

Colonial Trade Policies and The Production of Economic Inequality In Bangalore Between 1800 And 1947

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ABSTRACT:

This paper critically examines the colonial trade policies implemented in Bangalore between 1800 and 1947 and their long-term consequences in shaping patterns of economic inequality. The study explores how British economic interests, revenue systems, and trade frameworks systematically restructured Bangalore's local economy to serve imperial objectives rather than indigenous development. Colonial authorities introduced export-oriented trade mechanisms, prioritising commodities beneficial to the British market while neglecting local consumption and production needs. This redirection of economic activity disrupted traditional trade networks, marginalised native artisans and weavers, and eroded the foundations of indigenous industries that once sustained the regional economy. Drawing on archival materials, including administrative reports, revenue records, and census data, the paper situates Bangalore's economic transformation within the broader imperial framework of exploitation and dependency. The study argues that British policies such as differential land revenue systems, monopolisation of trade routes, and selective infrastructural investments particularly in railways, cantonments, and commercial zones were instrumental in producing spatial and social inequalities. The historical processes laid the groundwork for enduring disparities in wealth distribution, occupational mobility, and urban infrastructure in postcolonial Bangalore. By revisiting the city's colonial economic past, this paper contributes to broader debates on the political economy of empire and its persistent legacies in shaping urban inequality in South Asia.

KEYWORDS:

Colonial economic policy, Bangalore, Economic inequality, Trade and infrastructure, Urban segregation, Land revenue systems.

I. Introduction:

Background on Colonial Economic Policy in India: British colonial economic policies in India from the late 18th to the mid-20th century were primarily designed to advance imperial interests rather than promote indigenous growth. Rooted in mercantilism and industrial capitalism, these policies transformed India into a supplier of raw materials and a captive market for British manufactured goods. Central to this system were exploitative land revenue arrangements the Permanent Settlement, Ryotwari, and Mahalwari systems which prioritized steady revenue for the colonial state at the expense of peasant welfare and agrarian stability.

Trade policies dismantled India's flourishing artisanal and textile sectors by imposing discriminatory tariffs that favoured British imports and controlled exports of cotton, indigo, and opium. Infrastructure projects such as railways, telegraphs, and ports, though presented as modernization, primarily served resource extraction and administrative control. These developments deepened regional inequalities, concentrating investment and opportunity in key urban centres like Bombay, Calcutta, and Madras while neglecting rural and peripheral regions.

By the early 20th century, India's economy was deeply unequal, marked by agrarian distress, deindustrialization, and structural dependence on Britain. This broader context shaped Bangalore's colonial transformation, where trade policies, land systems, and selective infrastructural investments reinforced enduring patterns of spatial and economic inequality.

Importance of Studying Bangalore as a Case: Bangalore provides a distinctive case for examining the intersection of colonial economic policy and structural inequality in India. Unlike major port cities such as Bombay, Calcutta, and Madras, which were direct centers of British commerce and administration, Bangalore occupied a hybrid position part colonial cantonment, part native city within the princely state of Mysore. This dual identity makes it a valuable site to study how imperial policies were locally mediated and unevenly implemented.

The division between the British-controlled cantonment and the Mysore-administered pete (native town) reflected the spatial and social inequalities inherent in colonial urbanism. The cantonment received superior infrastructure, sanitation, and investment, while the pete remained overcrowded and underfunded. This disparity illustrates how colonial trade and revenue systems reinforced economic and class-based inequality.

ities even within a single urban boundary.

Bangalore's location in southern Karnataka, close to agricultural and trade routes, further integrated it into colonial networks. The export of cotton, silk, and coffee through British intermediaries and railway links benefited a small comprador elite while marginalizing artisans, small producers, and rural workers.

Though Mysore enjoyed nominal autonomy, British advisors heavily influenced its economic policies, showing how indirect rule also perpetuated dependency. Today's Bangalore hailed as India's "Silicon Valley" still bears traces of these colonial imbalances. Studying its past helps explain contemporary urban disparities, revealing how colonial policies on trade, infrastructure, and land shaped long-lasting patterns of spatial and economic inequality in the city.

