

between a money tax and a predominantly subsistence economy had major negative consequences on the peasants. The most notable and serious of which was the reversion to increased borrowing from and a dependence on moneylenders in order to pay the tax in contrast to the WWI period when most peasants paid off their debts. The increased indebtedness led, in many cases, to the peasants having no choice but to sell their land.

This forced attempt at monetization was not simply an intensification of the increased monetization of the economy that started during the Ottoman period as discussed in Chapter 2. It was qualitatively different.

The qualitative difference between monetization during the Ottoman period and the British period and its impact can be seen in three interconnected ways. First, the gradual, during Ottoman times, versus the abrupt nature of monetization during British rule. The latter meant that there was no time allowed for adjustment to new conditions on the part of the peasants. This proved to be very disruptive as peasants increasingly turned to moneylenders for more borrowing, thus becoming more dependent on and more indebted to the latter. As mentioned earlier, this led to many peasants having to sell their land, especially in years of bad harvests in order to pay their debts.

Second, monetization during Ottoman times was primarily associated with the import and export trade, and basically confined to urban areas. This is not to say that money did not circulate in rural areas, which it did, but that it was not essential for the working of the agricultural economy and was limited in scope.