CHAPTER 2
THE TEXTILE SECTOR IN INDIA

2.1 Introduction
Textile sector in India is a sector in which the features of pre-capitalism co-exist with those of capitalism. This industry consists of mills, and more recently powerlooms in which the capitalist mode of production based on detailed division of labour has its sway. At the same time, there exists the handloom sector in this industry in which there is household production with small number of looms having rudimentary division of labour that contains the elements of petty mode of production. This is typical to a pre-capitalist economy. However, the handloom sector does not exist in isolation from the market economy. In fact, it has a linkage (vertical and/or horizontal) with the modern industry in which the complex technology and the scientific management with its recent variations can be found. The influence of the modern industry on this traditional sector and that of the government policies, more specifically, the textile policies of the government contribute to some extent to the development of this sector.

Given this background, we now describe the historical perspective of the textile industry, its condition in independent India and textile policies of the government which have a bearing on the handloom sector. This is necessary in order to develop the background of our study on the labour process of the handloom sector.

2.2 Historical Background
The handloom industry is an age-old industry of India. Its history can be traced from the ancient period. The history of the handloom industry dates back to the Epic Ages. The Gossamer silk of Varanasi, fine Muslin of Dacca and Potala of Baroda and other fabrics of Assam, Manipur, Orissa and South India have been famous for ages. Export of handwoven cloth dates back to the time of Gautama Buddha. The handloom fabrics of India occupied a priceless position in the early civilisations of Egypt, Rome and Babylon. It is well-known that from early times upto the 18th century handloom textiles of excellent quality and workmanship were exported in considerable quantities to European countries. Till the 19th century, when there were no machines for weaving, the handloom industry
was the sole supplier of cloth in the country. This monopoly came to an end with the advent of the industrial revolution (Report of Study Group on handlooms, 1965: 5).

For the larger part of the 18th century Indian cotton textiles enjoyed a cost-advantage over corresponding British or other European manufacturers.1

2.2.1 De-industrialisation Policy of the Colonial Government

The cost advantage enjoyed by the Indian cotton textiles was gradually set off by the de-industrialisation policy of the British Colonial Government over a period of century and it brought about the destruction of the handloom industry in India. The enjoyment of duty-exemption on goods transited from one place to another by the British private traders (they were the servants of the East India Company), the economic exploitation of weavers by foreign merchants and their Indian agents, and the import of manufactured cloths from England into Indian market were the main reasons for the decline of this industry. In the 18th century, the transit of goods by roads and navigable rivers was subject to inland duties in India as in other parts of the world. But the East India Company had obtained a royal order exempting the payment of these duties on their export and import trade. The victory of Palasy in 1757 raised the prestige of the British nation in Bengal. At that time servants of East India Company, those who were engaged in inland trade privately, claimed the exemption of duties which had been granted only to the company. The consequence was that while the British private traders conveyed their goods from one place to another duty-free, the goods of the country merchants were heavily taxed in the transit.

With the decline of the power of the native rulers, British merchants and their commission agents began to exercise illegitimate pressure on weavers for delivery of goods to them on a priority basis at unduly lower prices from the market. The weavers were forced to sign agreement for delivery of goods to them.

In the last quarter of the 18th century a series of inventions (steam power, spinning jenny, power loom) brought about a radical change in the British cotton textile industry which greatly increased the speed of production of cotton yarn and cloths and considerably reduced their cost of production. At that time the colonial government was reluctant to develop the textile industry in India in spite of having raw materials and manufacturing

1. ... the cotton and silk goods of India... could be sold for a profit in the British market at a price from 50 to 60 per cent lower than those fabricated in England (Bhattacharyya, 1989: 54).
skill of Indian craftsmen. Their policy was that India should be a grower of raw produce which is to be converted into manufactured goods in England. As Dutt observed, *It was not, however, the policy of the East India Company to foster Indian industries. The Directors wished the manufacture of raw silk to be encouraged in Bengal, and that of silk fabrics discouraged. And they also directed that silkwinders should be made to work in the company's factories, and prohibited from working outside "under severe penalties, by the authority of Government." This mandate had its direct effect. The manufacture of silk and cotton goods declined in India, and the people who had exported these goods to the markets of Europe and Asia in previous centuries began to import them in increasing quantities* (Dutt, 1956 : 256).

