

DEVELOPMENT THEORY

ROSTOW'S FIVE-STAGE MODEL OF DEVELOPMENT

AND ITS RELEVANCE IN GLOBALIZATION

ESSAY

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1 Introduction

More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. ...

I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge in order to help them realize their aspirations for a better life. And, in cooperation with other nations, we should foster capital investment in areas needing development. ...

We invite other countries to pool their technological resources in this undertaking. Their contributions will be warmly welcomed. This should be a cooperative enterprise in which all nations work together through the United Nations and its specialized agencies whenever practicable. It must be a worldwide effort for the achievement of peace, plenty, and freedom.

The old imperialism-exploitation for foreign profit-has no place in our plans. What we envisage is a program of development based on the concepts of democratic fair-dealing. ...

Greater production is the key to prosperity and peace. And the key to greater production is a wider and more vigorous application of modern scientific and technical knowledge

Truman's Inaugural Address, January 20, 1949

(http://www.trumanlibrary.org/whistlestop/50yr_archive/inagural20jan1949.htm. 05April 2005)

Discussions about 'development' and 'underdevelopment' are an old story. Since the end of World War II, the US has climbed up to become a first world power and they have put in a lot of effort to construct a new world order based on their imagination. Third World countries have also become more self-conscious about issues such as colonial rule, European power etc. and this new world order now pays attention to issues related to development.

Therefore traditional development approaches, which have implied a superiority of Europe as well as racist notations (e.g. Heinrich Schmitthenner) have lost their validity. Additionally, the Cold War put pressures on the Americans to offer developing countries an attractive alternative to the socialist development approach. According to this ideology, the 'model' would be the US rather than the USSR. In sum, this new concept emphasized Harry S. Truman's Inaugural Address of January

20, 1949 (above). Walter Rostow offers the theoretical background for Truman's new world order.

The key interest of this essay is to explain the modernization theory of Rostow. Additionally the essay analyzes its significance in the globalization, where new forms of social movement claim their participation in development processes.

The text is structured in *three sections*: The *first* section is a short overview of the prominent development approaches. Walter Rostow's theory will be analyzed in the *second* part. As is well-known the theory has somewhat lost its significance. But still, some of its elements remain nonetheless useful in certain development approaches, like 'big is beautiful'. But in the era of so-called 'globalization', these modernization ideas are facing resistance. Certain social groups feel marginalized in such an approach and they organize forms of resistance against these projects of the modernization. This analysis will be the *third* section of this paper.

2 Development theories: An overview

Development theories have to deal with two challenges. On the one hand, development theories analyze social-economic phenomena of 'underdevelopment' and 'development'. On the other hand, they should be based on problem analyses and offer opportunities for development strategies. The focus of these different approaches is on economic, social, political or cultural factors. In some measure, these approaches overlap. Generally, modernization theory and dependency theory are antipodal theoretical approaches.

Dependency-theory was introduced during the 1970s and has been further developed (e.g. World System Theory) since. The development discourse

during the 1980s was dominated by approaches of the 'middle range'. This approach emphasized processes of differentiations within the 'Third World' and they did not any more claim a comprehensive explanation of 'development' or, and especially, 'underdevelopment'. Instead, with the beginning of the globalization discourse, new approaches have come up to analyze issues relating to the ground-reality, such as, the informal sector, vulnerability, human-environment-impact or sustainability. Topics like these illustrate the increase in volume and nuance in development approaches. Additionally, this exemplifies the rise of social differentiation in development countries.

3 Rostow's five-stage Model of Development: Modernization, Development, Geopolitics

The concept of modernization theories have their beginnings in the classical evolutionary explanation of social change (Giddens 1991 137-138; Tipps 1973: 200-201 with Smith 2003: 44). Emile Durkheim, Karl Marx and Max Weber try to theorise the transformations initiated by the industrial revolution. Two characteristics of early modernization theories continue to influence current modernization discourse. One is the idea of *frequent social change* and the other is the idea of *development* (So 1990: 18-20 with Smith 2003: 44).

