

Permanent Settlement

During his tenure as Governor-General in 1793, Lord Cornwallis instituted the concept of permanent settlement. The British East India Company and the landlords of Bengal signed an agreement there that fixed the land revenue, and it was also known as the permanent settlement of Bengal. It is well known that the corporation relied heavily on land revenue to levy taxes on the Indian population.

Permanent Settlement Background

- Before the British advent in Bengal, there was a class of Zamindars in Bengal, Bihar, and Odisha who collected revenue from land on behalf of the Mughal Emperor or his representative, the Diwan.
- After the Battle of Buxar in 1764, the East India Company was granted the Diwani of Bengal. But then the Company found itself unable to collect revenue from the innumerable number of farmers in rural areas. They also did not have a good understanding of local laws and customs.
- The severe Bengal famine of 1770 occurred partly due to this neglect by the Company.
- Then, Warren Hastings tried to bring in some reforms like the five-yearly inspections. Here, the revenue collection was awarded through an auction to the person promising the highest revenue. Due to the dangerous implications and effects of such a system, Hastings also experimented with the annual settlement of land. But this too did not improve conditions.
- Then, Lord Cornwallis under directions from the then British PM, William Pitt, proposed the Permanent Settlement system in 1786. This came into effect in 1793, by the Permanent Settlement Act of 1793.

Purposes of the Permanent Settlement Act:

- If the permanent settlement is implemented, the zamindars will invest in the land. The zamindar will use his surplus money for the development of the land for his benefit. So, agricultural production will increase and the country's economy will be prosperous.
- There will be an agricultural revolution in Bangladesh under the leadership of zamindars, like England.
- The Zamindar society will remain loyal to the British government. The British government would establish a political base in India through the Zamindar class as the social ruler.

Features of the Permanent Settlement

- Landlords or Zamindars were recognized as the owners of the land. They were given hereditary rights of succession of the lands under them.
- The Zamindars could sell or transfer the land as they wished.
- The Zamindars' proprietorship would stay as long as he paid the fixed revenue at the said date to the government. If they failed to pay, their rights would cease to exist and the land would be auctioned off.
- The amount to be paid by the landlords was fixed. It was agreed that this would not increase in the future (permanent).
- The fixed amount was 10/11th portion of the revenue for the government and 1/10th was for the Zamindar. This tax rate was way higher than the prevailing rates in England.
- The Zamindar also had to give the tenant a patta which described the area of the land given to him and the rent he had to pay the landlord.

Permanent Settlement Impacts

1. Permanent Settlement Impacts on Peasants

For the peasants, the system of permanent settlement was extremely domineering. This is because they made up a crucial element of the system but received neither adequate care nor attention for their lands.

Regarding the distribution of revenue payments to the peasants, the landowners were not at all forgiving. When sales were very strong, they occasionally had to borrow money from moneylenders, who then exploited it to further their agendas. In the worst situation, if they don't pay the revenue, they risk being evicted from their land.

2. Permanent Settlement Impacts on Zamindar

The introduction of the permanent settlement system affected zamindars as well since, despite receiving a fixed income from the British, they profited from the increased production from the land, which ultimately benefited both the British and the zamindars. For zamindars, the permanent settlement system's huge fixed revenues made settlements challenging.

The British seized their properties after they stopped paying their debts. Zamindars frequently sublet their properties and relocate to urban areas. Thus, the middleman served as a link between the zamindars and the farmers. The zamindar was the go-between for various things in addition to acting as a broker for British politics.

3. Permanent Settlement Impacts on Company

The permanent settlement system of 1793 guaranteed the business had a steady stream of cash. One of the primary objectives of the Permanent Settlement Act was to increase production in agriculture. The zamindars had no desire to enhance the land, even though they did nothing about it. During the first decade of the 19th century, both prices and cultivation increased. This led to a larger income for zamindars due to the predetermined revenue level, but no profit for the business.

Merits of the Permanent Settlement

- The responsibility of taking care of farmers fell upon the shoulders of the Indian landlords. Being sons of the soil, they could reach the far corners of the region and also understand local customs very well.
- Because of the permanent nature of the system, there was a sense of security for everyone. The company knew the amount it would get in revenue. The landlord also was assured of the amount. Finally, the farmers also, instead of the patta were certain of their holdings and knew how much rent was to be paid.
- Since the settlement was permanent, the Zamindars would have an interest in the improvement in the land thereby improving the revenue.

Demerits of the Permanent Settlement

- The basic demerit of this system was that the efficiency depended upon the nature of the Zamindars. If they were good, the interests of the farmers and the land were looked after very well. They would make improvements in the land which would be beneficial to everyone concerned. But if the landlords were bad, they were negligent of the plight of the farmers and the conditions of the land.
- This created a class of hereditary landlords forming the upper aristocracy in society who generally led luxurious and extravagant lifestyles.
- The Zamindars were generally favorable to the British administration and supported the British even during the freedom struggle. There were exceptions.
- The land assessment was not done properly and land revenue was fixed arbitrarily. This meant that both productive and unproductive land was expected to furnish revenue at the same rates. This created a burden on the farmers of unproductive land. Also, in the case of productive land, it was a loss of revenue to the government.
- The revenue rates were so high that many Zamindars became defaulters. In time, this system proved to have disastrous effects. In 1811, the British government warned against the imposition of permanent settlements without a proper land survey.

Reasons for Failure of the Permanent Settlement Act

The implementation of permanent settlement has resulted in more disadvantages than benefits in society. It created feudalism at the top and serfdom at the bottom. The permanent settlement was later canceled due to the inconvenience caused to the society.

1. The permanent settlement did not determine the exact revenue on the land due to lack of survey. Therefore, the lands affected by the wealthy revenue were sold at auction under the sunset law as they could not pay the revenue on time. During the permanent settlement, there were six large zamindari in Bengal Zamindari of Burdwan, Zamindari of Natore, Zamindari of Dinajpur, Zamindari of Nadia, Zamindari of Birbhum, and Zamindari of Bishnupur. Within the first seven years of the permanent settlement, all the zamindari except Burdwan were sold at auction under the Sunset Act.
2. According to the system the zamindars improved. The zamindars living in the city distributed the responsibility of zamindari under the Naib-Gomstar severed. The direct relationship between the peasants and zamindars was torn. The peasants were oppressed.
3. The zamindars were the owners of the land and the ryots were the tenants. So the ryots lost their land. And the tenancy law was slowly disappearing.
4. Zamindars cultivated cash crops on agricultural land for economic development. As a result, agriculture expanded in Bengal but did not improve.
5. The main reason is Lord Cornwallis formulated the permanent settlement in Bengal based on the social system of England. So it didn't succeed in Bengal.

Conclusion

Although the Permanent Settlement Act was introduced in the land revenue reform of Bengal, it had more detrimental aspects. Since it was modeled on the social system of England, its implementation in Bengal failed.