

How Cotton Became a ‘World Question’

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Review of EMPIRE OF COTTON: A Global History, by Sven Beckert
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When word of the end of the American Civil War reached India in 1865, real estate prices in Bombay plummeted. The concern was over cotton, a commodity in which India had once dominated the world. The United States had now risen in its place; it had gone from producing no cotton at all to ruling global markets in the span of 70 years. At the eve of the Civil War, cotton represented 60% of the value of all the goods the US sent abroad. The key to the American rise lay in a single institution, slavery. In fact, cotton and slavery were linked on both sides of the ledger: more than half of the goods exchanged with slave merchants in Africa were not guns or baubles, as is often imagined, but cotton textiles—specifically, cotton textiles from India. By eradicating this essential source of servile labor, the Union’s victory threatened the major remaining source of demand for Indian textiles. The housing market in Bombay was reacting to news from halfway around the planet. The first era of globalization was afoot; cotton had become a “world question”.

Sven Beckert’s sweeping, prodigiously documented *Empire of Cotton* describes how this came to be, charting the swing of power in the global cotton industry—from its historical origins in India and China to the West’s encroachment in the 18th century, and back to the East’s dominance in the first half of the 20th century. Beckert, a Harvard historian, is not the first to seize on this single commodity to tell the story of capitalism: the history of cotton closely tracks the major shifts of the global economy over the last three and a half centuries. Neither is he the first to advance the thesis that cotton is what actually produced the industrial revolution—it was the first industry to see mechanization—a stance sufficiently established to be labeled a “truism” in another book of similar scope by Giorgio Riello (*Cotton: The Fabric that Made the Modern World: CUP*), published a few months before Beckert’s.

Beckert’s contribution, rather, lies in convincingly arguing why cotton production and manufacturing flourished when and where they did. In this way, the main protagonist of *Empire of Cotton* is not cotton, but the *state*. Capitalism was borne of a set of decidedly illiberal ideas—some of the very ideas it is conventionally contrasted with today. The story we tell ourselves about the 19th century is one of rampant, regulation-free enterprise; lean states that limited themselves to enforcing property rights and moved out of the way to let innovators innovate. Beckert comes in to provide a much needed correction. He dutifully gives us the story of the pioneers and the tinkerers, people like Samuel Greg and his water powered cotton mill, but what he makes clear is how these innovators would never have had the influence they did without imperial states expropriating, enslaving, and protecting domestic capital from foreign competition. The

industry that eventually brought about the emergence of the capitalist system was in fact borne of careful planning by states, who (correctly) gauged the tremendous opportunity that lay in cotton, and chose to exploit it at immense cost, both to their own citizenry and to one another.

The heavy lifting in this story is done by what Beckert dubs “war capitalism”, a concept with sometimes hazy contours. It is the term by which Beckert denotes the period immediately preceding the industrial revolution, an era usually called “mercantile capitalism”. It also overlaps considerably with what Hume once denounced as the “jealousy of trade”, or the conflation by early states of commerce with state survival. Sometime at the end of the 17th century, statesmen suddenly grew willing to deploy violence to secure valuable markets—cutting off each other’s trading routes, coercing labor, expropriating territory. Beckert’s intent is manifestly to highlight the degree to which the rise of cotton, and the industrial revolution it generated, rested on violence. Yet in so doing, war capitalism is made to encompass a broad range of actions, both domestic and foreign, public and private: militarized trade and territorial conquest, but also territorial expropriation at home; corporal punishment of weavers in Bengal by the East India Company, as well as the practice of slavery and the violence perpetrated by plantation owners in the United States.

‘War capitalism’ in turn seems to leave out the equally important set of economic measures that did not rest on outright violence, but that played at least as great a role in supporting domestic industry. As Beckert records in detail, as early as 1685, British tariffs were levied on all cotton calicoes from India. By 1721, laws were passed banning the public *wearing* of Indian textiles. In keeping with the tenets of mercantilism, exceptions were made for foreign-spun cotton that was meant for re-export, that is, for Guinean slave markets. France, Venice, and Prussia all followed suit, restricting and banning imports of textiles from the East to protect their local manufactures.

One is never quite sure who is at the helm in war capitalism. Was it statesmen, merchants, entrepreneurs, or plantation owners? The result of such ambiguity is that as opposed to describing a pathology of e.g. the state—as Hume did when speaking of the jealousy of trade—that might reemerge if the same circumstances presented themselves, war capitalism appears as a pathology of the times, one which we can easily claim distance from. By placing violence at the center of his analysis, Beckert actually makes it more difficult to recognize its drivers.

Similar lack of agency is found in the titular empire, which brought to mind the description of another empire as having been “neither holy, nor Roman, nor an empire.” What is imperial about the empire of cotton is never made exactly clear. Here we have a protean entity whose masters, geographic confines, and subjects never stay the same for long. Entirely decentralized, devoid of hierarchy, it is an empire that spreads under the thrust of governments and merchants both, one with many tentacles but no one at its head.

