CHAPTER - I

GROWTH AND DEVELOPMENT

OF CARPET INDUSTRY IN KASHMIR
CHAPTER I

GROWTH AND DEVELOPMENT OF CARPET INDUSTRY IN KASHMIR

With a view to understanding the problems and prospects of the carpet industry in the proper perspective, the first section of the present chapter throws light on the historical background of the industry in Kashmir. The second section briefly highlights the role and importance of this industry in the economy of Jammu and Kashmir, so that the reasons for the present study are justified.

HISTORICAL PERSPECTIVE

The history of hand-knotted carpets is as old as the human civilization. Generally speaking one can submit without great risk of contradiction that the carpet has shown in each civilization a very precise degree of evolution. Carpet weaving has been an endeavour that has fascinated man through centuries. It was around 3,000 years B.C. in the region between Mesopotamia and Mediterranean basin that textile weaving originated.


2. Ibid p.15.
The inventions of twisted woollen thread and vertical loom by the Egyptians as also Sumerian art of basket weaving largely contributed towards carpet weaving, one of the directions in which the textiles branched off. Having taken birth in nomadic tribes living in tents in the regions between Euphrates and Tigris to Mediterranean basin, deltas of Nile and banks of Volga, the primitive carpet was a result of constant perfection and development over the preceding stages in respect of both design and technique. 3

The earliest known carpet was discovered in 1949 by the Russian archaeologist Rudenko, in a royal tomb at Pasyryk in the Atai mountains on the border of Siberia and outer Mangolia. The International Wool Secretariat has established that the rug of Pasyryk could have come from Susa in Persia in the 6th century B.C. 4 However, most of the researchers are of the opinion that the carpet may have had its origin in Egypt. The

research shows that smooth surfaced carpets and tapestry were used as far back as 1300 years B.C. in Egypt and other parts of the near east. 5

Mesopotamians, ancient Iraqis, called Sumerians, came in contact with Egyptian civilization and learned the carpet weaving from Egyptians. The weaving art then travelled to Persia through the waves of Sumerian trade. Persia proved to be the real nativeland for the oriental hand-knotted carpets. The conquest of the Persians by the Seljuks, a Turkish nomadic people in the twelfth century is very important in the history of Persian carpets. The Seljuks seem to have been sensitive to all arts and the Turkish influence was strong and long lasting. 7

With the coming of the Safavid dynasty in Persia in the early Sixteenth century a major development began in the design and technique of carpet weaving. More refined tastes encouraged more intricate designs. The Safavid dynasty directly encouraged the establishment of carpet weaving centres. Skilled village craftsmen

were set to work under the guidance of court miniaturists and craftsmen. Shah Abbas, who ruled Persia between 1550 to 1629 A.D. took special measures to promote the production of magnificent Persian carpets. Being a skilled weaver himself, he established factories all over Persia, not only to cater the requirements of his new palace at Isfahan but also to meet the increasing demand of carpets in Western Europe. 8

With the spread of Islam in the 7th century A.D., carpet weaving received a tremendous boost. The Muslim missionaries while carrying the message of Islam to far off areas, carried also the art of carpet weaving to areas like Central Asia and India. The art reached even to China through the famous silk route. In this way the powerful wave of Islamic current took the art to Spain and France in the West. Such was the impact of Islam on the art of carpet weaving that it has rightly been regarded as a gift of Islam to the mankind. Hermann Haack certifies this fact by saying that "West Europe's intercourse with Asiatic lands was virtually cut off from the time of the fall of Roman Empire until the crusades began at the end of the eleventh century. If very few pile carpets had reached Europe before the time of

crusades, it seems that from then onwards the tide of the trade began to turn.

The ancient historical evidences offer a convincing proof that oriental carpet is a product of the cultural interaction and synthesis of some of the main civilizations of the world. However, Asia has remained the "melting pot" of all these civilizations and religions of the world and carpet has also flourished in this pot.

The development of the hand-knotted pile carpet industry in India coincides with the reign of Shah Abbas in Persia. From Buddhist and Mauryan times, India had its own traditional type of floor covering - the woven 'durrie' or 'sutteranji' a pileless cotton fabric with a simple design of coloured lines or geometric patterns.

The pile carpet was not manufactured in India until the great Mughal Emperor Akbar (1542-65) brought Persian weavers and designers to the Indian sub-continent and established factories at Agra, Delhi, Lahore and

Murshidabad. The subsequent Mughal Emperors namely Jehangir and Shah Jahan, known for their strong passion and love for arts and crafts, patronised the carpet weaving. As a consequence of their efforts, production of carpets stepped up. Many centres were established, where the Indian weavers worked shoulder to shoulder with their counterparts drawn from Persia and Turkistan.

