

# Industries Of Tamil Nadu: From Unorganized Sector To A Structural Occupation – A Historical Approach

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## **Abstract:**

*The economic prosperity of a nation is closely linked to the well-being of its industries. This study seeks to examine the historical evolution of industries in Tamil Nadu across various periods. It explores the significance of major ports and trading activities in ancient Tamil regions and their contributions to industrial development. The study further analyzes the social factors that played a pivotal role during the medieval era, including the privileges accorded to craftsmen and the prevailing regulatory frameworks of the time. Additionally, it discusses the role of the British in systematizing taxation and implementing administrative reforms in the industrial sector. The paper concludes with an analysis of the establishment of the Indian Industrial Commission in 1916 and its implications.*

**Keywords:** Industries, Tamil Nadu, Trade, Sector, Occupation.

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## **INTRODUCTION**

The term industry generally defined as “group of productive enterprises or organizations that produce or supply goods, services and sources of income.”<sup>i</sup> In economics, industries are generally classified into four major groups. They are: I - Primary, II - Secondary, III - tertiary and IV - quaternary. In Tamil Nadu, both primary and secondary industries were more prominent from the ancient time. Generally, the primary industry is meant to provide the raw material while the secondary industry is manufacturing sector. The trade contact of ancient Tamil people had gained its momentum even much better with the discovery of new sea-root to India. The global political phenomena of the 15<sup>th</sup> century necessitated and funded for the new sea roots had opened the way to colonizing many far-east. India one among the countries colonized by the British was the direct witness of the large influence of the industrial revolutions of the 18<sup>th</sup> and 19<sup>th</sup> century. The first industrial revolution started in 1760s was a result of rapid development within the textile industry. The subsequent inventions like spinning Jenny and Cotton gin produced more cloths and warranted a good market outside of Britain. The second industrial revolution in the 19<sup>th</sup> century had encouraged the factory setup. It reflected in the Indian administration of the British. They effectively introduced the same setup in India and contributed to the structural occupations of the industries. This article attempts to present a detailed account on the evolution of the industry from unorganized to a structural occupation.

### **Ancient:**

Tamil Nadu, one among the southern-states of India is typically situated in a livelihood location for a prosperous trade and human inhabitation.<sup>ii</sup> The primitive Tamil people since ancient days had lived in five different parts of land popularly referred as “Thinai” in which each of the classifications had their own set of vocational preferences. It was not of their choice. It is due to the availability and access to

resources. According to P. T. Srinivasa Iyengar, trade was developed in Neithal Tinai. Furthermore, he observes it was the necessity of the region.<sup>iii</sup> If we dig deeper on the sources available to rewrite the history, determines that people had not utilized the enormous invaluable objects at its actual value. Instead, they were exchanging the goods merely for their daily survival. To make it clear the argument above, let's take the example of a scene mentioned in "Purananuru", which is said to have been took place at the port city of Tondi in the Chera territory, where a lady was carrying rice with cooked fish for her father which was probably been received in exchange for salt.<sup>iv</sup> The excavations conducted at various places of Tamil Nadu confirms the literary references. Puhar, a well flourished port city in the Chola kingdom had a lively appearance for a wealthy trade. The set up of the town included a market, a godown and different places accommodating the merchants, traders and even foreign travelers. The prominent market "Nalangadi" was vividly used for trading activities at the city of Puhar. The word "Nalangadi" is a composition of two Tamil Words: Nal=good and Angadi=store. Some of the goods showcased at the Nalangadi were fragrant pastes, powders of flowers, silk, wool, cotton, sandal, coral, pearls, gold and precious stones.<sup>v</sup> However, there is no exact details on how the industrial setup would have shaped the trade and economy of the region. Another port city that finds most considerable reference in different sources is Musiri. According to K. A. Nilakanda Sastri, most of the available foreigner's accounts had mentioned sufficiently about the city and the trading activity. However, he differs on the featuring of merchants of the city of Musiri. He noted that, their account lacks information about the merchants who visited the city.<sup>vi</sup> In contrast, the later studies found that, Pliny's account mentions about the city and hinted the possibility of trade. He, in his account had observed that, the merchants of Egypt will return from the port of Musiri, in the month of "Tybis", which generally refers the month of December.<sup>vii</sup> Considering the above observation, it is evidently been proven that the port city was well connected to overseas trade. K. K. Pillay mentions that, as per Periplus, Yavanas came here with the products like wine, Brass, lead, copper, tin, orpiment and wheat and purchased the products like pepper, purls, ivory, diamonds, sapphire, tortoise shell, silk, spikenard and malabathram in exchange.<sup>viii</sup> Therefore, this port is also a well flourished trading hub of ancient Tamil Nadu. In similarity with the above discussed port, it did not feature any structured industrial setup. Korkai or Port of Parathavar, a prominent port of the Pandya Kingdom, known for it's pearl trade was also filled with the goods like pottery and wooden objects.<sup>ix</sup> The city was actively engaged in trade with the foreign countries such as Persians, Arabians, Phoenicians, Hebrews, Egyptians, Ethiopians, Greeks and Romans. Dock of the city was almost busy in loading and unloading the goods like gold, pearl, different gems, ivory, peacocks, monkeys, sandal, ebony and other rich woods, ointments, spices, indigo, cotton, silk clothes, etc.<sup>x</sup> With the above observation about the city of Korkai, it is more appropriate to conclude as like other ports, the city did not yield any substantive source to establish a strong industrial setup. It is also worth mentioning that, the institution of trade was not only progressed through barter system. Some of the excavations reveals that minted coins were also shaping the trade. As far as Tamil Nadu is concerned, a greater number of Roman coins are found in Coimbatore and Salem region<sup>xi</sup> which is a strong testimony to conclude that the trade was evolved over time and even a non-coastal region was also played a pivotal role in the trade during ancient days.

