

Ques: Examine critically various factors of economic policies of the British in India from mid 18th century till independence.

Ans: Colonialism mainly signified an economic relation. Colony was subjected to unbridled exploitation by the metropolitan state. In the same manner, Indian colony was attuned to changing contours of British colonial policies.

During the early phase of the foundation of the British rule in India, the company's priority was to finance Indian trade through Indian resources. So, the emphasis of the British policy in India was maximization of the collection of revenue and boosting up investment in trade. Thus, started the phenomenon of drain of wealth from India to Britain. It impoverished Bengal and adversely affected the Indian economy.

Then, in early 19th century with the rise of industrial capitalism in Britain there was a major shift in the British policy towards India. India was converted into market for British manufactured goods while supplier of new materials. The policy resulted into the decline of handicraft industries and commercialization of agrarian economy. So, consequent result was poverty, unemployment and recurring incidence of famine.

Then after 1858, colonial policy registered some mutation when India was kept open for British capital investment. So, there was influx of capital from Britain to India and it was invested in railways, government loan, shipping industry, plantation industry etc. In return, the part of the loan and the interest on it had to be paid in the form of home charges i.e. the amount Indian government was liable to pay to Britain annually. It formed a major item in the constituents of drain of wealth from India to Britain. Therefore, it bled Indian economy white.

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Thus, according to the changing need of British economy, British economic policy towards India assumed new direction.



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