2.2.2. Emergence of Modern Sector

Development of modern industry started in India in the nineteenth century and it was dominated by the British colonial policy. The development started on two different lines. On the one hand, the struggle of traditional industries to grow from below in spite of the de-industrialisation policy of the colonial government and on the other, the imposition of modern capitalist enterprises from the above. Mining and plantation were introduced by the British from the above in the first half of the nineteenth century. After the mid-nineteenth century jute and cotton textile industries were being developed. Textile industry was the only industry where Indian capital played the vital role.²

The first cotton mill had been established in Bombay in 1851. By 1900 there were 193 mills in India. Although the weaving mills did expand their production much faster than did the handlooms throughout the period from 1900 to 1939, the handloom also experienced a slow growth. Upto the first decade of the 20th century handloom sector contributed to more than 50 per cent of the total production of cotton piece goods (Table 2.1). At this period the demand for coarse handloom cloth, cheaper family labour in production and tariff policy of the government were responsible for the profitability of this industry.

At the earlier stage of development of textile industry, the Indian mill sector concentrated in spinning rather than weaving. So, the handloom sector got a way for satisfying their demand for yarn from mill-spun yarn as opposed to hand-spun yarn. Until the first world war, Indian mill-spun yarn was either exported to China or was supplied to the handloom

². According to Morries, *the foundation of the modern cotton textile industry was laid in Western India at the same time as the jute industry was established in Bengal. But whereas the jute industry was dominated by the foreigner the cotton industry was essentially Indian in origin, largely controlled by Indian investors, and increasingly administered by native managers and technicians.* (Morries, 1983 : 572).
Table 2.1: Mill Production and Handloom Production in India

<table>
<thead>
<tr>
<th>Years</th>
<th>Production of cotton piece goods by Indian mills (million yards)</th>
<th>Handloom production of cotton piece goods (million yards)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900-1</td>
<td>420.6 (39.4)</td>
<td>646.4 (60.6)</td>
</tr>
<tr>
<td>1908-9</td>
<td>817.4 (43.4)</td>
<td>1066.1 (56.6)</td>
</tr>
<tr>
<td>1916-17</td>
<td>1606.1 (71.3)</td>
<td>645.6 (28.7)</td>
</tr>
<tr>
<td>1924-25</td>
<td>1935.9 (65.7)</td>
<td>1010.8 (34.3)</td>
</tr>
<tr>
<td>1932-33</td>
<td>2982.7 (66.3)</td>
<td>1519.2 (33.7)</td>
</tr>
<tr>
<td>1938-39</td>
<td>3905.3 (69.6)</td>
<td>1703.2 (30.4)</td>
</tr>
</tbody>
</table>


industry for its use. When duties were imposed on import of foreign cloths, import of yarn were still not subjected to any duty. The cotton piece goods produced in Indian mills were subjected to a 3.5 per cent countervailing excise duty to balance an equivalent import duty on foreign cloth from 1896 onwards. Thus handlooms enjoyed some fiscal protection both against foreign cloth and against Indian mill-made cloth and at the same time they had the advantage of getting both Indian and foreign yarn. After the first world war, the import duty was raised to 7.5 per cent, and handlooms and mills came into competition in the Indian cloth market. Probably, due to pressure from the Indian mill industry and Japanese competition, import duty was successively raised to 11 per cent in 1921 and 15 per cent in 1930. The abolition of the countervailing excise duty on mill-made cloths in 1925 and the imposition of the duty of 5 per cent on imports of cotton yarn knocked out the fiscal support from handloom industry. The increasing competition from mill cloth was aggravated by the imposition of import duty of foreign yarn from 1922. This meant that decreasing supplies of mill-spun yarn from Indian mills was combined with increasing costs of foreign yarn. By the mid-thirties the handloom industry was in great distress. The distress condition of the weavers was intensified with the exploitation of middlemen and moneylenders. They were often at the mercy of middlemen and moneylenders who supplied them with cotton or yarn and bought the cloth from them, the prices obtained for this cloth were often lower than what it really fetched in the market, which was often uncertain, and the weaver was often ignorant of market conditions (Bagchi, 1972: 221). This situation led to the formation of the Fact Finding Committee on Handlooms and Mills.
in 1940 which was expected to provide data on which rational decisions about the future development of the textile industry could be based.

