

THE ONCE MIGHTY PARADIGM: A CRITICAL REVIEW OF MODERNIZATION THEORY

Joel R. Campbell
Troy University

Introduction: Modernization and Diffusion

Every era spawns new ideologies, or variations on old ones. Attention during the early postwar era focused on three new realities: 1) the creation of numerous new nations out of European colonies in Asia and Africa; 2) the bipolar division of world politics between the US and Soviet Union; and 3) the hegemonic leadership of much of the world by the US. Reflecting the ascendant liberalism, the most popular theory of economic development up to the mid-1960s, both in academia and government, was the modernization or “diffusionist” theory. It fit well with American foreign policy objectives during the period: US planners needed a vision of the future, by which America could identify with the aspirations of developing nations, as well as a blueprint for economic and political development to blunt the appeal of Marxism.

Modernization theory posited that poor countries are undeveloped or underdeveloped because of their archaic traditional social, political and economic structures. In order to develop, these countries have to industrialize, and so must also urbanize. Before they can industrialize, though, they must overcome their traditional structures by shifting from traditional values to ones more congenial to industrialization. Second, importantly, the Western advanced industrial countries (AICs) serve as the essential models of development. The notion of a dual society is one of the most powerful concepts. It suggests that there are two sectors within any society, a modernizing industrial sector orienting itself to Western values (“islands of development”), and a backward traditional agricultural sector that takes time to catch up. Third, the condition of un-development is the product of forces within the country and has little to do with the international

political economy. Fourth, political and economic developments are closely linked. There are common political requirements for developing countries, and political progress implies democratization.¹

This article outlines the most important features of the influential stage theory, a subset of modernization theory. It discusses strengths and weaknesses, and shows how the weaknesses in the modernization approach led to the rise of the rival dependency theory, which became the most popular theory of economic and political development during the late 1960s and 1970s.

The Demigods of Modernization

Early modernizationists approach development as a sociopolitical problem, but do not suggest any immutable laws governing the process. Stage theorists W.W. Rostow and A.F.K. Organski see development as a discrete step-by-step process by which nations proceed from agricultural underdevelopment to mature industrialization. Rostow, in *The Stages of Economic Growth* (1960), is the more influential of the two.² He asserts that any developing society reaches a point of dramatic socio-economic change, and this transforms the nature of the economy. Put forth as an alternative to Marxist economics, Rostow's work posits five general economic stages through which all Western economies passed in the nineteenth and twentieth centuries. 1) They begin with a "traditional society," which is primarily agricultural and static. 2) A critical phase follows, the "Preconditions for Take-Off," containing the beginnings of scientific inquiry, increased agricultural productivity, and infant industrialization. Rostow stresses the importance of "islands" of modernity, i.e., vanguard economic sectors leading the developmental process. 3) In the "Take-Off," a "surge of technological development" and accumulation of internal investment brings both economic growth and the development of "social overhead capital," e.g., transportation infrastructure. 4) There follows the "Drive to Maturity," when the economy surges automatically because investment and growth have become permanent components of the economic structure, and industry turns from primary production such as textiles, coal and iron to secondary industries such as chemicals, electrical equipment and machine tools. 5) Finally, in the "Age of High Mass

1 See: David E. Apter, *The Politics of Modernization* (Chicago: University of Chicago Press), 1965; Lucian W. Pye, "The Non-Western Political Process," *Journal of Politics* 20 (August, 1958): 468-486; and Fred W. Riggs, "The Dialectics of Developmental Conflict," *Comparative Political Studies* 1 (July, 1968): 197-226.

2 W.W. Rostow, *The Stages of Economic Growth: A Non-Communist Manifesto* (Cambridge: Cambridge University Press, 1960).

Consumption,” the economy turns increasingly toward mass production of consumer goods and services.

