

Chapter VI

Summary and Conclusions

The annals of the silk industry in Malda region is very remote. This region is a part of the tract of land where sericulture (mulberry silk) was first introduced in India. For centuries Malda region practised the art of sericulture and silk-textile manufacture. In the pre-British period, within the organisational structure of a pre-capitalist mode, Malda enjoyed the glory of producing and exporting silk textiles of high standard in spite of certain ups and downs in the industry. Her foreign trade in silk textiles was based on both uniqueness in quality and the competitive power of low cost of production. The English as well as their earlier European predecessors were attracted to this region by the cheap abundance of cotton, silk and mixed varieties of exquisite textiles. The Malda Factory was opened by the East India Company as their sixth centre of commerce in 1680 in search of novelties. Silk fabrics and special Maldahi mixed stuff were such novelties that ^{satisfied} ~~statistical~~ the company. With such advent of these foreign traders, i.e. the pressure of foreign demand on the Malda silk industry, there was a simple possibility of the industry breaking the stagnation of the pre-capitalist organisation and starting a process of growth and dynamism. But that nothing of the sort happened can be explained from the impact of the English trade policy on the simple and

quiet economic life of this country.

For any industry to grow, certain structural changes in terms of both method and organisation of production are inevitable. Such changes occur under the pressure of expanding market and through accumulation of surplus as well as its re-investment. In our opinion, the forces behind structural change in the silk industry of Malda during the British period became impotent on account of organisational barriers. Stagnation in the British period is characterised by the organisation of silk production; - the stagnation is structural. It is also our opinion that the decline of the silk industry in Malda region occurred in two stages :

Stage I : Her transition from a manufacturer of silk goods to a producer of raw silk, which was forced upon her in the last quarter of the 18th century. (Analysed in Chapter III).

Stage II : An absolute decline in the capability of the existing industry it self, which is witnessed since 1880's. (Analysed in Chapter IV).

Organisational barrier

It is important that Malda factory was established at a time when both Bengal silk goods and raw silk had a good market in England and Europe and these were fetching good prices. Under the circumstances, importance of this youngest

factory rose to the rank of the fourth in terms of investment. Although Malda factory had to be closed down for some time towards the close of 1680's on account of a conflict between the English and the Nawab on the issue of granting privileges, the situation at the end of 1690's was very favourable for the growth of company's investment at Malda. Such a position was further accentuated by the decline of Gujrat trade in the early 18th century and the corresponding increase in the importance of Bengal trade. Expansion in the magnitude of company's commerce was undoubtedly a factor which changed the direction, composition and control of India's foreign trade. Direction and control of trade changed along with the growing strength of the company; as regards composition of trade what may be observed at the least is the steady import of bullion with which the company and other Europeans paid for the exports from India.

It is necessary to mention here that European goods were too costly for the Indian buyers to be greatly in demand, while the higher price of silver in this country gave a natural stimulus to its export from Europe in return for the import of low-cost manufactured commodities. The company was an important earner of precious metals through re-export of Indian commodities to the continent (also known as the Levantine market). Such a pattern of trade with India provoked doctrinaire prejudice in England against the

export of treasure; and the company had to overcome the mercantilist theories to secure official approval of its policy; because, its success depended on the purchase of commodities with ready money at the supply points - the so called factories. On the other hand, the phenomenal increase in foreign trade along with bullion that poured into the Imperial mints of this country resulted into an expansion of money supply as well as economic activity in Bengal. A marked increase in the output of silk textiles and raw silk at all the centres including Malda was also an outcome of such expansionary effect. But, this tremendous pressure of foreign trade and the consequent changes failed to alter the general economic structure of this country. To be specific about the silk industry, apart from the quantitative enlargement of output no major qualitative change was witnessed. Expanding output did not result into accumulation since the structure of the industry was based on a chain of middleman hierarchy founded by the British, which was a direct hindrance to accumulation, re-investment, growth and structural change. Nevertheless, other opinions on this issue, i.e., lack of qualitative change in the traditional silk manufacturing industry during this period, are available; but they appear to be stray comments.

