

The Deindustrialisation of the Colonial Indian Economy: Revisiting the Revisionist School

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Abstract:

The deindustrialisation of the colonial Indian economy is a topic of debate among historians and economists. Some argue that the British colonial policies in India resulted in the deindustrialisation of the Indian economy, while others say that it resulted from global economic changes. One view is that the British colonial trade and taxation policies favoured British goods over Indian products, leading to a decline in Indian industries such as textiles, handicrafts, and iron production. The British also imposed restrictions on Indian industrial growth through regulations, taxes, and tariffs. Another view is that the deindustrialisation of India was part of a global trend towards the shift of industrial production from Asia and Europe to the Americas and that it was not the result of British colonial policies alone.

Between these two contrasting views, a third view agrees on a partial exploitation of the Indian economy for a short period. Still, in a more extended period, colonial policies helped Indian industries grow. This article revisits the third 'revisionist' position on the deindustrialisation of the colonial economy and argues that British policies were exploitative for the Indian economy.

Keywords: Deindustrialisation, Census, Workforce, Textile Industry and Colonial Economy

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I. Introduction:

Economic deindustrialisation in colonial India refers to the decline of traditional Indian industries and the subsequent shift towards a colonial economy favouring raw materials exports to Britain and the import of finished goods from Britain. This resulted from the British economic policies that aimed at making India a source of cheap raw materials and a market for British manufactured goods. The British deliberately destroyed the Indian handicraft industry, the backbone of the Indian economy, by imposing heavy tariffs on Indian-made goods and providing subsidies to British manufacturers.

As a result, India was reduced to a colonial agrarian economy, and its share of world trade in manufactured goods declined dramatically. Indian textiles, which once dominated the global market, were replaced by British manufactured goods and Indian workers were forced into low-paying, unskilled jobs in agriculture and other sectors. This deindustrialisation had far-reaching consequences for the Indian economy, as it left the country dependent on exports of raw materials and vulnerable to global market fluctuations. It also perpetuated poverty and inequality as most of the population was forced into low-paying, unskilled jobs with limited opportunities for upward mobility.

There are two extreme views. One is the Nationalist school, which completely blames the colonial state for the deindustrialisation of India. Nationalist historiography on the deindustrialisation of the colonial Indian economy portrays it as a direct result of British policies that aimed to extract resources and undermine local industries. This view emphasises the role of colonial rule in limiting the growth of Indian industry and hindering the country's development (Bagchi, 1972; 2010; Chandra, 1966; 1968). On the contrary, the Cambridge School of history argues that no deindustrialisation took place, but there were improvements in Indian industries (Morris D Morris, 1968). Among these extreme views is a Revisionist school that challenges the conventional narrative that British colonial rule was responsible for the decline of Indian manufacturing industries. According to this revisionist view, the deindustrialisation of India resulted from multiple factors, including technological changes, economic competition, and the changing economic policies of the colonial state. The British colonial state encouraged the growth of modern industries and was not responsible for the decline of traditional industries (Ansely, 1921; Morrison, 1911; Thorner, 1962). This article examines the arguments of the Revisionist school pertaining to the deindustrialisation of the colonial Indian economy and argues that the Revisionist school lacks a comprehensive understanding of the colonial Indian economy.

II. Revisionist School:

The revisionist school of historiography challenges the traditional or dominant view of history by questioning the accepted interpretations of events and exploring alternative explanations. In the context of Indian history, the revisionist school has challenged the long-held belief that British colonial rule led to the deindustrialisation of the Indian economy.

According to the revisionist school, the Indian economy was already undergoing a process of deindustrialisation before the arrival of the British. This process was linked to a variety of factors, including changes in consumption patterns, the rise of agriculture, and the spread of new technologies (Morrison, 1911; Thorner, 1962). The revisionist school argues that the British colonial rule did not cause the deindustrialisation of the Indian economy but rather exacerbated and accelerated the process.

The revisionist school also challenges the view that British colonial policies, such as imposing tariffs and introducing British manufactured goods, destroyed Indian industries. Instead, they argue that Indian industries were already in decline, and the British policies only hastened the process. Moreover, the revisionist school argues that the British colonial rule also led to the growth of new industries, particularly in the textile sector, which was one of the mainstays of the Indian economy (Ansety, 1921; Morrison, 1911; Thorner, 1962).

In line with the Revisionist school, Daniel Thorner (1962) argued that India's deindustrialisation occurred between 1815- 1880; after that, there was no deindustrialisation in India. He further claimed the following:

1. The devastation of the traditional handicraft industry was due to the industrial revolution, and it was a worldwide phenomenon.
2. The devastation of handicraft industries did not happen because of English imported goods but because there was no simultaneous rise in modern industries.
3. He blames census data of 1881-1931 because, at first sight, raw census data seems to support the deindustrialisation argument.