One of the theories which identifies both of these abovementioned characteristics is Walter Rostow's (1960) concept of economic growth. He outlines his concept in his book "The Stages of Economic Growth". He argues that within a society sequential economic steps of modernization can be identified. These steps are linear and towards an evolutionary higher development. Rostow (1960) identifies five growth stages (Figure 1):

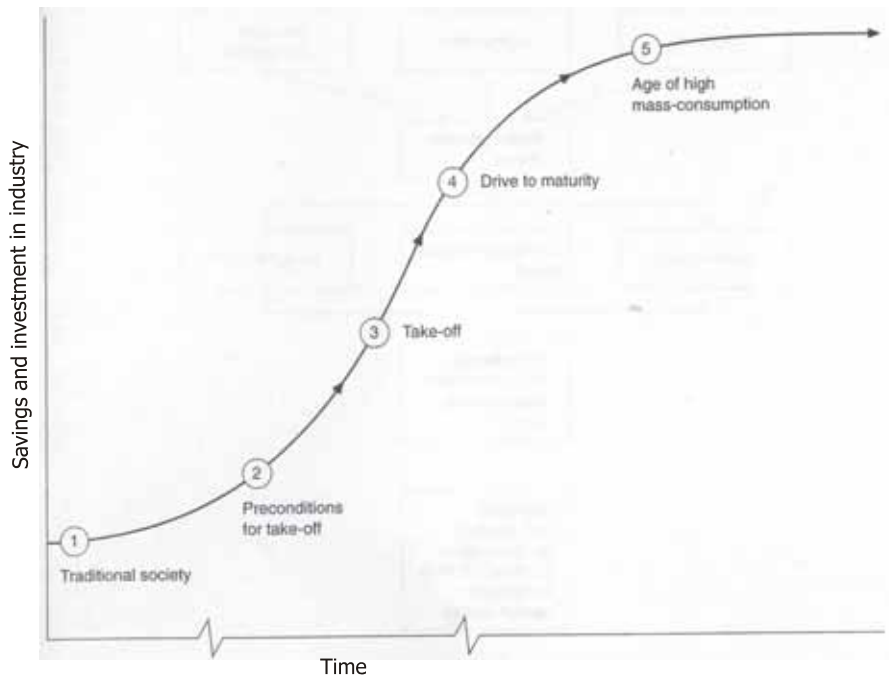


Figure 1 Rostow's five-stage model of development
 (Source: Potter, Binns, Elliott & Smith 1999: 51)

- (1) **The Traditional Society:** The economic system is stationary and dominated by agriculture with traditional cultivating forms. Productivity by man-hour work is lower, compared to the following growth stages. The society characterizes a hierarchical structure and so there is low vertical as well as social mobility. An historical instance of Rostow's "Traditional Society" can be founded during the time of Newton.
- (2) **The Preconditions for Take-Off:** During this stage the rates of investment are getting higher and they initiate a dynamic development. This kind of economical development is a result of the industrial revolution. As a consequence of this transformation, which includes development of the agriculture too, workforces of

the primary sector become redundant. A prerequisite for “The Preconditions for Take-Off” is industrial revolution, which lasted for a century.

- (3) **Take Off:** This stage is characterized by dynamic economic growth. The main characteristic of this economic growth is self sustained growth which requires no exogenous inputs. Like the textile industry in England, a few leading industries can support development. Generally “Take Off” lasts for two to three decades, e.g. in England it took place by the middle of the 17th century or in Germany by the end of the 17th century.
- (4) **The Drive to Maturity:** is characterized by continual investments by 40 to 60 per cent. Economic and technical progress dominate this stage. New forms of industries like neo-technical industries emerge, e.g. electrical industry, chemical industry or mechanical engineering. Neo-technical industries supplement the paleo-technical industries. As a consequence of this transformation social and economic prosperity, especially the latter, increase. Generally “The Drive to Maturity” starts about 60 years after “Take Off”. In Europe this happened by 1900.
- (5) **The Age of high Mass Consumption:** This is the final step in Rostow’s five-stage model of development. Here, most parts of society lives in prosperity and persons living in this society are offered both abundance and a multiplicity of choices. According to him the West or ‘the North’ belongs today in this category.