The Persian designs and techniques were copied and assimilated to create a new breed of carpets known as Indo-Persian or Indo-Isfahan. Development of these carpets was largely patterned on the Persian style, because of the fact that the weavers were from Persia. The looms installed in the sixteenth and early seventeenth century in India by the Mughal rulers produced some of the finest carpets of superb colour, design and workmanship. Some best specimens of these early carpets are well preserved in the Western European museums especially in the Victoria and Albert museums in London. The Indian pile carpet reached the West in the Seventeenth


12. Ibid, P. 1-5.
century when considerable trade between Persia and the West was also building up. The commercial possibilities of carpet weaving attracted European and American firms, which established their own factories in India at Amritsar and Mirzapur. The traditional royal patronage thus changed into a commercial venture with a thrust to export the same to western markets.

CARPET INDUSTRY IN KASHMIR

Against this background, it would be fascinating to study the origin and growth of this industry in the State of Jammu and Kashmir. Kashmir had historical contacts with Persia and ancient trade routes passed through it. The influence of Persia on the arts and crafts of Kashmir has always been strong. The carpet industry in Kashmir has its origin from Persia with the result that carpets produced in Kashmir are mostly of the Persian type.

Kashmir, famous for its finest carpets in the country, claims to have introduced this craft into India at the earliest. The craft history has been traced over 500 years back. The belief among history writers and carpet weavers is that the craft was

introduced by Zain-ul-Abidin who ruled Kashmir from 1423 to 1474 A.D. Timur, distrusted the promise of allegiance of Sultan Sikander and took his young son as hostage. The young prince spent seven years at Samarkand in Turkistan and acquired interest in pile carpets. On his return to Kashmir, he brought a few artisans with him. When he ascended the Throne in 1423 A.D. he laid foundation of the carpet industry in his kingdom. He sent emissaries to Persia and Central Asia to persuade the artisans to come to settle in Kashmir.

Enthusiastic, as he was to popularise this art in Kashmir, he saw to it that these craftsmen were provided with all facilities so that they could in turn teach this craft to the interested persons of Kashmir. His keen interest in the development of this craft, leaves one in no doubt that carpet industry is thus a gift of Muslims to the people of Kashmir. This is further corroborated by the fact that apart from carpet weaving, some other crafts and arts were introduced in Kashmir by Central Asian preachers and missionaries.


15. Ibid, P. 236.
GROWTH UNDER MUGHAL PERIOD

The carpet industry flourished for a long time after Sultan Zain-ul-Abideen's reign. But in course of time it decayed. It was during the Governorship of Ahmad Beg (1615 to 1618 A.D.) who was deputed by Jehangir to Kashmir, that carpet industry was revived. During this period, a Kashmiri muslim named Akhun Rahnuma went to Mecca to perform Haj pilgrimage. On his way back, he visited Persia. He got interested in carpet weaving, picked up the art and started the industry in Kashmir on his return.

During the reign of Jehangir, this art was well developed. It is heartening to note that in the Mughal period Kashmiri arts and crafts had reached a high level of workmanship. All this was possible because Mughals took keen interest in Kashmir products and encouraged the carpet industry in every possible way. With deterioration of Mughal empire, the industry received a setback as the patronage of the princely houses was no more available.

GROWTH UNDER SIKH RULE

As to how the industry fared until the early years of Sikh rule is not known. It was only in the first half of the 19th century when Maharaja Ranjit Singh was ruling Kashmir that some facts about the industry came to light.

During this period, the creative urge and instinct of Kashmir craftsmen manifested itself in designing of new patterns of carpets. The beautiful natural sceneries of Kashmir, particularly Fauna and Flora soon found an expression involving and developing new designs of carpets by the Kashmiri craftsmen. Some of the carpets produced were so magnificent in texture and so superb in design that they at once produced a magical effect on the mind of the observers. Maharaja Ranjit Singh (1918-42) could never fulfil his desire to see the beautiful valley and its landscape, but when a carpet, a masterpiece of art, which depicted the natural beauty of Kashmir, was presented to him, it produced such a magical effect on his mind that he rolled himself into the carpet and exclaimed with joy that his desire to see Kashmir was just fulfilled. 19

It is said, that this carpet fascinated many rich people and a regular demand for carpets was thus created. A number of these pieces of art and beauty manufactured then can even now be found in the State Museum at Srinagar and with some ancient families of Kashmir. 20

GROWTH UNDER DOGRA PERIOD

The rebirth of the carpet industry dates back to the second half of the 19th century when production was launched on a commercial scale for export markets. The carpets sent to the Great London Exhibition of 1851 aroused great interest. At this Exhibition, Indian carpets were universally admired for their oriental pattern, fine weave and rich colours. One of the finest carpets produced in Kashmir (having 700 knots per square inch and a silk warp) for Maharaja Gulab Singh was exhibited at this exhibition. 21

This was a turning point in creating market for Kashmir carpets in the west. After this Kashmir carpets


were exhibited at Chicago Exhibition in 1893, Paris Exhibition in 1900 and London Exhibition in 1902, 1903 and 1906. At Paris Exhibition the Grand Prix award was won by a piece of Kashmir Carpet.\textsuperscript{22} The most famous carpet of the world --- an Iranian masterpiece 'Ardabil' now preserved in a London Museum was reproduced in Kashmir in 1902 and was purchased by Lord Curzon for £100. The royal palaces in England like Buckingham, Windsor etc. patronised the Kashmir Carpets. \textsuperscript{23}