Research Question: This study explores how colonial trade and economic policies shaped the emergence of economic inequalities in Bangalore between 1800 and 1947. It seeks to answer the following key questions:

1. How did British trade regulations, revenue systems, and infrastructural investments transform Bangalore's economy during colonial rule?
2. How did the city's dual structure as a British cantonment and part of the princely state of Mysore produce differing economic outcomes for its residents?
3. Which social groups and local actors benefited from these policies, and who were systematically marginalized?
4. How did colonial decisions create enduring spatial, social, and class-based inequalities that continued after independence?

The study argues that colonial economic policies in Bangalore especially those related to trade, infrastructure, and fiscal control were designed to serve imperial interests and, in doing so, generated deep and lasting inequalities. These disparities were spatially evident in the divide between the cantonment and the pete, socially entrenched through class and caste hierarchies, and economically sustained by a comprador elite tied to colonial trade networks. Bangalore thus represents not a passive colonial subject but a site where imperial power was negotiated and resisted, leaving enduring patterns of inequality that continue to shape the

city's postcolonial landscape.

II. Historical and Economic Context of Bangalore (1800–1857):

The early nineteenth century was a pivotal period for Bangalore and the Mysore region. Following Tippu Sultan's defeat in 1799 during the Fourth Anglo–Mysore War, the British East India Company assumed control over much of Mysore. Although the Wodeyar dynasty was reinstated under British suzerainty, real authority over revenue, military, and foreign affairs rested with the British Resident and political agents. This system of indirect rule ensured British dominance while maintaining the appearance of native sovereignty.

Bangalore's strategic location on the Deccan Plateau made it central to British interests. Its temperate climate, inland position, and accessibility led to the establishment of a permanent military cantonment in 1809. This enclave created a zone of direct colonial control within the princely state, shaping governance, trade, and urban development for decades.

Under both direct and indirect influence, Mysore's administration adopted revenue-oriented policies modelled on British presidencies. Agricultural monetization, promotion of cash crops like cotton, silk, and coffee, and standardized taxation prioritized elite landholders while marginalizing small farmers and lower-caste cultivators. Though the Ryotwari system was not formally implemented, similar logics of surveillance, classification, and extraction emerged.

Trade policies reinforced these inequities by linking Bangalore to export ports such as Madras and Mangalore. Traditional markets declined as British imports undercut local artisans and small traders. Customs duties and transport taxes further restricted indigenous production, deepening dependency on colonial commerce.

The establishment of the cantonment also restructured urban space. The British-controlled cantonment received better infrastructure, sanitation, and amenities, while the Mysore-administered pete remained overcrowded and underfunded. This spatial duality institutionalized economic and social inequality. The cantonment became a commercial hub, with new bazaars like Russell and Johnson Markets serving colonial needs, benefiting Anglo–Indian intermediaries and traders while displacing traditional artisans.

Labour hierarchies mirrored these divisions: Europeans held privileged positions, whereas Indian workers, often from marginalized castes, performed low-paid, menial labour. These layered inequalities embedded in governance, trade, and urban planning-initiated Bangalore's transformation into a socially and economically divided city, establishing structural patterns of disparity that persisted throughout the colonial period and shaped the city's postcolonial trajectory.

III. Trade and Infrastructure in Colonial Bangalore:

The mid to late nineteenth century marked a turning point in Bangalore's integration into the colonial economy through the rapid expansion of railways and roadways. Initially established for strategic and military purposes, British interest soon shifted toward economic exploitation. The Madras-Bangalore railway line, completed in the 1860s, linked the city to the eastern port of Madras, enabling the swift transport of raw materials to global markets. Railways facilitated both military mobility and economic extraction, transforming Bangalore from a regional center into a vital conduit in the imperial supply chain. Commodities such as cotton, silk, coffee, and sandalwood were moved through Bangalore to coastal ports for export under British control.

Road networks expanded simultaneously, connecting Bangalore to Mysore, Tumkur, and Kolar. However, investments were highly selective favouring export-oriented routes and cantonment zones while neglecting internal village roads. This uneven development reinforced rural marginalization and limited the benefits of "modernization" to colonial and elite interests.