The aim of economic stages theories, like Rostows’ model, is that within economic and social history, specific criteria distinguish the stages of modernity from each other. Generally ‘modernization’ characterizes a

rational conformity to the present or future requirements (Giddens 1991: 137-138). Therefore 'modernization' is the opposite of traditionalism, which keep hold of tradition and custom. Through this, traditionalism involves a conservative connotation and 'modernism' a positive connotation. Here 'development' means economic development. In this discourse underdevelopment, and with it poverty, are the effects of the dualism between traditional economic structures and social structures. In other words, a underdevelopment is a result of *endogenous factors*. And so 'development' has to be initiated from the outside. This implies a process of social, political-institutional, cultural and technological 'modernization'.

Within the western industrialized countries – the center – economic and social modernization is based manly on industrialization and democratization (Smith 2003: 49; Hall 1992: 289). Modernization theories try to transfer western development experiences into 'developing countries'. Therefore, western countries recommend modernization as the imitation of the western experience, which, they believe, would produce successful societies in the current developing countries. Thus, Rostow's theory implies a top-down approach. Furthermore, capitalistic development is said to be trickling down from the urban-industrial core to the periphery (Figure 2 and Figure 3) (Stöhr & Taylor 1981 with Potter, Binns, Elliott & Smith 1999: 51). In sum, 'development' in the modernization discourse contains 'modernization'.

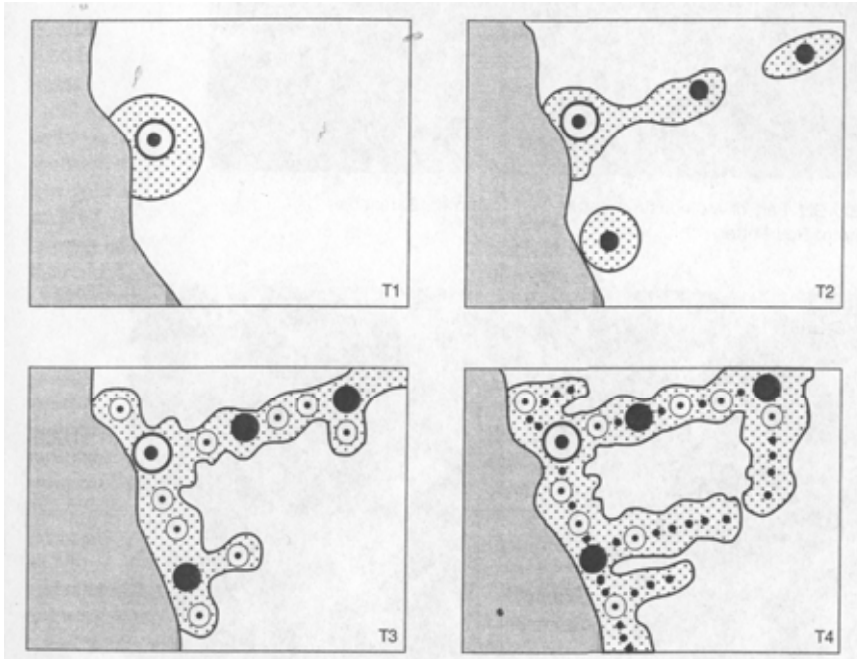


Figure 2 The geographical spread of development in the modernization theory
 Modernization has its beginning in the largest settlement. From here it spreads out to the smaller places and finally over the national territory
 (Source: Potter, Binns, Elliott & Smith 1999: 50)