Some investigators have stressed the absence of division of economic functions between rural and urban centres along European lines; some others have pointed out the serious limitation on the overall size of the domestic market;

still others emphasize the stagnant technology. But, all these analyses are inconclusive in nature. Because, traditional silk manufacturing industry was localized around capital cities and trading centres while enlargement of foreign demand was sufficient for a technological breakthrough and structural change. In our opinion, the most important observation relevant to silk industry is the backward organisation of production. Malda's silk industry may be a case study to testify the observation that lack of organisational change was at the root. Because in Malda, it is the East India Company which firmly established the middleman hierarchy that was less prominent before the company era. The company found it difficult to do without dalals who knew the local market, and the company found it advantageous to involve big merchants who had the finance. Merchants' control over the producers or artisans was not new, what was new was the rapid growth of such control as well as erection of a multi-tiered broker system where the producer was completely alienated from his purchaser. Hence, within the framework of the company's trading method, commercial organisation and financial techniques, the profits from expansion of output was appropriated by the host of brokers and merchants hindering the scope for accumulation, reinvestment and growth or even the scope for the emergence of independent private producer under the conditions of enlarged demand.

Specialisation and entrepreneurship

With the starting of the industrial revolution in England and seizure of political power in this country by the company over administration and revenue, England could force upon Malda a transition from manufacturer of silk fabrics to a producer of raw silk as semi-manufactured stuff. This was, in fact, a part of the general process of colonial exploitation and conscious attempt by England to convert India to a primary producing country serving the interests of British industries. To the advocates of the newly developing theory of comparative costs, the decline of Indian textile and other industries might provide a near-perfect example. A shift in the production function brought about by the industrial revolution reduced cost of production in the British manufacturing industries; and England was now in a position to undersell Indian domestic products. Price elasticity of demand for British textiles in India was also high. Thus, for the first time in history, India stood in the position of a buyer of commodities, whose traditionally low-cost products were being pushed out of both domestic and foreign markets. But, comparative cost was certainly not the only determinant of trade between India and England. Political power and coercive methods were applied to meet the colonial interests of England in this country. Hence, in the transition process, it is not the comparative cost of silk textiles that determined the fate of artisans in Malda. It is rather the interests of British industries which

controlled the production decision of the artisans of Malda; - they had no choice, because the company was the only buyer. The East India Company purchased raw silk at Malda since the commencement of the factory, and they increased purchase of raw silk here particularly in the early 18th century; in England tariff was also imposed on silk textiles from Bengal since 1700 A.D. But, these measures were an attempt to protect the silk weaving industry of England; and its impact on the silk industry of Malda was insignificant because of the very small size of the industry in England. Rather, Malda experienced an extension of output of both silk textiles and raw silk since the early 18th century; and the increase in their exports had an overall expansionary effect on the rural economy of this region. How far such an expansion benefited the actual growers is, of course, subject to verification. The extension of raw silk production in Malda since the early 18th century was also an effect of increased textile export. But, Malda's specialization in raw silk production in the process of decline of handicrafts under colonial pressure was a different story. Forced specialization gave rise to an unbalanced internal economy, involving great stress and strain in the process of adjustment to the changing economic and political conditions.

Destruction of cottage industries was not general. It was rather a reversal of the process of development; because the weaving branch was suppressed while the reeling branch was pressurised to yield more. It was a colonial

pattern of trade that engaged rearers and reelers of Malda to the interests of the textile industry of England. It was a decline not in quantitative terms of volume or value of output, it was a decline in terms of a qualitative change in the composition of both exports and imports. In spite of this, there was scope for a second degree change if the raw silk producing industry could attain for itself a change in the organisational structure of pre-capitalist forms rooted in the system of brokers, contractors and agents. But, the mode of operation of the English and later European companies and the policy of impoverishing the actual producer not only maintained but strengthened the pre-capitalistic organisation in the silk reeling industry of Malda.

The weaving branch of the industry declined fast and lost its importance in the economy of the region. The remnants of the weaving branch could be traced as late as the 20's of the present century, but Malda, beyond doubt, specialized in raw silk production since the last parts of the 18th century through the early decades of the 19th century. Her speciality in weaving mixed cloths continued, although insignificantly, as a result of demand in the Middle East as well as within the country. However, in the face of expanding demand, Malda's specialization in raw silk production failed to bring forth any basic change in the industry's structure so that the theory of comparative cost could establish here an increase in efficiency through specialization. The commercial organisation of Residents, gomastahs, agents, pycars, brokers

