

2 The Nineteenth Century (1815–1914)

The world changed profoundly in the nineteenth century. Economic, political, social, cultural and technological factors interacted in complex ways to transform societies and reshape external relations.

Economists identify three types of movement or ‘flows’ within international economic exchanges. The first is the flow of trade which in the nineteenth century referred largely to trade in goods (e.g., cloth or wheat). The second is the flow of labour – the migration of people in search of employment. The third is the movement of capital for short-term or long-term investments over long distances.

All three flows were closely interwoven and affected peoples’ lives more deeply now than ever before. The interconnections could sometimes be broken – for example, labour migration was often more restricted than goods or capital flows. Yet it helps us understand the nineteenth-century world economy better if we look at the three flows together.

2.1 A World Economy Takes Shape

A good place to start is the changing pattern of food production and consumption in industrial Europe. Traditionally, countries liked to be self-sufficient in food. But in nineteenth-century Britain, self-sufficiency in food meant lower living standards and social conflict. Why was this so?

Population growth from the late eighteenth century had increased the demand for food grains in Britain. As urban centres expanded and industry grew, the demand for agricultural products went up, pushing up food grain prices. Under pressure from landed groups, the government also restricted the import of corn. The laws allowing the government to do this were commonly known as the ‘Corn Laws’. Unhappy with high food prices, industrialists and urban dwellers forced the abolition of the Corn Laws.

After the Corn Laws were scrapped, food could be imported into Britain more cheaply than it could be produced within the country. British agriculture was unable to compete with imports. Vast areas of land were now left uncultivated, and thousands of men and women were thrown out of work. They flocked to the cities or migrated overseas.

As food prices fell, consumption in Britain rose. From the mid-nineteenth century, faster industrial growth in Britain also led to higher incomes, and therefore more food imports. Around the world – in Eastern Europe, Russia, America and Australia – lands were cleared and food production expanded to meet the British demand.

It was not enough merely to clear lands for agriculture. Railways were needed to link the agricultural regions to the ports. New harbours had to be built and old ones expanded to ship the new cargoes. People had to settle on the lands to bring them under cultivation. This meant building homes and settlements. All these activities in turn required capital and labour. Capital flowed from financial centres such as London. The demand for labour in places where labour was in short supply – as in America and Australia – led to more migration.

Nearly 50 million people emigrated from Europe to America and Australia in the nineteenth century. All over the world some 150 million are estimated to have left their homes, crossed oceans and vast distances over land in search of a better future.



Fig. 6 – Emigrant ship leaving for the US, by M.W. Ridley, 1869.



Fig. 7 – Irish emigrants waiting to board the ship, by Michael Fitzgerald, 1874.

Thus by 1890, a global agricultural economy had taken shape, accompanied by complex changes in labour movement patterns, capital flows, ecologies and technology. Food no longer came from a nearby village or town, but from thousands of miles away. It was not grown by a peasant tilling his own land, but by an agricultural worker, perhaps recently arrived, who was now working on a large farm that only a generation ago had most likely been a forest. It was transported by railway, built for that very purpose, and by ships which were increasingly manned in these decades by low-paid workers from southern Europe, Asia, Africa and the Caribbean.

Activity

Prepare a flow chart to show how Britain's decision to import food led to increased migration to America and Australia.

Activity

Imagine that you are an agricultural worker who has arrived in America from Ireland. Write a paragraph on why you chose to come and how you are earning your living.

Some of this dramatic change, though on a smaller scale, occurred closer home in west Punjab. Here the British Indian government built a network of irrigation canals to transform semi-desert wastes into fertile agricultural lands that could grow wheat and cotton for export. The Canal Colonies, as the areas irrigated by the new canals were called, were settled by peasants from other parts of Punjab.

Of course, food is merely an example. A similar story can be told for cotton, the cultivation of which expanded worldwide to feed British textile mills. Or rubber. Indeed, so rapidly did regional specialisation in the production of commodities develop, that between 1820 and 1914 world trade is estimated to have multiplied 25 to 40 times. Nearly 60 per cent of this trade comprised 'primary products' – that is, agricultural products such as wheat and cotton, and minerals such as coal.

2.2 Role of Technology

What was the role of technology in all this? The railways, steamships, the telegraph, for example, were important inventions without which we cannot imagine the transformed nineteenth-century world. But technological advances were often the result of larger social, political and economic factors. For example, colonisation stimulated new investments and improvements in transport: faster railways, lighter wagons and larger ships helped move food more cheaply and quickly from faraway farms to final markets.



