Chapter 7
Inherited Land: The Evolution of Land Markets and Rights Before Independence

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Abstract Land is the most important resource in India and, as a result, always in contention. This chapter takes a long-term view of land markets and land rights—as they evolved through pre-colonial and colonial regimes (with an emphasis on the latter)—to contextualize some of the fundamental struggles over land in independent India. The maximization of land revenue was the primary objective of all pre-independence states, from the Mughals and Marathas to the East India Company and British Crown regimes. There were significant regional variations in the operationalization of these policies—from the more sustainable raiyatwari system used in south and west India to the harsher and more extractive zamindari system used in the east and north—variations that influence agriculture, urbanization, and the political economies of these regions until today. Independent India thus inherited a complex and geographically diverse system of land markets, rights, and fragmentations, created through several centuries of peasant domination and misery, and is still engaged in the task of mitigating and coming to terms with that inheritance.

Keywords Land markets • Land rights • Land acquisition • Land revenue • Pre and post-independent India

7.1 Motivation

Conflicts over the acquisition of agricultural land have been much in the news in the past 5 years. The conflicts have become so widespread and the issue so important that a new Land Acquisition, Rehabilitation and Resettlement law was created in 2013 to replace the land acquisition legislation in existence, the colonial period

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Land Acquisition Act of 1894. That is, a law that had ostensibly served its purpose for more than 115 years—primarily to acquire agricultural land for nonagricultural use—could no longer do the job. If one colonial law was found to be useful by the independent Indian state for more than 60 years, the same cannot be said about other colonial laws and policies on agricultural land. The very first acts of independent India's parliament were focused on reforming and changing those colonial conditions. The First, Fourth, and Seventeenth amendments to the constitution created the legal basis for key land reforms: the abolition of intermediaries and land ceilings. In other words, the land system that independent India inherited from the colonial raj was considered unacceptable in some domains (requiring major new land reform laws) but convenient in at least one major domain (land acquisition).

It is probably not an exaggeration to argue that the most fundamental elements of India's political economy were based on agricultural land in the initial decades after independence, land reforms on the one hand, and on the other hand large-scale acquisitions for massive projects (from Bhakra Nangal, Hirakud, and Damodar Valley to Raurkella, Bhilai, and Durgapur) that together affected the lives of dozens of millions of agriculturalists. These fundamental transformations took place on a system of land markets and rights created by the colonial raj. This chapter is an attempt to understand the evolution and details of the land system inherited by independent India to better contextualize the actions of the state after independence, actions whose consequences continue to reverberate in contemporary India.

7.2 The State and Land

Land markets operate under rules set down by the state. In general, the state has the power to dictate:

- Land use, or the activity that takes place on a given parcel. Broadly, the possible uses include agriculture, industry, commerce, infrastructure, and housing. Each of these broad categories can be subdivided. In agricultural settings, at the extreme, the state has been known to decide what specific crop will be grown on a specific land parcel.
- Division of land output between the producer of the output and the state. This is simply the rate of taxation. In agricultural settings, there is evidence (discussed in this paper) that this rate has been as high as 75 % (or three-fourths of production) for long periods, even as high as 90 % on occasion.
- Land ownership, which includes the meaning of ownership itself (that is, the rights that are associated with ownership, at the individual, family, or community level), who can own what, and who can own how much. Included in this power is the ability to change ownership from one entity to another (individual to individual, individual to state, community to state, etc.).

It is necessary to be careful about the meaning of "ownership" of land. The word has a clear and unambiguous meaning in the contemporary world. To own something suggests the right to do what one pleases with it—use it or waste it, give it away, or sell it. These complete rights of ownership have, however, never been associated with land: this is true even today, even in societies (such as the United States) that are identified with the glorification of private property rights. One of the main reasons for constrained ownership rights is the existence of "externalities" or "spillovers," which are the public effects of private uses of land. The effects of the activities that take place on a land parcel do not necessarily stop at the border of that parcel. Therefore, it is possible to generate negative externalities or negative spillover effects on those who do not own that parcel, hence do not derive benefits from it, but are subject to what is done with it. There can be positive externalities too, which are usually framed in the language of "public purpose"; for example, a piece of land can be used for a highway rather than a paddy field, and thereby generate utility for the public at large rather than a private entity. The contemporary infrastructure of land use law and eminent domain law has been created to handle the positive and negative externalities of land ownership, at least nominally.

Therefore, there are constraints on land ownership in contemporary market societies that otherwise recognize and protect private ownership rights in land. As we move back in time we find weaker and weaker rights associated with ownership until, in India, we reach a point where the concept of private ownership of land did not exist at all, or existed only for a select few, the chosen ones favored by the state. There were some rights for all, to be sure, such as use rights (the right to cultivate and keep a share of the produce, or to graze cattle) and community rights (typically in forests and water bodies), but these were not private rights of ownership in anything close to the contemporary meaning of the word.

What one does not own, one cannot sell. What is not sold cannot also be bought. There is no market for that good. As we step back in time, we find weaker and weaker "land markets" till we reach a point where they did not exist in any meaningful sense. Therefore, as we try to gain an understanding of the evolution of the state–peasant–land relationship during the past 300 plus years, it is useful to think of two overarching themes:

- The gradual creation of land markets and the establishment of private property rights in land, and
- The tug of war between the power of the individual or citizenry and the power of the state to determine the rights attached to land ownership.

Hence, the right to private property in land is the key variable, not only the right itself, legally constituted by the state, but limits on the right, also legally defined by the state. Can an ordinary citizen own land? If yes, what can he do with it? And just as important, what can the state do with it? This study of the past leading up to the present is largely an attempt to understand the historical formation of this basic right, the right to private ownership of land.

