UNIT 1 IMPERIALISM AND COLONIALISM: A THEORETICAL PERSPECTIVE

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1.0 OBJECTIVES
This Unit presents a broad discussion of the phenomenon of imperialism and colonialism and tries to show how this can be helpful in understanding the basic features of historical development in India under the British colonial rule over a period of two centuries.
After going through this Unit you will be able to learn:
- what is colonialism, its nature and its various stages,
- the links between colonialism and the world capitalist system, and
- how under colonialism the Indian economy and society were completely subordinated to British economy and political control.

1.1 INTRODUCTION
Imperialism refers to the process of capitalist development which leads the capitalist countries to conquer and dominate pre-capitalist countries of the world. Under this head, we deal with the development of capitalism in advanced capitalist countries, the mutual relations among advanced capitalist countries, and the subjugation of pre-capitalist countries by a capitalist country (also described here as metropolis or metropolitan country). More narrowly, the term imperialism is used to denote or describe the relations of political and economic domination between metropolis and the country it subjugates or dominates.

The country which is so subjugated by a metropolitan capitalist country is described as a colony, and what happens in a colony is colonialism. The total system of imperialist domination of a pre-capitalist country is colonialism. The study of imperialism and colonialism is closely co-related and, in a way, we shall be discussing both. But here we shall concentrate more on the study of colonialism while leaving major aspects of imperialism to be taken up in the study of development of capitalism.

1.2 COLONIALISM: VARIOUS VIEW POINTS
What does colonialism mean? Is it merely the political control by one country over another, or does it indicate a process of economic subordination of one country to another? The understanding of colonialism has varied from one scholar to another. In this section we will introduce you to various viewpoints on colonialism as well as other related aspects:

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One view represented by a large number of sociologists, political scientists and economists is that colonial society was basically a traditional society or, in other words colonialism retained basic socio-economic elements and structures of pre-colonial society. Post-colonial societies then begin the task of modernisation from a traditional socio-economic structure. Many others see colonialism as representing a transitional society, that is, a society which was being transformed economically, socially and politically from a traditional, pre-colonial society into a modern capitalist society. They believe that, given enough time, colonialism would have succeeded in the task if it had not been overthrown.

Still other writers hold that colonialism produces a dualistic society in which one sector is modern and capitalist while another sector is traditional and pre-capitalist. The two sectors exist side-by-side without either being strong enough to overwhelm or overthrow the other. Some writers have followed a more radical version of the dualistic model. According to them colonialism begins the task of modernisation but fails to complete it giving up the effort half-way. This leads to 'arrested growth' of the colonial economy and society. Thus the semi-feudal features of agriculture are seen as remnants of the pre-colonial period. Colonialism is accused of preserving these semi-feudal features or, at least, of failing to uproot them.

Many writers see colonialism as nothing more than political domination or foreign political rule. The weaknesses of colonialism are seen as weaknesses of policies followed by individual colonial administrators.

1.2.1 Nature of Colonialism

Colonialism produced a society which was neither capitalist as in Britain nor was it pre-colonial or pre-capitalist. Thus, for example, India under British rule neither resembled capitalist Britain nor was it basically similar to Mughal India. The development of agrarian relations in the colonies — in India, or Egypt, or Indonesia — makes this aspect quite clear. For example, landlordism in both zamindari and ryotwari areas of British India was something new; it did not exist in Mughal India. It was the creation of British rule. It was the result of the colonial rulers' efforts to transform Indian agriculture. Indian agriculture was not capitalist but it had many capitalist elements; for example, property relations were capitalist; land was now a private property which was freely bought and sold on a large scale.

In fact, we can say that the colonial societies underwent a fundamental transformation under colonialism. They were made an integral part of the world capitalist system. For example, colonialism in India was as modern a phenomenon as industrial capitalism in Britain — the two had developed together since the middle of the 18th century. Capitalism was, by its very nature, a world-system — that is, it must cover the entire world; but it does not cover the entire world in the same way:

- It has one face in the metropolis and another in the colonies. It develops the metropolis as a modern industrially developed country, it underdevelops the colony.
- The same capitalist process which produces economic development in the metropolis and makes it an advanced capitalist country produces and maintains underdevelopment in the colonies and transforms them into colonial societies.
- Colonialism uproots old society and economy, but the new colonial society and economy are as much a barrier to modern economic development as are the old, pre-capitalist economy and society.

