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Impact of Colonial Rule on Independence India: An Overview

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INTRODUCTION

After 1947 a new era had dawned for India. Colonial rule was over and now a journey towards overcoming the colonial legacy of poverty, illiteracy, social inequality, injustice and economic underdevelopment.

- The task of nation-building was taken by the people with the confidence to succeed.
- The basic goal with the new leadership was to strengthen and consolidate the Unity of India. Indian-ness had to be developed by acknowledging the multiple diversity of India and giving space to all Indians in the Union.
- The first stamp issued by India after independence by India Post.
- Along with political freedom, social and economic development too was needed. The Indian planners realized that unhampered market forces couldn't led to an independent national economy. Thus since 1955, the public sector was seen as the device for this.
- The second task was to change the caste and untouchability-ridden rural society. Females had no right to education and had to face social oppression's. In spite of this, the Indian leaders decided to pursue a policy of building a democratic, civil libertarian society.
- This was an innovation as other countries that saw economic development had limited civil liberties in the early stage.

IMPACT OF COLONIAL LEGACY ON INDIA'S DEVELOPMENT

Colonial Britain transformed India both economically and in other spheres. The country saw the introduction of railways, communication, transportation, finance, architecture, law and order and education.

All these developments were positive but since the operated under the colonial framework some have called them "Development of Underdevelopment". They strengthened the colonial economic structure that led to poverty and subordination to Britain. India's development since 1947 has been influenced by this legacy.

Introduction of the Railway has profited British India in many ways –

The colonial structure of India led to the following changes in its economy:
(i) India became integrated into the world economy due to colonization but its economic interests were wholly subordinate to Britain.

(ii) Secondly, India became an importer of high technology goods and an exporter of raw materials. This was done to suit the British economy. This international division of labour was done deliberately by Britain to force India to become subservient to it.

(iii) Third feature, Low investment in the economy for expansion from the surplus generated due to economic activity. The post-independence trend shows a high difference between them. A large part of the surplus would be usurped by landlords and colonial government and misspent.

Finally, the drain of wealth due to the potential surplus and investment capital being unilaterally being sent to Britain. India got no returns from this in any form. The lack of state support to agriculture and industry which is a norm seen in most independent countries too led to the exploitation.

ECONOMIC EXPLOITATION DURING COLONIAL ERA

The state of agriculture in the colonial era was worst. No capital was invested in improving productivity. The government was only interested in revenue collection.

- The agrarian structure was dominated by landlords who controlled 70% of the land. The subinfeudation, landless farming, sharecropping, and tenancy were seen in ryotwari and zamindari areas.

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- The peasants had no incentive to invest in agriculture. Landless peasants were on the rise and fragmentation of landholdings made it difficult to even have subsistence farming.
- Even the rich farmers preferred becoming landlords or moneylenders and rack-renting farmers was considered a safer investment than investing inland.

Image showing Condition of Peasants during British Rule -

- Agriculture became globalized as food crops reached global markets due to colonization. However Indian agriculture saw neglect in the field of agriculture education.
- It also neglected investment in machinery, instruments, fertilizers, and soil erosion techniques. Irrigation was the only field that saw improvement as nearly 27% of the cultivated area was irrigated, but India had always been advanced in irrigation cultivation.
- Industries were another sector of the economy that remained backward. The high rural to urban population ratio was a sign of this. Indian artisans and handicrafts collapsed due to the free trade policy with Britain and the machine-made goods of Britain.
- These artisans moved to agriculture for subsistence. The high index of import of machine instruments and tools also is a sign of backwardness of industry.
- Gross underdevelopment was seen in electricity production and banking. Cotton and jute were the most labor-intensive industries and iron and steel to developed by the 20th century.
- Foreign capital controlled industries and was responsible for the negative effects. The industrial development was lopsided and caused a regional imbalance in incomes. The spread of road and rail lines didn't lead to corresponding industrial spread.
- It only aided further colonization as rail lines were to transport raw materials to ports for exports and deliver imports to interior regions. The needs of the Indian industry were ignored.
- Most of the managerial and technical manpower of the country were Non-Indian, this was due to the lack of technical education facilities in India.
- A strong indigenous capitalist class grew in India by 1914. The Indian entrepreneurs unlike other colonies weren't junior partners of foreign capitalists or intermediaries between foreign capital and the Indian market but had an independent base. They soon dominated the Indian market and nearly all the small-scale industries were controlled by Indians.
- Thus poor industrialization, low agriculture productivity, and apart from these high mortality rates, poor education facilities, and low healthcare and food security were the legacy of the colonial state to India.

