INTRODUCTION AND SUMMARY

1 The Objectives

Handicrafts occupy a prominent place in the literature on Indian industrialisation and in Indian macroeconomics generally. Indeed it is a measure of their considerable and continuing importance in the national economy. Yet, the empirical basis for making any generalisation on this sector remains extremely weak so that hypotheses about them often have the character of assertions.

The present study addresses itself to this problem and is primarily an attempt to construct a systematic data-base for handloom weaving with a view to identifying the questions that can be answered with the available information. This apparently neutral task, however, involves a shift in focus: from the extensively debated issues in growth and decay, 'deindustrialisation' and 'survival' of the textile crafts, to aspects of structural change -- production relations, product composition, technology and location. This shift in focus follows on the notion that handlooms were an industry which did not, in the long run, simply decay or passively survive, but was going through a complex process of transformation. This idea is both a conclusion and a prior framework for the study and guides our collection and classification of information throughout.

The justification for a detailed study of handloom growth
process and of structural change in particular derive not only negatively from a gap, but also from categorical questions that can be asked about Indian industries. These questions can be grouped under three heads: (1) small scale manufacturing in contemporary India, (2) textiles and textile history, and (3) historiography of industrialisation. In relation to the present study these questions form a background rather than the direct subject matter, but they do strengthen our case for a shift in focus.

(1) Small scale industry -- Recent statistics on household and unregistered manufacturing suggest stagnation in employment and slowly rising value added, though the level of the latter is believed to be underestimated. Disaggregation produces a more complex picture. The textiles case, for instance, suggests that a stagnation in overall scale can be consistent with the presence of dynamic and successful segments within, small powerlooms and technologically equipped handloom factories. If the textiles case is even partially generalisable, what seems to have happened within a segment of the small scale industries is not an absolute decline but a polarisation.

(2) Textiles -- The coexistence of modern and traditional technologies in textiles has proved relatively stable historically. What are the conditions for this coexistence? What characteristics has the traditional sector's growth process assumed under these conditions? Has the coexistence been secured by means of a passive survival or dynamic adjustments? If the
latter then what constituted these adjustments?

(3) Industrialisation -- Recent industrial history has implicitly identified itself with large scale industries. This may imply (a) attributing a certain changelessness to the crafts while modern industries are believed to form the dynamic element, a notion the findings of this study will reject, and (b) perceiving an opposition between the two sectors, for instance through competition between mill and handloom cloths. On empirical grounds 'competition' can be questioned. But there is also a methodological point involved. Surely there can be many common grounds between the two histories and common processes to which both were subject? Consider the reversal in handloom growth trend, from absolute decline in late-nineteenth century to accelerated growth in the twentieth (Chapter 1). If deindustrialisation is given the sense Rakshit has attributed it, a reflection of insufficient food surplus, then the reversal could equally reflect accumulation in agriculture, reduced fluctuations, smaller inventory and exports. But this is at once a precondition for industrialisation in general, obliterating the distinction between small and large.

2 Summary of Main Arguments

Deindustrialisation, both the fact and the abstract process, is a convenient starting point, for our own attempt at describing the handloom industry can proceed by contrast. For the third and possibly the second quarter of the nineteenth century a
significant and absolute fall in textile employment is well-established through the works of Bagchi (1977) and Twomey (1983). But it is equally clear that since about 1900 handloom production was rising at a steady pace (Chapter 1). To explore the characteristics of this reversal and conditions for it to happen constitutes an objective of this study.

The empirical question, however, is of limited importance. What is crucial are the methodological implications. For deindustrialisation is also a theory, of what would happen to traditional manufactures when a country opens up. General conceptions of handloom evolution which has decay as its focus tend to be associated with two characteristics. Firstly, concern with industry size dominate over questions of structure. Secondly, static notions are developed to account for survival where the fact of survival is acknowledged. The best-known instance of the latter is, of course, the idea that households survived by exploiting family labour, or the industry survived precisely by ruling out structural change.

The present study rejects both positions on two grounds. Firstly, we have to account for a large number of facts which do not bear on decay or growth. The extent and richness of this information render industry size a narrow and by itself uninteresting point to debate. And secondly, any passive survival thesis can be shown to be empirically weak for the period in question. Historical sources suggest, on the contrary, capital accumulation within the crafts.
The worth of an alternative framework, however, would depend not only on the range of questions it can generate, but also on its specific empirical content. It is necessary, therefore, to give a more precise account of what we have meant by 'structural change'. Four basic processes, all closely interrelated, are identified:

(1) Output composition -- Reestimates of output show that the twentieth century reversal in trend was associated not as much with import substitution, as a straight reading might suggest, as with continuous diversification into high value-added, skill intensive and technologically complex products.