Fig. 8 – The Smithfield Club Cattle Show, Illustrated London News, 1851.

Cattle were traded at fairs, brought by farmers for sale. One of the oldest livestock markets in London was at Smithfield. In the mid-nineteenth century a huge poultry and meat market was established near the railway line connecting Smithfield to all the meat-supplying centres of the country.

The trade in meat offers a good example of this connected process. Till the 1870s, animals were shipped live from America to Europe and then slaughtered when they arrived there. But live animals took up a lot of ship space. Many also died in voyage, fell ill, lost weight, or became unfit to eat. Meat was hence an expensive luxury beyond the reach of the European poor. High prices in turn kept demand and production down until the development of a new technology, namely, refrigerated ships, which enabled the transport of perishable foods over long distances.

Now animals were slaughtered for food at the starting point – in America, Australia or New Zealand – and then transported to Europe as frozen meat. This reduced shipping costs and lowered meat prices in Europe. The poor in Europe could now consume a more varied diet. To the earlier monotony of bread and potatoes many, though not all, could now add meat (and butter and eggs) to their diet. Better living conditions promoted social peace within the country and support for imperialism abroad.

2.3 Late nineteenth-century Colonialism

Trade flourished and markets expanded in the late nineteenth century. But this was not only a period of expanding trade and increased prosperity. It is important to realise that there was a darker side to this process. In many parts of the world, the expansion of trade and a closer relationship with the world economy also meant a loss of freedoms and livelihoods. Late-nineteenth-century European conquests produced many painful economic, social and ecological changes through which the colonised societies were brought into the world economy.



Fig. 9 – Meat being loaded on to the ship, Alexandria, Illustrated London News, 1878.
Export of meat was possible only after ships were refrigerated.

Look at a map of Africa (Fig. 10). You will see some countries' borders run straight, as if they were drawn using a ruler. Well, in fact this was almost how rival European powers in Africa drew up the borders demarcating their respective territories. In 1885 the big European powers met in Berlin to complete the carving up of Africa between them.

Britain and France made vast additions to their overseas territories in the late nineteenth century. Belgium and Germany became new colonial powers. The US also became a colonial power in the late 1890s by taking over some colonies earlier held by Spain.

Let us look at one example of the destructive impact of colonialism on the economy and livelihoods of colonised people.



Fig. 10 – Map of colonial Africa at the end of the nineteenth century.

Box 2

Sir Henry Morton Stanley in Central Africa

Stanley was a journalist and explorer sent by the *New York Herald* to find Livingston, a missionary and explorer who had been in Africa for several years. Like other European and American explorers of the time, Stanley went with arms, mobilised local hunters, warriors and labourers to help him, fought with local tribes, investigated African terrains, and mapped different regions. These explorations helped the conquest of Africa. Geographical explorations were not driven by an innocent search for scientific information. They were directly linked to imperial projects.



Fig. 11 – Sir Henry Morton Stanley and his retinue in Central Africa, Illustrated London News, 1871.

2.4 Rinderpest, or the Cattle Plague

In Africa, in the 1890s, a fast-spreading disease of cattle plague or rinderpest had a terrifying impact on people's livelihoods and the local economy. This is a good example of the widespread European imperial impact on colonised societies. It shows how in this era of conquest even a disease affecting cattle reshaped the lives and fortunes of thousands of people and their relations with the rest of the world.

Historically, Africa had abundant land and a relatively small population. For centuries, land and livestock sustained African livelihoods and people rarely worked for a wage. In late-nineteenth-century Africa there were few consumer goods that wages could buy. If you had been an African possessing land and livestock – and there was plenty of both – you too would have seen little reason to work for a wage.

In the late nineteenth century, Europeans were attracted to Africa due to its vast resources of land and minerals. Europeans came to Africa hoping to establish plantations and mines to produce crops and minerals for export to Europe. But there was an unexpected problem – a shortage of labour willing to work for wages.

Employers used many methods to recruit and retain labour. Heavy taxes were imposed which could be paid only by working for wages on plantations and mines. Inheritance laws were changed so that



Fig. 12 – Transport to the Transvaal gold mines, The Graphic, 1887.