A colony is integrated into — or made a part of — world capitalist system, but without taking part in industrial revolution or the development of capitalist production. Colonialism in fact blocks the development of modern capitalism in the colonies.

1.2.2 Impact on Colony

You would like to know the essential features of Colonialism. Basic to colonialism are two features:

i) One is the complete subordination of the colony to the needs of the metropolis or the imperialist power and,

ii) Second is economic exploitation of the colony or the appropriation of the colony's economic surplus by the metropolis.
The economic surplus in the colony is produced in many different ways, from traditional agriculture to plantations to modern mining and factory production. But the essence of colonialism is appropriation of this surplus by various classes of the imperialist country. Subordination means that the basic issues of the colony's economy and social and political development are not determined by the colony's own needs but by the needs and interests of the metropolitan economy and of the metropolitan capitalist class.

Colonialism is thus much more than political control or colonial policies. It is best seen as a structure. Colonial interests and policies, colonial state and administrative institutions, colonial culture and society, colonial ideas and ideologies, all function within the framework of colonial structure.

Check Your Progress 1

1) Which of the following statements are right or wrong? (Mark V or X).
   i) India under British rule resembled capitalist Britain.
   ii) Capitalism, by its nature, is a localised phenomenon.
   iii) Colonialism obstructs the economic growth of a colony.
   iv) Indian agriculture had some capitalist elements before India became a colony.

2) Discuss in about ten lines the main features of Colonialism.

1.3 STAGES OF COLONIALISM

Colonialism is not one continuous phenomenon or unified structure. Colonialism goes through several stages. The subordination of the colonial country and its exploitation remain constant but the forms of subordination and exploitation undergo changes over time from one stage to another. These changes are linked to several factors. For example:
- the historical development of capitalism as a world system,
- the changing patterns of the individual metropolitan (or imperialist) country's economic, social and political development,
- the changing position it occupies in the world system,
- and the colony's own historical development.

Colonialism may be divided into three distinct stages which were related to distinct forms of exploitation or surplus appropriation. Consequently, each stage represented a different pattern of subordination of colonial economy, society and polity and therefore, different colonial policies, political and administrative institutions, ideologies and impact as also different responses by the colonial people.

Stages of colonialism for different colonies are not bound by the same time horizons. Different stages occur in different colonies at different times, that is, different stages occupy different periods in different countries. But the content of a stage remains broadly the same whenever and wherever it may occur. We should also note that a stage of colonialism does not occur in a pure form, nor is there a sharp and complete break between one stage and another. Forms of surplus appropriation or exploitation and other features of colonialism from earlier stages continue into the later stages. Different stages are, however, marked by distinct dominant features — there is a qualitative
change from one stage to another.

Basic features of colonialism and its different stages can be illustrated from the history of colonialism in modern India. This is especially so because historians agree on treating India as a classic colony. The basic character of British rule did not remain the same through its long history of nearly 200 years. The changing pattern of Britain's position in the developing world capitalist economy led to changes in the nature of British colonialism in India, that is changes in forms of exploitation and consequently in colonial policies, impact and Indian response. The last two aspects, that is, impact of colonialism on India and the response of the Indian people will be discussed in other units. Colonial policies will also be discussed at length later in other units. But we will now discuss the basic features of colonialism in India during different stages as also the reasons for transition or change from one stage of colonialism to another.

1.3.1 First Stage

This is described as the Period of Monopoly Trade and Direct Appropriation (or the Period of East India Company's Domination, 1757-1813). During the last half of the 18th century, India was conquered by a monopoly trading corporation — the East India Company. The Company had two basic objectives at this stage.

i) The first was to acquire a monopoly of trade with India. This meant that other English or European merchants or trading companies should not compete with it in purchase and sale of Indian products. Nor should the Indian merchants do so. This would enable the East India Company to buy Indian products as cheaply as possible and sell them in world markets at as high a price as possible. Thus Indian economic surplus was to be appropriated through monopoly trade.

