Chapter VII

Conclusion
After studying the economic developments in both Iraq and India during 1857-1914, the following conclusions can be stated:

- This historical period was crucial in Iraq and India as both countries witnessed important developments at the economic, political, intellectual levels. Although these developments had been slow but such accumulations formed the basis for the subsequent developments.

- The political situation and management in India and Iraq made an impact on the economic conditions of both countries. However, the political disturbance had a drastic impact on the economic life of the people; thus, badly affected the economies of both countries.

- In Iraq, the uprisings clan against the Ottoman government had caused the deterioration of overall economic condition in Iraq. It led to force the peasants and workers to leave their jobs and take up arms against the government, which led to disruption of economic activity and the transfer of most of the agricultural land into an arena of war. However, when Medhat Pasha took over charge as a governor of the state in 1867, he brought major improvements in the political, administrative, economic and social conditions of the country through various policies suggested and executed by him, which dealt with crises and unrest.

- In India, the revolution of 1857 caused a setback to the economic condition of the country as most of the peasants and workers were engaged in the battles against the British government. This had greatly affected the normal life of the peasants and the agricultural practice as well. On the other hand, contributed to this revolution in raising awareness of cultural and political development of the national movement in the country which contributed to the emergence of a new class of men policy which worked to lead the country in the early 20th century.

- Agriculture was one of the fundamental aspects which have witnessed the development and modernization in that era, and this is linked to several factors the most important one is that Iraq and India were generally agricultural countries and, agriculture is the first cornerstone in the economy of the two countries, so all the governors, whether British or the Ottomans focus on agriculture and land reforms, in addition they make some development and
modernization in farming methods, and the redistribution of agricultural land to the peasantry.

- In Iraq, during 1857-1914, the weakness and deterioration was evident in the agricultural sector in Iraq. There was no development in agriculture except in the era of the governor Medhat Pasha. It was during the reign of Medhat Pasha that the state of Iraq made good agricultural development. However, Iraq soon experienced weakness and deterioration as soon as Medhat Pasha resigned. Despite the fact that all elements of an agricultural country like water and soil were diversified and there were climatic changes that affected crops, the Ottoman government moved away its interest from the agricultural sector and put the greatest burden on the farmers in land preparation, provision of seeds and harvest and markets sales. If these governors of Iraq would have followed the method of Medhat Pasha, Iraq could have acquired top position in the agricultural production in the world and the agricultural sector would have brought prosperity and progress in Iraq.

- In India, during this period, colonial economies were open economies. They were affected by the impact of the world market and not national economies, which could determine their own fate and develop their home market. This was a common feature of all colonial economies. There were also distinctive traits mainly related to the supply of peasants and the availability of natural resources. In India, labour was abundant in supply and the prevailing mode of agricultural production was that of small peasant households. Plantations existed only for the production of tea on the hills and they recruited their labour from other regions of India. There was hardly any capitalist agricultural activity found in India. The Indian landlord was a renter and not an entrepreneur. Under the condition of the monsoon, it was wiser to live on the compulsorily acquired surplus of peasant families rather than to run large farms or plantations with hired labour. Revenue demand or debt service and very often both of them forced the peasants to produce for the market. The colonial rulers could earn profit from the collection of revenue as well as from the cheap supply of cash crops grown by the peasant. On the other hand, the colony also provided a market for British goods. There was a dilemma in this
import and export of goods. Expropriating the surplus value of peasants’ production diminished the purchasing power of the peasants.

- There were many reasons for the deterioration and neglect of the industry in Iraq. Many factors that caused the deterioration of the industry were as follows:
  1. The Ottoman governors were not interested in developing industry and for making provision of capital for building modern laboratories. They did not follow a consistent policy in the field of manufacturing in the country.
  2. In spite of high profit, capital invested in the industry was comparatively low. The proportion of the profit earning through foreign trade in Iraq was high, but these profits were not being reinvested in the industry.
  3. Capital was mainly concentrated in the hands of merchants and landowners, who preferred to invest their money in the field of agriculture and trade instead of investing in industry.
  4. The profits of small traders were not enough to set up laboratories.
  5. The workers were paid very low wages so they left their jobs and looked for jobs elsewhere.
  6. The technical competencies of workers were limited to industrial production.
  7. Britain played a negative role in the industrial sector by turning the country to a market for the disposal of their goods and products, which were produced primarily from the raw materials acquired from Iraq.
  8. The economic activity was limited to manufacturing in Iraq during the Ottoman period. However, during the rule of Medhat Pasha, there was an increase in revenue of the treasury. The value of the revenue from industrial production during the year 1869 was 88,80,632 lira from East and in 1870 and 1871 it was 8,69,98,651 and 9,35,24,064 lira respectively. In 1872, it was 10,00,00,000. The industry in Iraq was unable to compete with foreign goods and the industrial sector during the period 1857-1914 was the weakest sector of the economy of Iraq. This was due to the fact that Iraq was predominantly an agricultural economy.
India had been doing well in all types of traditional industries since the earliest times, especially, the cotton textile industry. India was the most important country in the world for cotton cultivation. Due to the impact of the industrial revolution in England and Europe, importance of this industry grew, especially in the 19th century. European markets needed raw material for their cotton factories. Therefore, the British had been attempting to control the cotton crops in India.

