

1: Walt Whitman Rostow - Wikipedia

Rostow's Stages of Growth model is one of the most influential development theories of the twentieth century. It was, however, also grounded in the historical and political context in which he wrote. "Stages of Economic Growth" was published in , at the height of the Cold War, and with the subtitle "A Non-Communist Manifesto," it was.

Rostow argues that through increased investment, increased exposure to modernized, Western society, and changes in traditional culture and values, societies will become more highly developed. What is presumed goal and model? The goal is industrialized, capitalist liberal democracy; the U. Modernization theory is basically a diffusionist theory: It purports that what developing countries need is at least an initial stimulus from an outside source, a developed country perhaps, to jumpstart the process. It, therefore, posits that internal development is unlikely. Retrieved March 26, Singapore is one of the best examples of a country that grew in this way and is now a notable player in the global economy. However, it industrialized early, developing profitable manufacturing and high-tech industries. However, there are many criticisms of his model. While Rostow illustrates faith in a capitalist system, scholars have criticized his bias towards a western model as the only path towards development. Rostow lays out five succinct steps towards development and critics have cited that all countries do not develop in such a linear fashion; some skip steps or take different paths. Later theorists have challenged this approach, emphasizing a "bottom-up" development paradigm, in which countries become self-sufficient through local efforts, and urban industry is not necessary. Rostow also assumes that all countries have a desire to develop in the same way, with the end goal of high mass consumption, disregarding the diversity of priorities that each society holds and different measures of development. For example, while Singapore is one of the most economically prosperous countries, it also has one of the highest income disparities in the world. Finally, Rostow disregards one of the most fundamental geographical principals: Rostow assumes that all countries have an equal chance to develop, without regard to population size, natural resources, or location. Binns, Tony, et al. An Introduction to Development Studies, 3rd ed. The model assumes development in the U. One size fits all. It ignores a lot of geography and history, such as the impact of colonization on economic development. It does not address the obstacles to development that previously colonized regions face: Countries that do not develop like the U. There are ecological limits to high mass consumption the final goal. The Development of Underdevelopment Frank Scale of analysis: Unequal exchange and declining terms of trade. Lack of institutions and infrastructure not necessarily the problem. Critiques of Dependency Theory: Since the problem is the international capitalist system, the solution is a revolution of the capitalist system. Heavy weight on the role of the government - to serve the people. Import Substitution Import substitution industrialization ISI is a trade and economic policy that advocates replacing foreign imports with domestic production. ISI is based on the premise that a country should attempt to reduce its foreign dependency through the local production of industrialized products. Early European merchants and manufacturers as far back as the s became adept at import substitution copying and making goods previously only available by trading. As a contemporary economic development strategy, import substitution industrialization is much more challenging. The goal here is to develop a diversified economy, rather than specialize in a primary commodity. Export-Led Trade Based on Comparative Advantage The export-led growth paradigm rose to prominence in the late s when it replaced the import-substitution paradigm that had dominated development policy thinking especially in Latin America in the thirty years after World War II. Export-led growth is a development strategy aimed at growing productive capacity by focusing on foreign markets. Mainstream examples would probably include coffee in Peru and parts of sub-Saharan Africa; low-wage labor forces for manufacturing in Vietnam, Thailand, Mexico; software from Silicon Valley and Seattle; etc. The advantage in the production of a product enjoyed by one country over another. This is the model favored by most mainstream economists and by major international institutions such as the World Bank and IMF. His idea was that there were countries in Europe that wanted to follow in the industrial footsteps of Britain. The problem was, how could they compensate for the huge lead that Britain had already developed? If you wanted to get into the game, you had to come in incredibly big. You had to have leading-edge technology,

and you had to raise or save huge amounts of capital to compensate for the lead that Britain had, and come on board producing with the very latest technology and competing aggressively for market share. There are advantages to late development, though: An example of this at the firm level would be the car manufacturer, Kia. Kia did exactly what Honda did starting in the 1980s, but with even cheaper cars, more efficient production methods, and a lot of help from the South Korean government. Common concerns include raising national savings rates; balancing growth in different sectors of the economy; managing the demographic and economic shifts that go along with transitions from a rural, agrarian society to an urban, industrial one; managing monetary policy so that foreign investors will invest in the country and trust the national currency, and so on. Very often, the state has to raise huge amounts of capital by borrowing on the international lending markets. The government itself may intervene in shaping industrialization. For example, the South Korean government has acted as an entrepreneur, a banker, and a shaper of industrial structure. The Korean state has deliberately adjusted economy through subsidies, protection, price controls food, etc. There is no one formula that works equally well for all countries. And, of course, the international organization of the global economy—how the rules are made, regulated and evolve over time will work to determine how any one strategy will fare in the global market. Nonetheless, though each country has its own set of circumstances that facilitate its economic development path, all countries and their economies are linked to the global economy. Geography of International Affairs Search form.

2: Rostow's theory of modernization development | Peter Kasanda - www.enganchecubano.com

Rostow's Stages of Economic Growth model is one of the major historical models of economic growth. It was published by American economist Walt Whitman Rostow in The model postulates that economic growth occurs in five basic stages, of varying length: [1].

These stages included the traditional or subsistence stage, the precondition to take off stage, the take off stage, drive to maturity and the age of mass consumption stage. To him, any nation lay in any of the stages mentioned above at any given time. His theory is often viewed as one of the historical linear theories of economic development. Rostow argued that his theories were not just a description of the happenings of the times but rather found a strong backing from the production theories. To Rostow, this agrarian based society faces many challenges as using the rudimental tools the production level is minimal. The population growth in this stage is also minimal and people seek spiritual explanations to situations in the physical world. Social mobility is quite minimal as only the powerful own the factors of production and hence enjoyed the benefits reaped. Many less developed countries can be said to be in this stage. An example of such a stage is the Western Europe in the late 17th and early 18th centuries. The traditional society was slowly being reformed as with modern techniques production or output increased. In this stage, less developed countries interacted with the developed ones a process that paved way for the adoption of better techniques of production which boosted economic growth. The population also rose and infrastructures became more developed. Transformation was also recorded in the political as well as the social structure to sustainable levels. The levels of employment rose sharply in this stage and the population growth became stable. High mass consumption In the final stage or high mass consumption, there was a diversion from the intense investment in heavy industries to the production of consumer durables as well as services in the market. There was also the increased investment towards the provision of social welfare and the society had successfully shifted from being traditional to being modern. At this stage, the population growth slowed down and the urban life was more profound as more people worked in offices as opposed to factories. With the immense production people could consume more than they actually needed. He is condemned for assuming that all countries had equal resources, climatic conditions as well as the same population. Rostow also failed to put into consideration the varying cultures across nations that would ensure varying interpretations to economic development. On the contrary they could be endowed with natural resources like natural gas and oil which would see them attain economic growth and development without necessarily going through the said stages. His argument that development was uniform is also criticized in the sense that it would be impossible to have uniform development when nations had varying natural resources. His theories are also not clearly defined making it difficult to establish where a nation actually lies in his linear economic growth theory. His theory is also deemed inadequate as it fails to put into account the role of an effective and stable financial system that would be vital in the economic development of any nation. He fails to address what would happen if the investments made were not productive or fruitful and makes the assumption that all investments would trigger economic growth. Most countries have rose to great economic development levels overtime as invention of modern techniques, population changes and changing patterns of investment have been adopted. These changes will however differ with varying nations and consequently economic development will not be uniform. The role of savings, investment, attitudes that embrace scientific reasoning cannot be underscored in triggering economic development as posited by Rostow in his stages of economic development. Nelson Thornes Publishers, Theories of Development, Second Edition: Monthly Labour Review, Vol. Wiley-Blackwell, Ezeala-Harrison Fidelis. Greenwood Publishing Group, [1] Preston Peter.

