

# **UNIT 8 INDUSTRIAL REVOLUTION**

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## **8.0 OBJECTIVES**

Industrial revolution played a very important role in shaping the political, economic and social conditions in the modern world. After reading this unit you should be able to

explain how the foundation for industrial revolution, was being laid,  
explain how increase and expansion of agricultural production contributed to the emergence of industrial revolution,  
describe the role of new technology and labour in industrial revolution,  
analyse how it affected the political structure, and  
analyse how industrial revolution sowed the seeds of colonialism.

## 8.1 INTRODUCTION

If we travel in India, the contrast between the region which have factories and mills and mines located in them and other parts which have remained agricultural will be obvious to us. Likewise, when we travel abroad, we see the difference between the advanced industrial countries and countries where industries remain backward and contribute only a small portion of the nation's income. The countries of the first kind are mostly located around the Atlantic in the northern parts of Europe and America; the USSR and Japan are late comers who have also joined this group of industrially developed countries in course of the 20th century.

On the other hand, we have in Asia, Africa and Latin America a large number of countries which belong to the second group that are industrially backward, primarily agricultural, dependent in various degrees for technological knowledge on the first group of countries. Many of these industrially backward countries were in the recent past colonies or semi-colonies of Britain, France, Holland or other European powers. Some of these ex-colonies are still in a state of economic dependence and all of them are relatively poor which is why they are often known as underdeveloped countries.

## 8.2 INDUSTRIAL REVOLUTION

This present day contrast between the developed and the underdeveloped countries, or the division of the world into rich countries and poor countries, has been the outcome of the process that began with the industrial Revolution. In the modern world, the first industrial nation that emerged was England and the process was called 'Revolution' because of several reasons. Slow changes in the technique of making things or the method of organising business happen almost all the time. But in the 19th century, the pace of change was so rapid that the term revolution seems more appropriate, so as to distinguish it from the normal course of change through evolution.

Moreover, this form of industrial growth represented climax of the transition from medieval feudalism to modern capitalism. Here, we can list prominent features related to the industrial revolution. Industrial capitalism meant:

- a revolutionary change in class relations, the growth of a class of capitalists and a class of wage labourers,
- the increased productivity of the new machines and factories,
- the growth of a domestic and foreign market towards which production was now directed,
- the culture of a new bourgeoisie that developed in Europe,
- the marriage of science with technology, the impact of a new class structure on political ideology, and the emergence of a bourgeois democratic order.

All these aspects brought about a tremendous change in England and that is why the term industrial Revolution was coined. These impulses towards change slowly spread, in various degrees, to other European countries in course of the 19th century. However, England was the model and in discussing the industrial Revolution, we shall pay special attention to the history of England.

### 8.2.1 Merchant Capitalism

In the couple of centuries preceding the beginning of the industrial Revolution in England, under merchant capitalism, primary accumulation of capital had begun. The trade opened up with countries such as India and other Asian countries and sheer plunder 'from some of these non-European countries also brought wealth into Europe. The classic instance of this plunder is the hoard of gold and silver brought into Europe from the

country of the Aztecs and Incas in central and southern America. The inflow of these precious metals played a part in the accumulation of mercantile wealth. Moreover, the new trade oriented economy (economics of Mercantilism) inspired the rules of new nation-states like the Tudors in England, and the Bourbons in France, to encourage the flow of precious metals into their own country and to discourage the outflow of bullion. Perhaps, Protestant Reformation also helped create a mental make up or world view that was appropriate to the acquisition of capital by the rising middle class burgher in towns. In some small countries, this class acquired a dominating position and even in England where the landed aristocracy continued to be fairly important politically, side by side the merchants and middle order people also began to acquire a say in political affairs.

### **8.2.2 Emergence of Wage Labour**

The traditional artisan in feudal times was no doubt also an industrial worker, but he was not a wage labourer. The medieval artisan usually owned the tools with which he used to produce industrial goods. He did not go to a factory but worked in his own house or in a workshop with some other artisans of his guild, and he was, as a rule, paid a price for goods or a piece rate payment according to what he produced. He was not paid wages according to the number of hours or days he worked but the situation gradually changed. In the 16th and 17th centuries, a transition is noticeable from this type of independent production to a new system.

