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# Permanent Settlement Act

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# Permanent Settlement Act

Permanent Settlement was introduced by Governor-General Lord Cornwallis in 1793

Permanent Settlement was an agreement between the British East India Company and the Landlords of Bengal to fix the land revenue.

It was first introduced in Bengal and Bihar and later it was introduced in Madras and Varanasi.

# Permanent settlement act (Background)

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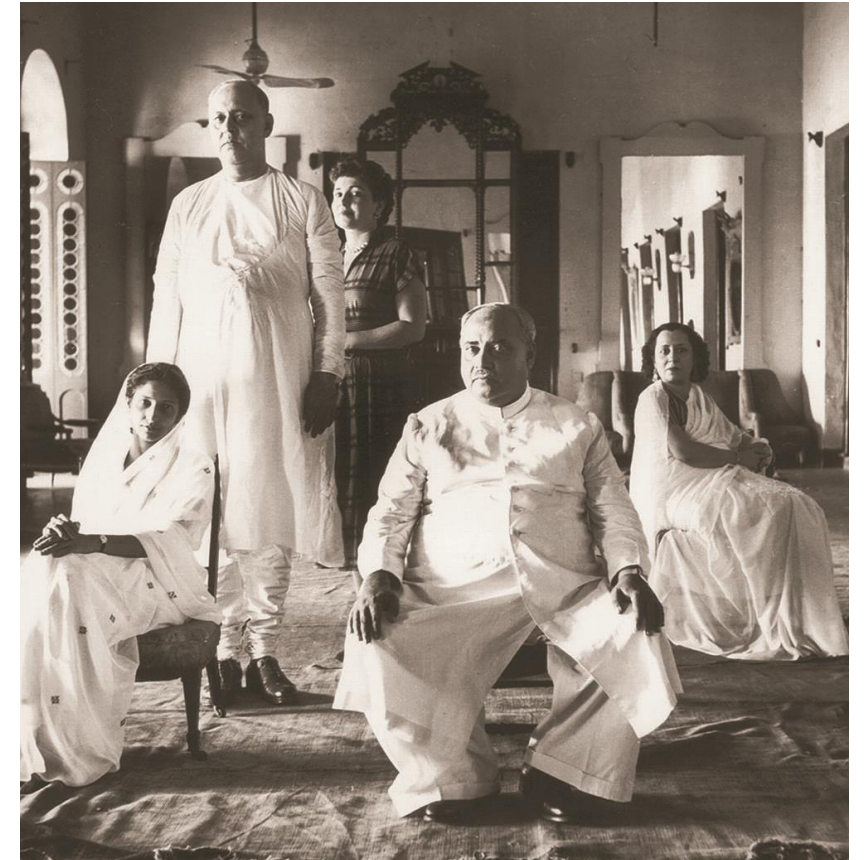
- ❑ The Diwani right over Bengal was awarded to the British East India Company.
- ❑ The British East India Company's officials were neither trained nor had any knowledge of local laws. Thus, the landlords were unsupervised and became corrupted.
- ❑ The artisans were forced to sell their products at low rates and peasants were forced to pay high taxes. Thus the Bengal economy fell into a deep crisis.
- ❑ In 1770, there was a terrible Famine in Bengal which killed about ten million people.
- ❑ British officials felt that investments in the land should be encouraged and the state of agriculture should be improved.

# ***PERMANENT SETTLEMENT***

- The main aim of the Permanent Settlement was to resolve the problem of agrarian crisis and distress that had resulted in lower agricultural output.
- Warren Hastings introduced five year settlement to collect revenue in 1772 but revenue could not be collected proportionately because the bid of land was at high stage.
- The farmers would leave the land and flee away for the fear of depression as there was no development of land and for the land was uncultivated and price of land would go down.
- Later Hastings again introduce one year settlement but failed.



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- After that, the parliament of England realized the necessity of inventing a new system to solve the revenue problem in Bengal, Bihar and Odisha.
  - After much discussion and disagreement between the officials, the Permanent Settlement was made with the existing Rajas and Taluqdars of Bengal who were now classified as Zamindars.
  - They had to pay fixed revenue in perpetuity. Thus, zamindars were not the landowners but rather revenue collector agents of the State.
  - Cornwallis believed that they would immediately accept it and so begin investing in improving their land. In 1790, the Court of Directors issued a ten-year (decennial) settlement to the *zamindars*, which was made permanent in 1793.



# Permanent settlement act (Features)

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The Permanent Settlement Act of 1793 had the following features:

- ❑ The Zamindars who were earlier only tax collectors became landlords under this system.
- ❑ Zamindars had the right to transfer or sell the property.
- ❑ Zamindars were given hereditary rights for a succession of land under their ownership.
- ❑ The land revenue to be collected was fixed and was agreed to not increase in the future.

