Abstract

This article is concentrated on the study of modernization, its forms and positive and negative impact over the economy of the country. Modernization is the process of societal development from a traditional to a modern society. It symbolizes a process of economical and cultural change of the nation. In modernization society tries to innovate and utilize its present and old knowledge, patterns, techniques and resources. Modernization has positive as well as negative effect on cultural, political and economic life of the people. Based on descriptive and analytical method, this study explores the concept and practice of modernization on a global scale. It delves into the various forms modernization and further analyzes the impact of modernization on both social structures and economic systems. Finally, the article also looks at the challenges that come with modernization. Modernization theory divides the whole global into two parts: north and south. The rich western countries known as North and poor countries of Asia, Africa and Latin America are known
as South. The modernization theory explains the development and change in the south countries are influenced by the patterns of development of North. The country economy and culture are always dynamic. It is influenced by external development trends such change is directed by the development of physical infrastructure, information technology, education, ideology of northern countries. Therefore the country’s economy and culture are gradually influenced by the developed nation and move from traditional to modern.

Introduction

The transition of a traditional civilization into a modern one is known as modernization. Advancement, or betterment and positive onward motion, is what modernization stands for. It just represents a process of change; it does not signify any philosophy or movement. It only makes sense to advance and improve in a variety of life, including living standards, job styles, behavioral patterns (morals, values, and principles), technology, education, and patterns of relationship education.

Society strives to innovate and make use of its resources, patterns, techniques, and knowledge from the past, present, and future as it modernizes. A culture becomes more self-assured, self-reliant, versatile, and self-sufficient as a result. The realization of modernity's distinctiveness allows society to grow and progress beyond its knowledge. Modernization reveals society's distinctiveness and its potential to grow and progress beyond its previous state.

Another way to characterize modernization is as a social shift incorporating aspects of science and technology. The entire system of social interactions has undergone extraordinary changes as a result of scientific and technical advancement, with new ideas replacing old ones.

Modernization theory was developed in the US in the 1950s and 1960s by students at Columbia University, including W.W. Rochester and David Apter (Eisenstadt, 2010).

Once started, modernization is a broad process of profound social change that tends to permeate all spheres of existence, including social interactions, political institutions, and economic activity. This process is self-reinforcing. An acute awareness of innovation and change is a byproduct of modernization and is associated with the
notion that human societies are developing (Inglehart & Welzel, 2007).

Leading international academics examine the effects of social change and modernization on the growth of the individual and at the society level, drawing on in-depth research from a variety of cultural groups. Intercultural interactions are becoming more prevalent in the modern world, and significant questions concerning the nature of specific cultural differences and similarities—with an emphasis on the relationship between cultural and human development (Kagitcibasi, 2005).

Modernity and modern civilization share certain key traits, such as the main analytical stances taken in relation to the main social institutions and the modern state. The idea of much modernity forms the basis of this analysis. This theory is predicated on the premise that modernity can best be understood as the history of the ongoing formation, constitution, reconstitution, and evolution of numerous, dynamic, frequently contested, and contradictory modernity’s (Eisenstadt, 2010).

A stage of social development known as modernization occurs when a traditional society is changed to a modern one. It has placed emphasis on the evolution of the economic backdrop as a determinant factor in social development, transforming an economy centered on agricultural into one that is focused on industry. Modernization can be understood as a blend of industrialization, urbanization, and westernization since industrial progress has intensified the pressure of urbanization, leading to the practice of westernization.

This article explores the concept and practice of modernization on a global scale. It delves into the various forms modernization and further analyzes the impact of modernization on both social structures and economic systems. Finally, the article also looks at the challenges that come with modernization.

**Research Methodology**

This study is highly based on secondary sources of information. Researcher spent long time for study of related document and collection. Similarly researcher used library method of collecting relevant facts and needy information. Books, article, journal articles of various prominent authors have been used. This article is based on descriptive and analytical method of study.
Findings and Discussion

After World War II, many countries experienced rapid economic modernization and reconstruction. The application of scientific principles to industry, known as the scientific and technological revolution, played a crucial role. The rise of multinational corporations and globalization started to reshape economic structures, fostering increased international trade and investment. The digital revolution significantly altered the economic landscape, enabling faster communication, automation, and the development of new industries. Globalization intensified as information and capital flowed more freely across borders. In the 21st century, economic modernization continues to be driven by technological innovations, including artificial intelligence, biotechnology, and renewable energy. There is a growing emphasis on sustainable development, with a focus on environmentally responsible practices and social inclusivity.

