

philippine studies

Ateneo de Manila University • Loyola Heights, Quezon City • 1108 Philippines

A Non-Communist Manifesto

Antonio Ayala

Philippine Studies vol. 9 no. 4 (1961): 674–677

Copyright © Ateneo de Manila University

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at philstudies@admu.edu.ph.

<http://www.philippinestudies.net>

A Non-Communist Manifesto?

Walt W. Rostow's latest book, *The Stages of Economic Growth*, was competently reviewed by Dr. Benito Legarda in this quarterly a year ago. My attention is drawn by the book's sub-title: "A non-communist manifesto". In my opinion the book is much less satisfying as a non-communist manifesto than as a theory of economic growth.

In an earlier book, *THE PROCESS OF ECONOMIC GROWTH*, Rostow had voiced the need for an alternative view to Marxian analysis because of its inadequate treatment of the relations among the sectors in society. At that time, however, he was unable to offer any. Now, his new book is described on the back cover of the paper edition as "a comprehensive, realistic and soundly based alternative to Marx's theory of how societies evolve."

This alternative takes the form of the stages of growth—concepts which had become well-known even before the publication of the book when the English weekly, *The Economist*, published a two-installment summary in August, 1959. The first stage of growth is the traditional society—highly tradition-minded and generally agricultural with a low ceiling on productivity. The second stage refers to the preconditions for take-off; it is the period of transition between the traditional society and one whose economic growth proceeds by geometric progression in much the same way that a savings account grows if interest is left to compound with its principal. Here qualitative and not so much quantitative change takes place: social values, ideas and institutions begin to be replaced by those that favor a system with economic growth "at compound interest" built into it. The phenomenon of economic dualism, then, not uncommon in underdeveloped countries, would be found in this stage. The third stage is the "take off" where the necessary qualitative changes have taken place and the leading sectors, together with the other complementary and induced industries, make economic growth a reality and then a characteristic of the society. When modern technology is diffused throughout the economy so that the nation now possesses "the technological and entrepreneurial skills to produce not everything, but anything it chooses to produce", the fourth stage, the drive to maturity, has been reached. The fifth stage, the age of high mass-consumption, is in the American experience nothing else but Galbraith's affluent society, where the leading sectors shift from producers' to consumers' goods and services, where the problem is not so much how to produce as how to create demand, where social security and welfare take precedence over further technological advances. In general, it is the stage where the economy has the means to pursue a variety of ends: war, welfare or more consumer durable goods and services.

The stages-of-growth analysis is of course non-Marxian: neither deterministic nor exclusively economic. Economic change is as much influenced by political, social and cultural forces as the latter is affected by the mode of wealth production. Indeed, "many of the most profound economic changes are viewed as the consequence of non-economic human motives and aspirations." At each stage, each nation is faced with various choices and the precise way it chooses to reach the next stage is not predetermined.

Such a general non-Marxian view is of course nothing new. Max Eastman, for example, long ago pointed out Marx's great failure to distinguish condition from cause, economic forces as a factor conditioning all others from the mode of production explaining all human phenomena. Rostow's contribution, therefore, if it is to be worth anything, must lie not in offering an alternative that is a mere non-Marxian view of history but one that is a non-Marxian dynamic theory of history.

But does he do this?

It is unfortunate that Rostow does not define the terms, *dynamic* and *theory*, since economists too often unconsciously make the criterion of a good theory depend on their particular methodological persuasions—that of a marginalist, holist or econometrician or some such combination—and since, according to Samuelson: "Often in the writings of economists the words dynamic and static are used as nothing more than synonyms for good and bad, realistic and unrealistic, simple and complex. We damn another man's theory by terming it static, and advertise our own by calling it dynamic."

It is probably possible to say, without getting involved in a question of semantics on the meaning of *dynamic*, that Rostow's stages-of-growth theory does not provide connecting paths between one stage and the other. Marx, however, has the exploitation of labor, a consequence of the labor theory of value, as his dynamic element propelling society's evolution from one stage to another until with its cessation the classless society is reached. The links between stages are included and explainable within the Marxian system. Not so in Rostow's: his dynamic elements explain the movement within a stage but not *between* stages. Rostow does not explain, for example, why the emergence of new social values and institutions, especially political, favorable to economic growth, should lead to the take-off stage rather than lapse back into economic backwardness due to, say, insufficient capital, political corruption, or the highly controversial issue of population pressure. Neither does he explain, to take another example, why the leading sectors in the take-off stage should succeed in diffusing technology throughout the economy, lifting

the country as it were by its bootstraps, rather than fail and merely remain the industries responsible for a dependent economy's major exports. As a sequence of stages, Rostow's analysis is weak for the simple reason noted by the old saying that a chain is as strong as its weakest link.

