




# Ruling the Countryside

CHAPTER 3

CLASS 8 – MODULE 1



Robert Clive accepting the Diwani of Bengal, Bihar and Orissa from the Mughal ruler in 1765. In the given picture, the Mughal Emperor handing over the Diwani rights to Robert Clive. The company had become the chief financial administrator of Bengal.

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- ▶ On 12 August 1765, the Mughal emperor appointed the East India Company as the Diwan of Bengal.
  - ▶ The actual event most probably took place in Robert Clive's tent, with a few Englishmen and Indians as witnesses.
  - ▶ But in the painting above, the event is shown as a majestic occasion, taking place in a grand setting.
  - ▶ The painter was commissioned by Clive to record the memorable events in Clive's life.
  - ▶ The grant of Diwani clearly was one such event in British imagination.
  - ▶ As Diwan, the Company became the chief financial administrator of the territory under its control.
  - ▶ Now it had to think of administering the land and organizing its revenue resources.
  - ▶ This had to be done in a way that could yield enough revenue to meet the growing expenses of the company.
  - ▶ A trading company had also to ensure that it could buy the products it needed and sell what it wanted.

# MAIN POINTS

- ▶ THE COMPANY BECOMES THE DIWAN
- ▶ IMPROVING AGRICULTURE
- ▶ CROPS FOR EUROPE
- ▶ BLUE REBELLIION AND AFTER

# COMPANY BECOMES THE DIWAN

- ▶ On 12 August 1765, the Mughal emperor appointed the East India Company as the Diwan of Bengal and apart from the Bihar and Orissa.
- ▶ Diwani Rights were accepted by Robert Clive.
- ▶ As Diwan, the Company became the chief financial administrator( taxes, revenue) of the territory under its control.
- ▶ They came as traders and slowly acquired the power of controlling the administrative powers.
- ▶ Robert Clive won the battle of Buxar, and defeated the Nawabs. This was a great achievement

# REVENUE FOR THE COMPANY

- ▶ The company had become the Diwan, but it still saw itself primarily as a trader.
- ▶ The effort was to increase the revenue and buy silk and fine cotton as cheaply as possible.
- ▶ Before 1865, the Company had purchased goods in India by importing gold and silver from Britain.
- ▶ Now the revenue collected in Bengal could finance the purchase of goods for export.

# Problems in Bengal economy

- ▶ Bengal was facing deep crisis
- ▶ Artisans were deserting villages since they were being forced to sell their goods to the company at low prices
- ▶ Peasants were unable to pay the dues that were being demanded from them
- ▶ In 1770 a terrible famine killed 10 million people in Bengal
- ▶ Hence there was a need to improve agriculture

# NEED TO IMPROVE AGRICULTURE

- ▶ PERMANENT SETTLEMENT
- ▶ MAHALWARI SETTLEMENT
- ▶ RYOTWARI SETTLEMENT



# PERMANENT SETTLEMENT

- ▶ The company introduced the Permanent Settlement in 1793 under LORD CORNWALLIS in Bengal province
- ▶ By the terms of the settlement, the rajas and taluqdars were recognized as zamindars
- ▶ Zamindars were asked to collect rent from the peasants and pay revenue to the company
- ▶ The amount to be paid was fixed permanently
- ▶ It was thought that this would ensure a regular flow of revenue into the company's coffers and encourage the zamindars to invest in improving the land

# PROBLEMS OF PERMANENT SETTLEMENT

- ▶ The permanent settlement however created problems.
- ▶ Company officials soon discovered that the zamindars were in fact not investing in the improvement of land.
- ▶ ZAMINDARS found it difficult to pay the fixed revenue that was very high.
- ▶ Anyone who failed to pay the revenue lost his zamindari.

▶ THANK YOU