(2) Production relations -- There was increasing inequality and polarisation among producers resulting in what was frequently termed reduction of 'independent' weavers, independence conceived in terms of production decisions and choice of markets, to 'dependence'. Two basic forms of dependence can be distinguished, contract for sale of products tied to a merchant and contract for sale of labour tied to a large producer. The best example of the latter was wage-work in the rapidly growing handloom factories of southern and western India. The status of the household as a producing unit was correspondingly eroded.

(3) Location -- Town weaving was both more complex and more progressive than rural. This was reflected in urbanisation of handlooms.
(4) Technology -- Preference for technical options that displaced (family) labour in pre-weaving processes reflected and reinforced weakening of the household.

Description of structural processes would not be complete without reference to regional differences in their expression. These differences had a systematic component. By assembling a set of criteria the study distinguishes between two macro-regions, to be referred as the 'south' and the 'north'. Broadly, south includes the handloom complexes of Bombay-Deccan, Hyderabad, coastal Andhra, Tamil Nadu and Malabar, and the north includes the complexes of Punjab, eastern UP, Bihar, Orissa and Bengal. Clearly, the terms do not strictly refer to geographical areas. The distinction is also not categorical. It does capture a basic feature of the industry but is subject to modification whenever exceptional facts appear and differences within macro-regions are encountered.

Southern weaving, the study argues, was more progressive than the northern. In relations of production, the tendency towards wage-labour and factories was more pronounced here and large producers formed a powerful class. Proletarianisation was aided by external circumstances, such as immigration of weavers from Rayalaseema to the handloom towns of Deccan. In the largely rural weaving of the north, in contrast, the dominant capitalist was a nonproducer, a yarn-merchant or moneylender. Increasing dependence represented an intensification of merchant-producer difference, just as in the south it represented differentiation.
among producers. As in the south, large producers appeared in the north too, but were in relations of conflict or collaboration with merchants.

Structural processes derived partly from characteristics peculiar to the crafts. But a full conception must situate them within the context in which the crafts functioned. The principal element in this was, of course, the presence of mill-made cloth. Broadly, two perceptions on this coexistence are available to us. In one, handloom and machine cloth participated in a common 'world market'. In the other, each created a distinct market for itself protected by product differentiation and preference rigidities. Taken in isolation either hypothesis denies the necessity of structural change. The implications are different when both are combined.

Direct competition was indeed significant in certain segments of the market, mainly plain cotton fabrics of coarse-medium counts. But within a vast range of products involving finer yarn and special skills possibilities of product differentiation were unlimited. These 'discrete' markets, however, constituted a field the boundaries of which were constantly shifting because preferences could change and machines imitate handloom cloth, or vice versa. They represented regimes of potential, or to use FFC's term, 'indirect' competition.

Partial, as opposed to total, competition intensified differentiation among producers. Only those already better-
placed could diversify and survive. But the more vulnerable faced
stiffer barriers to entry and could only offer their labour.
Similarly, potential competition increased uncertainty and made
risk-bearing a costlier process, with the same effect.

Longrun diversifications can be interpreted as a search
for areas relatively free from mill competition. Roughly two
sorts of product-structural adjustments followed, a static sort
in which shifts in products did not involve changes in
organisation or technology, eg from fine to coarse weaving or the
reverse, and a dynamic kind which necessitated changes in the
techno-economic bases. Static adjustments seem to have
characterised the latter part of the nineteenth century while
dynamic adjustments were more common in the twentieth. Like the
north-south distinction, the static-dynamic adjustment is no more
than a conceptual tool and allow for exceptions. But to the
extent they were present, market-induced changes converged into
and strengthened the differentiation processes already at work.

3 Comparative History

Transition in crafts in eighteenth century rural Europe is
similar in outward characteristics: reduction of independent
weavers to dependence on capitalists and subordination of
merchant to producer capital, 'the substance of the path of
"producer → merchant" in Marx'. But the context was wholly
different. 'possession of land' was the basis of such
independence as the domestic craftsman in this first period of
capitalism retained. Increasing dependence within the crafts and expropriation from land, therefore, belonged to a single movement in Europe.

In India the motive force did not emerge out of land, for weaving was a specialised occupation even earlier, but from the market. It was an externally induced change. The distinction is between an autonomous evolution and an ‘articulation’. In this case relations changed in response to a confrontation between the presence of machine-made cloth and the basis of craft production. Comparable instances are available not from Europe but from other regions of Asia. Handloom weaving in China, the middle east and Java experienced this articulation and transformed itself. In each case a different effect resulted because the social and economic bases of craft production were not the same. For instance, peasant household production was significant in China but comparatively rare in India. Even so, certain general hypotheses can be proposed.

