

## Economics Discussion

# Rostow's Stage of Economic Growth (Criticism)

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Rostow's analysis of economic growth has raised a mixed reaction.

On the one hand, his treatment on growth is highly commended, while on the other hand, the same piece of economic literature is severely criticized.

**His historical approach to economic development is subject to criticism on the following grounds:**

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## 1. Traditional Society not essential for Development:

A number of nations such as a United States, Canada, New Zealand and Australia were born free for traditional societies and they derived the pre-conditions from Britain, a country already advanced. So it is not essential for growth that a country must pass through first stage.

## 2. Pre-Conditions need not Precede Take-Off:

It is not essential that pre-conditions must precede take-off. The agricultural revolution and accumulation of SOC in transport must take place before take-off. The experiences of most of the countries tell us the development in agriculture continues even in the take-off stage.

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### 3. Over-lapping of Different Stages:

The stages of economic growth mentioned by Rostow are not mutually exclusive and they may overlap each other. The characteristics of earlier stages are found to be mixed up with the characteristics of later stages. A later stage may have some remnants of previous stage. Hence the splitting up of the process of economic development into various stages is subject to serious limitations.

### 4. Difficult to Divide Growth Process in Distinct Stages:

Most of the growth economists do not agree with the possibility of dividing history into specific stages of development. Those stages are not inevitable like birth and death, not they follow a sequence like childhood, adolescent, maturity and old age. Prof. Meier observes in this connection that “to maintain that every economy always follows the same course of development with a

common past and the same future is to overschematize the complex forces of development and to give the sequence stages a generality that is unwarranted.”

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It is not necessary that every economy should follow the same sequence of development. It is possible that country should reach later stages without passing through earlier stages. Thus, the stages may be skipped over.

## 5. Criticism of the Take-off:

The most widely discussed, and controversial stage is the take-off. In the words of Prof. A.K. Cairncross, “The stage that has struck the public mind most forcibly is undoubtedly that of the take-off. No doubt, because the aeronautical metaphor prolonged in the phrase into self-sustained growth” suggests at once an effortlessness and a finality congenial to modern thought.

The reactions of historians and economists have been less favourable. They have grown accustomed to emphasizing the continuity to historical change, the tracing back to a previous age the forces producing a social explosion and to explaining away the apparent leaps in economic development.

### **(i) Dates of Take-Off are Doubtful:**

According to Prof. Higgins, "Economic historians are sceptical about the take-off dates suggested by Rostow." The dates also vary from publication to publication. The take-off into self-sustained growth was given in 1937, while in later publications, it has been put at 1952. In fact, it will take many years of research to determine the correctness of the dates suggested by Rostow.

### **(ii) Possibilities of Failure not considered:**

According to Habakuk, "In his aeronautical concept of growth he ignored the bump downs and crash landings." Further, "the analysis of take-off neglects the effect/of historical heritage, time of entry to the process of modern economic growth, degree of backwardness and other relevant factors on the characteristics of the early phases of modern economic growth in different countries."

### **(iii) Grow the Rate of Investment is Arbitrary:**

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Some critics has pointed out that the rise in rate of productive investment to over 10 per cent of national income is arbitrary. As Prof. A.K. Das Gupta remarked, “What is the sanctity about his particular percentage, except that with 10 per cent annual saving one may expect an economy to acquire a higher trend of per capita income unless the capital output ratio and rate of population growth are abnormally high. A demarcation along this line is surely arbitrary.” There is no historical date to justify a sharp increase in saving income ratio at the beginning of industrialization.

#### **(iv) Some Specific Industries cannot be leading Sectors:**

Prof. Rostow has emphasized a few leading sectors like textile, rail, roads etc. But economic growth has not always been governed by the development of few leading sectors only. Prof. Cairncross questioned the utility of this idea in helping us understanding the take-off. He asks,

“What connection is there between the conception and later stage? Why must the leading sectors be in manufacturing? If railway building can qualify, why not retail distribution of agriculture.”

### **(v) Little Difference between First and Third Condition:**

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The last condition for take-off is the existence of emergence of a cultural framework which gives growth an outgoing character. The necessary condition for this is the capacity to mobilize capital from domestic resources and this is nothing but the first condition of take-off restated. Prof. Cairncross opines, “A definition in these terms tells us nothing about the factors at work since we can only deduce their existence from the fact of take-off, never the likelihood from the ascertained fact of their existence.”

### **(vi) Not Empirical:**



The empirical coverage of Rostow's analysis is narrow and inadequate. The data analysis by him relate to about a dozen of countries or so over the past century or so. Even for the countries, the key statistics have been highly unreliable till now. The generalizations drawn on such a narrow statistical base cannot be very reliable.

## 6. Concept of Self-Sustained Growth

### Misleading:

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According to Prof. Kuznets, no growth is purely self sustaining or purely self-limiting. Economic growth is a struggle and it will be wrong and misleading to call it self generating or self-sustained at any stage.

## 7. Rostow—A False Prophet:

In the history of ideas any proposal is welcomed which helps us to understand the past and building a promising future. Rostow's attempt



does not appear to succeed in either direction. This view point has been expressed by H.J. Habakuk. He opines that the experience of European countries does not conform to Rostow's pattern of growth. Even the economic development of UDCs does not lend credit to Rostow's pattern of growth. Thus, his analysis is not based on sound reasoning's.

## 8. Lack of Basis:

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Rostow failed to provide any basis of distinctly separating one stage from the other. It is difficult to ascertain when a particular stage begins and the other ends. According to Kuznets, “There is prima facie case for expecting the preconditions and take-off stages to overlapping.”

## 9. Not Applicable to All Countries:

According to Prof. Meir, “Rostow's stages analysis may not be applicable to all countries. Some

countries may in fact, jump certain stages during their growth process.

### **10. Uncertainty:**

Rostow's stages analysis only focuses the sequence of stages. It fails to predict the course of events with regard to economic growth. Also, what would happen after the 5th stage of growth is beyond the canvas of Rostow's growth analysis.

### **11. The Stage of Drive to Maturity Puzzling:**

It contains all the features of the take-off: rate of net investment over 10 per cent of national income, development of new production techniques, leading sectors and institutions. Then where lies the need for separate stage where growth process becomes self-sustained.

It can be self-sustained in take off stage. Kuznets observes, "no growth is purely self-sustaining of self limiting. The characterization of one stage of growth is self sustained and of others, by implication, as lacking that property, requires substantive evidence and analysis not provided by Rostow.

### **12. Stage of High Mass Consumption not Chronological:**

The age of high mass consumption is so defined that certain countries like Australia and Canada have entered this stage before even reaching

maturity. According to one critic, “the period of mass consumption is nothing else but minus its ideological overtone.” Another objection raised against mass consumption is that undue emphasis has been laid on national power, social welfare and consumption.

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