A useful way to understand the meaning of an individual right to land is to understand what the state can do—that is, its dictates on land taxes and land uses and land takings. The specific dictates change over time, but in general it is possible to identify long-term regimes, periods that are at least several decades long, during which these dictates operate within narrow margins. The dictates of the state also change over space, or the territorial units over which regimes have authority. In other words, if we want to understand the evolution of the relationship between the Indian peasantry and his land, we need to have knowledge of the different state regimes that have controlled that relationship. We also have to recognize that during any given time period a number of spatial regimes have existed within the boundaries of the modern map with which we are all familiar. This paper is a study of spatial land regimes in pre-independence India. It provides a very brief account of pre-colonial regimes in North and South India, followed by a longer account of the colonial regimes (especially the zamindari and raiyatwari systems).

7.3 Before Colonization

The eighteenth century was the period of transition from pre-colonial to colonial regimes. So, as far as this discussion is concerned, the pre-colonial period refers to the seventeenth and the first half of the eighteenth century; the colonial period refers primarily to the second half of the latter, all the nineteenth century, and into the first half of the twentieth century, a period of approximately 180 years.

Seventeenth-century India is commonly thought of as Mughal India. The size of the Mughal Empire was not fixed throughout the century, but it covered all of North India during the entire period, and increasingly more of the Deccan, reaching an apogee in the northern parts of the modern states of Tamil Nadu and Kerala under Aurangzeb. The other great power during this period were the Marathas, who were a potent force in western, central, and southern India in the period spanning the decline of the Mughals and the ascendance of British colonial power. Therefore, in the pre-colonial period, we need to discuss the state–peasant–land relationship for North and South India separately. They were similar in many respects, but different enough that it may be possible to argue that the long shadow of pre-colonial India continues to influence development patterns in these two regions to date.

7.3.1 The Mughals

There is no question that the power of the Mughal regime was based on revenues from peasant agriculture. This regime was a typical instance of the cyclical argument justifying imperialism: the greater the amount of land revenue, the larger the army that can be supported; the larger the army, the larger the land that can be controlled and the greater the revenue. By definition, successful empires control large land areas. The principal governmental problem is how to most effectively raise the largest land revenue possible from ever larger territories.

The system instituted by the Mughals relied on jagirdars and zamindars (or mansabdars) for revenue collection. The jagirdars were few in number (they were considered the equivalents of princes or nobles), in the mere dozens; the zamindars/

mansabdars were more numerous, numbering several thousand. Irfan Habib (1982, p. 242) writes: "It has been estimated that in 1646, a mere sixty-eight princes and nobles at the top claimed 36.6 per cent of the jama' of the empire; the next 587 officials claimed nearly 25 per cent. On the other hand, the remaining 7,555 mansab-holders claimed between a quarter and a third of the revenues." Jagirdars had very short tenures, averaging between 2 and 4 years at a single location. That is, they had powerful but transferrable positions. Mansabdaris, on the other hand, were inheritable. The jagirdars and mansabdars were responsible for collecting revenue (mostly in cash, some in produce) from the peasantry. The unit of revenue collection was the mansabdar or zamindar rather than the individual cultivator.

Irfan Habib (1982, p. 238) writes: "Amidst the complexity of arrangements for assessment and collection, one major aim of the Mughal administration still stands out in bold relief: the attempt at securing the bulk of the peasant's surplus." How much was that? The rates varied somewhat from administration to administration and on the specific land rights of a specific peasant, but in general, the direct tax was around half the peasants' output. On top of that there were a number of additional levies, imposts, and official's fees, which typically added up to another quarter of the output. The transferable jagirdars almost always looked for opportunities to extract additional revenues for themselves, harshening what has been called a system of reckless exploitation of the peasantry. Aurangzeb imposed an additional head-tax on non-Muslims (jizya), which came to about a month's salary for farm wage laborers. As a result, the Mughal regime extracted no less than three-quarters of a peasant's output, frequently more than that.

Consider the example of village Akahera in Pargana Rinsi (in the jagir of Raja Bishan Singh) described by R.P. Rana (2006, p. 26): "The peasants of this village produced 16,000 mans of grain in the kharif season of 1665. Out of this gross produce, the peasants paid 8,000 mans to the jagirdar as land revenue (mat). From the remaining 8,000 mans, the peasants paid other cesses which totalled 4,500 mans. They were left with 3,500 mans… It may be noted that most of these parganas later became the centre of the Jat revolts. These figures clearly show that the peasants had paid 78 per cent of their total output as revenues to the jagirdar."

What if the peasants refused to pay? Irfan Habib (1982, p. 240) again: "The collection of revenue was enforced by severe methods. Nonpayment of revenue was deemed equivalent to rebellion. While eviction was not unknown as a punishment, the more usual method seems to have been imprisonment and torture of the headmen, followed by the massacre of the adult male population and enslavement of women and children." Despite such severe punitive measures, sporadic insurgencies were common. Even more common was the mass-scale abandonment of farms, sometimes by entire villages.

R.P. Rana identifies several possible causes for the decline of the Mughal Empire. The principal ones include "Hindu reaction" to Aurangzeb's excesses (argued by Jadunath Sarkar 1952); the failure of the jagir system, especially the insecure tenure of jagirdars (Satish Chandra 1982); the "Shivaji factor" and the demoralization of the Mughal army the further it entered the Deccan (Pearson 1976); and cultural failure and technological stagnation (Athar Ali 1975). But ultimately Rana indicts the debilitating revenue extraction system. He writes (2006, p. 24): "As oppression increased, the number of absconding peasants grew, cultivation declined and peasants took to arms giving birth to rural uprisings of varying intensity. Consequently the empire fell prey to the wrath of an impoverished peasantry."