Policy makers are grappling with the challenge of ensuring that economic modernization benefits all segments of society and do not exacerbate existing inequalities. So, different scholars of university were attracted to study in the various dimension of modernization.

Models of Modernization

The process through which societies experience economic and social progress is known as "socio-economic modernization," and it is usually characterized by advancements in infrastructure, education, living standards, and general well-being. Although there isn't a single, widely accepted model for socio-economic modernization, researchers and decision-makers frequently take a variety of approaches and variables into account. The following are some essential elements and models related to socio-economic modernization:

Internal Factor Model

The internal factor model of modernization is associated with the works of social scientists and scholars who have explored the internal dynamics and factors within societies that contribute to the process of modernization. One notable figure in this regard is Alex Inkeles, an American sociologist who contributed to the development of the Internal-External model Scale and the Modernization and Post modernization:
Cultural, Economic, and Political Change in Societies (Inkless, 1996; Smith, 2016). Inkeles' work, particularly the Modernization and Post modernization model, examines internal factors such as cultural values, economic structures, and political institutions that influence the modernization process within societies. The model considers how these internal factors interact and shape the trajectory of social change, economic development, and political transformation.

The internal factor model of modernization focuses on the factors within a society that contribute to its modernization and development. The internal factor model looks at the characteristics and dynamics within a society itself. Industrialization, capital accumulation, entrepreneurship, education, social mobility, stable government, institutional development, attitude towards change, cultural values, technological innovation, infrastructure development, population dynamics, health and education, and sustainable practice of environment are the major key factors included in this model. This model calculates the changes in the economy according to the various economic, social, cultural, political, technological, and physiological factors listed above.

**External Factor Model**

The concept of external factors influencing modernization has been discussed by various scholars in the fields of sociology, political science, and economics. One influential figure associated with the idea of external factors in modernization is Walt Rostow an American economist and political theorist. Rostow is best known for his work on economic development and his model of economic growth, often referred to as the "Stages of Economic Growth" or the "Rostovian Take-off Model" (Rostow, 1960; Thaha, 2022).

External factors play a crucial role in the modernization of societies, influencing economic, social, and political changes. This factor has to do with the aspects of the economy that are directly impacted. Global economic forces, technological transfer, cultural diffusion, political and security factor international institution and aid, environmental and climate change, diaspora and migration, human right and governance are the key external factors of this model. Trade and globalization, foreign direct investment, technological transfer, access to information and communication
technology, media and culture, education and training, global environmental challenges, international agreement, diaspora influence, brain drain, international norms, foreign policy and diplomacy are the major contributor to bring change in different aspect of global economy, politics and society.

**The Linear Model**

The linear model of modernization was associated with the early formulations of modernization theory, and it was influenced by the works of several scholars. One of the key figures often credited with introducing the linear model of modernization is Rostow, an American economist, presented his ideas in his influential book titled "The Stages of Economic Growth: A Non-Communist Manifesto," published in 1960.

The linear model of modernization is a theoretical framework that emerged in the mid-20th century to explain the process of societal development and transformation. It was particularly popular in the fields of sociology and political science during the 1950s and 1960s. The model posits a linear and sequential progression of societies from traditional to modern stages, with certain identifiable characteristics and stages of development.

This model illustrates how traditional and modern society's economies change throughout time. It gauges the scope of many facets of society and social transformation. The factors that gauge societal trends and progress include literacy, women's engagement in society, the advancement of human rights, population size, social security, child rights, inclusive etc. (Rostow, 1960; Thaha, 2022).

**Forms of Modernization**

Modernization is a complex and multifaceted process that involves changes in various aspects of society, including economic, political, social, cultural, and technological dimensions. Different forms or dimensions of modernization can be identified based on these aspects. Here are some key forms of modernization:

**Urbanization**

The process of permanently concentrating a large number of people in comparatively small regions to construct cities is known as urbanization. It represents the expansion of cities as a mark of advancement. For example, any area in the United States with
a population of more than 2,500 is considered a "urban place." Land is transformed for residential, commercial, industrial, and transportation uses as a result of this concentration.

Certain cities, such as New York, London, and Tokyo, have become key nodes in the global economic network. These cities serve as central hubs for advanced economic activities, particularly in finance, specialized services, and information exchange (Sassen, 1991). Cities" are characterized as areas of capital. Different countries have different definitions of what constitutes a city; some only include the capital of the country, while others include towns with 100 or more houses. The world's urbanization rate was 57% in 2022 (Dyvik, 2023). With more than four fifths of the population living in urban areas, North America has the highest rate of urbanization of any region. The percentage of people who live in areas designated as national or provincial capitals is determined by the level of urbanization. Conversely, fewer than half of Africa's population resides in cities. China makes up more than one-fifth of the world's populated built-up areas with over 500,000 people. The figure below shows the distribution of population of global as per continent.