The English competitors were kept out by persuading the British Government to grant the East India Company through a Royal Charter a monopoly of the right to trade with India and the East. Against the European rivals the Company had to wage long and fierce wars on land and the sea. To acquire monopoly against Indian traders and to prevent Indian rulers from interfering with its trade, the Company took advantage of the disintegration of the Mughal Empire to acquire increasing political domination and control over different parts of the country. After political conquest, Indian weavers were also employed directly by the Company. In that case, they were forced to produce cloth at below market prices.

ii) The second major objective of colonialism at this stage was to directly appropriate or take over governmental revenues through control over state power. The East India Company required large financial resources to wage wars in India and on the seas against European rivals and Indian rulers and to maintain naval forces, forts and armies around their trading posts, etc. East India Company did not possess such resources and the British Government neither possessed nor was it willing to use them to promote the Company’s interests. The much needed financial resources had, therefore, to be raised in India from the Indian people. This provided another incentive to make territorial conquests in India.

Financial resources had to be raised in India for another reason. Indian money was needed to purchase Indian goods. This could be acquired either by sale of British goods in India or by export of gold and silver to India. The first method was barred because the British produced hardly any goods which could be sold in India in competition with Indian products. British industrial products could not compete with Indian handicraft products till the beginning of the 19th century. British Government, heavily influenced by merchantalist theories, was also unhappy with the export of gold and silver from Britain. Appropriation of government revenue would also, of course, increase the profits of the East India Company and dividends of its shareholders. Both the objectives — the monopoly of trade and appropriation of government revenues — were rapidly fulfilled with the conquest first of Bengal and parts of South India and then over the years of the rest of India. The East India Company now used its political power to acquire monopolistic control over Indian trade and handicraft products. Indian traders were gradually replaced and ruined, while the weavers and other craftsmen were compelled either to sell their products at uneconomic rates or to work for the Company at low wages. It is important to note that at this stage there was no large scale import of British manufactures into India; rather the reverse occurred, that is, there was increase in export of Indian textiles, etc. The weavers were, for example, not ruined at this stage by British imports but because of the Company's monopoly and their exploitation by being forced to produce for the Company under uneconomic conditions.
With political conquest, the East India Company acquired direct control over the revenues of the Indian states. Moreover, both Company and its servants extorted illegally immense wealth from Indian merchants, officials, nobles, rulers and zamindars. In fact, this element of plunder and direct seizure of surplus was very strong in the first stage of colonialism. Gradually, large number of highly paid British officials were appointed in India and their salaries and pensions became a form of surplus appropriation. There was intense struggle within Britain, especially among the aristocracy and the landed gentry, for British appointments in India.

An important feature of colonialism during this period was that no basic changes were introduced in the colony in administration, judicial system, transport and communication, methods of agricultural or industrial production, forms of business management or economic organisation (except for the Permanent Settlement in Bengal which really belonged to the second stage of colonialism). Nor were any changes made in education or intellectual field, culture or social organisation. Only two new educational institutions were started — one at Banaras for Sanskritic learning and other at Calcutta for Persian and Arabic learning. Even the Christian Missionaries and British capitalists, who might have acted as a channel for the import of modern Western ideas, were kept out of British possessions in India. The only changes made were:

i) in military organisation and technology which contemporary independent Indian rulers were also introducing in their armed forces, and

ii) in administration at the top of the structure of revenue collection so that it could be made more efficient and diverted to the Company.

At this stage, British rule was not very different from traditional Indian empires which too relied on land revenue collection.

Why was this so? Why were so few changes introduced? Because the two basic objectives of colonialism at this stage did not require basic socio-economic-administrative changes in India. Colonialism of the first stage could be superimposed over its existing economic, cultural, social and political structure. Also the British rulers did not feel the need to penetrate the villages deeper than their indigenous Indian predecessors had done so long as land revenue was successfully sucked out through the traditional machinery of revenue collection. There was therefore no need to disturb India's existing economic or political structure, or administrative and social organisation, or cultural and ideological framework.

This lack of change was also reflected in the ideology of the rulers. No need was felt to criticise traditional Indian civilisation, religions, laws, caste system, family structure, etc. for they were not seen as obstacles at that stage of colonial exploitation. The need was to understand them sympathetically so that political control and economic exploitation could proceed smoothly without arousing opposition from Indians on religious, social or cultural grounds.

This period witnessed large scale drain of wealth from India. This wealth played an important role in financing Britain's industrial revolution. Drain of Wealth from India constituted 2 to 3 per cent of Britain's national income at the time.