The integration of Bangalore's economy into imperial trade networks encouraged the cultivation of export crops. The cotton boom during the American Civil War briefly enriched merchants and large landholders but left small cultivators vulnerable to fluctuating prices and credit scarcity. In sericulture, colonial officials reorganized silk production for export, introducing new breeds and techniques that enriched merchants while displacing traditional weavers. Coffee cultivation expanded in nearby Malnad under exploitative labour systems that relied on lower-caste and tribal workers. Alongside these, the export of sandalwood, spices, and minerals positioned Bangalore as a logistical and administrative hub in southern India's extractive economy.

This export-oriented focus undermined local markets and indigenous industries. The influx of British manufactured goods, protected by favourable tariffs, devastated traditional artisans engaged in textiles, metalwork, and crafts. Many lost their livelihoods and were pushed into low-wage urban labour, intensifying social and class inequalities. The city's dual structure between the prosperous British cantonment and the underdeveloped pete further widened economic and spatial divisions.

Resource extraction in surrounding regions intensified as forests were cleared for plantations and mining expanded in areas like Kolar. Bangalore's role as a processing and redistribution center deepened its dependence on imperial trade circuits.

Ultimately, colonial investments in infrastructure and trade were not neutral or developmental; they served the goals of imperial accumulation. By privileging export over local sustenance and elite profit over community welfare, these policies entrenched structural inequalities that reshaped Bangalore's economy, society, and spatial organization well into the postcolonial era.

IV. Winners and Losers: Economic Inequality and Class Formation:

Colonial economic policies in Bangalore led to the decline of native industries and deepened class and caste inequalities. Before British rule, Bangalore's pete areas supported vibrant weaving, metalwork, and craft industries that sustained local economies and cultural traditions. However, the influx of cheap, machine-made British textiles and restrictive trade laws devastated these sectors. Traditional artisans, unable to compete with mass-produced imports, lost markets and livelihoods. While a few adapted by acquiring capital or aligning with colonial traders, most especially lower-caste weavers and craftspeople fell into poverty or became low-wage laborers in the colonial economy.

Alongside this decline, a new elite group emerged: the comprador class and anglicized Indian elites. Comprador merchants, landlords, and professionals acted as intermediaries between British authorities and the local population. In Bangalore, they profited through brokerage in export commodities like silk, cotton, and coffee, land speculation, and administrative roles. Educated in English institutions and trained in Western commercial practices, they occupied privileged positions in the colonial order. This class blended traditional caste status with modern economic power,

reinforcing their dominance while aligning with British interests.

At the bottom of the hierarchy, labour exploitation and caste-based inequalities intensified. Lower-caste groups, Dalits, and tribal laborers worked in plantations, factories, and domestic service under exploitative conditions. The workforce was stratified Europeans held top posts, upper-caste Indians managed clerical work, and marginalized communities performed menial labour.

Spatial segregation reflected these inequalities. The British cantonment, with planned layouts and modern amenities, contrasted sharply with the overcrowded, poorly serviced pete. Within the pete, caste-based neighbourhoods reinforced social hierarchies. Unequal access to water, education, and healthcare entrenched poverty and exclusion. Thus, colonial Bangalore became a city divided by race, class, and caste where economic modernization for a few came at the cost of widespread dispossession and inequality for many.

V. The Role of State Policy in Structuring Inequality:

Colonial land and governance policies were central to shaping economic inequality in Bangalore and its hinterlands. Although the princely state of Mysore nominally controlled land tenure, British advisors heavily influenced reforms to align revenue systems with imperial needs. Fixed land assessments, based on exploitative surveys, burdened peasants and monetized agriculture. Land became a tradable asset, leading to concentration of ownership as smallholders unable to pay taxes lost land to wealthy landlords and moneylenders allied with colonial interests. Property laws further legitimized private ownership, favouring elites with formal titles while eroding customary and communal land rights. These policies facilitated plantation agriculture and commercial estates but dispossessed small farmers and tribal communities, feeding rural-to-urban migration and expanding the pool of impoverished laborers in Bangalore.