Table 1

S.No		1881	1931	variation
1	All workers (Both Sexes)	115.1	140.2	+25.1
2	Workers in agriculture	71.7	100.2	+28.5
3	Workers in manufacture	21.1	12.9	-8.2

(All figures in millions)

Source: Daniel Thorner, ' "De-industrialization" in India: 1881-1931,' in *Land and Labour in India based on the Census of India Reports from 1881 to 1931*, p. 72.

4. To mend these data, Thorner took several measures:

a. He clubbed trade and manufacturing because, according to him, in India, there is no clear-cut demarcation between the sectors(1962:72). For example, in rural India, the same family flays dead cattle, tans the hide, cuts and sticks leather into sandals carry sandals to the bazaars and sells them and subsequently repairs them when necessary means there are infringing of primary secondary and tertiary sectors.

b. He joined agricultural and general labour because most of the general or unskilled labour came from the agricultural sector. They were classified as standard general labour at different times and in different forms.

c. He ignored the female working force" because "it has always been hard to draw the line between those women whose economic contribution has been substantial and those whose work apart from domestic duties has been minor or "eligible" (1962:75).

After all these assumptions and classifications, he concluded, based on the same census data, that there was only a shift of 2% towards agriculture and a 3% reduction in manufacturing and trade. This is shown in the table below:

Table 2: Male working force in percentage

S.No		1881	1901	1931	Variation
1.	Agriculture + General Labour	65+9=74	68+6=74	72+4=76	+2
2.	Manufacture +Trade	16+2=18	11+5=16	9+6=15	-3
3.	Transport	8	10	9	+1

Before this clubbing, this table was

S.No		1881	1901	1931	Variation
1	Agriculture	65	68	72	+6%
2	General Labour	9	6	4	-5%
3	Manufacture	16	11	9	-7%
4	Trade	2	5	6	-4%
5	Transport	8	10	9	+1%

Source: Daniel Thorner, '“De-industrialization” in India: 1881-1931,' in Land and Labour in India based on the Census of India Reports from 1881 to 1931, p. 75.

Thorner (1962) reinterprets the whole data; the following is the analysis of his 'reinterpretation':

Firstly we cannot simply avoid the female working force. It may be possible that census officials fetched inaccurate data, but despite correcting the mistake, he dropped the whole data of the female workforce. In India, women not only look after the household but also shoulder the responsibility of the economic field. Many women worked in the fields as well as helped men in handicraft industries. The women population can be estimated with the help of the sex ratio (Visaria, 1983).

Table 3: Sex ratio 1881-1941

S.No							
1	1881	1891	1901	1911	1921	1931	1941
2	1040	1042	1037	1047	1056	1062	1059

Source; Leela Visaria, 'Population (1757-1947), in Raychaudhuri, T., Kumar, D., Habib, I. and Desai, M. eds., 1983. *The Cambridge Economic History of India: Volume 2, C. 1757-c. 1970* (No. 2), pp.463-533

So how can we deny a significant chunk of the population? According to Sumit Guha, 'women amongst them would tend to disappear from the census workforce altogether, especially as the one recognised 'respectable' female occupation-spinning no longer existed" (Guha, 1989:315). Sumit Guha (1989) also criticised Thorner (1962) for dropping the female data. By doing so, Thorner hides significant evidence of deindustrialisation because this major female working force might be shifted to agriculture after the decline of handicraft industries. The table below strengthens Sumit Guha's argument:

Table 4: Persons employed in hand-spinning and weaving (in thousands)

S.No	Year	Men	Women
1	1881	211	263
2	1901	160	131
3	1911	106	92
4	1921	113	76
5	1931	89	58

Source: Sumit Guha, 'The Handloom Industry in Central India, p. 315.

Firstly, there is a degradation in the number of male and female persons, 1881- 1931 [male: 211- 89 female: 263- 58]; secondly, females participated equally with males. J Krishnamurthy (1976) also shares the same

concern. According to him female working force always had their say in economic activities; on the contrary, they were shifting towards agriculture from small-scale industries.

Thorner (1962) was heavily criticised for clubbing manufacturing and trade data. Crops were commercialised when there was a heavy demand for cotton in the world market during the 1860-65 cotton boom. During the first half of the 20th century, specialisation took place. In rural areas and urban centres, intermediaries were ruling the market. A poor person had only access to *mahajan* or *fadia*, who bought all their crop at a low price and later sold it further with high-profit margins. During the first quarter of the 20th century, farmers were more dependent on *mahajans* because they only had new jennings machines to clean the long-staple cotton, which was in good demand in Thorner's assumption of clubbing trade and manufacture data does not hold much water.

Thorner also clubbed agriculture and general labour, which also has been criticised. Firstly general labour, broadly consisting of agricultural labour, is a highly problematic assumption. Summit Guha quotes from the census report of 1886, for instance, the artisan classes such as weavers and the like, to a considerable extent, left their former employment, which kept them in town and taken to the fieldwork or other labour in the rural areas (Guha, 1989:302).