7.3.2 The Marathas

The revenue collection systems and rates in South India were more diverse because, in contrast to Mughal North India, the region was never under the rule of a single empire. By the end of the fifteenth century, after the fall of the Vijaynagar kingdom, there arose the Nayak kingdoms of Ikkeri, Mysore, Senki, Thanjavur, and Madurai, and the Bijapur and Golconda kingdoms further north. The Malabar Coast had several small kingdoms such as Calicut and Cochin. Most of these were squeezed between the expansionary drives of the Mughals from the north and the Marathas from the west.

A good sense of the condition of the peasantry in pre-colonial South India may be derived from the significant scholarship available on the reign of Shivaji, arguably the most significant Maratha ruler. Shivaji's revenue collection apparatus generally took less of the peasant's output than the Mughal system, between one third and two fifth of the produce directly, plus several other cesses and taxes that may have added up to another one fifth of the output, and what may be more important, did so using the raiyatwari system in which the peasant, as opposed to the village or the zamindar, was the unit of collection. The burden of taxes in the territories Shivaji controlled but did not rule directly was considerably higher, and included chauth (one fourth) and sardeshmukhi (one tenth) on the output. As a result, peasants in these subjugated lands paid taxes that were equivalent to Mughal rates. It is possible that these taxes allowed Shivaji to be more generous to the peasants he ruled directly.

The exploitations that were associated with the jagirdari system of the north were less in evidence under the Marathas as they sought to minimize the power of the traditional local revenue collectors, the Deshpandes and Deshmukhs. Hiroshi Fukazawa (1983, pp. 254–256) writes: "…the Zamindari system of the north Indian type…was generally absent in the Deccan…" but goes on to note that "…yet many large inamdars…and the like had to be maintained and created…for such was not only the custom of the time but political and social necessities compelled medieval rulers to admit and rely on the landed interests."

It is possible to summarize the conditions of the pre-colonial period with the following observations:

- The state had little interest in controlling what was grown on the land. Peasants grew what they wanted on "their" land, although the meaning of ownership and property rights were variable and significantly different from what is commonly understood today.
- The state had a large say in land ownership rights. It defined different types of use rights (with associated taxation levels), and directed more expanded rights

and control at the top of the hierarchy. Officers of the state controlled rights and uses at the level of the peasantry, who also had various forms of collective ownerships.

- The primary interest of the state was to extract revenue from the land. The overall rate of revenue extraction was typically around 75 % of the output. Mughal North India had higher rates than South India, a region that never came within a single ruler's ambit.
- Mughal North India used a jagirdari-zamindari system that was harsher for peasants than the raiyatwari system used for much of the time in much of the south. These different systems have had very long term consequences.

7.4 Colonial Regimes

There is a vast quantity of research on the condition of agriculture and the Indian peasantry under British colonization. This brief synopsis cannot do justice to anything close to all the findings, and especially the arguments between historians on the effects of colonial rule: Did colonial rule basically continue the patterns of pre-colonial governance? Was it more injurious to the welfare of its subjects than what went before? Did the institutions of colonial governance create immiserization and pauperization of the Indian peasantry? In B. Chaudhuri's (1983, pp. 86–87) summary of the argument:

> …the nationalists who assumed an increasing rural impoverishment blamed it mainly on certain aspects of the British land revenue administration, such as the high pitch of land revenue demand, the insistence on its payment in money and its relative inflexibility which, by preventing accumulation of agricultural capital, inevitably impoverished agriculture. Later writers… emphasized other factors, such as the establishment of private property in land, the creation and proliferation of a class of 'parasitic' landlords, the increasing burden of rent and rural indebtedness. All these…caused large-scale alienations of peasant holdings, with the result that peasants ceased to be 'self-possessing, self-working and self-sufficient' producers and increasingly depended for their subsistence on agricultural wage labour and sharecropping…According to the opposing point of view…the old agrarian society was far from egalitarian; the considerable redistribution of landed property rights brought about by the British revenue laws only marginally affected the old system of land control at the village level.

It is, indeed, quite difficult to draw an objective and narrow conclusion about the effects of close to 200 years of rule. The difficulties arise for a number of different reasons: the variation in governance patterns in different regions of India; the variation in the objectives of the colonial state over this very long period; the variation in ideologies and global economic conditions, which mattered more and more over time; and the variation in the responses of the Indian elites and commoners to the different patterns of governance over time.

Also, it is obvious that the colonial state at the end of the eighteenth century (at which point much, but not all, of India was under direct or indirect control of the

East India Company) was far different from the one that left India in 1947. It is useful to divide this period into four segments:

- Early Company Raj (1765–1830), a period that began after the battle of Buxar gave the Bengal Diwani to the Company, after which the mercantile firm based in London gained control of a very large land mass and tried to figure out ways to best meet its objectives.
- Late Company Raj (1831–1857), a period during which the continuous warring for control of the land had ended, and as a result there was a reasonably settled governance system (with significant regional variation, of course) that came to an end with the Sepoy Rebellion (or the First War of Indian Independence).
- Early Crown Raj (1857–1918), covering the first decades of direct rule by the British crown and parliament which ended more or less with the first world war and the first inklings of the end of empire.
- Late Crown Raj (1919–1947), covering the period between the world wars, including the global economic depression (with profound effects in India), and ending with formal independence.