CONTRASTING IMAGE OF COLONIALISM

The Colonial forces produced several contrasting features in India. The built upon the Mughal administration and created a unified administrative system in India. But this was used to crush the people's aspirations.

- The army and the civil service were created as apolitical institutions and so separated from the rest of the populations. Due to the government's strategy, they were made subordinate to the population. This indirectly has benefited India even after independence than Pakistan that saw a wave of military uprisings.
- The education system too had contrasting features, on one hand, it was introduced to refine Indian tastes and culture. But it also contributed to making Indians trained for clerical administrative jobs than intellectual work. English language-based education suppressed the growth of Indian languages and even in the post-independence period created conflicts.
- British policy on administration and education had an indirect positive aspect as it created a unified nation and India-wide intelligentsia that shared a common outlook on polity and society and thought in national terms.

- The constitutional reforms introduced by Britain were for reforming institutions and making them more democratic and responsive. However, they were used as instruments to divide the main political opponent, Indian National Congress.
- They also provided full powers to the executive to remain in charge and take decisions as it wanted. Indians could be nominated or elected but the narrow vote and the opaque nomination policy defeated these initiatives. Benevolent despotism is what British constitutional reforms succeeded in creating.
- Under British rule, the bureaucracy got full power to make decisions without political consideration. Mostly such decisions were against the public interest. The excesses committed by the bureaucracy too were never probed.
- This steel frame of the civil service created by the British to stop national movements has continued to oppose reforms even in independent India.

OVERVIEWS BY THE AUTHORS

Sunderrao Solanke Mahavidyalaya (2019) Following years of British colonial rule, India made concerted efforts to put its economy on a path toward growth by adopting a planned economic model. Prior to globalisation, India placed a high priority on agriculture; but, soon after gaining its independence, the country made a dramatic change from its inefficient agricultural sector to its more productive industrial sector. Prior to the economic reforms of 1991, India's progress towards development had been exceedingly sluggish, and the country's growth rate was insufficient to meet the demands of the country's massive and rapidly expanding population. Instead of helping alleviate poverty and joblessness, this trend makes those problems worse every year. The unemployment and poverty rates in India were able to decrease after 1991 as the economy grew at a faster clip. Despite the fact that India has had to deal with fundamental issues like unemployment, poverty, social security, and so on for decades, the country still did so after 1991. This article sheds light on the challenges and opportunities facing the Indian economy in the wake of globalisation.

Mohd Akhter Ali (2020) Most nations throughout the world are struggling with high rates of unemployment. In the same way that a giraffe is easier to spot than to explain, unemployment is also difficult to put into words. The unemployment situation has persisted for quite some time. While the developing world didn't feel its full effects until after World War II, the developed world did so during the Great Depression of the 1930s (1945). Growth in employment in India has slowed in recent years despite the economy's expansion. The closure of most private businesses in India as a result of the COVID-19 outbreak has had a disastrous effect on the country's unemployment rate. The bulk of those working in the informal sector have lost their employment when construction halted due to the shutdown. Because of the inability to access funds, thousands of city dwellers left in search of their rural roots, despite the fact that doing so would require walking hundreds of kilometres in the absence of government-provided transportation, demonstrating the depth of their despair. The purpose of this research is to describe how COVID-19 affected local job markets. The majority of this study's findings came from examining secondary data gleaned from previously published works, such as academic journals, newspapers, and reputable online databases. Academics, researchers, and politicians in relevant fields will benefit from this study's findings.