During British rule in India, the British governors followed the different policies as follows:

1. Conversion of agricultural land producing food grains to cotton-growing land, which had put a negative impact on the economic condition of the country.

2. Spent huge amount of funds to establish a railway network in order to ensure the safety of the arrival of cotton to the ports.

3. The handicraft industry of India had to face failure because of the scientific development made by British industries, which had a negative impact on the handicraft industry in India. This made India to depend on the agricultural sector as far as the economy was concerned.

4. The decline of India’s centuries-old handicrafts and village industries caused the agriculture to become the only source of sustenance for the Indians.

- The outside workers made a clear impact on economic and social developments in Iraq and India. The represented the development in the foreign trade and the penetration of foreign capital. Britain had a prominent role in the overall economic developments in Iraq and India at this stage, along with the opening of the Suez Canal in Egypt in the year 1869. As a result, it tied Iraq to the western world, and helped to increase the amount of imports for both Iraq and India. Thus, the foreign trade played a prominent role in the economic changes in both countries.

- The British government in India paid attention toward the development of traffic and transportation, particularly railways because of its great importance in the development of commercial status of the country and the timely arrival of goods to the ports, which were then exported to Britain.

As long as the means of transport were concerned in Iraq, Ottoman government did not pay attention to develop the network of transportation as they relied on the primitive modes of transport, particularly road transport.

- In Iraq, the development of transport had a major impact on the economic condition
of the country and its development. This led to the revival of Iraq's trade. The
merchant class in Iraqi society emerged as the most important layer and became
richer. The Ottoman government could not develop this important area in Iraq but the
foreign companies contributed to the development of Iraq and exploited for the benefit
of its motherland. The foremost among those countries was Britain. In Iraq, there were
two types of transport: a) ground transport, and b) river transport. The first type could
not compete with the later, because river transport was of a great significance in Iraq.
The river transport contributed in the economic development of Iraq to a great extent.

In India, the land and water transport had a great importance until the first half
of the 19th century. However, after the establishment of the railway in India in 1853,
the road transport became less important and railway dominated the foreign trade and
internal trade of India, as it provided a nation-wide network in India. The British
governors paid considerable attention toward the development of railway and spent
huge funds for the establishment and extension of railways connecting various places
in the country, which in turn, created a direct access to different ports. This facilitated
the transportation of the goods for shipment from distant areas to the port.

The first railway track between Bombay and Thana was brought in use in the
year 1853. Even though the British claimed that the railways were not built for
commercial purposes, however, the very map of the railway lines refuted this
argument. Railway not only reduced the cost of cartage but it was also the main
source of draining out India’s wealth. The construction of railways was not taken up
by the government. Rather the tracks were built under the system of guaranteed
interest on the capital invested for railway construction by private English companies,
it was known as private enterprise at public risk during 1849 to 1858. However, the
development of railways could not help to develop a modern industrial infrastructure
in India. The Indian railway was the result of a vast European scientific movement.
The economic implications which inspired the British to launch the movement in
India were obvious. It was one of the most memorable enterprises of the British in
India. It opened a new industry age and broke down the static character of the
economy. Railway made the population mobile and revolutionized the means of
transport and modes of trade and commerce beyond the economic purposes. The
railways proved as a potential instrument for social liberalism and national unity.

The third pillar of the economy of both countries was the trade. The geographical
location of India was important in the development of trade relations with all countries of the world, specially with the European countries, which led to the increase of trade.

