

## **Structure**

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## **23.0 OBJECTIVES**

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After going through this unit you will be able to

- define the concept of social class in India
- discuss the impact of British rule on the class formation in India
- explain the consequent uneven growth of social classes
- describe the rural and urban classes in India.

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## **23.1 INTRODUCTION**

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You have studied the caste dimension of social structure in the previous units. You learnt how well rooted and significant caste is in our society. Here, we

will introduce you to another dimension of Indian social structure, normally, its class component. We will discuss the classes in India in the British and post-British periods. We will also describe these classes in the context of rural and urban society in India.

In this unit we have discussed the concept of social class in section 23.2, the impact of the British rule on the class formation in India in section 23.3, and the consequent uneven growth of **social classes** has been explained in section 23.4. We have then listed and discussed some of the major types of classes found in rural and urban India in the two main sections 23.5 and 23.6. Finally, in section 23.7 we have given a summary of the unit.

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## 23.2 SOCIAL CLASSES IN INDIA

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Social class has been defined as a kind of social group, which is neither legally defined nor religiously sanctioned. It is generally defined as a stratum of people occupying similar social positions. Wealth, income, education, occupation are some of the basic determinants of class. It is relatively open, i.e. any one who satisfies the basic criteria can become its member. There are several classes in a society. These classes are hierarchically ranked primarily in terms of wealth and income. The differences of wealth and income are expressed in different life styles and consumption patterns. Social classes are the characteristic features of industrial societies (Bottomore 1962: 188). To give you an example, in a capitalist society we generally find the class of capitalists and the **working classes** besides several others.

Social classes in India, as we see them today, had their genesis during the British rule. This is not to say that the class phenomenon was absent in the pre-British Indian society. The class dimension of Indian society was only less pronounced than it turned out to be during the British period. The so-called self-sufficiency of the village community appears to have been one of the reasons behind it. That is, village community generally produced only what was required for the consumption needs of the village. There was hence little surplus and therefore less marked differentiation among the village population.

Even when there was a marked class dimension; it was overshadowed by the caste component. In fact, the only sphere where class dimension showed itself rather more sharply was in the nature of interaction between the rulers and the ruled. The king and his courtiers represented a class quite different from the subjects over whom they ruled. The courtiers comprised the *Zamindars*, *Jagirdars* and several others. They along with the king lived on the revenue collected from the village community under their jurisdiction.

Besides these classes there were also classes of administrative officers of various ranks, of merchants, artisans and specialists of various kinds.

The colonial rule in India proved to be one of the turning points in Indian history. It introduced new elements, which led to some radical changes in Indian society. Now let us see what the impact of the British rule was on the class formation in India.

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## 23.3 THE IMPACT OF BRITISH RULE ON CLASS FORMATION IN INDIA

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The impact of British rule in India has brought about far-reaching changes in Indian society. Some of these changes are discussed in the following sections.

### 23.3.1 Change in Agriculture

The emergence of new social classes in India was the consequence of far-reaching changes brought about by the British in the economic structure of India. The British administration revolutionised the existing land system. It did away with the traditional rights of the village community over the village land. Instead it created individual ownership rights in land by introducing several land reforms during the eighteenth century, such as the Permanent Settlement, the *Ryotwari* settlement, and the *Mahalwari* settlement. With this, land became private property, a commodity in the market. It could be mortgaged, purchased or sold.

Till the village ownership of land existed, the village was the unit of assessment. The new land revenue system eliminated the village as the unit. It introduced the system of individual land assessment and revenue payment. Along with it, a new method of fixing land revenue and its payment was introduced. Previously, revenue was fixed at a specified portion of the year's actual produce. This was replaced by a system of fixed money payment irrespective of crops. The landlord or cultivator under the system was hence forced to meet this demand. Further, the payment of revenue in cash gave impetus to production of cash crops in place of food crops. With expanding railway and transport system production for market became fairly well established. This commercialisation of agriculture, in turn, stimulated the growth of trade and commerce in India.

### 23.3.2 Trade and Commerce

Trade and commerce were centred around two things. Supply of raw material for industries in Britain was one. Procuring of the British manufactured goods for consumption in India was another. The latter had a disastrous effect on town and village handicrafts. Village and town handicrafts could not stand the competition brought about by import of goods from Britain and got disintegrated. Meanwhile there was lack of sufficient industrial development. The result was that the emerging industry could not absorb the displaced population, which eventually fell on an already stagnant agriculture.

### 23.3.3 Development of Railways and Industry

Alongside the growth of trade and commerce, there was rapid development of the transport system in India. The railways expanded on an increasing scale from the middle of the nineteenth century. These developments were undertaken with a view to meet the raw material requirements of industries in Britain. The construction of railways and roads also gave scope for investment of British capital in India. It led to better mobility of troops and for establishment of law and order. Investment of British capital found an outlet initially in such spheres as plantations (indigo, tea), cotton, jute and mining industries. This was the beginning of the industrialisation process in

India. By then, there was accumulation of sufficient savings on the part of Indian traders and merchants. This served as capital and made possible the creation of Indian owned industries.

### 23.3.4 State and Administrative System

Even before these developments, the British government had organised a huge and extensive state machinery to administer the conquered territory. A large number of educated individuals were required to staff this machinery. It was not possible to secure the staff of educated people from Britain for running such huge administrative machinery. Therefore the foreign rulers felt that there was a need for the introduction of Western education in India. Thus, schools, colleges and universities were established to impart Western education in India and to cater to the needs of the expanding economy and growing state machinery. As a consequence of the impact of British rule in India, the Indian society experienced an uneven growth of social classes. We are going to examine some aspects of this uneven growth in the next section.

#### Activity 1

Find out at least five people of your father, grand father or great-grand father's generation and request them to tell you about the changes that they had observed in the area where they lived due to the impact of British rule in India.

Write a note of two pages and compare it, if possible, with the notes of other students at your Study Centre.