**EUROPEAN IMPACT**

Like the shawl and the silk industry, the carpet industry witnessed many ups and downs over centuries of its existence in Kashmir. With the fall of Mughal empire and the decline of the princely rule in India, the nobility and the aristocracy lost prestige and wealth. As a result of this the carpet industry was seriously affected.\textsuperscript{24} In fact the industry was almost going to disappear completely during the 19th century but for

\begin{itemize}
\item \textsuperscript{22} Survey Report on Carpet Industry at Selected Centres (1982). Office of the Development Commissioner (Handicrafts), New Delhi, P. 11.
\item \textsuperscript{23} Bhan, R. K. "Economic Survey of Carpet Industry in Kashmir" (1938), Srinagar, P.2.
\item \textsuperscript{24} Malik, A. H. "The Evolution of Kashmir's Textile Industry" in Hasnain, F. M. "Heritage of Kashmir" Gulshan Publications, Srinagar, 1780) P.
\end{itemize}
the initiative taken by some European firms towards the close of the century.

The exhibitions held at various places in the world attracted the attention of foreign commercial houses towards the Kashmir carpets and created the possibilities of producing carpets for overseas market. Chapman was the first person who attempted the organisation of carpet production in Kashmir in 1876.²⁵

Before the establishment of carpet industry on commercial basis, the only flourishing and famous handicraft industry of Kashmir was that of 'Kani Shawl'. According to Moorcraft, the shawl industry during the first quarter of the 19th century gave employment to 1,20,000 persons.²⁶ The industry, however, lost its ground by 1872 and the number of employees diminished. The virtual extinction of 'Kani' shawl industry rendered thousands of 'shawlbafs' jobless. It was at this juncture that Europeans started establishing carpet industry in Kashmir on commercial lines. As they were


already well versed in the textile weaving, the majority of the 'Kani shawl' weavers (Khandwaves) switched over to carpet weaving. They also introduced in the carpet industry the 'taleem' method of design writing, previously used in 'Kani' shawl industry.28

We have already mentioned that Chapman was the first European to attempt the organisation of carpet production in 1876, but his efforts proved abortive for at least two years. Immediately after him representative of Bon Marche of France came to Kashmir to organise the industry but he failed to achieve his objective.29 Meanwhile, many foreign firms, particularly from the United Kingdom established their branches in Kashmir to harness the full potentialities of the export trade of carpets. As a result of these efforts, the industry received a tremendous impetus. However, the real breakthrough in the production and export of Kashmir carpets was made by two Europeans namely Mr. C.M.Hadow and Mr. Mitchel who gave this industry a new shape.30

These European capitalists invested large sums, paid better wages and produced carpets on mass scale, with better raw materials. This created a vast market for Kashmir carpets not only in India but even in America, where beautiful carpet pieces were exhibited in the Chicago World Fair. 31 This was the time when according to the Census of 1891, the total number of carpet weavers in Srinagar stood at 800 to 900. 32 Sir Walter Lawrence, who was Settlement Commissioner of the State at that time, writes in his famous book "Valley of Kashmir",

Many of the survivors of the famine of 1877-79 have now found occupation in the manufacture of carpets. Three Europeans carry on business in Srinagar as the manufacturers of carpets. Their work is of good quality and apparently they can with difficulty keep pace with the orders which they receive from India and Europe. There is now no attempt to manufacture the costly though superb rugs in which the shortening wool was used and in Srinagar looms consume wool imported from

32. Ibid, P. 43.
India or wool locally produced. Srinagar has a formidable rival in Amritsar where a large colony of Kashmiri weavers is settled and considerable capital is employed in the manufacture of carpets. 33

PERIOD OF BOOM

An important feature to note is that the carpet industry in Kashmir witnessed a period of boom during the years 1919 to 1929. Kashmir used to produce high class carpets meant for the American markets. The carpet industry was one of the immense value to the inhabitants of the city of Srinagar during this period. 34 It is difficult to say anything about the exact number of workers engaged in industry before 1921. But it is certain that the industry offered employment to a large number of men, ever since the Europeans began to take interest in this trade. Marrion Dought speaks of 1901, 35

The wool used (in carpet industry) is grown locally. The industry is one of great benefits

35. Ibid, PP. 155-56.
to the habitants for not only are large numbers of men and boys employed on the actual work but women and children prepare and wind wool." 36.

According to the Census Report of 1921 the six woollen carpet factories of Srinagar gave employment to 1,342 men. Women were not directly employed in the carpet factories but a fairly good number of them were engaged in spinning of wool, for the factories, in their homes under the directions of head weavers deputed by the companies.