### **8.2.3 Putting-Out System**

In the putting-out system, an intermediary merchant acted as a link man between various artisans supplying raw materials and passing on the material worked upon by one artisan to another artisan, who took care of the next stage of the industrial processing. Thus, for example, a putting-out merchant became a link between the spinner, the weaver, the dyer etc. in textile production. This made sense in terms of economic efficiency: the artisan now had a ready supplier of raw material and a ready buyer; division of labour or specialisation in a particular process or stage of production was more feasible and thus, greater skills developed.

Specialisation and better organisation also brought about economics of large scale production and advantages of localisation in regions specially suited for a particular line of manufacture. In some respects, the artisan's produce did not go to a factory, he did not receive wages but got only a piece rate. But in one way the difference was great: under the putting-out system the artisan's independence was reduced since he relied for the supply of inputs and marketing of output on the putting-out merchant, and the scope of profit-making by this essential middleman was much greater now. This middleman could be a merchant or a master artisan who had the resources to set up as a putting-out merchant; some people believe that the latter phenomenon had a greater potential for pushing the system towards Industrial Revolution.

Some of these artisans under putting-out system flourished in special trades as small industrial units even during the Industrial Revolution, while many others suffered a transition to being more and more dependent on a capitalist who extended control from marketing of commodities to the production of the commodities. From the mid-18th century the introduction of new machines often made it easier for the capitalist to subordinate the erstwhile artisan, for only someone with enough capital could own the new expensive machines that replaced medieval tools. However, in the recruitment of workers to man the new machines, the capitalist did not have to depend on the skilled artisans. The industrialist could create a new work-force and for this there were many reasons, like the Enclosure Movement in England.

### **8.2.4 The Enclosure Movement**

The Enclosure Movement in England created a class of ready recruits for industrial wage work. In the enclosure movement peasants were evicted from the fields and land was enclosed. Now, a group of people were crowding into the towns seeking work- they were from the lower strata of peasantry who were being pushed out of agricultural employment due to the enclosure process. The Enclosure Movement came in two waves:

- i) The first wave came in the 16th and 17th centuries, when small peasants and tenants were evicted from landlords, who enclosed or fenced in large plots of land for breeding sheep to get wool for the expanding woollen market.
- ii) The second wave came in the 18th and 19th centuries, when enclosures began to be made for a different purpose, to improve and cultivate lands as a business proposition.

In the latter development, peasants were evicted by a special license from the king or the private Acts of Parliament (there were 2700 such Acts in 1770-1844) and other methods. By 1883, land distribution in England and Wales became highly concentrated in a few hands: 1.4 per cent of private landowners owned 73.9 per cent of land. This helped in growth of technically advanced and more productive capitalist farming. At the same time, it created a landless proletariat, a class of people who could get a living by selling the only thing they possessed, labour power.

Till recently, it was believed that a large number of such people moved to towns to become industrial wage workers. Recently, doubt has been cast on such a theory. It has been argued that the Agricultural Revolution on capitalist lines itself required the services of this proletariat. It is probable that both farming and factory work employed this new class as wage labourers.

## Check Your Progress 1

- Note:**
- i) Use the space given below for your answer.
  - ii) Check your answer with that given at the end of the unit.

- 1) Discuss in brief some of the prominent features of the Industrial Revolution.

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- 2) Which were the Two Waves Enclosure Movement?

i) -----  
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ii) -----  
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- 3) Mark the right answer in the following questions:

- i) In the 16th and 17th centuries in England landlords enclosed large plots of land
  - a) to cultivate corn
  - b) to build factories
  - c) to breed sheep
  - d) to grow forest
- ii) During 1700-1844 in England large numbers of people from rural areas migrated to towns because
  - a) life was more comfortable there
  - b) there were droughts in England.
  - c) there were constant wars.
  - d) they were dispossessed from land

## 8.3 MARKET AND COMMODITY PRODUCTION IN AGRICULTURE

Before we go further into the question of wage work and what is called 'Capitalist Relations (between the worker who contributes labour and the capitalist who owns the means of production), we should pay attention to what we have just mentioned: the Agricultural revolution preceding and accompanying the Industrial Revolution. It meant a qualitative change in the technology and productivity of agriculture on the one hand and on the other, a change in the production relations bringing agriculture within the ambit of capitalism.