The city's dual administration British cantonment and native pete extended these inequalities through municipal governance. The British-controlled Cantonment Board, supported by efficient taxation and imperial resources, developed sanitation, infrastructure, and public services benefiting Europeans and elite Indians. Conversely, the pete, managed by the Mysore state, lacked funds and autonomy, resulting in poor urban services, overcrowding, and health crises. Taxation policies were

regressive: native traders and residents faced house taxes and market levies, while European residents enjoyed exemptions, deepening fiscal disparities.

Urban planning further reflected and reinforced colonial hierarchies. The cantonment was deliberately designed as a segregated, modern enclave with wide roads, parks, and piped water symbolizing order and imperial power. The pete developed organically, with narrow streets, dense settlements, and neglected infrastructure. Traditional markets and artisan quarters persisted but without systematic investment. This spatial division mirrored social inequality: the cantonment represented privilege and modernization, while the pete embodied neglect and marginalization.

Such spatial segregation had long-term consequences. Restricted access to land, infrastructure, and services limited the economic mobility of pete residents and maintained caste and class hierarchies. Public health disparities and physical separation curtailed social interaction, reinforcing colonial control. Ultimately, these state-driven land, fiscal, and urban policies institutionalized inequality producing a divided Bangalore whose spatial and economic contrasts still echo colonial-era power structures.

VI. Long term effects and postcolonial continuities:

The economic and spatial inequalities established during colonial rule in Bangalore persisted well beyond Indian independence in 1947. The segregation between the former British cantonment and the native pete remained visible, even under unified municipal governance. Cantonment areas, benefiting from superior infrastructure, green spaces, and public services, continued to attract middle- and upper-class residents. In contrast, the pete, with dense populations and limited amenities, remained home to lower-income communities, including descendants of displaced artisans, laborers, and rural migrants. These spatial patterns reinforced class and caste disparities, as access to education, healthcare, and formal employment remained skewed toward colonial-era elites or their successors.

Colonial infrastructure such as railways, roads, and water supply laid the foundation for Bangalore's urban growth but was unevenly distributed. Core cantonment zones and central business districts retained connectivity and services, while peripheral areas, including former pete neighbourhoods and informal settlements, suffered from inadequate infra-

structure, limiting economic opportunity and social mobility.

Land tenure legacies and complex property arrangements further disadvantaged marginalized communities, complicating urban planning. Class formations rooted in colonial policies comprador elites, urban laborers, and marginalized artisans continued to shape social and economic hierarchies. Even as industrialization and the IT boom created new opportunities, they often reproduced colonial-era inequalities. Bangalore's post-colonial development thus reflects the enduring impact of colonial economic and spatial structures, highlighting persistent challenges to inclusive growth and social equity.

VII. Conclusion:

This study has examined the intricate relationship between colonial economic policies, trade, and the production of economic inequality in Bangalore from 1800 to 1947. Through an analysis of infrastructure development, export-oriented trade, labor dynamics, and state policies, it is clear that the colonial period was not merely one of economic integration or modernization but also one of systematic social stratification and uneven development. The development of railways and roads, while opening Bangalore to global markets, served imperial interests by prioritizing resource extraction and export over local welfare. Indigenous industries and artisanal crafts were undermined by British manufactured imports and restrictive trade policies, leading to widespread displacement of traditional workers. At the same time, a comprador class and anglicized elites emerged, consolidating wealth and power by acting as intermediaries in the colonial economy. Colonial governance through land revenue systems, municipal policies, and urban planning further entrenched inequalities, physically and socially segregating the city along racial, class, and caste lines. The deliberate distinction between the British cantonment and native pete created lasting spatial disparities that persist in Bangalore's contemporary urban form. Importantly, these inequalities did not dissolve with independence. Instead, they have endured, shaping postcolonial urban development and economic relations. The colonial legacy has constrained efforts toward equitable growth and continues to influence patterns of opportunity, mobility, and social justice in Bangalore. This case study highlights the centrality of colonial economic policies in shaping urban inequalities, urging scholars and policymakers to critically engage with these historical continuities. Understanding Bangalore's colonial past is

crucial for addressing its present challenges and envisioning a more inclusive urban future.

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