Similarly, the Census Report of 1921, shows the carpet industry as next in importance to sericulture. Professor Barker of the University of Leeds found the handmade carpet industry of Srinagar in 1931, the single largest industry in the State. 38

In 1930, there were six big factories and 100 individual units. In factories alone 725 looms were at work, employing 3,625 workers. Besides, the number of dyers, designers, talim writers, factory staff and other


subsidiary workers engaged in spinning and twisting, if taken into account will show that four to five thousand workers depended on this occupation. According to Dr. Bhan, if the dependents of these workers were to be added, it will increase the number four times. Thus directly or indirectly about 12 percent of the population of Srinagar earned its livelihood from the carpet industry at that time.

GREAT DEPRESSION OF 1929

The carpet industry was adversely hit by the Great Depression of 1929. Because of financial crisis, America raised high Tariff walls against the Indian carpet imports and this produced a crisis in the carpet industry of Kashmir. The demand particularly came to a standstill and the labour was thrown out of employment. The Swadeshi movement in India also affected the demand for carpet by the British people.

40. Ibid, P. 19.
The impact of Great Depression on the Carpet industry of Kashmir is depicted by the following table.

### Table 1.1

**Year-wise Production and Employment in Carpet Industry of Kashmir (1930-1936).**

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of looms</th>
<th>Volume of production (Sq. feet)</th>
<th>Value of production (Rupees)</th>
<th>No. of workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1930</td>
<td>825</td>
<td>8,94,000</td>
<td>26,40,000</td>
<td>6,690</td>
</tr>
<tr>
<td>1931</td>
<td>100</td>
<td>1,20,000</td>
<td>3,00,000</td>
<td>1,200</td>
</tr>
<tr>
<td>1932</td>
<td>100</td>
<td>1,20,000</td>
<td>3,00,000</td>
<td>1,200</td>
</tr>
<tr>
<td>1933</td>
<td>250</td>
<td>3,00,000</td>
<td>7,50,000</td>
<td>1,800</td>
</tr>
<tr>
<td>1934</td>
<td>250</td>
<td>3,00,000</td>
<td>7,50,000</td>
<td>1,872</td>
</tr>
<tr>
<td>1935</td>
<td>300</td>
<td>3,60,000</td>
<td>10,80,000</td>
<td>--</td>
</tr>
<tr>
<td>1936</td>
<td>315</td>
<td>3,78,000</td>
<td>11,34,000</td>
<td>1,558</td>
</tr>
</tbody>
</table>


The above table makes striking revelations. It depicts that the carpet industry started declining at a very fast rate following the depression of 1930. From 1930 to 1932 the decline was quite sharp but from 1933 the period of recovery started though at a slow speed. As a result of this phenomena there occurred a corresponding decrease in the number of workers employed in this industry.
industry. Thus within a period of 7 years the number of workers fell down to 1,558 from 6,690. Similarly the number of looms and volume and value of production was also affected adversely.

Thus the immediate effect of the Wall Street collapse was a crisis in the industry. In the boom period average standard quality was 120 to 170 knots per square inch and during depression, much coarser stuff was put on the market. This situation was however, remedied to some extent as a result of Ottawa Pact and the State subsidy on exports of carpets. Another redeeming factor was that Britain and other European countries became interested in Kashmir carpets. The industry got further boost by timely action of the State Government which granted a subsidy on the export of carpets from 1932 onwards.

**PARTITION AND AFTERWARDS**

The carpet industry of Kashmir received a setback due to partition of the sub-continent in 1947.


A few skilled weavers from Srinagar went to Pakistan and established their own units there. Besides, the British carpet manufacturers settled in the valley were forced by the circumstances to dispose off their factories and leave Kashmir. In 1945, Mr. K. C. Hadow, the son of the late Mr. C. M. Hadow sold his factory to Messers 'The Kashmir Fine Art Dealers Ltd -- a firm based in Calcutta. Thus Kashmir lost a pioneer in the field of carpet manufacturing. Messers Mitchell and Co. was also sold to an Amritsar based firm M/s East India Carpet Company. The successors of foreign manufacturers could not run their factories on sound basis. Consequently, the production and export of carpets was reduced.

It seems that from 1929 up to 1973, the carpet industry of Kashmir experienced a period of stagnation rather decline. This is evident from the fact that in 1929, there were only six large firms with 715 looms and engaging 3,573 workers with an annual output of


46. Based on personal enquiries.

47. Based on field investigation and discussions held with various persons.
Rs. 18 lakhs, out of which Rs. 6 lakhs went to workers. According to the All India Handicrafts Board, which made a study of the Kashmir Handicrafts in the year 1954, the employment in the Carpet industry in Kashmir was only 800 and the value of production was assessed at Rs. 20 lakhs. Thus the number of workers declined from 3,573 to 800 between 1929 and 1954. The value of production remained somewhat same during this period, indicating a decline in the volume of production and a rise in the average unit price.

