



Industrial Civilization

HOW THE REST CAN CATCH UP WITH THE WEST?


Webinar
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The Pakistan Institute of Development Economics-PIDE hosted a seminar on the topic of “Industrial Civilization: How the rest can catch up with the west?”. The main objective of the webinar is to analyze the key steps that Pakistan and other developing countries need to take to catch up to the West.

A Quick Glimpse of History:

Although Pakistan is experiencing many things, such as political instability, and poverty, it is not alone in this sense of foreboding. The majority of the poor living in sub-Saharan Africa, Latin America, the Middle East, North America, and developing countries of Asia similarly feel trapped. They cannot find a path to a kind of good life they are familiar with in Western societies. Unfortunately, development assistance and development professionals have also not been of so much help since the beginning of the discipline in 1950. Global inequality is still increasing. Even though Africa has received a trillion dollars in development aid over the past 50 years, one of the richest countries, Luxembourg, is 150 times wealthier than Burundi, the world's poorest country.

Similarly, the African continent now hosts 75% of the world's poor compared to only 10% in the 1970s. Despite 200 years of independence, Latin America has not been able to make democracy work. Despite having 200 years of freedom, Latin America has not been able to make democracy work. On the other hand, a nation that broke every law in the book, China, has managed to bring 800 million people out of poverty over the past forty years without relying on anyone or even adopting the western model of democracy. Certainly, there is something amiss in the very framework we employ in the discipline of development.

By posing three questions, Mr. Sardar Ali's book *Treaties* seeks to comprehend the nature of contemporary human problems.

1. What were the reasons behind the rise of the west?
2. Why, despite centuries of efforts, have the rest not been able to catch up with the west despite living in an era when ideas, goods, and capital can flow almost instantaneously across the globe?
3. Can poor countries have a chance to get out of this quagmire? And if they do, what steps would they have to take to join the rank of developed countries?

The central premise of this book is that the modern west is not a new form of civilization but rather simply a new civilization. A shift from agriculture to industry as the primary mode of production signifies a quantum leap. This change is both qualitatively and quantitatively different.

Reasons behind the Rise of the west:

Pre-History: The development of anatomically modern humans 200 000 years ago was the precursor to the rise of modern human communities. Approximately 190 000 years ago, humans were hunter-gatherers. The principle of production was reliant upon nature, and the factors of production were their labor. The system of society was also equivalent to primitive tribes. There was no formal economy, and religious beliefs were animistic.

Agricultural civilization: About 12000 years ago, agriculture emerged simultaneously and independently in Mesopotamia, Egypt, the Yongsan river, China, Indus valley, India, Pakistan, Mesoamerica, and Africa. As a result of agriculture, the land was added to the factors of production in addition to labor, changing the concept of production from one of basic dependence to mimicry of nature.

Industrial Civilization: This system of production grew in complexity and productivity over the period of five thousand years. After five thousand years, we saw the rise of complex human societies.

The important thing to note from our point of view is the sequence. First came the rise of the system of production and then the rise of the system of society, and together, these two systems form the format of human Civilization. This format has been followed by all the known civilizations, about 19 to 20 civilizations that we know of up until our present day, with the exception of the modern west.

The modern society in which we live—one with cell phones, organ transplants, and constitutionally protected democracies—has its roots in the philosophical rationalism of the ancient Greeks. So, how did we get from there to here? This is the tale of the modern west's ascent over the past two millennia and two thousand six hundred years. There is a pattern in this emergence, and there are three clear spheres in which transformation took place in this succession.

1. Social awakening
2. Political Re-ordering of Europe
3. The rise of empirical and mathematical science.

Due to this, the industrial revolution began in 1870 and lasted until 1914. As a result, we have finally experienced the economic boom that we can quantify. Three characteristics of this European society have emerged over time, and these qualities have policy consequences for underdeveloped nations.

1. The first characteristic of this new system of society and the system of production is that it is not an advanced variant of the old system of society and the old system of production. It stands for a paradigm shift, a qualitative change, and a quantum transformation. It is something completely new that had not existed before. The policy implication for the rest is that you won't succeed if you simply try to repair the outdated social and economic structure. To catch up with the west, you would really need to undergo a succession of transformations—a fundamental transformation that is truly a quantum leap.
2. The course of evolution is the second characteristic of this contemporary human existence. An alternative social system that served as the foundation may first be seen forming. Then a new production system emerged as a result of that civilization. Now, the relationship between production and society has completely reversed. If the other nations want to catch up to the west, they will need to follow a process that may be succinctly put as follows: first, they must modernize, and only then will they be able to industrialize.
3. The third feature of this European system of production and society is that the factors of production are now knowledge, labor, and raw material, not capital. The policy implication is that if poor countries only relied upon importing capital in terms of development assistance grants or remittances from their citizens living abroad, then this capital is going to lead neither to a rise in production nor change in the system of society. If you want to catch up with the west, you have to rely upon scientific and rational knowledge and train a different kind of labor.

China is the best illustration of how a contemporary state's machinery was gained throughout these decades. Now, this state apparatus could enact laws and carry them out in China's most isolated village with equal authority and efficacy. The Chinese communist party gave China this apparatus of a modern state.

Can poor countries make the transition from agriculture to industry?

Can developing nations that currently practice agriculture and/or industry make the transition to modern, adult, universal multi-party democracies? History gives us the clear answer that it cannot be done, and there are reasons that are structural in nature.

1. The first reason is that the modern system of society and the modern system of production is a break from the past. It is not just the continuity of the past, and the modern cannot be built unless the old is destroyed. The elite of the previous system in previous societies rose to power, and once in that position, they never consented to self-liquidation.
2. Secondly, in an adult franchise democracy, you would never build a consensus about the future and about progress. The majority in any society always looks to the past for guidance.
3. Thirdly, any democratic system based on an adult franchise will crumble under pressure for immediate redistribution of those gains, even before those economic gains have a chance to become sustainable. This is true even if you are able to achieve some economic progress.

What can these poor countries do to catch up?

By passing through seven stages, these societies would be able to join the ranks of the modern world.

1. The first step is the creation of the surrogate state, a political organization. It is an ideological and administrative organization whose task is to create a modern nation-state.
2. The second phase is to dismantle the previous social structure. This is the most challenging, most overlooked, but also the most crucial step.
3. The surrogate state would have to create a new sense of national identity and a new concept of progressive citizenship in the third stage. It is possible by studying the country's own history, religious traditions, cultural traditions, and aspirations for the future.
4. The next step would be to invest in both physical and human capital. A whole generation of engineers would need to be trained, along with technicians, professors, doctors, and workforce managers. Acquiring physical capital would entail having all the tools necessary in the current day to operate an industrial civilization.
5. State-led industrialization would be the fifth stage. The industries that served as the foundation for contemporary industrial production were developed over many centuries in the west. Any country that aspires to catch up with the west must somehow develop those fundamental industries.
6. The private sector would next need to be encouraged through both market mechanisms and policy incentives in the sixth stage.
7. Last but not least, the characteristics of the modern world's governance system include stability, flexibility, progressiveness, equity, and meritocracy. Therefore, any form of government that can meet those requirements will benefit its people much more than the type of system that poor countries have been using up until now.

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