Check Your Progress 2:

1) Discuss the two major objectives of the East India Company in about ten lines.

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2) Which of the following statements are correct or wrong? (Mark V or X).

i) Colonialism is a continuous phenomenon with no change in forms of exploitation.

ii) The various stages of colonialism developed simultaneously in all colonies at the same time.

iii) The British Government was not willing to use its resources for the promotion of the East India Company’s interests.

iv) The Company’s servants extorted immense wealth from Indian merchants.

3) List the main features of the monopoly trade phase of colonialism in India.

1.3.2 Second Stage

This was a period of exploitation through trade and is also termed as Colonialism of Free Trade during the 19th century. Immediately after the East India Company became the ruler over most parts of India, an intense struggle broke out in Britain to determine whose interests would the newly acquired colony serve. Britain was after 1750 undergoing the Industrial Revolution. The newly developing industrial capitalists began to attack the East India Company and the forms of its exploitation of India. They demanded that colonial administration and policy in India should now serve their interests which were very different from those of the East India Company. They did not gain much from a monopoly trade in Indian products or from the Company’s control over Indian revenues. They wanted India to serve as a market for their ever-increasing output of manufactured goods, especially textiles. They also needed from India exports of raw materials, especially cotton, and foodgrains. Moreover, India could buy more British goods only if it earned foreign exchange by increasing its exports. Increasing exports were also needed to enable dividends of the East India Company and profits of British merchants and earnings and pensions of British officials to be transferred to Britain.

But what was India to export? Since the British were for years not willing to let India’s textiles be imported into Britain and later their export was no longer economic, these exports from India could consist only of agricultural raw materials and other non-manufactured goods. In other words, to suit the convenience of British industrial capitalists, British colonialism in India must enter its second stage. India must become a subordinate trading partner of Britain, as a market to be exploited and as a dependent colony to produce and supply the raw materials and food-stuffs Britain needed. India’s economic surplus was to be appropriated through trade based on unequal exchange. As a result, Britain increasingly produced and exported goods which were produced in factories using advanced technology and less labour, and in which level of productivity and wages was high. On the other hand, India produced agricultural raw materials through backward methods of production using great deal of labour leading to low productivity and low wages. This international division of labour was, moreover, not only highly unfavourable to India but was unnatural and artificial and was introduced and maintained forcibly through colonial domination.

The beginnings of the change occurred with the passing of the Regulating Act of 1773 and Pitt’s India Act of 1784 which were primarily the result of intense struggle within the British ruling classes. The East India Company was saved and given a reprieve by the French Revolutionary Wars after 1789. But the Company gradually lost ground. By 1813, when another Charter Act was passed, the Company had lost most of its political and economic power in India; the real power being wielded by the British Government which ruled India in the interests of the British capitalist class as a whole.

India could not be exploited in the new way within its existing economic, political, administrative and socio-cultural setting. This setting, therefore, had to be shattered...
and transformed all along the line. The British Indian Government set out to do so after 1813. In the economic field this meant integrating India's colonial economy with the British and world capitalist economy. The chief instrument of this was the introduction of free trade. All import duties in India were either totally removed or drastically reduced to nominal rates. Thus India was thrown open to British manufactures. Free entry was also now given to British capitalists to develop tea, coffee and indigo plantations, trade, transport, mining and modern industries in India. The British Indian Government gave active state help to these capitalists.

The agrarian structure of India was sought to be transformed in a capitalist direction through the Permanent Settlement and the Ryotwari systems. The large-scale imports and their sale in land and even more the large-scale export of the bulky raw materials and their gathering at the ports from long distances inside the country required a cheap and easy system of transport and communications. Without such a system India could not be opened to large-scale foreign trade. The Government, therefore, improved rivers and canals, encouraged the introduction of steamships on the rivers and improved the roads. Above all, during latter half of the 19th century, it encouraged and financed a large network of railways linking India's major cities and markets to its ports. By 1905 nearly 45,000 kms. of railways had been built. Similarly, a modern postal and telegraph system was introduced to facilitate economic transactions.

