

Approved by Simon Kusnetz, 1964
1977 K. Case

POSTWAR ECO. GROWTH, 4 Lectures by Simon Kusnetz, 1964 Cambridge Harvard U. Press

I. World Eco. Structure: Diversity & Ind.

- L) NATION STATES as unit of measurement, & yet of 150 such, just 4--China, India, Rus., US--acct for 1.4b; n. or close to 1/2 of world total
- p.4 By land mass just 4--Rus., Ch., US & Canada acct. for 4/10th of total
- " Again, for eco. output US ALONE accts. for 35% of world total, US & Rus. 1/2
- p.7 Another aspect of diversity is uneven distribution of NATURAL resources (SK asks whether Ch. & India hadn't been est'd (1s) because intensive, high yield (per acre agric. possible under natural conditions)

Finally per capita gross domestic product in 1958 in US was \$2,325 vs. India \$67 (or 3%)

p.8 (Table 2) OVER 1/2 of world's pop. live in countries whose av. per capita product is LESS than \$200 & 6/10ths live in countries with per capita product below \$200 whereas only 1/7th live in countries with product over \$700

p.12 relevance of C-ist non-Communist--over a 1/3rd of world with total output about 1/4th of world

p.13--GB, Scandinavian countries, Belgium, the Netherlands & Switzerland in Europe (if why not France & Ger.?????) IE, Canada, Australia & New Zealand acct. for 6/10th of the 550 mln people under non-C-ist countries. Those that underwent violent change but are in same group (a-1) Ger., Italy, Jap., Fr.--

By contrast pol. regimes in less developed non-C-ist group: India, Pakistan & Indonesia, alone acct. for about 8/10th of total of 762 mln. Burma, Ceylon, Malaya, the Philippines & Taiwan, Ditto M. E., Africa, except Turkey & Iran & So. Afr. & Ethiopia in same. Of THE 1.1 bln in less developed non-C-ist group in Asia & Africa, perhaps 8/10th or more live in NEWLY est'd. nation-states. Lat. Am. & less developed Europe still other questions, (SK has to admit Lat. Am. is neither stable nor otherwise can acct. for low productivity but mentions nothing of US imp. influence)

p.23: "1/2 a c. ago the per capita income of the developed group was already much above that of the underdev'd. areas in Asia & Afr. that is, all EXCEPT JAP.); since that time per capita product grew at rates well over 10% & often over 20% per DECADE in the developed countries while it grew much more SLOWLY in the underdev'd. areas.... IF WE CONSIDER JAP. & THE USSR AS the 2 countries that shifted over that per. from the underdeveloped to the developed group... the pop. acct./shr by this shift is ONLY 6.3BLN. as a total of close to 2 bln. in the underdeveloped parts of the world (outside of Lat. Am. & EE)

Table 1 to this Lec. Gross Domestic Product, Population & Per Capita Product broad groups of countries, 1958

Table Distribution of Population & of Gross Domestic group, 1958

Table 3 is the most imp. & deals with Selected Eco. & Social Indications, countries group by nat. income per capital, post WWII Yrs., from \$100 to \$1,000

Lecture II Characteristics of Mod. Eco. Growth

p.35 This approach needed to evaluate post WW II eco. growth but actually he gives none--Table 4, Growth of Nat. Product, Pop. & Per Capita product over long periods. Table 5 Trend in Distribution of Labor Force Away from Agric

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Lec. III-THE AFTERMATH OF WW II

Product, Pop. & Per Capita impact

* Table 6 Impact of WW II on Total

LECTURE IV -POSTWAR ECO. GROWTH: FINDINGS & QUESTIONS pp.96-128, +Tables-p.143

(doesn't take infr)...so underdeveloped is limited to larger countries
In Asia & Lat. Am..)

p.100 Not only are rates of growth less in underdeveloped than in developed for the 1950's but "In Burma & Indonesia, per capita product actually declines from the prewar levels; ~~but~~ "in the 1950's high rates of growth may still be reflecting recovery from the consequences of the war."

p.101: "The per. since the late 1930's begins at the end of a major depression, which affected significantly most of the developed non-Communist countries, as well as a number of the less developed countries. Consequently the growth rates... (do some of the years... reflect increases that are in the nature of recovery... not only from the... death but from the effects of the depression that were not completely... by the late 1930's. By extending the period further back to the late 1920's, we can see how completely the growth after WW II... the effects of both the war & the depression"

p.121 "Thus, the emergence of the violent Nazi regime in one of the most economically developed countries of the world raise grave questions about the constitutional basis of mod. eco. growth--if it is susceptible to such a barbaric domination as a result of transient difficulties."

