



AGRARIAN DISTRESS AND ECONOMIC TRANSFORMATION IN KASHMIR UNDER SIKH RULE

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RESEARCH ARTICLE



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Abstract

The period of Sikh rule in Kashmir from 1819 to 1846 represents a complex phase in the economic history of Kashmir, marked by both structural strain and selective transformation. When the forces of Maharaja Ranjit Singh annexed Kashmir from the declining Afghan administration, the transition was initially greeted with cautious optimism. Years of Afghan governance under Ahmad Shah Durrani and his successors had left the valley economically fragile and socially strained. Many Kashmiris hoped that Sikh rule would bring stability, administrative reform and relief from excessive taxation. However, while the Sikh administration succeeded in consolidating political control, its economic policies often intensified the pressures on the agrarian population. At the same time, certain sectors of the economy, particularly the shawl industry, experienced growth and integration into global markets. This duality of rural distress alongside selective economic expansion defines the character of economy of Kashmir during this period. This article explores the agrarian conditions under Sikh rule, the mechanisms of revenue extraction, the responses of the rural population and the broader patterns of economic transformation that emerged between 1819 and 1846.

Keywords: *Agriculture, Land Revenue, Migration, Shawl Industry, European Markets, Famine*

Introduction

The economic structure of Kashmir under Sikh rule was shaped by a combination of administrative priorities and structural constraints, with agriculture forming the backbone of the state's income.¹ The majority of the population was engaged in cultivation and the productivity of land determined both the livelihood of peasants and the fiscal stability of the state. Under Sikh rule, land revenue became the principal source of income, shaping the priorities of governance. The revenue system inherited elements from earlier Mughal and Afghan practices but was implemented with a renewed emphasis on maximizing state income. Taxes were often assessed as a substantial proportion of agricultural produce, sometimes reaching levels that left cultivators with minimal surplus. This approach reflected a broader pattern in pre-modern states, where agrarian output was the primary basis of revenue, but its intensity in Kashmir created significant strain.

At the heart of this economic framework was the land revenue system. Fertile lands, nourished by rivers and seasonal cycles, had historically supported a productive agrarian economy. Yet under Sikh rule, the emphasis on revenue collection overshadowed concerns for sustainability. Officials were tasked with ensuring that a substantial portion of agricultural produce was collected as tax, often leaving peasants with little more than what was necessary for survival.² This heavy taxation was not only burdensome but also deeply destabilizing. For peasants, the uncertainty of agricultural life was compounded by rigid revenue demands that did not always account for variations in crop yield, weather conditions, or natural disasters. In years of poor harvest, the obligation to pay high taxes could push families into debt or force them to sell their assets. Over time, this created a cycle of vulnerability, where cultivators found themselves trapped between the demands of the state and the unpredictability of nature.³

Contemporary observers, including European travellers who visited Kashmir during this period, frequently remarked on the severity of the taxation system.⁴ European travellers who visited Kashmir during this period often commented on its economic conditions. Their accounts frequently emphasized the contrast between the regional natural beauty and the poverty of its inhabitants. High taxation, declining agriculture and widespread hardship were recurring themes. While these observations provide valuable insights, they must be interpreted with caution. European perspectives were influenced by their own cultural and intellectual frameworks, which could shape their interpretations. Nevertheless, their accounts align with other evidence in highlighting the challenges faced by the agrarian population. Some accounts suggest that the burden was so excessive that large portions of cultivable land were left unused. While such claims may sometimes be exaggerated, they nonetheless reflect a broader reality viz. many peasants either lacked the resources to cultivate their land or saw little incentive in doing so when the returns

were so heavily diminished by taxation. The abandonment of agricultural land had serious implications for the region. When fields lay fallow, overall production declined, reducing the availability of food and weakening the local economy. This decline in productivity was not merely a temporary setback but a structural problem that affected the long-term stability of the agrarian system. Reduced output also meant that the revenue base of state, which depended on agricultural production, was itself undermined. In this sense, the short-term focus on maximizing extraction came at the cost of long-term economic health. The consequences of declining agricultural productivity extended beyond economics into the social fabric of Kashmiri society. Rural communities, which had traditionally been organized around shared agricultural practices and mutual support systems, began to experience strain. As resources became scarce, social cohesion weakened and survival increasingly became an individual or family-level concern. The pressures of taxation and economic hardship altered traditional patterns of life, reshaping relationships within villages and between different sections of society.