7.5 Company Raj

What were the issues uppermost in the minds of the leadership of the Early Company Raj, the accidental imperialists? In Dharma Kumar's (1983, pp. 214–215) words:

> As the British extended their rule over south India, with its bewildering variety of land systems, they were faced with three sets of problems. Their most urgent need was for land revenue, and here the high rates charged by their immediate predecessors were very helpful. Then there was the question of whom to settle with for the land revenues. Should the land revenue be taken directly from individual cultivators or from cultivators as a group, and if so, represented by whom? Should contracts be made with intermediaries—the 'poligars,' or the officials and others established as zamindars during Muslim rule, or the adventurers, foreign and native, spawned by the turmoil of the eighteenth century? And finally, as the Company turned into a government, it had to consider wider issues of land law and rights. How should it arbitrate between different interests? On the whole, the government prized political stability above abstract notions of justice; it preferred not to disturb the traditional distribution of powers and rights, if only it could discover what that was, unless its own interest suffered.

As David Washbrook writes (1981, p. 650), there is no doubt that "land remained overwhelmingly the single most important source of wealth and the base of production." So, in simple terms, the issue at hand for the Company Raj was how to maximize revenue from land—about whose distribution and management the Company had little knowledge—with the minimum of effort. This question was not being considered in an ideological vacuum. The leaders of the Company Raj were men of commerce. They believed in markets and trade backed by the rule of law (remember, Adam Smith's *Wealth of Nations* was published in 1776, mere years into the East India Company's adventures in the subcontinent). Anand Swamy writes (2011, p. 138): "much of the discussion was conducted in terms that would be familiar to contemporary economists: secure property rights and contract enforcement, and, more generally, good governance, would promote investment, trade, and economic growth. The Company would (it was argued) provide this essential support for economic development far better than the despotic and mutually hostile regimes that had preceded it."

Reality turned out to be murkier than theory, of course, and expedient too. In the event, the Company Raj generally attempted to use the regional land revenue extraction systems that predated their control. To keep this exposition brief and manageable, I focus on two regions—the east and the south—and their respective "ideal type" revenue systems—zamindari and raiyatwari. (A third system of revenue collection, called mahalwari, was also used by the British. It was a mix of the zamindari and raiyatwari systems and used over a limited area, mainly in Punjab. I will not complicate these discussions with more detail on the mahalwari system.)

The Company's "experiments" with governance (with the perspective of time, these initial policies do feel like experiments) began in the east, in the Bengal Diwani, which the Company Raj acquired in 1765. In much of the east (present-day West Bengal and Bangladesh, Bihar, and Odisha), the system predating Company control was the Mughal zamindari system. For the sake of simplicity we can think of this as the "landlord" system of revenue extraction.

The raiyatwari system, as discussed earlier, is sometimes referred to as a "non-landlord" system because the regime attempted to collect revenue directly from the peasant (or raiyat). This term is not strictly accurate because the pre-colonial south had a variety of kingdoms with a variety of revenue collection mechanisms. For instance, in many subregions of present-day Kerala (for example, Travancore and south and central Malabar), there existed a peasant-labor system that resembled slavery more than anything. In addition, there were populations that were never cultivators. Brahmins, who were not allowed to touch the plow, always used tenant farmers. Also, "there was a large group who were born into agricultural servitude and could rarely emerge from it" (Kumar 1983, p. 216).

Nevertheless, the zamindari-raiyatwari systems can be generalized to north/east and south/west India. In the following paragraphs I describe these two systems and their consequences, with most of the attention focused on the initial phase during which the basic outlines of the remaining decades were established.

In the east, at first, the Company Raj, similar to typical "weak regimes," attempted to collect taxes through "revenue farming," using intermediaries and 5-year assessments, etc., but faced nonpayment and corruption (such as tax collectors who absconded with their collections). In 1770 a massive famine killed about one third of the population of Bengal, which raised serious questions about the sustainability of the tax collection system. There were several peasant uprisings, notably in Rangpur (1783) and Birbhum (1788–1790).

Then, in 1793 Lord Cornwallis created the Permanent Settlement in the east, a policy that froze land revenue for the region for perpetuity. The policy document declared that "at the expiration of the term of settlement no alteration will be made in the assessment which they have respectively engaged to pay, but they and their heirs and lawful successors will be allowed to hold their estates at such assessment for ever" (Guha 1963, p. 11). Henceforth, the Company could not increase its revenue demand from the zamindars. It declared that the zamindars were not mere revenue collectors, as in the past, but proprietors of the land. Agricultural land became property in ways that it had never been before, an object that could be bought and sold; this is the critical move that began the formation of a proto land market in India.

The Permanent Settlement policy seems outlandish from a contemporary perspective, and at the time it was justified by arguing that the zamindars would not only pay their taxes more readily, but with a fixed and known revenue burden would become prudent managers of the land and invest in raising productivity. Most historians agree that all the "free market" talk aside, the main reason for the Permanent Settlement policy was its simplicity. The Company was too weak at that time to implement anything too complicated.

The short-term effect of the Permanent Settlement was to unleash chaos in the east. The revenue rate was fixed at 90 % of the rent, which was an extremely heavy burden. The Company administrators generally refused to be flexible, even when there were crop failures. When zamindars could not pay, their estates were sold on auction. There were large-scale defaults (for example, more than half the 3,000 estates in Odisha defaulted and were auctioned within the first 15 years after the settlement), and "new men" emerged to become a new landlord class. Many came from the merchant society of Calcutta, men who had made their money from trade in salt and abkari (alcohol), but mostly they came from the Company administration itself, men who had "networks" and "insider information" that they used to acquire land.

The sale price of an estate at that time barely equaled the annual revenue demand from it. It should be noted, however, that by the early twentieth century, the revenue rate had effectively dropped below 20 % of output and the price of estates was manifold higher, as much as 15 or 20 times the revenue demand. In other words, the Permanent Settlement created a land market where none existed before; it was volatile in the early decades and zamindaris were precarious; but over time, capable zamindars emerged (such as in Burdwan), and agricultural land became a valuable commodity that was exchanged between people with access to capital and information.