3: Rostow's Model of Stages of Economic Growth (With Criticism)

We explain below briefly Rostow's five stages of growth: 1. Traditional Society: This initial stage of traditional society signifies a primitive society having no access to modern science and technology.

Rostow, *The Stages of Economic Growth*: It is possible to identify all societies, in their economic dimensions, as lying within one of five categories: A traditional society is one whose structure is developed within limited production functions, based on pre-Newtonian science and technology, and on pre-Newtonian attitudes towards the physical world. Newton is here used as a symbol for that watershed in history when men came widely to believe that the external world was subject to a few knowable laws, and was systematically capable of productive manipulation. The conception of the traditional society is, however, in no sense static; and it would not exclude increases in output. Acreage could be expanded; some ad hoc technical innovations, often highly productive innovations, could be introduced in trade, industry and agriculture; productivity could rise with, for example, the improvement of irrigation works or the discovery and diffusion of a new crop. But the central fact about the traditional society was that a ceiling existed on the level of attainable output per head. This ceiling resulted from the fact that the potentialities which flow from modern science and technology were either not available or not regularly and systematically applied. Both in the longer past and in recent times the story of traditional societies was thus a story of endless change. The area and volume of trade within them and between them fluctuated, for example, with the degree of political and social turbulence, the efficiency of central rule, the upkeep of the roads. Population—and, within limits, the level of life—rose and fell not only with the sequence of the harvests, but with the incidence of war and of plague. Varying degrees of manufacture developed; but, as in agriculture, the level of productivity was limited by the inaccessibility of modern science, its applications, and its frame of mind. Generally speaking, these societies, because of the limitation on productivity, had to devote a very high proportion of their resources to agriculture; and flowing from the agricultural system there was an hierarchical social structure, with relatively narrow scope—but some scope—for vertical mobility. Family and clan connexions played a large role in social organization. But this long-run fatalism by no means excluded the short-run 2 option that, within a considerable range, it was possible and legitimate for the individual to strive to improve his lot, within his lifetime. In Chinese villages, for example, there was an endless struggle to acquire or to avoid losing land, yielding a situation where land rarely remained within the same family for a century. Although central political rule—in one form or another—often existed in traditional societies, transcending the relatively self-sufficient regions, the centre of gravity of political power generally lay in the regions, in the hands of those who owned or controlled the land. The landowner maintained fluctuating but usually profound influence over such central political power as existed, backed by its entourage of civil servants and soldiers, imbued with attitudes and controlled by interests transcending the regions. To place these infinitely various, changing societies in a single category, on the ground that they all shared a ceiling on the productivity of their economic techniques, is to say very little indeed. But we are, after all, merely clearing the way in order to get at the subject of this book; that is, the post-traditional societies, in which each of the major characteristics of the traditional society was altered in such ways as to permit regular growth: The preconditions for take-off were initially developed, in a clearly marked way, in Western Europe of the late seventeenth and early eighteenth centuries as the insights of modern science began to be translated into new production functions in both agriculture and industry, in a setting given dynamism by the lateral expansion of world markets and the international competition for them. But all that lies behind the break-up of the Middle Ages is relevant to the creation of the preconditions for take-off in Western Europe. Among the Western European states, Britain, favoured by geography, natural resources, trading possibilities, social and political structure, was the first to develop fully the preconditions for take-off. The more general case in modern history, however, saw the stage of preconditions arise not endogenously but from some external intrusion by more advanced societies. These invasions—literal or figurative—shocked the traditional society and began or hastened its undoing; but they also set in motion ideas and sentiments which initiated the process by which a modern alternative to the traditional society was

constructed out of the old culture. The idea spreads not merely that economic progress is possible, but that economic progress is a necessary condition for some other purpose, judged to be good: Education, for some at least, broadens and changes to suit the needs of modern economic activity. New types of enterprising men come forward—in the private economy, in government, or both—willing to mobilise savings and to take risks in pursuit of profit or modernisation. Banks and other institutions for mobilising capital appear. Investment increases, notably in transport, communications, and in raw materials in which other nations may have an economic interest. The scope of commerce, internal and external, widens. And, here and there, modern manufacturing enterprise appears, using the new methods. But all this activity proceeds at a limited pace within an economy and a society still mainly characterized by traditional low-productivity methods, by the old social structure and values, and by the regionally based political institutions that developed in conjunction with them. In many recent cases, for example, the traditional society persisted side by side with modern economic activities, conducted for limited economic purposes by a colonial or quasi-colonial power. Although the period of transition—between the traditional society and the take-off—saw major changes in both the economy itself and in the balance of social values, a decisive feature was often political. Politically, the building of an effective centralized national state—on the basis of coalitions touched with a new nationalism, in opposition to the traditional landed regional interests, the colonial power, or both, was a decisive aspect of the preconditions period; and it was, almost universally, a necessary condition for take-off. There is a great deal more that needs to be said about the preconditions period, but we shall leave it for chapter 3, where the anatomy of the transition from a traditional to a modern society is examined. The take-off is the interval when the old blocks and resistances to steady growth are finally overcome. The forces making for economic progress, which yielded limited bursts and enclaves of modern activity, expand and come to dominate the society. Growth becomes its normal condition. Compound interest becomes built, as it were, into its habits and institutional structure. In Britain and the well-endowed parts of the world populated substantially from Britain the United States, Canada etc. In the more general case, the take-off awaited not only the build-up of social overhead capital and a surge of technological development in industry and agriculture, but also the emergence to political power of a group prepared to regard the modernization of the economy as serious, high-order political business. In such cases capital imports usually formed a high proportion of total investment in the preconditions period and sometimes even during the take-off itself, as in Russia and Canada during their pre railway booms. During the take-off new industries expand rapidly, yielding profits a large proportion of which are reinvested in new plant; and these new industries, in turn, stimulate, through their rapidly expanding requirement for factory workers, the services to support them, and for other manufactured goods, a further expansion in urban areas and in other modern industrial plants. The whole process of expansion in the modern sector yields an increase of income in the hands of those who not only save at high rates but place their savings at the disposal of those engaged in modern sector activities. The new class of entrepreneurs expands; and it directs the enlarging flows of investment in the private sector. The economy exploits hitherto unused natural resources and methods of production. New techniques spread in agriculture as well as industry, as agriculture is commercialized, and increasing numbers of farmers are prepared to accept the new methods and the deep changes they bring to ways of life. The revolutionary changes in agricultural productivity are an essential condition for successful take-off; for modernization of a society increases radically its bill for agricultural products. In a decade or two both the basic structure of the economy and the social and political structure of the society are transformed in such a way that a steady rate of growth can be, thereafter, regularly sustained. The make-up of the economy changes unceasingly as technique improves, new industries accelerate, older industries level off. The economy finds its place in the international economy: The society makes such terms as it will with the requirements of modern efficient production, balancing off the new against the older values and institutions, or revising the latter in such ways as to support rather than to retard the growth process. Some sixty years after take-off begins say, forty years after the end of take-off what may be called maturity is generally attained. The economy, focused during the take-off around a relatively narrow complex of industry and technology, has extended its range into more refined and technologically often more complex processes; for example, there may be a shift in focus from the coal, iron,