Rostow presents his scheme almost as if writing a cookbook. Working backward, he uses the experience of the AICs to generalize about development anywhere. The West succeeded this way, and now so can the developing world. To get going, developing countries need outside help in the form of investment and political support for regimes oriented toward capitalist modernization—key to his subsequent policy prescriptions. But, once they enter the take-off stage, they are on their own. The process becomes self-generating through the idea of “compound interest:” advancing economies fuel their own growth. Rostow’s stage four sounds like John Kenneth Galbraith’s “affluent society;” the AICs have arrived and, aside from minor adjustments, nothing more needs to be done. Instead, they should concentrate on helping nations currently in stage two.

Numerous criticisms have been leveled at Rostow’s scheme. First, it is deterministic; Rostow believes that every society must pass through these stages on the road to economic development. What he really describes is the peculiar case of economic development during the nineteenth and early twentieth centuries, centered on the Western nations of Europe and North America. There have been various departures from this scheme in the postwar era, such as the swift re-development of Japan and Germany following devastation in World War II, state-led development in the Soviet Union, China and other communist nations, retrograde development in Argentina, the resource-based development of Persian Gulf countries. The special case of the East Asian Newly Industrialized Countries (NICs), which depended on heavy US foreign aid and access to Western markets, as well as unique socio-economic factors, to quickly leap from agricultural to takeoff stages. Even the early developers (Britain, France and the US) developed at different rates.

Also, the process of development in postwar Asia, Africa and Latin America has proven to be anything but simple. Many nations that seemed to be doing fairly well in the 1950s-1960s slid backward during the 1970s-1990s due to falling commodity prices, increasing external debt and macroeconomic mismanagement. Conditions became so bad for many countries that such interdependence theorists as Stephen Krasner spoke of a permanent “gap” between rich and poor nations.

Second, the book is a victim of its own ambitions. Hoping to present an ideological alternative to Communism, it pursues a non-empirical dogma. Aspiring to provide a theoretical explanation of the developmental process, it is more like a blend of nineteenth century materialistic history and Ricardian economics. Despite its pretensions to grand new theory, Rostow’s work is a rather

pale conventional tract. The real problem is that rummaging through history for evidence to support an ideological position is a game that anyone can play. For example, Emmanuel Wallerstein's "Modern World System" concept uses the history of Western development to set forth a contrary point, i.e., that the structure of the world economy, dominated as it is by the early developers of Europe and North America, precludes current developers from going through the same stages experienced by the "core" capitalist countries.³

Stage theory might make sense if the terminology employed were not so imprecise. The notion of a "traditional" society is not easy to pin down. The term "takeoff" may have different connotations for economists, sociologists and political scientists. Rostow does not define these terms, except in the most general way.

Third, there was an easy and not always fortuitous spillover from Rostow's theory to policymaking.⁴ One could easily conclude that government should do little beyond encouraging investment and research, since investment is the key to economic development-cum-growth. This sounds very much like the neo-classical Washington consensus of the 1980s-1990s. The most unfortunate case of translation of theory to policy came during the Kennedy and Johnson administrations in the heyday of diffusionism. Rostow and others suggested that the South Vietnam was a test case of modernization. Rostow argued at one point that South Vietnam was entering the takeoff phase, even though Saigon's economy was increasingly being propped up by massive US aid and was able to maintain a semblance of stability only through massive official corruption. Failing to perceive that North and South Vietnam were not two separate nations, but two sides in a civil war emanating from the anti-French colonial war, American policymakers persisted well into the Nixon administration with the hope that something could grow out of the shambles of the southern economy.

To his credit, Rostow appends enough caveats that he can possibly wiggle out of the charge of determinism. He may also be seen as visionary in suggesting that the US and Soviet Union could work toward common ends in the developing world. Rostow is brave in conceptualization and broad in scope, and the work is a useful heuristic guide to the historical process of development, though perhaps not to postwar development.

Organski, in *The Stages of Political Development*, posits a similar conceptualization of development stages, though he concentrates more on political

3 Immanuel Wallerstein, *The Modern World System: Capitalist Agriculture and the Origins of the European World Economy in the Sixteenth Century* (New York: Academic Press, 1974).

