

Fulbright
University
Việt Nam

Development Policy 2020

**Session (3): Modernization and Washington
Consensus**

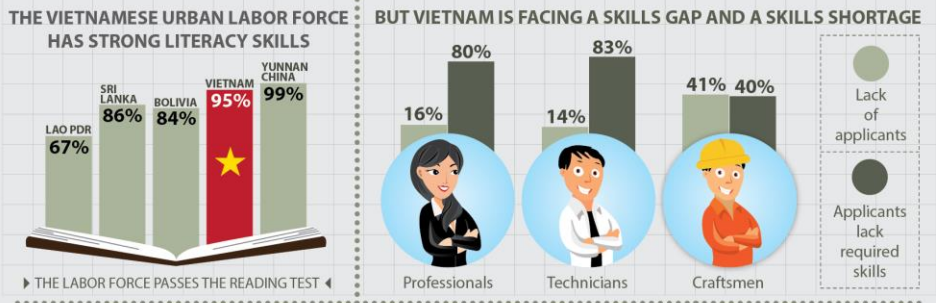
Class Schedule

- Meaning of 'Modernization' and Development – Conceptualization
- How could western countries modernize?
- How could we 'theoretically' understand the modernization?
- How does 'Washington Consensus' represent modernization and are there any critics? Implication for developing countries and Vietnam?

Meaning of Modernization

SKILLING UP VIETNAM

Preparing the workforce for a modern market economy



SKILLS SET DEMANDED BY EMPLOYERS

- COGNITIVE** (Brain icon): Creative and critical thinking, verbal ability, numeracy, problem solving, memory and mental speed
- SOCIAL AND BEHAVIORAL** (Handshake icon): Soft skills, social skills, life-skills, personality traits
- TECHNICAL** (Wrench icon): Skills related to a specific occupation

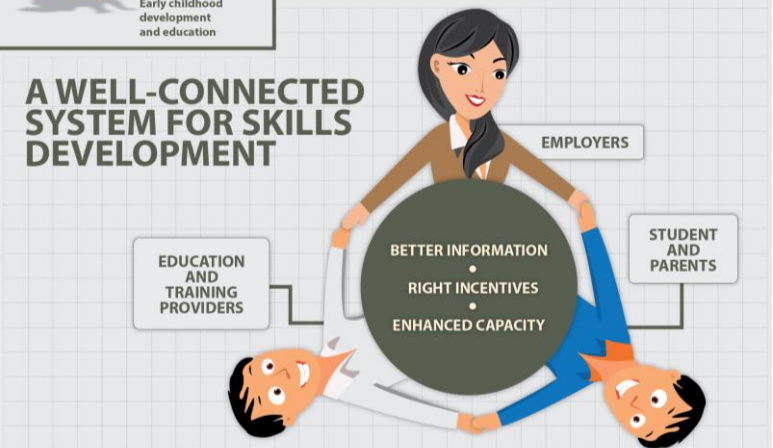
THE MOST IMPORTANT SKILLS REQUIRED BY EMPLOYERS IN VIETNAM

- Blue-collar:** JOB-SPECIFIC TECHNICAL SKILLS, COMMUNICATION, PROBLEM SOLVING, TEAM WORK, ABILITY TO WORK INDEPENDENTLY
- White-collar:** JOB-SPECIFIC TECHNICAL SKILLS, LEADERSHIP, PROBLEM SOLVING, CREATIVE AND CRITICAL THINKING, COMMUNICATION

THREE STEPS IN SKILLS DEVELOPMENT

- SCHOOL READINESS:** Early childhood development and education
- COGNITIVE AND BEHAVIORAL FOUNDATIONS:** More and better primary and secondary schooling
- EMPLOYABILITY:** Demand-driven vocational and higher education

A WELL-CONNECTED SYSTEM FOR SKILLS DEVELOPMENT



EMPLOYERS

STUDENT AND PARENTS

EDUCATION AND TRAINING PROVIDERS

BETTER INFORMATION
•
RIGHT INCENTIVES
•
ENHANCED CAPACITY

THE WORLD BANK

www.worldbank.org/vn
www.facebook.com/worldbank
www.twitter.com/worldbankasia
Source: Vietnam Development Report 2014
Skilling Up Vietnam: Preparing The Workforce For A Modern Market Economy