Thus in colonial India, the textile industry which was developed by the handloom craftsmen declined due to the de-industrialisation policy of the British Government. The Government decreed that India should grow raw produce and import the manufactured goods from England. The discriminating tariff policy of the government enriched the British merchants on the one hand, the Indian merchants were ruined by this policy or the other. In the middle of the nineteenth century, modern textile mill industry started to develop mainly by the Indian capitalists. But the tariff imposed by the government discriminated against the Indian textile manufacturers. However, at the end of the nineteenth century the handloom sector regained some strength, thanks to the government policy. This phase continued up to the first world war. At this period it enjoyed some fiscal protection both against foreign cloth and against Indian mill-made cloth and had also the option to buy the Indian or foreign yarn. Nationalist support was also responsible to some extent for the flourishing of the handloom industry. Later on, the abolition of excise duty on mill-made cloth, imposition of import duty on foreign yarn and decreasing supply of mill-spun yarn made this sector unviable. By the mid-thirties, the industry was again in great distress due to the tariff policy of the government.

2.3 Textiles in Independent India

In the post colonial period, the textile industry continues to be one of the largest industry in our country. According to Economic Survey 1995-96, it accounts for 20 per cent of total industrial output, provides employment to 20 million people and contributes nearly 38 per cent to the total value of export. This industry consists of mills, handlooms and powerlooms. Handlooms and powerlooms are collectively known as decentralised sector. The decentralised sector constitutes the informal sector in textile industry. The major share of textile output comes from the decentralised sector (Table 2.2).

3. It occurred, may be due to the direct conflict of interests between big British and big Indian interests in textile industry; small Indian capitalist gained support in interstices of the struggle (Tyabji, 1989: 118).
Table 2.2: Production of Fabrics in Textile Industry
(In million metres)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mill Sector</th>
<th>Decentralised Sector</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950-51</td>
<td>3,401 (80.69)</td>
<td>814 (19.31)</td>
<td>4,215</td>
</tr>
<tr>
<td>1960-61</td>
<td>4,649 (69.0)</td>
<td>2,089 (31.0)</td>
<td>6,738</td>
</tr>
<tr>
<td>1970-71</td>
<td>4,055 (53.38)</td>
<td>3,541 (46.62)</td>
<td>7,596</td>
</tr>
<tr>
<td>1980-81</td>
<td>4,168 (37.93)</td>
<td>6,820 (62.07)</td>
<td>10,988</td>
</tr>
<tr>
<td>1990-91</td>
<td>2,590 (14.59)</td>
<td>15,157 (85.41)</td>
<td>17,747</td>
</tr>
</tbody>
</table>


Table 2.2 reveals that after '70-71, the mill sector has been losing to the decentralised sector both in absolute and relative terms. The share of mill sector which stood at 81 per cent in 1950-51 came down to 15 per cent in 1990-91 whereas during the same period the share of decentralised sector rose from 19 per cent to 85 per cent. The percentage share of mill sector declined sharply and the decentralised sector came to domination only in 1970's. This was mainly due to the growth of powerloom sector. The powerlooms produced textiles that were considerably cheaper compared to corresponding mill varieties. The excise duty evasion by the powerloom units and lower wage cost made this sector dominant.4

Since the output data of decentralised sector is not given individually for handloom and powerloom, it is not possible to know what is the exact share of each separately.5 However, Economic Survey 1995-96 has presented sectorwise data (Table 2.3).