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## 23.4 UNEVEN GROWTH OF SOCIAL CLASSES

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The process of the rise of new social classes was an uneven one. It did not develop uniformly in different parts of the country and also among various communities. This was due to the fact that the social forces, which developed during the British rule, spread both in time and tempo unevenly. This was, in turn, dependent on the growth of political power in India. For example, it was in Bengal that two of the social classes - *zamindars* and **tenants** - came into existence first. Again it was in Bengal and Bombay that the first industrial enterprises started. This led to the emergence of the class of industrialists and workers in this region. It was for this reason that the British established a complex administrative system and introduced modern education first in Bengal and Bombay.

The process of the rise of new social classes among different communities was also uneven. This was due to the fact that certain communities were already engaged in definite economic, social or educational vocations in pre-British period. For example Baniyas were traders by vocation in our traditional social structure. Hence they were the first to take up modern commerce, banking and industrial enterprises (Misra 1978: 14). Similarly, Brahmans were the first to take up modern education and enter the **professional classes**. These communities took up the new challenges and entered these spheres of activity first because they were already having the basic disposition towards these

occupations. Thus on the eve of Independence we find that Indian social structure was made up of innumerable castes and classes. In some cases, these coincided with each other but in some they did not.

In the next two sections 23.5 and 23.6 we are going to enumerate and discuss the classes in India in the rural context and then in the urban context.

**Check Your Progress 1**

i) Define the concept of social class. Use about seven lines.

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ii) List some of the changes that have lead to the emergence of social classes in India. Use about three lines.

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iii) Spell out two spheres which show uneven growth of social class. Use about two lines.

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**23.5 SOCIAL CLASSES IN RURAL INDIA**

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In rural areas, classes consist principally of i) **landlords**, ii) tenants, iii) **peasant proprietors**, iv) agricultural labourers and v) artisans. Now let us examine each of them one by one.

**23.5.1 Landlords**

The British administration made various types of land settlements such as, the Permanent settlement, *Ryotwari* settlement and *Mahalwari* settlement with the natives (for details see Block 3, unit 10, section 10.4 of this course). Under the Permanent Settlement a new type of landlord was created out of the erstwhile tax collectors viz., the *zamindars*. Under the term of this settlement, the right of ownership was conferred on the *zamindars*. Before this settlement, the land used to be auctioned by the state on *patta* basis on which the *zamindars* only had the right to collect revenue. After this settlement, this land became theirs permanently i.e., they became hereditary owners of this land. *Zamindar*'s only

obligation was the payment of fixed land revenue to the British Government. The new type of landholders were for all practical purposes equivalent to those of the landlords. As a result of this arrangement the peasants of this land were transformed into a mass of tenants in a day. This settlement was introduced by Lord Cornwallis in 1793, in the vast region of Bengal, Bihar, Orissa and in certain districts of Madras. It was later also introduced in U.P. and parts of Bombay, Punjab, Sind, and so on. The *zamindari* settlement gave rise to a class of landlords, which was hitherto unknown in Indian society. The conferment of the right of ownership gave recognition to the right of mortgage and sale. Failure on the part of some *zamindars* to pay the fixed revenue led to the auction of portions of large estates. This in turn, led to the entry of a new class of landlords who were primarily the merchants and money-lenders.

The right of ownership also recognised the right to lease. This led to large-scale growth of smaller tenures. Legislation made such tenures transferable. In the course of time, tenure passed into the hands of non-cultivators such as money-lenders, traders, and absentee landlords, who had very little interest in agriculture itself. Their main aim was only in extracting money from the land. The passing of land into the hands of non-cultivating classes was not the feature of *zamindari* areas alone. Similar development took place in the *ryotwari* areas too where the right of ownership was vested in the actual cultivators. (For further details refer back to unit 10, section 10.4.2, ESO-12.)

### Types of Landlords

Broadly, there were two types of landlords: (i) the *zamindars/taluqdars* (old landlords) and (ii) money-lenders, merchants and others. Those who held such ownership of tenure rights (in *zamindari* areas) were often referred to as **intermediaries**. These intermediaries were of various categories known by different names and found in various regions of U.P., Bengal, Bihar and Orissa. *Taluqdars* were inferior intermediaries whom the large *zamindars* created out of their own *zamindari* rights. *Jotedars* found in some parts of Bengal were substantial landholders who held land direct from the *zamindars*. They got land cultivated by subletting to the tenants on a 50: 50 share. Similarly, *Pattidars* held permanent leases at fixed dues under the *zamindars*. *Ijardars* on the other hand were those to whom the revenue of an area was hired out on a contract basis.

### Land Reform and its Consequences

On the eve of Independence, the class of intermediaries owned a large portion of land in their hands while the peasant cultivators had little or no lands. There was also extreme economic inequality leading to socio-political inequality in Indian society. Hence, our national leaders like Gandhi, Nehru and Patel placed a lot of emphasis on land reforms after India gained independence.

The first phase of land reform was aimed at abolition of intermediaries such as, the *Zamindars*. The *Zamindari* system was abolished in the 1950s and land reform was first implemented in Uttar Pradesh. The objective was to bring cultivators into direct relationship with the state. Hence, conferment of proprietary or occupancy rights on actual cultivator-tenants was a part of this measure.



The abolition of *Zamindari* system in the 1950s had several consequences. It led to the formation of new classes. For instance, the intermediaries like the *zamindars* declared themselves as the owners of the land. Previously the *zamindar* used to lease out their lands to the tenants. But when *Zamindari* system was abolished, in states like U.P., the Government permitted the erstwhile *zamindars* to declare ownership of those lands which they were cultivating themselves. These lands were called '*Khudkasht*' lands. So, as consequence, the *Zamindars* forced most of the tenants out of these lands and declared the land, which they were holding as '*Khudkasht*'. Thus, after the land reforms they simply came to be renamed as *bhoomidars*, i.e., cultivators of the soil.

The tenants who were actually cultivating the land prior to the land reforms were thrown out of their lands and most of them became landless **agricultural labourers**. It led to the pauperisation of the peasants. But there was a category of better off tenants who were able to buy the surplus land, created due to the land ceilings from the *Zamindars*, at reasonably low rates determined by the Government. Thus, a new class of peasant proprietors or cultivators was formed who took up agriculture as an enterprise (Khusro 1975: 186).

