Models of Development

Rostow’s Stages of Development and Wallerstein’s World-Systems Theory
Rostow Model

• 5-stage model
  – Traditional society
  – Preconditions for take-off
  – Take-off
  – Drive to maturity
  – High Mass Consumption

• Each stage has reasons the country moves from one stage to another
Stage 1: Traditional Society

- Little technology
- No social changes

Moves to next stage when other countries invest in resources or new markets appear.
- Ex: OIL! GOLD! Minerals!
Stage 2: Precondition to Take-Off

- Commercial companies invest
  - Plantation agriculture
  - Garment industry
  - Mining

- Moves to next stage when roads/railroads (infrastructure improves) and social and political leaders emerge.
Stage 3: Take-off

• Development of manufacturing (a country’s own companies for export)

• Moves to next stage with even more investment in this sector and the creation of modern social, economic, and political institutions
Stage 4: Drive to Maturity

- Development of economy beyond manufacturing (widening base of industry and business)
- Moves to last stage when it can take advantage of its abilities to produce.
Stage 5: High Mass Consumption

- People buy almost all products
- Most of economy centered on services
  - Business, banking, etc...
World Systems Theory

Core, Semi-Periphery, Periphery
Basics

• The world is ONE economic market with a global division on labor (what each place does)

• Three levels:
  – Core
  – Semi-Periphery
  – Periphery
World Systems Theory

Wallerstein's World System Theory Model

- CORE
- Semi-Periphery
- Periphery

High Profit Consumption Goods
Cheap Labor and Raw Materials
World Systems Theory
CORE

- The world’s richer countries
- Wide range of products and services
- High wages
- Import raw materials and export manufactured goods/services
- Have favorable trade balances with poor countries
- Build up capital which is invested largely at home
- Invest in other core country economies
- Valuable trade with other core countries
PERIPHERY

- Poorer countries
- Limited products
- Limited technology
- Lower wages
- Dependent on core countries to purchase goods, provide capital, etc.
- This dependency is the root of many global problems/conflicts
- Supply raw materials
- Generally exploited by core
SEMI-PERIPHERY

• Transition between core and periphery
• Still have dependent relationships with cores
• Have peripheral countries dependent on them
• South Korea, Mexico, Argentina, Thailand, Malaysia are examples of Semi-Periphery countries moving up
• Russia and neighbors moving down the scale