

Revisiting Modernisation Theory: Modernisation vs. Dependency

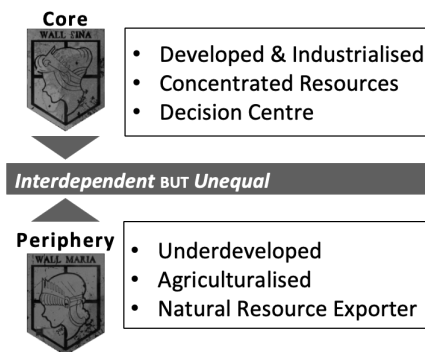
1. Modernisation Theory: The Linear Path to Progress



Rostow's Stages of Growth (Rostow, 1991)	
1. Traditional Society	<ul style="list-style-type: none"> Agricultural Focus Low Productivity Rigid Social Structure
2. Precondition of Take-off	<ul style="list-style-type: none"> Agricultural Development Infrastructure Construction Education Popularisation
3. Take-off	<ul style="list-style-type: none"> Investment from abroad Industrial Expansion
4. Drive to Maturity	<ul style="list-style-type: none"> Diversify Industry Innovation
5. High Mass Consumption	<ul style="list-style-type: none"> Consumer-Oriented Improving Living Standards

Western Blueprint: Developing countries can achieve modernisation by overcoming internal barriers and accepting external assistance.

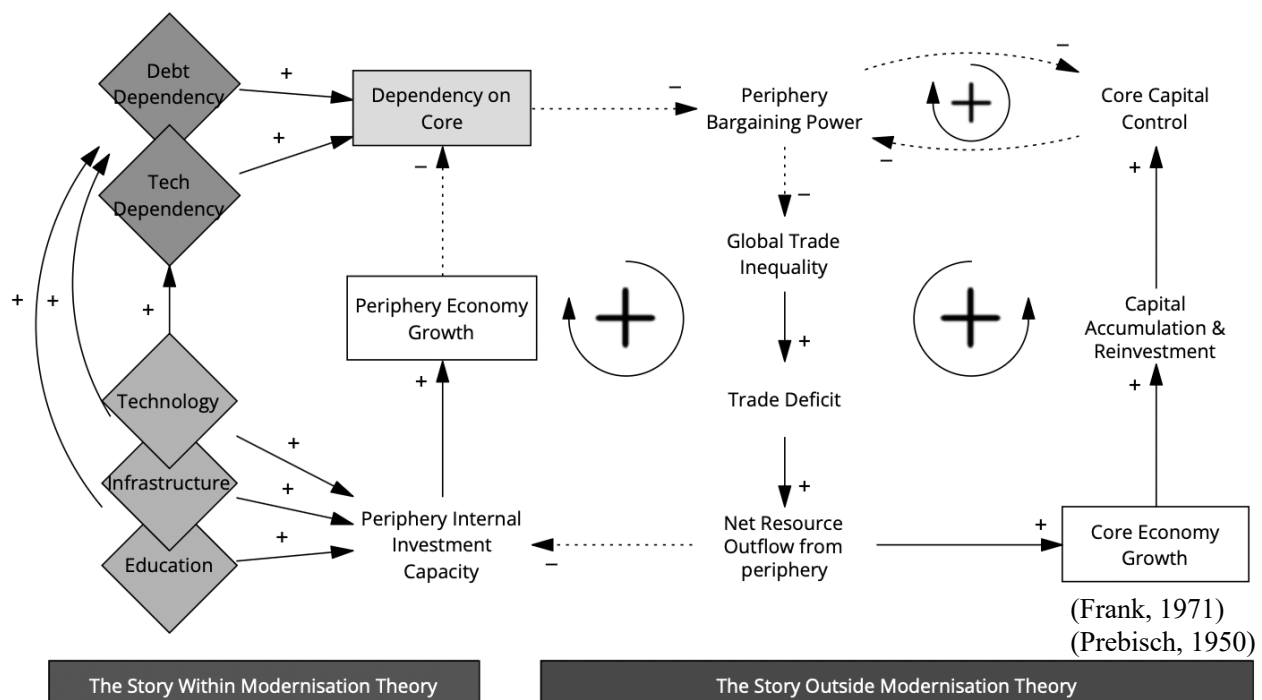
2. Dependency Theory: The Exploitative System



The Exploitative System :

The underdevelopment of the Periphery is caused by external exploitation by the Core within an unequal global system. (Frank, 1971)

3. The Dilemma

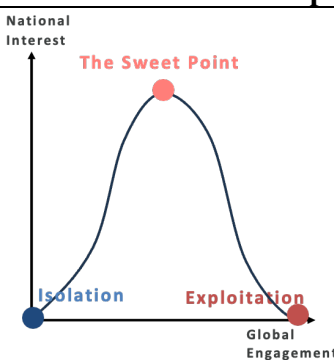


The Big Big Problem

1. **Cost of Modernisation:** High cost can lead to deeper debt and tech dependency.
2. **Vicious Cycle of Structural Exploitation:** Unequal system keeps taking resources and profits, trapping countries.
3. **Development vs. Autonomy:** The core choice: develop and risk exploitation, or remain poor but independent?

4. Strategy One: The Sweet Point

Objective: Maximise national interest by balancing development and independence

Rationale	Hypothesis Model for Periphery
0% Global Engagement is the worst, causing isolation.	
100% Global Engagement is also the worst, being exploited.	
Logically, there exists some x% that brings optimal national interest.	

Tactic	Case Study: Japan (Diamond, 2019)
Strategic & Selective Engagement	<ul style="list-style-type: none"> • Copying vs. Learning • Selective Learning • Iwakura Mission
Prioritise Local Autonomy & Values	<ul style="list-style-type: none"> • Wakonyosai (Japanese Spirit, Western Learning) • Emperor System • National Identity
Dynamic Balance	<ul style="list-style-type: none"> • Controlled Opening: Open Portal • Government-initiated Industrialisation

5. Strategy Two: Two-Phase Restructure

Objective: Structural Transformation to Overcome Dependency

Tactic	Case Study: China
<u>Phase 1: Accumulation (PAST)</u>	
Strategical Global Integration	<ul style="list-style-type: none"> • Reform and Opening Up Policy
Leverage Initial Advantage	<ul style="list-style-type: none"> • Factory of the World
Capital Control & Encourages Saving	<ul style="list-style-type: none"> • CNH System
<u>Phase 2: Restructuring (NOW/FUTURE)</u>	
Industrial Upgrade	<ul style="list-style-type: none"> • Made In China 2025
Boost Domestic Innovation	<ul style="list-style-type: none"> • New-Tech
Increase Soft Power & Enhance Global Voice	<ul style="list-style-type: none"> • BRICS

Development is hard, requires internal efforts, and wisdom to address external unequal global system.

Discussion:

1. If you were the leader of a developing country, what strategies would you use to help the country modernise?
2. Is it possible to have a universal solution for a developing country to modernise? Can other countries copy the model we have discussed before?