Many changes were now brought about in the administrative field. Administration was made more elaborate and comprehensive and it reached down to the villages and out-lying areas of the country so that British goods could reach, and agricultural products drawn from, its interior villages and remotest parts. Legal and judicial structure of India was overhauled to promote capitalist commercial relations and maintain law and order. The changes, however, related to criminal law, law of contract and legal procedures. Personal law, including that relating to marriage and inheritance, was largely left untouched since it did not in any way affect colonial transformation of the economy. Further more it was in the 1830s and 1840s, that English replaced Persian as the official language in India. Lord William Bentinck's resolution dated March 7, 1835 stated that 'the funds appropriated to education would be best employed in English education alone'.

Modern education was now introduced basically with the objective to man the new, vastly expanded administration. But it was also expected to help transform India's society and culture. This transformation was needed for two reasons; it was expected to,

i) create an overall climate of change and development and,
ii) generate a culture of loyalty to the rulers.

It is to be noted that it was around this period that many Indian intellectuals like Raja Ram Mohan Roy began to work for social and cultural modernisation for different reasons, mainly as part of national regeneration.

The second stage of colonialism generated a liberal imperialist ideology among many British statesmen and administrators. They talked of training the Indian people in the arts of democracy and self Government. Britain was at this time, the workshop of the world — it was the only rapidly industrialising country. Consequently, many in Britain believed that the pattern of trade with India could be maintained even if Britain was to withdraw its direct political and administrative control over India, so long as law and order, free trade and sanctity of business contract were maintained there. But even the liberal imperialists believed that it would take Indians a hundred years or more to acquire these virtues, and therefore, British rule should be maintained and strengthened for centuries to come.

If India's socio-economic structure was to be radically transformed, its existing culture and social organisation had to be declared unsuitable and decadent. Indian culture and society were now subjected to sharp criticism. No racialism was, however involved in this criticism for it was simultaneously maintained that Indians could gradually be raised to the level of Europeans.

The earlier forms of surplus extraction continued during this phase. This, plus the costly administration, plus the efforts at economic transformation led to a steep rise in taxation and in the burden on the peasant. Because of the constant needs of colonial administration for funds to maintain military and civil administration and for construction of railways, and its large reliance on taxation of land, which had its own limits, colonial administration suffered from constant financial constraint.
Consequently, the process of modernisation in other fields was reduced to paltry proportions.

India played a crucial role in the development of British capitalism during this stage. British industries, especially textiles, were heavily dependent on exports. India absorbed 10 to 12 per cent of British exports and nearly 20 per cent of Britain's textile exports during 1860 to 1880. After 1850, India was also a major importer of engine coaches, rail lines and other railway stores. Moreover, Indian army played an important role in extending British colonialism in Asia and Africa. Throughout this stage Indian wealth and capital continued to be drained to Britain.

1.3.3 Third Stage

This is described as the Era of Foreign Investments and International Competition for Colonies. A new stage of colonialism was ushered in India from about 1860s. This was the result of several major changes in the world economy:

i) Spread of industrialisation to several countries of Europe, the United States and Japan with the result that Britain's industrial supremacy in the world came to an end.

ii) There was intensification of industrialisation as a result of the application of scientific knowledge to industry. Modern chemical industries, the use of petroleum as fuel for the internal combustion engine and the use of electricity for industrial purposes developed during this period.

iii) There was further unification of the world market because of revolution in the means of international transport.

The new industries in many industrialised countries consumed immense quantities of raw materials. Rapid industrial development also led to continuous expansion of urban population which needed more and more food. There now occurred an intense struggle for new, secure and exclusive markets and sources of agricultural and mineral raw materials and foodstuffs.

Moreover, the development of trade and industry at home and extended exploitation of colonies and semi-colonies produced large accumulations of capital in the capitalist countries. Simultaneously there occurred concentration of capital in fewer and fewer corporations, trusts and cartels and merger of banking capital with industrial capital. Outlets had to be found for this capital. This led to large scale export of capital. Once again the developed capitalist countries began a search and compete for areas where they could acquire the exclusive right to invest their surplus capital.

Thus in their search for markets, raw materials and fields for capital investment the capitalist countries began to divide and re-divide the world among themselves.