and heavy engineering industries of the railway phase to machine-tools, chemicals, and electrical equipment. This, for example, was the transition through which Germany, Britain, France, and the United States had passed by the end of the nineteenth century or shortly thereafter. But there are other sectoral patterns which have been followed in the sequence from take-off to maturity, which are considered in chapter 5. Formally, we can define maturity as the stage in which an economy demonstrates the capacity to move beyond the original industries which powered its take-off and to absorb and to apply efficiently over a very wide range of its resources—“if not the whole range”—the most advanced fruits of then modern technology. This is the stage in which an economy demonstrates that it has the technological and entrepreneurial skills to produce not everything, but anything that it chooses to produce. It may lack like contemporary Sweden and Switzerland, for example the raw materials or other supply conditions required to produce a given type of output economically; but its dependence is a matter of economic choice or political priority rather than a technological or institutional necessity. Historically, it would appear that something like sixty years was required to move a society from the beginning of take-off to maturity. But, clearly, no dogmatism is justified about the exact length of the interval from take-off to maturity. As societies achieved maturity in the twentieth century two things happened: In addition to these economic changes, the society ceased to accept the further extension of modern technology as an overriding objective. It is in this post-maturity stage, for example, that, through the political process, Western societies have chosen to allocate increased resources to social welfare and security. The sewing-machine, the bicycle, and then the various electric-powered household gadgets were gradually diffused. Historically, however, the decisive element has been the cheap mass automobile with its quite revolutionary effects—“social as well as economic”—on the life and expectations of society. The Soviet Union is technically ready for this stage, and, by every sign, its citizens hunger for it; but Communist leaders face difficult political and social problems of adjustment if this stage is launched. The phrase is designed to suggest, then, the changing aspirations of generations, as they place a low value on what they take for granted and seek new forms of satisfaction. Americans have behaved as if, having been born into a system that provided economic security and high mass-consumption, they placed a lower valuation on acquiring additional increments of real income in the conventional form as opposed to the advantages and values of an enlarged family. Here then, in an impressionistic rather than an analytic way, are the stages-of-growth which can be distinguished once a traditional society begins its modernization: Beyond lies the question of whether or not secular spiritual stagnation will arise, and, if it does, how man might fend it off: In the four chapters that follow we shall take a harder, and more rigorous look at the preconditions, the take-off the drive to maturity, and the processes which have led to the age of high massconsumption. But even in this introductory chapter one characteristic of this system should be made clear. They are not merely a way of generalizing certain factual observations about the sequence of development of modern societies. They have an inner logic and continuity. They have an analytic bone-structure, rooted in a dynamic theory of production. The classical theory of production is formulated under essentially static assumptions which. As modern economists have sought to merge classical production theory with Keynesian income analysis they have introduced the dynamic variables: But they have tended to do so in forms so rigid and general that their models cannot grip the essential phenomena of growth, as they appear to an economic historian. We require a dynamic theory of production which isolates not only the distribution of income between consumption, saving, and investment and the balance of production between consumers and capital goods but which focuses directly and in some detail on the composition of investment and on developments within particular sectors of the economy. The argument that follows is based on such a flexible, disaggregated theory of production. When the conventional limits on the theory of production are widened, it is possible to define theoretical equilibrium positions not only for output, investment, and consumption as a whole, but for each sector of the economy. Within the framework set by forces determining the total level of output, sectoral optimum positions are determined on the side of demand, by the levels of income and of population, and by the character of tastes; on the side of supply, by the state of technology and the quality of entrepreneurship, as the latter determines the proportion of technically available and potentially profitable innovations actually incorporated in the capital stock. The equilibria which emerge from the application of these criteria are a set of sectoral paths, from which flows, as

first derivatives, a sequence of optimum patterns of investment. Historical patterns of investment did not, of course, exactly follow these optimum patterns. They were distorted by imperfections in the private investment process, by the policies of governments, and by the impact of wars. Wars temporarily altered the profitable directions of investment by setting up arbitrary demands and by changing the conditions of supply; they destroyed capital; and, occasionally, they accelerated the development of new technology relevant to the peacetime economy and shifted the political and social framework in ways conducive to peacetime growth. Nevertheless, the economic history of growing societies takes a part of its rude shape from the effort of societies to approximate the optimum sectoral paths. At any period of time, the rate of growth in the sectors will vary greatly; and it is possible to isolate empirically certain leading sectors, at early stages of their evolution, whose rapid rate of expansion plays an essential direct and indirect role in maintaining the overall momentum of the economy. For some purposes it is useful to characterise an economy in terms of its leading sectors; and a part of the technical basis for the stages of growth lies in the changing sequence of leading sectors. In essence it is the fact that sectors tend to have a rapid growth-phase, early in their life, that makes it possible and useful to regard economic history as a sequence of stages rather than merely as a continuum, within which nature never makes a jump. The stages-of-growth also require, however, that elasticities of demand be taken into account, and that this familiar concept be widened; for these rapid growth phases in the sectors derive not merely from the discontinuity of production functions but also from high price- or income elasticities of demand. Leading sectors are determined not merely by the changing flow of technology and the changing willingness of entrepreneurs to accept available innovations: The demand for resources has resulted, however, not merely from demands set up by private taste and choice, but also from social decisions and from the policies of governments—whether democratically responsive or not. It is necessary, therefore, to look at the choices made by societies in the disposition of their resources in terms which transcend conventional market processes. It is necessary to look at their welfare functions, in the widest sense, including the noneconomic processes which determined them. And there are other decisions as well that societies have made as the choices open to them have been altered by the unfolding process of economic growth; and these broad collective decisions, determined by many factors—deep in history, culture, and the active political process—outside the market-place, have interplayed with the dynamics of market demand, risk-taking, technology and entrepreneurship, to determine the specific content of the stages of growth for each society.

