



Impact of world war on British Colonial Economic Policy in India

Dr. Puttaraju .K. Lecturer In History, Sir M. V . Post Graduate Center, Mandya District, Karnataka

Abstract

This paper examines the consequential shift in the British colonial industrial policy during the First World War in India. As the First World War highlighted the industrial lacuna of India, there was a shift in the colonial policy towards Industrial development in India. The British decided to involve India in the war efforts & decided to tap the resources of the nation towards war efforts. There was a sudden shift in the Industrial policy of the colonial government & there was a discernible swing towards the establishment of key industries in India . World war needed a lot of resources & British decided to invest a part of their seed capital in India with a selfish motive of tapping those resources for supporting their war efforts.

Key words: war efforts, shift in industrial policy, British investments, impact on Indian industrial growth, challenges of on India

Introduction- The First World War was fought between 1914-1918. This war evidenced large scale transformation in global political maneuvers which reflected directly upon the economic policies of each country. India , which was under British colonial control also underwent several changes in its economic policies. The British wanted the support of the Indian economic resources for the war effort. There was a great demand for Indian people to involve in war efforts outside Indian boundaries.

The Impact on Indian economic resources: The war highlighted the inadequacy of India's industrial base. It brought home to the British government not only India can play a key role in imperial defense but also the limitations of her contribution to the war effort in the absence of significantly greater industrial expansion in India .The war led to an immediate stoppage of supplies from the enemy countries like Germany England & her allies being busy with

war were unable to supply Indian needs.(C, David; Williamson, Jeffrey G. (2008), "Deindustrialization in 18th and 19th century India: & Collins, William J. (1999), "Labor Mobility, Market Integration, and Wage Convergence in Late 19th Century India",)

Impact on Imports- Imports were confined to only essential goods there was acute shortage of supplies scarcity of shipping difficulty in finance the enemy sub marines patrolled heavily. There was a vast demand for Indian goods by allies; armies. This helped the growth of indigenous industries during First World War. The cotton mills , Gins ,chemical pressing were prosperous industrial investment in Mumbai .In Bengal industrial activity increased as jute industry stimulated jute processing & bagging. Raw coal mining became popular industrial activity as coal was the primary energy source for railways. The number of cotton spinning mills & cotton weaving mills rose to 277 , during



this period. The jute mills rose to 76 with increasing demand for Jute processed materials . In Madras , leather tanning industries , soap manufacturing industrial sheds , fishnet twining industries ,netting ,ship building industries were also started during this period. Manufacture of chemicals was an important segment in Madras .Several types of mineral acids , cooking oils, engine oils, paper , glass & glass materials manufacturing industries , cement industries , varnish paints industries , surgical instruments , etc also started . Iron & steel industry was important industrial activity steel production increased 19 thousand tones to one lakh 24 thousand in 1918. (Sumeet Bose, (1993), Peasant Labour and Colonial Capital: Rural Bengal since 1770).

The production of chromites , wolfram , became a sudden industrial activity. Manufacturing industries also received impetus. Investment in cotton mills increased. There was a great demand for cloth manufacturing . All types of cloth manufacturing received great impetus from private & government ownership. Along with cotton Industry , jute industry was also popular in western India received impetus . There was a drive to establish Jute mills along Dhakka , Chandranagar , Bhilsa , Paragana . The investment in Jute processing , Jute cleansing , Jute packing & Jute mixing was given emphasis . There was great attraction for Jute Bags for war efforts . The coastal parts of eastern India along with Dhaka was chosen as the Jute belt.

Impact on Industrial production: The stoppage of foreign markets helped the Indian industrial production during this period. The price of the manufactured

goods increased along with the steep increase in the wages of the laborers. The increasing demand for raw materials opened new avenues for marketing but this was very highly challenges.

The challenges: Even though there was a great demand for supplies there was a great number of challenges as well.

1. **Importing big machinery** -Indian Industries which were established during this period faced the difficulty in importing big machinery for textiles , chemicals , mills & industrial outlets.
2. **Wage labor;** The finding wage labor became very difficult. There was a significant . Growth in wage labor with increase in wages & other benefits.
3. **Shortage of food resources;** In the name of war there was a great shortage of local availability if food resources. The prices of rice , cereals,
4. **No regulation of prices:** The overwhelmingly increasing demand for food supplies affected their price ratio. But there was no price regulatory system. Hence Some of the dealers , vendors , stockists & retailer started making abnormal profits in the name of shortage of materials supply.

