

Preconditions for societal change



**ASSIGN
BUSTER**

The Traditional Society is the society that related to old traditional, the economy depends on the agriculture production, it was the main production and it was limited in output because of lack of the present of technological, innovation... etc. Highly productive innovations, could be introduce in trade, industry and agriculture, productivity can be increase, for example like improvement the irrigation works, the diffusion and discovery of the new type of crop, but the traditional society was that ceiling existed on the level of attainable output per head. This ceiling resulted from the fact that the potentialities which come from the modern science and technologies were either not available or not regularly and systematically applied.

Most productivity growth increased from cultivated area

Because of lack of innovation and technological, thus the agriculture was depending on the climate of nature, the only one way to increasing production output is to increase the size of the cultivated land.

Premium income of farmers lies with the landowner as rent

The farmer income surplus belongs to landowner as rent, farmer did not have right to the land and they had worked and pay for rent. Although central political rule—in one form or another—often existed in traditional societies, transcending the relatively self-sufficient regions, the center of gravity of political power generally lay in the regions, in the hands of those who owned or controlled the land. The landowner maintained fluctuating but usually profound influence over such central political power as existed, backed by its entourage of civil servants and soldiers, imbued with attitudes and controlled by interests transcending the regions.

Size of population Based on agricultural productivity, war, pestilence

While the agricultural productivity was the main income of people, the population play important role as the producer and consumer, there were war and pestilence that limited the size of the population.

The Precondition For Take-Off

The characteristics of The Precondition for Take-Off:

Technological as the new science and introduce for agriculture and industry

High investment, particularly in infrastructure

Investment in activities, that produce raw materials and extract natural resources

Trade expansion, thus there were various banks and financing institutions

The term social capital is a step Wide basis from the adoption of science and technology knowledge, adaptation of modern agricultural production to achieve economic growth by increasing the productivity of labor and land.

The preconditions to take-off are, to Rostow, that the society begins committing itself to secular education, that it enables a degree of capital mobilization, especially through the establishment of banks and currency, that an entrepreneurial class forms, and that the secular concept of manufacturing develops, with only a few sectors developing at this point.

This leads to a take-off in ten to fifty years. At this stage, there is a limited production function, and therefore a limited output. There are limited economic techniques available and these restrictions create a limit to what

can be produced. The second stage of growth embraces societies in the process of transition; that is, the period when the preconditions for take-off are developed; for it takes time to transform a traditional society in the ways necessary for it to exploit the fruits of modern science, to fend off diminishing returns, and thus to enjoy the blessings and choices opened up by the march of compound interest. Of modern science began to be translated into new production functions in both agriculture and industry, in a setting given dynamism by the lateral expansion of world markets and the international competition for them.

The Take Off

Savings and investment have increased

Rapid growth of new industries, employment

And it related to industries grew accordingly

Private sector role in increasing economic direction

A revolution in agriculture Increases performance

Saving and investment had increase, during the take-off, the rate of effective investment and savings may rise from, say, 5 % of the national income to 10% or more; although where heavy social overhead capital investment was required to create the technical preconditions for take-off the investment rate in the preconditions period could be higher than 5%, as, in Canada before the 1890's and Argentina before 1914. In such cases capital imports usually formed a high proportion of total investment in the preconditions

period and sometimes even during the take-off itself, as in Russia and Canada during their pre-1914 railway booms.

During the take-off new industries expand rapidly, yielding profits a large proportion of which are reinvested in new plant; and these new industries, in turn, stimulate, through their rapidly expanding requirement for factory workers, the services to support them, and for other manufactured goods, a further expansion in urban areas and in other modern industrial plants. The whole process of expansion in the modern sector yields an increase of income in the hands of those who not only save at high rates but place their savings at the disposal of those engaged in modern sector activities. The new class of entrepreneurs expands; and it directs the enlarging flows of investment in the private sector. The economy exploits hitherto unused natural resources and methods of production.

New techniques spread in agriculture as well as industry, as agriculture is commercialized, and increasing numbers of farmers are prepared to accept the new methods and the deep changes they bring to ways of life. The revolutionary changes in agricultural productivity are an essential condition for successful take-off; for modernization of a society increases radically its bill for agricultural products. In a decade or two both the basic structure of the economy and the social and political structure of the society are transformed in such a way that a steady rate of growth can be, thereafter, regularly sustained.