#### **Medieval:**

As observed by James Mill, "progress is revealed in History," the industrial setup of medieval times in Tamil Nadu was also evolved. People of the medieval times had moved to slightly organized way of trade practices. Unlike the ancient people, they have mainly two divisions among themselves popularly noted

as Valangai (Right Hand) and Idangai (Left Hand). Though it is been argued by the critics, those divisions were not originally mark as an occupational identification of the people, it evolved as the main phrase to point out the occupation associated with a person. According to Y. Subbarayalu, the terms were first used to effectively manage the military administration of Rajaraja Chola I.<sup>xii</sup> However, many inscriptions which talks about the economic matters of the times refers to the people engaged in land and agricultural related occupations as Valangai or the Right Hand and the commercials and artisans were referred to as Idangai or Left Hand.<sup>xiii</sup> These divisions have appeared to be in practice only till the medieval times. There is no substantive evidence to prove it's existence in the Modern times. There were many industries had existed in medieval times. However, it's accountability is minimal. One of the prominent authors of "Medieval South-Indian Economy", Appadurai has identified two large defining factors of contemporary economy - (I) The Main industries and (II) System of production. The Main industries includes handicrafts, mines, minerals and fisheries. Whereas, the System of production refers to the methods of productions including labour force and conduct of trade.<sup>xiv</sup> In the medieval times, we have a trace of well flourishing industries like metals, cotton and iron. The metal industry had played a very crucial role in the life of the people. Generally, the metal crafts are found in the houses and temples. The metal crafts are usually made of precious metals, like gold and silver, base metals such as iron, copper and brass, and alloys include zinc and tin. Most metal crafts found are in the form of jewelry.<sup>xv</sup> During the times, there was no regulations for the industries and craftsmen. The only reference on the administrative connection with the industry was that, the appointment of craftsmen by Princes in the kingdom, exclusively to make jewelry.<sup>xvi</sup> On the other hand, it was a well prevailed practices of the time to appoint a craftsman to work in the temple.<sup>xvii</sup> This practice he observes is mentioned in the inscriptions of the Vijayanagar Kingdom. It is worth noting that, there is no reference on the taxes levied for the craft goods. Cotton goods another finest occupation of the people, had attained it's full market during the medieval times both internally and externally. Foundation for the cotton industry is the weaving technique on which the cloths were produced. There are different views and opinions among the scholars about the existence of those techniques in India. However, those aspect is not concentrated in the present study as it's main focus is to trace the industrial structure. It appears that the cotton industry have been effectively managed by the weavers themselves. The pattern weaving, one of the most widely used methods for the production of cotton goods was resolved to work exclusively by Muslim men. This information is found in the inscription dated 1538, during the reign of Achutaya Raya, Tuluva dynasty ruler of the Vijayanagar kingdom. It refers to a large meeting of corporation of yarn and cloth merchants across South India. The meeting had laid down some regulations for the effective administration of the industry and punishment in case of any violation for the same.<sup>xviii</sup> Some of the cloths that were manufactured and exported during medieval times includes turbans, calicoes, muslins, buckrams and the cloths specially catered for women. Further, some foreign texts mention the trade of cloths with engraved flower at the west coast.<sup>xix</sup> As the industry was well flourished' it was free from any regulations of the rulers as like the metal industry. However, it had it's own regulatory body which managed it's affairs. All other industries such as wood and leather were also remained centrally unregulated and was mainly viewed as primary occupation for daily survival. Though the goods produced in those industries were exported to other countries, it's significance were remained unrecognized.