etc. with which the East India Company operated rendered major changes unnecessary. The possibility of Indian merchants growing as capitalist entrepreneurs was thwarted by the English policy of monopoly control over the external and internal trade of this country. Although commercial aptitude of Indian merchants were not inferior to their foreign counterparts, although company's investment depended on these indigenous merchants, although a large class of traditional financiers developed remarkably the machinery for credit and exchange or even commercial rings were formed among indigenous merchants before the mid-18th century, the English with their newly acquired commanding power could successfully ward off these merchants from the controlling tower of internal and external trade. The merchants rather found it necessary and advantageous to collaborate with the foreigners and make a profit as bania. The interests of the merchants were subservient to the interests of the English; and the scope for accumulation for entrepreneurial emergence became absurd. Such scope was so much lost over time that in the late 19th century, when the filatures of Malda were abandoned by the European companies, there was no indigenous owner to take over. Certainly, this was not due to mere lack of funds.

The entrepreneurial emergence as a class could have altered the organisational structure of the silk industry along capitalist line; and such development could have been

advantageous to the primary producers too. The lack of entrepreneurial emergence, instead, gave way to the mahajani system which pushed the silk industry of Malda to a situation of permanent stagnation and backwardness during the decades to come.

Specialization and technology

Another aspect of Malda's specialization in raw silk is its potentiality of bringing about a technological break through. If this happened, much of the organisational barrier could have been removed. In this connection the role of the East India Company as the organiser of filatures and as the promoter of technological improvement should be noted. There is no denying of the fact that intrinsic quality control by the company was a good experience for the village artisans of Malda; the company with its vast financial resources and a monopsony of purchases could successfully command a standard of production. There is also no denying of the fact that the company endeavoured to improve silk reeling methods. But, what the company failed to attain or what it did not attempt to achieve was a general diffusion of advanced technology throughout - to the benefit of the common producer. Hence, as the company established filatures, there developed a dual technology : the modern one along European model for the company itself and the primitive one for the country reeler. When they ceased to operate, the filatures were sold out to private European firms; and when these firms stopped business the filatures were closed

down for want of an entrepreneurial class. The general technology once again drifted to backwardness with minor modifications. In fact, such a reversal of technology went hand in hand with the Mahajani mode of production relations that filled in the entrepreneurial vacuum.

Impact of the British domination on the technology of Malda's silk industry in general was by all means limited : The technological modifications of the 18th century did not constitute a starting point for a major technological revolution; and again their trading interests made the company busy in interfering with the technology in the semi-manufacturing stage of raw silk production alone. They had not attempted a similar improvement in the efficiency of moriculture and cocoon rearing; their land policy was also against any such advancement. Such a partial attempt cannot be of general significance or success in an agro-industry like silk production which is interrelated stage by stage. On the other hand, the filatures failed to initiate a capitalistic enterprise. Such large-scale units separated capital from labour, exploited cheap labour to compete in the product market, initiated advanced technology, but continued to derive raw material through the dadni system of brokers and pycars, which was unsuitable for the growth of a free factor market. Both the system of procurement of cocoons and the land system were incompatible with a market economy or capitalistic line of development in the silk industry.

John Crawford, as early as in 1837, tried to draw attention to the general problems of economic development in India pointing out that the disparity between the levels of technology in the traditional economy of India and those in Western Europe was the prime barrier.¹ If a logical analogy is drawn, structural stagnation in the silk industry of Malda region might be explained in terms of technological inertness; because technological improvement ensures more efficient use of resources. But, such an analysis is oversimplified and it fails to consider the institutional background behind technological advancement. The case study of the silk industry in Malda explicates that the colonial economy and trade policy created all hindrances to any possibility of a technological revolution in the industry even in presence of strong demand conditions. The problem of backward organisation is closely interrelated with the problem of backward technology.

The mahajani system

We have noted that specialization acquired by Malda region in raw silk production failed to exercise any major change in favour of the industry itself. This was caused by the colonial policy of the East India Company and the British crown. Organisational barrier was, in fact, a manifestation of how such colonial policy was implemented. This draws our attention to the emergence and prevalence of the mahajani system at all stages of the silk industry of Malda during the second half of the 19th century and decades of the 20th

century. Up to the end of the British period, mahajani system was the only organisational form. The mahajani system emerged from the colonial production relation and by the time the European companies leave Malda, the system had firmly established itself to replace European organisation for production and commerce. It is not a mere historical coincidence that the mahajani system came to the complete domination of the industry from a period when Malda silk started to decline in quantitative terms also, i.e., since the last two decades of the 19th century. For the rest of the British period the mahajani system closely insulated the industry from all prospects of growth and became successful in deriving the entire surplus to its own favour.