**Figure 1**

*Share of Urban Population Worldwide in 2022*

*Source: Dyvik, 2023*
Figure 1 show the distribution of urban population of global as per continent. North America has highest urban population with 83%. Similarly Latin America, Europe, Oceania, Asia, and Africa are with 81%, 75%, 67%, 52% and 44%. The attraction of migration to urban areas seems to be increasing in North America. The urban attraction of global south also seems to be increasing.

**Industrialization**

The process of converting an economy from one centered mostly on agriculture to on the production of goods is known as industrialization. Craftsmen are frequently displaced by assembly lines, and mechanical mass production frequently takes the role of individual maker labor. A shift from an economy dependent on resources or agriculture to one centered on mechanized manufacturing is known as industrialization (Rostow, 1950; Thaha, 2022).

A demand for goods and services, government policies, labor-saving innovations, and entrepreneurial aspirations are some of the variables that might propel industrialization. It has significant effects on the population leading to a surge of small-scale farm migration to towns and cities in search of employment.

Due to the extraordinary demand that World War II generated for several manufactured items, production capacity increased. Prosperity in the post-war era supplied additional stimulants that maintained high capacity utilization and encouraged future expansion.

In the 18th and 19th centuries, Europe and North America saw the onset of early industrialization; other regions of the world saw it later.

Asia was one of the regions of the world that had the most rapid industrialization in the late 20th century. The Asian Tigers South Korea, Taiwan, Hong Kong, and Singapore all took part in the expansion of their economies through manufacturing goods for export. China experienced its own industrial revolution after moving away from a strict communist model. Technological advancement, automation and robotics, information technology, globalization and supply chain, environmental consideration, flexible manufacturing system, human capital development, quality control, standardization economic diversification, energy efficiency,
global competition and innovation are the key achievement from modernization contributes to industrialization.

**Westernization**

Westernization is the process by which communities and nations outside of Europe, either voluntarily or under duress, absorb the customs and culture of Western Europe. Westernization spread throughout most of the world during the colonial era and is still a major cultural phenomenon now due to globalization.

The West evolved from modernization to Westernization (democratic institutions) gradually. The 17th century scientific revolution led the way, but underlying that revolution were time-honored cultural practices that were our heritage from ancient Greece (critical thinking) and Rome (rule of law), as well as certain religious values that mandated that even kings could not violate certain human rights. The medieval period also established the Western principle of contract law: rights of the church, the state, cities, and universities.

Western European traders, colonists, and missionaries brought their superior way of life to the peoples they journeyed to, which is how westernization got its start. The occupied peoples were forced to adopt alphabets, languages, commercial practices, and clothing from Western Europe, or were encouraged to do so. In addition, they were urged to embrace Christianity and adopt the literary and artistic norms, as well as the educational institutions of Western Europe. The military and political systems of many nations were imposed from the West.

A society becomes more westernized when it absorbs Western norms, practices, or popular culture. Examples of this include an African city and an Indian town where people are dressing in jeans and hoodies. Throughout history, many people have been forced to be westernized by invaders who imposed Christianity, Western-style apparel, or the English language. When the term "Westernize" was first used in the 1800s, it meant that Japan was going to become "more like the West."

Westernization not only includes the introduction of new institutions, but also fundamental changes in old institutions. Westernization has brought a radical change in the south Asian culture and life ways. The out dining, attire, fashion, fast food, hip hop music, etc. have become a part of south Asian culture now.
Issue and Challenges of Modernization

Modernization in developing countries can present several problems, despite its potential benefits. It offers an evidence-based strategy to overcoming obstacles, increasing implementation, and producing more effective and sustainable development outcomes. (UNDP, 2019; NPC, 2020). Highlighting the problems encountered in developing countries' modernization attempts. Some of the special problems that developing countries confront in their efforts to modernize certain sectors. Understanding the complexities and tackling the specific challenges are crucial for achieving long-term development and advancing the country's modernization. Some concerns or challenges can be discussed as follows:

Growing Inequality

Modernization may increase existing inequities in developing countries. Thus, if South Asian countries want to attain the Sustainable Development Goals (SDGs) by 2030, they must curb the rise in income inequality (UN, 2015). Due to industrialization, the amount of inequality varies greatly throughout South and Southeast Asia. Economic development may not be evenly distributed; in the most unequal countries, such as India, Maldives and Thailand, the top 10% earn more than half of the total revenue. Bangladesh, Nepal and Singapore have lower levels of inequality, with the richest 10% earning roughly 35% of national GDP. In nations such as Indonesia, Pakistan and Vietnam, the richest 10% of the population earns between 40-50% of the national revenue (Wid world, 2023).