In the south and west (in the Madras and Bombay Presidencies), the raiyatwari system was established principally under the leadership of Thomas Munro, a believer in "utilitarianism," who became governor of the Madras Presidency in 1820. Before that, in the latter part of the eighteenth century, the Company had been using various systems of village headmen and middlemen to collect revenue, and between 1802 and 1807 had actually established the Permanent Settlement of zamindar-based revenue collection over large areas under Company control. Although by 1822 the Company had decided that the raiyatwari system would be introduced everywhere, in 1830 about 30 % of the Madras Presidency was under the zamindari system. Even then, all raiyatwari regions were not alike, and the Company used local large landlords (mirasdars) of various kinds for revenue collection.

In some senses the village hierarchies in the south appear to have been flatter, at least in collective decision making at the village level on water distribution and community assets, but in others, such as caste roles, the hierarchies in the south appear to have been steeper. The cultivator still paid heavy taxes. In zamindari lands he retained between one fifth and one third of his produce. In raiyatwari lands there was great variation in revenues extracted in practice, and only some of the variation came from whether a land was "wet" (irrigated) or "dry." In some fortunate regions (such as Coimbatore and Thanjavur) the cultivator could retain half or more of his produce; in others, such as North Arcot, the cultivator might retain as little as a one quarter or one fifth of his crop.

By 1830 the essential features of the state–peasant–land relationship had been established all over the subcontinent. The hapless and tax-burdened peasant was in evidence everywhere—east, south, north, and west—although some pockets of relative peasant prosperity existed in the south and west. In general, the revenue burden on the peasantry was no better or worse than during the Mughal and Maratha periods.

The great churning that had been taking place at the top of the Indian revenue-extracting class—thousands of zamindars ruined, "new men" in their place, selected poligars and mirasdars given power, others not—had largely settled down. Interventions in the social system had begun, which essentially reified the Brahminical view of caste and varna hierarchies, which eventually "made the nineteenth century the Brahmin century in Indian history"; see Washbrook (1981, p. 653), who goes on to suggest that this may explain why the twentieth century was "anti-Brahmin." These social interventions, through the legalization of "Hindu family law" and marriage and inheritance norms, had a great influence on the distribution of land by the time the colonial order was over.

Of primary importance here is the comparison of "Hindu family law" with English customary or common law on land inheritance. In the latter, a system of primogeniture prevailed, in which land was inherited by the oldest male child of a household. In so-called Hindu law, land was equally inherited by all male children. This law was not a major problem when land was plentiful (if not necessarily abundant), at least in large parts of the country, until late in the nineteenth century. But once the population started to expand rapidly, the law or custom of equal inheritance led to significant levels of land fragmentation, a problem that is fundamental to many of the contemporary conflicts.

Under the Late Company Raj (1830–1857), the governing order as described remained fundamentally unchanged. There were changes, of course, but they were incremental rather than revolutionary. One key change was the growth of cash crops. Opium was a reliable commodity with stable prices; it was grown primarily to export to China, and large areas of Bihar and the United Provinces turned to its cultivation. Indigo prices were fickle and farmers were unwilling to cultivate it, so it was grown mainly by European landowners using coercive tactics. This was one instance of the "plantation economy" system, in which swaths of land originally used for growing food or kept fallow were turned over to the production of cash crops (often, as in the case of indigo, over the protests of the cultivators). Other major plantation crops introduced by the Late Company Raj were tea (in Assam in the 1830s) and coffee (in Kerala and Tamil Nadu in the 1840s). Overall, all these cash crops together covered a relatively small proportion of the total land under cultivation.

The late Company Raj period was a very profitable one for the Company despite the fact that much of the period (starting in the late 1820s and going into the early 1850s, almost uninterrupted) was deflationary for agricultural products. There were several reasons for the profitability.

First: Wars for control of the subcontinent had ended. True, peasant uprisings took place frequently, but they were isolated events and were crushed quickly and without hesitation. Kathleen Gough (1974) estimates that there were 77 peasant uprisings in colonial India. Many took place outside the period under review (such as the Tebhaga Andolan in Bengal and the Telengana Uprising in Andhra in the 1940s), but many took place during the rule of the Company Raj (such as the Moplah Rebellion of 1836) or were caused by its actions (such as the Indigo Rebellion in 1859–1860). *Second*: More and more marginal land was brought under cultivation. Chaudhuri notes (1983, p. 136): "While at the time of the Permanent Settlement barely 30 to 35 per cent of the available land was cultivated, the percentage by the end of the nineteenth century was seldom less than 75 to 80, except in some districts such as Nadia, Bankura, Birbhum and Champaran." *Third*: The revenue demand continued to be very high. For instance: in Puri, between 1842 and 1852, a peasant had to pay over 90 per cent of his rice production as rent; in Assam, between 1824–1825 and 1849–1850, the revenue demand increased by over 480 per cent; in the south, as noted earlier, the demands were variable but as high as 80 per cent of an individual peasant's production in some places. There were several other issues of importance—the increasing commercialization of agriculture and fragmentation of land being the most significant. I discuss these issues in the next section.

7.6 Crown Raj

The Sepoy Rebellion in 1857 led to significant transformations in the Raj. Not only was authority officially taken from the Company and assumed by the Crown, but there were major ideological changes that affected governance. It is not possible, in this space, to detail the many significant changes then taking place in British society and thought, which inevitably guided British actions in India, but it is useful to recognize that Britain itself was a society undergoing great and fundamental change.