"Yet the... establishing criteria for measuring these human costs, of devising quantitative tests based on those criteria that would... incl. the purely eco., are obvious--even if in extreme cases they can be seen clearly as, for ex., in the nos. of victims of concentration camps... of pol. hunger... of the unempl. & poverty of some groups within the developed societies."

p.122 "...there is a clear need to supplement the customary... and analysis of eco. growth with more explicit considerations of... kinds of... institutional framework... is to be left..."

"...the emergence... of more sharply divisive boundaries suggested by... a term as the Iron (or Bamboo) Curtain, is a DISAPPOINTING COROLLARY OF THE HIGHER RATES OF ECO. GROWTH OF THE RECENT DECADES."

(rd the whole question of HOW in eco. growth re both wars & fascism... tapped by SE, but hardly answered, thus: "And with respect to the wide variety of underdeveloped countries, important as the ques. is, whether these countries will succeed at all in tapping the wide potentiality of mod. eco. growth... even more important, is HOW they will do it, in terms of costs to themselves & to others."

p.123: Table 142 show that of the total pop. of underdeveloped countries, defined as those with per capita gross product less than \$200 in 1958, that is of... some 1.7 bln. out of a world total in 1958 of 2.9 bln. well over 1/4... Obviously developments in Mainland China will put their stamp on the proximate future of the large masses of low-income pop. in Asia; for a rise in the per capita product of the former to the rather modest level of \$200 would make its total magnitude... thus possibly the surplus divertible... for surpluses for exercise of power abroad, not much smaller than that of the USSR today (over)

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12841 mod. eco. growth is in essence, a controlled REV in ECO. society, the rev. in society with its internal & external ramifications, is an indispensable part of the total process, ECO.GROWTH IS NEITHER FULLY UNDERSTOOD NOR PROPERLY MEASURABLE & ANALYZABLE IN A STUDY LIMITED TO TRADITIONALLY DEFINED ECO.VARIABLES. Yet, in our awareness of the limits of our knowledge we cannot afford to neglect what we do know....The perspective rather suggests extending both measurement & analysis....It is this extension of the range of eco.&social growth experience under measurement & analysis that promises to yield additional insights without a forced neglect of the few empirical findings & analytical relations that have already been est'd."

Table 7 deals with decadal rates of growth in 1950's & from 1950's to 1960's (All had less for India whereas Indonesia alone had an actual minus.

Table 9 carries rough for US alone from 1850-1960

Greatly: Mod. Soc. (1950-1960)
1960
1950

1950-1960 left center a lesson for world. or
1950-1960

No. Am. because the world is not
1950-1960

Why has world spent so much on
1950-1960

I think a detailed framework that would at the connection bet. eco. & socio. aspects of social structure, we cannot quantify them; we have no such framework
1950-1960
1950-1960

Modern Economic Growth by Simon Kuznets Yale University Press 1967

I will limit myself here only to the trends in International Interdependence.

P. 345: "Why did the limited wars of the nineteenth and early twentieth centuries "escalate," to use the modern term, into the two world wars? Possibly major wars are associated with the emergence in the course of modern economic growth of several large and developed nations. One could argue that in a war of "world" dimensions of the participants on both sides must comprise large and economically developed countries supported by a variety of allies, countries with sufficient power to devote vast amounts of resources over a prolonged period to a major conflict. Hence, the bare century of uneasy peace in Europe that followed the Napoleonic wars may have been "peaceful" primarily because during much of that period there was only one large and economically advanced country in the part of the world that generated modern economic growth; the emergence of others, particularly Germany, after 1870 eventually led to World War I. In this sense it was a century of Pax Britannica that ended when the leading country could no longer lead and impose its peace on such a large part of the world."

economic

In considering the structure of underdeveloped countries, S.K.

goes into the question of the (non-economic factors):


P. 437: "Undoubtedly some of these have a direct bearing upon the economic structure and the low per capita product, either as important consequences or as major determining factors, or both. Without a theoretical framework that would establish the connections between economic and non-economic aspects of social structure, we cannot specify them." (my emphasis)

By the time, S.K. reaches chapter 9 (P. 461) On the Spread of Economic Growth, he shows definitely how very thin is the layer of industrialization in the world. Thus, on p. 462, he writes:


"If we set the 1780s as the date of the Industrial Revolution, which ushered in modern economic growth, one and three quarter centuries have elapsed; and in that period an epochal innovation has spread to only a quarter of the world population. Is this rate of spread low, and if so, why?"

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P. 462: "With this introduction, we may approach the question by considering (1) the restricted locus of the pioneering impact of modern economic growth; (2) the length of the transition period and the slowness of the process of spread; and (3) the increasing difficulties associated with the widening gap between the developed countries and those still to be developed."

 On P. 469, S/K. shows that between three-quarters and four-fifths of mankind still suffer from low economic performance, and a large proportion of these from truly inadequate standards of living, and, then, on P. 476, he writes:

"And since Africa and Asia still accounted for more than six tenths of world population in 1950, it is hardly surprising that modern economic growth, defined in terms of an adequate transformation of a country's aggregate economic performance and the associated social structure, has spread to only a fifth or a quarter of world population."

 It's in the postscript (pp 487-509) that one gets the essence of the whole, the goal of the study which is the first, as far as I know, and which this Economist did not limit themselves to Economics but in an interdisciplinary manner took up the question of culture, even though in all cases it was related to economics. Unfortunately he leaves out both the so-called socialist countries on the ground that there wasn't sufficient statistics over a consistently long period to be able to make generalizations. Nevertheless, there both are references to these countries and the international aspect definitely includes them, even as he recognizes that the ^{new} African situation would be the real test of the possibility of industrializing the world and it's a test that the technologically advanced countries have definitely NOT met.

P. 497:

"10. The international aspects of economic growth are characterized by three prominent trends. First, the technological revolution in transportation and communication facilitated contact among various parts of the world, particularly between the developed countries and others - in terms of effective ease, for the first time in the history of human societies; beginning in the late nineteenth century conditions were thus radically different from those in the pre-modern centuries. Second, modern economic growth spread sequentially from its pioneer beginnings in eighteenth-century England to various follower countries, with the timing of entry continuing into the recent decades of the twentieth century and presumably into the future. Third, until the entry of Japan in the late nineteenth century, followed by the U.S.S.R. in the 1930s, modern economic growth was concentrated in European countries and their offshoots overseas, whose per capita incomes were well above average, even before industrialization, and certainly much higher than the incomes of the countries in Asia and Africa."

P. 500:

"The sequential spread, rather than simultaneous emergence, meant inequalities in the rate of aggregate growth even among the countries that eventually became developed, let alone between all of these and the underdeveloped areas of the world."

"In all these respects, the spread of modern economic growth to a number of large developed countries constituted a necessary, if not sufficient, condition for world wars and for the increasing strain of backwardness which forced the powerful central governments to take a more active part in the initiation of economic modernization."

P. 505:

"The first is the fact that modern economic growth can be observed for only a few countries over a period long enough to reduce confusion between underlying trends, long swings, and more transient changes-if we exclude, as we should, countries smaller than a low minimum, natural resource pools, and, for the time being at least, the Communist countries. We are left with ten countries in Europe (if we include Italy in addition to the United Kingdom, France, Germany, the Netherlands, Belgium, Switzerland, and the three Scandinavian countries, four or five overseas offshoots of Europe (the United States, Canada, Australia, New Zealand, and possibly the Union of South Africa, and Japan - a grand total of fifteen or sixteen countries."

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 4 of 10 - WJ
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 Am. notes
 NZ
 + Smp? J44