Thus, the land reform measures after Independence failed to create a socially homogeneous class of cultivators. All the same, the top strata of the agrarian hierarchy, the *Zamindars*, lost their right to extract taxes from the peasants. They were left with truncated landholding. Their economic, political and social supremacy was also broken. Hence, they could no longer enjoy the kind of control they used to exercise over peasants. Under the circumstance, they found it difficult to live as rentiers. Indeed only a small proportion of them continue to live as rentiers. The rest have taken to active participation in the management and improvement of their farm.

They have also brought about radical change in the methods of agricultural production. The erstwhile landlords and some of the ex-tenants thus became the forerunners of capitalist trend in the Indian agriculture. In view of such changes, they also took maximum benefits out of the **Green Revolution** programme launched by the government. These changes had led to the development of a class of "gentlemen" or progressive farmers who had some education and often training in agriculture. These farmers had taken up agriculture as a kind of business. They invest money in agricultural crops, which have higher cash value i.e., they go in for cash crops. They read the reports of experts, use best seeds and fertilisers. (For further details refer back to unit 10, Block 3, ESO-12.)

### 23.5.2 Peasant Proprietors

Another settlement made by the British is known by the name of Ryotwari Settlement. This was introduced in Madras, Bombay Presidencies in the nineteenth century. Under this settlement, ownership of land was vested in the peasants. The actual cultivators were subjected to the payment of revenue. However, this settlement was not a permanent settlement and was revised periodically after 20-30 years. It did not bring into existence a system of peasant ownership. Instead the cultivators came into direct contact with the State which replaced the oppressive role of the landlord. The settlement thus gave rise to a class of peasant proprietors. Owing to excessive land revenue, small

landholdings, acute indebtedness, this class underwent impoverishment from the very beginning.

The process of differentiation was at work among the peasant proprietors. In the process, a few climbed up in the socio-economic hierarchy but a large number fell from their previous rank and position. A great majority of them were transformed into tenants and even agricultural labourers. This showed a large-scale passing of land from the actual cultivators to not only those of money-lenders, merchants and others, but also to a certain section of peasant proprietors who had become rich peasants.

In the post-Independence period, there was increase in the number of peasant proprietors as mentioned before in this unit. This was due to measures like *Zamindari* abolition and ceiling on existing landholdings and family labour. By paying compensation to *zamindars*, the erstwhile tenants obtained proprietary rights over the land, which they held as tenants. This option could be availed of by and large only by the rich tenants. Similarly, through ceiling on landholding, many could acquire proprietary rights in land.

The peasant proprietors, in the past as well as in the present, hardly constitute a homogeneous category. They may be broadly divided into three categories, namely, (i) the rich, (ii) the middle, and (iii) the poor peasants.

- i) **Rich peasants:** They are proprietors with considerable holdings. They perform no fieldwork but supervise cultivation and take personal interest in land management and improvement. They are emerging into a strong capitalist farmer group.
- ii) **Middle peasants:** They are landowners of medium size holdings. They are generally self-sufficient. They cultivate land with family labour.
- iii) **Poor peasants:** They are landowners with holdings that are not sufficient to maintain a family. They are forced to rent in other's land or supplement income by working as labourers. They constitute a large segment of the agricultural population.

The peasant proprietors had been instrumental in bringing about great change in Indian agriculture, specially in Punjab, Haryana, western U.P., Karnataka and Bihar. This change is known as the Green Revolution. The role of such peasants was crucial in this change.

**Green Revolution:** After Independence, India was faced with acute food shortage. Green revolution was seen as a way out of the problem. Like all other programmes of planned rural development, India embarked upon the Green Revolution in the 1960s. It began launching programmes like the High Yielding Variety Programme (HYVP), the Intensive Agricultural Development Programme (IADP) and the like. These measures were introduced initially in a few selected areas, which were mostly irrigated. Under the programme, there was considerable use of fertilizers and pesticides. There was also increase in the acreage under irrigation either through canals or installation of water pumps, etc. Correspondingly, there was marked increase in crop yield. The programme, initiated initially on an experimental basis, took off exceedingly well in Punjab, Haryana and western U.P. The improved method of cultivation thus became a general pattern of agricultural practices in these parts of the country. There



was even further trend towards modern method of cultivation viz. mechanisation. The increasing use of tractors, tillers, threshers, reflected this trend.

Such development led to grave social consequences. Socio-economic inequalities inherent in the agrarian structure were further reinforced. It led to further concentration of land into the hands of a few. Side by side, rural poverty had increased. The agricultural labourers, the landless and near landless, form the core of the rural poor.

The present big landowners in various parts of India are formed into organisations to safeguard their interests. Some of these organisations are for example, All India Kisan Sabha, Bharatiya Kisan Union (BKU), Kshetkari Sanghatana and so on. Such organisations in some parts of India had begun in the British period. For example, Bengal, Bihar and Orissa Zamindars Association. Under the auspices of such organisations, peasants took part in the National Movement in India (Chandra 1971: 204). All categories of peasants are, in general, members of these organisations. They are, however, mostly dominated by rich peasants and leadership comes from them.

### 23.5.3 Tenants

The creation of *zamindari* settlement transformed the owner cultivators of pre-British India into a class of tenants. The *zamindars* resorted to the practice of extracting an exorbitant rent from the tenants. Those who failed to pay were evicted from land and were replaced by those ready to pay higher rents. Similar practice prevailed in estates, which were leased out by the *zamindars*. Broadly then there were two categories of tenants in *zamindari* areas- tenants under *zamindars* and tenants under lease (tenure) holders during the British period. Tenants under tenure holders were thus sub-tenants. Of course, various categories of tenants under subtenants too had grown up in Bengal. The lowest in the hierarchy were **sharecroppers**. This process of creating tenants and subtenants is called sub-infeudation. (For further understanding of this concept refer back to Block 3, unit 10 of ESO-12).

