

C] Rostow's / Rostov's Model

(1960's - 70's)

- o Influenced by Marshall Plan.
- o Industrialisation led growth & development
- o Agri. is symbolic of lack of development
- o Social development will happen on its own

NEO - Classical Approach.

- o Acc. to Rostow, Development happens through stages starting from rural backward society towards a more developed industrialised society.
- o HN theory was based on experience of

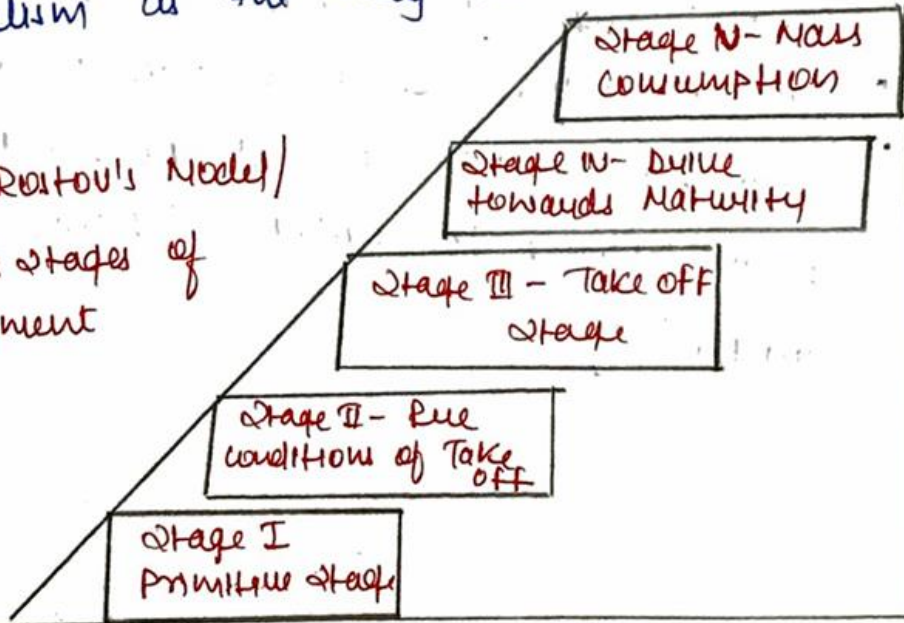
Europe how Europe transformed itself
from Tribal society of Medieval times
into Urbanised & Industrialised society

o Rostow generalised this pattern of develop-
-ment for whole world promoting this
model of what development is & how it
can be achieved [This is an example of

Ethnocentric Approach & after Rostow is
criticised for his alleged racist interpretation]

o His model is considered as alternative to the communist systems. & he promoted capitalism as the way forward in development

fig - Rostov's Model/
Rostov's stages of
Development



Stages of Rostov

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Stage I - Primitive stage

- Poverty, famine, Hunger, death rate
- Traditional, Agriculture Tribal society
- Rural Economy & subsistence economy.

Stage II - Pre conditions of Take off-

- Middle class intelligentsia & innovation (some educated individuals)

- o It small "product" systems or factories
- o Some kind of organised system (when society come in contact with western world through colonisation)

[This notion that seeds of development were sown by British colonial power is like Rostov trying to justify "White Men's Burden"]



Stage III - ~~Pre conditions of~~ Take-off stage

- o Agri started shrinking but still dominant
- o Industries come up but with public investment (Govt supported) Ex PSUs
- o In this stage, the govt. encourage higher savings rate & it is a transition stage of 10-30 years. This is a stage of Dual Economy = Beginnings of Industries + Agri coexist

Stage IV - Drive Towards Maturity

- Industrial Sector is more self sustaining -
More Private Industries, less PSUs.
- Dual Economy - High inequalities
(Agri decreasing) shrinking & Mfg. growing)
- This phase in India was during 1992
L.P.G. Reforms



Stage V - ~~Stage~~ Age of Mass Consumption

- Services Sector led Economy.
- High levels of urbanisation
- Age of luxury goods & material Economy
- High quality of life & health, Educatⁿ
literacy & high quality of social
standards
- consumption based Economy.

Analysis of Rostov's Model -

- 1] It is a Temporal Model (Stage based & Time based Model)
- 2] He is generalising Europe's experience which may not be true for all countries
- 3] He is dismissive of Agriculture (cannot do this for developing country, it can be relevant for Europe as Europe does not have Agri unknown & sizable farming community. But to consider

this First Developing country like India, may be disastrous since India has to model its development based on Agri potential also)

4] The model is suggestive of unidirectional & fixed stage based development. But in reality countries have by-passed stages, countries have re-lived their stages deliberately.

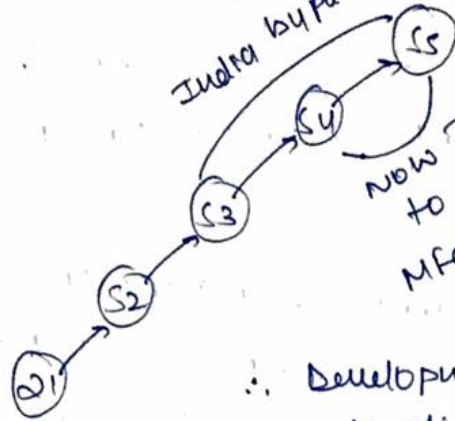
• So development is not a unidirectional process

EX India has by passed stage 4 & now under Make-in-India it is trying to come back towards prime towards maturity.

• Conflicts can force countries to slip back into lower levels of development

5] stage based approach is not a proper model because stages are unrealistic, countries can exist in more

than one stage.



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∴ Development is not unidirectional

o Infra - Roads
Railways

Power/Energy
plants

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o Skillung & Labour Reforms

} Ignored in
India &
now we
are focusing
on these
issues

o Env. Issues

o Governance - Strong Institutions

o Rostov's Model doesn't get into details of
Development process. It is a very high
level description without exact prescriptⁿ
on how to achieve Development

- o Key elements ⁱⁿ adequate / missing elements of our Economic systems are -
 - ① Infrastructure
 - Roads
 - Railways
 - Power
 - Port
 - ② Skilling including low Educatⁿ achieve-ments from schools
 - ③ Env. Issues (India is ^{one of} Top 5 Disaster prone country of the world)

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4] Governance systems that are responsive & transparent

∴ India need Multi Sectoral Planning Approach [Agriculture + Mfg + services etc]