



Modern Indian History Series

Revolt of 1857 : Economic and Social Causes

Dalhousie | Modern Indian History | UPSC

Land Revenue | Handicrafts | Drain of Wealth | Social Fears | Greased Cartridges

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Economic Causes of the Revolt of 1857

How exploitative revenue, trade, and annexation policies fuelled mass anger

1. Exploitative Land Revenue Policies

Three major revenue systems were introduced — different in structure but identical in effect: **high demands**, **strict collection**, and mandatory **cash payment on time**.

System	Region	Introduced
Permanent Settlement	Bengal	1793
Ryotwari	Madras & Bombay	Early 1800s
Mahalwari	North India	1830s

Farmers borrowed to pay revenue. Debt grew. On failure, **land was auctioned** and cattle seized. Villages filled with fear. Crucially, **many sepoys came from these same villages**, carrying rural anger into the army.

2. Destruction of Indian Handicrafts

Indian markets were **flooded with cheap British machine-made goods**, especially cotton. Local weavers and craftsmen could not compete. Whole **weaving towns declined** and skilled families became

jobless.

These angry, displaced groups were ready recruits when rebellion started.

3. Rise of Moneylenders & the Debt Trap

Cash revenue meant **routine borrowing** at heavy interest. Debt became permanent. **British courts** favoured moneylenders (who had written contracts) over peasants (who did not). Court orders came, police enforced them, **land was auctioned**.

The farmer felt he was losing not to one person but to an entire system.

Many sepoys were sons of this same rural society — they carried deep resentment into the cantonment.

4. Drain of Wealth

India's wealth was systematically transferred to Britain — Company profits remitted abroad, officers drawing high salaries from Indian revenue, pensions paid from India but spent in Britain, and all war and administrative costs charged on India.

CHANNELS OF DRAIN

Company Profits	Remitted to Britain from Indian trade and revenue
Salaries & Pensions	Earned in India, spent in Britain

War Costs	Military expenditure charged entirely on Indian revenue
Admin Expenses	Bureaucratic costs of running the colonial system

Educated Indians recognised the pattern: **India earns, but does not keep its earnings**. This created steady middle-class anger.

5. Cash Crop Stress

The colonial economy forced crops suited to British trade. **Indigo** — peasants in eastern India were pushed into contracts at low rates; farmer bore the risk, planter took the profit. **Opium** cultivation was similarly controlled in Bihar through Company agents.

Villages became tense and trapped — not just poor.

6. Dispossession of Rural Elites (Awadh)

Awadh's annexation (1856) weakened **taluqdars** — local power centres who maintained retainers, gave jobs, and supported many dependents. Many lost estates, revenue rights, and authority. **Thousands became insecure at one stroke**. In 1857, these displaced taluqdars became ready leaders of rebellion.

7. Disruption from Annexations

Every annexation caused cascading damage — royal courts shrank, offices closed, state soldiers **disbanded**, and servants, clerks, artisans all lost income.

This is why Jhansi and Awadh became so explosive — the old setup collapsed, creating a large frustrated crowd ready to support rebellion.

THE ECONOMIC PICTURE

Heavy revenue pressure → Debt and court humiliation
→ Job loss in towns → Sudden shocks after annexations. And the army was drawing men from this same society.

Social Causes of the Revolt of 1857

How fear of conversion, cultural arrogance, and army grievances built explosive suspicion

1. Fear of Conversion & Loss of Religious Identity

Missionary activity was increasing — churches and Christian preaching spreading. Many Indians felt the Company was **supporting this indirectly**. Suspicion grew that the British were not just ruling India but **trying to change India**.

2. Interference in Social Customs

Suspicion deepened due to specific British laws:

Year	Law / Reform	Impact on Public Mind
1829	Ban on Sati	Government entering personal/religious life
1850	Religious Disability Act	Believed to protect property after conversion — making conversion “easier”
1856	Widow Remarriage Act	Government interfering in customs again

Ordinary people saw one pattern: **the government is entering our personal and religious life**.

