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Handloom to Mill: The Evolution of Indian Textile Industry in Colonial Times

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Abstract:

The discovered textile fragment at Mohenjo-daro provides age-old evidence of textile production in India. Since ancient times, various regions of India had developed distinct techniques for producing different types of textiles. The quality and diversity of Indian textiles earned widespread recognition and acceptance among foreign traders and consumers. The weavers produced textiles within their households using simple tools and equipment. In other words, the Indian textile industry developed primarily on the basis of a 'Domestic Production System'. However, during the colonial period, the exploitative economic policies of British rule pushed India's traditional textile industry into a deep crisis. At the same time, the 'Factory Production System' began to develop in the Indian textile sector. From the second half of the nineteenth century onwards, textile mills gradually emerged in India through the initiatives of Indian capitalists. These mills increasingly produced yarn and cloth with the help of machinery system. As a result, machine-made textiles began to compete with the products of the traditional handloom industry in the domestic market. In this competition, mechanised textile mills gradually strengthened their position, while the handloom industry faced numerous challenges. Consequently, the growth of India's traditional handloom industry was hindered, and the industry gradually lost ground in many areas.

Key Words: Clothing, Handloom, Textile Mill, Colonial Times

Introduction: Clothing is one of the most important basic necessities of human life. Evidence of clothing in India dates back to ancient times. Following agriculture, handloom sector employs the largest number of people. On one hand, India's natural diversity and, on the other, its religious and cultural heterogeneity have endowed the country's textile-weaving industry with immense variety. Consequently, since antiquity, India's diverse handloom artistry has held a special attraction in the global market and has played a significant role in earning foreign exchange. Indian textiles were exported to ancient Egypt, Rome and Greece; notably, Bengali muslin was a highly coveted item among the aristocratic women of Rome.[1] This is authenticated by the writings of Pliny, who told with a sense of regret that millions of gold coins flowed from Rome to India to pay for the import of Indian textiles.[2] The prosperity of this handloom industry is recorded in the writings of various figures throughout history, including the Chinese traveller *Hiuen Tsang* in the early 7th century, the Arab merchant

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Suleiman in the 9th century, the Italian traveller *Marco Polo* in the 13th century, and Abul Fazl in the 16th century, among others.

Objective of the study: This study aims to explore and analyse the transition of Indian's handloom textile sector from the traditional system of family-based production to the factory-based production system. The objectives of this study are also to discuss the transformation of complementary relationship to struggling relation between the handloom and mill sectors. This study is also discussing the impact of first and second world war on Indian textile industry. It is also aim to focus on the reasons of falling behind of handloom sector in the competition with organised sectors.

Methodology: For this study, primary and secondary sources are both important. Government reports that have been published at different eras, as well as archival data, are meticulously collected and used as primary sources in this study. Books, journals, and magazines published at the regional, national, and international levels are also important as secondary sources for this work. These are collected from different websites and libraries, and the data is analysed using standard statistical methods.

Main Discussion: In 1498, when Vasco-da-Gama reached India by sea, Indo-European trade acquired a new dimension, and the arrival of European merchants began to increase exponentially. Naturally, the volume of trade also expanded, and it goes without saying that textiles constituted an extremely vital commodity within this commercial exchange. To streamline the procurement of handloom textiles from various regions of India, European trading companies established trading posts i.e. *kuthis* at strategic locations; in Bengal, the British East India Company had posts in Surat (1612), Kolkata (1690) and Dhaka, the French East India Company in Chandannagar (1675), Pondicherry (1674), Mahe (1725) and the Dutch East India Company in Masulipatanam (1616), Chinsura (1625). Initially, these companies focused on procuring muslin of Bengal exclusively for the European aristocracy; however, as they subsequently began exporting textiles to the common people of Europe as well as those in the Americas and Africa, the demand for these fabrics surged dramatically. In the 17th and 18th centuries, Bengal as well as India transformed into the country of textile exporter of the world.[3]