It is no exaggeration to say that the Industrial Revolution could not have come about without an Agricultural Revolution. Why? Industrialisation meant a massive shift of manpower from the agricultural to the industrial sector. We find a typical pre-industrial distribution of manpower in England in 1688 when Geogory King made an estimate that about 80 per cent people were in agriculture and only 20 per cent in the nonagricultural sector. In 1800 the share of agricultural sector was probably about 40 per cent and in 1901, it was 8.5 per cent of the labour force. That shows how big was the shift from agricultural occupations and, therefore, only a much higher per capita rate of productivity in agriculture could avert serious shortfall in agricultural commodities production.

Until 1850's Britain was, we may note, almost self-sufficient in terms of foodgrains. Also, industrial growth meant urbanisation. The growth of the city's demand on the country side, especially for corn increased. Shortage of corn would cause problems in the city, especially with its unstable proletariat and the population that was employed occasionally or at regular intervals. What is more important, in the development of the home market an interdependence between agriculture and industry emerged: some of the capital invested in industry came from rural or country banks (distinct from what the English called 'City banks' which serviced foreign trade, bill of exchange transactions etc). Excess of agricultural labour was absorbed by industry. They were also in demand in technically advanced capitalist farms, and of course farm products had an ever expanding demand in the burgeoning industrial towns.

### 8.3.1 Agricultural Revolution

Let us analyse the changes brought about in agriculture that could be termed as revolutionary. They included a series of changes in the technology of production in agriculture and in the relations of people involved in production processes. These two sets of changes were closely inter-related, and only for the purpose of our discussion, we could treat them separately. For example, the use of large machines or industrially produced fertilizers on a large scale involved high investments. Only large plots of farms could make the use of big machines economical, and the technique of cultivation demanded larger units of land under cultivation to make them viable. Therefore, small peasants, each owning small plots, gave way to capitalist farmers who were able to make investments in the new techniques on their large-size farms.

The technological changes in agriculture were wide-ranging. The following changes were more important:

- i) Land reclamation expanded the area under cultivation By draining swamps and marshes with modern pumps, England added 750,000 acres to farming land between 1800-1900.
- ii) Intensive farming and new methods of crop rotation improved per acre productivity.
- iii) There was some degree of modernisation, e.g. in 1870 a small country like England had 40,000 reaping machines which was more than what England and Germany possessed jointly.

The overall result was a striking increase in agricultural production in England. If we take 1700 as the base year (100), the index number stood at 111 in 1750 and 143 in 1800: from then on to 1850's production increased at an annual compound rate of 1.5 per cent.

### **8.3.2 Capitalist Relations in Agriculture**

The other aspect of change in this agricultural revolution was the growth of capitalist relations in agriculture. This trend was general in Europe but took different forms in different countries. One pattern led to the eviction of small peasants and consolidation of holdings of land by bigger landowners often with the help of state power. We have already seen that the Enclosure Movement in England in the 18th and 19th centuries was precisely of this kind. It also involved appropriation of common lands which were used by all villagers for grazing farm animals, exchange of small strips of land towards consolidation, and takeover of wasteland. In Scandinavia, similar consolidation took place through voluntary exchange (Act of 1749) and later through a sort of compulsory redistribution (Acts of 1783, 1807, 1827). A different pattern emerged in France where there was, after the Revolution of 1789, the predominance of small peasant landowners and share-croppers under the metayage system. The western part of Germany was also the land of small landed peasantry, though in the eastern part, big landlords known as Junkers dominated the rural scene.

In Russia, since the Emancipation of Serfs (by laws made in 1861 and 1863), there developed a highly stratified peasantry. Lenin in his book on the development of capitalism in Russia identified three such strata. These were; i) the Kulaks, with large farms directed towards commercial agriculture of which some of the profit went into usury or money lending business; ii) the middle peasants, who could not make a success of commercialised agriculture on their small farms and depended heavily on loans from moneylenders and kulaks; and, iii) the rural proletariat, who constituted at least half of the peasant households at the beginning of the 20th century. They were the people with no land at all or very small plots of land which forced them to depend on income from the sale of labour, i.e. various forms of wage labour. In the kind of situation described above, the crucial thing was the amassing of resources in the hands of the rich peasantry which led to "de-peasanting" or the erstwhile land-owning peasants becoming wage workers. Thus, the final outcome was again, as in the first pattern, producing commodities for the market.

