

Colonization and Bengali Entrepreneurship

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ABSTRACT

This paper is all about a historical survey on colonization and its impact on the Bengali entrepreneurs. It shows mainly the decline of Bengali entrepreneurship in the second half of the 19th century. During the pre-colonial and early colonial period, Bengal had a long and rich tradition of commodity production and trade and commerce. But this tradition witnessed a sharp decline from the second half of the 19th century. It shows its impact mainly on the indigenous business enterprises in Bengal. This paper seeks to explore the colonial economic domination over Bengal trade and commerce. The colonial domination caused the destruction of handicrafts, independent business and ruined agriculture.

KEYWORDS: *entrepreneur, handicraft, colonization, textile, indigenous, merchant*

INTRODUCTION

The Foreign tradesmen came to India to earn money and be prosperous in their life style and went back to their home to live in peace and prosperity in there. But the colonial rule greatly affected the tradition, culture, politics and economy of the Indian people. Since the beginning of the seventeenth century Indian economy was greatly influenced by the European entrepreneur groups like Portuguese, English, French, Olondaz, Armenia etc. But ultimately the East India Company was able to capture the whole trade and commerce market of India. In 1600 Queen Elizabeth of England established the East India Company whose main aim was to capture the market of the whole world and become prosperous in trade and commerce. Through using various tricks and politics they expended their trade and commerce. This expedition was greatly encouraged when the East India Company got the Farman from the Mughal Emperor. In 1714, an Englishman John Surman was sent to Delhi court for securing trading facilities for the company. He succeeded in obtaining a Farman from Emperor Farrukh Siyar in 1717. This farman is regarded as the Magna Carta of the English trade in India.² The East India Company secured valuable Privileges in 1717 under the royal farman. The company was permitted to carry on trade in Bengal, Bombay and Madras free of custom duty. The company was also permitted to mint its own coins. The Nawabs of Bengal, however, showed scant regard for the imperial Farman. This royal Farman granted the company the freedom to export and imports their goods in Bengal without paying taxes. The company got the right to issue passes or dastaks for the movements of

² Bhattacharya, Sukumar, The East India Company and the Economy of Bengal: from 1704-1740, Firma K. L. Mukhopadhyay 1969, p. 21

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such goods. The company servants were also permitted to trade but were not concurred by this farman. The company's servants compelled the Indian artisans, peasants and merchants to sell their goods at cheap price and also started the tradition of bribes and gifts. Plundering attitude of the British which was not only abuses the trade ethics but also challenges Nawab's authority. The interest of the British traders was concentrated in the three coastal areas of Calcutta, Bombay and Madras. By 1765, after gaining the Diwani, the British had become the virtual rulers of Bengal, Bihar and Odisha. The employees of the British East India Company run their private business with the help of the Indian banian, gomostan mutsuddin and also the government. The British rule brought misery to the Muslim nobility, high ranking Hindu officers, old zamindars and old bankers. But it was a great opportunity for the small traders, brokers. Junior administrators, pykars, dalals, gomastas, munshis, banians and dewans to become profitable and established themselves.³

English was thrust upon India as a cruel but unavoidable reality. Thus, this colonial rule directly or indirectly made the Bengalis to overwhelming dependent on servile clerical jobs, the chakri on the basis of their newly acquired English education. The English wanted to reign over all aspects of Indians by hook or by crook, either through mutual dependence on matters related to government and administration, law and order, and economic sustenance or through playing political tricks. The educational institution like Missionary institutions took leading role in cutting

³ Mukherjee, S. N., "Class, Caste and Politics in Calcutta, 1815-38", op. cit., p. 43.

across the barriers of race religion, caste and economic and cultural differences. Thus, the newly acquired English education directly or indirectly made the Bengali youth dependent on the clerical jobs. They want to spend their life in comfort and this mindset keeps the Bengali youth away from the entrepreneurial activities which ultimately push them backward in economic prosperity. Though in compare to them the other communities like Marwaries living in Bengal is more successful in business.⁴