RELIGIOUS DISABILITY ACT, 1850: Many believed it protected property rights even after conversion. People felt the British were making **conversion easier and safer**. Whether that was the real intention or not, the **suspicion became real in public mind**.

3. Cultural Arrogance & Daily Insult

British officials treated Indians as **inferior** — visible in tone, treatment in offices, and separation in public spaces. This **constant humiliation** created deep anger among educated Indians and soldiers alike.

4. Fear of Western Education & New Ideas

English education was spreading. **Conservative groups feared it would weaken old values** and traditional authority. Priests and scholars felt their social position threatened. Emotional support for revolt came from those who **feared cultural loss**.

5. Social Causes Inside the Army

Sepoys followed **caste and religious rules strictly** — food, purity, rituals. These beliefs were **not respected** in daily army life. Discipline felt like insult.

Orthodox sections feared **“pollution” and loss of caste boundaries** from railways, travel, and mixing. British rule was increasingly seen as a force that would

break old social boundaries.

6. The Immediate Trigger: Greased Cartridges

THE GREASED CARTRIDGE CONTROVERSY

The new **Enfield rifle cartridges** were believed to be greased with **cow fat** (unacceptable to Hindus) and **pig fat** (unacceptable to Muslims). The cartridge had to be **bitten open** — making it feel direct and forced.

7. Rumours & Atmosphere of Distrust

By the 1850s, the air was thick with distrust. Rumours about conversion, cartridges, and secret British plans **spread rapidly**. The British dismissed these fears rather than addressing them. When the spark came, **people reacted without waiting for proof**.

THE COMPLETE PICTURE

Economic pressure made society angry. **Social fear** made society suspicious. **Annexations** made many groups insecure. Sepoys came from this same world. So when the army spark happened in 1857, it did not stay inside the cantonment — it spread into towns and villages very fast. The revolt looked sudden, but the causes had been building for years.

SUMMARY

Quick Revision — All Key Points

Land Revenue Policies

Permanent Settlement (Bengal), Ryotwari (Madras/Bombay), Mahalwari (North India). High demand, strict cash collection. Debt, land auction, cattle seizure. Sepoys came from these villages.

Handicrafts & Moneylenders

British machine-made goods destroyed Indian weavers. Cash revenue forced borrowing at heavy interest. Courts favoured moneylenders. Farmers felt they were losing to a whole system.

Drain of Wealth & Cash Crops

India's earnings flowed to Britain: profits, salaries, pensions, war costs. Indigo and opium cultivation exploited peasants. Village life became unstable and trapped.

Taluqdars & Annexation Shock

Awadh annexation (1856) displaced taluqdars — local power centres. Every annexation shrank courts, disbanded soldiers, destroyed livelihoods. Created ready rebel leaders.

Fear of Conversion & Social Laws

Missionaries active. Religious Disability Act 1850, Ban on Sati (1829), Widow Remarriage Act (1856) seen as government entering personal/religious life.

Cultural Arrogance & Army Grievances

Racism in daily life. Caste/religious rules disrespected in army. Fear of "pollution" from railways and mixing. Western education threatened traditional authority.

Greased Cartridges & Rumours

Enfield cartridges greased with cow/pig fat — bitten open. Direct religious offence. Rumours spread fast. British dismissed fears instead of addressing them.



The Core Takeaway

Economic pressure (revenue, debt, job loss, drain of wealth) made society angry.
Social fear (conversion, cultural arrogance, caste anxiety) made society suspicious.
Annexations made entire communities insecure.

When the **greased cartridge** spark came, the revolt did not stay in the cantonment — it spread into towns and villages instantly. The causes had been building for years.

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NEXT IN THIS SERIES

Episode 3: The Revolt Unfolds — Key Events & Centres of 1857

From Meerut to Delhi, Kanpur to Lucknow — how the revolt spread, who led it, and how the British fought back.