4: Article: Rostow's Five Stages of Development - Economic Investigations

Walt Rostow took a historical approach in suggesting that developed countries have tended to pass through 5 stages to reach their current degree of economic development. These countries are ranked lowest in terms of the Human Development Index - many of these low-income countries remain heavily.

At the end of the Second World War there was a renewal of interest in the subject of development economics and the stages of growth once again preoccupied many scholars. As a non-communist manifesto, W. Rostow has conceived five universal stages; viz: Let us analyse each stage in detail: A traditional society is one of the simplest and primitive forms of social organisation. High proportion of resources are also devoted in the agricultural section. A hierarchical, hereditary, status-oriented social structure held down the mobility of society at that time. The centre of gravity of political power was localistic, region-bound and primarily based on land ownership. It is that stage of economic growth in which the progressive elements creep into the otherwise barbaric and primitive psyches of the members of the society. People try to break free from the rigidities of the traditional society and a scientific attitude—a quest for knowledge in short—a questioning mid-set is very much visible in the changing face of the society. Economic progress became an accepted social value. New types of enterprising people emerged on the society. So infrastructure was built all over the country. At that time necessary credit institutions were developed in order to mobilise savings for investment. Due to industrialisation a large portion of workforce was shifted from agricultural section to the manufacturing sector. At that time medical science was slowly developing. The citizens understood the essence of control of birth rate and death rates. Centralised political power based on nationalism replaced the land-based localistic or colonial power. In fact, it is one stage in which there is a dynamic change in the society and there is a meteoric rise in the standards set by the members of society in all walks of life like industry, agriculture, science and technology, medicine, etc. There is a marked discontinuity between the first two stages as mentioned earlier and the stage of take-off. The winds of change are triggered by some important political event that revolutionizes the political structure or a sudden infuse of new techniques and methods of production attributed to formidable advances in science and technology. The characteristics of this stage are: The first property of the stage of take-off is nothing but the rate of investment. At this time, agricultural lands were acquired for industrialisation. This led to a depression in the further period. For this purpose colonialism was required for Britain. As a result they came to India and other colonies for business purpose at the first time and gradually took the political power of this country. At the time of Industrial Revolution on we saw the development of particular secondary section of each country in Europe. In Britain we saw a large development in textile and iron and steel industry. As iron and steel industry is essential for development of every country each country experienced growth in iron and steel industry in Europe. There was the existence of political, social and institutional framework which exploited impulses to expansion in the modern sector and the potential external economies affected the take-off and gave the process of growth a sustained and cumulative character. Each and every effort to stimulate the economy meets with success and the time period when the society tastes success is a rather long one and the progress made on all fronts is there to stay. It is a period when a society effectively applies the range of available modern technology to the bulk of its resources; and growth becomes the normal mode of existence. The economic characters of this stage are: As due to Industrial Revolution many industries were established in Britain and the countries of. Western Europe, the work force was shifted from agricultural sector to the manufacturing sector. A new type of workforce was created which was termed white-collar workers. Due to high income their preferences were shifted to luxury goods. As a result the consumption pattern of non-agricultural goods increased. This led to development of the existing industries and also variation in tastes and preferences took place more rapidly in this period. The change in composition was observed to vary from country to country. The Swedish take-off was initiated by timber exports, wood pulp and pasteboard products followed by the emergence of railways, hydropower, steel, and animal husbandry and dairy products. The Russian take-off started with grain exports, followed by railways, iron and steel, coal and engineering. In the stage of drive to maturity the change in the entrepreneurial

leadership took place. Certain boredom with industrialisation gave rise to social protest against the costs of industrialisation. From maturity the economy moves with growth to high mass consumption, the stage at which durable consumer goods like radios, TV sets, automobiles, refrigerators, etc. In addition the economy, through its political process, expresses willingness to allocate increased resources to social welfare and security. This stage was defined in terms of shift in emphasis from problems of production to that of consumption. Necessarily, therefore, attention veers towards problems of allocation of resources which, according to Rostow, came to be governed by the following considerations: Comparison of Marx and Rostow: Rostow posited the existence of five separate stages. The fast growth of the leading sectors pulled along less dynamic parts of the economy. Structurally, the leading sectors also enjoyed high income elasticities of demand and they reaped increases in market sizes disproportionate to the size of income increases in the economy as a whole. Finally, external economies generated by the leading sectors further stimulated demand in sectors linked to the leading sector. He only highlighted the growth of one or more sectors of the economy. He did not highlight the overall condition of the economy. But he did not say anything about the solution of these problems. This implied an increasing capital-output ratio over the various stages of industrialisation. It lacked originality as a piece of academic research. In fact the bottom-line was that Rostow based his theory on the flows of the Marxian theory.

5: Criticisms of Rostow's Five Stages of Growth " Development Thinking

Rostow and the Five Stages of Economic Development Essay. Introduction To Walt Whitman Rostow, a well renowned economist, there are five stages of development that any society has to pass through to attain its highest level of economic growth and development - Rostow and the Five Stages of Economic Development Essay introduction.