Domestic Production System & its Challenges: Initially, the development of cloth weaving sector in India through a family-based production system which popularly known as the 'Domestic Production System'.[4] Under this system, the weaver uses very basic tools (loom) to weave in his house with the help of family members. Therefore, house of weaver has transformed into a workshop for the creation of woven textiles and they have been known in the society as *Tantubays* (weavers) after being connected to this occupation for generation to generations. Until the mid-eighteenth century, cloth was woven exclusively using this traditional method. The division of labour within this system was clearly defined: the male head of the household, the weaver wove the cloth, while his wife spun cotton into yarn, dyed it, and applied starch to the threads. The children of the household assisted their parents in various ways, lending a helping hand to the weaving process. Under this family-based production system, operations could be sustained through the combination of family labour and a modest amount of capital.[5] During the sixteenth and seventeenth centuries, as the Indian

subcontinent became increasingly integrated into global trade through European merchants, Indian textiles began to find their way to markets across Europe, America, and Africa. With the demand for textiles rising significantly during the seventeenth and eighteenth centuries, local markets and periodic fairs (*hats*) proved increasingly inadequate to meet the growing demand for raw materials. Under these circumstances, the development of commercial infrastructure, the provision of capital, the import of cotton from outside regions, and the marketing of finished goods became essential. However, such requirements were beyond the means of impoverished weavers. This situation was exploited by local moneylenders, as well as European merchants and trading companies. European companies established trading factories (commercial outposts) in different parts of Bengal as well as India, supplying capital and raw materials to the weavers and subsequently collecting the finished products. With the growing dependence of textile production on capital and commercial networks, the tradition of 'Domestic Production System' gradually gave way to the factory system of production. Under this new arrangement, the owner supplied the means of production, raw materials, and capital, while retaining control over the finished goods. Consequently, weavers, who had once enjoyed a degree of economic independence, gradually lost their autonomy and became wage-dependent producers, working merely in exchange for wages or remuneration.[6]

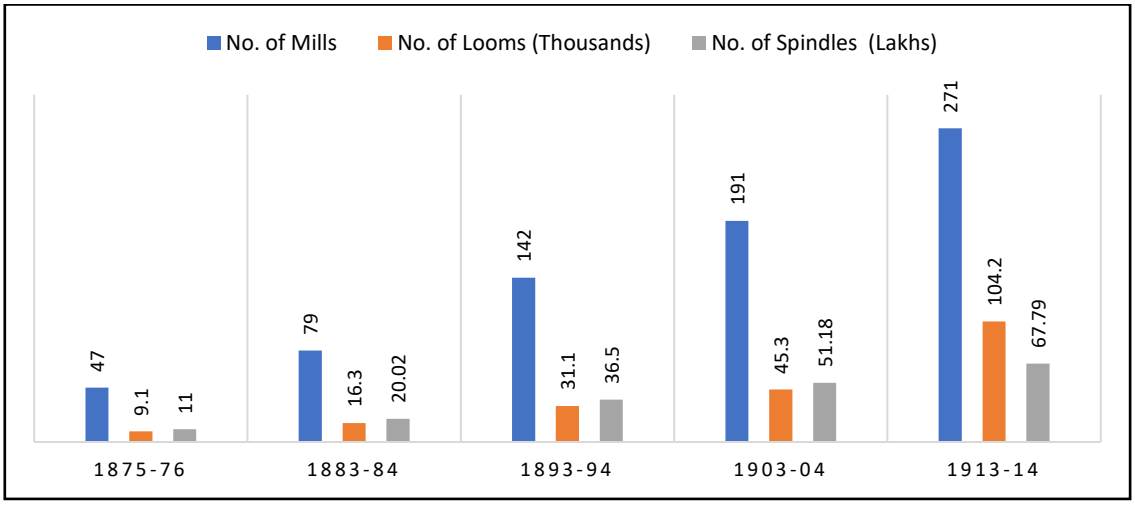
However, the eighteenth century witnessed a series of mechanical inventions in Europe such as the 'flying shuttle' and the 'spinning jenny' which brought about a monumental transformation in weaving techniques, enabling the production of textiles at an unprecedented speed. Consequently, a conflict emerged between the traditional handloom production system and the new mechanised manufacturing system. To safeguard the interests of the machine-produced textiles from Manchester and Lancashire in England, the British shifted from purchasing finished cloth from India to procuring raw materials instead; simultaneously, they began importing English-made textiles into India virtually without restriction, while imposing heavy export duties on Indian textiles.[7] Thus, just as the demand for Indian textiles vanished from foreign markets, the domestic market became flooded with low-priced British-manufactured cloth. Having lost both their domestic and global markets in this manner, the indigenous handloom industry of the country gradually spiralled toward ruin.[8] As a result, the weavers of this land were not only deprived of their inherited profession, but India itself, once a textile-exporting nation, was transformed into a textile-importing one.

