

The putting-out system

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The putting-out system, known in German as the *Verlagssystem*, was the dominant form of industrial organisation in Europe before the factory. The merchant, the *Verleger*, advanced the raw material and sometimes the tools to producers working in their own homes, and bought back the finished product at an agreed price. The producers retained a formal independence: they worked at home, with their families, at their own pace, without being employees of the merchant. But they depended on him for their material, their orders and their income, and their independence was often more apparent than real.¹

In Basel, as Part B showed, the putting-out system was the result of a political compromise. The guilds of the city, which prohibited or restricted the use of the engine loom within the walls, allowed the merchants to have ribbons woven in the countryside, where the guild rules did not apply. The rural territory of the city, with its villages in the valleys of the Jura, offered a population of small farmers and landless labourers who needed additional income and were willing to weave for the merchants. By the eighteenth century, thousands of looms were operating in the villages of the Basel countryside, where ribbon weaving had become the principal source of income for a large part of the rural population.²

The system had advantages for the merchants. They could expand or reduce production according to demand without investing in buildings or bearing the costs of idle workers. They benefited from the low labour costs of the rural population, which supplemented its income from agriculture. And they escaped the guild regulations of the city. The system also had disadvantages. It required a large amount of working capital, because the material was dispersed among many producers for weeks at a time. It made quality control difficult, because the work was done in scattered homes. And it created opportunities for embezzlement of material, which the

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merchants combated through careful weighing of the silk given out and the ribbons returned.

The intermediaries between the merchants and the weavers, the *Fergger* or *Botten*, played a central role. They carried silk and patterns from the city to the villages, collected finished ribbons, paid the weavers, reported on the quality of the work and the reliability of the weavers, and sometimes supervised the maintenance of the looms. As the agents of the merchant in the countryside, they had to be honest and competent, qualities essential to the functioning of the system. The relationship between merchant, agent and weaver was a chain of trust and control that anticipated the organisation of modern supply chains.

1 Notes

1. On the putting-out system (Verlagssystem) in European proto-industrialisation, see the literature on proto-industrialisation (e.g. Kriedte/Medick/Schlumbohm, *Industrialisierung vor der Industrialisierung*, 1977). To be verified. ↩
2. On the extent of home ribbon weaving in the Basel countryside in the eighteenth century (thousands of looms), see HLS, article "Posamenterei"; the publications of the Museum.BL. Figures to be verified. ↩

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