In various times various merchants from outside India came here for their business purpose. In 1665 when Shah Alam, the then Badsah of Delhi conferred Dewani to the East India Company for free trade in Bengal, Bihar and Orissa, the English colonizers started their conspiracy to extort the Indians through various ways. They took the opportunity of Indian restlessness political situation and very cunningly captured the inner trade and commerce of Bengal.⁵ This epoch-making incident was preceded by the defeat of Sirajuddaula in the Battle of Palashi in 1757 by the English army under the leadership of Robert Clive. The mercantile dreams of the company took imperial turn, as Calcutta, Bombay and Madras became the presidencies of the company. The Badsah in Delhi became the puppet under the formidable Governor-General of the Company, and the suppression of the Sepoy-Mutiny in 1857-58 made the British the sole rulers of India. The absolute domination was proclaimed by the official declaration of Queen Victoria as the Empress of India in 1858. Thus, the colonial rule had a great effect on the Indians especially on the entrepreneurs of Bengal of that time.⁶

In the late 18th century the Bengali business families like the Seths and Basaks operated in full swing along with their non-Bengali counterparts and up to the second half of the 19th century. Bengali entrepreneurs like Dwarkanath Tagore, Ramdulal Dey, Motilal Seal and Ramgopal Ghosh initiated multiple ventures that were really marvelous and praiseworthy. They adopted the modern technology from foreigners and were then compete with other countries in trade and commerce. The first Bengali entrepreneur of Bengal Ramdulal Dey, became a millionaire and internationally famous businessman for his brilliancy in entrepreneurship in the eighteenth century. He was attached to the Fairly Fergusson & company agency house as a banian agent. He not only worked as a banian agent at the same time very skillfully handled with his all round support service, the other traders independently. He established local market connection very well. He was a great organizer for the dandny merchants, market promotion and financial assistant as well. He was very cooperative with all the British agency houses. He had interest in stocks and shares, and real estate also. He was a genius who could turn brass into gold with using his intelligence. He owed his prosperity particularly to the American merchants. Most of the American merchants made Ramdulal Dey as their local agent and were pursuing their Bay of Bengal trade on a larger and larger scale. Ramdulal Dey as a successful businessman invests capital with their American merchants and the American also used his credit in their coasting trade in the Bay of Bengal region

⁴ Ghosh, Binoy, 'Banglar Samajik Itihaser Dhara,' pp-17-23

⁵ Sinha, Narendra Krishna, 'The Economic History of Bengal', pp13-33

⁶ Palit, Chittabrata, "Agrarian Bengal Under the Raj", pp-1-11.

and shared the profit with him. Another successful businessman Motilal Seal also known as Motilal Seal was born in a Bengali Hindu merchant family in 1792. He started his business career humbly during 1819. Using his intelligence and presence of mind he purchased some empty glass bottles. Later in few days he sold these bottles and corks to one Mr. Hudson who was one of the most extensive importers of beer in those days. He traded in cowhides, was the founder and promoter of the first Indigo mart which was established under the name of M/S. Moore, Hickey & Co. using his mental courage and intelligence. Motilal achieved his profit in business. Very soon the foreign merchants used to hire Motilal for his ability of judgment in the business of indigo, silk, sugar, rice, saltpeter etc. In that meantime in 1820 the free trade was started in England. Motilal got appointed as 'Banian' to around first class agency houses out of around fifty or sixty such houses in Calcutta. He became the banian of stand Flower Mill and earned huge money. He also worked as a banian of M/S. Lich Kettle Oil Livingstone Siresses & Co., MacLeod Faagan & Co., Chapman Co., Tulloh & Co., Ralley Mavrojahi, Oswald Seal & Co., Colsal & Co., etc. He worked as a successful mediator for the European merchants. He got into exporting of Indigo, silk, sugar, rice saltpetre to Europe and importing of iron and cotton - piece goods from England.

Dwarkanath Tagore (1794-1846), a western educated Bengali Brahmin and also his contemporary entrepreneurs carried on commercial partnership with the English companies as well as ventured for establishing modern industries by importing European technology of that time. They introduced steam engine in India for commercial use. Dwarkanath Tagore organized the first steam-tug and river-steamboat companies and commercial newspaper. He engaged in ocean shipping, under both steam and sail, and tried his hand at applying modern technology and organization to tea planting, salt manufacturing and sugar refining in collaboration with his British partners. Carr, Tagore & Co. was the first equal partnership between European, William Carr and Indian Dwarkanath Tagore. Dwarkanath Tagore in collaboration with William Carr, the respected indigo trader of Calcutta, launched the firm in 1834 and throughout his life time he actively guided the house. The merchants of that time sometimes they conducting business on their own. Like, the Bengali banian of Palmer & Co., Raghuram Gosami was a rich merchant in his own right. Thus this rich tradition of trade and commerce was going on up to the second half of the 19th century.⁷ The career of the other indigenous entrepreneurs of the first half of the nineteenth century like Rustomji Cowasji, Ramkamal Sen, Bishwambhar Sen, Raja Kalikrishna Bahadur, Ram Gopal Ghosh, Digambar Mitra, Surya Kumar Tagore, Raghunath Goswami, Bholanath Chandra, Radhamadhab Banerjee, and Dr. Dwarkanath Gupta etc. was a valuable proof of their ability in the entrepreneurship among the Bengali people.

