

M. Mufakharul Islam,
*An Economic History of
Bengal, 1757-1947*

SHINKICHI TANIGUCHI

The book under review is a result of painstaking scrutiny into the historiography of modern economic history of Bengal by Professor M. Mufakharul Islam, one of the leading economic historians in Bangladesh. He clarifies the point of departure in the controversies on various aspects of economic history of Bengal and gives his own well-balanced judgement on them on the basis of both reliable historical sources and sound logic of political economy. This highly polemic work shows the important issues to be studied further and, thus, provides a coordinate axis in reference to which most of the research topics may find their positions.

Let us first give, chapter by chapter, a summary of the salient features of economic history of Bengal on the basis of Professor Islam's detailed analysis without going into the controversies themselves. Then some of the topics, which the present reviewer found interesting, will be taken up and discussed somewhat in detail.

Chapter I entitled 'The Economy in the Late Medieval Period' gives a general image of economic structure of Bengal under the Mughal local government. Agriculture was carried out by small peasants who marketed a large part of their produce in order to pay high pitch of land revenue amounting to one third of the gross product. Basically, agriculture was carried out by family labour, but sometimes a kind of cooperation among the cultivators (*gata* or *badla*) was practiced. The zamindars rented out almost all their lands, except for uncultivated waste lands and a small home lands (*khamar* lands) which were cultivated by the hired labourers or the sharecroppers. There already existed a commercial space where grain merchants and moneylenders played a vital role. Theoretically speaking, the small peasants could extend the size of their land-holdings in accordance with the fluctuation of their family size, as far as uncultivated arable lands were available nearby. This might have prevented the march of disintegration of the small peasantry and appearance of rich peasants, if the majority of peasants could accumulate sufficient capital to undertake the forest clearing. However, high pitch of the land revenue did not allow the ordinary peasants to save the required capital to do so. Thus, only the affluent people or richer section of the peasantry could extend their land

holdings by new clearing. Under such circumstances, disintegration of the peasantry did take place all over Bengal, not restricted to the frontier districts to the north or to the west as argued by Professor Rajat Datta and Professor Sugata Bose. Professor Islam concludes that the peasant society in Bengal was already more or less differentiated by the end of the Mughal rule.

Turning our eyes to the industrial sector, textile industry (cotton and silk) occupied the most important position and high quality of Bengal cloth, for centuries, attracted merchants from the Middle East and the East Asia. The Europeans were the latest entrants in this trade. Professor Islam argues that the weavers in those days possessed simple looms and wove, in their cottages, the thread purchased from markets into cloth with the help of their family. Because of abundant supply of labour, scarcely any labour-saving technology developed. Though European companies established factories (*arangs*) where many weavers worked together, this type of production did not diffuse outside the small enclaves. Indian merchants established neither factories nor putting-out system, not to speak of business organization such as joint-stock company.

Chapter II deals with 'The Battle of Palashi and the Beginning of Economic Drain'. Professor Islam argues that after the battle of Palashi, servants of the East India Company and other European free traders forcibly intruded into the Indian internal trade, and pushed the Indian merchants gradually out of it. Based on Professor Irfan Habib's estimate, he argued that the size of economic drain from Bengal amounted to 5 to 10 per cent of her gross product in the 1780s, and it inflicted great damages on the prospect of Bengal economy.

Chapter III entitled 'Decline of Traditional Industries and the Beginning of the Modern' considers important controversies on the de-industrialization and the industrial policy during colonial period. Turning point came with the British industrial revolution and the company's acquisition of state power in Bengal in the late eighteenth century. In spite of great advantage in prices, export of hand-woven cloth from Bengal to England rapidly declined due to the restrictive policy imposed on it by the British government, while import of British cotton mill products into India rose in leaps and bounds. Thus, Indian cotton products lost her world market, and such cotton industry in India that especially supplied European market was driven to the wall and the Indian economy was transformed into a supplier of industrial inputs such as raw cotton to the British industries.