Yet this lack of clear principals may be precisely the point. The conflation of private and public was one of the defining features of the pre-industrial period. The British East India Company, a nominally private, publicly traded company—the world’s first—had at the peak of its fortunes a standing army of 250 000 men, and revenues greater than all of Britain. Similarly, in spite of the speed at which the US pushed its southern and western borders outward, procuring ever more territory for cotton plantation owners to capitalize on, these pioneers often actually led the way, grabbing land before the state controlled it. In one of many gemlike findings, Beckert shows how upswings in the British prices of cotton in first half of the 19th century correlated with these expansionist bursts (and, more tragically, with the treatment of American slaves, who knew prices were up when they were driven to work harder). The blurring between state and private capital at the head of the “empire” may thus be read as a faithful reflection of the period.

The uncomfortable truth is that war capitalism, whatever its conceptual confines, *worked*, a fact Beckert is unapologetic about. Coercion and interference in markets paid off. What Beckert cannot do, because his topic is the winning industry, is lay out what Britain and Europe might have achieved instead of blocking competition and forcefully wresting the empire of cotton away from states that still produced superior goods at lower prices—African slave merchants, after all, insisted on Indian textiles because they considered them superior to the European-made ones. This difficulty in assessing the costs of state intervention is also, in part, the reason for its occurrence: when states champion industries, the benefits are concentrated and evident—cotton production booms—while the costs are diffuse and unclear. What we are left to grapple with is a story of states coercing their way to the top in an industry they chose to bet on, bringing about the modern capitalist system in the process.

The one hint of retribution Beckert offers lies in the way the outsized role of the European state in the empire of cotton eventually led to the loss of its dominant position. Yet this is also one of the more problematic assertions of the book. Beckert pins the demise of the cotton industry in the West squarely on one factor: labor mobilization, and the eventual institutionalization of worker rights by the state. As labor began pushing back against appalling factory conditions at the end of the 19th century, Beckert claims it brought production costs up and ceded cotton manufacturing back to India and China, where no such mobilization existed.

This is an odd claim, especially as it comes after Beckert has demonstrated how cotton production in the US, against all expectations, survived and actually thrived after the end of slavery and the passage to wage labor. It also leads one to wonder about all the Western industries that were not wiped out as a result of collective agreements. There is good reason to believe that the shift of cotton manufacturing back to the East might have occurred of its own, even absent worker mobilization, simply by virtue of economic

growth, wage increases, and specialization in more skill-intensive sectors—the post-industrial move to service industries hardly hinges on rates of unionization.

In the same way, when Beckert bemoans that in today's search for low wage manufacturing, "even Chinese production is now threatened" by lower cost producers, he fails to mention that this is because average wages in China have risen so sharply over the same period, pulling living standards up with them. In a story in which coercion plays such a large role, relatively little is given to opportunity.

And thus Beckert brings us to the present day, and the story of one final overthrow. The 1970s marks, for the first time, the corporation's emancipation from its reliance on the state. Multinational companies, Beckert argues, have grown so powerful that they can pit governments against one another. "The empire of cotton has continued to facilitate a giant race to the bottom, limited only by the spatial constraints of the planet." The Walmarts of the world are constantly seeking lower costs, and this leads governments to dispense with safety regulation and labor rights in a bid for investment.

For such a careful book, these claims seem overly facile. The preponderance of the evidence among political economists hints at a far more nuanced story. Seminal work by Layna Mosley, for instance, suggests that foreign investment by MNCs is actually associated with *increased* workers' rights—while trade competition shows adverse effects. Overall, we have not seen the convergence across governments to market-friendly policies that a 'race to the bottom' would lead one to expect. This is not to say that the global textile industry today is a particularly cheerful one; the 2013 factory collapse in Bangladesh was just the most recent reminder of the dangers of large scale manufacturing in under-regulated economies. Yet the question is whether MNCs increase such social costs—and the answer is less evident than Beckert makes it out to be.

As for the role of the state, it may be too early to claim its demise. Every era wages the conflicts of capitalism in its own way. Tellingly, the latest riposte in the global wrangle over cotton is being fought in the courts, and between governments. In 2002, Brazil formally challenged US cotton subsidies at the World Trade Organization, alleging the US was artificially deflating world prices. The WTO sided with Brazil, but the rest did not go as planned. It is an outcome unique in the history of the WTO, and in the image of the exceptional commodity at its center: rather than bringing its measures into conformity, the United States agreed to pay Brazil almost a billion dollars over a decade to continue subsidizing its own cotton growers. Having all but built the institutions that champion free trade, the US carved out an exception for the commodity that launched modern capitalism. What better illustration of the peculiarities of humble cotton. Even in the 21st century, it remains a "world question", one that commands the attention of governments and fuels conflict at the global level. And as Beckert masterfully demonstrates in this important book, so it has been for over three centuries.

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