4 See: W.W. Rostow, *The United States in the World Arena: An Essay in Recent History* (New York: Harper and Row, 1960).

factors:⁵ 1) “primitive unification,” in which a government establishes authority over a territory, such as through monarchy, military government or bureaucratic government; 2) industrialization, brought about by bourgeois, Stalinist or fascist means; 3) “national welfare,” wherein the government responds to demands for protection against the conditions created in the second stage and 4) “national abundance,” when large economic organizations tend to organize the economy, and unemployment becomes a problem. He sees a kind of convergence between Western capitalism and bureaucratic communism. The West has averted revolution by boosting living standards for the working class, while the communists made things generally better for workers as a group. In the future, managers, planners and skilled workers would control both kinds of states.

While these latter points are interesting, his focus on large corporations may be off the mark of recent political economic development in both the West and communist world. He misses many of the economic trends of the last forty years, e.g., economic stagnation, the decline of various mature industries and “deindustrialization” of large areas of America and the purchase of American firms by foreign companies. Alvin Toffler’s nearly contemporary notion of a “Third Wave” of information technology as the organizer of society may be more correct. Moreover, Organski’s work has even less relevance to the developing world than it does to the developed world, unless one expects newly developed countries to resemble the AICs of the mid-1960s. More likely, they will move to industrial and social patterns closer to those current in the AICs. Thus, Organski’s book is not as useful as Rostow’s as a guide to development.

A key failure of the stage approach is its focus on economic factors to the exclusion of politics. Modernizationists who stress the importance of political development are on firmer ground. Huntington asserts three criteria for modernization: 1) structural differentiation within the society; 2) subsystem autonomy and; 3) secularization of the culture. This suggests an Apterian change of values must precede development. Samuel Huntington’s *Political Order in Changing Societies* (1968) is one of the clearest statements of the political vein of the modernizationist thought.⁶

For Huntington, the key goal of any government is political stability. Determining a nation’s stability is the relationship between the rate of institutionalization and organization in the political system and the rate of social mobilization. Development with political stability is possible only when institutional

5 A.F.K. Organski, *The Stages of Political Development* (New York: Alfred A. Knopf, Publishers, 1966).

6 Samuel P. Huntington, *Political Order in Changing Societies* (New Haven: Yale University Press, 1968).

and organizational growth are compatible with social mobilization, and with the newer social forces and higher levels of political participation unleashed by the development process. On the one hand, if social mobilization greatly exceeds institutionalization, political “decay” occurs, i.e., socio-political demands such as distribution of wealth preoccupy the system. Where social mobilization proceeds too fast, nations can either tip over into revolution or end up with politics in which various interests fight it out without the mediation of effective institutions. Political parties are the most important institutions for both mobilization and organization of the society, thereby institutionalizing politics.

On the other hand, should social mobilization fall far behind institutionalization, the process of modernization will be slow. Huntington also notes the trap into which traditional power structures often fall: lack of modernization goes hand-in-hand with concentration of power, but this makes it difficult for modernization to proceed. The problem for reformers is to go against traditional resistance to change while moderating demands for change from newer social forces. Since Huntington’s chief goal is stability, any government that achieves it seems acceptable to him. He rejects traditional notions of public interest, either as abstract ideas such as natural law, as societal interests such as Marxian class interests or as liberal notions of the competitive forces of society. Instead, he suggests that public interest is served by whatever strengthens governmental institutions. Even communist governments “provide authority.”

Huntington uses the balance of institutionalization and mobilization to compare American and European politics. Throughout its history, the US has been less politically developed than most of Western Europe, and as a result its politics have a marked pre-colonial English quality.

Huntington’s work is provocative, but contains major theoretical handicaps. He tosses out a number of interesting ideas that are never developed, and the book is little more than a string of hypotheses. As useful as his insights may be for subsequent scholars, they do not constitute a theory. First, why is stability the sine qua non of all political systems? Various other goals have been advanced by political movements and governments; stability is usually listed as a top goal by only the most conservative governments and is but one of their major goals. If a party ran on a slogan of “We promise you stability,” it might not get many votes, unless the country was in turmoil. For a developing country, surely economic development and growth are the top goals. To be sure, stability is a basic condition for any society, yet, while undergoing development, nations are usually willing to trade a bit of instability for a lot of development. That has been China’s case over the past three decades: how much liberalization does one allow before cracking down on political dissent? Chinese leader

Deng Xiaoping suggested that when one opens a window, a few flies come in, yet he agreed to the bloody crackdown in Beijing, because he felt the protests threatened the political stability of the nation.