Britain was in the full swing of industrialization; Manchester and Birmingham were the factories for the world, and the slums and tenements there and in London were new and, for many, shocking phenomena (later these came to be called "shock cities"). *The Communist Manifesto* of Marx and Engels was published in 1848 and Wordsworth's romantic masterpiece *The Prelude* in 1850. Empire and industry were creating great wealth, but it sat cheek by jowl with numbing visible poverty; ideas on free enterprise, individualism, and rationality competed with notions of social justice and collective action. The polarities that are our daily information inputs today originated in those tumultuous and transformative decades in England.

I do not mean to suggest that the Crown Raj was a kinder, gentler system than the Company Raj. Exploitations and atrocities abounded. Among the first acts of the new Raj, after the brutality of the end of the Sepoy Rebellion, was the suppression of the Indigo Rebellion in central Bengal. The Deccan riots of 1875 were put down just as mercilessly. Ideas about British racial, cultural, and moral superiority imbued the everyday actions and long-term thinking of the Raj.

But the Sepoy Rebellion was a jolt that forced the Crown Raj to think afresh about the size of the land revenue burden and the rights of raiyats and tenant farmers and sharecroppers, that is, the vast majority of the Indian population which worked the land but had little or no "ownership" right to it. David Washbrook writes (1981, p. 685): "The consequences which the British Indian civil service, at various times, claimed to fear most from a competitive capitalist conquest of agriculture were a decline in the land revenue, a link up between the wrath of dispossessed peasants and the emergent nationalist movement and a general collapse of political order leading to mass revolt." To simplify, there were two contradictory ideas at the fore: to maximize revenue from land at the same time that conditions were made better for the actual cultivators.

The conditions for the actual cultivators had been getting worse. The commercialization of Indian agriculture had taken a big step with the creation of land markets during the first decades of the Company Raj (as already discussed). The process continued with the gradual conversion of all revenue payments to cash and later with the expansion of credit markets. In Bihar, for instance, the old batai system (a division of the actual crop) was replaced by the danabandi system (a division of the estimated crop) at the same time that zamindars increasingly demanded payment in cash at market rates at their time of choosing. This demand was compounded by the problem of indebtedness to moneylenders.

Chaudhuri (1983, p. 144) quotes one Mr. Metcalfe, the commissioner of Patna, as writing that "the agriculturist regards a village without its moneylender as an abnormal state [of] things." The village moneylender was needed all the time because the tenant farmer, who had no ownership rights to the land and had to pay a significant majority of his output to the zamindar, got little or no help from the zamindar in acquiring the inputs necessary for production (tools, seeds, water). The landless cultivator had to endure legal coercive tactics by the zamindar, including imprisonment, banishment, and physical beatings (much of which would qualify as torture in contemporary ethics). The zamindar in turn had the right to extract revenue but not any responsibility for providing input into production. The moneylender provided credit, especially when times were better (that is, commodity prices were high), and less so when times were worse (especially during the years between the two world wars that saw a global economic depression and falling commodity prices in India).

The debt situation was bleakest where markets were most established—where it was legal to transfer ownership of small land parcels (that is, the cultivator had some proprietary rights and could use land as collateral for credit), and the commodity market was commercialized and profitable rather than subsistence based and marginal (that is, the peasants were more credit worthy). In such situations, "the moneylender's concern was no longer limited to acquiring profits as a financial intermediary, but was directed increasingly to the acquisition of and speculation in land" (Chaudhuri 1983, p. 146). We should note that the proprietary rights that some tenants had acquired had come about as a result of the dilemma faced by the Crown Raj after the Sepoy Rebellion. The tug of war between zamindar rights (which made revenue extraction easier) and tenant rights (which made the populace more manageable) swung this way and that and was expressed in laws and court cases (some legendary) throughout the Crown Raj regime.

We should also note (ironically) that the very expansion of tenant rights led to expanded markets in land. That is, the first land for which a market was created was estate land, for example, large zamindaris such as the Burdwan estate that had more than 3,000 separate parcels. The expansion of tenant rights now began to create a market for small parcels of land. This market was not, however, supported with a formal credit market or a banking system, which led to the growth of the informal credit system of moneylenders and, almost inevitably, significant quantities of distress sales by indebted small cultivators. Finally, it should be noted that during the 1930s even the moneylenders were in trouble. The Kisan movement had generated "class hatred" and several of the vilest moneylenders were murdered. With the general depression in agricultural prices, creditors by the thousands were unable or refused to pay. And a number of legislations to curb the power of moneylenders were enacted, such as The Bengal Moneylenders Act (1934), The Bengal Agricultural Debtors Act (1936), and the Bihar Moneylenders Acts (1938 and 1939).

The growth of tenant rights and credit markets led to increasingly complex hierarchies of tenancy. The basic feudal system had the zamindar on top and the tenant farmer below him. But this basic feudal system was infused with what has been called sub-infeudation, in which the original tenant was frequently an absentee tenant, where the actual cultivation was done by subtenants or sharecroppers or other landless labor. It was not uncommon to have subtenants of subtenants, whereby between the actual cultivator and the zamindar there were several layers of intermediaries. This condition of sub-infeudation and multiple intermediaries between grower and revenue collector would become one of the most serious problems that had to be tackled at independence.

Overall, however, there appears to be little doubt that at least during the early Crown Raj, the small cultivator in the raiyatwari regions of the south and west fared better than in the zamindari regions of the east and north. The third quarter of the nineteenth century is generally seen as a period of growing prosperity in the raiyatwari lands, until the devastating famine of 1876–1878. Tenant farmers kept half the crop in dry lands, and less (between one fifth and one third) in the more productive irrigated areas. The distribution of land was unequal but remained remarkably stable from the 1850s through the 1940s, but this is not to suggest that all was well in the raiyatwari lands. Physical intimidation and violence were routinely used for revenue collection in the mid-1800s. Tenant farmers routinely fell into debt traps, as in the zamindari lands, especially later in the inter-war years of the twentieth century, and clashes with moneylenders were common. The caste system was solidified, and marks of "social superiority" permeated all social and economic interactions.