Rostow formulated the best known non-spatial model in which five stages of economic development were identified. In his view, at the beginning, a traditional society witnessed a few stages before attaining the level of the age of mass consumption. The traditional society has been defined as one where limited production functions are characterised by pre-Newtonian technology. The social structure is hierarchical, political power is confined in the hands of a feudal aristocracy. More than 75 per cent of the population is engaged in agriculture. The second stage is a transitional phase, the preconditions-, of which were initiated mainly by four forces: These forces were cardinal factors behind the changes in social attitudes, values etc. The pre-conditions are brought about by external factors. In most parts of Britain the situation changed with the domination of Napoleon whose victory set in new revolutionary ideas. The period lasts only about two decades. The conditions for take-off are as follows: So, the take-off sets in due to the development of a propulsive sector or a political revolution which leads to a change in the production processes accompanied by an increase in investment. The drive to maturity is the phase when the society has been able to apply a wide range of technology to development processes enabling it to achieve a long sustained economic growth extending well over four decades. At this stage, there are some important changes: People prefer to reside in urban areas. The age of high mass-consumption has been characterised by consumption of durable commodities, household gadgets, automobiles, etc. The society pays more attention to demand than supply, to problems of consumption than problems of production and welfare of the people. There are three forces which increase welfare during the post-maturity phase: The major criticisms are noted below: Traditional society is not a pre-requisite qualification for development. The precondition phase is not necessary before the take-off. It is hard to believe on the available evidence that a phase of agricultural revolution and build-up of overhead social capital in transport must precede the take-off. Stages tend to overlap. Countries such as New Zealand and Denmark experienced take-off as a result of agricultural development. In their cases, the different stages postulated by W. Rostow are not distinct. There are indiscrepancies in the matter of take-off. Rostow himself was sceptical regarding the date of take-off. The analysis of take-off hardly takes into account the impact of historical heritage, extent of backwardness and other associated factors. Regarding the essential conditions for take-off, some shortcomings are found: The drive to maturity is confusing. The stage contains all the features of the take-off, e. Therefore, the need for a separate stage where growth is self-sustained is no longer required. In reality, no growth is absolutely self-sustaining or self-limiting. Chronological order is not maintained in the stage of high mass consumption. Some countries like Canada and Australia entered this stage even before attaining maturity. The concept of take-off ideally fits the case of developing countries. However, the take-off has few limitations in respect to the developing countries as well: This assumption holds true in the case of the developed countries. The economy of the developing countries is generally characterised by primary production and primitive technologies. Due to unchanged techniques and population explosion, the natural resources show a rate of diminishing return. Elimination of unemployment is a vital precondition for take-off.

6: Rostow's Stage of Economic Growth (Criticism)

Development theory Rostow's five-stage model of development and its relevance in Globalization Essay School of Social Science Faculty of Education and Arts.

This initial stage of traditional society signifies a primitive society having no access to modern science and technology. In this stage of a society output could be increasing through the expansion of land area under cultivation or through the discovery and spread of a new crop. But the critical fact about this type of society is that there is a limit to attainable output per head. This limit arises due to the absence of access to modern science and technology. This type of a society allocates a large proportion of its resources to agriculture and is characterised by a hierarchical social structure in which there is little possibility for vertical mobility. The value system that prevails in such a society is what Rostow calls a long-run fatalism. People of these societies think that not much economic progress is possible for them and for their future generations.

Pre-Conditions or the Preparatory Stage: This covers a long period of a century or more during which the preconditions for take-off are established. These conditions mainly comprise fundamental changes in the social, political and economic fields; for example: India did some of these things in the First Five Year plan period. The people start using modern science and technology for increasing productivity in both agriculture and industry. Further, there is a change in the attitude of the people who start viewing the world where there are possibilities of future growth. A new class of entrepreneurs emerges in the society who mobilise savings and undertake investment in new enterprises and bear risks and uncertainty. In the sphere of political organisation, it is during this stage that an effective centralised nation state starts emerging. Thus in the stage of precondition for take-off Rostow views agriculture as performing three roles, first, agriculture must produce sufficient food-grains to meet the demand of growing population and of the workers who get employment in agriculture. Secondly, increase in agricultural incomes would lead to the demand for industrial products and stimulate industrial investment. This is the crucial stage which covers a relatively brief period of two to three decades in which the economy transforms itself in such a way that economic growth subsequently takes place more or less automatically. Thus, during the take-off stage, the desire to achieve economic growth to raise the living standards dominates the society. Revolutionary changes occur in both agriculture and industry and productivity levels sharply increase. There is greater urbanisation and urban labour force increases. In a relatively short period of a decade or two, both the basic structure of the economy and social and political structure is changed so that a self-sustaining growth rate can be maintained. It is worth noting that in the opinion of Rostow, the rise of a new elite is a characteristic feature of this stage.

Period of Self-sustained Growth: This stage of economic growth occurs when the economy becomes mature and is capable of generating self-sustained growth. The rates of saving and investment are of such a magnitude that economic development becomes automatic. Overall capital per head increases as the economy matures. The structure of the economy changes increasingly. The initial key industries which sparked the take-off decelerate as diminishing returns set in. But the average rate of growth is maintained by a succession of new rapidly-growing sectors with a new set of leading sectors. It is with both the problems and the cyclical movements of national income in such mature growing economies in this fourth stage that the bulk of modern theoretical economics is concerned.

Stage of Mass Consumption: In this stage of development per capita income of a country rises to such a high level that the consumption basket of the people increases beyond food, clothing and shelters to articles of comforts and luxuries on a mass scale. New types of industries producing durable consumer goods come into existence which satisfy the wants for more consumption. These new industries producing durable consumer goods become the new leading sectors of economic growth. Gunnar Myrdal has argued that there cannot be an inevitable sequence of events described as successive stages of growth. According to him, economic growth is the result of certain economic policies adopted and not the other way around. Likewise, Meier argues that stages in the history of economic growth cannot be generalised from the development experience of some European countries as Rostow has done. Although a particular sequence may correspond broadly to the historical experience of some economies, no single sequence fits the history of all countries.

7: Rostow's Five Stages of Growth – Explained!

Rostow describes this stage as a short period of intensive growth, in which industrialization begins to occur, and workers and institutions become concentrated around a new industry.

On the one hand, his treatment on growth is highly commended, while on the other hand, the same piece of economic literature is severely criticized. His historical approach to economic development is subject to criticism on the following grounds:

Traditional Society not essential for Development: A number of nations such as a United States, Canada, New Zealand and Australia were born free for traditional societies and they derived the pre-conditions from Britain, a country already advanced. So it is not essential for growth that a country must pass through first stage.

Pre-Conditions need not Precede Take-Off: It is not essential that pre-conditions must precede take-off. The agricultural revolution and accumulation of SOC in transport must take place before take-off. The experiences of most of the countries tell us the development in agriculture continues even in the take-off stage.

Over-lapping of Different Stages: The stages of economic growth mentioned by Rostow are not mutually exclusive and they may overlap each other. The characteristics of earlier stages are found to be mixed up with the characteristics of later stages. A later stage may have some remnants of previous stage. Hence the splitting up of the process of economic development into various stages is subject to serious limitations. Most of the growth economists do not agree with the possibility of dividing history into specific stages of development. Those stages are not inevitable like birth and death, not they follow a sequence like childhood, adolescent, maturity and old age. It is possible that country should reach later stages without passing through earlier stages. Thus, the stages may be skipped over.