Agricultural Distress and Migration

One of the most visible outcomes of this distress was the growing trend of migration.⁵ For many Kashmiri peasants, leaving the valley became a necessary step for survival rather than a choice. The plains of Punjab, with their relatively better economic conditions and opportunities, emerged as a destination for those seeking relief from the burdens of life in Kashmir. Migration offered the possibility of earning a livelihood without the same level of oppressive taxation, even if it meant leaving behind ancestral lands and familiar surroundings. This movement of people had significant implications. On the one hand, it provided temporary relief to individuals and families who were able to escape economic hardship. On the other hand, it contributed to the weakening of agrarian base of Kashmir. As able-bodied individuals left, the capacity for agricultural production within the valley declined further. This created a feedback loop, where declining productivity led to greater hardship, which in turn encouraged more migration.

The demographic impact of migration also reshaped the region in subtle ways. Villages that had once been vibrant with activity saw a reduction in population, while new patterns of settlement emerged in areas where migrants relocated. These changes were not always immediately visible but had lasting effects on the social and economic landscape of Kashmir.

Famine of 1832

Amid these ongoing challenges, the famine of 1832 stands out as a particularly significant event. Famines were not uncommon in pre-modern agrarian societies, but their impact was often shaped by the underlying resilience or fragility of the economic system. In the case of Kashmir, the existing pressures of heavy taxation and declining productivity made the population especially vulnerable.⁶ The famine exposed the weaknesses of the agrarian economy in stark terms. With food production already under strain, the failure of crops led to widespread scarcity. For many, this meant not just hardship but a struggle for survival. The crisis highlighted the limitations of an economic system that prioritized revenue extraction over sustainability and welfare.⁷

In response to the famine, the Sikh administration introduced a series of reforms aimed at alleviating immediate distress. One of the most notable measures was the reduction of land tax to half of the agricultural produce. This step represented a significant departure from earlier practices and acknowledged, at least implicitly, the unsustainable nature of previous revenue demands. By allowing peasants to retain a larger share of their harvest, the administration sought to encourage cultivation and restore some degree of stability to the agrarian economy. In addition to tax reductions, the state also provided interest-free loans to farmers. These loans were intended to help cultivators recover from losses, invest in their land and resume agricultural activities. In theory, such measures had the potential to support economic recovery by addressing some of the immediate financial constraints faced by peasants.

While these reforms offered a measure of relief, their impact was limited by several factors. Firstly, they were largely reactive, introduced in response to a crisis rather than as part of a broader strategy for economic reform. As such, they addressed the symptoms of distress rather than its underlying causes. The structural issues within the agrarian system, including the dependence on high revenue extraction and the lack of institutional support for farmers, remained largely unchanged. Secondly, the effectiveness of these measures depended on their implementation. In a system where, local officials wielded significant authority, there was always the possibility that reforms would be unevenly applied or diluted in practice. This meant that the benefits of tax reductions and loans did not always reach all sections of the population equally. Thirdly, the broader economic environment continued to pose challenges. Even with reduced taxes, peasants still faced uncertainties related to weather, market conditions and access to resources. Without a comprehensive framework to address these factors, recovery remained fragile and uneven. Despite these limitations, the reforms introduced after the famine do provide an important insight into the nature of governance during this period. They suggest that the administration was capable of recognizing crises and taking steps to mitigate their impact. However, they also highlight the constraints within which the system operated, where immediate concerns often took precedence over long-term planning.

