

# **THE ECONOMIC TRANSITION IN INDIA**

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The economic transition in India by Sir Theodore Morison

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**SIR THEODORE MORISON**

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THE  
ECONOMIC TRANSITION  
IN INDIA

BY SIR THEODORE MORISON, K.C.I.E.

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"THE INDUSTRIAL ORGANISATION OF AN INDIAN PROVINCE"

LONDON  
JOHN MURRAY, ALBEMARLE STREET, W.

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*NOTE*

This book contains the substance of a course of lectures delivered at the London School of Economics and Political Science in 1910.

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# THE ECONOMIC TRANSITION IN INDIA

## CHAPTER I

### 6 ARCHAIC CONDITIONS OF INDUSTRY

FOR the purpose of a rough classification the nations of the civilised world may be divided into two broad categories: those which have not and those which have passed through their industrial revolution. In the first category are such countries as Egypt, India, Japan, and the kingdoms of Eastern Europe, in which the more archaic organisation of industry still prevails but little modified. To the second category belong such countries as England, France, Germany and the United States, in which the structure of industry has been completely altered and adapted to new methods of production and distribution. This classification is rough, because there is no sharp line of demarcation between the two categories; at

the present time the countries in the first category are showing a tendency to pass into the second ; wherever circumstances permit they are reorganising their industry upon Western lines, and in some of them (such, for instance, as Japan) the signs of transformation are already apparent, and it is clear that they cannot long remain in the first group. But for the present, though for the present only, this classification holds good, and we may describe certain countries as belonging to the old and others to the new economic order. Of these two classes India and England may be taken as representatives. India still retains the principal characteristics of the old economic order, and though, as I hope to show, she is now on the point of emerging from it, she may for the present be regarded as a typical example of a country in the first category. In England, on the other hand, the industrial revolution has probably been completed ; the economic evolution, which had been maturing for over a hundred years, acquired a sudden acceleration towards the middle of the eighteenth century, it was carried far forward before any signs of change were visible elsewhere, and it has probably modified life in England more profoundly than in any other country.

I hold that the old industrial organisation was imposed upon the nations in which it prevailed by the physical conditions in which mankind then lived. At one time these conditions existed in almost all the civilised countries of the Old World, and consequently we find that the economic type produced by them was almost universal throughout Europe and Asia at that time. I recognise that differences of civilisation and religion and historical antecedents produced a multitude of differences of minor economic importance, but if attention is concentrated only upon the main determining factors, it will be found that the structure of industry is much the same in India at the present day as it was in Europe in the seventeenth and eighteenth centuries. I shall attempt to indicate the principal points of this resemblance in the following pages, and shall then proceed to show that the changes which are now taking place in India are the same as marked the industrial revolution in Western Europe.

It will be best to make plain at the outset the greatness of the difference between the two types of society, taking India as representative of the society in which the industrial revolution has yet to come, and England as representative of