THE DRIVE TO MATURITY

After take-off there follows a long interval of sustained if fluctuating progress, as the now regularly growing economy drives to extend modern technology over the whole front of its economic activity. Some 10-20% of the national income is steadily invested, permitting output regularly to outstrip the increase in population. The make-up of the economy changes unceasingly as technique improves, new industries accelerate, older industries level off. The economy finds its place in the international economy: goods formerly imported are produced at home; new import requirements develop, and new export commodities to match them. The society makes such terms as it will with the requirements of modern efficient production, balancing off the new against the older values and institutions, or revising the latter in such ways as to support rather than to retard the growth process.

Some sixty years after take-off begins (say, forty years after the end of take-off) what may be called maturity is generally attained. The economy, focused during the take-off around a relatively narrow complex of industry and technology, has extended its range into more refined and technologically often more complex processes; for example, there may be a shift in focus from the coal, iron, and heavy engineering industries of the railway phase to machine-tools, chemicals, and electrical equipment. This, for example, was the transition through which Germany, Britain, France, and the United States had passed by the end of the nineteenth century or shortly thereafter. But there are other sectoral patterns which have been followed in the sequence from take-off to maturity, which are considered in chapter 5.

Formally, we can define maturity as the stage in which an economy demonstrates the capacity to move beyond the original industries which powered its take-off and to absorb and to apply efficiently over a very wide range of its resources—if not the whole range—the most advanced fruits of (then) modern technology. This is the stage in which an economy demonstrates that it has the technological and entrepreneurial skills to produce not everything, but anything that it chooses to produce. It may lack (like contemporary Sweden and Switzerland, for example) the raw materials or other supply conditions required to produce a given type of output economically; but its dependence is a matter of economic choice or political priority rather than a technological or institutional necessity.

Historically, it would appear that something like sixty years was required to move a society from the beginning of take-off to maturity. Analytically the explanation for some such interval may lie in the powerful arithmetic of compound interest applied to the capital stock, combined with the broader consequences for a society's ability to absorb modern technology of three successive generations living under a regime where growth is the normal condition. But, clearly, no dogmatism is justified about the exact length of the interval from take-off to maturity.

THE AGE OF HIGH MASS-CONSUMPTION

We come now to the age of high mass-consumption, where, in time, the leading sectors shift towards durable consumers' goods and services: a phase from which Americans are beginning to emerge; whose not

unequivocal joys Western Europe and Japan are beginning energetically to probe; and with which Soviet society is engaged in an uneasy flirtation.

As societies achieved maturity in the twentieth century two things happened: real income per head rose to a point where a large number of persons gained a command over consumption which transcended basic food, shelter, and clothing; and the structure of the working force changed in ways which increased not only the proportion of urban to total population, but also the proportion of the population working in offices or in skilled factory jobs—aware of and anxious to acquire the consumption fruits of a mature economy.

In addition to these economic changes, the society ceased to accept the further extension of modern technology as an overriding objective. It is in this post-maturity stage, for example, that, through the political process, Western societies have chosen to allocate increased resources to social welfare and security. The emergence of the welfare state is one manifestation of a society's moving beyond technical maturity; but it is also at this stage that resources tend increasingly to be directed to the production of consumers' durables and to the diffusion of services on a mass basis, if consumers' sovereignty reigns. The sewing-machine, the bicycle, and then the various electric-powered household gadgets were gradually diffused. Historically, however, the decisive element has been the cheap mass automobile with its quite revolutionary effects—social as well as economic—on the life and expectations of society.

For the United States, the turning point was, perhaps, Henry Ford's moving assembly line of 1913-14; but it was in the 1920's, and again in the post-war decade, 1946-56, that this stage of growth was pressed to, virtually, its logical conclusion. In the 1950's Western Europe and Japan appear to have fully entered this phase, accounting substantially for a momentum in their economies quite unexpected in the immediate post-war years. The Soviet Union is technically ready for this stage, and, by every sign, its citizens hunger for it; but Communist leaders face difficult political and social