But perhaps it is really not Rostow's fault. The dynamic element in a non-Marxian theory must after all be ultimately man with free will—a fact implied in Rostow's recognition that the process of growth does "not decree a single pattern of evolution to which each society has conformed" despite the fact that "it did at each stage pose a similar set of choices for each society...." (p. 90). It is possible to indicate what stages must be passed to reach a given goal and even to point out the alternative paths open from one stage to another; it is not possible to assert that men will choose this path rather than another. It is not even possible to say that they will choose to go forward rather than backward. Thus, man's free choice being unpredictable, it is Rostow's fault that his stages do not (and cannot) have "an inner logic and continuity"; but he is at fault in insisting that they do (p. 12).

If we accept the notion that theory is essentially a caricature and abstract from any judgment of what constitutes good caricature, then Rostow's stages-of-growth analysis is undoubtedly a theory. If one does not insist with the econometrician that theory must be capable of being expressed as a mathematical model possessing certain technical properties which lend the model to statistical verification, then Rostow's theory will probably be judged good theory. It is very useful as a set of bench-marks to note the extent of an economy's economic progress; it is a convenient framework to have in a field like economic development where breadth of vision is necessary if one is to consider the complexus of factors always involved. At the same time, it provides insights into actions of nations at different stages of their economic growth, making a jumbled mass of facts take on some meaning. The requirements of the transition stage, for example, make the spread of nationalism and the increasing role of governmental entrepreneurship in underdeveloped countries more understandable; it also sheds new light on the tensions between tradition-minded agricultural areas and the small but rising sectors imbued with the entrepreneurial spirit, perhaps even on the increasing conflict between our so-called Spanish-influenced culture and our present-day American-influenced tastes and aspirations. The age of high mass consumption offers an explanation for the acts of external aggression on the part of Imperialist Japan and Nazi Germany. They chose to use their increased resources to pursue external power rather than obtain, say, more cars and refrigerators, or to extend social security and welfare to people unprotected from the harshness of trade cycles. This alternate end of aggression open to na-

tions at the fifth stage becomes, in the light of Red China, extremely significant to the world and takes on a personal note for us in the Philippines a few hundred miles away.

The book seems to have overstated its claims as an alternative to Marx's dynamic theory of history.

ANTONIO AYALA

Letter from Britain

There is a sign in the Paddington railway station in London which cannot fail to impress the foreign tourist as he steps down from the train. It says "Queue here for taxis." Parked underneath it is a row of black cabs. It is comforting for him to know that he can secure transportation to his hotel without recourse to lung-power or semaphore. I mentioned this later to an English Jesuit. He thought it was an after-effect of the war. "Before the war," he said, "Englishmen were the last people in the world to queue."

Another fall-out effect of the war is the reluctance of the English to waste food. One notices this trait in public eating-places. After a vigorous plying of knife and fork, during which the latter never leaves the left hand, the last morsel is dispatched and the plate cleared of all debris.

The English are among the most helpful people in the world, especially to bewildered strangers. I had just arrived at Salisbury, encumbered with three pieces of luggage and at a loss where to hail a taxi. A man in the street, realizing my predicament, mounted his bicycle and pedalled down the block to fetch me one. I was reaching into my pocket for a tip when I saw him cycling back. He called out, "It's coming!"—accepting for his pains nothing more substantial than my "thank you".

Another time I was standing in line at a bus-stop in Twickenham, at the point of frustration because the townspeople I had asked for Pope's Villa did not have the slightest notion of what I was talking about. (One man directed me to the police-station.) As a last chance I questioned an old gentleman standing in front of me. Without a moment's hesitation he left his place in the line and walked with me to the house.

The British tradition of fair play seems to pervade not only the cricket fields but also sectors of life where one normally expects cut-throat competition. The traveller will discover, perhaps to his