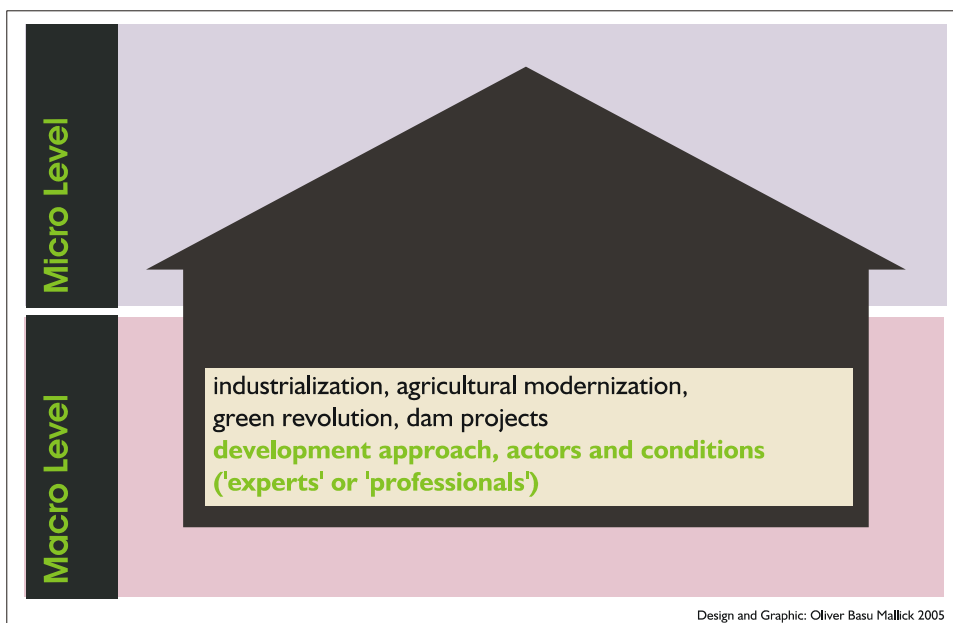


Figure 3 Concept of 'top down'

'Developing regions' or 'developing societies' are cultural and social-political constructions. They are subjective creations, 'mental maps', built up through cognition, knowledge and values. Derek Gregory (1998) describes this as "Geographical Imaginations". Through our individual representations and imaginations about Latin America, Africa or the Asia-Pacific we label 'development' of these regions and their societies. The ordering of these global-development-maps begins in Europe, because Europe is constructed as its 'centre' (Gregory 1998; Hall 1992). For this reason the concept of 'development' and 'underdevelopment' can be described as Eurocentric or Americentric. Europe and North America form the centre and this idea is discursively constructed in such a way that they represent the highest stage of civilization and most 'developed' economies. "In practice, modernization was thus very much the same as Westernization" (Hettne 1995: 52).

By naming these regions, as the 'North' and 'South', geographical conceptions of the world are established. These "geographical imaginations" (Gregory 1998) are influencing policy decision processes and policy action (Ó Tuathail & Agnew 1992). The development discourse during the Cold War is an especially good example, where institutions, ideology and intellectuals come together and create a powerful network (Bader 2001; Escobar 1995). This tendency manifests itself quite clearly in Rostow's concept of modernization and is most obviously announced in his subtitle: "A non-communist manifesto". Beginning in the 1940s with the establishment of World Bank, IMF and most of the UN agencies these organizations have created a powerful system. This network defines the role to establish discourses which accept certain definitions of development as truth – like modernization – and other definitions as false, like dependency (Escobar 1999: 383; Foucault 1980: 131). This network of

reputed international agencies has the 'power of naming' which the international society accepts as the predominant discourse. These discourses are taken as the unchallengeable truth and anyone 'thinking different' is marginalized. In the era of the Cold War modernization meant 'anticommunism' and adapting 'modernization' implied agreement with the 'right' – western – values.

This discursive construction implies a geopolitical figure (Escobar 1995). Rostow's work belongs into the capitalistic system during the zenith of the Cold War. Both blocs of power are rivals and so Cold War is an impotent aspect in making development models. In other words: It is a conflict of systems. During this period poverty is widely understood as the breeding ground for communist ideas. And so Rostow's model offers a development theory against the communist threat.

'Development' cannot be defined in a universally valid manner because 'development' *is a normative term*. In other words, 'development' is subjective and discursively constructed (Foucault 1970: xv). Collective and subjective imaginations of values as well as possible social changes in countries are influencing the concept of 'development'. 'Development' will be interpreted in different – subjective - ways, depending upon one's basic theoretical or political-ideological positions and predilections. Therefore the idea of 'development' varies, depending on theoretical approaches (Nederveen Pieterse, Jan 2001; Watts 1993:177).