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4. For a detailed discussion, see Goswami, O. (1990).
5. According to Jain, there is no system which collects data about production and employment in this decentralised sector either on a census or sample basis. The reason is not simple, a conspiracy is there. For a detailed discussion in this regard, see Jain, L.C. (1983).
### Table 2.3: Production of Fabrics (million sq. mtrs.) & Percentage Share in Output (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Mills (M)</th>
<th>Powerlooms (P)</th>
<th>Handlooms (H)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990-91</td>
<td>2589</td>
<td>16,044</td>
<td>4,295</td>
<td>22,928</td>
</tr>
<tr>
<td></td>
<td>(11.20)</td>
<td>(69.98)</td>
<td>(18.73)</td>
<td></td>
</tr>
<tr>
<td>1991-92</td>
<td>2376</td>
<td>16,089</td>
<td>4,123</td>
<td>22,588</td>
</tr>
<tr>
<td></td>
<td>(10.52)</td>
<td>(71.23)</td>
<td>(18.25)</td>
<td></td>
</tr>
<tr>
<td>1992-93</td>
<td>2000</td>
<td>17,826</td>
<td>5,219</td>
<td>25,045</td>
</tr>
<tr>
<td></td>
<td>(7.98)</td>
<td>(71.18)</td>
<td>(20.84)</td>
<td></td>
</tr>
<tr>
<td>1993-94</td>
<td>1900</td>
<td>19,631</td>
<td>5,851</td>
<td>27,472</td>
</tr>
<tr>
<td></td>
<td>(7.24)</td>
<td>(71.46)</td>
<td>(21.30)</td>
<td></td>
</tr>
<tr>
<td>1994-95</td>
<td>1779</td>
<td>20,016</td>
<td>6,180</td>
<td>27,975</td>
</tr>
<tr>
<td></td>
<td>(6.35)</td>
<td>(71.55)</td>
<td>(22.10)</td>
<td></td>
</tr>
<tr>
<td>1994-95</td>
<td>1060</td>
<td>11,535</td>
<td>3,589</td>
<td>16,184</td>
</tr>
<tr>
<td>(April-Oct)</td>
<td>(6.54)</td>
<td>(71.28)</td>
<td>(22.18)</td>
<td></td>
</tr>
<tr>
<td>1995-96 (P)</td>
<td>942</td>
<td>12,104</td>
<td>3,918</td>
<td>17,055</td>
</tr>
<tr>
<td>(April-Oct)</td>
<td>(5.52)</td>
<td>(71.50)</td>
<td>(22.98)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Economic Survey 1995-96. P: Provisional

The above data reveals that the handloom sector has contributed in the last six years on an average about 21 per cent of total textile output. The powerloom sector still maintains its domination. Availability of essential raw material at reasonable prices and a minimum level of wages are still a distant dream for handloom weavers. Practically the government support helped the handloom sector very little. The benefit provided by the government to the small scale industry (SSI) have been captured mainly by the powerloom units. One of the objectives of 1981 Textile Policy was to regulate and monitor the growth of powerloom sector. But the actual increase in the number of powerlooms have been extremely large compared to the target. The indulgence of the government's officials and

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6. The provision for fresh expansion at the end of 1984-85 over the base year was 5 per cent. But in practice the actual increase in number of powerlooms was not 5 per cent but 150 per cent, if not more. Besides, the entire 150 per cent growth was in the private sector and some in a few so-called 'powerloom co-operatives'. For details, see Jain, L. C. (1985). See also Eapen, M. (1985).
enforcement machinery were responsible for this. The textile mills also, with political and administrative complicity attempted to defeat the restriction on their output by installing *benami* (secreting the name of real owner) powerlooms which have mushroomed since the 60s. The reserved items for exclusive production on handloom have also been made by the powerlooms.

In sum, in the post colonial period the mill sector declined gradually. The handloom sector remained stagnant in a backward condition. The only sector that flourished after independence is the powerloom. It flourished partly by taking the benefits provided by the government to SSI sector and partly by taking unfair means through the violation of government's regulations and restrictions.

