

Economic Impact of Colonialism

Chapter 4: The Colonial Era in India · Topic 2

Key Concept

Colonial policies favoured British industries, importing cheap manufactured goods like textiles while exporting raw materials from India, harming traditional Indian craftspeople.

Indian farmers were often forced to grow cash crops like indigo and cotton for export, rather than food crops, which sometimes led to famines and food shortages.

Heavy taxation and revenue systems, like the Permanent Settlement, often burdened farmers, leading to debt and poverty in rural India.

While some infrastructure like railways was built, it was primarily designed to serve British economic interests, like transporting raw materials to ports, rather than benefiting Indian development broadly.

Quick Revision Notes

- Colonial policies favoured British industries.
- Cheap British manufactured goods were imported.
- Raw materials were exported from India.
- This harmed traditional Indian craftspeople.
- Farmers were forced to grow cash crops like indigo and cotton.
- This sometimes caused famines and food shortages.
- The Permanent Settlement was a heavy revenue system.
- Infrastructure like railways mainly served British interests.

Practice Questions

- 1 Discuss how colonial trade harmed Indian craftspeople.
- 2 Research the impact of forced cash crop farming.
- 3 Explain the Permanent Settlement system.
- 4 Discuss why railways were built during colonial rule.
- 5 Research a famine caused partly by colonial policies.
- 6 Discuss the long-term economic effects of colonialism.