In sum, Rostow's modernization theory has a large influence on development strategies – e.g. industrialization, agricultural modernization, green revolution, dam projects – and has influenced decisive models and measures of development work (Nederveen Pieterse 2001: 102). Developed countries like India have used high-tech means to

modernize the country, e.g. computer specialist in Bangalore or nowadays Pune

It is critical to note that, first, Rostow treated modernity as equivalent to the model of western capitalistic society. Second, this approach has a unilateral interpretation of traditional societies as 'non-modern' because of their (mis)interpretation of 'lower' or 'other' forms of development. Third, Rostow's model does not consider exogenous factors of underdevelopment. Fourth, the approach privileges a top-down approach over a bottom-up approach thus, arrogantly, rendering indigenous means to development as irrelevant or useless. This worldview implies that only international development institutions can handle the problems of underdevelopment. Consequently, grassroots-level organizations cannot break the 'wheel of underdevelopment'. But this 'bottom up' approach plays an important role in globalization. Fifth, the modernization projects are mainly 'great projects', e.g. dam building projects such as the Narmada River Valley project in India. Hence, through this technical approach the people of the underdeveloped regions are treated as objects (Kiely 2000: 37). Instead of a 'top down' approach however, a 'bottom up' approach, with its new forms of resistance against great projects, is important in the era of globalization. I will discuss this further in the next section.

4 Globalization: Resistance against Modernization concepts

Globalization implies a process of intensification of worldwide economic as well as cultural and social relations. It is an integration of markets, business sectors and production systems which are a result of strategic behavior by powerful protagonists. These participants are transnational companies and, in some cases, nation-states (Giddens 1991). Globalization

is characterized by a worldwide increase of human mobility (e.g. transmigration), products, services and especially information. Compared to any previous era, globalization implies, first, and in particular, the importance of financial structures, and second, knowledge as production factor (tertiary sector). Third, globalization also implies that an increased number of transnational companies which act as global oligopolies. In order to enable this world system, nation-states create national regulations leading to a 'freedom of capital'. This decade seems to be dominated by the idea of 'capitalism' and even resistance seems to be too.

According to Giddens (1991: 64), "globalization can thus be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa." Therefore, globalization implies reciprocal influences of global tendencies and simultaneously a regionalization or localization (see at the bottom). Finally the neologism 'globalization' semantically integrates different horizons.

However, different horizons of political and economic behavior are getting more important. That implies flexible forms of 'global governance' between governmental and non-governmental participants as well as local participants. In sum, globalization seems to be *the* discourse which accompanies societies into the third millennium.

New forms of network between transnational players gain access into global policy. During the 1990s, the 'internationalization' of state-run activities finds expression through numerous international conferences. These conferences have had different thematic emphases, e.g. environment, human rights, population, social development, gender or nutrition. Different global agenda outlines have been worked out.

Information about the failings of development are spread out through new means of information technology, especially the (however anarchistic) internet. Therefore new development projects— in particular large projects – are not anymore as easily accepted as during the previous decades. Within the underdeveloped regions as well as in other parts of the world, people are forming protest and resistance at the ‘grassroots’ level. The new forms of social movements are paying attention to marginalized topics focusing on gender, nutrition, human rights and especially environment. According to Paul Routledge (e.g. 1992; 2003) these persons form a social movement which expresses opposition on behalf of cultural, political or economic marginalization. These marginalized groups of society express their challenge through different numbers.

Even if the social movements can be very different, two horizons can be generally identified -- on the *micro level*, a primary ‘local’ form of resistance, and on the *macro level*, where social movements are most active, a ‘global’ form of resistance. In different ways, these kinds of social resistance are signs. On the one hand, social movements are indications of a fragmentation of society. On the other, these movements are signs of a new politics based on culture and the social construction of identities. Beside that regions are more emphases and so landscapes are ‘telling’ something about there inhabitants, their histories and their memories. Hence, globalization and localization arise at the same time, because places/spaces have both a physical ‘reality’ and, simultaneously, they are ‘subjective imaginations’.