Environmental Degradation

Rapid industry and urbanization linked with modernization can contribute to increasing pollution, deforestation, habitat destruction, and natural resource depletion. Developing countries frequently confront challenges while implementing sustainable development strategies. Like many developing countries, Nepal also has the dual challenge of modernity and sustainability (Chhetri & Gurung, 2017; Khatri & Bhandari, 2019). As Nepal has abundant natural resources, including minerals, forests, and wildlife, sustainable management and conservation are critical for biodiversity preservation, ecological services, and long-term economic benefits (Shrestha, & Bhattarai, 2019). Modern urbanization, industrialization, population
growth, deforestation, and other factors contribute significantly to environmental degradation. Environmental pollution is the degradation of the quality and quantity of natural resources. Various types of human activity are the main causes of environmental degradation (Tyagi at.al 2014). The importance of researching and tackling environmental sustainability challenges cannot be overstated. Strategies for achieving sustainable development goals and incorporating environmental considerations into modernization practices include promoting sustainable agriculture, improving renewable energy sources, implementing proper waste management systems, and strengthening ecosystem conservation efforts.

**Urbanization Challenges**

As industrialization proceeds, there is frequently a large rural-to-urban migration. Rapid urbanization can strain infrastructure and services in cities, resulting in overcrowding, inadequate housing, sanitation issues, and heightened social tensions. Migration has the ability to cause fast changes in population number, composition, and distribution, especially at the local level. During the COVID-19 pandemic, broad international border restrictions had a significant impact on worldwide migrant flows (González-Leonardo et al., 2023).

**Dependency on Foreign Investment**

Developing countries may become reliant on foreign investment and aid to fuel their modernization efforts, leaving them subject to external economic shocks and the influence of multinational corporations, which undermine indigenous industries and economies. According to the World Investment Report of 2019, foreign direct investment flow into developing countries increased by two percent to $706 billion in 2018. Africa has the highest inflow of foreign direct investment among the different regions. In 2018, the flow of foreign direct investment into Africa increased by 11 percent. The reasons for the highest foreign direct investment inflow in Africa are the continued resource-seeking investments, slow expansion of diversified investments in a few economies, and more than double inflow records in South Africa (UNCTAD, 2019).

OECD (2002) discusses the disadvantages of foreign direct investment on the home economy. Foreign direct investment may have a negative influence on the host
country's Balance of Payment (BoP) due to repatriated profits, a lack of positive linkage with local firms, negative environmental impact, social disruptions, and a decrease in national market competition (Singh, 2008). Multinational corporations may crowd out domestic investment due to their superiority in technology, capital, and managerial abilities over domestic competitors (Kumar, 1990; Markusen & Venables, 1999).

**Cultural Displacement**

The adoption of modern technologies, consumer lifestyles, and cultural norms from the West or other developed regions has the potential to erode traditional cultures and identities in emerging countries. Cultural displacement can result in social disruption and loss of cultural diversity. Traditional cultural norms and practices frequently favor community values, conventions, and rituals over personal pursuits (Fisher, 2010). These deeply ingrained cultural traditions can occasionally oppose or conflict with modern practices and development objectives. Second, there is opposition in Nepali society to change the status quo and adopt new techniques. Cultural conservatism and unwillingness to change can impede the adoption of new methods (Pradhan, 2013). Traditional beliefs and practices may be firmly rooted, leading to mistrust or unwillingness to adopt new technology, ideas, or development projects (Shrestha & Bista, 2019). Resistance to change might stem from a fear of losing cultural identity or uncertainty about the influence on social systems.

**Political Instability**

Modernization can upset established power structures and societal conventions, resulting in political instability and conflict. Rapid social change, such as changes in gender roles or growing ethnic variety, can challenge the developing countries to established power dynamics and create societal tensions. Political instability has posed a serious impediment to Nepal's and other developing countries' modernization initiatives. Frequent changes in leadership, a lack of policy continuity, and governance issues have slowed growth in numerous sectors and hampered the country's overall development (Sapkota, 2023). Political shifts, coalition governments, and frequent elections have disturbed the continuity of development plans, impeding long-term vision and strategic planning (Adhikari, 2017). It has so hampered the execution
of modernization strategies and initiatives (p. 101). It is a key topic to assess if identity politics would ensure the emancipation of Nepal's marginalized and poor populations or not (Bogati et al., 2017). Impacts of bureaucrats, corruption lack of national obedience, lack of communal obedience, crisis of nationalism, legitimacy crisis, lack of well education are the major challenges faced by developing countries while adopting modernization (Hasan, 2021).

