The British Colonial Legacy: Trade and Business in Bangalore (1800–1947)

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ABSTRACT:

This article explores how, during the early 19th and mid-20th centuries, British colonial government changed trade and business in Bangalore (then part of Mysore State) through administrative reforms, infrastructure development, and legal and tax systems. It examines the ways in which colonial policies influenced regional trade networks, land and labor relations, merchant classes, and urban marketplaces. The study, which draws on secondary and archival sources, contends that although colonial rule brought modernizing institutions (banking, railroads, and municipal regulations) that promoted integration and growth, these same institutions also strengthened access disparities and ingrained extractive dependency patterns. Bangalore's economic geography is still shaped by the effects of colonial land control, trade regulation, and infrastructure design.

KEYWORDS:

Bangalore, British colonial governance, trade, infrastructure, economic institutions, Mysore State.

Introduction

British colonial rule had a significant impact on Bangalore's transformation from a small market town to a major center of trade and business in south India. From the founding of the cantonment in 1809 under the East India Company to the indirect British rule of the Mysore State to the more direct colonial infrastructure and public works in the early 20th century, the colonial regime permanently altered business culture, property relations, trade, and investment. Administrative and fiscal reforms, infrastructure and spatial planning, institutional and legal changes, the impact on indigenous labor, craftsmen, and merchants, and long-term path-dependencies in commerce and business are the categories under which this article examines these developments.

Administrative and Fiscal Reforms

Following Tipu Sultan's defeat in 1799, Mysore was reinstated under the Wadiyar dynasty, albeit bound by a subsidiary alliance with the British that entailed regular financial tributes and administrative supervision (Joseph, 2019). These conditions placed significant constraints on the state's fiscal autonomy, hindering its capacity to undertake major public investments independently (Joseph, 2019). British intervention introduced structured taxation and land revenue systems that transformed the agrarian economy into a monetized one, forcing peasants to engage in market transactions rather than subsistence farming. The need to generate cash revenue drew rural producers deeper into colonial trade networks. Additionally, administrative changes brought about standardized weights and measures, formalized trade licensing, and property registration. Although specific data on Bangalore remain limited, broader regional analyses suggest that such colonial regulatory systems disproportionately benefited merchants who possessed capital, education, and connections within the British administrative framework (Roy, 2014).

Infrastructure, Transportation, and Spatial Planning

Railway expansion and road development significantly lowered transportation costs and facilitated access to Bangalore from surrounding rural areas, enabling the flow of raw materials and agricultural goods. Colonial urban planning introduced a bifurcated city layout, dividing Bangalore into the Cantonment – governed by British authorities – and the pete, the traditional native town. The Cantonment boasted superior infrastructure, including well-maintained roads, drainage systems, and municipal services, making it a hub for trade and appealing to European and Anglo-Indian enterprises. In contrast, the pete, despite its commercial activity, received comparatively limited infrastructural investment (Aruni, 2013; Ramesh, 2020). Under British rule, enhancements in water supply, sanitation, public parks, and other civic amenities were primarily concentrated in the Cantonment, aimed at improving conditions for colonial residents and reinforcing imperial ideals of progress and governance – often prompted by public health concerns (Ramesh, 2020).

Legal, Banking, and Institutional Changes

During British rule, legal and institutional frameworks such as colonial courts, contract law, property registration, and corporate structures like joint-stock companies were either introduced or significantly reinforced. These developments fostered a more stable and reliable environment for commercial transactions (Roy, 2014). Concurrently, banking systems – both traditional and colonial – saw notable growth. Although comprehensive archival records for Bangalore remain scarce in the sources reviewed, research on Mysore and adjacent areas reveals that local entrepreneurs and plantation owners actively engaged with the colonial administration. For instance, coffee growers in Mysore and Coorg often filed petitions concerning taxation and strategically utilized colonial legal and institutional channels to safeguard their economic interests (Bhattacharya, 2014).

Impacts on Merchants, Artisans, Land, Labor

Traditional craftspeople in the pete encountered growing competition from imported machine-made goods and shifting consumer preferences, particularly those driven by the needs of the Cantonment. These pressures led many artisans to adapt their practices, abandon their trades, or transition into wage labor. Meanwhile, the merchant class expanded, with Indian-owned enterprises, contractors serving military and administrative functions, brokers, and intermediaries gaining prominence. Opportunities in colonial credit systems, contracts, and procurement processes tended to benefit individuals with education, financial resources, influential social ties – especially connections to colonial officials – and often caste or community privilege.

Land ownership and property markets also underwent transformation. Colonial practices such as land surveying, formal registration, and repurposing land for non–agricultural uses – including commercial and residential developments for European settlers – reshaped land values and access. The spatial divide between the Cantonment and the pete manifested in economic disparities, particularly in terms of property ownership and business prospects (Aruni, 2013; Ramesh, 2020). Rising demand for labor in construction, public services, supply chains, and infrastructure projects like roads and railways spurred migration from rural areas into Bangalore. This influx altered consumption habits and expanded networks of small–scale traders.

Long–Term Legacies and Path Dependencies

Bangalore's contemporary trade and business landscape remains influenced by enduring colonial legacies, including uneven spatial development, the persistence of institutional frameworks, a focus on export and cash crop economies, and disparities in access to resources and opportunities. These historical imprints have helped sustain long–standing trends in urban commercial activity and shaped the distribution of economic prospects across the city.

Conclusion

British colonial rule left a complex and lasting imprint on Bangalore's commercial landscape. On one hand, it introduced infrastructure, legal and fiscal systems, and urban planning that facilitated trade; on the other, it entrenched exploitative and unequal structures of power and access. The advantages largely accrued to well–connected, capital–rich merchants, while artisans, small–scale farmers, and informal traders were often marginalized. Many of these colonial–era patterns continue to shape the city's economic geography today. To truly understand Bangalore's current business dynamics, one must confront these enduring legacies – not as distant historical footnotes, but as active forces that both limit and enable economic possibilities.

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