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# **The Political Economy of Indigo farming in India and Champaran Satyagraha**

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## **1. Introduction**

After renaissance western world started searching for ways to increase the wealth of nations. In the early stage, bullions were considered to be one of the major sources to increase national wealth. Later trade and commerce through mercantile activities given birth to the idea of mercantilism. The invention of the steam engine had revolutionized industrial production. The demand for cheap industrial product led the formation of early multinational companies, namely, English East India Company, Dutch East India Company, etc. Industrial revolution and increasing demand of the industrial product in the western market also led to increase competition between the companies. There were two major challenges in front of companies, namely, first to find cheap raw material and second to get a larger market to sell industrial output at high margins to increase profits.

The colour blue narrates the story of the exploitation of peasants in British Raj between. The rising demand for natural dye in the European market between 16<sup>th</sup> to 20<sup>th</sup> centuries attracted European business enterprise to undertake production, plantation and trade of Indigo from India to various destinations. To minimize cost planters with the help of Zamindars and the government were able to pass many draconian laws. The invention of artificial indigo had created an extra burden on the peasants which further added fuel to the distress of people. At the invitation of Raj Kumar Sukul, Gandhiji came to Champaran and with his first Satyagraha on Indian soil was able to abolish inhuman Teen Kathiha law by the implementation of Champaran Agrarian Law. The production and trade of Indigo led to form a draconian exploitative structure in India.

The remainder of this paper is organized as follows. Section 2 discusses Indigo farming in India and Tirhut. The business question of natural vs synthetic indigo is covered in section 3. Indigo and Satyagraha are discussed in section 4. Section 5 deals with the socioeconomic and political impact of Satyagraha. The study concludes with section 6.

## 2. Indigo farming in India and Tirhut

Indigo (Neel) is a blue dye which comes from the Indigo plant. It was grown in India firstly for the East India Company and later for the British Raj. In the nineteenth century, it was one of the most profitable commodities traded in the European market. Hence, people also called it “Blue Gold”. In the nineteenth century, Indigo was grown all over India. Some of the finest Indigo was grown in the three major districts in the Tirhut region of Bihar. Approximately 3, 70, 000 acres of land were cultivated and £50, 00, 000 capital was invested. The production was managed by 700 English men and 15, 00, 000 local natives (McDonald, M.N, p. 387).

There was a significant increase in the Indigo production in the 18<sup>th</sup> and 19<sup>th</sup> century in Bengal and Bihar. Table 1 shows indigo production was increased from 62,500 maunds in the year 1795-96 to 1,21, 000 maunds in the year 1831-32 respectively. The huge demand for indigenous indigo was in the European market led to increasing the cultivation area for Indigo in India. As discussed in the earlier section there are two major challenges in front of any business enterprise first to find cheap raw material and second to get a larger market to sell industrial output at high margins to increase profits. The same challenges were in front of indigo planters. From the cost point of view, the permanent land settlement system (Zamindari system) enabled English businessman to minimize their production cost. The low cost was also one of the major reasons to sell natural indigo at lower prices to get higher market shares and higher total profit. The colonization of India was the biggest advantage for the English Indigo Company to give tough competition in the indigo industry.

Years	Maunds	Years	Maunds	Years	Maunds
1795-96	62500	1808-09	94539	1821-22	92848
1796-97	32300	1809-10	43012	1822-23	112606
1797-98	54600	1810-11	73407	1823*24	80315
1798-99	23800	1811-12	69654	1824-25	110227
1799-1800	35540	1812-13	73883	1825-26	156548
1800-01	39900	1813-14	74585	1826-27	79678
1801-02	38500	1814-15	102662	1827-28	151699
1802-03	29800	1815-16	114481	1828-29	98009
1803-04	54048	1816-17	83000	1829-30	132946
1804-05	64803	1817-18	72000	1830-31	129117
1805-06	85380	1818-19	75000	1831-32	121000
1807-07	51244	1819-20	106843		
1807-08	103950	1820-21	76254		
Note: 1 maund= 33.868 kg					

Source: John Phipps, A Series of Treatises on the Principal Products of Bengal , 1832, p. 35.

A large amount of best natural indigo was exported from Tirhut to other destinations, all over the world. The geography and land settlement system, both have helped indigo manufacturers to concentrate on this region. Champaran, Saran, Muzzafarpur and Darbhanga were the four major indigo tracts of Tirhut region. The climatic condition and soil of this region were best to cultivate the best quality of natural indigo. Most of the indigo from this region was traded from Calcutta.

**Fig 1: Indigo tracts of Tirhut showing the four prominent districts, 1870**



Source: Prakash Kumar, Indigo Plantations and Science in Colonial India, p. 131

Table 2 shows the export of indigo from Tirhut to various destinations for the period spanning from 1873-74 to 1899-1900. The figures show a significant declining trend of the quantity of indigo exported from Tirhut to the United Kingdom, United States, France and Australia, Germany and Japan in the 19<sup>th</sup> century. In the first half of the 19<sup>th</sup>-century Indigo export started rising which declined in the second half.