**Modern:**

Modern, as it is the well-established fact that, it was dominated by the western countries, the economic affairs were also largely been influenced by the western people. In 1611, British showed strong foundation in the administration of India and established their first trading factory at Masulipatam. Soon, casual trade activity of the British in the city of Madras gained strong foundation with mutual lease granted by Damarla Venkatappa Nayakka of Nayaks of Wandiwash, in 1639. The lease granted British full autonomy over the administration of ports with a condition of 50% returns from generated revenue. In 1683, the English wrote to the native rulers requesting a favor of collecting full revenue with the assurance of strengthening of forts and ports, protection to administration from the native and Dutch rulers. The same was accepted by the ruler of Madras. It is marked by Bipan Chandra as "A move by the native ruler to pay for their own conquest."<sup>xx</sup> Subsequently in 1687, the directors of company advised the governor to establish a vast range of civil and military revenues which they believed could strengthen the British rule in India. In 1689, they declared collection of revenue is their subject matter and it could have a nation for them in India.<sup>xxi</sup>

In the initial stages of administration, the British seems not have concentrated much on the regularization measures. Instead, its main focus was generation of enormous revenue which resulted in illegal and unfair trade conducts. There were three active trading group namely, I' Indians largely of Tamil or Telugu Chetti merchants and Indian Muslims. II' Armenians and III' Europeans not part of the east India Company.<sup>xxii</sup> Those groups were actively shaping the trading's of the region from four different hubs such as Pallavaram, Wandiwash, Chinglepet and Poonamalee.<sup>xxiii</sup> The products like betel, tobacco and Paddy were the Mager trading commodities of the hubs. It appears the British had no clear regulations for the trade except the prohibition of it's sale in the region without the prior permission from Fort St. George.<sup>xxiv</sup> On the other hand, the low paid employees of the company were indulged in corruption which led to a quick growth of country or spurious markets. Those markets were famous for selling the illegal goods that are already been rejected by the British checking gates.<sup>xxv</sup> After the establishment of board of revenue in 1785, there was an attempt to ensuring the industries are regulated. However, the absents of clear act to govern the entire process led to a situation of uncertain economic affairs of the region. In fact, all the tasked rulers to ensure economic stability were busy in making a strong foundation for the British rule in India.<sup>xxvi</sup> owing to the provided condition the British were highly depended on the native rulers for their economic wealth. However, they did permit the English merchants to trade at the Indian coasts.<sup>xxvii</sup> Those merchants were acted beyond their permitted mandate of trade. They started assisting the agriculturalist to secure loan.<sup>xxviii</sup> This act of merchants can be seen as the exceeding the scope of their permission as many unfair practises like corruption grown rapidly. The new phenomena had caused a huge damage to the economic welfare of the state. Therefore, it was decided by the company to brought the industries affairs under the purview of the Board of revenue. This move apparently mandated the district collectors and other officials of the company to disclose all the changes they propose for the betterment of all the industries of the land. Subsequently, the company had highly concentrated on huge production of the native commodities. It was believed that, this move could ensure the high income to the treasury. In the second half of the 18<sup>th</sup> century, the company had made an attempt to ensure the enormous production and supply of goods with the assistance of an expert committee. The committee comprised of Doctors Heyne and Roxburgh, was constituted in 1789 and entrusted with the task of suggestions to improve the cultivation of various products. The committee had submitted it's report in 1797. It acceded before the government that, at least 1000 new trees were successfully been planted and the project of extended cultivation on other