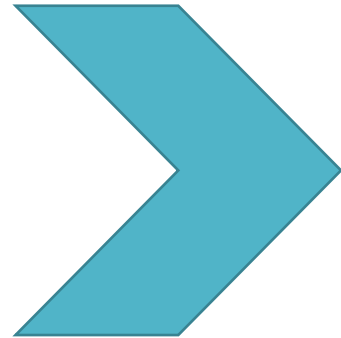
What does 'a modern market economy' mean here?

Vietnam's Modernization Track

Theoretically, Vietnam has pursued...

1. Import Substitution (Protection)
2. Catch-up Economy (competitive sector)
3. Leading Fundamental Science and Technology Sector

With limited funds and resources – Vietnam has paid attention to 1 and 2 options



Little Progress in Human Development, Science and Technology, knowledge-initiative

Emulating other countries



Why should Vietnam be modernized?

What is modernity?

What are key features of modernity? (compared to pre-modern)

** 'Definition of Development' in dictionary – “developing country or region whose economy has not reached the level of North America, Western Europe, etc. (Session 1 slide)

Attention to 'Modernity'

Historical Context
1950s Cold war
U.S. superpower
Marshall Plan
Attention to
Unequal development



To stop the spread of communism

Create a buffer
Against
Communism
Rise of
Third Words

Developing
Countries

Modern
countries

Philosophical Foundation



M. Condorcet

“Progress through technological advancement”



E. Durkheim

“Division of Labor”



I. Newton

“Human Progress through New Idea”



C. Darwin

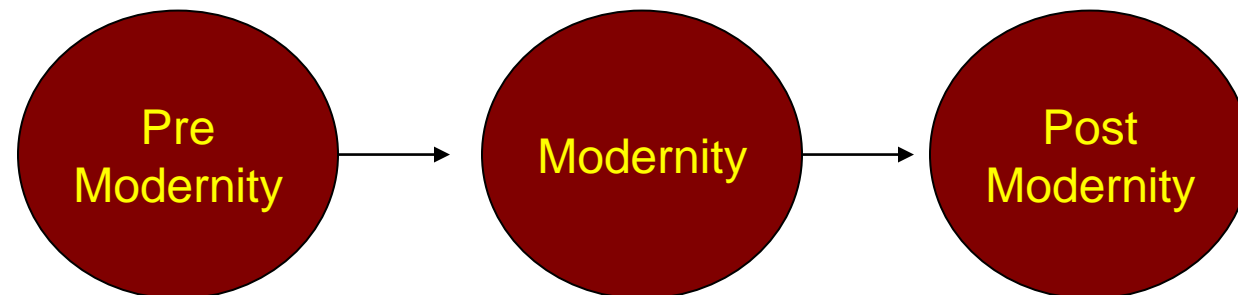
“Evolution”



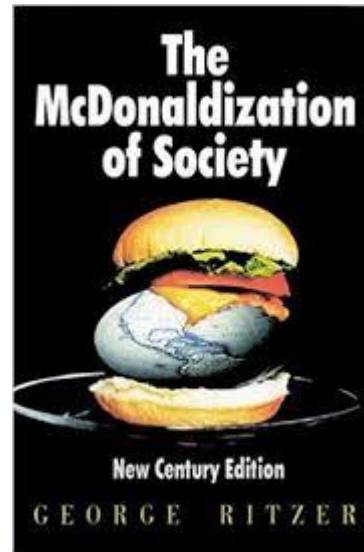
T. Parsons

“Technological Functions”

How do you define modern society?



McDonalization



Dimensions of "McDonalization"	
1	Efficiency
2	Calculability
3	Predictability
4	Control
5	Irrationality

Modern Society



**Pre
Modern**

Progress
Natural process
Political Process

- “Modern Society”**
- **Nuclear family serves only limited functions**
 - **Complex and differentiated occupations and economy**
 - **Highly differentiated political structure**
 - **Rational legal sources of authority**

- Economic
Modernity**
- Political
Modernity**
- Social
Modernity**

Traditional vs. Modern

Dominant Characteristics	Tradition	Modernity
Technology	Animate Power Agriculture Mechanistic	Non-animal power Industry Organic (complex)
Outcomes	Rural Low life expectancy	Urban High life expectancy
Attitudes	Gemeinschaft “established belief in the sanctity of immemorial traditions”	Gesellschaft “rational authority, belief in the legality of patterns of normative rules”
Division of labor Legal Standard Identity	Diffuse roles Particularistic values Collective	Specific roles Universalistic Self orientation

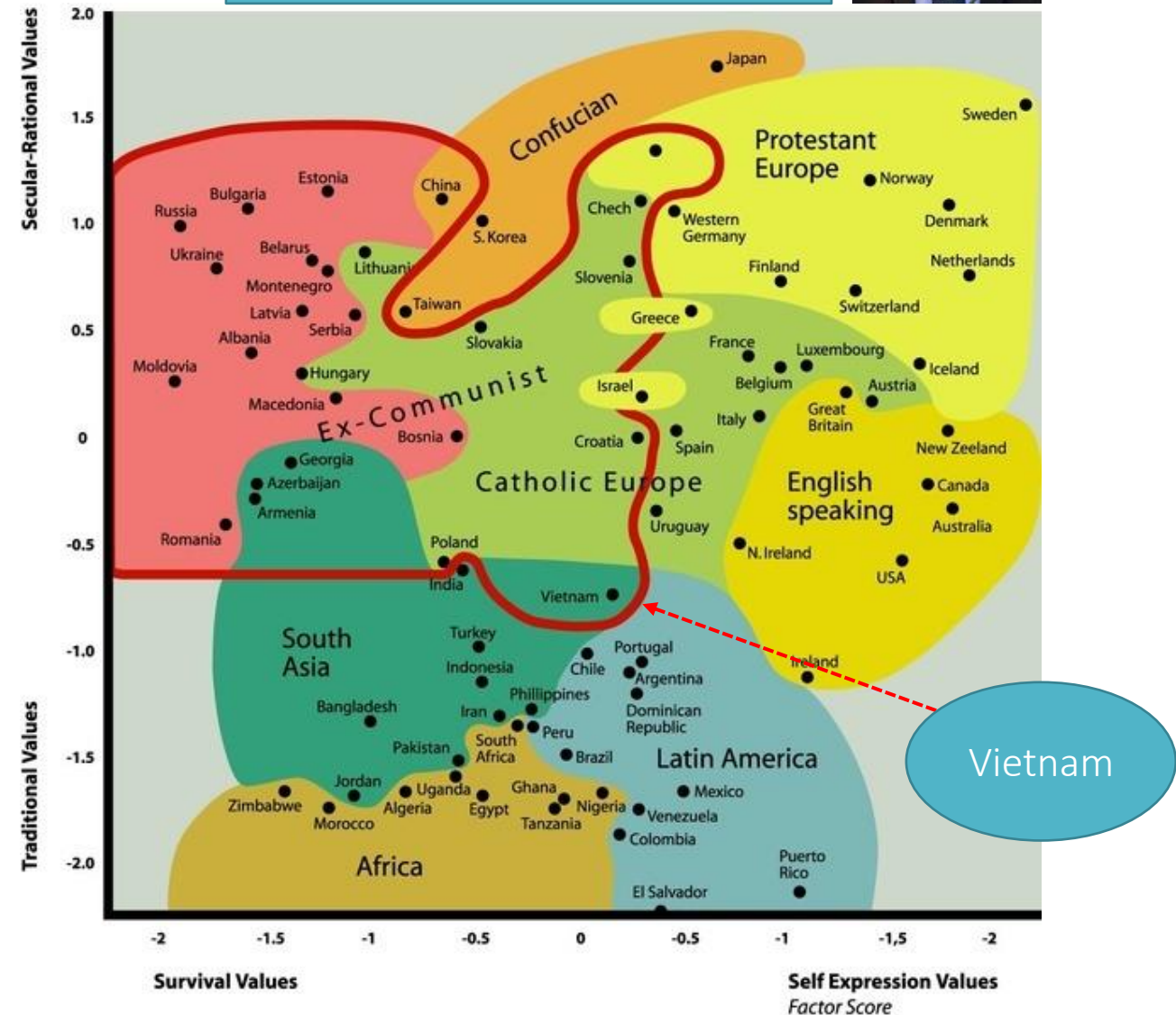
Socio-Cultural

- Traditional values block a country from developing e.g. valuing the extended family, blocks geographical mobility (Talcott Parsons)

Traditional Values	Modern Values
Ascription	Achievement
Particularism	Universalism
Collectivism	Individualism

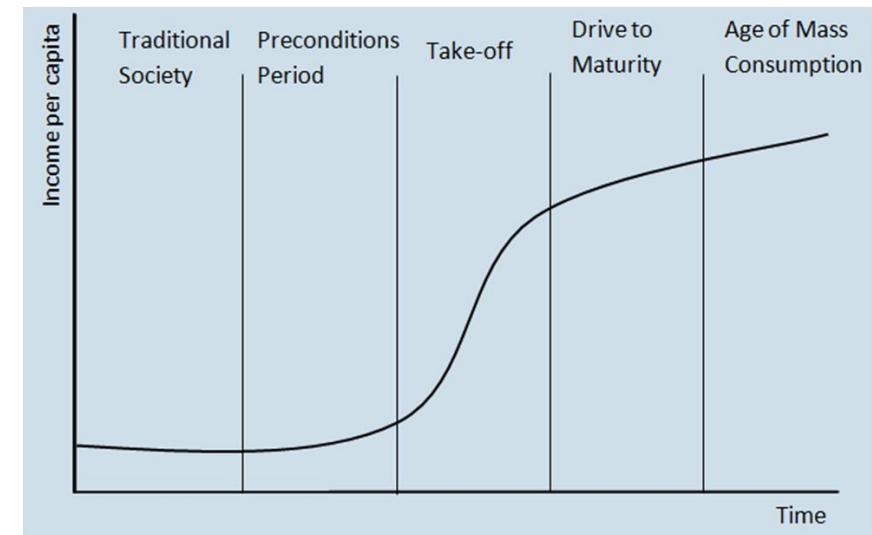


Source: [World Values Survey](#)

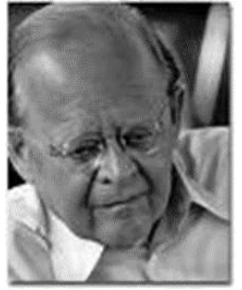


Economic Modernization

- W. W. Rostow (1960) *The Stages of Economic Growth*: Five stages of economic growth (traditional society – 2nd stage (pre-take off) – 3rd stage (the take off) – 4th stage (the drive to maturity, extend modern tech) – 5th state (high-mass consumption)
- Assumed that composed of stages are shared by ‘all’ countries – a homogenizing process, replicate European / North American values and worldviews.
- Irreversible process, progressive & transformative process (not revolutionary)

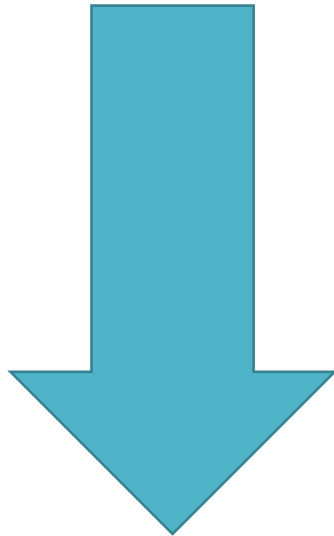


Political-Social Modernization



Karl Deutsch

- K. Deutsch (1961) “Social Modernization” – the process in which major clusters of **old** social, economic, and psychological commitments are eroded.



