

## UPSC Civil Services Examination

### UPSC Notes [GS-I]

#### Topic: Permanent Settlement [Modern Indian History Notes for UPSC]

The Permanent Settlement of Bengal was brought into effect by the East India Company headed by the Governor-General Lord Cornwallis in 1793. This was basically an agreement between the company and the Zamindars to fix the land revenue. First enacted in Bengal, Bihar and Odisha, this was later followed in northern Madras Presidency and the district of Varanasi. Cornwallis thought of this system inspired by the prevailing system of land revenue in England where the landlords were the permanent masters of their holdings and they collected revenue from the peasants and looked after their interests. He envisaged the creation of a hereditary class of landlords in India. This system was also called the Zamindari System.

#### Permanent Settlement UPSC

##### Background

- Before the British advent in Bengal, there were a class of Zamindars in Bengal, Bihar and Odisha who collected revenue from land on behalf of the Mughal Emperor or his representative, the Diwan.
- After the [Battle of Buxar](#) in 1764, the East India Company was granted the Diwani of Bengal. But then the Company found itself not able to collect revenue from the innumerable number of farmers in rural areas. They also did not have a good understanding of local laws and customs.
- The severe Bengal famine of 1770 occurred partly due to this neglect by the Company.
- Then, Warren Hastings tried to bring in some reforms like the five-yearly inspections. Here, the revenue-collection was awarded through an auction to the person promising the highest revenue. Due to the dangerous implications and effects of such a system, Hastings also experimented with the annual settlement of land. But this too did not improve conditions.
- Then, Lord Cornwallis under directions from the then British PM, William Pitt, proposed the Permanent Settlement system in 1786. This came into effect in 1793, by the Permanent Settlement Act of 1793.

##### Features of the Permanent Settlement

- Landlords or Zamindars were recognised as the owners of the land. They were given hereditary rights of succession of the lands under them.
- The Zamindars could sell or transfer the land as they wished.
- The Zamindars' proprietorship would stay as long as he paid the fixed revenue at the said date to the government. If they failed to pay, their rights would cease to exist and the land would be auctioned off.
- The amount to be paid by the landlords was fixed. It was agreed that this would not increase in future (permanent).
- The fixed amount was 10/11th portion of the revenue for the government and 1/10th was for the Zamindar. This tax rate was way higher than the prevailing rates in England.

- The Zamindar also had to give the tenant a patta which described the area of the land given to him and the rent he had to pay the landlord.

### Merits of the Permanent Settlement

- The responsibility of taking care of farmers fell upon the shoulders of the Indian landlords. Being sons of the soil, they could reach the far corners of the region and also understand local customs very well.
- Because of the permanent nature of the system, there was a sense of security for everyone. The company knew the amount it would get in revenue. The landlord also was assured of the amount. Finally, the farmers also, in lieu of the patta were certain of their holdings and knew how much rent was to be paid.
- Since the settlement was of a permanent nature, the Zamindars would have an interest in the improvement in the land thereby improving the revenue.

### Demerits of the Permanent Settlement

- The basic demerit of this system was that the efficiency depended upon the nature of the Zamindars. If they were good, the interests of the farmers and the land were looked after very well. They would make improvements in the land which would be beneficial to everyone concerned. But if the landlords were bad, they were negligent of the plight of the farmers and the conditions of the land.
- This created a class of hereditary landlords forming the upper aristocracy in society who generally led luxurious and extravagant lifestyles.
- The Zamindars were generally favourable to the British administration and supported the British even during the freedom struggle. There were exceptions.
- Land assessment was not done properly and land revenue was fixed arbitrarily. This meant that both productive and unproductive land was expected to furnish revenue at the same rates. This created a burden on the farmers of unproductive land. Also, in the case of productive land, it was a loss of revenue to the government.
- The revenue rates were so high that many Zamindars became defaulters. In time, this system proved to have disastrous effects. In 1811, the British government warned against the imposition of permanent settlement without a proper land survey.