The growth of tenants was not confined to *zamindari* areas alone. Even in *ryotwari* areas where peasant proprietorship was introduced, a new class of tenants grew. They were composed broadly of the earlier owners whose land passed into the hands of money-lenders and others in the course of time. Legislations were passed from time to time in various parts to protect the interests of tenants. This did give some protection to the affluent category of tenants. The lower impoverished category of tenants remained unprotected.

On the eve of Independence, there were various categories of tenants. Broadly they could be classified as tenants, subtenants, sharecroppers, etc. In *zamindari* areas, of course, there were many sub-categories between the *zamindars* and the actual cultivators who were in general sharecroppers. Tenants on the whole enjoyed occupancy right. They could not be evicted. Sub-tenants in general enjoyed some security of tenure but were liable to eviction. Sharecroppers on the other hand did not have any security of tenure and were at the mercy of their landlords. They cultivated the land and retained only a half share of the produce.

## Tenancy Reforms

Tenancy reforms became an important component of land reform programme. The provisions under the reforms were regulation of rent, security of tenure and ownership of tenant. However, there was not much success due to loopholes in the programme and its implementation. The benefits of the reform, of course, mainly went to the affluent section of the tenant class. They acquired ownership rights in areas not taken by the *zamindars* for their personal cultivation i.e., the land besides their *khudkasht* land. Subtenants too benefited to some extent as they could get the occupancy right and in some situations could even convert it into ownership right.

In short, the affluent section of tenants and subtenants were transformed into peasant proprietors with tenancy reform programme. Sharecroppers on the other hand, gained little from these programmes. With the second phase of land reform viz. ceiling on land holding, there was reduction in the extent of tenancy. Sharecropping however, continues even thereafter. Indeed, sharecroppers constitute the most important, if not the only, segment of tenant class in rural India today. Organisationally and politically, they are weak though they form a very important component of peasant organisation in India.

### 23.5.4 Agricultural Labourers

Non-cultivating landlords, peasant proprietors and tenants are not the only social groups connected with agriculture. Along with the swelling of rent paying tenants there was also a progressive rise in the number of agricultural labourers. The growing indebtedness among peasant population, followed by land alienation and displacement of village artisans was largely responsible for this.

The agricultural labourers were and still are broadly of three types. Some owned or held a small plot of land in addition to drawing their livelihood from sale of their labour. Others were landless and lived exclusively on hiring out of their labour. In return for their labour, the agricultural labourers were paid wages, which were very low. Their condition of living was far from satisfactory. Wages were generally paid in kind i.e. food grains like paddy, wheat and pulses. Sometimes cash was paid in lieu of wages in kind. A certain standard measure was employed to give these wages. In fact, payment in kind continued alongside money payments.

There was another type of labour prevailing in many parts of the country. Their status was almost that of bondage or semi bondage. *Dublas* and *Halis* in Gujarat, *Padials* in Tamil Nadu are a few examples of such bonded labour existing in India. Such labour force exists in some parts even today. The land reform programmes after Independence have done almost nothing to improve the condition of agricultural labourers in India. Of course, the government has proposed to settle them on co-operative basis on surplus or newly reclaimed or wasteland. Bonded labour was legally abolished in India in 1972 and Government, as well as, voluntary agencies are doing serious work in order to locate the bonded labourers and rehabilitate them. There has been considerable swelling in the number of agricultural labourers in the wake of the land reform programmes. Resumption of land by landlords for personal cultivation and eviction of tenants from their tenure have been the factors leading to this trend. The process was further accelerated by the Green Revolution. Large farms, being in conformity with the Green Revolution, has opened the way for greater

concentration of land by purchase, sale or through eviction of tenants. In the process the rank of agricultural labourers has further increased. At the same time, there is very low rate of transfer of the agricultural labour population to industry. Hence, there is little likelihood of radical change in the social and economic situation of the agricultural labourers in most parts of the country. The government has, of course, taken some steps towards protecting their interest. Legislation towards abolition of bonded labour and minimum wage structure on the one hand, and employment generating programmes on the other, reflect this concern. Such measures are, however, far from effective. The agricultural labourers hence constitute the weakest section of the rural society.

### 23.5.5 Artisans

In rural areas the class of artisans form an integral part of the village community. They have existed since the ancient periods contributing to the general self-sufficient image of an Indian village. Some of these are like the carpenter (*Badhai*), the ironsmith (*Lohar*), the potter (*Kumhar*) and so on. Not all villages had families of these artisans but under the *Jajmani* system, sometimes a family of these occupational castes served more than one village.

Some social mobility did exist in the pre-British period but, generally, these artisan castes did not experience much change. Due to the advent of the British in India, this relatively static existence of the artisan castes suffered a radical change. Indian economy became subordinate to the interests of the British trade and industry.

Rural artisans and craftsmen were hard hit under the British rule. They could not compete with the mass manufactured goods produced by the British industries. These goods were machine-made and cheap. For example, textile used to be an area where Indian artisans excelled themselves. Even today we hear the praises of “*Dhaka malmal*” (a fine variety of cloth produced in Dhaka, now in Bangladesh). Due to the British impact and availability of mass manufactured cloth, the Indian textiles suffered a severe set-back. Therefore, the demand for the goods produced by the Indian artisans dropped. The artisans suffered badly and most of them became so pauperised that they had to revert back to agriculture. This in turn flooded the agricultural fields with surplus labour which became counter productive instead of useful.

The destruction of the village arts and crafts led to deindustrialisation of rural economy (for more details refer back to unit 10, Block 3, ESO-12). After Independence, the Indian Government has taken several steps to improve the condition of the artisans. New cottage industries have been established, loan facilities provided and their skills have been recognised in the form of National Awards etc. Transport facilities to bring their products to the urban markets have also been provided. However, the class of artisans and craftsmen in the rural areas is not a homogeneous lot. In their own group there are some who are highly skilled and some semi-skilled or less skilled. Thus, socially all of them cannot be ranked in one class. But in a broad sense we can consider them as a class by virtue of their occupation. Yet, they remain very much unorganised except to some extent in parts of south India. Their chance of developing an effective organisation for collective bargain too appears quite remote. The distinct social classes commonly seen in rural and urban India are picturised in figure numbers 23.1 and 23.2, respectively.

