



## Survival of Handloom Industry during 19<sup>th</sup> and Early 20<sup>th</sup> Century in India

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### Abstract

Over the centuries handlooms have come to be linked with brilliance in India's creativity in fabrics. This paper seeks to examine the survival of handloom industry of India during 19<sup>th</sup> and early 20<sup>th</sup> century. It discusses why handloom industry of India which was flourishing in early 19<sup>th</sup> century faced devastating situation after coming of imported European manufactures into Indian market and how it survived this catastrophic distress.

**Keywords:** Handlooms, Handloom weavers, spun yarn, textiles industry, etc.

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## **1. INTRODUCTION**

India textile's industry is one of the earliest to come into existence and played a very important role in the country's economy. It is the second largest employment generator after agriculture in India.

Today this sector comprises of four important sectors in India: Modern textile mills, Independent power looms, Handlooms and Garments. However the focus of this paper is on the handloom industry. Handloom industry of India is largely household-based, carried out with labour contributed by the entire family. It is spread across thousands of villages and towns in the country. The industry also exhibits considerable diversity in terms of products, organizational base, as well as in relations between sectors within the production structure. In India, handloom weaving is traditionally an occupation of castes and communities. Broadly, one group consists of weavers who manufacture on complicated looms; the fine silk clothes worn by the high castes and other consists of those who wove coarse clothes. There were different groups within the broad category of 'handloom weavers'. In the early 19<sup>th</sup> century handloom industry was a flourishing industry in which handloom weavers supplied the entire domestic market and had an export market as well. But this industry suffered a catastrophic distress in the 19<sup>th</sup> century after imported European manufactures began to export handloom flood Indian market. While many industries lost the market, some of them managed to settle in by reconditioning old silks to apply new goods. Basically, we can say that it adapted to changing conditions and decline was specific to certain regions and products. So, in this paper we have discussed despite the so called deindustrialisation which occurred in 19<sup>th</sup> century, survival of handloom industry in India. For this purpose, we have divided this paper into three sections. In first section we have discussed several reasons for decline in handloom industry, in second section we have talk of why despite of these reasons Indian handloom industry survived in 19<sup>th</sup> and early 20<sup>th</sup> century and in last section we have concluded this paper.

## **2. REASONS FOR DISTRESS IN HANDLOOM INDUSTRY**

There were several causes because of which decline in Indian handloom industry began. This decline could be dated from approximately 1821, which was the year the first assignment of British textiles reached India. India was a major player in the world export market for textiles in the early 18<sup>th</sup> century, but by the middle of the 19<sup>th</sup> century it had lost all of its export market and much of its domestic market, primarily to Britain. The reason for this lies in the commercial and discrimination policy followed by British government. The deindustrialisation which said to be occurred in 19<sup>th</sup> century is believed to be occurred because of colonial contact. Marx himself believes that "*British intruder broke up the Indian handloom and destroyed the spinning wheel*". One of the reasons for this decline was increase in Britain's productivity in textile manufactures and transport revolution. Also because of declining sea freight rates which served to foster trade for both Britain and India, Britain won over India's export market and eventually took over much of its domestic market as well [Roy:2002]. The extinction of native courts with the rise of British power also contributed to India's deindustrialisation. Improved British productivity resulted in declining world textile prices which made production in India highly uncompetitive. Policies followed by British government for promotion of her domestic industries and to create a market for manufactures of Lancashire in India, adversely affected Indian domestic market. Britain