Crossing the Wilge river was the quickest method of transport to the gold fields of Transvaal. After the discovery of gold in Witwatersrand, Europeans rushed to the region despite their fear of disease and death, and the difficulties of the journey. By the 1890s, South Africa contributed over 20 per cent of the world gold production.



Fig. 13 – Diggers at work in the Transvaal gold fields in South Africa, The Graphic, 1875.

peasants were displaced from land: only one member of a family was allowed to inherit land, as a result of which the others were pushed into the labour market. Mineworkers were also confined in compounds and not allowed to move about freely.

Then came rinderpest, a devastating cattle disease.

Rinderpest arrived in Africa in the late 1880s. It was carried by infected cattle imported from British Asia to feed the Italian soldiers invading Eritrea in East Africa. Entering Africa in the east, rinderpest moved west 'like forest fire', reaching Africa's Atlantic coast in 1892. It reached the Cape (Africa's southernmost tip) five years later. Along the way rinderpest killed 90 per cent of the cattle.

The loss of cattle destroyed African livelihoods. Planters, mine owners and colonial governments now successfully monopolised what scarce cattle resources remained, to strengthen their power and to force Africans into the labour market. Control over the scarce resource of cattle enabled European colonisers to conquer and subdue Africa.

Similar stories can be told about the impact of Western conquest on other parts of the nineteenth-century world.

2.4 Indentured Labour Migration from India

The example of **indentured labour** migration from India also illustrates the two-sided nature of the nineteenth-century world. It was a world of faster economic growth as well as great misery, higher incomes for some and poverty for others, technological advances in some areas and new forms of coercion in others.

In the nineteenth century, hundreds of thousands of Indian and Chinese labourers went to work on plantations, in mines, and in road and railway construction projects around the world. In India, indentured labourers were hired under contracts which promised return travel to India after they had worked five years on their employer's plantation.

Most Indian indentured workers came from the present-day regions of eastern Uttar Pradesh, Bihar, central India and the dry districts of Tamil Nadu. In the mid-nineteenth century these regions experienced many changes – cottage industries declined, land rents rose, lands were cleared for mines and plantations. All this affected the lives of the poor: they failed to pay their rents, became deeply indebted and were forced to migrate in search of work.

New words

Indentured labour – A bonded labourer under contract to work for an employer for a specific amount of time, to pay off his passage to a new country or home

The main destinations of Indian indentured migrants were the Caribbean islands (mainly Trinidad, Guyana and Surinam), Mauritius and Fiji. Closer home, Tamil migrants went to Ceylon and Malaya. Indentured workers were also recruited for tea plantations in Assam.

Recruitment was done by agents engaged by employers and paid a small commission. Many migrants agreed to take up work hoping to escape poverty or oppression in their home villages. Agents also tempted the prospective migrants by providing false information about final destinations, modes of travel, the nature of the work, and living and working conditions. Often migrants were not even told that they were to embark on a long sea voyage. Sometimes agents even forcibly abducted less willing migrants.

Nineteenth-century indenture has been described as a ‘new system of slavery’. On arrival at the plantations, labourers found conditions to be different from what they had imagined. Living and working conditions were harsh, and there were few legal rights.

But workers discovered their own ways of surviving. Many of them escaped into the wilds, though if caught they faced severe punishment. Others developed new forms of individual and collective self-expression, blending different cultural forms, old and new. In Trinidad the annual Muharram procession was transformed into a riotous carnival called ‘Hosay’ (for Imam Hussain) in which workers of all races and religions joined. Similarly, the protest religion of Rastafarianism (made famous by the Jamaican reggae star Bob Marley) is also said to reflect social and cultural links with Indian migrants to the Caribbean. ‘Chutney music’, popular in Trinidad and Guyana, is another creative contemporary expression of the post-indenture experience. These forms of cultural fusion are part of the making of the global world, where things from different places get mixed, lose their original characteristics and become something entirely new.

Most indentured workers stayed on after their contracts ended, or returned to their new homes after a short spell in India. Consequently, there are large communities of people of Indian descent in these countries. Have you heard of the Nobel Prize-winning writer



Fig. 14 — Indian indentured labourers in a cocoa plantation in Trinidad, early nineteenth century.

Discuss

Discuss the importance of language and popular traditions in the creation of national identity.