Colonialism at this stage also served important political and ideological purpose in the metropolitan, that is, imperialist countries. Chauvinism or aggressive nationalism based on the glorification of empire could be used to tone down social divisions at home by stressing the common interests in empire. The British, for example, raised the slogan that "The Sun never sets on the British Empire" to spread pride and a sense of contentment among workers on whose slum-houses the Sun seldom shone in real life. The French talked of their "Civilising Mission", while Japan talked of Pan-Asianism and claimed to be the champion of the Asian people.

During this stage, Britain's position in the world was constantly challenged and weakened by the rival capitalistic countries. It now made vigorous efforts to consolidate its control over India. Reactionary imperialist policies now replaced liberal imperialist policies. This was reflected in the viceroyalties of Lytton, Dufferin, Lansdowne and Curzon. The strengthening of colonial rule over India was essential to keep out the rivals, to attract British capital to India and to provide it security. After 1850, a very large amount of British capital was invested in railways, loans to the Government of India, trade and to a lesser extent in plantations, coal mining, jute mills, shipping and banking in India.

India also performed another important role for Britain. Its army — men and financial resources — could be used to fight Britain's rivals in the struggle for the division and re-division of the world. In fact, the Indian army was the chief instrument for the defence, expansion and consolidation of British empire in Africa and Asia. The result
was a costly standing army that absorbed nearly 52 per cent of the Indian revenues in 1904.

Politically and administratively the third stage of colonialism meant renewed and more intensive control over India. Moreover, it was now even more important than ever before that colonial administration should reach out to every nook and corner of India. The administration now became more bureaucratically tight, efficient and extensive than earlier. Railways were built at even a faster rate.

A major change now occurred in the ideology of colonialism. All talk of training the Indian people for self-government died out. (It was revived in the 20th century after 1918 as a result of pressure from the Indian national movement). Instead, the aim of British rule was declared to be permanent ‘trusteeship’ over the Indian people. Indian people were declared to be a permanently immature, a ‘child’ people, needing British control and trusteeship. Geography, ‘race’, climate, history, religion, culture and social organisation were cited as factors which made Indians permanently unfit for self-government or democracy. Britain had, therefore, to exercise benevolent despotism over them for centuries to come.

Efforts at the transformation of India continued during this stage, though once again with meagre results. This was partly because of the financial constraints discussed earlier and also because of the rise of the national movement. Even the limited changes produced an intelligentsia which began to oppose colonialism and analyse the mechanism of colonial exploitation. The British administrators increasingly assumed a neutral stand on social and cultural questions, and then began to support social and cultural reactionaries in the name of preserving indigenous institutions.

Check Your Progress 3

1) Discuss in about 100 words the basic forms of surplus extraction or exploitation during the second and third stages of colonialism in India.

2) Which of the following statements are correct or wrong? (Mark V or X).
   i) During the Free Trade phase of colonialism in India import duties were increased.
   ii) The Railways contributed in the extension of markets.
   iii) With new challenges to British industrial supremacy its colonial policy underwent a change.
   iv) The British claimed that “the Sun never sets on the British Empire”

3) Discuss in about ten lines the efforts made by the British to consolidate their position in India in the latter half of the 19th century.
1.4 LET US SUM UP

Under colonialism, Indian economy and society were completely subordinated to British economy. The result was that during the very years after 1760 when Britain was developing into a leading capitalist country of the world India was becoming underdeveloped and turned into a classic backward colony.

1.5 KEY WORDS

**Capitalism:** An economic and political system in which property business and industry are privately owned and where competition is the mainstay of the economy.

**Intelligentsia:** That section of society whose social role is to generate and spread ideas. They can be teachers, lawyers, men of politics, arts and letters.

**Landed gentry:** People of high birth and high social status who were owners of considerable portions of land e.g. zamindars, tallukdars.

**Metropolis:** A technical term referring to a capitalist country possessing colonies.

**Mercantalist theory:** A political and economic philosophy according to which the main aim of the nation state was to maximise exports, minimise imports and accumulate as much bullion (gold and silver) as possible.

1.6 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) (i) √ (ii) × (iii) √ (iv) √
2) See Sub-section 1.2.2

Check Your Progress 2

1) See Sub-section 1.3.1
2) (i) × (ii) × (iii) √ (iv) √
3) See Sub-section 1.3.1

Check Your Progress 3

1) See Sub-sections 1.3.2 and 1.3.3
2) (i) √ (ii) √ (iii) √ (iv) √
3) See Sub-section 1.3.3