Even Kornard Specker (1989) shares the same concern and talks about the influx of English goods which captured the whole Indian market. The textile industry in this district recorded a sharply retrograde tendency, and innumerable weavers started to turn to agriculture pursuits (Specker, 1989:147). He highlights the "pull power" of the agricultural sector. He quotes the collector of Thanjavur, who blamed English competition for the degradation of handicrafts. He stated, 'agriculture was not merely a last resort but also an attractive alternative because of progress made in methods of irrigation and favourable agricultural prices' (Specker, 1989:147).

Thorner's argument is not only refuted by nationalist scholars like Bipan Chandra and Meghanand Desai but even Konard Specker mouthing the same notion. In his work on Madras handloom in the 19th century, Morris D Morris argues that imported English machines shot up the Indian textile industry, but specker argues that these machines were available to limited strata important machines and imported cheap cloth devastated the whole market and marginal strata were shifted towards the production of 'coarse cloth'. Imported clothes and milk totally captured the market. He is talking about Betgiri, a sari-producing village. "Even though the quality of sarees produced here was supposed to be superior, the employment of the Weaver was permanently affected by the import of European clothes. Specker talks about the qualitative degradation of production. In his survey of the Coimbatore district, he marks that 65% of cloth produced was 'coarse cloth'. 65% of cloth produced less than Rs 1 (per piece), among 28% produced cloth worth eight or below eight annas (per piece). We can predict the economic condition of the workers.

On the contrary, Summit Guha (1989), in his case study of the handloom industry of central India: 1825-1950, based on input consumption of raw cotton and production factors. He talks about the cotton boom of the 1860s and describes how this boom adversely affected the marginal farmer. Raw cotton became dearer farmers were turned up to coarser cloth. "Coarser clothes are still woven, but the dealers believe that where we were used to weaving ten pieces, he only weave" five now" (Guha,1989:300). Artisans were shifted towards economic activities, mainly towards agriculture. The turn of the century introduced famine. It snatched everything from the hands of pity farmers to stop a cycle of severe scarcity increases in the prices of food grains. On the other hand, imported clothes and goods devastated small-scale industries. The bulk of artisans were diverted to agriculture to gain their livelihood.

"The 1901 census report noted a striking decline in persons supported by the cotton industry" ((Guha,1989:307). Later, Guha (1989) talks about the increase in the output of industries during the 20th century. His data shows an increase in the consumption of raw materials, but the increase in output does not reveal the fact this increase in output was because of technological development that occurred in the first half of the 19th century. Production was shot up because of new mills and factories but what about the rural Population? Only specific strata were enjoying the benefit of the developments. The valley between haves and have-nots was widened in the occupational pattern.

On the other hand, J Krishnamurthy talks about shifting towards the primary sector and decline in secondary enter three sectors. According to him decline in industries and the increase in agriculture varies from state to state. On the one hand, there was an increase in manufacturing in Madras and Kerala, and on the other decline in Rajasthan and Punjab, where a rise in agriculture was taking place. In the case of Rajasthan, he said that handicrafts in the industry declined because of a decline in demand and agriculture was rising because of facilities provided by the government during the colonial period. But if we check out the prior data and present tense, handicraft industries of Rajasthan always attracted a lot of demand; on the contrary, agricultural development was introduced after independence.

Tirthankar Roy (1988), in his article "size and structure of handlooms weaving in the mid-1930s", talks about 'capitalistic investment' in the Indian market. Technological development and factory production compelled small-scale industries to go for transformation. Small-scale industries still hold 50% of the market, switched over to the production of fine fabrics woven with artificial silk and machine-made yarn demanded in the foreign market.

This new mode of production made them more dependent on the capitalist. A new mode of production degraded the home industry as well as depressed employment. Further, this led to decreased income and purchasing power and a fall in demand, again depressing the investment.

III. Conclusion:

The deindustrialisation of India significantly impacted the Indian economy, leading to a decline in the standard of living for many Indians and a shift towards agriculture as the primary source of livelihood. It also had a long-lasting effect on the country's economic development, as the country struggled to rebuild its industries in the post-colonial era. The "Deindustrialisation as myth" argument maintains that India was never a major industrial power and that the decline of certain industries was due to factors such as competition from British goods and changing economic conditions.

The revisionist school of historiography challenges the traditional or dominant view of history by questioning the accepted interpretations of events and exploring alternative explanations. In the context of Indian history, the revisionist school has challenged the long-held belief that colonial rule led to the deindustrialisation of the Indian economy. However, the article argues that colonial rule profoundly impacted the Indian economy and shaped its trajectory in the years to come. Colonial policies emerged as a hurdle in industrialisation; in light of all this evidence, we can say that Thorner's argument is redundant, and his study of data is faulty. He tried to moderate the thesis of Morris D Morris, but he failed.

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