Criticism of the Take-off: The most widely discussed, and controversial stage is the take-off. In the words of Prof. The reactions of historians and economists have been less favourable. They have grown accustomed to emphasizing the continuity to historical change, the tracing back to a previous age the forces producing a social explosion and to explaining away the apparent leaps in economic development. The take-off into self-sustained growth was given in , while in later publications, it has been put at In fact, it will take many years of research to determine the correctness of the dates suggested by Rostow. Some critics has pointed out that the rise in rate of productive investment to over 10 per cent of national income is arbitrary. A demarcation along this line is surely arbitrary. Rostow has emphasized a few leading sectors like textile, rail, roads etc. But economic growth has not always been governed by the development of few leading sectors only. Cairncross questioned the utility of this idea in helping us understanding the take-off. Why must the leading sectors be in manufacturing? If railway building can qualify, why not retail distribution of agriculture. The last condition for take-off is the existence of emergence of a cultural framework which gives growth an outgoing character. The necessary condition for this is the capacity to mobilize capital from domestic resources and this is nothing but the first condition of take-off restated. The date analysis by him relate to about a dozen of countries or so over the past century or so. Even for the countries, the key statistics have been highly unreliable till now. The generalizations drawn on such a narrow statistical base cannot be very reliable.

Concept of Self-Sustained Growth Misleading: Kuznets, no growth is purely self sustaining or purely self-limiting. Economic growth is a struggle and it will be wrong and misleading to call it self generating or self-sustained at any stage. In the history of ideas any proposal is welcomed which helps us to understand the past and building a promising future. This view point has been expressed by H. Rostow failed to provide any basis of distinctly separating one stage from the other. It is difficult to ascertain when a particular stage begins and the other ends.

Not Applicable to All Countries: Some countries may in fact, jump certain stages during their growth process. It fails to predict the course of events with regard to economic growth.

The Stage of Drive to Maturity Puzzling: It contains all the features of the take-off: Then where lies the need for separate stage where growth process becomes self-sustained. It can be self-sustained in take off stage. The characterization of one stage of growth is self sustained and of others, by implication, as lacking that property, requires substantive evidence and analysis not provided by Rostow.

Stage of High Mass Consumption not Chronological: The age of high mass consumption is so defined that certain countries like Australia and Canada have entered this stage before even

reaching maturity.

8: Rostow's stages of growth - Wikipedia

Rostow posited the existence of five separate stages. The key among these was the take-off, which was impelled by one or more "leading sectors". The fast growth of the leading sectors pulled along less dynamic parts of the economy.

Firstly it will define the key concepts such as education and modernization theory. Definition of terms According to Kelly The term modernization theory refers to a theory which states that development in developing worlds can be attained through following the processes of development that are used by currently developed nations Rostow, It is a social economic theory which is sometimes known as the development theory. It usually highlights the positive role played by those countries that are developed in modernizing and facilitating sustainable development in those countries that are less developed and it often contrasted to dependency theory. This means that for development to occur in underdeveloped countries there is need for developed countries provide aid to developing countries to enable them learn from their own progress. It looks at the state to be the central actor in bringing about modernization in societies that are backward. The theory also believes that underdeveloped countries could grow faster than developed countries and catch up and that it was possible for equal development to be reached between the underdeveloped and developed countries Hollis and Robinson, Rostows theory of modernization development Therefore Walt Rostow postulated a five stage model of development that will be able to apply to all the countries. It is important to understand that this stage of development is concerned with societies that have a pre scientific understanding of gadgets Hollis, This means that the society that the people in such a society are in a condition of fatalism and denies that people could change their living condition because their minds are magical, mystical and non historical in the sense that they will not be able to dig to find out how to change or improve their wellbeing. They believe that things such as goods come into being by divine forces rather than the intervention of man or ingenuity. It is also important to understand that the states as well as the farmers in traditional society are aware of the various irrigation methods and the expansions in order to improve agricultural output levels. This means that in traditional society consists of some technological innovations but only exists in ad hoc basis that is for a particular purpose Todaro and Smith, There have always been a barrier in traditional society which could not be crossed or overcome and this was due to lack of knowledge or application and constant development of modern science and technology. There is also a challenge in the changes of the size of population, quality of life or the social economic development because of the wars, famines due to crop failures, earthquakes, and epidemics such as plague and trade fluctuations due to trade stability or instability. The manufacturing sector and industries in traditional society had a tendency to grow but had always been limited by the inadequate scientific knowledge and backward frame of the minds which resulted into low labour productivity Carmody, There is also massive concentration of political power in the hands of land owners and the social structure is feudalistic in nature. Economic Growth The second stage of development or economic growth is called the pre condition for takeoff whose economy undergoes a process of change for building up of conditions for growth and takes off. Rostow asserts that the changes in this stage the society and the economy are fundamental in nature in the socio political structure and production technique. It is characterized by the massive development of mining industries, increase in capital use in agriculture, necessity of external funding and some growth in savings and investments. It also consists of certain dimensions that are associated with this transition from traditional society through the conditions to the take off phase. For example there is a shift from agrarian to industrial or manufacturing society, trade and other commercial activities are broadened to reach not only local markets but also international markets and there is no wasteful of resources or the surplus attained by the land owners is used to develop industries, infrastructure and preparation of self sustained growth or development Hollis and Robinson, It is the stage in which agriculture is commercialized and mechanized to bring about technological advancement and growth in entrepreneurship activities. The agricultural activities play an important role in the process of transition or development. Take off The third stage is called the take off stage of development which is sometimes called the economic take off. It is characterized by dynamic economic growth which is due to sharp stimulus of economic, political or technological in nature. The main