	Britain	United States	France	Austria	Germany	Japan
1873-74	47,169	5,144	9,287	5,491		
1874-75	33,570	2,331	8,078	5,487		
1875-76	51,524	3,912	16,178	6,411		
1876-77	40,833	6,157	11,961	5,813		
1877-78	44,030	9,826	29,982	6,618		

1878-79	35,539	10,773	14,045	7,125		
1879-80	20,897	12,194	7,770	4,911		
1880-81	51,232	NA	NA	NA		
1881-82	44,394	NA	NA	NA		
1882-83	46,908	NA	NA	NA		
1883-843	57,916	NA	NA	NA		
1884-85	50,402	NA	NA	NA		
1885-86	31,439	18,654	10,862	NA		
1886-87	31,146	25,750	12,868	NA		
1887-88	30,434	19,258	15,454	10,858		
1888-89	30,436	22,671	9,677	10,700	8,073	
1889-90	35,012	21,206	9,439	11,119	9,546	
1890-91	32,443	12,220	6,610	7,344	6,974	
1891-92	31,748	20,251	14,354	10,116	11,775	
1892-93	17,084	16,417	9,393	7,428	3,998	
1893-94	26,192	11,900	8,729	10,250	11,756	
1894-95	31,248	23,601	13,377	10,920	14,026	
1895-96	33,130	17,148	17,021	12,629	14,648	
1896-97	41,849	20,445	10,604	10,563	10,974	
1897-98	19,076	20,102	7,026	9,347	6,297	
1898-99	22,972	17,922	8,350	9,732	7,785	
1899–1900	13,215	10,405	9,497	6,755	5,494	5,597
Source : Jacques Pouchepadass, Champaran and Gandhi, appendix, Table H.						

### 3. The Business Question of Natural vs Synthetic Indigo

Synthetic indigo was the result of continuous research and development in the western indigo industry. The industry got a place in the market in the mid of nineteenth century. The synthetic indigo was made from coal-tar hydrocarbons. Till 3<sup>rd</sup> quarter of the 19<sup>th</sup> century, English and French manufacturer dominated the industry. Later in 1870 German manufacturer dominated the industry. In the first decade of the 20<sup>th</sup> century, the natural indigo prices were all-time low because of the competition by synthetic German indigo producers. But still many planters remained in the business and put their efforts to reduce the prices of natural indigo. Later Bihar Indigo Planters' Association found it's very hard to put natural indigo prices down.

Sir Edward Law, financial member of Governor-General Council in the budget speech of 1904, in the Imperial Council announced a continuous drive to reduce cost in the natural indigo industry. He suggested reducing budget outlay of the indigo planters. This led to increasing pressure on planters and zamindars but they successfully managed to shift the burden on farmers. The English business enterprise dealing in natural indigo found very tough to survive in the market.

#### 4. Indigo farming and Land Tenancy in Champaran

In the eighteenth-century indigo concerns of North Bihar which was known as Nil Kothis came into existence. As discussed in the earlier sections a large amount of natural indigo was grown in the Tirhut region. In Champaran, planters got large tracts of land on a temporary and permanent basis from Zamindars and insolvent Maharaja of Bettiah. The planters were able to grow indigo in this region on the contract of 3/20<sup>th</sup> part of their land. This system was legalized by the Bengal Tenancy Act. This system was later famous with the name Teen Kathiya Sattas. If farmers fail to do that, they had to pay a penalty of Rs 100, called Tawan. The prevalent land settlement system left nothing to farmers and the entire profit goes to Zamindars, Planters and Britishes.

The quantity and value of natural indigo were started declining in the last decade of the 19<sup>th</sup> century and situation became worse in the 1<sup>st</sup> decade of the 20<sup>th</sup> century. Table 3 shows the quantity and value of natural indigo between 1896 to 1902 in the London market.

Year	Quantity (cwts)	Value (rupees)
1896-97	169,523	43,707,570
1897-98	133,849	30,574,019
1898-9	135,187	29,704,781
1899-1900	111,420	26,925,107
1900-01	102,491	21,359,808
1901-02	89,750	18,522,554
Note: (1 cwt or centum weight = 112 lbs.)		
Source: Journal of the Society of Dyers and Colourists, January 1903, p. 19.		

There was also a decline in the export of Indigo from India but Calcutta remains to be one of the larger exporters of indigo from India. Most of the indigo exported from Calcutta was coming from Bengal and surrounding areas. Table 4 shows the declining trend of indigo export from India and Calcutta for the period 1906-13.

Year	Export from Calcutta	Total Export from India	Export from Calcutta as % of total Export from India	Average price per cwt in London
1906-7	19,309	35,102	55.01	£20 6s Od.
1907-8	16,627	32,490	51.18	£20 1s. 4d.
1908-9	17,698	24,946	70.95	£20 10s. 8d.
1909-10	11,221	18,061	62.13	£20 1s. 4d.
1910-11	10,985	16,939	64.85	£20 15s. 4d.
1911-12	14,556	19,213	75.76	£20 2s. Id.