2.4 Textile Policy of the Government

2.4.1 Committees and Textile Policies on Handlooms

The problem of handloom industry was always there. The new government in independent India tried to take up this problem. This was mainly due to Gandhian policy. At the 1919 Congress session in Amritsar, Gandhi was able to pursue a resolution on *Swadeshi* which was the first resolution recommending a revival of the ancient industry of hand-spinning and hand-weaving. The influence of Gandhian idea of indigenous industries was also reflected in several clauses of a resolution adopted in the All India Congress Committee (AICC) meeting at Bombay, after Karachi Session in 1931. One of the clauses was of special significance in clarifying the role of textiles and other indigenous industries. This was clause 12. It stipulated that *The State shall protect indigenous cloth and for this purpose pursue the policy of exclusion of foreign cloth and foreign yarn from the country and adopt such other measures as may be found necessary. The State shall also protect other indigenous industries, when necessary, against foreign competition* (vide Tyabji, 1989 : 102). After independence, the Indian National Congress confronted the problem on development, i.e., whether it would take capitalist development strategy or otherwise. Gandhi was against wage labour in small and cottage industries. But the National Planning Committee adopted the policy of employment of wage labour in such industries. Hence the spirit of Gandhism was abandoned. Yet it retained the spirit of Gandhian concern for the less powerful and poorer sections of society. *Gandhi's advocacy of Khadi*, according to Tyabji, *as an integral part of Swaraj, and his later encouragement to village*

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8. Ibid. One of the reasons for such growth seems to be that as per the suggestion of the Karve Committee (1955), the expansion of the weaving capacity in the composite mills was restricted. It argued that growth in cloth production should be achieved by the handloom sector.
industries which were seen to be an integral part of primeval village community, had a
great deal of influence. Firstly, this produced a strong ideological movement in favour of
such industries, which was to continue long after independence, and secondly, it forced
Nehru to clarify his own position on 'village and cottage' industries (Tyabji, 1989 : 113).

A comprehensive government policy towards textile industry had been initiated in 1950s
through the formation of a Textile Enquiry Committee (TEC) in 1953. The Committee
which submitted its report in 1954, recognised the units within the industry into three
categories, namely, handloom and powerloom in the household (up to five looms),
powerlooms with more than five units and, spinning and composite mills (Table 2.4).

Table 2.4 : Structure of Textile Industry in 1953

<table>
<thead>
<tr>
<th>Productions Units</th>
<th>Workers Employed (1953)</th>
<th>Production (Million yards)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Handloom and powerloom with upto 5 looms</td>
<td>15,00,000</td>
<td>1,400</td>
</tr>
<tr>
<td>2. Powerloom units with more than 5 looms</td>
<td>50,000</td>
<td>200</td>
</tr>
<tr>
<td>3. Spinning and composite mills</td>
<td>7,50,000</td>
<td>4,800</td>
</tr>
</tbody>
</table>


The Committee recommended a phased programme of conversion of handlooms into
powerlooms and suggested that at the end of 15 to 20 years except for 50000 fly-shuttle
or throw-shuttle looms manufacturing special fabrics with an intricate body design the
entire handloom sector should be converted into improved (semi automatic) handloom or
decentralised powerloom. By planning in this manner for a phased conversion of the
handloom sector, the Committee expected that the twin objectives of maintaining employ­
ment in the short-term and securing the best possible efficiency in the long run could be
achieved. The Committee formulated a perspective on development. Essentially, it would
make a phased improvement of the handlooms on the one hand, and advances in the large
scale powerloom units using more than 50 looms on the other so that there will ultimately
be really only two sectors, namely the handloom-cum-improved handloom-cum-domestic-
cum-small scale powerloom industry and the large scale powerloom-cum-organised mill
industry (TEC Report, 1954, Vol. I : 9). Another important recommendation was that
while certain items were to be reserved for exclusive production in the handloom and
smaller powerloom sectors, other items were to be reserved for the powerloom sector as a whole. The Committee also opined in favour of handloom that the expansion of the mill industry must be only on the spinning side and that for the next 10 years or so. There should be no extension of the weaving section (TEC Report, 1954, Vol. I : 32).