Second, Huntington's explication of key concepts, such as mobilization and decay, is unconvincing. Mobilization is something that may be easy to measure where it is massive and where there is strong participation. Major twentieth century revolutions fit this category, such as those in China, Cuba and Vietnam. It is less easy to observe in calmer waters. In the US, for example, survey research has been struggling with measurement of participation for decades. Political decay may not be a problem outside of failing states. If a political system is being overwhelmed by popular political demands, and it is unable to address them, this indicates a need for reform. The nation may need better institutions and parties that can more effectively deal with such demands. To staunch the flow of demands at that point would either cause an immediate reaction or postpone the ultimate explosion. Perhaps one person's political decay is another's dawn of a new political era. Huntington is probably thinking of politically troubled cases in the developing world, such as Argentina, which have been overwhelmed by populist demands. Other developing countries, such as Taiwan, South Korea and India, have managed popular pressures much better. When examining developing countries, it is also important to be mindful of the reality of constant flux. After all, nineteenth century developing countries in Europe and North America were also in a state of flux. Britain, for example, barely avoided revolution in the 1830s, and France experienced three revolutions. To his credit, Huntington acknowledges in his article, "The Change to Change," that the question of modernization is bound to Western culture, and that it is difficult to define development.⁷

Later, Huntington and Nelson expand his thesis in *No Easy Choice* (1976).⁸ The book suggests that a key to development is the behavior of elites. Mobilization is not a response to socioeconomic change, but the "group context" that motivates people to follow elites. They reduce the process of development to two essential stages; in each stage, elites face critical choices about development. In the first stage, the question is whether to grant the benefits of economic development only to the middle class, the "bourgeois" approach, or to include the lower class, the "autocratic" approach. In the second stage, the choices are between high investment with greater inequality and low participation, the

7 Samuel P. Huntington, "The Change to Change: Modernization, Development, and Politics," *Comparative Politics* 3 (April, 1971).

8 Samuel P. Huntington and Joan M. Nelson, *No Easy Choice: Political Participation in Developing Countries* (Cambridge, MA: Harvard University Press, 1976).

“technocratic” way, or equality with economic stagnation, the “populist” political system.

Here, one gets back to the kind of determinism seen in Rostow and Organski. Huntington and Nelson have particular examples in mind for these four approaches. The early nineteenth century developers applied the “bourgeois” approach, the Soviet Union and China the “autocratic,” Japan and the East Asian NICs the “technocratic” and the Latin American NICs (Mexico, Brazil, and Argentina) the “populist.” There may in fact be a rough fit for these cases, but what about the rest of the developing world that may not fit?

Conclusion: Return to Yesterday

Huntington’s study of political stability in the developing world may have been the last great work of the modernizationist project. The year 1968 saw both the onset of decline of modernization theory and demonstration of the limits of American power. Observers noted the high price of American-style development, as it meant the wholesale destruction of countries deemed backward, the uprooting and killing of millions. Actually, modernization never had a unified theoretical approach. Scholars questioned whether developing countries should modernize and if the AICs, especially the US, are appropriate models to emulate. Important issues in developing countries, especially poverty, are beyond modernization diagnosis, and modernization lacks any clearly specified model for the political economy of developing country. Modernization theory misses a number of key aspects of developing economies. Most notable is the “dual economy,” which is quite different than the modernization notion of islands of development as the vanguard of development. Modernization theory condemns traditional institutions without seeing their worth, fails to acknowledge indigenous patterns of development and does not understand that the problems of development in Asia, Africa or Latin America today differ greatly from those of Europe and North America a century ago. Modernization theory becomes merely an “ideological smokescreen” for Western neo-imperialism. Scholars soon moved beyond attacking modernization to formulating competing theories. **Y**