# Permanent settlement act (Features)

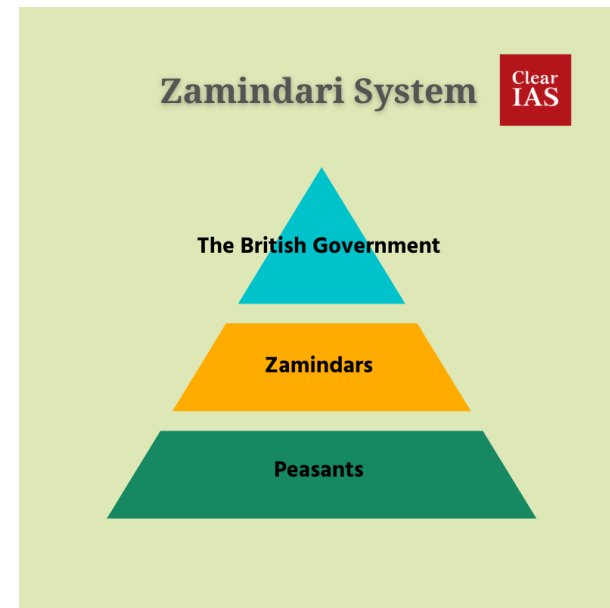
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It was fixed that 10/11th of the land revenue collected was to be given to the British and 1/11th of it was to be retained by the zamindar.

If the zamindars failed to pay the fixed revenue amount, then their properties were confiscated by the British and sold via auction.

The major outcome of the Permanent Revenue Settlement in Bengal was a division of society into two:

- Landlords, and
- Tenants.



# Advantages

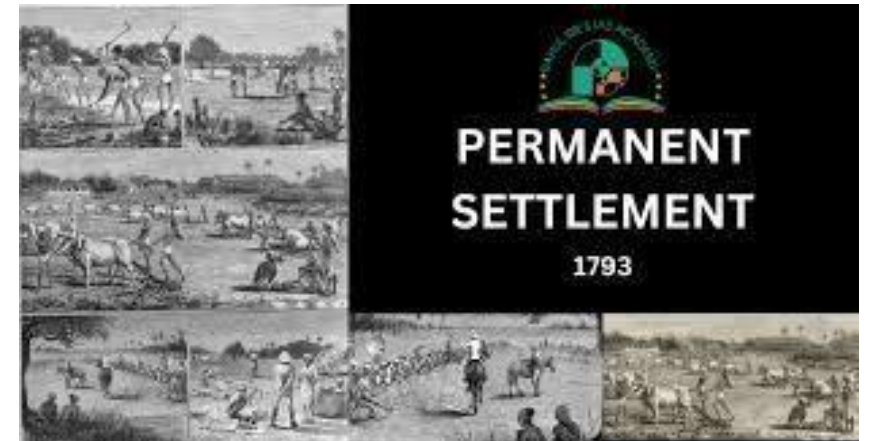
- Implementation of budget and various plans became easy for that government.
- Newly Zamindars class turned to be devoted supporters of the company and able to play an important role in steadying and strengthening the British rule.
- Zamindars devoted themselves to do welfare activities in their respective areas and economic condition of the country were developed because of high production from the cultivation of unused land.

## **Disadvantages**

- Previous rights of the subjects on land was abolished and no land demarcation, clashes and suits about land was very common.
- Many big Zamindars were destroyed due to strictness of paying the tax before sunset on a fixed date formulated in the sunset law.



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- Production were declined, economic condition of villages also started to be worsen because of the oppression of rent collectors and stead wards



# Impact of Zaminder

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- ❑ Since the revenue to the British was fixed, they benefited from the increased production of the land.
- ❑ Their properties were confiscated by the British, in case of payment failure.
- ❑ Zamindars often sublet their lands and settled in cities. This created middlemen between the zamindar and the people. This resulted in Absentee Landlordism.
- ❑ The zamindars also served as intermediaries for more political aspects of Britishers.

# Impact on Peasant

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- ❑ The cultivators found the Permanent Settlement System very oppressive.
- ❑ They were reduced to the mercy of zamindars.
- ❑ They often took loans from money lenders to pay the tax and were in turn exploited by them.
- ❑ In case they failed to pay the tax, they were evicted from the land they were cultivating.
- ❑ The zamindars also served as intermediaries for more political aspects of Britishers.

# Impact on Company

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The Permanent Settlement system of 1793 ensured regular income flow to the company.

One of the main aims of the Permanent Settlement Act 1793 was to improve the state of agriculture and thereby productivity. However, the zamindars were not interested in improving the land and thus took no step toward the same.

By the first decade of the nineteenth century, there was an increase in cultivation and the prices in the market rose. However, this meant an increase in income only for the zamindars and the company made no profit because the revenue amount was fixed permanently.

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Thank You

