

Rostow's Stages of Growth Model

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- W.W. Rostow was an American Economist and Government official who was one of the key thinkers in 20th-century Development Studies.
- In 1960 he established his work "Stages of Economic Growth" in which he presented five steps through which all countries must pass to become developed.

These are:

- 1) The Traditional society,
- 2) Preconditions to take-off,
- 3) The Take-off,
- 4) Drive to maturity and
- 5) Age of high mass consumption.

1. Traditional society

- Simplest and primitive forms of social organisation
- Subsistent, agricultural-based economy
- Unskilled labour
- Low levels of trading,
- Society based on Pre-Newtonian science and technology
- Old Pre-Newtonian attitude to the physical world
- Low Per Capita Income
- High Proportion of labour in Agriculture
- Hierarchical, hereditary, status-oriented social structure
- Political power was localist, region-bound and primarily based on land ownership

2. Preconditions to take-off

- A society begins to develop manufacturing and a more national/international
- Fundamental changes in a well-established traditional society
- People try to break free from the rigidities of the traditional society and a scientific attitude
- Economic progress becomes an accepted social value
- New types of enterprising people emerges on the society with the objective to establish a firm or industry and produce output for a long time
- With the new enterprising persons, the gross investment raises from 5% to 10%, so that the rate of growth of output outstrips the rate of population growth
- Industries are established in different parts of the country
- Credit institutions are developed
- Workforce shifts from agricultural section to the manufacturing sector
- Second stage of Demographic Transition
- Centralised political power

3. The Take-Off Stage

- Transitional Stage
- Society from a backward one to one that is on the verge of freeing itself from the elements that retard growth
- Dynamic change in the society
- When growth becomes normal condition
- Major changes in political and social structure
- Industrial Revolution starts
- Rate of investment is from 5% or less to over 10% of the national income
- Expansion of modern sector
- Greater urbanisation and urban labour force increases
- A sustained and cumulative character of growth process starts

4. Drive to maturity

Period of Self-sustained Growth

- Rise in standards of living
- Increase in the use of technology
- National economy grows and diversifies
- The rates of saving and investment are high
- Workforce shifts from Agriculture to Industries
- Agriculture workforce comes down 20% or less
- Consumption pattern shifts, becomes more luxury orientated than Agricultural Products
- Emergence of railways, hydropower, steel, and animal husbandry and dairy products
- Growth becomes the normal mode of existence

5. Age of High Mass Consumption

- More consumption of luxuries and high styles of living
- Rate of Investment rises above *20% of National Income*
- Articles of comforts and luxuries on a mass scale
- Extensive use of consumer durable consumer goods like automobiles and high grade foods
- Increase in the resource allocation for social welfare and security
- Pursuit of national power and world influence
- A country's economy flourishes in a *Capitalist System*, characterized by mass production and consumerism.

Critical Review of Rostow's Theory

Rostow's stages of growth theory have come in for severe criticism, some of are:

- Inadequate empirical base
- No distinction between the stages of pre-condition to take-off and the take-off
- No Mention of geographical factors such as site, place and situation are completely ignored in growth process
- Contradictory views for Under Developed Countries
- Kuznets disagrees that growth becomes automatic process during the drive to maturity.

In spite of the many critiques of Rostow's model, it is still one of the most widely cited development theories and is a primary example of the intersection of geography, economics, and politics.

THANK YOU