focus of this stage is the aspect of self sustained growth. It is also referred to be an interval when the old blocks and resistance to steady growth have been removed Rostow, It is important to understand that this stage occurs whenever the sector led growth becomes common and society is driven more by economic processes than traditions. The growth or economic progress becomes a normal trend or situation in these societies because those factors that were affecting or limiting growth are removed. There is an increase in industrialization, further growth in savings and investments and there is a decline in the number of employees in agriculture and there is an increase in entrepreneurship Hollis and Robinson, It is also important to understand that once take 3 off has taken place a country will take as long as fifty to one hundred years to reach maturity as was the case with the industrial revolution. Drive to maturity The fourth stage after the take off stage is the drive to maturity which is concerned with the extension of modern technology over other sectors of the economy or society. Drive to maturity stage refers to the period when a country has affectively applied the range of modern technology to the bulk of its resources Rostow, In this stage growth becomes self sustaining in the sense that wealth generation activities enables further investment in value adding industry and development. It is important to understand that during this stage the economy finds its place in the international economy and those goods that were imported begin to be produced locally and new requirements for import are developed Todaro and Smith, It is generally an improvement on the take off whose economy focused relatively on narrow complex of industry and technology and the economy of the maturity stage extends its range into a more refined and technologically often more complex processes. High mass consumption The fifth and final stage is called the age of high mass consumption were the leading sectors in the society shift towards durable consumers goods and services. The consumers focus on durable goods and hardly remember the subsistence activities of other stages. Preston asserts that this stage is concerned with the high output levels, mass consumption of consumer durables and increase in employment in the service sectors. It is characterized by an increase in per capita income, changes in the structure of the working force including those working in the offices or factories and an increase in the desire to benefit from the consumption fruits of a mature economy. Gustav adds that due to the economic changes the society ceases to accept further extension of modern technology as an overriding objective but increases allocation to other social activities. In this age of high mass consumption the society is able to choose between concentrating on military and security issues, on equality and welfare issues or developing luxuries for its upper class. It is important to understand that each country in this state of position chooses its own balance between these goals. There is a desire to develop an egalitarian society and that the country in this stage seeks to determine its uniqueness and the 4 factors that are affecting it are political, geographical and cultural structures and also values present in its society. It is therefore true to say that education has an important and direct relationship to addressing of each of the five stages of modernization theory or economic development in any given society or country Carmody, This means that education plays an important role in the five stages of economic growth propounded by Walt Rostow in order to bring about desired development. For example in the Traditional society education is vital as it helps people to acquire better ways and methods of farming in order to enhance agricultural activities. This is possible because traditional society is associated with massive subsistence farming activities. Through education the people who live in a traditional society are able to acquire different methods of irrigation and measures that can be taken in order to sustain the life of human beings and life of crops or vegetation and also to be able to have the knowledge of family planning in order to regulate the size of population Rostow, They are able to understand the value of their mindset, rights and their role in development. In the second stage of pre conditions education helps people to be aware of the political aspects of society and that there are other ways of investments such as industry and manufacturing rather than farming life which is associated with traditional society. Education is vital in this stage as it helps people to acquire the knowledge about the importance of engaging in international market in order to enhance the investment levels. It also inculcates new values and attitudes in the people and also to allow them learn how to manage their resources. Education also plays a role an important role in the take off stage in the sense that it enables people in the society to be able to have proper access to science and technology as well as the acquisition of values which predispose a population to change Carmody This is because science and technology are the dynamic values of the

education and it is achieved through learning that takes place in various schools of a particular society. It also helps people to acquire the knowledge of entrepreneurship and production in order to increase the workforce in the society. It is important in the maturity stage of development because it helps to extend the knowledge and skills of technology to other sectors of society and this is usually achieved through 5 workshops, seminars and lecture methods. Farmers can be called for a workshop in order to educate and extend the new knowledge of technology and how to sustain the economy or production of output levels. It also plays an important role in the sense that it enables people to be aware of their rights and opportunities in the society. For example people are able to know that they are equal and are supposed to be treated fairly and equally regardless of sex or status in the society. It also helps the society to prioritize their goals or objectives into those that need urgent attention in order to satisfy the desires of the people. It enables skills and resource sustainability in the people.

Conclusion Rostow's stages of economic development are very important in the sense that every society is supposed to go through all the five stages of development. These stages or transition periods happen at varying lengths from country to country and even from region to region. They are important in the sense that they foster economic self reliance for the development of all sectors to bring about modernization. Education is also considered to be a pre requisite of the development of any society.

The Evolution of Education in Zambia. Development of the Labour Surplus Economy: Structural Change and Development Policy. Johns Hopkins University Press. The Origins and Development of Education in Zambia: Pre Colonial Times to The Process of Economic Growth. The Stages of Economic Growth:

9: Rostow and the Five Stages of Economic Development Essay Example | Graduateway

The five stages of economic development, as first developed by W.W. Rostow, outline five stages through which societies progress as they evolve. The model was intended to show how a traditional.

Traditional Society characterized by subsistence agriculture or hunting and gathering ; almost wholly a "primary" sector economy limited technology Some advancements and improvements to processes, but limited ability for economic growth because of the absence of modern technologies, lack of class or individual economic mobility, with stability prioritized and change seen negatively This is where society generally begins before progressing towards the next stages of growth No centralized nations or political systems. Pre-conditions to "take-off" External demand for raw materials initiates economic change. Widespread and enhanced investment in changes to the physical environment to expand production i. Take-off Urbanization increases, industrialization proceeds, technological breakthroughs occur. Drive to Maturity Diversification of the industrial base; multiple industries expand and new ones take root quickly Manufacturing shifts from investment-driven capital goods towards consumer durables and domestic consumption Rapid development of transportation infrastructure. Large-scale investment in social infrastructure schools, universities, hospitals, etc. Age of Mass Consumption the industrial base dominates the economy; the primary sector is of greatly diminished weight in economy and society widespread and normative consumption of high-value consumer goods e. When and how did regular growth become a built-in feature of each society? What forces drove the process of sustained growth along and determined its contours? What common social and political features of the growth process may be discerned at each stage? What forces have determined relations between the more developed and less developed areas; and what relation if any did the relative sequence of growth bear to outbreak of war? And finally where is compound interest taking us? Is it taking us to communism; or to the affluent suburbs, nicely rounded out with social overhead capital; to destruction; to the moon; or where? Not all of the conditions were certain to occur at each stage, however, and the stages and transition periods may occur at varying lengths from country to country, and even from region to region. The basic assumption given by Rostow is that countries want to modernize and grow and that society will agree to the materialistic norms of economic growth. The output level can still be increased, as there was often a surplus of uncultivated land which can be used for increasing agricultural production. Modern science and technology has yet to be introduced. As a result, these pre-Newtonian societies, unaware of the possibilities to manipulate the external world, rely heavily on manual labor and self-sufficiency to survive. There have been technological innovations, but only on ad hoc basis. All of that this can result in increases in output, but never beyond an upper limit which cannot be crossed. Trade is predominantly regional and local, largely done through barter, and the monetary system is not well developed. Wars, famines and epidemics like plague cause initially expanding populations to halt or shrink, limiting the single greatest factor of production: Volume fluctuations in trade due to political instability are frequent; historically, trading was subject to great risk and transport of goods and raw materials was expensive, difficult, slow and unreliable. The manufacturing sector and other industries have a tendency to grow but are limited by inadequate scientific knowledge and a "backward" or highly traditionalist frame of mind which contributes to low labour productivity. In this stage, some regions are entirely self-sufficient. In settled agricultural societies before the Industrial Revolution, a hierarchical social structure relied on near-absolute reverence for tradition, and an insistence on obedience and submission. This resulted in concentration of political power in the hands of landowners in most cases; everywhere, family and lineage, and marriage ties, constituted the primary social organization, along with religious customs, and the state only rarely interacted with local populations and in limited spheres of life. This social structure was generally feudalistic in nature. Under modern conditions, these characteristics have been modified by outside influences, but the least developed regions and societies fit this description quite accurately.. Pre-conditions for Take-off[edit] In the second stage of economic growth the economy undergoes a process of change for building up of conditions for growth and take off. Rostow said that these changes in society and the economy had to be of fundamental nature in the socio-political structure and production techniques. There is also a