These ground-level incremental changes took place in the context of large structural shifts in the colonial economy, especially during the late Crown Raj period, which had major implications for the state–peasant–land relationship. First, land revenue was no longer the driver of colonial policy. Second, a significant growth in population created more pressure on the tenant and landless class. Let us consider both phenomena.

Between 1840 and 1880 the share of land revenue in total revenue fell by about one third, from about 60 to about 43 %. Between 1880 and 1920 this share fell by about one half, from 43 to 23 %. Land revenue was simply not as important as it used to be for the Crown Raj. The same became true from the perspective of the revenue payer: in the south, the share of land revenue in total agricultural output fell to less than 10 % by the late 1890s and by the time of the inter-war years it was as low as 4 or 5 %. In the east this share fell below 20 % by the First World War and dipped below 10 % during the 1930s. This change made agriculture more profitable and agricultural land more desirable and valuable.

At the same time, a very significant demographic transition had begun. Between 1800 and 1900, India's population was virtually unchanged. There were small spikes in the 1860s and 1880s, but these were reduced by high mortality rates, usually caused by famine, in the decades immediately following. But from the 1921 census began a long upswing in total population, from 251 to 361 million in the 1951 census, a growth of 110 million people, or more than two fifths of the original population. With little new land available that could be brought under cultivation, with Hindu family law proscribing the division and subdivision of land from generation to generation, this population increase led to increasing land fragmentation and demand for land.

These two factors—the declining significance of the revenue demand from land and the rising significance of demand for land from a growing population—became the driving forces of the evolving market for agricultural land. In combination with the increased protection of tenant rights (which intensified the sub-infeudation process discussed earlier and created more agents or participants in land transactions), these factors drove up the value of land and created land markets of increasing complexity.

7.7 Land Acquisition

It is interesting to note that in everything that has been discussed so far, in all the readings and scholars that have been cited (and those that have not), the 1894 Land Acquisition Act is not mentioned even once. It seems to have been irrelevant, certainly in relationship to the larger structural issues of taxes and rights, but it was also not an act that affected large numbers of people. The colonial state was not a developmental state; it did not undertake many large development projects that required a large amount of land. Hence, the colonial land acquisition act was not used as much by the colonial regime as it came to be in independent India.

The origins of eminent domain law in India can be traced to the colonial state's need to create infrastructure to facilitate the movement of goods and people and enable commerce; these first "public works" were typically canals and roads, later came railways, mines, and irrigation schemes, and even later came factories and other business establishments. One of the main reasons to use eminent domain, then and now, is to get the needed land cost-effectively. Another, possibly even more important reason, is to get it quickly by avoiding protracted negotiations with numerous small landholders (including "holdouts" or owners waiting for better offers) and sidestepping the legal problems of sorting out the considerable ambiguities about who "owns" what. Therefore, eminent domain was and remains essential to collate multiple properties and to own them "free and clear" of legal encumbrances. The justification for the taking has always been "public purpose," an all-encompassing term whose meaning and ambit have been debated in the courts from the very beginning.

The first law relating to land acquisition was Regulation I of the Bengal Act of 1824. It enabled the state to acquire land for public purpose at a "fair and reasonable" price. When the first seven sections of Regulation I were extended to all lands within the town of Calcutta by Act I of 1850, it included a rule that a declaration by the Governor of Bengal that land was needed for a public purpose was sufficient evidence that the purpose was public. Act XX of 1852 and the Amending Act I of 1854 maintained the state's absolute authority to determine public purpose. Act VI of 1857 repealed all existing laws on land acquisition and compensation and laid out a new policy for all of British India. A secretary to a local government could now decide what land was required for a public purpose. The compensation award of arbitrators, for which the law did not provide any guidelines, could not be challenged except on the grounds of corruption or misconduct, nor were the arbitrators required to explain or justify their method of calculation. Act X of 1870 addressed some of these problems by providing detailed rules for the assessment of compensation and creating a system through which the power of the assessors, who were often incompetent and corrupt, was diluted. In between, Act XXII of 1863 made the first provision for the government to acquire land on behalf of private persons or companies (Aggarwala 2008; Fish 2011).

The culmination of all these legislations was the Land Acquisition Act of 1894 (LAA), which provided the definitive framework for determining (a) the conditions under which land may be acquired and (b) a methodology for compensating for the acquisition. It is worth noting that these two remain the core issues on land acquisition even today (Chakravorty 2011).

7.8 The Colonial Land Legacy

How do we evaluate this long and complex period in Indian history? One can take a nationalist perspective and argue that colonialism denuded the country of its wealth and dignity, imposed alien values, and left it poorer than it would have been had it been left to its own devices. No doubt these views are correct from a national perspective. Britain was enriched with the surplus transferred from India. The British Empire outside the subcontinent was conquered and maintained by the British Indian Army, which by the early twentieth century consumed 40 % of the Indian budget. New institutions such as the judiciary brought in new values (such as protection of private property rights) and enshrined into law some "invented traditions" of India (Manu's laws, the "Hindu" family laws). There were interventions in every sphere, always based on self-interest and often based on ignorance.

But if we narrow our scope to the peasantry and land, it is not obvious that the colonial system created outcomes that were inferior to what existed before (and presumably would have continued without the intervention of colonialism). On the question of taxes there is little doubt that the colonial regimes were almost never more burdensome than the pre-colonial regimes. In the initial decades, through much of the Company Raj period, the revenue rates were high, more so in the zamindari areas than in the raiyatwari areas, but during the Crown Raj period, as a proportion of the total income from land, these declined significantly. In the provision of public goods—such as irrigation and transportation—the evidence appears to favor the colonial regimes. In the provision of public safety and the conditions for safe travel and commerce, the colonial regimes were superior, certainly to the tumult of the eighteenth century. Famines were frequent and devastating (several took the lives of millions of people, sometimes as much as a quarter or a third of the affected region), but were they more frequent or more devastating than famines in pre-colonial regimes? Very doubtful.