Deindustrialisation was everywhere selective. Thus machine-spun yarn was more successful than machine-woven cloth or, as in the middle east, the commercial towns were affected more than the interior. In each case an initial decline was followed by a revival associated with structural change. This happened because the antecedent structure was complex and stratified. The entry of machine-made products intensified and worked through the differences that were already there: differences among craftsmen, between craftsmen and merchants,
between subsistence producers and producers for the market, between specialised and part-time producers, between urban and rural crafts. The nature of these preexisting differences, the relative importance of these elements varied from one regional system to another and so did their potentiality to bring into existence new relations of production. A brief survey follows, to illustrate these arguments.

The second quarter of the nineteenth century witnessed decline throughout Asia, but its character and intensity varied. In the middle east it was specially acute due to a combination of circumstances. The Levant belonged to the larger trading world in which western Europe participated. Industrial revolution affected competitiveness both at home and abroad. Export manufactures, moreover, were based on the now weakened and archaic guild system, on its way to disintegration. Almost all direct evidence on deindustrialisation are on depopulation of the cities, Damascus, Aleppo, Busra, Istanbul and commercial towns on the Aegean and Mediterranean shores, between 1820s and 1840s. It is doubtful if the decline continued in the third quarter. Estimates of craftsmen are available for isolated years and can be arranged to suggest a decline but equally, as Owen observed, 'can be employed . . to show that any temporary decrease was almost immediately followed by a revival'.

The effect of English cloth on Chinese weaving was superficial. Peicegoods started arriving in the Far East only after the Opium War. Notwithstanding the initial optimism, the
trade not only failed to expand rapidly, it also brought in heavy losses. Even after abolition of inland transit duties in 1860 and opening of treaty ports in the heartland of handweaving, Yangtze basin, cloth imports remained stationary from 1870 until the close of the century.

Handspinning, however, declined considerably throughout Asia. In the middle east its quantitative dimension is unclear. Here yarn as much as woven goods was an item of transregional commerce, seriously affected after industrial revolution. In China and India in the mid-thirties, handspun yarn was used only to the extent of about 17 to 20 per cent of total yarn consumed by handlooms.

Both in west and east Asia, the effect of mill yarn was different from that of mill cloth. Substitution of handloom cloth happened mainly in the towns where there was a demand for standardised plain fabrics. Machine yarn on the other hand affected the economy of the peasant household. To a large extent weaving and spinning were tied processes within the household, jointly supplying the basis for the latter's existence and stability. This basis was shaken as spinning tended to detach itself from weaving.

By the end of the nineteenth century, when the quality of loomage statistics had improved, it was established that a reversal was under way. Between 1873 and 1907, number of weavers increased by 50 per cent in Egypt while in Syria, loomage doubled
between 1909 and 1950. The surviving manufactories were in no visible trouble. On the contrary, what they produced was 'not even sufficient to meet local needs'. In China weaving was never seriously threatened. The mid-thirties even witnessed some substitution of mill cloth with the availability of finer yarns.

However, partial decline of industry had had deeper effects. Wherever the peasant household weaver was a typical unit -- in Java, China, the middle eastern country -- competitive pressure produced a double effect: 'it [drove] many peasants off land and transformed them into wage-labourers [in weaving factories]' and, by inducing specialisation of occupations it helped commercialisation of agriculture and extraction of cash rent. In India, with craftsmen wholly dependent on weaving, the effect was directly in intensifying inequality. Stratification of producers and formation of a weaving proletariat were conditions under which capitalist workshops expanded rapidly, a universal tendency in the twentieth century. By the mid-fifties workshops had more or less completely replaced household weaving in the middle east. In China the focus of early collectivisation attempts was the workshop labour force where such attempts were also more successful, practically 'ending handweaving business under the family system'. In Java Chinese merchants led this movement in the 1940s.

A significant feature of the post-deindustrialisation adjustments was development of weaving in new locations. In the middle east this reflected the decline of commercial towns which
seems to have induced some migration of weavers towards the country, a movement resembling 'protoindustrialisation' in eighteenth century Europe. The new centres specialised in different and skill intensive products, adapted technologically and appear to have developed capitalist workshops. Later descriptions suggest that although the guilds failed to weather the crisis, the older towns survived it and shared in the general revival. Industry here continued in capitalist manufactories, a familiar organisation in the Levant, but probably on different basis. In China introduction of machine yarn induced a relocation of weaving beyond the cotton tracts of the middle Yangtze basin. In the new locations weaving developed on the basis of extensive putting-out involving specialised producers and large scale merchants, relatively new elements. Large producers were increasingly common, especially in towns close to centres of machine spinning.