Avleen S. Bijral (2016) Here, we take a Vector Auto Regressive (VAR) technique to forecasting unemployment insurance claims throughout the United States's various census areas using time series data. Data on new claims for unemployment insurance are released weekly and serve as a leading indication of the unemployment rate in the United States. We model relationships between census areas using weekly jobless claims aggregated by region. We also investigate the possibility of utilising extraneous factors, such as the number of Bing searches for "jobless claims" and the number of visits to relevant URLs. We utilise regularisation based on the sparseness of the model to eliminate the possibility of include erroneous predictors. Our technique shows promise based on preliminary findings, and we are currently working to expand it to a wider variety of predictors and a more comprehensive time frame.

Francesco/FD D'Amuri (2010) In this study, we propose the Google Index (GI) for job searches as a leading indicator for predicting the US unemployment rate. We compare several different forecasting algorithms extensively outside of the training data. Specifically, we compare models that use our preferred leading indicator (GI), the more traditional initial claims, or combinations of both, with those that do not. We focus on the monthly series and expand the out-of-sample forecast comparison with these models. After accounting for the impact of data mining, we find that the GI is still useful for predicting the US unemployment rate. Checks for robustness reveal that models supplemented with the GI outperform their non-GI counterparts in all but a small number of state-level forecasts and in contrast to the federal-level forecasts from the Survey of Professional Forecasters.

ACHIEVEMENT OF INDIA

The simultaneous movement of such components in comparison to total output at different lead or lag can reveal more significant insights into the economy. Likewise, the sources of generation of aggregative output, not in terms of production function or technology or market structure but in terms of sectors must also be searched. Growth of such sectors like agriculture, manufacturing, services etc in different sub-periods must be analyzed to understand the economic progress of India. Test to find the absence or presence of interrelation of sectors are also desirable. Understanding the price stability is as important as that of real stability for the Indian economy. Different regimes, both pre-determined and internally determined, could also provide important insight into price stability. Since current mainstream thought put emphasis on fiscal consolidation and consider ruggedness in it as a sign of instability, this becomes a pertinent question to be addressed. Again, to judge the effectiveness of corrective tool like fiscal policy the role of fiscal deficit may also be tested. Similarly, to understand the effectiveness of monetary policy the role of direct instrument like money supply could be searched. Considering vastness and diversity of India it is quite prudent to use income or output of states of it to judge the issue of economic justice. Such macroeconomic variables may be used to identify whether the states as a first stage unit of entire Indian society converging or not. This may be an important indicator to identify existence, or otherwise, of threat to social stability of the Indian society.

India promptly initiated economic development with the establishment of the meticulous planning commission. The aim of the first five-year plan (1951- 1956) was to raise domestic savings for economic growth and help the economy to regain itself from intensive exploitation of colonial rule (Kaushal, 1979; Mohan & Aggarwal, 1990). The big change typically took place in the second five-year plan, when Prof Mahalonabis emphasised on industrialisation strategy by developing heavy industries. This had been invariably incorporated in many subsequent five-year plans.

INDIA'S ECONOMIC GROWTH, 1950/51-2000/01

In the previous chapter we placed India's economic growth and macroeconomic developments over the past forty years in an international perspective. Here we focus on the intertemporal record. Table 3.13 presents the growth averages for the fifty year period, 1950/51-2000/01, divided into four sub-periods, based on official national income data. The table also includes some recent growth estimates for the pre-Independence years, 1900/01-1946/47, divided into two sub-periods. Three broad facts emerge from even a cursory inspection of the table. First, the initial half century (during British colonial rule) saw very slow growth of the Indian economy at less than one percent per year, leading to hardly any improvement in per capita GDP over the entire period. Second, there was a marked acceleration of growth to around 3.5 percent a year in the first three decades after 1950 but per capita growth remained low at hardly 1.5 percent. Third, there was a further acceleration of growth performance in the next two decades, the eighties and nineties, to 5.6 percent. Since population growth had begun to slow, per capita GDP growth accelerated smartly in the last twenty years to about 3.5 percent a year.