The Government of Jammu and Kashmir conducted a comprehensive survey in the year 1973 not only of carpets, but of all other handicrafts. According to this survey the number of looms in carpet industry was 900, employment 3,443 and the annual value of production of Rs. 92.51 lakhs. A comparison of these figures with the figures of 1929 and 1954 leads to the conclusion that the development of carpet industry in Kashmir over a period of 34 years is a story of

stagnation in terms of increase in looms, yardages of production, employment and exports. Production has remained more or less static. However, there has been continuous escalation of prices and the increase in production values is more representative of the price escalation than of any substantial growth in industry in terms of looms etc.  

However, one important development in carpet industry after 1947 was a bigger involvement of the local manufacturers and exporters. Some capable and enterprising local businessmen came forward and they tried to revive the industry. In this connection mention may be made of M/s Indo-Kashmir Carpet Co., M/s Gulam Mohi-ud-Din and Sons and M/s Modern Carpet etc. The local manufacturers tried to give a new direction to the carpet industry. British manufacturers used to manufacture carpets only according to their own tastes. But now the market was diversified. Therefore, the original persian designs and the local designs were

52. Based on personal enquiries and discussions held with the concerned people.
introduced by the local manufacturers, however, on the whole the industry started showing the signs of revival.

PRESENT POSITION

The revival of the carpet industry started from 1970 onwards. Due to a number of reasons, the production, exports and employment share of the industry increased gradually. The following table reveals this trend in respect of carpet exports.

Table 1.2

<table>
<thead>
<tr>
<th>Year</th>
<th>Value of Exports (Rs. in crores)</th>
<th>Annual Growth Rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>0.75</td>
<td></td>
</tr>
<tr>
<td>1971-72</td>
<td>0.89</td>
<td>+ 19</td>
</tr>
<tr>
<td>1972-73</td>
<td>1.41</td>
<td>+ 58</td>
</tr>
<tr>
<td>1973-74</td>
<td>1.73</td>
<td>+23</td>
</tr>
<tr>
<td>1974-75</td>
<td>2.47</td>
<td>+ 43</td>
</tr>
<tr>
<td>1975-76</td>
<td>2.50</td>
<td>+ 1</td>
</tr>
<tr>
<td>1976-77</td>
<td>2.50</td>
<td>+120</td>
</tr>
<tr>
<td>1977-78</td>
<td>8.49</td>
<td>+120</td>
</tr>
<tr>
<td>1978-79</td>
<td>12.10</td>
<td>+ 43</td>
</tr>
<tr>
<td>1979-80</td>
<td>26.96</td>
<td>+123</td>
</tr>
<tr>
<td>1980-81</td>
<td>26.80</td>
<td>- 1</td>
</tr>
<tr>
<td>1981-82</td>
<td>24.25</td>
<td>-10</td>
</tr>
<tr>
<td>1982-83</td>
<td>23.10</td>
<td>- 5</td>
</tr>
<tr>
<td>1983-84</td>
<td>22.20</td>
<td>- 4</td>
</tr>
</tbody>
</table>

Source: Compiled by the Scholar on the basis of data obtained from the Directorate of Handicrafts, J&K Srinagar.
It is evident from the above table that the value of exports has increased from a meagre sum of Rs. 0.75 crores in 1970-71 to Rs. 26.80 crores in 1980-81, registering 36 fold increase in the value of exports over a period of 10 years.

This phenomenon increase in the export for Kashmir carpets was the result of two main factors viz.

i) Decrease of supply from Iran

ii) Increased market demand

However, the main reason responsible for bringing about this situation was that from the early 1970's the supply position of the market underwent a substantial change. The petroleum financed era of modernisation set in motion by the deposed 'Shah' of Iran brought about a distinct shift in the Iranian economy. The state intervened to discourage carpet weaving in the larger towns where a large number of children were being employed in the carpet factories. Subsequently, child labour was banned. As a result, production in Iran, the dominant force in the international market declined dramatically. Iran's share of the market declined from 42.6 percent in 1963 to just 17.1 percent
in 1980.\textsuperscript{53}

The vacuum created by Iran's reduced production compelled the foreign carpet importers to locate new sources of supply, which would substitute Iran. The principal beneficiaries from Iran's continuing abdication of its pre-eminence in the international carpet market have been Pakistan and India. India increased its share of international market slowly reaching 15 percent by value in 1980 from 9.8 percent in 1963.\textsuperscript{54} Consequently the exports of carpets from Kashmir increased at a faster rate, because within India, Kashmir was the only place which could produce finest quality oriental carpets, comparable to Iranian carpets in terms of designs, colour combinations weaving texture and silk.

To catch up with the global demand for Kashmir carpets, a massive carpet weaving training programme was launched by the various state and central Government organisations. The main objectives of the programme were to widen the production base and promote productivity in the industry. As a result of this training programme


\textsuperscript{54} IDS. Ibid. P. 2-15.
about 41000 weavers were trained by the end of 1983-84. Thus during the boom period the industry expanded tremendously. The number of weavers increased from 3443 in 1973 to 30,000 in 1979. Similarly the value of production shot up from Rs. 0.92 crores in 1973-74 to Rs. 17.67 crores in 1979-80. An important development during the boom period was that carpet industry was geographically dispersed into the rural areas of State, while as previously it was confined to the Srinagar city and its sub-urbs. The production and export of silk carpets, for the first time in the history of Kashmir carpets, increased significantly during the boom period.