By 1840 it appeared that Calcutta and its hinterland were on the threshold of a small-scale industrial revolution. At that time the business practices and strategies of these successful Bengali entrepreneurs definitely got a severe setback in the economic crisis of the late 1840s. The financial crises involving the collapse of the agency houses and of the Union Bank, combined with the infusion of British finance capital,

⁷ Ghosh, Binoy, "Banglar Samajik Itihaser Dhara", pp-106-115.

had deleterious effects on Bengali entrepreneurs and many of them forfeited their fortunes. In the countryside, on the other hand, the Permanent Settlement of 1793 had inaugurated a new order of landholding that would have profound implications for the onetime *dewans* and *banians*.⁸ The profitability of zamindari and the decreasing opportunities for commerce in the urban areas led the more astute leading Bengali families of Calcutta to become renters on a substantial scale. The Bengali entrepreneurs shifted their attention from urban based trade and commerce and commodity production to other alternative commercial ventures like acquiring zamindari property which they considered comparatively safe for investment and supplement their zamindari income by undertaking various urban professions. Gradually this became the fashion of the Bengali middleclass gentlemen, the *bhadraloks* as they called so.⁹ The Bengali *bhadraloks* concentrated their attention on educating their wards in English schools so that they could get an employment in the British bureaucracy, or its ancillary wings, British run commercial firms or start an independent profession like that of law which also required English education. Dwarkanath and Prasannakumar Thakur opened up a new and lucrative career of legal profession to the Bengali youth. The former was a master in the laws and regulations associated with the Permanent Settlement and on the basis of that he started his career as a zamindari agent in 1815¹⁰ and earned great reputation. Later Prasannakumar followed the path and succeeded Dwarkanath as Dewan. Another person, named Rasomoy Dutta (1799-1854) became a judge in Calcutta Small Cause Court and acquired a huge property at that time. It became evident at that point of time that the English education could also be a lucrative profession. This realization might have played an important role in the foundation of the Hindu College in 1817. The college started producing successive batches of highly educated youth who were much more interested in getting employment in administration, education and legal profession than taking up business as a career though some of them came from successful business families of Kolkata and its suburbs. Even the leading business families of 19th century Bengal were worried not about the revival of their business tradition but for future of education of their wards.¹¹ To the Bengali *bhadraloks* education became a kind of ritual. The attachment of the Bengali *bhadraloks* to education stood for an attitude that tended to infiltrate downwards, notably into some higher artisan castes and well-to-do peasants. As a result of that we find a regular influx of people from rural Bengal towards Calcutta and the maffassal towns in search for education. However, securing a respectable *chakri* (employment) was neither very easy nor peaceful to the educated youth as it was associated with a lot of humiliation. The job market was overcrowded. Even a bright student like Narendranath Dutta (later Swami Vivekananda) had to work hard to find out a job after his father's death. But the Bengali *bhadraloks* were so obsessed of their *chakri* mania that they failed to get rid of the situation. This mentality of the Bengali *bhadraloks* deserves systematic investigation. Thus, the interplay between the colonial economy and the social and cultural aspirations of

the Bengali *bhadraloks* produced a kind of apathy towards entrepreneurship.

CONCLUSION:

Thus, the colonizers greatly affect the entrepreneur mentality of the Bengalis. The settlement and British imperialism not only affects the economic structure of Bengal but also affect the whole Indian economy. During the late 19th century because of the dying condition of entrepreneurship the company fully dominates the economy of India.

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⁸ Ghosh, Binoy, "Banglar Nabajagriti" (Renaissance of Bengal), pp-39-76

⁹ Choudhuri, Sushil, "Prithibir Tantghar" (Bengal's Textile and Entrepreneurship) pp- 30-70

¹¹ Palit, Chittabrata, 'Hundred Years of Bengali Business Enterprise', pp-1-61