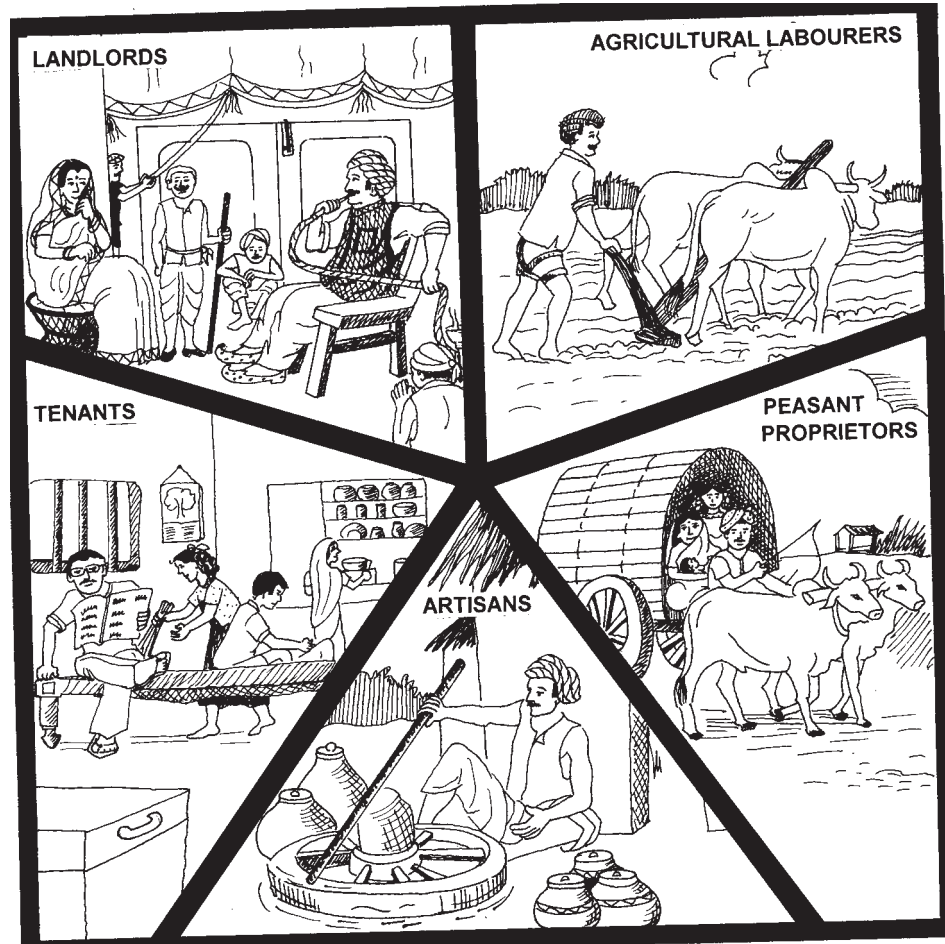


Fig. 23.1 Social classes in rural India

**Check Your Progress 2**

i) Describe the *ryotwari* settlement of land during the British rule. Use two lines for your answer.

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ii) Describe the permanent settlement of land during the British rule. Use three lines for your answer.

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iii) Distinguish between the rich peasant proprietors and the middle peasant proprietors, in about six lines.

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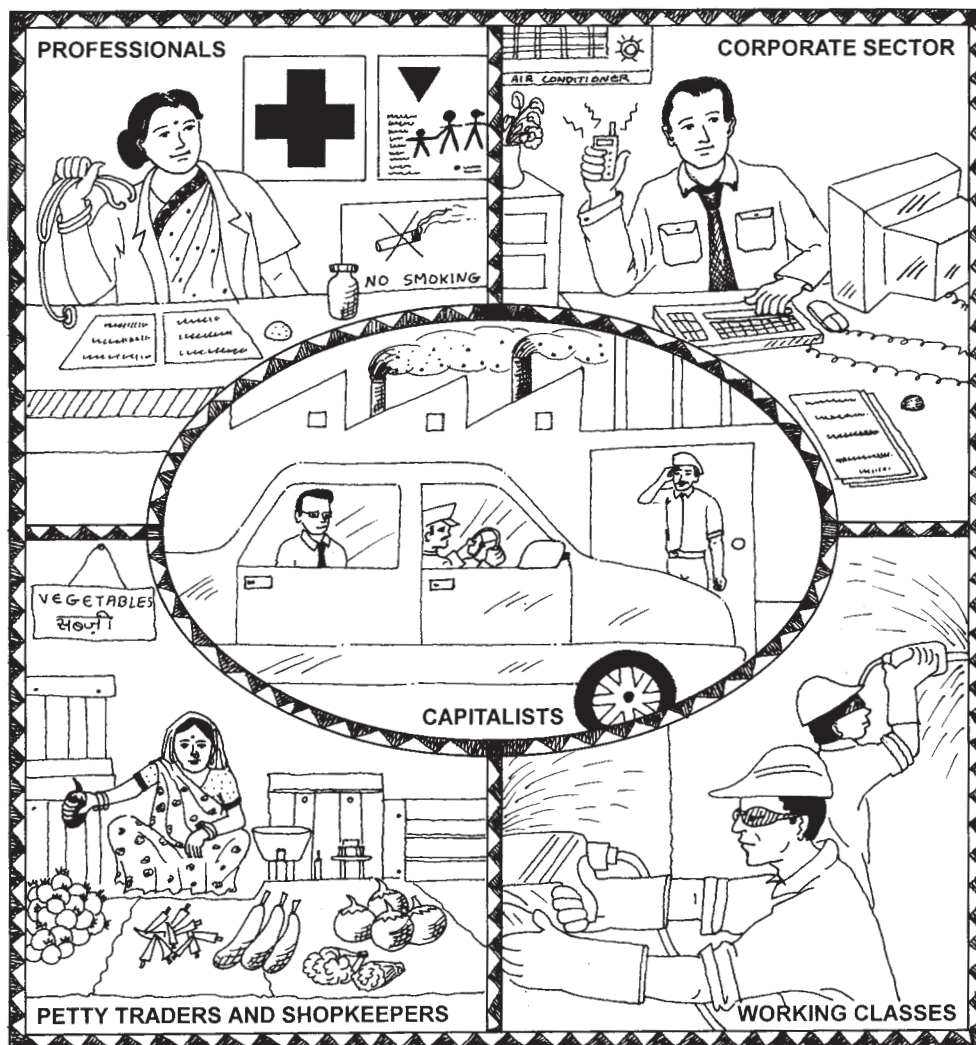


Fig. 23.2: Social classes in urban India

## 23.6 SOCIAL CLASSES IN URBAN INDIA

In the urban areas social classes comprise principally (i) capitalists (commercial and industrial), (ii) corporate sector (iii) professional classes, (iv) **petty traders and shopkeepers** and (v) working classes (see figure 23.3). Now let us examine each of them one by one.