## 8.4 FACTORY AND MACHINE

Just as there emerged in agriculture a capitalistic relationship between two classes, the owners of means of agricultural production, primarily land, and also agricultural capital like ploughs, machines and livestock and, the workers who had little or no means of production and depended mainly on selling their labour, in industry too, there developed a similar capitalistic relationship. Here, it was the relation between the owners of factories, its tools and machines on the one hand and the totally dependent working class or the proletariat on the other. But it should be noted here that simply owning these means of production is of no use to the capitalist; he needs workers to work upon them to produce commodities or goods for the market.

The means of production, we can say, become capital by virtue of the role they play in the social relationship that develops between the owners and the workers, they are the process of production. For example, a machine if lying idle is just an asset but when workers with the help of machine produce goods, it becomes capital. In the process of creation of the surplus value of commodities, owners appropriate profit leaving to the worker their wages. Thus, the new factory system was not merely a place for bigger and better machines representing a certain amount of investment. It must be understood in the context of the historically conditioned system of social relationships in which two classes, the capitalist and the industrial workers, came into existence.

### 8.4.1 The New Technology

The new factories certainly had bigger and better machines: this was the achievement of science applied to technology from the middle 18th century. Some of these achievements were:

the invention of the rolling machine in iron and steel industry (1754) and Hargreave's "Spinning Jenny" which spun 8 to 120 yarns simultaneously (1769)  
the application of steam power in cotton mills (1785)  
Cartwright's power loom (1787)  
the collaborative work of Boulton and Watts that produced the first steam locomotive and the steam paddle ship (1800-2) and  
more generally, a cluster of inventions that revolutionised the textiles, iron and steel and engineering industries which lay at the basis of England's early industrialisation.

However, the point to bear in mind is that an invention or a discovery by itself may not historically be as significant as its application in production, which is why the socio-economic milieu we mentioned earlier was so important for the 'industrial revolution'. One aspect of this milieu was the ethos or mental make-up appropriate for the development and application of science, an ethos that can be traced in Europe back to the Renaissance.

### 8.4.2 Factory System, Labour and Legislation

What did the factory system in the new machine age mean to the working class or the wage worker? This becomes clear if we recall the condition of the artisans in the medieval times or in the proto-industrial putting-out system. The latter system had already curtailed the artisan's independence, as we have seen. With the growth of the factory system, the subjection of the industrial worker to capital became more pronounced because of following reasons:

- i) The capitalist or his agents were the planners, organisers and supervisors of labour in the process of production (while the putting-out merchant was external to production process).

- ii) The use of steam and later electric power to run the factory machinery marked a new stage. In the 19th century factory system, the rhythm of work was set by machines and the workmen had to work accordingly, almost as parts of the machinery.
- iii) The factories meant a transition from dispersed to concentrated production where many workers worked under one shed, giving the production process a collective character. But it also brought together large numbers of workmen in the industrial cities. This promoted the awareness of the industrial wage-workers of their common interests as a class.

Thus, we see that though the advance in technology under the factory system increased productivity, it also initiated the process of subjection of the capitalist system. In the early stage of industrialisation, it also led to degeneration of quality of life in the cities, particularly for the workmen and lower classes. We get an insight into this through the literary works of Charles Dickens. In his novels, the social sketches he portrays express this dark picture from his personal experiences and observations. Likewise, many other poets and scholars reacted strongly against the ugly aspects of the 19th century industrialism, "the dark satanic mills".

The deplorable state of the lower classes in the cities, and the excesses of capitalist exploitation of wage workers drew the attention of philanthropists. Moreover, those who had a stake in the capitalist industrial system and were anxious to maintain stability against the threat of discontent of the masses, were keen to introduce reformatory legislation to check excessive exploitation. Hence, the government introduced the Factory Acts to control conditions of work in factories, to prevent employment of children, to reduce the hours of work for women and later also for men: the early laws (e.g., Robert Peel's Factory Act of 1802) were ineffective, but the later ones (Act of 1833, 1844 and 1847) did achieve some of these objectives. One result of the Factory Acts was the compilation of reports on the condition of the working class in England by Factory inspectors. These reports were used by Karl Marx and Frederick Engels in their analysis of the condition of the working class under industrial capitalism.

The standard of living of the workers, between 1740 and 1850, constantly suffered a deterioration; from 1850 onwards it seems that the wage levels and standards of consumption gradually improved. According to one estimate, the gain in the real wages of average urban workers between 1860 and 1970 was of about 60 per cent. There developed a section among the working class, in the more skilled jobs and supervisory functions, which enjoyed a substantially higher standard of living than the average workers: this better off fraction is sometimes referred to as "the labour aristocracy".

## Check Your Progress 2

- Note:**
- i) Use the space provided below each question to write your answers
  - ii) Check your answer with that given at the end of the unit.

1) Write 3 main techniques which helped in bringing agricultural revolution in England.

- i).....  
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- ii).....  
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iii).....  
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- 2) Identify from the following three categories which Lenin identified as the social strata in Russia in the course of development of capitalism

i) merchants	ii) Kulaks
iii) artisans	iv) middle pcasants
v) share croppers	vi) proletariat
vii) intellectuals	viii) rich peasants

- 3) List three main technological inventions used in industry in 18th century England,

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ii).....  
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iii).....  
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- 4) List two main areas where the Factory Acts helped to improve the working conditions in factories in 19th century England.

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ii).....  
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## 8.5 CAPITAL ACCUMULATION AND PROFIT MOTIVE

We have already mentioned about the primary accumulation of capital and how a surplus or profit in industrial production augments the stock of capital. The rate at which capital is formed is an index of the growth potential of the economy. In the 17th century, the rate of capital formation as a proportion of national income in England is estimated to be only about 3 to 4 per cent and rose to about 10 per cent in the 1860's

and veered around 7 to 8 per cent in the last half of the 19th century. Other countries which industrialised, such as Germany and the U.S.A., showed an even higher rate of capital formation in the initial period of growth (usually of about 12 to 15 per cent). Perhaps, England actually was able to industrialise with a rather low rate compared to other countries which joined the race to industrialise later.

### **8.5.1 Changes in the Composition Capital**

The important thing to notice is, not just that capital was formed at such and such a rate, but the change that took place in the composition of capital. With the kind of technological change that the new machine age witnessed, the share of 'fixed' capital e.g. machines and the factory) increased in relation to the variable capital (other investments including the man power needed to keep factory running). This was a feature of industrial capitalism. At the same time as capital shifted to manufacturers, labour shifted in the same direction. This explains the reduction of the working in agriculture from a share of about 80 per cent at the end of the 17th century in England, to about 40 per cent at the beginning of the 19th century (to 8.5 per cent in 1901).

During this period of the English industrialisation, the decreasing importance of agriculture is also reflected in the contribution of agricultural sector to the national income. It was about 40 to 45 per cent in 1750, about 20 per cent in 1851, and declined to about 10 per cent in 1881. Yet another feature of the growth of industrial capitalism was the closer integration of the industrialising countries with the international economy through foreign trade. During the 1680's in England the value of English exports was 5 to 6 per cent of the national income. According to rough estimates, this ratio stood at 14 per cent in 1790 and 36 per cent in 1880. This income was a major means of capital accumulation. When the industrial Revolution approached its climax in England, the rate of growth became spectacular. This is reflected in the Net National income Per Capita (at constant prices: 1900) rising from 13.3 in 1855 to 37.8 in 1890 and 41.9 in 1910.

### **8.5.2 Cyclical Patterns of Growth**

However, an important historical feature of the growth of capitalism in England and elsewhere is that it happened in spurts punctuated by depressions or periods of stagnation. The periods of high demand for industrial commodities, high investment in commodity production and high project profits (industrial boom) was followed by periods of low demands, decline in investment and project profits (depression). This happened in recurrent periodic cycles of varying durations. This cyclical pattern has been studied by many historians and economists who have identified short-term cycles, medium-term (8 to 10 years) cycles and long-term (50 years) cycles.

In Western European industrialisation, the three periods of growth were: i) 1789-1815-the years dominated by the Revolutionary and Napoleonic wars, ii) 1845-1873, when Germany and France joined the race to industrialise and, iii) 1895-1919, the years dominated by preparations for and the occurrence of World War 1. The periods of acute depression were the years of 1873-1895, known as the 'Great Depression', and the years 1929-35, which saw a bigger depression involving almost the entire world economy.

## **8.6 EXPANSION OF CAPITALISM**

We may note that the form of industrial capitalism that originated in England in the late 18th century, began to spread out to other European countries only from the middle of the 19th century. Why did the industrial revolution fail to spread to the neighboring countries such as France or Germany immediately? Various reasons have been suggested for this. One factor was the fragmentation of these countries. For example in

Germany due to lack of political unity till 1871, and in France due to the existence of the trade zones and various internal customs duties. Also due to the revolutionary and Napoleonic Wars during 1789-1815, continental Europe was, by and large, cut off from England where new inventions of machines and technology were transforming industry. The social and economic status and strength of the bourgeoisie in the continent since 1789 was perhaps, also lower than that of the English bourgeois class.

From 1789, and particularly during Napoleon's regime, better prospects for the continental bourgeoisie opened up. Many feudal restrictions on capital and labour mobility were abolished, first in France and then like wise in other European countries. The internal market of the Germans was united in a spectacular fashion first, through customs agreements (the Zollverein, 1834), and later through political unification (an achievement of Bismarck in 1871). The French Revolution brought in the spirit of Ecole Polytechnique to promote technical excellence. The commercial and corporate laws were revised on the new French and English models to provide a legal institutional structure suitable for capitalist enterprises. Two other developments during 1850-70 period aided the process:

- i) the growth of railway lines from about 15 thousand miles to 50 thousand miles in 1870, and
- ii) the mild inflationary conditions and expansion of credit due to the gold rush of California and Australia in 1850.

Consequently, Germany and France began to catch up with England in the industrialisation race. Products from these countries reached the world markets. At the turn of the century, the English were beginning to feel threatened.

### Check Your Progress 3

- Note:**
- i) Write your answers in the space provided below each question.
  - ii) Check your answer with that given at the end of the unit.

- 1) From 17th century to 1901 in England, the work force in Agriculture declined from 80 per cent 8.5 per cent of the population. Why?

- i).....
- ii).....
- iii).....

- 2) What are the three main periods of growth in Western European industrialisation?

- i).....  
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- ii).....  
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- iii).....  
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3) Why did Industrial Revolution reach Germany and France much after England? Give two reasons.

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ii).....  
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## 8.7 RISE OF INDIVIDUALISM

From the times of Hobbs the rise of individualism is associated with the growth of the English bourgeois class. It is during the period of the industrial revolution, in the late 18th and 19th centuries, that the whole range of associated political ideas developed and found fruition in the political and cultural sphere. It was also the period which witnessed a staunch conservative offensive against radicalism emanating from the ranks of the English working classes and from across the channel, from Revolutionary France. The middle class was liberal yet they considered it to be prudent to draw the line somewhere, otherwise the *status quo* would be upset. Thus, we see two contrary tendencies. This is often neglected in the praise of the democratic liberal traditions of 19th century England.

Nineteenth century liberalism (and here we are not talking of the Liberal Party as opposed to the Tory/Conservative Party in England) emanated basically from economic individualism, ideas of free enterprise and non-interference by the state, the free trade i.e., minimisation of taxes on foreign trade and unrestricted competition in business. Politically, this meant an ideal of minimum of governance by the state, protection of private property and civil liberties of the individual. Behind these programmes was an ideology which tended to promote secular and scientific outlook free from ostentation and a disregard for the church. Freedom of thought was encouraged unless such freedom threatened the stability of the society. Generally, an abstract kind of sympathy was promoted for oppressed nationalities, slaves and colonised people who belonged to the empires of other European powers. While propensity of the middle class was towards liberalism, it did not find corresponding expression and support from the intelligentsia to push it beyond the limits of class interests.

### Parliamentary Form of Government

The greatest achievement of this liberalism was to ensure a parliamentary, representative constitutional form of government for England. It extended the franchise and reformed the representation system in such a manner that terminated once for all the rule of the oligarchy, of landed aristocracy and a small section of commercial magnates. The pressure for parliamentary reform by the new industrialists and middle class was reinforced by the intellectual support of school of scholars like Jeremy Bentham and James Mill. The outcome was the Reform Acts of 1832 and 1867 which gradually extended franchise from the property owners to the majority of workingmen. This gave more political importance to the new industrial cities in England.