It has been pointed out that the East India Company moulded the role of the traditional dadni merchant to its own needs and developed a commercial organisation based on brokers and pycars. It is through this organisation that they procured first textiles and raw silk and then raw silk only; and as they started filatures, they were purchasing cocoons through the same arrangement. Thus the village pycar for decades had established a direct relationship with the rearers; and under the system, the rearer was dependent for his production and existence on the advance from pycar. On the other hand, he was bound to sell his cocoon to the pycar. Such a relationship based on finance and exploitation served

the interests of the company well. The role of the pycar precisely attained new dimensions from the time when the East India Company departed. While the large filatures of the company were sold out to big European firms, the smaller filatures previously hired by it were now owned by the solvent native pycars and contractors. These pycars now used the long established production relation with the rearers in favour of his own filature. On the other hand, the pycars continued to supply cocoons to the new European firms, mainly a French one. When the French buyer was out, the erstwhile pycars were at the apex of the production organisation using the same colonial production relation.

Meanwhile the existence of independent petty reeler was further abolished as the Marwari merchants grew to be the prime dealers in raw silk and established for themselves an economic relation with the reelers similar to that between the pycar and the rearer. It may be noted here that the Marwari traders began to infiltrate in to the rural structure of Malda particularly since the permanent settlement when interest of local bantias was shifted to land. But, prominence of these traders in raw silk trade grew on since the mid-19th century when the East India Company had an exit from the Malda scene. Marwaries were gradually able to take a firm grip over such trade, because they knew the outside market better and had a good link with the traders of Benaras and other parts of India, including the exporters.

Now, there emerged two sets of mahajans : one, the village mahajan who is the supplier of finance as advance to the rearers, is a big producer of raw silk and has under his clutches a number of rearers whom he exploits; the second mahajan is the trader in the urban centre who advances to the reelers, does not participate in production and exploits the reelers under his clutches. The rural mahajan as a solvent big producer of raw silk could not be exploited by the urban traders; business between these two groups were absolutely on commission basis. The petty reelers had no way to establish a direct link with the market, because in the face of large capital requirements and competition from the rural mahajan they were bound to depend on the trader-mahajan. All the mahajans used their offer of advances, both productive and unproductive, to prevent the artisans from being independent producers; and their mode of operation did not call for any immediate modification of the state of technology. The mahajans were also callous to such investments particularly because the market fluctuation in silk increased enormously since the last quarter of the 19th century. The artisans on the other hand did not have the opportunity to try an improvement because they were not independent producers. Among the parasites of silk worm, 'pebrine' is called the most efficient one because it does not kill the worm but continues to suck. The mahajan can be best compared to pebrine, because he manages and manipulates the system in such a way that the artisan neither

attains self-sufficiency nor perishes. The mahajan was no longer an individual, he became an institution having its own utility to the silk producing people and having the basic control on the industry.

The burden of specialization

In the light of the above analysis of the forces operative in the silk industry of Malda region during the British period the condition of the actual producers - ~~rearers~~, rearers, reelers and weavers may be observed. The pressure of growing foreign demand or a general expansion in quantitative terms came to no benefit to these artisans. There are, of course, economists who believe that a general apathy of the British government in India in regard to improving the conditions of the working population might be attributed to the Smithian doctrine of subsistence wages. Theory or no theory behind the policy, the artisans of Malda were impoverished and oppressed under the colonial economic policy; they became wretched during the British period. Their employment and living were no longer decided by the indigenous forces, but became subjected to the needs and dictates of English trade and industrialization. Rather, their economic life was now tied up with the frequent fluctuations in the European market. Profits of a booming condition was appropriated by the company and its servants as well as their native agents while the loss of a slump was shifted

to the basic grower in the form of a lower procurement price. They were the people who, along with the peasants, bore the direct burden of British trade policy in silk. In all possible ways their labour and skill were exploited by the British and their Indian collaborators. The shifts in the methods of procurement from broker to contract to agency and other forms, or the shifts from indigenous reeling to filatures made little difference to the burden on the artisans. And finally the emergence of mahajani system permanently deprived the artisan of his just share in the profits of the industry. Such an onslaught on the artisans were met by them not without resistance. What is important to note is the fact that the 18th century weavers and other artisans of this region participated in a long drawn rebellion after the great famine of 1770, while their counterparts of the 19th century did not rise to the occasion after the famine of 1874 although peasants' struggle in different parts of Bengal flashed at different points of time. Why the direct forms of resistance could not be repeated is the subject of a separate research work; but possible conjectures are many. For example, it may be said that the Company and the British Crown could successfully secure the effective support of the feudal class since the 'Permanent settlement' of 1793 and could also channelize this against the poor peasants and artisans. Similarly it may be noted that after 1857 the British government came down with a heavy hand and adopted a more judicious positioning of troops, or that the