In Iraq, trade was an important source of the economy. The trade, whether it might be internal or foreign trade, because of transit and geographical location, the trade played a more important role in activating the industrial and commercial activities in the country. The trade consisted of the import and export of Iraq, which was based on several stages as follows:

1. In 1869, the opening of the Suez Canal made the biggest impact in widening the scope of the trade in Iraq. It facilitated the access to foreign ships, particularly the British ships at the port of Basra to export, import and transportation of cargo.

2. The Ottoman government policy was to hinder to the development of trade in Iraq. At the same time, Iraqi tribes also played a negative role in the activity of internal trade because they used to take money from the ships travelling through their regions.

3. Ground and river transport helped to flourish trade in Iraq.

4. The weakness of agricultural and industrial production in Iraq was on the prosperity of trade movement by increasing the import of goods.

5. After the mid-nineteenth century to the earlier period of twentieth century, trade in Iraq was in volatile condition. The reasons were: 1. the adoption of traders on market supply and demand 2: The hesitated policy of the Ottoman governors of Iraq to prevent the export sometimes and allow it again. 3: Customs duties imposed by Ottoman government were not justified, which was imposed to meet the expenses of the war against Russia, which forced the traders to abandon the export and import.

- During the second half of the 19th century, the Suez Canal was opened in 1869. The opening of this canal resulted in the increase of volume of trade between India and England. Development of transport and communication, particularly the railways, had significant impact on economic condition of India, which was in favour of British rulers. On the other hand, the Indian markets were flooded with British manufactured goods and Indian industries were wiped out during 1860 to 1900. The value of import of Manchester cloth into India increased from 96 lakh sterling to 27 crore sterling. This deindustrialization of Indian industry resulted in overpressure on agriculture and decline of dependence on industry. The railways ended the
geographical isolation of Indian territories and self-sufficient economy of Indian villages. At the same time, they emphasized on the commercialization of agriculture. The peasants were forced to produce agricultural produce for markets instead of producing simply for home consumption. However, the commercialization of agriculture did not benefit the peasants since much of the profit went to the middlemen. The ruin of indigenous industries destroyed the balance of Indian economic life. Backward agriculture alone could not sustain the people. There were many problems in the field of agriculture. Agriculture was ruined because of the overburden of taxation. Due to indebtedness, the ownership of land went in the hands of non-agriculturist moneylenders, who did not take interest in the improvement of agriculture. By 1911, the total rural department was estimated at 300 crore rupees. Improvement of agriculture became impossible because of division of land holding and poverty.

It can concluded that the British rulers after taking over the overall control of Indian territory from the East India Company in the second half of the 19th century, the British empire had concentrated fully on the development of their own industries in Britain. It used Indian land, people and resources as supporting factors for the development of its industry. Exploitation of India was inevitable as the British grew in power and control over India. Thus, even though the British government made some important development in India, those were not aimed at the development of India or Indian people. Rather, it focused on and made with the sole purpose the development of their own industries.

-India had been a major player in the world export market for textiles in the early years of 18th century. However, by the middle of the 19th century, it had lost all of its export market and much of its domestic market. India produced about 25 per cent of world industrial output in 1750. This figure had fallen to only 2 per cent in the year 1900.

The collective impact of British Colonialism was:

- Every year the wealth and resources of India began to drain out; and as England became richer, India grew poorer.
- The decline of India’s traditional handicrafts and village industries, and agriculture became the only source of sustenance to the Indians.
- During the first phase, the mercantilist phase, from 1757 to 1813, the East
India Company completely monopolized trade. British began to plunder India’s wealth by influencing the prices of Indian finished goods for exports to England and Europe.

- With the second industrial boom in England, India entered the second phase of classic British colonialism, viz., Free Trade Industrial or Mercantile Capitalism (1813-1858).
- During this phase, India was converted into a free market for the industrial goods manufactured by British and a source of raw materials to be exported to England.
- The third stage of British colonialism was known as Finance Capitalism which began after 1860.

And thus a country which was famous for its richness, wealth and prosperity soon became a poor country, which had to struggle to survive.