In examining the economic conditions of Kashmir under Sikh rule, it becomes clear that agrarian distress was not the result of a single factor but the outcome of multiple interconnected forces. Heavy taxation, administrative priorities, geographical challenges and environmental uncertainties all played a role in shaping the experience of the population. The agrarian economy, while resilient in some respects, struggled to adapt to these pressures, leading to cycles of hardship and partial recovery.

This period also underscores the importance of balancing revenue generation with sustainability. While the state depended on agricultural income, the methods used to extract this revenue ultimately weakened the system itself. The decline in productivity,

migration of peasants and vulnerability to famine all point to the consequences of policies that prioritized short-term gains over long-term stability. At the same time, the experiences of the people of Kashmir during this period reveal a story of resilience and adaptation. Faced with challenging conditions, individuals and communities found ways to cope, whether through migration, diversification of livelihoods, or reliance on social networks. These responses, while not always sufficient to overcome structural challenges, demonstrate the agency of the population in navigating difficult circumstances.

It is quite visible that the economic landscape of Kashmir under Sikh rule was marked by tension between extraction and sustainability, control and welfare. The agrarian distress that emerged during this period was both a symptom and a consequence of this tension. While moments of reform provided temporary relief, they did not fundamentally alter the underlying dynamics of the system. As a result, the economy remained fragile, setting the stage for further transformations in the years that followed.

Kashmir Shawl Industry and Global Connections

Amid the economic strain and agrarian distress that marked much of Kashmir's experience under Sikh rule, one sector stood out as a remarkable exception: the shawl industry. While agriculture struggled under the weight of heavy taxation and declining productivity, the craft of shawl-making not only survived but flourished, carving out a space for Kashmir in the global economic landscape. This contrast between rural hardship and artisanal success reveals the complexity of the regional economy during this period, where decline and prosperity coexisted in uneasy balance.

Kashmir shawls were not a new phenomenon in the nineteenth century. Their origins stretched back several centuries, with roots in earlier periods of Mughal patronage, when the regional artisans had developed sophisticated techniques of weaving and embroidery. However, under Sikh rule, the industry experienced a significant expansion, driven largely by increasing demand from international markets.⁸ These shawls, known for their delicate texture, intricate patterns and the use of fine pashmina wool, became highly prized commodities, especially in Europe.

The appeal of Kashmir shawls lay not only in their material quality but also in the artistry they embodied. Each piece was the result of meticulous labour, often taking months, if not years, to complete. Skilled artisans worked on handlooms, carefully interweaving threads to create elaborate designs that reflected both tradition and innovation. The motifs—ranging from floral patterns to intricate geometric forms—carried aesthetic and cultural significance, making each shawl a unique expression of craftsmanship.

European fascination with Kashmir shawls grew rapidly during the early nineteenth century. As trade networks expanded and colonial connections deepened, these luxury items found their way into Western markets, where they became symbols of elegance and status. In countries such as France and Britain, Kashmir shawls were embraced by the elite, often worn as fashionable accessories or displayed as signs of refinement. The association of these shawls with luxury and sophistication further fuelled their demand, transforming them into one of the most sought-after exports from the region. This surge in international demand had a profound impact on the economy of Kashmir. The shawl industry became a major source of revenue, not only for artisans but also for traders, merchants and the state. The Sikh administration recognized the value of this trade and sought to regulate and benefit from it. Taxes and duties were imposed on production and export, ensuring that a portion of the profits flowed into the state's coffers. In this way, the industry contributed significantly to the financial strength of the administration. At the same time, the growth of the shawl trade facilitated integration of Kashmir into broader global networks. The movement of shawls from the valley to distant markets involved complex systems of transportation, trade and exchange. Merchants played a crucial role in this process, acting as intermediaries between local producers and international buyers. Trade routes connected Kashmir to major commercial centres, linking the region to economic developments far beyond its geographical boundaries.