RECENT MARKET DEPRESSION

The boom period for the Kashmir carpets continued up to 1980-81. However, from 1980 onwards the industry started facing the market depression. The table given above reveals that the value of carpet exports declined from the peak of Rs. 26.80 crores in 1980-81 to Rs. 22.20 crores in 1983-84, reflecting 17.16 percent decrease in the total value of exports.

55. Information obtained by the Scholar personally from the Directorate of Handicrafts, J&K Srinagar.
56. Ibid.
57. Ibid.
There has been greater decline in the average unit value realization of exports. For instance, the AUVR of silk carpet exports from J and K declined from Rs. 5,419 per square metre in 1979-80 to Rs. 3010 per square metre.\(^{58}\) As a result of the market depression, the carpet industry of Kashmir has been adversely affected. According to a recent survey made by the AIHB (1982) 17 percent of the total number of carpet looms were idle at the time of survey.\(^{59}\)

Several reasons are advanced for the present crisis in the carpet industry of Kashmir. of these following deserve special mention.

1) Most of the countries in the Western Europe and America are experiencing economic recession and this is affecting their buying capacity. Carpet being a luxury item, its markets have slackened and as a consequence imports are declining. The recession seems to have left a substantial impact on the carpet industry,

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58. Office records, Central Silk Board, Srinagar Branch.

as can be seen in the decline in world demand from a peak of 15.2 million m² worth $1.76 Billion in 1980 to 14.0 million m² worth sum $1.30 Billion in 1982. Consequently the demand for Kashmir carpets has also been affected by this global phenomena.

II. Besides, the boom period saw a gradual decline in the quality of the Kashmir carpet in the wake of mass production. The deterioration in the quality was mainly the result of the inadequate training of weavers under the Massive carpet Weaving Training Scheme and the use of inferior raw materials by the unscrupulous manufacturers etc. Unfortunately the deterioration in quality happened at a time when good quality carpets were fetching a good price.

III. The competition from the other leading carpet producing countries, like Pakistan, China and Turkey intensified. Pakistani manufacturers started using superior quality wool, which they imported from New Zealand. It gives better sheen and look to the carpets. China entered into the carpet market in a

62. Ibid. 63
big way. Due to its vast labour resources, controlled economy and excellent indigenous raw materials, China has been successful in capturing a substantial portion of the total market.

Within India, Kashmir Woollen Carpets face growing competition from the Mirzapur-Bhadhoi carpet belt. Although the Mirzapur-Bhadhoi belt produces low quality carpet as compared to Kashmir, but due to availability of cheap labour and adequate supply of raw materials at comparatively lower prices, their cost of production is low. Besides, the manufacturers in that area are now gradually improving their quality and they have also started weaving of pure silk and silk-wool carpets of very high knottage, which are comparable to Kashmir carpets.

As a result of the above factors, the demand for Kashmir carpets has recently slackened to some extent and the industry is passing through a stage of crisis at present. However, according to the preliminary data for the first three quarters of 1983, the downward


trend in the world import of hand-knotted carpets was halted in some of the largest importing countries, especially the Federal Republic of Germany and the United States of America, which together represent some 50 percent of the total world imports. It is further corroborated by the fact that the export of silk carpets from Kashmir during the last 2-3 years have shown again a significant rise in terms of total quantity and value.66

From the foregoing paras, it is quite clear that carpet industry had a chequered history right from the inception of the craft to this time. Nevertheless, the fact remains that it has now come of age and has become one of the most important items of our exports. In this backdrop, it will be interesting to examine briefly its role in the economy of the State. Following pages have been devoted to this study.

ROLE OF CARPET INDUSTRY IN J AND K ECONOMY

The handicrafts sector plays a significant role in the economy of J&K State which is basically

66. See, Silk India Statistical Biennial 1984, "Central Silk Board, Bangalore P.72."
agriculture-oriented. Population in the rural areas constitutes 81 percent of the State's total population and 90 percent of it derive its livelihood from agriculture. Thus agriculture continues to be the mainstay of the people, the modern industries, especially the large scale ones have not been able to play any significant role in changing the basic character of the State's economy.

Next only to agriculture, which too suffers from many inherent drawbacks, comes handicrafts and tourism sector. Handicrafts sector has the potential and promise to give a new character to the State's economy, especially when the possibilities of large scale industrial units is almost remote. The contribution of the handicrafts sector, in terms of employment generation, production and foreign exchange earnings is quite significant. This is evident from the fact that during the year 1982-83, the total value of production in the Handicrafts sector of J & K State was estimated to be of the order of Rs. 81.37 crores. The export value of handicrafts items amounted to Rs. 37 crores, during the same period. This has enabled India to earn much needed foreign exchange.

exchange. Similarly the handicrafts sector provided employment to 1.65 lakh persons during the year 1982-83.