Impact of Policy interventions through colonial government

1. Colonial administrators followed the principle of laissezz faire claiming that all attempts to encourage Indian industry by means of support to pioneer factories
2. As a precautionary measure , government subsidies were effectively discouraged



3. Tariff policy was largely governed by English manufacturers interests rather than Indian Manufacturers
4. A board was set up to initiate industrial linking in India to control & develop Indian resources with special reference to the needs created by the war to limit & coordinate demands for articles not manufactured in India The primary objective of the board was to meet the demands of the armies. These armies operated in Mesopotamia
5. This industrial activities helped the harnessing of Indian resources towards manufacturing sector which could be beneficial to the army in far off combat areas
6. The demands for tea, leather goods, processed beverages, mica, wolfram, timber, salt peter, woolen textiles, Jute bags, etc increased by leaps & bounds.
7. There was also the demand for manufacturing anti friction metal, Ferro manganese, glass pottery, refractory bricks, disinfectants, fluids, glucose, coir articles etc
8. The government took interest in motivating industrialist entrepreneurs to establish industries in India
9. There was a call for giving subsidies from establishing industrial activities
10. Indian industries suffered because the protection the colonial government was giving was temporary there was no lifelong cover to these industrial establishments there was always a threat of being closure.
11. There was the scarcity of technical exposure
12. The industries were not to depend on expertise knowledge
13. Shortage of skilled labor was evident
14. Industries manufacturing Railway wagons coasting vessels, coal & coking plant heavily suffered due to shortage of skilled labor
15. The fiscal commission of 1921 had sad report about industrial development The war though was encouraging to several Indian industries it was detrimental to several others because there was a no balance in the growth of industries . machine tools steam engines boilers gas engines hydraulic presses heavy cranes suffered

But the colonial interest in setting up industries was temporal as soon after the war the Britani interest totally changed. There was a change over in its industrial policy the tempo of the establishment soon changed Indian industries were neglected or shown a step motherly attitude. The England's war wishes were linked with Indian resource management & soon after the war there was a change in the policy & Indian industrial sector suffered setbacks. This added to the lopsided development Indian industrial sector.

Conclusion- Thus the First World War was a temporary phase in Indian industrial arena which supported the Indian industries. But this was a a temporary phases which changed later . Colonial interests were measured more than Indian industrial development. Experts are of the opinion that if England were to follow industrial supports as during the war the Indian would have become an industrial country on part with the western countries but England showed interest only to shower a thin support during the war & after the war there was a complete closure. This lead to the lop sided development of



Industries & this imbalance continues even decades after the British exit.

References:

1. K. A. Manikumar, A colonial economy in the Great Depression, Madras (1929–1937) (2003) p 138-9
2. Dietmar Rothermund, An Economic History of India to 1991 (1993) p 95
3. Omkar Goswami, "Agriculture in Slump: The Peasant Economy of East and North Bengal in the 1930s," *Indian Economic & Social History Review*, July 1984, Vol. 21 Issue 3, Colin Simmons, "The Great Depression and Indian Industry: Changing Interpretations and Changing Perceptions," *Modern Asian Studies*, May 1987, Vol. 21 Issue 3, Dietmar Rothermund, An Economic History of India to 1991 (1993) p 111
4. Dietmar Rothermund, India in the Great Depression, 1929–1939 (New Delhi, 1992).
5. Awasthi, Aruna (1994). History and development of railways in India. New Delhi: Deep & Deep Publications.
6. Daniel R. Headrick, The tentacles of progress: technology transfer in the age of imperialism, 1850–1940, (1988)
7. Appleyard, Dennis R. (2006), "The Terms of Trade between the United Kingdom and British India, 1858–1947", *Economic Development and Cultural Change* 54:
8. Bose, Sumit (1993), Peasant Labour and Colonial Capital: Rural Bengal since 1770 (New Cambridge History of India), Cambridge and London: Cambridge University Press..
9. Broadberry, Stephen; Gupta, Bishnupriya (2007), Lancashire, India and shifting competitive advantage in cotton textiles, 1700–1850: the neglected role of factor prices
10. Farnie, DA (1979), The English Cotton Industry and the World Market, 1815–1896, Oxford, UK: Oxford University Press.
11. Ferguson, Niall; Schularick, Moritz (2006), "The Empire Effect: The Determinants of Country Risk in the First Age of Globalization, 1880–1913", *Journal of Economic History* 66 (2):
12. Clingingsmith, David; Williamson, Jeffrey G. (2008), "Deindustrialization in 18th and 19th century India: Mughal decline, climate shocks and British industrial ascent", *Explorations in Economic History* 45 (3)
13. Collins, William J. (1999), "Labor Mobility, Market Integration, and Wage Convergence in Late 19th Century India", *Explorations in Economic History* 36: