3 The Unfolding Technological Paradigm

The global strategic transition (GST) exists in history as well as in theory. It began with the technological paradigm shift, popularly known as the Industrial Revolution, in Britain in the late eighteenth century and subsequently spread throughout much of the world during the following two centuries. As a result, living standards have increased dramatically in a continuously expanding sector of the globe – the global strategic core. True, the distribution of the gains of the GST are unequal, but every region of the world has a higher real GDP per capita now than at the beginning of this process, and there is every opportunity for individual societies to improve their ranking in this respect. The purpose of this chapter is to chart the progress made by the GST since the last technological paradigm shift.

Why, in view of the steady progress of the GST, is there so much frustration about the current state of global economic development? The answer is fourfold. First, most economists, advisers, and policy-makers in the development community take a short-term view. They think about these issues in a timeframe determined not by the reality of the GST but by their period in political office, in the development bureaucracy, or in academia. Secondly, there is little or no appreciation of the dynamic nature of the GST by the development community. Development theorists and policy-makers, as shown in Part III, view underdevelopment as the outcome of a series of supply-side barriers; remove those barriers and rapid and sustained development will be unleashed and the Third World will be transformed. To the contrary, economic development is the outcome of a global unfolding process that cannot be invoked by wishful thinking or by throwing resources at a few perceived barriers to growth. Such action, by wasting scarce resources and inflicting strategic damage, can only delay the GST.

Thirdly, the frustration over the extent and pace of global economic development has much to do with the point of time from which it is viewed. Viewed from the early 1970s, the growth performance of the Third World over the foregoing generation appeared quite impressive. Between 1950 and 1973, Asia (excluding Japan) grew in per capita terms at an annual rate of 2.6 per cent (even higher if we exclude the negative growth of Bangladesh), Latin America at 2.4 per cent, and Africa at 1.8 per cent. The reason for good performance sustained over a generation was the very rapid growth achieved by the principal nations in the global strategic core: Japan grew...
at 8.0 per cent per annum, Western Europe at 3.8 per cent, and the USA at 2.4 per cent. Only in the subsequent period, 1973 to 1992, when the global strategic core grew more slowly – Japan at 3.0 per cent per annum, Western Europe at 1.8 per cent, and the USA at 1.4 per cent – did the Third World, particularly Latin America (0.4 per cent per annum) and Africa (−0.4 per cent per annum), slump badly. Asia (excluding Japan), growing at 3.6 per cent per annum, was the only exception, and even this region temporarily exhausted itself in the late 1990s. Even the Asian ‘tigers’ appeared unable to defy strategic gravity for long. The resumption of the GST will require a new effort by the global strategic core. Those viewing global economic development from the vantage point of the late 1990s appear to have short memories. Finally, the development community has an unrealistic view about its ability to resolve the development dilemma. They usually believe that their participation will make a difference. When it does not, as it cannot, these interventionists view the task as hopeless.

3.1 IN THE BEGINNING

While the modern technological paradigm shift took place in Britain, it should be thought of as a Western European phenomenon within a global context. Britain (earlier, England) was one of a large number of small European kingdoms locked in a deadly form of competition for more than a millennium. Throughout much of that time these kingdoms attempted to survive and prosper by pursuing the dynamic strategy of conquest. In turn, Western Europe was subjected to intimidating pressures from without – from Arab societies in the south, Asiatic societies in the east, and the Vikings in the north. Elsewhere I have described this intense situation as a pressure-cooker environment (Snooks 1996: 252–63).

From time to time one of these kingdoms would gain a temporary advantage and extend its territorial influence through conquest. But eventually that kingdom would be blocked and defeated by a new coalition of other kingdoms. In the face of this fluid balance of power, no single kingdom could gain the upper hand for long. While conquest was highly profitable in the shortrun, it could not be relied upon to generate longrun surpluses. This made it necessary for these warring societies to produce the longrun surplus required for heavy investment in the conquest strategy from a continual improvement in agricultural productivity. Hence, the dominant strategy of conquest became the driving force in the longrun improvement in agriculture throughout the Middle Ages as well as providing major