However, the success of the shawl industry did not translate into widespread prosperity for all those involved in its production. Beneath the surface of this flourishing trade lay a more complicated reality, particularly for the artisans whose labour sustained it. While the finished products commanded high prices in foreign markets, the weavers themselves often received only a fraction of the value they created.⁹ Much of the profit was absorbed by intermediaries, including merchants, contractors and state authorities, who controlled the distribution and sale of shawls. The working conditions of artisans were often demanding and restrictive. Shawl weaving required a high degree of skill and concentration, with long hours spent at the loom. In many cases, artisans worked under systems that limited their autonomy, binding them to specific employers or production arrangements. The pressure to meet growing demand could lead to intensified workloads, leaving little room for rest or creative freedom. This imbalance between the value of the product and the compensation of the producer highlights a broader feature of pre-modern and early modern economies, where artisans were frequently dependent on larger networks of control. In Kashmir, this dynamic was shaped by both local and external factors, including state policies, market demands and the structure of trade. The result was a system in which the benefits of economic growth were unevenly distributed, with those at the top of the hierarchy gaining the most.

Despite these challenges, the shawl industry remained a vital part of economic and cultural life of Kashmir. For many artisans, it provided a source of livelihood and a means of preserving traditional skills. The transmission of knowledge from one generation to the next ensured the sustainability of weaving techniques, maintaining the high standards that had made Kashmir shawls famous. In this sense, the industry was not only an economic activity but also a cultural institution, embodying the creativity and resilience of the regional people.

The global success of Kashmir shawls also had cultural implications beyond the region itself. In Europe, the popularity of these textiles influenced fashion trends and inspired local imitations. Manufacturers in countries such as France began producing

shawls that replicated Kashmiri designs, often using mechanized methods to reduce costs. While these imitations lacked the authenticity and craftsmanship of the original products, they demonstrate the extent to which artisanal traditions had captured the imagination of distant societies. This interaction between local craftsmanship and global demand can be seen as an early example of economic globalization. Kashmir, though geographically remote, was connected to a network of exchange that spanned continents. Goods produced in the valley travelled across mountains and seas, entering markets where they were reinterpreted and consumed in new ways. This process highlights the interconnectedness of economies even in the nineteenth century, challenging the notion that globalization is a purely modern phenomenon. At the same time, the dependence on international markets introduced new vulnerabilities. Fluctuations in demand, changes in fashion, or disruptions in trade routes could have significant effects on the industry. Artisans and traders alike were exposed to forces beyond their control, making the economy more unpredictable. While the shawl trade brought opportunities for growth, it also tied fortunes of Kashmir to external conditions.

In the light of above-mentioned narration, it is interesting that in the context of Sikh rule, the shawl industry represents a striking contrast to the broader economic difficulties faced by the region. While agriculture struggled under heavy taxation and declining productivity, shawl production thrived due to its connection to global markets. This divergence underscores the uneven nature of economic development, where different sectors can experience vastly different outcomes within the same political framework. Moreover, the industry illustrates the complex relationship between local agency and external influence. On the one hand, the success of Kashmir shawls was rooted in the skill and creativity of local artisans. On the other hand, their expansion was driven by external demand and facilitated by broader trade networks. The interplay between these factors shaped the trajectory of the industry, determining both its achievements and its limitations.

In evaluating the significance of the shawl industry during this period, it is important to consider both its economic and symbolic dimensions. Economically, it contributed to state revenue, supported livelihoods and connected Kashmir to international trade. Symbolically, it represented the regional cultural richness and its ability to produce goods of exceptional quality. Even in a time of political and economic challenges, the shawl industry stood as a testament to the enduring strength of local traditions.

At the same time, the limitations of this success cannot be overlooked. The unequal distribution of benefits, the demanding conditions faced by artisans and the dependence on external markets all point to the complexities of economic growth. The industrial achievements were real, but they were shaped by structures that constrained the agency of those at the base of the production process.