needed raw cotton for their rising industry and India emerged as the primary supplier of raw cotton to Britain which led to series of other changes such as decline in hand spinning of yarn. In its place, imported mill spun yarn and cloth entered Indian markets. As a result, livelihood of millions of spinners was displaced and it also brought about significant changes in how the weaving industry was organised. The association of yarn-dealers and financiers became necessary because yarn came from a distance and had to be bought; as the average weaver had little credit, the industry fell more and more into the grip of middlemen. Not only that but high tariff to quantitative restrictions were also levied on Indian textiles. Without such policies it would be very difficult for them to capture Indian market and to promote their industry. Change in fashion which was followed because of spread of British rule in India also affected domestic market of garments adversely as people of India started copying western culture and, therefore, demand for imported clothes increased. Transport revolution was another important reason for this decline. In 1853 Britishers introduced railways in India. With the introduction of railways imports of foreign clothes in India become easier. Also railway rates created incentives not only for the geographical reorganization of India's economic activity but also for the types of production on which it could specialize. Because of this industry was put at a comparative disadvantage which was soon recognized. The impact of the structure of rates on infant industries, particularly those not located at the ports was depressing. It was not only the structure of rates but their high level that hindered the development of Indian industry. High transport charges increased costs and made competition with foreign industry more difficult. Also construction of railways gave a great stimulus to the export of grain and this resulted in increased prices of grain. So, high food prices and cheap cloth imports together had a depressing effect on the local industry. Communications were also difficult before the construction of railways and, therefore, British exporters lacked the detailed knowledge of Indian tastes in matters of style, fashion and colour which would enable them to enter market effectively. That was not enough so poor climate conditions and fall of Mughal hegemony also started creating problems in survival of Indian handloom industry. Increase in nominal wages as a result of poor climate conditions also lowered India's competitiveness with England and other textile producers of world. Rent burden was also increased due to further expansion of revenue farming and increase in prices because of warfare resulted in decline in regional trade with subcontinent. Also the inter-sector terms of trade moved against Indian handloom production, encouraging a shift to agricultural commodity production like raw cotton, opium, indigo etc. Then, in the early 20<sup>th</sup> century, large quantities of Japanese imitation silk cloth, which was cheaper than both Manchester and Indian cloth, also entered the market. However, despite all of this, handloom still retained an edge in the domestic market till about the first decade of the 20<sup>th</sup> century. But this soon suffered due to the growth and consolidation of the mill sector. Because of growth of mills in India, handloom sector not only become dependent on yarn produced by mills, but also faced increasing competition from cloth production by mills, which began in the period of first world war. So, not only from outside but Indian handloom industry also faced competition from mills in domestic country. So these were the some reasons for deindustrialisation but as noted by some historians this deindustrialisation was partial. Rather than being completely destroyed by British rule, handloom industries were drastically reorganised inside modern markets. Its survival and adaptability to a

wide range of economic conditions needs to be understood which we have done in our next section.

### **3. SURVIVAL OF INDIAN HANDLOOM INDUSTRY**

In the above section we have discussed the different reasons for decline in Indian handloom industry but despite this distress it survived during 19<sup>th</sup> and early 20<sup>th</sup> century. Handloom industry is unparalleled in its flexibility and versatility, permitting experimentation and encouraging innovation. The strength of handloom lies in the introducing innovative designs, which can not be replicated by the power loom sector. There are certain fabrics which probably always are best and most cheaply manufactured by hand. Therefore, richness and diversity of our country and the creativity of the weavers is exemplified by the handloom industry and this is one of the reasons for its survival. It is the specificity in the product of handloom industry that made it competitive against machine made products. Indian clothes were considered to be superior not because of its quality but because of this specificity. Persistence of demand for traditional garments helped in its survival. Also handloom industry is very flexible and easily adapt to changing conditions, design of the product can be easily changed in this industry but it is difficult in mill industries. As we can see that fashion changes among the better off class due to flood of imported British products in Indian market after introduction of railways. People from higher social classes started copying following western culture. But changes in fashion affected men more rather than women and, therefore, production on handlooms of garments worn by men, such as turbans and silk bordered dhotis, declined with the competition of English goods. Whereas women continued to wear the multi-coloured and exquisite fabrics that required intensive labour to produce those garments and could not be manufactured in mills. At the same time purchasing power of labourers on the public works continued to rise, especially with the construction of railways and, therefore, lower classes were able to afford better clothing and they also began to want saris for their women similar to those worn by the women of higher class. So coarsest cloth was continued to be produced by village weavers whereas bulk of Indian demand, which was for plain cloth of medium texture and brilliant colours was met by the mills of England and India. Therefore, it was seen that the decline was specific to regions and products. In some parts of India, like in Central Provinces, weavers lowered their prices in an effort to stay competitive and accepted a lower standard of subsistence rather than abandon their traditional craft. Weavers also started using mill-spun yarn, which reduced their costs considerably. While British cloth was competitive with Indian handloom production, machine made yarn seems to have strengthened the competitive position of the indigenous handloom sector despite the fall in cloth prices. However, because of machine-spun yarn the handloom weavers became more dependent on middlemen for financing the purchase of their raw material and for marketing of their finished clothes. So, we can say that handloom weavers survived through the second half of the 19<sup>th</sup> century. Where 19<sup>th</sup> century ended on a sober note for the Indian handloom industry as a whole, downward trend of 20<sup>th</sup> century was checked by government's serious efforts to retrieve the situation. Famines of 1897 and 1899 forced the government to abandon its rigid adherence to laissez-faire doctrines of non-intervention in the economy. Also the famine commission of 1898 noted that excessive dependence on agriculture was the root cause of poverty and, therefore, it was suggested that the solution for this was the development of industries and it stressed the