base of nationalist movement was now shifted from the rural masses to the urban intellectuals, particularly of Calcutta. But two most important things were that in 1870's, as compared to 1770's, the silk industry and its workforce became greatly limited and that during the famine of 1874 people found in the government a supplier of gratuitous relief. (Please see Appendix B for details).

Attempts to arrest the decline

Attention to the causes of absolute decline in Malda silk industry was particularly drawn from 1880's when the industry was passing through a severely languishing condition. In fact, the low tide could not be reversed during the rest of the British period. Apart from the fall in export demand the other reasons which were analysed included the land revenue arrangements, increasing cost of mulberry cultivation, degeneracy of cocoons, silk worm disease, lack of research, the prevailing mahajani system, unimproved reeling method etc. These causes of stagnation or decline cannot be expected to have been removed within the existing uneconomic structure of the industry. By this time sericulture started receding from many districts of Bengal, but Malda continued her specialization in raw silk production although in a more limited and compact part of the district. This is precisely the beginning of the second phase of decline, when the industry languished in absolute terms, and when absolute control of the industry went into

the hands of the mahajans; - the mahajani era began.

With the initiative from Bengal Silk Committee and with government grants attempts for experimentation started with establishing nurseries to supply of disease free worms. The programme was relatively successful in Malda, but its extension was severely restricted only to few wealthier farmers and mahajans. A total approach to the improvement in the silk industry removing all the above causes of stagnation was missing; the basic drawback also remained unidentified. Further experiments were carried on in the inter-war period of this century towards research and training as well as with co-operative societies. But, these attempts were absolutely inadequate in view of the situation prevailing during that period. The first world war came as a temporary impetus to the industry; but by this time Malda had to face two kinds of competition : first, internal, from Kashmir and Mysore - the regions which were competent enough to exclude Malda from deriving any favourable impact of the war; secondly, external from China. Apparently, Malda's inability to adjust herself to the needs of the World War I seemed to be technological; because, the war demanded better quality filature silk. But, if we look at the problem a bit closer, it is not difficult to find out that technological inertia was the result of the rigid ^{or} ~~regan~~organisational set up. Kashmir and Mysore under the shelter of government supervision leaped forward far ahead of Malda who without any sort of such

assistance and with traditional organisation was unaware of how the war was gearing the silk industry up. The question that became the immediate one at the time of world wide depression was that of protecting the old and languishing industry. The Second World War acted as a booster, in the real sense, to Malda's silk-industry. How far such an impetus together with the measures of protection were potent enough to place the industry on a stable growth path is to be ascertained after 1947. And hence, Malda silk industry upto the end of the British period was suffering from a long drawn stagnation.

It may be emphasised that limited resources of the artisans, lack of radical technological change and above all the typical mahajani system, among other factors, might explain why in spite of some experimental improvements no major change took place in the silk industry of Malda during the last seven decades of the British period, while Malda's specialization in raw silk production - the eclipse of silk weaving - was an imposition by the colonial authority. What is more interesting is to note that the handloom cotton weaving industry survived mainly because of local demand, thanks to the remnants of the old village community system. But, silk weaving industry along with superfine cotton weaving, was so tied with foreign demand that the British could successfully obtrude their colonial policy and interests upon such production. Weaving of mixed varieties (silk with cotton)

continued on a very limited scale up to 1920's on account of a limited demand from the Arab countries : This was possible because mixed fabrics, instead of pure silk fabrics, were 'permitted' as ceremonial wear by the orthodox Islamic dictum. It is the colonial policy which forced Malda to specialise and it is again the colonial economy which gave rise to the mahajaniform of backward organisation that led the industry to a general stagnation.

Reference to Chapter VI

1. John Crawford's "Commercial Resources and Monetary and Mercantile System of British India" in K.N. Chaudhuri (ed.) - The Economic Development of India under the East India Company (1814-58), a selection of contemporary writings; Cambridge 1971.