In Bengal, after the final retreat of the early Bengali capitalists in the 1840s, all the profitable industrial undertakings such as tea plantation, coal mines and jute industry were virtually monopolized by the European capitalist groups until the outbreak of the First World War. Introduction of the protective tariffs marked the changing circumstance for the industrial growth by Indian capitalists. Number of factories and factory

labourers nearly doubled and the weight of the Indian capitalists, especially of the Marwari community, in the overall industrial structure of Bengal was considerably enhanced. Hitherto, the slowness of the indigenous industrial growth was attributed to inherent constraints such as scarcity of capital, lack of entrepreneurship, and non-secular attitude of the Bengali elites, but Professor Islam considers the uncooperative industrial policy of the colonial government the most important constraint on industrial growth in Bengal.

Chapter IV discusses 'Trends in Crop Production, 1800-1947'. Recovery from the great famine of 1769 required long time, and the peasants were treated with care and the landlords tried to attract as many peasants as possible by allowing them to hold lands at lower rates of rent. Reclamation of virgin lands, which were then available in plenty, also went on in the first half of the nineteenth century. Paddy was by far the most important crop in Bengal until the 1870s, when jute started to expand rapidly in eastern and northern Bengal. Professor Islam examined original crop data for Bengal and concludes that growth rate of agricultural production was quite low and attributes this low growth rate to the insufficient support to modernize agriculture from the colonial government.

Chapter V deals with 'The Problem of Subinfeudation'. Professor Islam shows that the extremely complicated stratified structure of land-tenure which was often called subinfeudation existed only in the district of Bakarganj, and even there majority of intermediate tenancies were possessed by the cultivating class. The extent of stratification of intermediate tenancies was much less in other districts. Quoting Professor Sirajul Islam's periodization of subinfeudation with three sub-periods, the author argues that the period two (1820s to 1870s) saw the peak of the growth of subinfeudation and a very important social group called *bhadralok* came from this intermediate tenure-holders. They were mostly the higher caste Hindus and most of the professionals and intelligentsia in Bengal came from this *bhadralok* class. In response to the rise of the anti-landlord movement among the Muslim peasants, the *bhadralok* as a class leaned to Hindu revivalism and the landlord-tenant relations tended to take the form of the communal conflict.

Chapter VI takes up the topic of 'Underdevelopment of Industrial Entrepreneurship'. The question raised here is why the Bengali moneyed class showed far less entrepreneurial spirit in comparison with the energetic commercial and industrial performance exhibited by the Marwari merchants towards the end of the nineteenth century. It should be noted that the Bengali merchants played a vital role in the early development of modern industries such as banking and indigo manufacturing as an equal partner with the European business groups until the commercial clashes in 1847. Since then, the leading Bengali propertied class concentrated their investment in landed property and

allowed the European managing houses to monopolize the modern industrial sector. The Marwari traders started gaining grounds in the trade of raw jute in local business centres in the 1870s, and then entered the modern industries such as coal mine, jute industry and tea plantation after the First World War. This contrasting performance of two communities used to be explained in terms of information network, business discipline, finance, 'invisible white barriers' and unsupportive colonial industrial policy. Professor Islam explains the difference in terms of discriminatory attitude of the colonial government towards them. The government supported commercial and industrial activities of the Marwari community who were loyal to the colonial ruler, while discouraging the Bengali community who often created political troubles.

Chapter VII reviews the important agrarian problems of 'Land Transfer, Rich Peasants and Sharecropping'. Transfer of landholdings by the peasant became noticeable in the 1870s, started to increase after the 1880s, fell in numbers greatly during the great depression, started to increase again in the middle of the 1930s, and lastly saw phenomenal expansion during the great famine of 1943. Professor Islam made it clear that the rich peasants existed across Bengal from early colonial period, and by the end of the 1930s about one third of the total cultivated lands were held by them. As for sharecropping system, an extensive survey conducted in the late 1930s showed that 21 per cent of the total cultivation was under this system and another survey found that it reached 29 per cent immediately after the great famine of 1943. Landlords obtained near one half of the gross product as rent under sharecropping contract, while money rent amounted only to one fourth at best. Landlords naturally tried hard to transform the land in money rent into the crop-sharing one.

Chapter VIII deals with 'Rights and Liabilities of the Raiyats, 1859-1947'. Professor Islam argues that the British government wanted India to become the supplier of raw materials and purchaser of the products of the British industries. In order to obtain these objectives it was desirable to give the raiyats more secure rights in their land holdings such as heritability, transferability, and occupancy. He further opines that the shift in colonial land policy led to sharp conflict between the Hindu landlords and the Muslim peasants.