### 23.6.1 Commercial and Industrial Classes

Under the British rule, production in India became production for market. As a result of this, internal market expanded and the class of traders engaged in internal trading grew. Simultaneously, India was also linked up with the world market. This led to the growth of a class of merchants engaged in export-import business. Thus, there came into being a commercial middle class in the country. With the establishment of railways, the accumulation of savings on the part of this rich commercial middle class took the form of capital to be invested in other large-scale manufactured goods and modern industries. Like the British, who pioneered the industrial establishment in India, the Indians, too made investment initially in plantations, cotton, jute, mining and so on. Indian society thus included in its composition such new groups as mill owners,



mine owners, etc. Subsequently, they also diversified the sphere of their industrial activity. Economically and socially this class turned out to be the strongest class in India.

However, Indians lagged far behind in comparison to the British in these activities. Government policy was mainly responsible for their slow development during the colonial period. The conflict of interest with the British led to the formation of independent organisations by the Indian **commercial and industrial classes**. This class participated in the freedom struggle by rallying behind the professional classes who were the backbone of the Indian National Movement. With the attainment of Independence, emphasis was laid on rapid industrialisation of the country. In this process, the state was to play a very active role. It evolved economic and industrial policies, which clearly indicated the role of the commercial and industrial class as the catalyst of industrialisation in India. It also actively assisted such classes towards augmentation of production. The state hence introduced the mixed economy pattern, which implies that there is a public sector and a private sector in the Indian Economy. The major fields like agriculture, industry and trade were left to the private individuals. The creation of infrastructure and establishment of heavy and strategic industries was taken up by the state sector. This type of economy led to a phenomenal rise in the number of industries owned and controlled by the capitalists. It also led to the rise of commercial classes. The commercial and business class has therefore, grown in scale and size in the post-Independence era. These industries were not confined to traditional sectors alone such as textile, jute, mines, and plantation. Rather there was considerable diversification into steel industries, paper mills, and various steel manufactured goods. Industrialisation, as has been going on, however shows a disturbing trend. There is a growing tendency towards inequality amongst industrial classes. There is heavy concentration of assets, resources and income in a few business houses such as the Tatas, Birlas, Dalmias, and a few others.

### 23.6.2 The Corporate Sector

Any organisation that is under government ownership and control is called as public sector units and any organisation, which does not belong to public sector can be taken to be a part of private sector. The firms and organisation which are owned, controlled and managed exclusively by private individuals and entities are included in private sector. All private sector firms can be classified into two categories, such as individually owned and collectively owned. Collectively owned firms are further classified into i) partnership firms ii) joint Hindu family iii) joint-stock companies and iv) co-operatives. The most important of these is the joint-stock organization, which is otherwise popularly known as corporate sector. Joint-stock companies which do not belong to public sector are collectively known as private corporate sector.

Indian corporate sector is substantially large and highly diversified. The role and significance of private corporate sector can be gauged from the contribution it makes in terms of value added to national economy. The contribution of private corporate sector in terms of net value added, increased from 10 per cent of the total 'net value added' generated in the economy in early 1980s to around 19 per cent of the same in mid 1990s (Shanta 1999). This clearly shows the significance of private corporate sector in the economy is increasing constantly. The private corporate sector has been important in many other



important respects also. According to a study carried out by 'Dalal Street Investment Journal (2000), most companies, which achieved best growth in 1999-2000 in terms of their net profit, belong to private corporate sector.

Greater move towards privatisation after the adoption of new economic policy in 1991 accorded significant importance to private sector in the development process of the economy. Due to the radical change in policy approach from regularisation to liberalisation, private corporate sector has gained centre stage in the economic areas.

### 23.6.3 Professional Classes

The new economic and state systems brought about by the British rule required cadres of educated Indians trained in modern law, technology, medicine, economics, administrative science and other subjects. In fact, it was mainly because of the pressing need of the new commercial and industrial enterprises and the administrative systems that the British government was forced to introduce modern education in India. They established modern educational institutions on an increasing scale. Schools and colleges giving legal, commercial and general education were started to meet the needs of the state and the economy. Thus, there came into being an expanding professional class. Such social categories were linked up with modern industry, agriculture, commerce, finance, administration, press and other fields of social life. The professional classes comprise modern lawyers, doctors, teachers, managers and others working in the modern commercial and other enterprises, officials functioning in state administrative machinery, engineers, technologists; agriculture scientists, journalists and so on. The role of this class in the National Movement was decisive. They were, in fact, pioneers, and pace-setters. They were also the force behind progressive social and religious reform movements in the country.

Rapid industrialisation and urbanisation in post-independent India has opened the way for large-scale employment opportunities in industries, trade and commerce, construction, transport, services and other varied economic activities. Simultaneously, the state has created a massive institutional set-up comprising a complex bureaucratic structure throughout the length and breadth of the country. This has provided employment on a sizeable scale. The employment in these sectors, whether private or government requires prerequisite qualifications, such as education, training, skill, and so on. Bureaucrats, management executives, technocrats, doctors, lawyers, teachers, journalists, are some of the categories who possess such skills.