In this way, the Kashmir shawl industry during Sikh rule offers a window into the broader dynamics of the regional economy and its place in the world. It highlights how local craftsmanship can achieve global recognition, even in the face of internal challenges. It also reveals the uneven nature of economic development, where prosperity in one sector may coexist with hardship in another. By examining this industry, we gain a deeper understanding of historical experience in Kashmir, one that encompasses both struggle and creativity, constraint and connection.

Conclusion

The economic history of Kashmir under Sikh rule is characterized by a striking duality. On the one hand, the agrarian sector, which formed the foundation of the economy, experienced significant distress due to high taxation, administrative challenges and limited structural reform. On the other hand, sectors such as the shawl industry demonstrated the capacity of Kashmir for economic adaptation and integration into global networks. This combination of hardship and transformation reflects the complexities of governance and economic policy during the period. The emphasis on revenue extraction, while understandable within the context of pre-modern states, often came at the expense of long-term development. At the same time, the growth of trade and craftsmanship points to alternative pathways of economic activity.

Understanding this period requires moving beyond simplistic characterizations and recognizing the interplay between different factors. Agrarian distress was not merely a consequence of policy but also a reflection of broader structural conditions. Similarly, economic transformation did not eliminate hardship but coexisted with it, creating a layered and nuanced economic landscape. In examining the period from 1819 to 1846, we gain insight into the historical forces that shaped the economy and society of Kashmir. The legacy of this era, with its patterns of inequality, adaptation and change, continues to inform our understanding of the past and its enduring complexities of Kashmir

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¹ Like many pre-modern states, the Sikh administration relied heavily on agriculture as its primary source of wealth. However, the manner in which revenue was extracted from the agrarian sector had far-reaching consequences for both the economy and society. The drive to maximize

income often resulted in policies that placed immense pressure on cultivators, gradually weakening the very foundation on which the system depended.

² In many cases, the absence of effective oversight allowed these officials to impose additional demands or extract revenue in ways that exceeded official requirements. This combination of high taxation and administrative arbitrariness created an environment in which peasants faced both economic and institutional challenges.

³ High levels of taxation reduced the ability of peasants to invest in their land, maintain agricultural productivity, or build reserves for difficult periods. As a result, the rural economy became increasingly vulnerable to fluctuations in weather, crop yields and market conditions.

⁴ Contemporary accounts suggest that significant portions of arable land were left uncultivated, either because peasants lacked the resources to farm them or because the burden of taxation made cultivation economically unviable. This decline had a cascading effect, reducing overall production and further weakening the economic base of the region.

⁵ Migration emerged as a coping mechanism for many peasants. Faced with limited opportunities and increasing hardship, individuals and families moved out of the valley to seek work in the plains of Punjab and other regions. This movement not only altered demographic patterns but also reflected the depth of economic distress within Kashmir. The departure of cultivators further reduced agricultural activity, creating a cycle that reinforced decline.

⁶ Food insecurity was another consequence of this situation. With reduced agricultural output and limited surplus, the population was more susceptible to shortages. The famine of 1832 stands out as a particularly severe episode, exposing the fragility of the agrarian system. While famines were not uncommon in pre-modern economies, their impact was often exacerbated by structural weaknesses, such as high taxation and inadequate administrative response.

⁷ The Sikh administration was not entirely indifferent to these challenges. The famine of 1832, in particular, prompted certain policy adjustments aimed at alleviating immediate distress. These included the reduction of land revenue demands, in some cases to half of the agricultural produce and the provision of interest-free loans to farmers.

⁸ The expansion of this industry during Sikh rule reflects a different dimension of economic activity, one that was less dependent on land and more connected to trade and craftsmanship. The increasing demand for shawls created opportunities for artisans and traders, contributing to the inflow of wealth into the region.

⁹ This, this growth did not necessarily translate into broad-based prosperity. The organization of the shawl industry often placed artisans in subordinate positions, with much of the profit captured by intermediaries and state authorities. Working conditions could be demanding and the benefits of trade were unevenly distributed.

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