

Permanent Settlement Act

Why was the permanent settlement act introduced?

Background: Permanent Settlement was introduced by Governor-General Lord Cornwallis in 1793. It 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, Bihar, Odisha and later it was introduced in Madras and Varanasi.

The reason why the permanent settlement act was introduced is discussed below:

Reasons/Causes:

* The Diwani Right (managing and collecting tax) was awarded to the British East India Company. The company's

official had no knowledge of local law.
Thus the unsupervised landlords become corrupted.

* The artisans were forced to sell their product at low rates and ~~peasants~~ farmers were forced to pay high taxes.

* The problem of landlord owner crisis and had resulted in lower agricultural output.

* The farmers would leave the land as there was no development of land and because the land was uncultivated, the price of land would go down!

* The failed attempts of 5 year settlement and ~~one~~ one year settlement.

To resolve these issues, the PSA was introduced.

~~What were the~~ Features of the PSA?

- The zamindars became landlords.
- Zamindars were given rights for a legacy of land under their ownership.
- The land revenue to be collected was fixed and was agreed to not increase in future.
- It was fixed that $\frac{10}{11}$ th of the collected land revenue was to be given to the British and $\frac{1}{11}$ th of it was to be maintained by the zamindar.
- It was decided that if the zamindar failed to pay the fixed revenue amount, their properties would be sold by the British.
- The PSA divided the society into

Two parts - landlords and renters.

Results
Consequences of PSA: There are some advantages and disadvantages of PSA.

Advantages:

- * Implementation of budget and making various plans became easy for the government.
- * Newly zamindars turned to be devoted supporters of the company and played an important role in steadying and strengthening the British rule.
- * Zamindars devoted themselves to do welfare activities in their respective areas.
- * Economic condition of the country were developed because of high production from the cultivation of unused lands.

* After PSA the farmers know exactly how much rent they had to pay instead of being ~~concerned~~ concerned about extended tax.

Disadvantages:

* Previous rights of the land were abolished and clashes over land were very common.

* Many big Zamindars were destroyed due to the strictness of the sunset law.

* Economic condition of villages became worse because of ~~rent~~ collectors.

Consequences of PSA: PSA effected farmers, Zamindars and the company.

Impact on farmers:

* Permanent settlement was ^{cruel} very ~~oppressive~~ for the cultivators.

→ They were reduced to the mercy of zamindars

→ They often took loans to pay the tax, ~~and~~

→ If they failed to pay the tax then they were evicted from their land.

Impact on zamindars:

→ They benefited because the production of the land increased.

→ Their properties were taken by the British if they failed to pay the tax.

→ Zamindars often sublet their lands and settled in cities.

Impact on the company!

- The PS system ensured the regular income flow to the company.
- Increased cultivation for PS system.
- The productivity of the land improved for the company.