industrialization than China, with more factories and production facilities. India was still under British colonial rule in 1922, and the British colonial government may have promoted Indian production through resource allocation and policy support.

5. Conclusions

The economic development of British India during the colonial period was a complex and multidimensional issue. By conducting in-depth research on the economic policies and practices of British India, the impact of colonial rule on the Indian economy can be better understood, and lessons can be drawn from it to promote sustainable development of the Indian economy. Furthermore, the economic development of British India during the colonial period can provide insights into the Indian economy. The experience of the colonial period suggests that colonial rule

may have a profound impact on the economy of colonized countries. Therefore, it is necessary to approach the impact of colonialism on economic development with caution and avoid repeating the mistakes of the colonial era. At the same time, it is also necessary to draw on the experience of the colonial period and explore how to achieve economic independence and sustainable development.

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