The fundamental difference between the pre-colonial and colonial regimes was the creation of a proto land market. The process began with the Permanent Settlement which created a market in estates; by the end of the colonial period, with increasing rights granted to tenant farmers (in both zamindari and raiyatwari lands) incipient markets had been created for small land parcels. One can view this development through an ideological lens—as many appear to have done—and conclude that because markets are inherently inferior to "traditional" non-market transaction systems, the colonial interventions led to unquestionably inferior outcomes.

Alternatively one can take the view that "ownership" rights, however weak and tenuous, are superior to "traditional" rights, which, more often than not, are fickle and arbitrary. That is, a peasant is likely to have more power in a market system than in a non-market feudal system. The image of the pre-colonial wholesome, communitarian, organic village society is a romantic myth. The proto market system in land with which the colonial regimes ended had very serious problems (of inequality of land distribution, peasant indebtedness, and largely because of population pressure without commensurate technological change, increasing fragmentation and marginality), but the question we should focus on is this: what rights did the peasant have relative to the established authorities, the zamindars and mirasdars, and above them, the colonial authority?

The impoverished and embattled Indian peasant of the pre-colonial and early colonial periods had little bargaining power and few avenues of resistance. They abandoned farms when it was still possible to do, when the land abundance of the pre-colonial period had not yet been transformed into the land scarcities of the late colonial regime. They rose up in isolated rebellions when conditions became intolerable and they were able to organize under good local leadership. They randomly attacked some zamindars and moneylenders in less organized, more sporadic ways.

But none of these forms of resistance led to any systematic rights until gradual changes were legislated (and supported by the judiciary) in the late Crown Raj. As a result, when the colonial regime ended, the Indian peasant had more agency, and a greater ability to act in his own interest, than ever before. There are many possible explanations for why this happened (I have discussed some of the most plausible ones earlier), but those explanations matter less than the fact that this expansion in peasant and tenant rights did happen.

The importance of individual rights in land has been given a new perspective by scholars who have compared the very long term effects of the zamindari and raiyatwari systems, the former with fewer rights and greater exploitation than the latter. The original work was done by Banerjee and Iyer (2005), who investigated differences in agricultural productivity between zamindari and raiyatwari lands in independent India. Kapur and Kim (2006) extended their analysis to all the twentieth century, including the last decades of the colonial regime. These scholars argue that the different tax and property right regimes in these regions created fundamentally different incentive structures for individual cultivators, which led, in the twentieth century, to significantly better development outcomes and patterns in the raiyatwari regions despite the fact that the zamindari regions had superior agricultural land.

How different were the agricultural outcomes? Although in 1901 the productivity levels in both regions were on par, by 1931 the raiyatwari lands had 22 % higher productivity. This difference narrowed in the two decades after independence, but after the Green Revolution, by 1981, the raiyatwari lands had 26 % higher agricultural productivity (and higher levels of urbanization and industrial production). Scholars see this as an outcome of regional differences in colonial policy. But, given (as shown earlier) that colonial policy was pragmatic and largely a continuation of pre-colonial revenue systems, it is possible that the long shadow of Mughal India can be discerned in the economic life of the nation even today.

7.9 Conclusion

In general, there is little doubt that the political economy of the independent nation was shaped in fundamental ways by colonial policies on land. It is important to understand that the original goal of the colonizers was to extract land revenue. For well more than a century it remained the primary and overwhelming objective and, therefore, the thrust of all colonial policy. Industrial colonialism came later, by which time the land policies were firmly entrenched. This was what independent India inherited. The inequalities and deprivations of the colonial systems, especially zamindari, required large-scale reforms—first in the form of the abolition of intermediaries, followed by land ceiling laws and tenancy reform laws. These were among the first actions taken after independence—specifically through the First, Fourth, and Seventeenth Amendments to the Constitution. The effects of these various reforms have been debated at length and the conclusions are sobering. The abolition of intermediaries was the only unequivocally successful reform; tenure and ceiling reforms have generally had adverse effects in most states (with the exception of Kerala and West Bengal, the only two states that undertook these reforms seriously) and have increased land inequality and fragmentation and decreased agricultural productivity (Chakravorty 2013; Ghatak and Roy 2007).

What the independent Indian state also inherited from the colonial period, an inheritance that was not reformed because it was convenient for the Indian state, was the law on land acquisition. Because the new nation required very large quantities of land to launch its modernization and industrialization policy—for dams, irrigation, steel plants, power plants, townships, and so on—it retained unchanged the Land Acquisition Act of 1894 (which was amended twice, in 1962 and 1984, both times to enlarge the power of the state). This law had been used relatively sparingly by the colonial state. It was independent India that used this colonial act massively for its own purpose. What the nation is facing now is the fallout of post-colonial India's use of colonial legislation on land acquisition.

Land was viewed through much of Indian history as a source of revenue. These revenues sustained the ruling classes, and the desire to maximize revenue was the source of almost all conflict between regimes. That fundamental fact of India changed in the twentieth century as the significance of land revenue declined in relationship to revenue from industrial production and trade, and it has disappeared entirely in independent India. Land struggles are no longer over revenue, largely because of the extremely low productivity and income from agriculture. Instead they are about land use, as a modernizing and urbanizing nation attempts to take land from an intensively fragmented and marginalized agricultural class. This is the story of land in India today.

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