products were also yielded better result.<sup>xxxix</sup> Considering the positive report from the committee, the government had constituted another expert committee to study about the cultivation of cotton. There is no sufficient evidence on the working and suggestion of the committee. In view of the above, the Botanists were discharged and operation was abandoned.<sup>xxx</sup> Similarly in 1812, the administration constituted a committee of 8 members to study on the possibility of cultivating more crops. It is found that, the members were paid low remuneration of 4 pagodas. There is no record on the report of the committee. Therefore, it can be presumed to the committee was not functioning effectively. In 1835, the company after a heavy revenue Berdon decided to constitute a committee. Accordingly, Dr. Robert Wight, was once again appointed to make suggestions on improving the revenue.<sup>xxxi</sup> After a brief period of 2 years, he submitted his report. His report suggested for the introduction of American cotton and Tobacco and valuable Bourbon cottons. Also, his report echoed the suggestions of the collector of Kadappa district in 1807, where he opined to stop the excessive production of agricultural products and encourage the commercial productions. Some of the products listed by Dr. White to be cultivated includes Cotton, tobacco, Indigo and opium.<sup>xxxii</sup> This time the board of revenue was accepted the suggestion and ordered for the more production of the above-mentioned goods. However, there was no regulation for the agriculturists to plan any select good. Also, the officials did not lay any strong guidelines for the collection of taxes. As a result, different proportion of taxing were followed in the presidency since the first half of the 19<sup>th</sup> century, without any necessary changes. For instance, a Maund of cloth was taxed at Rs. 39 in Madras while Rs. 40 at Wallajahnagar, whereas the same was taxed at Rs. 71 in Sholingur and Rs. 85 in other parts of the provinces.<sup>xxxiii</sup> This situation continued till 1844, when the English abolished the existing transit duty. Though it was formally declared to be abolished, collection of taxes continued under the old tax regime at least for the next 2 years. The tariff regulations of 1846, had introduced a structural taxing method for all the goods. It taxed the cotton goods at 3.5% and other goods at 5%. It was subsequently, enhanced to 15% and 20% for the goods from England and other countries respectively. Since then, there were many changes had been brought in to the taxing of the products. Till the start of the 20<sup>th</sup> century, the government had revised taxes. But it did not focus on the reform within the industry. The establishment of Indian industrial commission in 1916 recognized the wealth of the Indian industry beyond profit and included an agenda for its upliftment. In fact, it opened it's report in the following words: "At a time when the west of Europe, the birth place of the modern industrial system, was inhabited by uncivilised tribes, India was famous for the wealth of her rulers and for the high artistic skill of it's craftsmen. And even at a much later period, when merchant adventurers from the west made their first appearance in India, the industrial development of the country was at any rate not inferior to that of the more advanced European nations."<sup>xxxiv</sup> The commissions' primary duty is to ensure collection of data from the people and maintain it industry wise in order to make necessary administrative changes. Also, the report mandated for the establishment of provincial commissions in each presidency. Therefore, it is convincing to accept that the establishment of Indian Industrial commission had shaped the better administration of Indian industries.

## CONCLUSION

Evolution of the structure of Indian industries can go well together with the evolution of mankind. In fact, the progress of the industrial evolution reflects the culture of the people. The industries had good markets world wide during the ancient and medieval times. Absence of the clear understanding of the

value of enormous wealth they have among the people, the goods were sold to a very minimal rate or exchanged for less valued goods. Taking advantage of the condition and with the intention of revenue benefit for their rule and England, the English imposed a heavy tax on the products. Appointment of many officials to collect with low pay led to many unfair activities resulting in rapid decline of the trade in the region. It had highly caused the deteriorating of those industry. On the other hand, introduction of new crops and the method of productions had hindered for the further development of Indian industries. Lack of guidance from the government on regularizing the industry and a strong desire to enhance the tax is set to have been another influencing factor for the drain of India. Despite the above noted commercialization attempts, the English had given a clear structural administration of the industries with the establishment of the Indian Industrial commission in 1916 and rendered a structural management of the industries since then.

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