At the same time, trade unionism of socialistic leanings among workingmen was firmly discouraged by English public men, liberal or conservative. Great care was taken to expel the influence of French revolutionary ideas. A famous instance of suppression of workers' protest was the "Peterloo Massacre", the

result of police attack on a workers meeting in 1819. About this time, the Combination Act was used to prosecute trade unionists on the charge of conspiracy. The movement of lower orders during 1830-39, to obtain a franchise called the 'Chartist Movement', met with strong resistance from the government. Not until 1859 was the right to peaceful picketing legally established, and full legal recognition of trade unions came as late as 1875 (although the history of trade unionism in various forms goes back to the early 19th century). From the middle of the 19th century, the need to institutionalise trade union activity and to bring the working classes within the amount of parliamentary representative system were recognised in England. However, the failure to recognise this need in Continental Europe might have caused the kind of revolutionary upsurge witnessed there in 1848 (in 1848 a large number of European countries witnessed revolutions.)

## **8.8 DIVISION OF THE WORLD AND THE COLONIES**

As we have seen earlier, in the process of the first stage (primary) of the accumulation of capital in Europe, the plunder of Asian and American trading profits of merchant capitalism played a major role. With the growth of industrial capitalism, the advanced European countries began to look for (a) cheap raw materials (b) markets for the industrial consumer products and, (c) suitable avenues of investment of surplus capital in the Asian, South American and African continents.

V.I. Lenin regarded this new exploitative relationship as an inevitable outcome of capitalism. The unequal distribution of wealth and income meant that "underconsumption" by the poorly paid lower orders of society decreased the demand for goods, and forced industrialists to look abroad for commodities. As capitalism reached in advanced stage, monopolistic control over industries acquired by its finance capital, represented by big banks, pushed it towards more profitable investments abroad, preferable in the colonies. As industrial capitalism spread in other countries like France, Germany and USA, they began to protect their own home industries with tariff walls. The best places where surplus capital could be invested and industrial commodities sold and high profits made were the colonies belonging to each industrial power. Generally, as the European countries advanced industrially, the capitalist class and the government over which that class acquired hegemony, developed intense competition with other nations. Thus, the European Powers divided the world into colonies, and semi-colonies and spheres of influence. The last continent to be subjected to this process was Africa, from 1870 onwards.

We can use Britain again as a typical example. She imported raw materials from her colonies, like cotton from India, Egypt etc., sugar from the West Indies, tin and rubber from Malaya, palm oil from Nigeria, diamond and gold from South Africa, etc. It also imported from the semi-colonised countries, e.g. wheat and beef from Argentina, tea from China, nitrates and copper from Chile, coffee from Brazil and so on. The colonies were vitally important as markets for industrial produce. To give one example, in 1840 China and India put together bought 22 per cent of British textiles exported, and by 1893 India alone purchased 40 per cent of these exports. As regards the British investments abroad, about 39 per cent of it was in the colonies; the colonial and semi-colonial countries of Asia accounted for 14 per cent of these investments and Africa's share was 11 per cent (1870-1914). On the whole, the colonies were less important to Britain than to the other European countries as areas of capital investment. They were much more important as sources of raw material and markets for the processed industrial commodities.

While Lenin analysed this economic imperialism as an outcome of the capitalist system in general, scholars in India such as Dadabhai Naoroji, R.C. Dutt and M.G. Ranade analysed the impact of this process on the indigenous economy of the colonies. These nationalist scholars pointed out that colonialism meant destruction of local artisan industries in the colonies, handicap to develop modern industry, foreign

exploitation of raw material and mineral resources, and a drain of the wealth from the colony to the imperialist countries. This penetrating criticism of the nature of imperialism practised by the industrially advanced European Power in course of time promoted the Nationalist movement in India.

### Check Your Progress 4

- Note:** i) Use the space given below for your answer.  
ii) Check your answer with that given at the end of the unit.

- 1) It is said that rise of industrial capitalism promoted the growth of individualism and Liberalism. Illustrate this point on the basis of your study of the text.

