Rostowian Stages of Growth

One of the most popular & widely ~~excepted~~ accepted sequence of stages of economical growth is given by prof. W.W. Rostow in his ~~boo~~ article "The stages of Economic Growth", 1st published in 1960, carrying a subtitle a "Non-Communist Mani-festo". It proved to be a lively controversy because it was intended to provide an alternative to Karl Marx theory of economic development. Rostow in ~~his~~ the above article identified 5 stages of economic growth. In chronological order, they are:

① Traditional Society
② Transitional / Pre condition of take off
③ Take off
④ Maturity
⑤ The age of high mass consumption.

Traditional Society: ~~The~~ Acc to Rostow, traditional society belong to the pre newtonian period and the economy at this stage is agrarian in nature. The limited prodn fn at this stage was based on pre newtonian science & technology. Modern facilities of sci and technology was absent & economic activities were confined (to the level of subsistance) / ~~or~~ to meet only the domestic needs.

Agriculture was the main source of occupation and about more than 70% of population depended upon agriculture for their livelyhood. However the agriculture sector was characterised by traditional & primitive method of farming. which in turn kept the productivity low. The traditional society was politicaly decentralised and hierarchial in charater as its working was influenced by whims & wishes of the big land ~~loar~~ lords.

② Transitional Stage: In this stage the inhumilating forces of traditional society are replaced by growth promoting forces for attaining economic development. The productivity of agri & industry sector increases as prodn get developed with the help of modern sci & technology ~~in the~~ There is also access to the expanding world market thus paving way to trade & commerce. The main economic requirement in this transitional phase is that the level of investment should be raised to 10% of the GDP. ~~Some~~ Different industries would crop up which will ensure sustainable increase in percapita income. with Industrial development there will be ~~emergen~~ emergence of industrial aristrocracy which will seek to supress the landed aristrocracy. ~~Landed aristo aristrocracy would generate capital which~~. The capital generated by landed aristrocrats will be shifted to industrial aristrocrats. In this way society will progress and gradually enter the stage of take off.

③ The take off stage:

Various factors of the transitional stage prepare a ground for the 3rd growth stage i.e take off. As the economy expands the pace of growth ~~increases~~ takes up a momentum of its own.
× (Like an aeroplan the economy after getting a critical speeds gets air borne) Prof. Rostow terms this self sustaining growth stage as "Take off" stage. ~~Th~~ At this stage, which last for 2 to 3 decades, the economy is able to grow of its own. (Modern writers call this stage by different names viz "Big push", "A great leap forward" etc.)

• In this stage the level of investment in industry is more then 10% of the GDP. There is also a higher investment requirement for SOC (Social overhead capital).

• Greater emphasis ~~a~~ is given to manufacture & other industrial units & there is a shift from agri sector to industrial sector.

• The saving rate also reaches a level of atleast 10% of GDP.

This stage persist for about 2 decades i.e 20 years during which the economy prepare itself for the stage of Maturity.

(4) Maturity: Rostow define ~~this~~ the 4th stage as a period when the society has effectively applied the range of modern tech to the bulk of its resources. During this stage many technological changes take place and new leading sector replaces the old ones. The sectors like cotton textile industries, railway & heavy ~~engeer~~ engineering industries etc looses their momentum & ~~are~~ the new sectors viz steel, chemical & electrical industries dominate the economy. The social structure also under goes a change as the % of people enganged in agri sector ~~decre~~ diminishes & progressively increases in industrial sector. Thus a great degree of urbanisation take place. It is a period of long sustaind growth extending over a period of 4 decades. During this period rate of saving & investment reaches such a magnitude that economic development become automatic.

(5) The Age of high mass consumption

In this stage, fulfillment of basic needs of the ~~people~~ society is no longer a problem. The new leading sectors that dominate the economy are automobile, rubber, sub urban home buildings etc. People donot feel any pinch of shortage. The leading sectors of economy ~~sif~~ shift ~~towards~~ towards the prodn of durable goods & services & attention of the economy shifts from prodn to consumption & welfare of people.

~~Critics~~ Criticism

① The Rostow "stages of growth" have been criticised for being characterised with overlapping stages. Some stages viz transitional stage, take off & maturity share commo features and thus are considered to be overlapping.

② Another criticism levied against st Rostows theory of "stages of growth" is that it cannot be tested empiricaly. ~~it is just based on some~~ ~~unrea~~

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