They have grown considerably in size and scale ever since independence. This class, however, hardly constitutes a homogeneous category. Of course, it enjoys pay and condition of work far more favourable than those engaged in manual work but less than those enjoyed by the upper class. However, even within this non-proprietary class of non-manual workers, a deep hierarchy exists. There are some high paid cadres at the top. A large proportion on the other hand, has earnings of only a little above those of the non-manual workers. There are also considerable differences in the condition of their work and opportunity for promotion. They differ in their styles of life as well. In view of these observations we can say that they are only gradually crystallising into a well-defined middle class.

### 23.6.4 Petty Traders, Shopkeepers and Unorganised Workers

In addition to the new classes discussed above, there has also been in existence in urban areas a class of petty traders and shopkeepers. These classes have developed with the growth of modern cities and towns. They constitute the link between the producers of goods and commodities and the mass of consumers. That is, they buy goods from the producers or wholesalers and sell it among the consumers. Thus, they make their living on the profit margin of the prices on which they buy and sell their goods and commodities.

Like all other classes, this class also has grown in scale in post-independent India. The unprecedented growth of cities in the process of urbanisation, which the post-independent India has been witness to, has stimulated the growth of this class. The pressure of population on land and lack of avenues of employment in rural society has led to a large-scale migration of rural population to towns and cities in search of employment. Such migration is taking place not only in big cities but also in hundreds of medium sized or small sized cities that are springing up in different parts of the country. Urbanisation on the other hand, offers a variety of new activities and employment. The growing urban population creates demands for various kinds of needs and services. Petty shop-keeping and trading caters to these needs of the urban population. A section of the urban population draws its livelihood from these sources. In view of the growing urbanisation their size has considerably increased. Besides these spheres of activities, urbanisation also offers opportunities for employment in the organised and unorganised sector of the economy. The opportunities in the organised sector are small and require educational qualification, and training. The bulk of rural migrants lack this pre-requisite and hence the organised sector is closed to them. Invariably then, they fall back upon the unorganised sector of the economy. They work in small-scale production units or crafts, industry or manual service occupation. They get low wages, and also are deprived of the benefits, the organised labour force are entitled to.

In the wake of economic liberalisation since 1991, there is now a trend towards deregulation of labour market, which may make the labour relations in the unorganised sector more exploitative. Although economic liberalisation is affecting the organised workers directly, there may be considerable impact on unorganised workers. For instance, the growing unemployment in the organised sector tends to decrease the wages and the working days of the workers in the unorganised sector. Besides many petty trade and business activities engaging unorganised workers will be affected because of the entry of the private corporate sector and multinational corporations. A recent study (Haque and Naidu 1999) shows that the impact of economic liberalisation has been disastrous for those employed in petty trade, artisans, fisherman, etc. thus illiteracy coupled with lack of organisational strength is likely to worsen the working environment and labour relations in the unorganised sector.

This class also constitutes an amorphous category. It comprises on the one hand self-employed petty shopkeepers traders, vendors, hawkers, and on the other, semi-skilled and unskilled workers in the informal sector. They are the least organised of the urban groups in India.

**Activity 2**

In your neighbourhood select ten people of different occupational backgrounds and chart out the class to which they belong, such as, landlord, tenants, artisans, agricultural labourers, capitalists, professional class, petty traders and shopkeepers or working class.

- 1) What are your reasons to put these people in these classes? Give at least two reasons for each
- 2) Write a note of about two pages and compare it, if possible, with other students of your Study Centre.

**23.6.5 Working Classes**

Origin of the working class could be traced back to the British rule. This was the modern working class which was the direct result of modern industries, railways, and plantations established in India during the British period. This class grew in proportion as plantations, factories, mining, industry, transport, railways and other industrial sectors developed and expanded in India. The Indian working class was formed predominantly out of the pauperised peasants and ruined artisans. Level of living and working conditions characterised their existence. A large proportion of them generally remained indebted because of their inability to maintain themselves and their families. The government passed legislation, from time to time, such as the Indian Posts Act, the Workmen's Compensation Act, the Factories Act, the Miners Act, etc. These were however, considered by social thinkers as inadequate to protect the rights of the labourers.

These hard conditions of life and labour led to the emergence of trade unions and the growth of working class movement in India. This was evident from the participation of the workers in, strikes and other activities launched by trade unions from time to time. As a result, there was considerable improvement in the wage structure and working conditions of the working class populations in India.

India has undergone rapid industrialisation after Independence. This industrialisation is no longer confined to a few urban centres as was the case in colonial period. Further, it is also no longer confined to a few traditional sectors such as textile, jute, mining and plantation. It has diversified into new spheres. The state itself has played a pivotal role in the expansion of heavy and strategic industries.

In view of this working class has grown in volume in post-independent India. They have also been dispersed to different parts and different sectors of the industry. Thus, the working class has become much more heterogeneous. It consists of workers employed in different types of industries that have different social and historical background. This diversity in the working class has given rise to a complex set of relations among the different sectors.

The attitude of the government towards the working class too underwent change in the post-independence period. The government's attitude towards working class had become more favourable. It had imposed some regulation on the employers and had granted some protection to the workers. Several Acts were passed granting some facilities to the workers. Some of these are Payment of

Bonus Act, Provident Fund and Gratuity Act etc. All these affected the working class people in the country.

It is a changed scenario ever since India adopted New Economic Policy and Structural Adjustment programme in 1991. The New Economic Policy, which operates under an open and liberalised economic regime, has emphasised a deregulated regime with less emphasis on regulation of labour and employment conditions. This trend largely went against the interests of the working class. The major adjustment policy followed by the private as well as public sector has resulted in an increase in the casualisation of labour on a large scale. It also resulted in the redundancy of existing workforce and relocation of units to lower wage areas with temporary workforce. Apart from that companies had resorted to direct reduction of workforce. The industrial units resorted to no new recruitment or replacement, retrenchment, voluntary retirement schemes, increased sub contracting, automation and shut down of departments and closure. This is accompanied by the shift in the government policies away from protection of employment by withdrawing certain pro-labour legal provisions. The result is that the workers are made to work under exploitative conditions without much bargaining power.