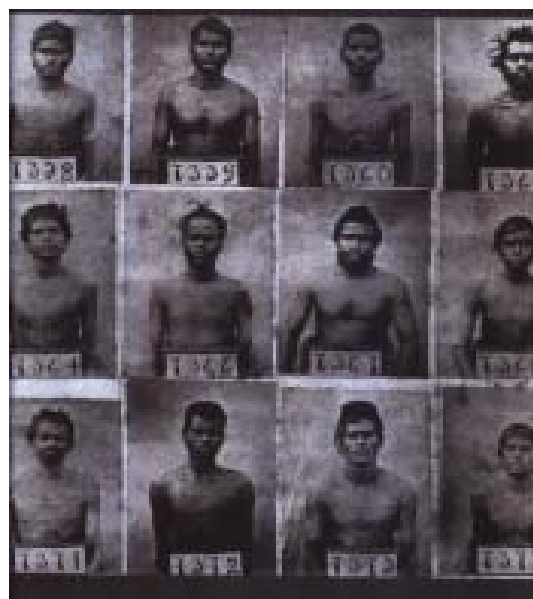


Fig. 15 — Indentured labourers photographed for identification.
For the employers, the numbers and not the names mattered.

V.S. Naipaul? Some of you may have followed the exploits of West Indies cricketers Shivnarine Chanderpaul and Ramnaresh Sarwan. If you have wondered why their names sound vaguely Indian, the answer is that they are descended from indentured labour migrants from India.

From the 1900s India's nationalist leaders began opposing the system of indentured labour migration as abusive and cruel. It was abolished in 1921. Yet for a number of decades afterwards, descendants of Indian indentured workers, often thought of as 'coolies', remained an uneasy minority in the Caribbean islands. Some of Naipaul's early novels capture their sense of loss and alienation.

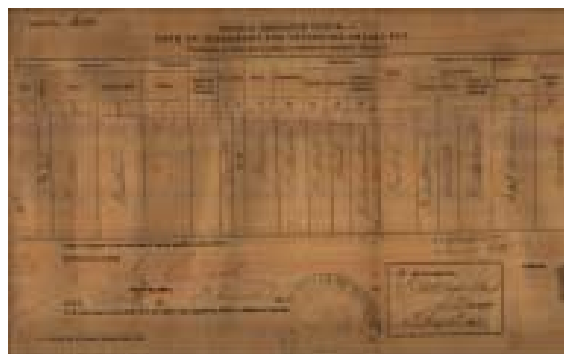


Fig. 16 — A contract form of an indentured labourer.

2.5 Indian Entrepreneurs Abroad

Growing food and other crops for the world market required capital. Large plantations could borrow it from banks and markets. But what about the humble peasant?

Enter the Indian banker. Do you know of the Shikaripuri shroffs and Nattukottai Chettians? They were amongst the many groups of bankers and traders who financed export agriculture in Central and Southeast Asia, using either their own funds or those borrowed from European banks. They had a sophisticated system to transfer money over large distances, and even developed indigenous forms of corporate organisation.

Indian traders and moneylenders also followed European colonisers into Africa. Hyderabad Sindhi traders, however, ventured beyond European colonies. From the 1860s they established flourishing emporia at busy ports worldwide, selling local and imported curios to tourists whose numbers were beginning to swell, thanks to the development of safe and comfortable passenger vessels.

2.6 Indian Trade, Colonialism and the Global System

Historically, fine cottons produced in India were exported to Europe. With industrialisation, British cotton manufacture began to expand, and industrialists pressurised the government to restrict cotton imports and protect local industries. Tariffs were imposed on cloth imports into Britain. Consequently, the inflow of fine Indian cotton began to decline.

From the early nineteenth century, British manufacturers also began to seek overseas markets for their cloth. Excluded from the British

Source A

The testimony of an indentured labourer

Extract from the testimony of Ram Narain Tewary, an indentured labourer who spent ten years on Demerara in the early twentieth century.

'... in spite of my best efforts, I could not properly do the works that were allotted to me ... In a few days I got my hands bruised all over and I could not go to work for a week for which I was prosecuted and sent to jail for 14 days. ... new emigrants find the tasks allotted to them extremely heavy and cannot complete them in a day. ... Deductions are also made from wages if the work is considered to have been done unsatisfactorily. Many people cannot therefore earn their full wages and are punished in various ways. In fact, the labourers have to spend their period of indenture in great trouble ...'

Source: Department of Commerce and Industry, Emigration Branch. 1916

Source



Fig. 17 – East India Company House, London.