Chapter IX takes up the theme of 'Commercialisation of Agricultural Produce. Voluntary or Involuntary?' Professor Islam examined evidence taken from local traders all over Bengal in the mid-1920s, and concluded that advance loan (*dadān*) was not distributed as extensively as it was generally supposed to have been. This important finding led him to reject the current view that the foreign financial capital integrated the Bengal agricultural market into the international financial market through the distribution of *dadān* to the cultivators by their agents in the rural area.

Professor Islam emphasizes the importance of peasant stratification

and its far-reaching impact not only on the agrarian structure, but also on the agricultural production. Most of the peasants who accepted *dadam* from the jute traders belonged to the lower section of the peasantry, while the upper section remained untied to the *dadam* system and sold their raw jute in open market. And greater part of the marketed jute belonged to the wealthier section who responded positively to the price incentive. Professor Islam, on the basis of a survey conducted in the 1950s, argues that the more the commercialization proceeded, the more the peasants became prosperous. However, as the locality with highly commercialized agriculture experienced more numerous transfers of peasant-holdings, a higher degree of differentiation among the peasants ensued there. This means, amidst the general prosperity of the locality, higher proportion of the peasants lost their land-holdings and sunk into the trap of poverty.

Chapter X discusses 'Problem of Agricultural Debt'. The first comprehensive banking survey in Bengal (1929-30) stated that the major suppliers of the agricultural loan were professional moneylenders residing in the villages. Professor Islam questions this general statement, and opines that it was the richer section of the peasants who used to provide the major portion of the agricultural loan. Tremendous price fall during the depression brought about huge indebtedness and drying-up of the agricultural loan. The miserable conditions of a large number of peasants attracted the attention of the political parties and the provincial government enacted laws to give relief to the debtors. Debt settlement boards were set up and more than 3,400,000 cases were filed there. Famine of 1943 further deteriorated the conditions. Professor Islam thinks that the low productivity and the shrinkage of the size of the landholdings were the major causes of the serious indebtedness among the peasants.

Chapter XI discusses 'Agriculture during the Inter-War Depression'. Professor Islam points out that the disappearance of land-frontiers, the resultant stagnation in agricultural production, and the acceleration of population growth were the important facts about this period. The sum total, under the condition of absence of any productivity gains in agriculture, was the falling per capita agricultural production, especially that of food grains. When the great depression began in 1929, wage of the agricultural labourers did not fall as fast as the agricultural products. Thus, the wage labour became relatively costly, and the landlords were forced to reduce the direct cultivation of their lands and rented them out on crop-sharing contract. At the same time, the peasants tried to maintain their cash income, in the face of the falling prices, by maximizing their cultivation. Professor Islam maintains that these were the mechanism that kept up the acreage of the total cultivation in spite of the great fall in agricultural prices during the depression. Professor Islam points out that though the sharecropped lands greatly increased during the depression, their extension had already been set in motion much earlier.

He also shows that the concentration of lands in the hands of rich peasants and moneylenders did not proceed in any remarkable extent during the depression. These findings refute the commonly accepted view to the contrary.

Though total agricultural production was kept up by the mechanism mentioned above, the depression did break traditional methods of agricultural loan and agricultural production. The peasants many of whom were Muslim started to resist the Hindu landlords, and the communal antagonism took a dangerous turn.

Chapter XII deals with 'Failure of Landlords to Play a Transformative Role in Agriculture'. Professor Islam argues that the agricultural productivity remained low, because no investment was made by the landlords to develop capitalistic agriculture in Bengal. Existence of subinfeudation, resistance of the peasants, and shortage of capital were often mentioned as the causes of this failure. Professor Islam maintains that the greatest reason for the low level of agricultural investment by the landlords was that they, in fact, obtained fairly good income from agriculture, if we take into consideration the transfer fee, high incidence of sharecropping system, and various illegal collections. Above all, as they earned very good income from professional jobs, there was no 'compulsion' for them to make new investment in transforming the traditional agriculture.