- The British East India Company established their first trading center at Surat, Gujarat in the year 1612. This was according to the ‘deed of right’, which Mughal Emperor Jahangir granted to them. The British East India Company's evil designs, cruelties, opportunism and greed had caused a general feeling of widespread dissatisfaction and anger in various parts of India. As a result, attempts of revolts were made in many parts of the country. But most of them were irregular, under-equipped and unorganized. The Sannyasi Revolt (1763-1800), the Zamindar Revolt of Orissa (1804-1817), The Resistance Rebellion (1790-1805) of Tamil Nadu, under the leadership of Kattabomman and others, the Resistance War pursued by Veluthampi Dalawa of Travancore and Paliyathachan of Kochi (1809), the guerilla operations of Pazhassi Raja Kerala Varma (1773-1797), The Kurichay Revolt (1812), the Mysore Rebellion (1800-1831) etc., were the attempts of rebellion made at different times. There were a number of rebellions in Maharashtra against the British rule. In Uttar Pradesh, and Haryana, the Jats organized forceful rebellions. These sparks of protests and anger flared up in the form of a great whirlwind of a movement which was called 'the First Struggle for Independence' (1857). However, the Company continued to control the trade in India specially after establishment of the railway during the second half of 19th century.

- During the second half of the 19th century, Iraq and India witnessed structural transformations that affected the communities in both countries and took them from
the historical stage to more advanced state. Consequently, the economic and social transformations took place, and there was an emergence of new social groups, such as the bourgeoisie and the category of workers, whose role became significant in the subsequent development of the societies as well as the growth of the press, modern education. Further, there were some external factors and influences of west, especially British, whose role was clear in this transformation. Accordingly, it resulted in economic and social developments along with their interaction with political factors, which caused an emergence of a new category of educated Iraqi intelligentsia. The result was that the students from civilian and military personnel joined the college in Baghdad and Istanbul, the army officers and civil servants graduated from colleges and high schools of Ottoman Empire. A new class of lawyers and doctors emerged, and the writers interacted with a new society. Furthermore, it crossed the educated class (Alintelgesaa) and a fully new class had emerged with their ideas, desires and ambitions in partisan activities, the press and literary work.

The newly emerged Alintelgesaa class expressed their ideas within the framework of the Ottoman Empire until the revolution of Unionists in the year 1908. This was responsible for the creation of significant changes in the relationship between the nationals of the Ottoman Empire and their status. After the Osafaroa in the year 1909, their ideas in the Turanian, Turkification and central led to the separation of the majority of the educated class and called for action within the framework of the Arab world in particular.

- The press and associated class might also have developed during this period. There were three items from the press, the first was owned by the parents of the Dominicans, the second was owned by the government, and the third was private newspapers. The newspaper made available to the learners to express their thoughts, desires and aspirations for reform based on western institutions. In Iraq, the goal of the schools was to provide elements of modern education and make the Ottoman army and civil administration aware of education. But the Ottoman army and civil administration did not give more importance to education. However, it took decision about the establishment of these schools in urban areas inhabited by about one fifth of the population in Iraq. This led to an increase in literacy rate from 1% in 1869 to 10% in 1914. These developments in literacy level reflected in the structure of Iraqi society. On the eve of the outbreak of the First World War, the majority of military officers
and civilian personnel in Iraq had come from the local population. However, in India, the goal behind the establishment of these schools was to create a layer of educated people having loyalty to the British government.

- The external factors stimulated the internal structures of Iraqi and Indian societies and that had a crucial impact during this historical period. Iraq witnessed the movement of Ottoman reforms (regulation). An emergence of an elite Iraqi class responded to the change, and the desire of a good number of segments of Iraqi society seems to enlarge such change. In particular, the educated class, merchants and enlightened sheiks who represented clans for a long time represented modern Iraqi society. Besides the communication among these groups and the mutual impact on each other, all these factors had contributed in one way or another to influence these developments positively. India witnessed revolution of 1857, which had a significant impact on social structure of the country. It finally contributed in raising the awareness of cultural and political development along with the national movement in the country, which contributed to the emergence of a class of politicians who worked hard to lead the country in the early of 20\textsuperscript{th} century.

- The education was one of the most important developments in the Iraq after 1857. Before the era of Medhat Pasha, the educational institutions were confined to retatatib, and schools of Islamic, Christian and Jewish religious education, varied in its functions and characteristics. However, after 1869, primary schools and high-secularism appeared in Iraq, which followed the curriculum of the educational system of France. These schools were run by the Ottoman government, as a way to contain the subjects of the Ottoman Empire with their different sects , Moreover, the Ottoman Empire provided the staff to run the institutions, which had undergone some special update. These schools focused particularly on the humanities, languages, literature and history.

In India, The education was an important step in the development of Indian society. By opening and expanding the English schools in India, the British contributed to raise the awareness of the cultural and political status of people in the country. Further, they increased the number of newspapers and magazines. Moreover, they translated and published books in the country. In addition, associations concerned with women's liberation were established, as well as the English language was introduced in the curriculum as an official language of the country.