Equally, resistance implies a shift from the top-down development. At the *macro level* are global resistance networks like Greenpeace or ATTAC, which have gained a large influence in countries such as Germany and France. Greenpeace stands for a well organized Non-Governmental

Organization (NGO) unlike ATTAC, which is still a nascent and somewhat anarchic social movement. Movements against globalization, like ATTAC, may become the first organized social movement based on globalization. However, it must be mentioned that resistances, mainly the kinds we find on the macro level, use the benefits of globalization – the ‘CNN factor’. Information and especially pictures of activities can be globally spread out within minutes, e.g. Brant Spar during the mid-1990s, or the radical demonstrations at the WTO conference in Seattle. Therefore, the political influence of a social movement depends on the ability to establish ‘the story of the week’, or, in other words, to establish a discourse. Sensational pictures of demonstrations lead the way on homepages, newspapers and into the TV news. This phenomenon obviously has its advantages given that we live in a world of pictures an iconic discourse may be more important and relevant than a discourse formulated with words.

In sum, the new forms of social movements are an empowerment of ‘the other’ and a representation of non-hierarchical development. These social movements have power through global networks and so they can learn from each other, sharing and discussing strategies. Finally social movements can formulate new agendas for development and re-think ‘modernization’ (Routledge 1992; 2003). Apart from that, resistance is constructed as the opposite of the ‘big is beautiful’ project and so against the establishment. In other words, these forms of resistance are ‘non-capitalistic’. And so such forms of resistance are perceived as dangerous by well-known elites. However, the ‘force for the unseen’ is truly important, but it constructs as unquestionable or in other word: as the ‘right’ force. This discourse drifts partly into the untouchable universe and constructive discussions can be problematic.

	Modernism	Globalization
Polar Differences Have relevance to development	<ul style="list-style-type: none"> form conjunctive, closed purpose design hierarchy finished work synthesis centering root, depth interpretation, reading narrative master code determinacy transcendence 	<ul style="list-style-type: none"> antiform disjunctive, open play chance anarchy performance, happening antithesis dispersal rhizome surface against interpretation, misreading antinarrative idiolect indeterminacy immanence

Source: Adapted from Harvey 1989 in Potter, Binns, Elliott & Smith 1999: 73
Graphic: Oliver Basu Mallick 2005

Figure 4 Differences between modernism and Globalization

5 Conclusion

Development is a multidimensional process and therefore does not admit any one form of measurement. The discourse of 'globalization' started with the end of the Cold War. Globalization can be understood as a process of fragmentation and differentiation of culture and society. Up to end of the 1980s development theories have claimed a global validity to explain 'development' and 'underdevelopment'. Since the fall of the Berlin Wall development theories have gone through a profound process of differentiation. The reason has been that processes of social differentiation have taken place in the Third World.

Traditional approaches were only to some degree able to explain these new social processes. And so modernization cannot deal with questions of globalization. The aim of the modernization theories such as Rostow's model is that 'latecomers' could catch up with richer countries. The key concept of modernization is embodied in ideas like development through institutional organization and development through rationality and efficiency. In other words, modernization comes from outside rather than from inside. In such a view, modernization for local people gets initiated from an unseen area. It can be said that modernization 'happens' rather than gets 'introduced' to the local people, e.g. a dam was built and the inhabitants had to move. But herein lies the key problem of modernization: it does not offer answers regarding participation or accountability. Because of this reason modernization is possibly still on for a lot of agencies an effortless means to implement development projects.

However, during the last ten years an increase of transnational protest has begun. Over the last decade new forms of resistance have come up to demonstrate their protest against established ideas. They claim to be the

voice of the unseen. Resistance means not only 'actions on the street' but also 'thinking different' in terms of new ideas or new forms of representation. Therefore a key challenge for development is to involve these social movements or, in other words, a shift to participation of 'North' and 'South' on equal terms.

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