second or third pattern in which he said that there was no need for change in socio-political structure because these economies were not deeply caught up in older, traditional social and political structures. The only changes required were in economic and technical dimensions. There are three important dimensions to this transition: Lastly, the surplus attained should not be wasted on the conspicuous consumption of the land owners or the state, but should be spent on the development of industries, infrastructure and thereby prepare for self-sustained growth of the economy later on. Furthermore, agriculture becomes commercialized and mechanized via technological advancement; shifts increasingly towards cash or export-oriented crops; and there is a growth of agricultural entrepreneurship. This rise in investment rate depends on many sectors of the economy. According to Rostow capital formation depends on the productivity of agriculture and the creation of social overhead capital. Agriculture plays a very important role in this transition process as the surplus quantity of the produce is to be utilized to support an increasing urban population of workers and also becomes a major exporting sector, earning foreign exchange for continued development and capital formation. Increases in agricultural productivity also lead to expansion of the domestic markets for manufactured goods and processed commodities, which adds to the growth of investment in the industrial sector. Government plays the driving role in development of social overhead capital as it is rarely profitable, it has a long gestation period, and the pay-offs accrue to all economic sectors, not primarily to the investing entity; thus the private sector is not interested in playing a major role in its development. All these changes effectively prepare the way for "take-off" only if there is basic change in attitude of society towards risk taking, changes in working environment, and openness to change in social and political organisations and structures. According to Rostow, the preconditions to take-off begins from an external intervention by more developed and advanced societies, which "set in motion ideas and sentiments which initiated the process by which a modern alternative to the traditional society was constructed out of the old culture. This initial and accelerating steep increase in savings and investment is a pre-condition for the economy to reach the "Take-off" stage and far beyond. Take-off[edit] This stage is characterized by dynamic economic growth. The main feature of this stage is rapid, self-sustained growth. After take-off, a country will generally take as long as fifty to one hundred years to reach the mature stage according to the model, as occurred in countries that participated in the Industrial Revolution and were established as such when Rostow developed his ideas in the s. Per Rostow there are three main requirements for take-off: The development of one or more substantial manufacturing sectors, with a high rate of growth; 3. The existence or quick emergence of a political, social and institutional framework which exploits the impulses to expansion in the modern sector and the potential external economy effects of the take-off. Industrialization becomes a crucial phenomenon as it helps to prepare the basic structure for structural changes on a massive scale. Rostow says that this transition does not follow a set trend as there are a variety of different motivations or stimulus which began this growth process. Take off requires a large and sufficient amount of loanable funds for expansion of the industrial sector which generally come from two sources which are: Shifts in income flows by way of taxation, implementation of land reforms and various other fiscal measures. Re-investment of profits earned from foreign trade as has been observed in many East Asian countries. While there are other examples of "Take-off" based on rapidly increasing demand for domestically produced goods for sale in domestic markets, more countries have followed the export-based model, overall and in the recent past. The economy exploit their underutilized natural resources to increase their production. For such an entrepreneurial class to develop, firstly, an ethos of "delayed gratification", a preference for capital accumulation over expenditure, and high tolerance of risk must be present. Secondly, entrepreneurial groups typically develop because they can not secure prestige and power in their society via marriage, via participating in well-established industries, or through government or military service among other routes to prominence because of some disqualifying social or legal attribute; and lastly, their rapidly changing society must tolerate unorthodox paths to economic and political power. The ability of a country to make it through this stage depends on the following major factors: Existence of enlarged, sustained effective demand for the product of key sectors. Introduction of new productive technologies and techniques in these sectors. Activities in the key sector should induce a chain of growth in other sectors of the economy, that also develop rapidly. An example of a country in the Take-off stage of development is Equatorial Guinea. In the

table note that Take-off periods of different countries are the same as the industrial revolution in those countries. Drive to Maturity[edit] After take-off, there follows a long interval of sustained growth known as the stage of drive to maturity. Rostow defines it "as the period when a society has effectively applied the range of modern technology to the bulk of its resources. The makeup of the economy changes unceasingly as technique improves, new industries accelerate, older industries level off. The economy finds its place in the international economy: The leading sectors in an economy will be determined by the nature of resource endowments and not only by technology. Tentative drive to maturity dates [2] On comparing the dates of take-off and drive to maturity, these countries reached the stage of maturity in approximately 60 years. The structural changes in the society during this stage are in three ways: The workers acquire greater skill and their wages increase in real terms. The character of leadership changes significantly in the industries and a high degree of professionalism is introduced Environmental and health cost of industrialization is recognized and policy changes are thus made. During this stage a country has to decide whether the industrial power and technology it has generated is to be used for the welfare of its people or to gain supremacy over others, or the world in toto. A prime example of a country in the Drive to Maturity stage is South Africa. It is developing a world-class infrastructure- including a modern transport network, widely available energy, and sophisticated telecommunications facilities. This diversity leads to reduction in poverty rate and increasing standards of living, as the society no longer needs to sacrifice its comfort in order to build up certain sectors. Rostow uses the Buddenbrooks dynamics metaphor to describe this change in attitude. The first generation is interested in economic development, the second in its position in society. The third, already having money and prestige, concerns itself with the arts and music , worrying little about those previous, earthly concerns. So too, in the age of high mass consumption, a society is able to choose between concentrating on military and security issues, on equality and welfare issues, or on developing great luxuries for its upper class. Each country in this position chooses its own balance between these three goals. There is a desire to develop an egalitarian society and measures are taken to reach this goal. According to Rostow, a country tries to determine its uniqueness and factors affecting it are its political, geographical and cultural structure and also values present in its society. Consumer products become more durable and more diverse. Rostow does make the point that it is possible with the large baby boom it could either cause economic issues or dictate an even larger diffusion of consumer goods. Rostow is mechanical in the sense that the underlying motor of change is not disclosed and therefore the stages become little more than a classificatory system based on data from developed countries. His model is based on American and European history and defines the American norm of high mass consumption as integral to the economic development process of all industrialized societies. His model assumes the inevitable adoption of Neoliberal trade policies which allow the manufacturing base of a given advanced polity to be relocated to lower-wage regions. According to Rostow growth becomes automatic by the time it reaches the maturity stage but Kuznets asserts that no growth can be automatic there is need for push always. In the case of contemporary Russia slipping back from high mass consumption to a country in transition. He has little to say and indeed offers little hope for small countries, such as Rwanda , which do not have such advantages. Neo-liberal economic theory to Rostow, and many others, does offer hope to much of the world that economic maturity is coming and the age of high mass consumption is nigh. This does leave a potential "grim meathook future" for the outliers , which do not have the resources, political will, or external backing to become competitive with already developed economies.

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