Evidence on demand patterns is fragmentary. It is more or less an accepted notion that product-differentiation served as the basis for survival of handweaving. The nature of product differentiation was closely similar between India and Java. Also, as in India, almost wherever machine cloth substituted handloom, preference shifts were involved. More specific descriptions (on the weaving village Zuq in Lebanon and Kao-yang in Hopei) suggest that dynamic adjustments in product composition were present. Handlooms in these new centres were chiefly engaged in noncotton and decorative fabrics. Craftsmanship was complex and necessitated active intervention of capitalists in technological
decisions. As in India, the thirties saw adoption of special apparatus for decorative work, mainly jacquards. This was followed by a small powerloom revolution in the middle east and in Java, closely resembling developments in India.

4 Chapter Outline

Chapters 1 and 2 attempt a statistical survey, the first concerned with trend while the second with short run output estimates. The statistical review reconstructs the picture of an industry in transition, gradually overcoming short run constraints and expanding steadily. Over the expansion phase production depended more on income than on relative prices, contradicting the notion that direct competition constituted an important element in handloom experience. Growth was associated with polarisation between producers and with technological changes of a sort that reinforced the former.

Chapter 3 classifies the relational changes experienced, and Chapter 4 analyses the various options for product structural adjustments that were allowed by the market, that is, by the prevailing bases of market sharing in textiles. Chapter 5 explores the regional dimension. This involves two distinct tasks: to clearly define the macro regions, and to develop a distinction between 'town' and 'country' production systems which suggests a correlation between urbanisation of weaving and the technical or relational changes a region would experience.
Chapter 6 identifies feasible technical options and relates revealed choices to the abstract benefit-cost ranking. In Chapter 7 the scope of state intervention is studied more in terms of evolution of concepts than of assessment of policies. The review suggests a reorientation, from state aid conceived statically as protecting the weak from exploitation by capitalists towards a more pragmatic and collaborationist policy addressed to specific problems related to technology and marketing.

A concluding section studies continuity and change in structural processes under dominant state intervention after 1947. A major intent of this section is to suggest directions in which data base on contemporary handlooms could develop.

Notes

1 With reference to handlooms, the literature has found it easier to discuss the effects of particular events -- world war, depression, tariffs, swadeshi movement, countervailing excise duties -- than to grasp the long run processes. Our concern with structural tendencies necessitates abstracting from all random events and circumstances not because they were unimportant, but their impact cannot be precisely estimated except in relation to the longrun processes.

2 For a formal statement of these positions see Chao (1977). The context is Chinese crafts. In India the hypotheses remain largely implicit. Morris D Morris assumes depressibility of craftsmen's wages (in Dharma Kumar, ed, The Cambridge Economic History of India, Vol II, Cambridge, 1982). Specker (1985) seems to argue the same for nineteenth century. It is also common in older reports, 'the persistent reduction in remuneration has prevented elimination of the cottage industries', Bombay (1940), pp 98-100. Alternatively survival is explained by an argument about market: English textiles did not displace handlooms because cloth consumption, both total and per capita, increased greatly (Morris in Indian Eco and Soc Hist Rev, 1968 and Baker, 1984). Market size, however, is a distinct problem from market sharing, and is of partial relevance at best.
3 From each of these something about the pre-1900 state can be inferred. But the prior state by itself does not occupy an important place. There is no attempt here to conceive of the terminal or the prior state as 'systems'. Rather we study evolution directly, by revealing the essentially dynamic nature of every isolated fact.


5 The relative detachment of Indian weaving from land and from the rural economic system generally is an important characteristics. By 1940 part-time weavers formed 10 to 17 per cent of the weaving population in India. Except in pockets, the northeast perhaps, the peasant household does not at all appear as a category. Part-time weavers, moreover, consisted largely of low-caste coarse weavers who were sometimes village servants or agricultural labourers. For the others specialisation was guaranteed by caste-occupation correspondence which seems to have been especially rigid in case of weavers. Several features of weaver castes are notable in this context. It seems the weavers were the only prominent craftsmen excluded from the jajmani system of product sharing. This means that cloth was sold, was a commodity, even when other manufactures were bartered or redistributed. This, in turn, had a cultural mirror image. In most locations prominent weaving castes considered themselves immigrants to the region and retained an alien identity even if the actual migration had happened in antiquity. These facts are intended to emphasise a contrast with Europe and other regions of Asia where the peasant household weaver forms a typical unit and, accordingly, crafts history extends beyond crafts. In India the relative alienation of weaving makes a specific history possible.