The All India Handloom Board (AIHB), however, did not accept the Textile Enquiry Committee's recommendations regarding conversion of handlooms into powerlooms for the reason that it would lead to large-scale unemployment of weavers.9

The consumer demand arising from the investment expenditure of the 2nd Five Year Plan could be met substantially by the development of village and small scale industries which would require little investment on the one hand and would create employment opportunities. Keeping this objective in view a committee was set up under the Chairmanship of Mr. Karve, known as Karve Committee, 1965 to study the problems and prospect of village and small scale industries. The Karve Committee selected seven items as principal consumer goods.10 Cotton cloth was one of them. The Committee was influenced with the Gandhian philosophy.11 It recommended for the manufacture of consumer goods, the development of village and cottage and small scale units through self-employment and co-operative basis. It implied that the increased demand for cloth during Second Plan period should be met by the expansion of handloom industry, and not by the mill industry. The AIHB prepared a plan for the development of the handloom industry during the Second Plan period.12 The consequences were that the looms in the composite mills remained frozen for over two decades. However, a similar freeze could not be imposed on spinning mills, since the growth in handloom output depended on yarn supplied by these units.

In the mid-sixties the textile industry faced crisis which became very severe around late

9. It is interesting to note that the development programme for handloom industry during Third Plan period included Rs. 4 crores for the scheme of conversion of handlooms into powerlooms. (Report of Study Group on Handlooms, 1965 : 11).
10. The Committee selected seven items as principal consumer goods— (i) Cotton cloth, (ii) Woolen goods, (iii) Handpound rice, (iv) Vegetable oils, (v) Gur & Khandsari, (vi) Leather foot-wear (and tanned hides and skins) and (vii) Matches. It also selected sericulture and silk & coir industries from the stand points of providing employment opportunities especially in the rural areas.
11. Gandhi did not have any Economic Theory, yet he had an Economic Philosophy. According to his ideas, to uplift the poor, the villages should be made self-sufficient & self-reliant as far as practicable. It needs the development of agriculture and small & cottage industry. Gandhi's conception of small industry is different from what is meant by small scale industry now. He was against the employment of wage labour. For discussion on Gandhian Economics, see Datta, B.(1978), Ch. 14.
12. The Plan provided for an expenditure of Rs. 180 crores and the objective of bringing in all an additional 4.5 lakhs of handloom into the co-operative fold (Report of Study Group on Handlooms, 1965 : 9).
1974 leading to large-scale sickness among textile mills. Government's textile policy was primarily responsible for this disaster.

In 1972, under the yarn distribution scheme the government made it obligatory on all mills to supply 50 per cent of the production of yarn to the decentralised sector at reduced prices. But the mills under National Textile Corporation (NTC), private mills and cooperatives – all of them had failed to fulfil the obligation. The import duty on cotton and the excise duties on different varieties of cotton cloths were quite heavy. It ultimately made the products expensive. The government also took a scheme for supply of controlled cloth to the people. The government and the industry circles thought that the existing yarn distribution policy, duty structure, and controlled cloth scheme were the important factors for the sickness of textile industry. They felt the need for a comprehensive and integrated textile policy that could solve the problems of the industry.

In 1978, the Janata Government declared a textile policy and recommended that the textile mills need not produce controlled cloths with effect from October 1, 1978. In 1981, another textile policy was announced on the plea that the earlier policy had several drawbacks and had not provided for a steady and harmonious growth of the industry. The outline of the 1981 policy statement emphasised the need to increase production of cloth of reasonable quality at reasonable prices to meet the clothing requirements of the growing population. For the protection of handloom sector, this policy made a provision for marginal expansion of capacity in the mill sector and also a regulated expansion of the powerloom sector (not more than 5% over the base year).

In June 1985, the Government of India announced a new textile policy. The objective was same as 1981 policy.

2.4.2 The New Textile Policy
The policy of 1985 is in no way fundamentally different from the earlier policies, it is in a sense the logical culmination of the process initiated in the last decade, the underlying assumption all along being that the ills of the industry, viz., lack of demand and widespread sickness are mainly due to the absence of freer play of market forces. The protection of handlooms against unequal competition from mills and powerlooms, which is a part of our textile policy since independence, seems to be violated with the liberalisation approach of the government. The new textile policy expects handloom to depend on their own muscle power to chase away the competitors – powerloom and mill sector.
Keeping this view the new textile policy has proposed a structured framework having the following three dimensions: (a) the industry shall be viewed in terms of stages of its manufacturing process, namely, spinning, weaving and processing; (b) the industry shall be provided with fuller flexibility in the use of various fibres; and (c) the industry shall be subjected to more pragmatic policies regarding creation or contraction of capacities by units in order to increase competition and promote healthy growth in industry.