The trade union organisation too shows some change in the post-Independence period. Till Independence, political and economic struggles of the trade unions had been directed against imperialist subjugation. After Independence their struggle has been against the employers of labour and it is more specific in its goal. Yet, considerable division exists among the trade unions in terms of control, sector and region of the industries. Much of the resistance in the form of strikes has been generally organised industry wise or region wise. Trade unions have also taken refuse and found support in different political parties. As a result, trade union movement in post-Independence period has been subjected to further divisions and subdivisions.

The process of current industrial restructuring has a negative impact on trade unions. The new management strategies created an atmosphere of job insecurity among the workers and severely curtailed trade union activity. Due to the consequences of liberalisation of the Indian economy as well as closure of sick units and changing pattern of work and organisation, the trade union's influence has come down to lowest possible level, resulting in loss of membership. These developments have posed a serious challenge to trade unions reflecting a deep crisis in their existing structure. In the emerging scene the trade unions also adopted different strategies. Providing a joint trade union platform, formation of unity among public sector Unions, merging of central trade unions, addressing the needs of the unorganised sector are some worth mentioning here. In the present circumstances the trade unions have to adopt new strategies and have to leave behind their confrontationist approach, which depend heavily on agitations and protest which became irrelevant (Radhakrishna 1998).

**Check Your Progress 3**

- i) Identify two important factors, which paved the way for industrialisation in India. Use about three lines.

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- ii) List four major fields in which early industrialisation took place. Use about three lines.

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- iii) Spell out two factors, which facilitated the growth of professional classes in India.

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- iv) What accounts for the growth of petty traders and shopkeepers in India? Use about three lines.

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## 23.7 LET US SUM UP

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Social classes constitute an important segment of social structure in modern India. Social classes have always been present through all ages but the social classes as we see them today in India, had their origins in the British rule.

Therefore, first of all, we outlined the impact of British rule on the class formation in India. In this connection, we pointed out the creation of new economy in British India. This reflected in the agricultural sector, in the form of introduction of private property in land, new revenue system and the increasing commercialisation of agriculture, which was a consequence of Agrarian Reforms introduced after Independence. The other spheres of this new economy were the growth of trade and commerce, extension of railways, introduction and expansion of industrial enterprises. The development of state and administrative system coupled with modern education were the other important social forces, which shaped the new classes in India. In the process we also pointed to the consequent uneven growth of social classes in different parts and communities of India. We then studied the rural classes in India. We classified them broadly into five divisions, such as, landlords, peasant proprietors, tenants, agricultural labourers and artisans. Each was studied with reference to its emergence and character. Major changes in their composition after Independence were pointed out. Similarly, urban classes were divided into five categories. These comprised

commercial and industrial classes, the corporate sector, professional classes, petty traders, shopkeepers and unorganised workers, and working class. They too were studied with reference to their emergence, character and changing situation, in the post-Independence period.

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## 23.8 KEYWORDS

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<b>Agricultural Labourers</b>	Social categories drawing livelihood mainly from selling their labour powers.
<b>Commercial and Industrial Capitalists</b>	Owners of industrial establishment and large-scale business.
<b>Green Revolution</b>	Accelerated growth of food production through combination of improved seeds, fertilizers, pesticide and irrigation.
<b>Intermediaries</b>	Social categories between state and the actual cultivators.
<b>Landlords</b>	Owners of estates who leased out land to others in pre-British period.
<b>Peasant Proprietors</b>	Cultivators with proprietary rights in land who emerged after independence.
<b>Petty Traders and Shopkeepers</b>	Population engaged in small business and trading.
<b>Professional Classes</b>	Occupational categories involving prerequisite qualifications such as, education, training and skill.
<b>Sharecroppers</b>	Tenants/cultivators cultivating land on share basis.
<b>Social Classes</b>	Social categories differentiated and hierarchically ranked in terms of primarily income, wealth and assets.
<b>Tenants</b>	Cultivators holding land from owners on some tenure.
<b>Working Class</b>	Those who work in the industries.
<b>Zamindars</b>	Owners of estate, created due to the introduction of Permanent Settlement in 1793 in certain regions of India. However, the word <i>Zamindar</i> is used in different senses in different regions of India.



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## 23.9 FURTHER READING

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## 23.10 SPECIMEN ANSWERS TO CHECK YOUR PROGRESS

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### Check Your Progress 1

- i) Social class is a kind of social group, which is neither legally defined nor religiously sanctioned. It has been defined as a stratum of people who share a similar position in society. They are relatively open and anyone who satisfies the basic criteria of wealth and associated style of life, etc. can become its member. Social classes in a society are ranked hierarchically on the basis of primarily wealth and income. Classes are the characteristic features of industrial societies.
- ii) Some of the changes that have led to the emergence of social classes in India are (a) changing land system, (b) trade and commerce, (c) industrialisation, (d) state and administrative system, and (e) modern education.
- iii) The uneven growth of social classes took place in two spheres. One was the various parts of India and the other, in the various communities in India.

### Check Your Progress 2

- i) *Ryotwari* settlement was a settlement made by the British. Under this settlement the ownership of land was vested in the peasants who were the actual cultivators.

## Caste and Class

- ii) Permanent settlement was a settlement made by the British. Under this settlement the right of ownership was conferred on the *Zamindars*. Their only obligation was to pay a fixed land revenue to the British Government.
- iii) The rich peasants are proprietors having considerable landholdings. They are rich enough to hire agricultural labourers to do field work and they generally supervised cultivation. They take personal interest in the management and improvement of their land. In comparison to them, the middle peasants own medium size landholdings. They are self-sufficient and they use only family labour for land cultivation.

### Check Your Progress 3

- i) The two important factors, which paved the way for industrialisation, are introduction of railways and the accumulation of savings.
- ii) The four major fields in which the early industrialisation took place are (a) plantation, (b) cotton, (c) jute, (d) mining.
- iii) The factors, which facilitated the growth of professional classes in India, are (a) trade, commerce and industry, (b) state and administrative system.
- iv) Growth of towns and cities, on a large-scale accounts for the growth of petty traders and shopkeepers in India.