

Permanent Settlement

[UPSC Notes]

What is Permanent Settlement?

Permanent settlement was the system that was introduced by Lord Cornwallis who was the governor-general in 1793. It was also known as the permanent settlement of Bengal where an agreement was signed between the landlords of Bengal and the British East India Company in which the land revenue was fixed. It is quite known that land revenue played a major role for the company in collecting tax from the Indian population.

There were many systems like the Mahalwari System, and Ryotwari System similarly the permanent settlement system was one of its kind. Initially, a permanent settlement system was introduced in Bengal followed by Bihar which was extended to the states of Madras and Varanasi. This idea of the permanent settlement struck Lord Cornwallis after taking into consideration a similar system prevailing in England where the landlords were the owners of their land and collected the revenues from the peasants by keeping their interests in mind. So it can also be concluded that Lord Cornwallis envisioned the hereditary class of landlord system in the country which was known as the zamindari system.

History of Permanent Settlement

Before the arrival of the British East India Company in India, the zamindars of Bengal, Odisha, and Bihar used to collect the land revenues on behalf of Mughals as their representatives.

- Deewani of Bengal was granted to the East India Company after the Battle of Buxar in 1764. There were however numerous farmers in the rural area who could not be collected from. In addition to that, they were not familiar with the local customs and laws too.
- Later in 1770, due to the negligence of the company, the severe Bengal famine occurred. Afterward, Warren Hastings introduced a 5 yearly inspection program as a reform. An auction was held to award the revenue collection to the person who could promise and bid for the highest revenue.
- Hastings also experimented with the annual settlement of land due to its dangerous implications and effects which also did not prove to be helpful in improving the conditions.
- Later in 1786, the permanent settlement system was introduced by Lord Cornwallis under the orders of William Pitt who was the then Prime Minister of Britain. A permanent settlement Act was passed in 1793 that brought the law into effect.

Feature of Permanent Settlement

Following are the features of permanent settlement-

- The lands were owned by the landlords or zamindars who were given the power of hereditary succession rights. These zamindars had the liberty to sell or transfer the land to whomever they wanted to.
- For the zamindars in order to maintain their proprietorship, they had to pay the Government of fixed revenue on the date mentioned, failing to which, can lead to the seizing of their rights to the existing land. Then the land could be either taken back by the company or would be auctioned off.
- The amount that the landlords had to pay was fixed by the company with the agreement that this amount will not increase in the future, hence it was a permanent one.
- The government received 10/11 of the revenue, and the Zamindars received 1/10th of the revenue. These rates were relatively higher than the rates existing in England.
- The zamindars were also supposed to give a patta to the tenants- that had the details of the lands they held and the total amount they had to pay to the landlord.
- Due to their land-based Heritage system, the Zamindars were thought to be able to reach far corners of the area as well as understand the local customs.
- The permanent settlement gave a sense of protection to everyone as it was like a permanent system that is not going to have any major change in the near future.
- Since the landlord was well aware of the amount therefore the company knew how much they were going to make from sales and land revenues.
- Land ownership was established as a permanent right to the owners by the permanent land revenue settlement.
- According to the instructions they were supposed to pay 89% of the total revenue to the state and they could use 11% of it for themselves.

Also check, [How was the Mahalwari System different from the Permanent Settlement?](#)

Impacts of Permanent Settlement

The permanent settlement had impacted various sections, especially peasants, zamindars and companies in many ways. Lets see how-

Impacts of Permanent Settlement on Peasants

- The permanent settlement system was very domineering for the peasants. This is because they were the part of the system, who had the main role, but given the least attention neither their lands weren't take care of.
- The landlords were not at all merciful to the peasants in terms of payments of revenues. Sometimes the revenues went so high that they had to take the loans from the moneylenders, who further used to exploit them.
- In the worst case scenario, if they fail to pay the revenue, the land was evicted from them.

Zamindar

- Zamindars were also impacted with the advent of permanent settlement system because in spite of the fixed revenue by the British the zamindars reaped the increase of production from the land and it ultimately benefited them and the British.
- In the permanent settlement system the revenues were fixed high making the settlements difficult for zamindars.
- Upon the failure to make payments, the British took possession of their properties.
- Subletting their lands and settling in the cities was the common practice among zamindars. So the zamindars and the farmers were interconnected through the middleman.
- Besides serving as brokers for British politics, the zamindars were also the intermediaries for other purposes.

Company

- A regular income flow for the company was ensured by the permanent settlement system of 1793.
- Agriculture and productivity were among the main goals of the permanent settlement Act.
- Although the zamindars took no action to improve the land, they were not interested in doing so.
- A rise in cultivation and a rise in the prices occurred during the first decade of the 19th century. Due to the fixed revenue amount, this resulted in a higher income for zamindars, but no profit for the company.

Merits of Permanent Settlement

- It became the responsibility of the Indian landlord to take care and look after the farmers. This is because due to their regional roots they were able to reach the distant sections of the region and understand the local customs.
- There was a sense of security among all the farmers and peasants because the system was permanent in nature. Because of this permanent feature the company was sure how much amount they are going to get in revenue.
- Along with the Company, the landlords were also sure about the guaranteed amount they were going to get.
- Not only this, but the farmers also knew how much rent they had to pay instead of being concerned about pattas.
- Due to the permanent nature of the settlement, the Zamindars would take more care of the land thereby maximizing their revenue.

Demerits of Permanent Settlement

- There was a major drawback to the permanent settlement system that its efficiency varied according to the characteristics of the zamindars. Means they

looked after the interest of farmers and the land very well when they were good and also they made the necessary changes to the land which would be beneficial to whoever concerned. But a bad landlord on the other hand would be negligent to the conditions of farmers and their lands.

- The class of hereditary landlords developed, who led luxurious and extravagant lifestyles forming the upper aristocracy of society.
- Even during the freedom struggle Zamindar supported the British administration.
- There was a lack of assessment of lands and even the revenues were fixed capriciously for all types of productive and unproductive lands. This was a big problem for the farmers, who had the infertile or unproductive land.
- The revenues in the system were so high that the zamindars became corrupted in no time and soon it proved to be a disastrous move. According to the British government, a proper land survey was required before permanent settlement could be established.