1912-13	9,229	11,857	77.84	£17 10s. Od.
Source: Review of the Trade of India in 1911-12 and Review of the Trade of India in 1912-13				

## 5. Indigo and Satyagraha

British abolished slavery in one part of the world and introduced in another part. Zamindari, Royatwari and Mahalwari were the land settlement system introduced by Britishers, which emerged as a new kind of slavery in the Indian subcontinent in the 19<sup>th</sup> century.

The alliance between Zamindars and foreign planters led to increasing exploitations of farmers. The planters were from the ruling race and enjoyed enormous power. They used to misuse their power and exploit farmers with the help of Lathiyals and their regiment of Dhangers.

After the invention of artificial indigo, the planters started suffering loses but they had shifted their losses on the shoulder of farmers by introducing sharabheshi, tawan, hunda, and harja. On the other hand, some planters compelled farmers to grow other crops to meet their losses by compelling them to grow paddy in place of indigo. Consequently, the mass distress was converted into the violent demonstration. The farmers from Pandoul indigo factory show mass protest in the year 1867. Later trouble spread to Lalsaraiya and people refuse to grow indigo and committed an act of violence against the planters and government. The situation was so grim that the military was called to protect railway station in Motihari. After 1908-09 farmers refused to grow indigo and murders managers and planters in the Motihari and surrounding areas. People refuse to pay taxes under Teen Kathiya and started forming groups against the planters, Zamindars and government.

Apart from land settlement system famines and scarcity added fuel into the situation. It was the year 1911 when numerous farmers gathered at Narkatiyaganj railway station to plea before His Majesty King-Emperor George V. Later mass consciousness was found in Bihar against indigo plantation and also tabled on the floor of Councils. A local newspaper Beharee from Patna published a series of articles under the slogan “The Planters and Ryots”. The demand for an enquiry committee was made by Brij Kishore Prasad in the legislative council.

Raj Kumar Sukul a farmer from Champaran came forward to fight against the indigo planters. Sukul was the son of Kolahal Sukul, an indigo farmer from Satwaria village of Champaran. He was born sometime around 1875. He had filed several petitions to the government against planters.

In a surge of national leadership, Sukul attended many local and national conferences. He approached Madan Mohan Malviya and Bal Gangadhar Tilak for help. Tilak was busy with some political issue and Malviya was busy with the affairs of Banaras Hindu University. Later he decided to attend a meeting of the Indian National Congress at Lucknow in December 2016. Coincidentally he met Gandhiji and tried to explain the problem of indigo cultivators of Champaran. Gandhiji had not understood his problem because of two reasons, firstly he was speaking in Bhojpuri and secondly he had no idea about indigo or Champaran. Sukul followed Gandhiji from Lucknow to Patna and tried to explain the problem of farmers. Later Gandhiji went to Calcutta to attend a meeting where Sukul was also present. Sukul convinced Gandhiji to come to Champaran. Gandhiji came to Patna with Sukul and visited Champaran. Initially, he was very angry on Sukul because of the uncomfot at Champaran. Later he realized the problem of the farmers.

At the same time, the Home Rule movement was on its peak. The Champaran Agrarian Enquiry Committee submitted its report in which Gandhiji was also one of the members. The committee recommended permanent abolishment of Teen Kathiya Satta. The Champaran Agrarian Law was the moral victory of farmers.

## **6. Socio-economic and Political impact of Satyagraha**

The market forces led to growing indigo by the planters in India and Tirhut region in 18<sup>th</sup>, 19<sup>th</sup> and the first decade of 20<sup>th</sup> century. To keep profit margin high the planters exploited cultivators through permanent land settlement system and other coercive measures.

The Satyagraha started by Gandhiji led to the abolishment of Teen Kathiya system by Champaran Agrarian Law of Governor-General of India on May 1<sup>st</sup>, 1918. Later Gandhiji started basic schools to educate people of that region. Gandhiji movement bought consciousness among people which also bought nationalistic feeling among the local people. Satyagraha tried to bridge the inequality of people and income distribution which was widened in the 18<sup>th</sup> and 19<sup>th</sup> century.

The Champaran Satyagraha was the first experiment of non-violence movement of Gandhiji which later became a reference to the freedom fighters and given leadership to Indian national freedom movement. After the success of Champaran Satyagraha general masses realized there could be alternative non-violent ways to achieve freedom and importance of Satyagraha.



In the post Satyagraha period, people realized the significance of Satyagraha and political leadership came in the hand of Gandhiji. He became one of the prominent figures of Congress and the Indian freedom movement.

## **7. Conclusion**

Under free-market enterprise mode of production and trade of indigo by allying with indigenous people, multi-national companies given birth to exploitative structure in the pre-independence period. The price crash of natural indigo in the European market was the major reason behind the farmer's distress. Gandhiji gave leadership to the Indigo peasants and Champaran agrarian crisis, which finally resulted in the abolition of such practices by social and political movements. In the current world scenario, the same problem is faced by the farmers engaged in the cultivation of cotton and other commercial crops in India. The WTO agreement opened gates of the Indian market to the world. The globalization led to worsening terms of trade for Indian farmers in the global market. The farm and the agrarian distress in India also require political and social leadership. The lessons should be taken from Gandhian philosophy and Champaran Satyagraha.

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