This was the nerve centre of the worldwide operations of the East India Company.

market by tariff barriers, Indian textiles now faced stiff competition in other international markets. If we look at the figures of exports from India, we see a steady decline of the share of cotton textiles: from some 30 per cent around 1800 to 15 per cent by 1815. By the 1870s this proportion had dropped to below 3 per cent.

What, then, did India export? The figures again tell a dramatic story. While exports of manufactures declined rapidly, export of raw materials increased equally fast. Between 1812 and 1871, the share of raw cotton exports rose from 5 per cent to 35 per cent. Indigo used for dyeing cloth was another important export for



Fig. 18 – A distant view of Surat and its river.

All through the seventeenth and early eighteenth centuries, Surat remained the main centre of overseas trade in the western Indian Ocean.

many decades. And, as you have read last year, opium shipments to China grew rapidly from the 1820s to become for a while India's single largest export. Britain grew opium in India and exported it to China and, with the money earned through this sale, it financed its tea and other imports from China.

Over the nineteenth century, British manufactures flooded the Indian market. Food grain and raw material exports from India to Britain and the rest of the world increased. But the value of British exports to India was much higher than the value of British imports from India. Thus Britain had a 'trade surplus' with India. Britain used this surplus to balance its trade deficits with other countries – that is, with countries from which Britain was importing more than it was selling to. This is how a multilateral settlement system works – it allows one country's deficit with another country to be settled by its surplus with a third country. By helping Britain balance its deficits, India played a crucial role in the late-nineteenth-century world economy.

Britain's trade surplus in India also helped pay the so-called 'home charges' that included private remittances home by British officials and traders, interest payments on India's external debt, and pensions of British officials in India.

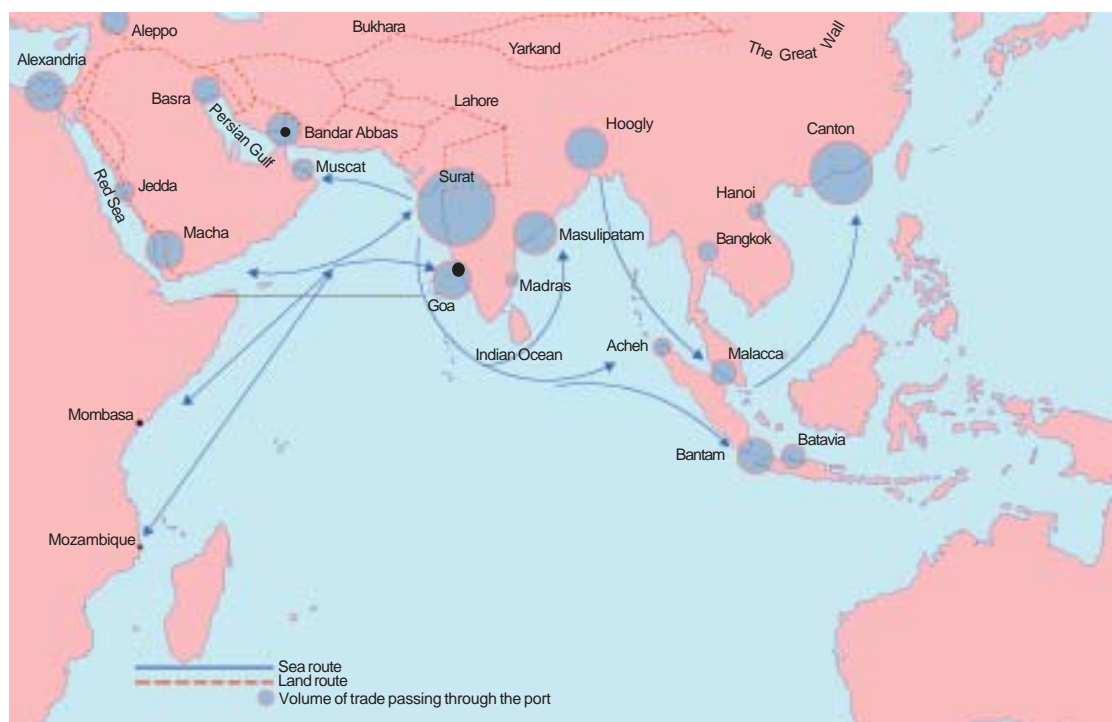


Fig. 19 – The trade routes that linked India to the world at the end of the seventeenth century.