*Through exposure to modernity:
Mass Media, Voting,
Urbanization, Non-agricultural
employment, literacy, per capital
income, etc.*

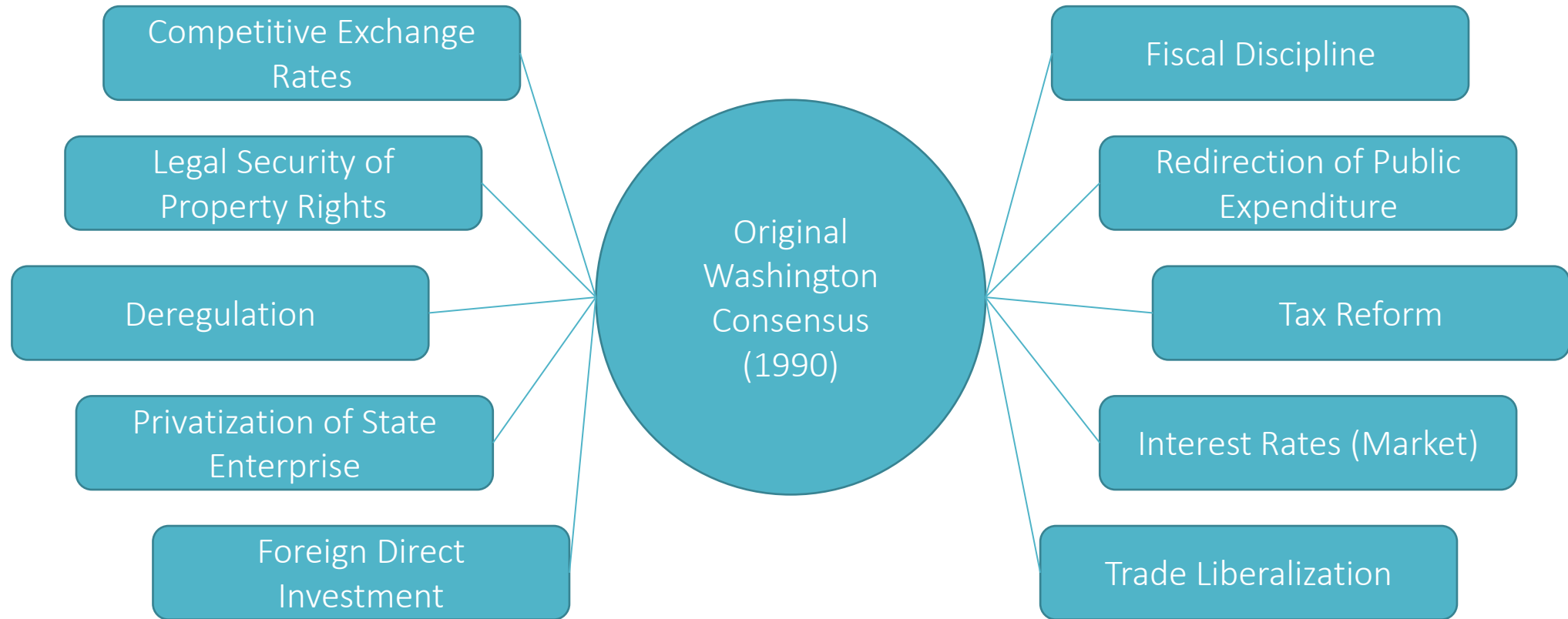
New patterns of socialization and socio-political behavior



Essence of Economic Modernization



John Williamson



Several others: Anti-corruption, flexible labor, WTO agreements, Social safety Nets, Poverty Reduction, etc.

Developing Nations and Modernization

- Western investment in factories, expertise and equipment – use loans from World Bank, IMF, Western aid organizations
- Western funding to introduce meritocratic education (values of universalism, individualism, and competition).
- Dissemination of modern ideas via mass media, academics, tourism, etc.



Criticism to Modernization Idea

- Think about possible criticism to Modernization theory / Western way of modernization:
 1. Ethnocentric
 2. (e.g.) Japan & East Asian Tigers
 3. Access
 4. Ecological Values