The Princely State of Mysore was formed after a prolonged struggle with the British, through a series of treaties. After the defeat of Tippu Sultan of Mysore in 1799 in the fourth Mysore War, a treaty called the "Subsidiary Treaty" was signed and it was in a way different from other subsidiary treaties in that it contained a clause that Mysore could be taken over by the colonial authorities at any time without prior warning. Though the British Paramountcy handed over Mysore to a Princely family of Wodeyars in 1799, they continued to wield their influence on the local politicians to nurse their commercial interests through their British East India Company. The British introduced administrative reforms, and in the process patronised a professional bourgeoisie class of their clan. They even centralised the whole bureaucracy. A handful of British officers were employed in the administrative service and assigned the task of protecting His Majesty's interests within the State and increasingly involving the state into the mainstream of Imperial British politics. Many of the reforms and administrative manipulations which the British imposed on the Princely state had a motive behind them. They were carefully planned to increase the powers of the Durbars in controlling the local henchmen, but not of the Prince himself.

In order to curtail the raising of the localised aristocracy, the British introduced Pro-British agents, in the form of coffee planters in Mysore. To oversee them, British Superintendents were appointed to protect their interests in the coffee growing districts, covering Malnad taluks of Hassan and Kadur.
Further, these European planters were to act as catalyst, for future changes that were legislated in Mysore. The bureaucratisation in Mysore's politics was slow. In the beginning, all the public services were started by 'borrowing' talents, and importing administrative skills from the neighbouring Madras Presidency. Gradually, this practice caused political predicament, in Mysore's politics, leading to the cleavage between Madrasi brahmins and Mysore brahmins, and paved the way for the outcry of "Mysore for Mysoreans".

Then started the commercialisation of agriculture by the British. Railways were promoted and given importance to achieve this objective. Though British regiments mainly travelled in trains those days, huge marketable surplus of the agricultural produce was transported by the railways to the urban centres. There was a great demand for the products in overseas market. The trade was freed from the vexatious transit duties so that goods could pass on to the neighbouring markets more freely than before. The British monopolised the trade in salt, tobacco, etc., in such a way that all profit went to fill only their coffers.

The economic development in the state was hampered because, there was no capital investment and Mysore, being a land locked country was cut off from the sea coasts entirely and was dependent for its supplies entirely on neighbouring presidency towns. The destination of export and import was marked out to serve colonial interests. Administrative reforms were such that they were the resources which a professional bourgeoisie could use in strengthening the British interest, because princely states were more akin to British crown rather than to British Indian Governments.
Princes were often and again, pressurised to put down the congress ideologies being spread into their states. The system of land holding, taxation, credit and marketing, etc served only the British colonial policy instead of serving the local interests.

The emergence of East India Company from a trading company into a big political power, with heavy territorial ambitions, was thus sponsored, by subduing these princely states, first by military conquest, then by enforcing a Subsidiary Treaty. Mysore was restored to the Hindu Prince in 1881, not because, there was liberal political ideologies in England but because they thought Mysore’s sources could be tapped, more tangibly through indigenous agency, and less through a costly, British-managed bureaucracy. Mysore’s quest for internal autonomy was started only after 1881. This process of State formation took place in subordination to and in conflict with the colonial power. Mysore was a semi-autonomous state, interference from the Imperial Government was more frequent. In analysing these factors, an attempt has been made here to look at primarily the agrarian question, the policies pursued and how they effected mysore’s resource mobilisation, her economic development and later on how these economic changes brought about changes in social structure.