The multifibre approach in the new policy is guided by the following considerations: (a) full fibre flexibility between cotton and man-made fibre/yarn would be provided; (b) adequate availability of man-made fibres/yarn at reasonable prices shall be ensured by increased domestic production supplemented by imports; (c) fiscal levies on man-made fibres/yarn shall be progressively reduced to encourage domestic production so that the benefit flows to the consumer in the form of lower prices.; and (d) the export window shall be kept open for man-made fibres/yarn.

Regarding the handloom sector, to ensure higher earnings for handloom weavers, greater emphasis will be placed on the modernisation of looms and provision of technological and other inputs for improving productivity of handlooms and the quality and finish of handloom products. Besides, the production of mixed and blended fabrics on handlooms shall be encouraged. A Contributory Thrift Fund Scheme and Workshed-Cum-Housing Scheme to improve the working conditions of the handloom weavers will be started. The entire quantity of controlled cloth is planned to be produced in the handloom sector by the end of the Seventh Plan.

2.5 The Status of Handloom in India

From the above discussions we can summarise the position of handloom industry in India. At the pre-independence period, the textile industry in India mainly based on handloom declined by the colonial policy of the British Government. The decline was caused by the tariff policy of the government. Not only the handloom, the indigenous mill sector had also been cornered due to the tariff policy of the government. The growth that the sector achieved was perhaps due to the direct conflict of interest between the big British and big Indian industrialists in textile industry. Of course, the nationalist support also played a role for its growth. But the development in this sector had not been adequate to transform the household production into manufacturing. The colonial policy preserved the backwardness in the mode of production, and acted as hindrance to the process of transition to capitalism.
However, in independent India, with the objective of development of the textile sector, several committees were formed and textile policies were declared. In spite of specific recommendations on handlooms made by these committees and having specific provisions in each textile policy for the handloom, this sector had not yet developed. One of the reasons was that the benefit provided by the government to SSI had been mainly captured by the powerlooms. The powerloom sector had captured also the market of the mill-made cloths. In spite of higher yarn prices, the excise duty evasion and the violation of restrictions imposed by the government\textsuperscript{13} by the powerloom units with the indulgence of the government officials, and wage cost lower than the mills' helped this sector to compete with the mill sector. Many units of mill sector also captured the benefit of SSI units by installing \textit{benami} powerlooms. The powerloom units produced also the reserved items of handloom sector.

On the other hand, so far as the handloom sector is concerned, the increasing yarn prices, was a major problem to the weavers. The cone yarn (used by the powerlooms and mills) became cheaper than hunk yarn (used by the handlooms) due to favourable duty structure for cone yarn.\textsuperscript{14} As a result the handloom cloths became costlier than the powerlooms' and mills'. But the increase in cloth prices was not at all commensurate with increased yarn prices. In case of competitive products, as the products became costlier, the weavers could not chase away the powerloom and mill competitors. Also, taking the opportunity of apathy on the part of the government, the powerloom units produced illegally the reserved items of the handloom sector. In this way, the weavers were cornered in marketing their products. The situation forced the weavers to make distress sale. The problem of weavers intensified more due to the lack of bank loan facilities. Under this situation, the small weavers were forced to depend on \textit{mahajans} for yarn, credit, working capital and marketing of their produce. This dependence strengthened the socio-economic bonds between the actual producers in this traditional industry and the merchants and usurers. These bonds acted as hindrance to the development of the producers into capitalist industrialists, and as such the merchants and usurers continued to dominate this sector. As a result, the transition from pre-capitalism to capitalism in the handloom sector was not complete.

From the existence of socio-economic bonds between the direct producers and \textit{mahajans}, one may infer that the labour process remains in a transitional situation under the domi-

\textsuperscript{13} It is interesting to note that some violation of restrictions and regulations have been accommodated and legalised in the 1985 Textile Policy. For example, the complete exemption of production of controlled cloth by the mills, and allowances to capacity expansion (which was restricted to 5 per cent over the base year in 1981 Policy statement) and contraction including the closure of units have been included in 1985 Textile Policy.