Growth of Organised Mill Industry: In the latter part of the 1800s, weaving sector of India adopted the factory system. While the British built the 'Bowreah Cotton Mill' (1818), India's first textile factory, in Howrah, the majority of British capital went to the jute industry, various plantation industries, coal and other mining sectors, and banking. Because doing so might have created competition with their own domestic textile industry or capital interests, the British refrained from making large investments in India's textile sector.[9] Therefore, it can be claimed that indigenous capital was the only factor driving the growth of India's modern textile sector.

'The Bombay Spinning and Weaving Company' was established in 1854 by the Parsi merchant Kawasji Nanabhai Davar (C.N. Davar), with production commencing in February 1856. It was here that the triumphant journey of India's modern textile industry, driven by indigenous enterprise, truly began. In 1861, Ranchhodlal Chhotalal established the first cotton mill in

Ahmedabad. By 1865, ten mills had been established in Bombay. However, not a single mill was established during the period from 1865 to 1871; this stagnation is attributed to the massive surge in cotton prices caused by the 'American Civil War' (1860–1864). Nevertheless, as imports of American cotton suffered during this period, the domestic cotton market in India boomed; the cotton trade significantly bolstered the strength of indigenous capital, which subsequently flowed into and financed the textile industry.[10] Furthermore, during the economic recession of 1873–1896, the cost of textile machinery had dropped in Europe; Indian mill owners seized this opportunity to import machinery at low prices, thereby increasing both the number of mills and their production output. The textile industry experienced a significant boom starting in the 1870s. This momentum intensified in 1905, when the boycott of foreign textiles initiated during the movement of anti-Partition of Bengal created a favourable opportunity for domestic mill owners; consequently, alongside the capital contributed by communities such as the Banias, Parsis, Bohras, and Bhatias of Western India, Bengali capital also began to be invested in the textile industry. For instance, mills such as the '*Bengalaxmi* Cotton Mills' (1905) and '*Mohini* Mills' (1908) were established by Bengalis.[11] The following chart illustrates the growth of the cotton mill industry in India since 1875-76 to 1913-14.

Growth of the Cotton Mill Industry in India (1875-76 to 1913-14)[12]



The aforementioned chart shows that between 1875–1876 and 1913–1914, India's textile industry grew rapidly and significantly through its mills. During this period, the number of mills increased by approximately 5.77 times, from 47 to 271. At the same time, the number of spindles rose from 11 lakhs to 67.79 lakhs, a nearly six-fold increase. The growth in the number of looms was also remarkable. From 9,100 in 1875–76, the number rose to 45,300 by 1903–04, an increase of approximately 4.98 times. This figure further surged to 104,200 by 1913–14, which was about 11.45 times higher than from 1875–76 and 2.3 times higher than from 1903-04. Notably, between 1903–04 and 1913–14 alone, the number of looms increased sharply, highlighting a major shift in production focus. These trends indicate that, in the early phase, Indian cloth mills primarily concentrated on yarn production. This supported the country's handloom weavers and created a complementary relationship between the mill sector and the handloom industry. However, towards the end of the nineteenth century, this pattern began to change. Political disturbances in China, along with increasing competition from Japan,

reduced India's share in the East Asian yarn market. As a result, Indian mills began to expand their loom capacity rapidly and shifted towards cloth production in order to capture the domestic market. This transformation altered the earlier complementary relationship and led to growing competition between the mill industry and the traditional handloom sector.[13]

Handloom vs Mill Industry: Growth and Struggle;

Production of Handlooms and Mills in India (1914-15 to 1938-39)[14]

Years	Handloom Production (in million yards)	Mill Production (in million yards)
1914-15	1088	1176
1917-18	741	1616
1920-21	931.2	1563.1
1923-24	816.8	1696.9
1926-27	1216.8	2265.7
1929-30	1282.4	2356.5
1932-33	1519.2	2982.7
1935-36	1450.4	3240.8
1938-39	1703.2	3905.3

