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Modernisation Theory

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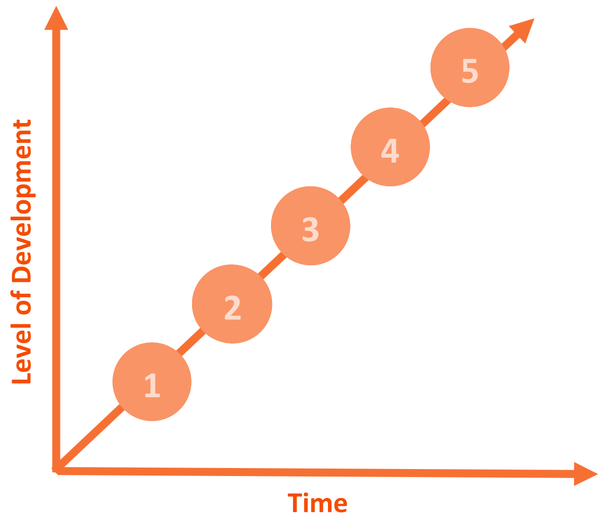
Definitions

A description and explanation of a linear process countries can make through economic development.

One example of a Modernisation Theory is **Rostow's Economic Stages of Growth**. This model suggests that countries go through a predefined set of five stages before becoming a fully developed nation.



Limitations of Rostow's Model

- The model is largely based on the experience of America and Europe and assumes that all other nations can follow the same pattern.
- Movement between the stages is very mechanical and rigid with little exception made for countries who may fall between stages, have one measure (such as communication) in one stage while others (such as health) in another or who 'leap-frog' a stage.
- There is an assumption that all countries will automatically start at the same stage and with the same capability (such as their availability of raw materials) to progress further through the stages.
- No account is take for problems that developing countries face (such as debt, being 'locked into' the export of primary products or limited access to markets) which can block further development.
- The model suggests that the end point of development is the same for all countries and is known from the beginning.
- It assumes that all countries will adopt similar policies, something that overlooks the idea that competition between the nations may hold some back.
- Some stages of the model may overlap or merge, with the pace of change happening more quickly in some areas of the world than others.

Stage One: Traditional Society

- Agriculture and other primary industries are the only means of existence. The work is highly labour intensive due to the limited availability of advanced technology.
- Subsistence agriculture dominates this farming, with food being eaten by the producers rather than being sold for profit.
- There is limited scope to develop any raw materials in the country so the development of other industries is restricted.

Stage Two: Pre-conditions for Take-Off

- Mechanisation starts to enter farming and greater yields create more commercialisation of food.
- Secondary industries such as textiles begin to develop as skill and education levels increase.
- Foreign Direct Investment may see the country begin to develop simple communication and transport infrastructures.

Stage Three: Take-Off

- Further industrialisation creates a multiplier affect where businesses use each other to grow and develop.
- Most workers are now employed in secondary industries.
- Development may become largely regional and centred around urban spaces.

Stage Four: Drive to Maturity

- Modern technology has spread across almost all industries in the country and many sectors start to gain an international reputation.
- Workers are highly skilled and start to become specialised within certain industries.

Stage Five: Age of High Mass Consumption

- Employment becomes very much based around service industries and the consumption of high order goods that are made overseas.
- Finance systems are well established with banks able to loan money to other countries.
- Country plays a key role in international organisation