The handicrafts and cottage industries play an important role in the economic upliftment of the rural masses. These industries provide suitable supplementary source of income to the farmers and agricultural workers. Thus, these can help in checking the migration of surplus labour force from rural to the urban areas, by providing gainful employment to them, at their own places.

Apart from its contribution towards employment and foreign exchange earnings, the handicrafts sector does help in the preservation of traditional skills and cultural heritage of the country.

THE PLACE OF CARPET INDUSTRY

In the broad sector of Kashmir handicrafts, carpet manufacturing assumes a place of pride. It is not only one of the major contributors to this

sector but also has won the wide name and fame throughout the world since 15th century A.D. The importance of this industry lies in the fact that it is not only a highly labour-intensive industry, but also contributes substantially to the foreign exchange earnings of the nation. It would not be an exaggeration to say that the carpet industry dominates our handicrafts sector more than in one way, as would be clear from the subsequent discussion.

HANDICRAFTS EXPORTS: SHARE OF CARPETS

The contribution of hand-knotted carpets, as a single item of handicraft exports is indeed significant. Over the years, handmade carpets and rugs etc. have consistently provided 45-50 percent of India's foreign exchange earnings from handicrafts (excluding Gems and Jewellery). The contribution of the carpet industry to the export of handicrafts is quite substantial at the State level as is revealed by table No. 1.3.

**Table 1.3**  

<table>
<thead>
<tr>
<th>Year</th>
<th>Handicraft Export (Rs. in crores)</th>
<th>Carpet Export (Rs. in crores)</th>
<th>Share of carpet in Handicrafts</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974-75</td>
<td>7.50</td>
<td>1.06</td>
<td>14.13</td>
</tr>
<tr>
<td>1975-76</td>
<td>10.50</td>
<td>2.50</td>
<td>23.81</td>
</tr>
<tr>
<td>1976-77</td>
<td>14.50</td>
<td>5.50</td>
<td>37.92</td>
</tr>
<tr>
<td>1977-78</td>
<td>18.25</td>
<td>8.49</td>
<td>46.52</td>
</tr>
<tr>
<td>1978-79</td>
<td>19.98</td>
<td>12.10</td>
<td>60.56</td>
</tr>
<tr>
<td>1979-80</td>
<td>37.87</td>
<td>26.96</td>
<td>71.19</td>
</tr>
<tr>
<td>1980-81</td>
<td>39.92</td>
<td>26.80</td>
<td>67.13</td>
</tr>
<tr>
<td>1981-82</td>
<td>36.20</td>
<td>24.75</td>
<td>66.98</td>
</tr>
<tr>
<td>1982-83</td>
<td>33.00</td>
<td>23.10</td>
<td>70.00</td>
</tr>
<tr>
<td>1983-84</td>
<td>37.00</td>
<td>22.20</td>
<td>60.00</td>
</tr>
</tbody>
</table>

*Source: Compiled by the scholar on the basis of information obtained from the Directorate of Handicrafts, Srinagar.*

From the above table it becomes clear that the share of carpet exports in the total handicraft exports from the State of J & K has increased remarkably during the last decade. While it was only 14.13 percent in 1974-75, it has reached 60 percent in 1983-84. This amply demonstrates that the rate of growth in case of carpet exports is much higher than the other handicrafts exported from the State.

**Kashmir's Share in India's Carpet Exports**

Similarly the carpet exports from J&K occupy an important place in the overall carpet exports from
India. The figures in the table given below indicate that the share of Kashmir's carpet exports in the total carpet exports from India has been gradually increasing.

Table 1.4

<table>
<thead>
<tr>
<th>Year</th>
<th>India's Exports (Rs. in crores)</th>
<th>Kashmir's Exports (Rs. in crores)</th>
<th>Share of Kashmir in India (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971-72</td>
<td>13.69</td>
<td>0.89</td>
<td>6.40</td>
</tr>
<tr>
<td>1972-73</td>
<td>21.44</td>
<td>1.41</td>
<td>6.57</td>
</tr>
<tr>
<td>1973-74</td>
<td>26.42</td>
<td>1.73</td>
<td>6.54</td>
</tr>
<tr>
<td>1974-75</td>
<td>36.05</td>
<td>2.47</td>
<td>6.85</td>
</tr>
<tr>
<td>1975-76</td>
<td>41.13</td>
<td>2.50</td>
<td>6.08</td>
</tr>
<tr>
<td>1976-77</td>
<td>61.45</td>
<td>5.50</td>
<td>8.95</td>
</tr>
<tr>
<td>1977-78</td>
<td>72.87</td>
<td>8.49</td>
<td>11.65</td>
</tr>
<tr>
<td>1978-79</td>
<td>84.00</td>
<td>12.10</td>
<td>14.45</td>
</tr>
<tr>
<td>1979-80</td>
<td>104.00</td>
<td>26.96</td>
<td>25.92</td>
</tr>
<tr>
<td>1980-81</td>
<td>142.31</td>
<td>26.80</td>
<td>18.83</td>
</tr>
</tbody>
</table>

Source: Compiled by the scholar on the basis of data obtained from: 1. Carpet Export Promotion Council of India, New Delhi, ii) Directorate of Handicrafts, J&K Srinagar.