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- 2) Write advantages derived by the industrialised countries from colonies.

i).....  
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ii).....  
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iii).....  
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- 3) Write four main consequences of colonialism described by early nationalist thinkers in India.

i).....  
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ii).....  
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iii).....  
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iv).....  
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## 8.9 LET US SUM UP

The twin processes of agricultural and industrial revolutions can be justifiably credited with having shaped the nature of the modern world.

With the decline of feudalism some important developments like merchant development capital, emergence of wage labour, putting-out system and enclosure movement set the stage for industrial revolution. Increased agricultural production and new technology further contributed to its growth. With the industrial development, the composition of capital also underwent changes. A new cyclical pattern of growth took place. Though industrial development was marked by periods of depression, but gradually this problem was overcome. Soon, the increased industrial production gave rise to capitalism and new social classes. New political structures also emerged in a number of countries. The increase in production led to the need for new markets. This resulted in a rivalry between industrialised countries to capture more markets and encouraged colonialism and imperialism.

## 8.10 KEY WORDS

**Aztecs:** a nomadic tribe of Mexico which had settled in Central Mexico.

**Bourgeoise:** the modern capitalist class, owners of the means of production.

**Bullion:** gold or silver considered in mass rather than in value.

**Burgeoning:** something that develops rapidly

**Burgher:** an inhabitant of a borough, citizen, middle class

**Guild:** a medieval association of merchants or tradesmen organised to protect the interests of its members.

**Hegemony:** exercise of domination or control.

**Incas:** a tribe of Indian origin in South America. They established a militaristic empire which included Peru, Ecuador and Chile.

**Kulaks:** wealthy peasants who employed hired labour.

**Metayage system:** a type of serfdom prevalent in France in which peasants (metayers) having sold their holding were bound to the land by new proprietors (merchants) to cultivate it on half shares.

**Ostentation:** unnecessary show of wealth, knowledge etc.

**Paddle wheel:** An engine driven wheel for propelling a vessel having a number of horizontal paddle entering the water more or less perpendicularly.

**Proletariat:** the industrial working class

**Share Cropper:** a tenant farmer who pays as rent a share of the crop.

**Spinning Jenny:** an early spinning machine having more than one spindle and enabling a person to make a number of yarns simultaneously.

## 8.11 SOME USEFUL BOOKS

Shapiro, *Man, Culture and Society* (for Unit 5)

F. Korovkin, 1981, *The History of the Ancient World*, Progress Publishers. Moscow (for Units 5 & 7)

Arjun Dev, 1986, *The Story of Civilisation* (Vol. I & II) N.C.E.R.T., New Delhi (for Units 6,7,8,9)

R.E.M. Wheeler, 1968, *The Indus Civilisation*, Cambridge (for Unit 6)

D.D. Kosambi, 1987. *The Culture and Civilisation of Ancient India in its Historical Outline*, Vikas, New Delhi (for Units 6 and 7)

V. Gordon Childe, 1981, *Man Makes Himself*, London (for Units 5 and 6)

D.R Agarwal, 1988, *The Archaeology of India*, Select, New Delhi (for Unit 6)

Perry Anderson, 1974, *Passages from Antiquity to Feudalism*. London (for Unit 7)

Andre Chastel, 1982, *The Renaissance*, Methuen, London (for Unit 8)

E.J Hobsbawm, 1969, *Industry and Empire*, Penguin, Middlesex (for Units 8 & 9)

Christopher Hill, 1967, *Reformadon to Industrial Revolution*, Penguin, Middlesex (for Units 8 & 9)

Leo Huberman, 1976, *Man's Worldly Goods*, People's Publishing House, New Delhi (for Units 8 and 9)

## **8.12 ANSWERS TO CHECK YOUR PROGRESS/ EXERCISES**

### **Check Your Progress 1**

- 1) See Sec. 8.2
- 2) See Sub-sec. 8.2.4
- 3) i) c. ii) d

### **Check Your Progress 2**

- 1) See Sub-sec 8.3.1
- 2) ii), iv), vi)
- 3) See Sub-sec 8.4.1
- 4) See Sub-sec 8.4.2

### **Check Your Progress 3**

- 1) See Sub-sec. 8.5.1
- 2) See Sub-sec. 8.5.2
- 3) See Sec. 8.6

### **Check Your Progress 4**

- 1) See Sec.8.7
- 2) See-See. 8.8
- 3) See Sec. 8.8