Chapter XIII takes up the topic of 'The Famine of 1943: Causes and Results'. Professor Islam agrees with Professor Amartya Sen's two central propositions. First, the famine occurred in the absence of Food Availability Decline, and second, the entitlement approach is useful for the analysis of the impact of famine. However, Professor Islam points out that Professor Sen overlooked two important factors. First, food availability decline started much earlier in the mid-1920s, and second, small peasants who shifted to jute cultivation were also as badly affected by the famine as the artisans and agricultural labourers:

Chapter XIV examines the impact of 'Railway Network' in Bengal. Professor Islam admits that the introduction of railway into Bengal benefitted her in a number of ways: reduction of transportation cost, increased unification of different parts of the subcontinent, promotion of commercial agriculture, rise of the rich peasant, transformation of agrarian society, etc. However, in spite of the huge construction work, it failed to develop modern industry, managerial resources, and financial market in India and also did not contribute to the development of the modern national economy as was the case in Europe and Japan.

Chapter XV entitled 'Summary and Conclusion' compactly summarizes the main arguments.

The book under review is highly recommendable for its wide coverage, meticulous examination of the logic and basic premise of the foregoing

studies, and criticism of the current views on the basis of certain basic facts drawn from the most reliable set of information. Not only the Ph.D. candidates, but also the professional researchers may find a sure basis for further researches in the economic history of Bengal in the present work.

The reviewer would like to present some points that need to be clarified, and some important problems that remain to be further investigated.

First, Professor Islam's argument that the abundant supply of labour prevented the technological innovation in cotton industry may need further verification, because it is well-known that it was labour rather than land that was in great demand in the late eighteenth century Bengal. There were still plenty of waste lands awaiting reclamation and the situation of labour shortage doubtless became more serious after the famine of 1769.

Second, the present reviewer has a doubt about the assertion that one-third of the residents perished in the famine of 1769. It may be true that serious human loss was recorded in certain districts of West Bengal where the famine hit hardest, but in the other districts the situations were not as bad as that. If taking an average of the entire Bengal, the loss of one-third of population seems to be a gross overestimation.

Third, Professor Islam argues that the Bengali merchants were much less successful in business than the Marwari counterparts, because of discriminately attitude of the colonial government who favoured the friendly Marwari merchants, and disfavoured the Bengalis who were politically strongly nationalistic and anti-British. However, the Marwari and Armenian merchants were much more successful than the Bengalis even during the Mughal period. Therefore, other kind of explanation other than colonial discrimination may be given more importance in order to understand the distinctive performance of both communities.

Fourth, it is one of the most valuable contributions made in this book that the Bengal peasantry was highly differentiated throughout the whole period and across colonial Bengal, and the impact of economic changes on the peasantry could only be appropriately understood by the use of stratified analysis. However, the reviewer feels that we can go a step further if we understand the complementary nature of the farm management of the rich peasants and that of the marginal farmers. For example, it is impossible for a rich peasant to manage his extensive lands without employing a large number of wage labourers and/or renting them out to the poor farmers. Looking from a marginal farmer's side, whose landholding was too small to maintain his family all the year round, the additional products from a bit of lands rented from the rich peasant was indispensable to make both ends meet. In this sense, this additional rented land, however small it might have been, was vital for his living. Thus, a rich peasant could exercise great influence over quite a few marginal farmers by renting out his surplus lands. His influence could be far greater

than the small size of the rented land to each marginal farmer might suggest.

Fifth, Professor Islam often refers to the conflict between the Hindu landlords/bhadralok and the Muslim cultivators. However, one important aspect of the Bengal Agrarian structure, especially in East Bengal, was that many of the rich peasants/jotedars were Muslims, and there was conflict of interest between the rich peasants and the under raiyats (korfa raiyats) and agricultural labourers who worked on their farms. Therefore, agrarian problem was more complicated than what Professor Islam suggests. It may be noted here that when the landlords/bhadralok class was removed by the zamindari abolition acts from the agrarian scene, this rich peasant – under raiyat relation seems to have attained the great importance in both West Bengal and Bangladesh.

Lastly, it is highly regrettable that so many printing mistakes have crept into an otherwise neatly composed text. Some of them are of serious nature. It is strongly hoped that these mistakes will be eradicated in the next edition of the book.

[Dhaka: Adorn Publication, 2012]