importance of protecting existing crafts which provided a means of support other than agriculture. These were the government efforts but outside this there was continued criticism of British economic policies from nationalists which proved saviour for Indian handloom industries. Swadeshi movement launched in 1905 as part of the Indian nationalist response to the partition of Bengal provided additional encouragement to the handloom industry. Between 1920s and 1930s, handlooms continued to grow and this could be attributed to the demand for swadeshi cottons and nationalist movements. Technological changes were also an important reason behind the survival of handloom industry. By the second decade of 20<sup>th</sup> century we find weavers using looms with a fly shuttle. This replacement of throw shuttle with fly-shuttle increased productivity per worker; speeded up production and reduced labour demand. The all India handloom production rose from 965 million yards in 1902-03 and 1912-13 to 1068 million yards in 1930-31 and 1937-38, proving that this major traditional activity was marked by rising output per worker<sup>1</sup>. By 1941, over 35% of handlooms in India were fitted with fly-shuttles. There were several other small innovations that helped weavers improve their productivity and compete with the mill sector. A co-operative credit system was also introduced to replace the existing relations between weavers and creditors. Economy recovered due to several reasons like harvests were generally good in the first decade of the 20<sup>th</sup> century; prices for agriculture produce was generally high; there was a sudden extension of the mining industry as well as increased spending on public works and railways. Therefore, there was an increased demand for the better sort of handloom because for all these reasons wages rose and commerce prospered. Fiscal policy of government of India also stimulated this demand further. In February 1996, it had imposed a duty of 3.5% on imported and Indian mill produced cloth, but no such duty was laid on yarn or handloom cloth. This also gave some price advantage to handloom industry. If we look from the perspective of employment, as weaving involves smaller economies of scale than spinning or processing, handlooms tends to be small firms. Being small firms with low capital needs, entry barriers in handlooms were not significant. Also when it comes to skill development, handloom weavers were more towards it and there was no expenditure on training for skill development. As it is their only livelihood they have also sold their products on low profit margins rather than abandoning their art. So there was deindustrialisation but it was partial and despite facing so many problems India handloom industry survived.

#### **4. CONCLUSION**

The handloom industry in India underwent a profound change during the period of 19<sup>th</sup> century and early 20<sup>th</sup> century. In the beginning of 19<sup>th</sup> century Indian handloom industry was flourishing and successfully supplied the entire domestic market as well as export market. But with the entry of cheap British imported clothes in the Indian market, survival of handloom industry became difficult. Indian handloom industry faced severe competition from imported clothes and clothes production by Indian mills. The machine made fabrics were cheaper than handlooms fabrics but still complete washout was not possible. Declining sea freight rates and introduction of railways also hampered growth of handloom industry as it made import of European manufactures easy.

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<sup>1</sup> J. Krishnamurthy, 'Deindustrialisation in Gangetic Bihar during the nineteenth century: Another look at the evidence' in IESHR. Vol. XXII, No. 4, Oct.-Dec.1985, pp.399-416.

But construction of railways created employment which resulted in increased demand for coarser clothes as purchasing power increased. Follow up of western culture also affected demand for handloom products adversely. But Indian women still wanted multi-coloured ethnic clothes. So we can say that there was some kind of reorganization took place, demand for certain types of fabric and garments declined in certain regions and of other types increased in other regions. Weavers adapted to changing economic conditions however these adaptations, did not occur everywhere and remained concentrated in certain towns and cities. Technological innovations like mill spun yarn and replacement of throw shuttles with fly shuttles resulted in improvement of handloom production. Flexibility and versatility which allow experimentation also helps in its survival as a weaver is limited only by his skill and being mobile could shift from one production base to another easily but it is difficult in mill production. Also certain fabrics were not suitable for mills and, therefore, can only used by handlooms. Specificity of products and innovative design also help in its survival. Government's efforts in 20<sup>th</sup> century also helped in its survival. So handloom exists despite much lower labour productivity than that of the mass production systems. Thus, we can sum up this paper by saying that Indian handloom industries during 19<sup>th</sup> and early 20<sup>th</sup> century were able to survive despite the competition from mass production of mills as their per capita income was rising, costs and, therefore, prices have reduced because of machine-spun yarn, and the handloom weavers diversified into higher-valued products and adopted new technologies.

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