The aforementioned table makes it evident that during 1913–14 and 1938–1939, the handloom and mill sectors of the Indian textile industry both experienced significant gains in output. But there were some irregularities in this expansion. The handloom sector experienced greater difficulties, notwithstanding the rapid expansion of cotton textile mills. The trajectories of the modern factory-based textile industry and the traditional handloom sector consequently varied considerably over this period, demonstrating the increasingly dualistic nature of India's textile economy. The output of cotton textile mills climbed from 1,176 million yards in the 1913–14 financial year to 3,905.3 million yards in the 1938–39 financial year, a roughly increase 3.32 times.[15] In this expansion, the First World War was a significant turning point. The import of British textile goods into India was severely restricted by wartime disruptions, but the indigenous fabric industry was significantly expanded by military procurement and growing civilian demand. Due to these market conditions, Indian textile mills were able to quickly increase their production capacity. However, the traditional handloom weavers faced several crises as a result of the mill sector's impressive growth. The availability of imported yarn was drastically decreased during the war due to restrictions on international trade. At the same time, handloom weavers were not able to access their needs of raw material as the quickly growing textile mills absorbed a greater share of the scarce yarn supply. About 23.5% of all imported yarn was consumed by textile mills in 1906–07 to 1908–09. This percentage has significantly increased to 49.4% by 1916-17 to 1918–1919. On the other hand, by 1916–17 to 1918-19, the

handloom industry's share of imported yarn had dropped to just 21.1% from 40.9% in 1906–07 to 1908-09.[16] The shortage of yarn had an immediate impact on handloom production. Output declined from 1,088 million yards in 1913–14 to only 741 million yards in 1917–18, representing a reduction of 347 million yards within a period of four years.[17] This decline clearly demonstrates that the expansion of the mill industry during the First World War imposed a heavy cost on the traditional handloom sector.[18]

However, the mill and handloom industries both saw significant expansion in the 1920s and 1930s. This resurgence was significantly influenced by nationalist politics. The Swadeshi and Boycott movements, together with the promotion of the spinning wheel (charkha) and khadi, were led by Mahatma Gandhi and significantly boosted the growth of India's textile industry by encouraging the consumption of local goods.[19]

At the same time, both local and foreign markets continued to see an increase in demand for high-quality cotton textiles. Japanese textiles quickly gained a sizable portion of the Indian market since Indian mills and handloom weavers were unable to completely fill the gap left by the disruption of British imports during the war. Japan became a strong rival to the Indian textile industry due to its superior technology, increased production efficiency, and widespread usage of American cotton. At the same time, Manchester textiles' long-standing hegemony was under threat from Japanese competitors. In reaction to these developments, the Britishers implemented protective tariff regulations in order to protect the country's textile sector. While protective customs duties were placed on imports of non-British textiles, the idea of 'countervailing duties' on Indian textiles was eliminated. The duty on non-British goods was raised from 31.25 % to 50 % by the middle of 1932, and then to 75 %.[20] These safeguards greatly decreased international competition and made it possible for the Indian textile sector to grow again. Apart from this, after the Second World War broke out in 1939 and Japan joined the conflict in 1941, Japanese textile shipments into India were all but halted. The import of British textile goods was also severely restricted by the wartime disruptions. By these opportunities the mill sector saw another period of fast growth due to the unprecedented demand for textiles during the war. By these wartime circumstances, at the end of the Second World War, the production of India's textile mills escalated to 4,726 million yards, representing a 1.21times increase compared to the 1938-39.[21] However, handloom sector faced several challenges. Acute shortage of yarn, as well as black marketing and skyrocketing yarn price during the wartime make the weavers unemployed.[22]

Despite this, the handloom sector never succeeded in matching the scale and performance of the mill sector. At the outbreak of the First World War, the production levels of the two sectors were nearly equal. By the end of the war, the production of the mill sector was approximately 1.68 times that of the handloom sector. The disparity continued to widen over the following decades, increasing to 1.84 times in 1929–30 and reaching 2.29 times in 1938–39.[23] These figures demonstrate a steadily growing production gap between the handloom and mill sectors. As this gap widened, the handloom sector gradually lost its share of the market and became increasingly unable to compete with mechanised production. Consequently, it experienced a sustained decline, while the mill sectors further strengthened its dominance over production and the textile market. In the textile report of 2015-16 clearly indicates that the handloom sector

accounts for only 15 percent of the country's total textile production, while the remaining clothes produced by the power loom and organized mill sectors.[24] Naturally, some scholars remark that displacement of handloom by power looms is merely a matter of time.[25]

Conclusion:

In 1947, after the Independence, the Government of India adopted a range of policy measures aimed at reviving the handloom industry. These included the promotion of cooperative societies, institutional credit, improved access to working capital and raw materials, the supply of improved looms and equipment, and technical training programmes for weavers. Nevertheless, despite sustained state intervention, the handloom sector found it increasingly difficult to compete with the capital-intensive, technologically advanced, and highly organised mill industry. Consequently, the structural imbalance between the modern factory sector and the traditional handloom industry continued to shape the evolution of India's textile economy in the post-colonial period.

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