\textsuperscript{14} See Krishnakumar, A.(1995).
nation of merchants and usurers in the handloom sector. But the features of the labour process under the transitional situation would remain under-focused without a proper study of the labour process under this situation and that study is possible only from a field study. We therefore plan to take up a field survey on the labour process in a situation that entails the domination of merchant and usury capital.

2.6 Handloom Sector and The Study of Labour Process

The handloom sector largely operates on a small scale depending chiefly on family labour. Because the production involves the engagement of outside labour, the features of the capitalist wage labour relation might have developed there. But the relation of wage labour which is taken as the sine qua non for capitalism may not have developed to the extent such features are visible in the mill sector and even in powerloom. Because it operates chiefly in the domain of the village economy where the semi-feudal relations still exist, the features of non-market, extra economic relations should be present in such a situation as it had been the case in West European handicraft under master-journeyman relation in a transitional situation.

However, the Indian case has its speciality. The capitalist forces (market forces) in the textile sector have developed to a great degree. Although this centres the factory production and to some extent the powerloom, it must have some spill over to the handloom sector. The handloom sector interacts with other two sectors under textile industry. It interacts: (a) as the buyer of yarn; (b) it plays both competitive and complementary role in the product market so that both competitive and complementary relation with other two sectors are existing; (c) moreover, the handloom sector operates under the general rule of capital (in the product market there exists fully monetised relation), in the input market (including labour) monetised transaction exists in various devices. As a result, the forces of capitalism might have developed in this sector to a certain degree. At the same time, however, there exists the usury and merchant capital that play a retarding role in the development of capitalism in general\textsuperscript{15} and that in village handloom sector in particular. One cannot ignore this factor while considering the status of this sector in terms of production relation.

The textile industry since independence received the government attention for its promotion. As we discussed, the government support benefited largely the powerloom sector.

\textsuperscript{15} According to Marx, merchant and usury capital both play a retarding role in the development of capitalism. In a transitional situation, of course, a possibility of the producer is there to become merchant and capitalist in contrast to the agricultural and handicraft based economy. However, history shows that they played a retarding role in developing capitalism. For detailed discussions, see Marx, K. (1986), Vol. III, Chapter XX and XXXVI.
Whatever support the handloom sector received should have an effect in the way the production relations have shaped in this sector. It is quite likely that the State sponsored support programme has contributed to its consolidation as a sector that retains its traditional relation.

In order to consider the Braverman theme with respect to the transitional situation, one needs to concentrate on a sector that contains the feature of a transitional situation. One cannot get the replica of the sixteenth century handicraft sector of the West Europe under the present national and international scenario. The study of a labour process under master-journeyman relations is a part of historical study. Under the present day scenario it is expected that the study of a transitional situation would entail the study of a sector in which capitalism, in spite of its presence, does not play a dominant role. The handloom sector in India which, because of the factors discussed above, might be the sector which can be taken up for a detailed study of the Braverman theme in a transitional situation under present day reality. This rationalises our approach in which we concentrate on the handloom sector in India.

In order to study the labour process one should go through the field study. It seems that one may understand the extent of unity or separation between the conception and execution in the labour process and the presence or absence of the features of master-journeyman relation in a traditional sector like handloom only from a field study that records such features. The published data on quantitative information would hardly serve this goal.

For this purpose, we wanted to study a set of units located in an area which has a tradition of handloom sector with a network of market (both input and output) and the existence of small loom owners with an underdeveloped labour market. This rationalises our choice of the district. We planned to study such features with a field survey in a part of Nadia District - one of the leading districts in handloom in West Bengal. This district has a long tradition of handloom weaving. Moreover, after the partition of Bengal, the East Bengal-based Basaks and Debnaths, i.e., two traditional communities of weavers choose this area for their settlement. Through acculturation and interaction of various elements of technology, skill and labour relation that took place with the local weaving community Nadia turned to be one of the leading districts in handloom in the State. In the subsequent two chapters we shall describe elaborately the field area and the features of weaving industry in the field area as we have observed.
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Books and Articles


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