The above table reveals that the share of Jammu and Kashmir in the total value of carpet exports from India has risen from 6.40 percent in 1971-72 to 25.92 percent in 1979-80. Though the yearwise increase is marginal yet the fact remains that the Kashmir carpets have succeeded in bagging a good share out of
the national exports. However, in 1980-81 it was reduced to 18.83 percent.

Nevertheless, it is heartening to note that the share of Kashmir in the export of superior quality silk and woolen hand-knotted carpets from India is quite substantial. In fact, Kashmir is the only place in India, which exports superior quality silk carpets.

EMPLOYMENT GENERATION

Carpet industry is a relatively low capital intensive industry, even by the standards of capital investment needs of many other small scale industries. At a deeper level, the 50-60 percent labour content contributes to employment and exerts an upward pressure on wages, thus helping in the development of economically backward areas of the country. International Trade Centre (ITC) has also recognised the positive impact of the

73. Based on personal investigations and the discussions held with the leading authorities in the field like Mr. Gyan Prakash, Additional Development Commissioner (Handicrafts) Ministry of Commerce, Govt. of India, New Delhi.

carpet industry on the rural areas of supplying countries in the following words:

"The development of production and exports of hand-knotted carpets has had a positive affect on the rural development in the producing countries." 75

It is important to note that the output and employment co-efficients are high, comparing very favourably with the organised sector. Employment is maximized with a minimum of capital and a minimum of another scarce resource, energy. The growth of the carpet industry is thus highly beneficial for the economy.

At the all India level, the employment is estimated to have risen from 30,000 to roughly 2,50,000, between the period 1960-61 to 1981-82, indicating about 8 times increase. 76 Similarly the number of persons employed in the industry was about 50,000 during the year 1983-84 in the J&K State. 77 This is an impressive number compared to the earlier


estimate made in 1973, when the total number of persons employed in the industry was only 3,443. Thus there has been 14 times increase in the number of workers during the last decade. Table given below demonstrates the increasing trend of the employment in the carpet industry vis-a-vis its share in the overall employment in the handicrafts sector of the State.

Table 1.5

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment in Handicrafts (Persons in lakhs)</th>
<th>Employment in Carpets (Persons in lakhs)</th>
<th>Share of Carpets in Handicrafts %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974-75</td>
<td>0.80</td>
<td>0.04</td>
<td>5</td>
</tr>
<tr>
<td>1975-76</td>
<td>0.82</td>
<td>0.05</td>
<td>7</td>
</tr>
<tr>
<td>1975-76</td>
<td>0.87</td>
<td>0.06</td>
<td>7</td>
</tr>
<tr>
<td>1977-78</td>
<td>0.97</td>
<td>0.10</td>
<td>10</td>
</tr>
<tr>
<td>1978-79</td>
<td>1.15</td>
<td>0.31</td>
<td>27</td>
</tr>
<tr>
<td>1979-80</td>
<td>1.34</td>
<td>0.44</td>
<td>33</td>
</tr>
<tr>
<td>1980-81</td>
<td>1.44</td>
<td>0.47</td>
<td>33</td>
</tr>
<tr>
<td>1981-82</td>
<td>1.51</td>
<td>0.49</td>
<td>32</td>
</tr>
<tr>
<td>1982-83</td>
<td>1.65</td>
<td>0.56</td>
<td>34</td>
</tr>
<tr>
<td>1983-84</td>
<td>1.74</td>
<td>0.50</td>
<td>29</td>
</tr>
</tbody>
</table>

Source: Compiled by the scholar on the basis of data obtained from the Directorate of Handicrafts J&K, Srinagar.

The above table reveals that share of carpets was 29 percent in 1983-84 as against only 5 percent in 1974-75. Thus the rate of growth on the employment generation side is much higher in case of carpet industry as compared to other handicrafts. Therefore, it can safely be concluded that the carpet industry offers very good prospects of development as a tiny sector industry in the rural areas of Jammu and Kashmir State. Being a labour intensive industry it can absorb a large number of rural artisans, by providing them gainful employment at their own places. The process of diversification and diffusion of the carpet industry in the household sector of the rural areas of the State has already begun, with the launching of the Massive Carpet Weaving Training Programme through various Government agencies.

Thus on the State Plane Carpet industry has assumed a great and undoubted importance in the context of our economy, because of the following:

i) It supports a large number of rural artisans by providing them gainful and regular employment.

ii) has considerable export potential and can therefore contribute significantly to the country's foreign exchange earnings,
iii) is a relatively low capital intensive industry by the standards of the capital investment needs of other small scale units, and

iv) is an effective instrument for promoting the growth and development of economically backward regions.

In view of what has been stated above, it would now be interesting to analyse the production system of this industry in detail, with a view to assess its loopholes and suggest measures for correcting of the same. The chapter that follows is devoted to that discussion.

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