Table: Average Annual Growth Rates of GDP and Major Sectors

	1900/01-1929/30	1930/31 - 1946/47	1951/52 – 1966/67	1967/68 - 1980/81	1981/82 - 1990/91	1991/92 - 2000/01
	(1)	(2)	(3)	(4)	(5)	(6)
Agriculture and Allied	0.5	0.2	1.8	3.3	3.5	2.7
Industry	0.9	1.2	6.3	4.1	7.1	5.7
Services	1.6	1.7	4.8	4.3	6.8	7.6
GDP	**0.8**	**0.8**	**3.4**	**3.8**	**5.6**	**5.6**
Per Capita GDP	0.4	-0.5	1.4	1.5	3.4	3.5

Source: Central Statistical Organisation (2001) and Sivasubramonian (2000)

Note: The growth rates in Columns (1) and (2) actually refer to Primary, Secondary and Tertiary sectors, which are close approximations to Agriculture, Industry and Services, respectively.

These trends should not mislead us to the implicit conclusion that the Indian economy grew steadily at or around the average rates for the respective sub-periods. A glance at Figure 2.1 would disabuse any such notion. In fact, the year-to-year variation in annual growth rates is a striking feature of India's growth experience in the last fifty years, especially in the first three decades when agriculture accounted for between one third and one half of total GDP.

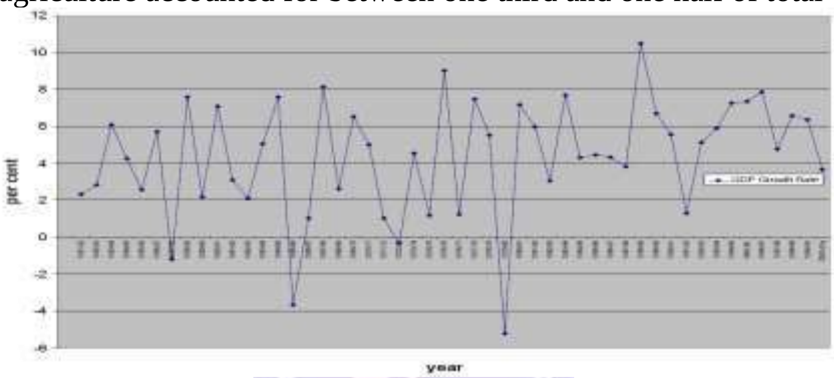

Figure: Annual GDP Growth, 1950/51-2000/2001

What were the factors explaining India's growth performance in the second half of the twentieth century, especially the variations in growth record over the chosen sub-periods? Just as the quest for growth by countries has frequently been elusive, so has economist' explanations for the varied growth performance of nations. In general, the received wisdom is rightly skeptical of unicausal explanations whether these be capital, technology, socio-cultural heritage, external orientation, human resource development or whatever. At an almost axiomatic level, we would expect the growth of national output to be strongly related to the growth of the major inputs (notably capital, labour and land) and the productivity of these inputs. Following this line of thought there has been a major and well-established industry of "growth accounting", which finds quite a few practitioners in India as well. A recent example is provided by Sivasubramonian (2002). He constructs an index of total factor input (TFI), composed of separate indices for capital, labour and land, and divides this into an index for national output (GDP) to yield an index of total factor productivity (TFP). Based on his data, we have constructed Table 3.14 showing trend growth rates in GDP, TFI and TFP for our chosen sub-periods.

CONCLUSION

Moreover, there has been a total lack of manpower planning in India. For steady growth of any economy human resources play an important role. There should be long term planning for the provision of appropriate skills for meeting the requirements of development. No doubt there has been an increase in facilities for higher education, technical education, training in different fields, but they were not in accordance with development needs. The obvious result is surplus of manpower in some fields and deficit in others. We find widespread unemployment among graduates, postgraduates and even researchers in humanities while there is scarcity of physicians, engineers and technical personnel.

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