**Impact of Modernization**

There is a great debate on whether modernization is good or bad. Some pessimists advocates that it has increased dependency on other countries and introduced social and cultural hazards in society, while optimists say that it is a means of introducing new trends and ideas by replacing traditional trends. Modernization can have positive and negative effects on cultural, political, and economic life. It affects internal and external policies. Therefore, the impact of modernization can be studied from both perspectives. The positive impacts of modernization can be studied in following dimensions.

**Increase Efficiency**

Modernization often entails implementing sophisticated technologies and techniques that can considerably increase production and efficiency in a variety of industries. This can result in higher output levels with less resource, hence boosting economic growth. The digital economy has broken traditional industries’ boundaries and significantly affected substitution, penetration, and synergy. It expands the perspective and space of the original industrial development model and plays an essential role in transforming agricultural modernization and integrating rural industries (Hosan et al., 2022). The organic integration of agriculture with the secondary and tertiary industries promotes complementary functions and value-added effects of new industries and modern agricultural production, forming innovative development models for diverse rural industries such as eco-tourism, rural e-commerce, and intelligent agriculture. Integrating rural industries under the digital economy’s leadership has economic and ecological value and effectively extends the depth and breadth of the traditional agricultural industry chain (Leng & Tong, 2022).
Environmental Impact

The drive of modernity can put strain on natural resources and ecosystems, resulting in environmental deterioration and climatic change. However, modernization provides opportunity for the adoption of sustainable technologies and practices to offset these effects. Cities are praised for their potential efficiency in energy usage and transportation, thanks to their proximity to services and dense living circumstances. On the other hand, they can become hotspots for pollution, trash generation, and greenhouse gas emissions. (Bera et al., 2023). There is a link between urbanization and environmental damage. From natural resource depletion to greenhouse gas emissions, habitat fragmentation to pollution intensification, cities are praised for their potential efficiency in energy usage and transportation due to their proximity to services and dense living conditions. On the other hand, they can become hotspots for pollution, waste creation, and greenhouse gas emissions. The environmental costs of urban growth are numerous. Urbanization, on the other hand, can provide chances for more sustainable lives by promoting efficient land use, sustainable transportation, and technological innovation (Bera et Al., 2023).

Change in Socio-cultural Values

The majority of modernization projects are linked to the basic change from traditional to modern society. This change is associated with strong macro-social stresses that appear as a result of reducing the role of the traditional society and intentional transformation, including modernization projects. Other macro-social conditions of realization of modernization projects are also connected with this issue (Andreeva et al., 2017).

Innovation and Creativity by Technological Development

Modernisation promotes innovation by stimulating the creation of new products, services, and business models. This invention has the potential to generate economic growth by opening up new markets and offering possibilities for entrepreneurs. The modernization of the economy is a process of qualitative transformation of socio-economic relations, which results in a new, more technologically advanced level of production, changes in the principles of exchange and distribution of benefits, and changes in consumption standards (Vikulin, 2017). Modernization of the economy,
defined as one of the primary strategic goals of the state's socioeconomic policy, includes overcoming the commodity nature of the national economy and enhancing its competitiveness through the adoption of new technology (Hamidullaeva, 2014).

**Job Creation**

While modernization may cause job displacement in some industries, it also generates new job opportunities in developing sectors. For example, the expansion of technology and digital sectors has created a demand for talented individuals in fields such as software development, data analysis, and digital marketing. Labor mobility has been an important and essential feature of economic and social development throughout the human history. In 2006, migrant workers in the industrial countries sent home more than $300 billion, nearly three times the $104 billion received as foreign aid by the developing countries (Shrestha, 2006).

**Improved Standard of Living**

Modernization frequently improves people's living conditions by providing improved access to healthcare, education, housing, and other important services. Rising salaries and increased economic possibilities can help people escape poverty and foster social mobility. The overseas migration and remittances have been instrumental in poverty alleviation as well as for improving the living standards of the people (Seddon et al., 1999 & Shrestha, 2004). Modernization facilitates people to understand culture, tradition, customs, education system, health facility and economic condition (Pradhan, 2022).

**Global Competitiveness**

Countries can increase their global competitiveness by upgrading their economies. This might lead to increased commerce, foreign investment, and access to new technology and knowledge, all of which are necessary for long-term economic success. Over the last three decades, globalization processes have modified the demand for new professional competencies it creates competitive environment even in the domestic market. Medium scale and small scale and even large scale national companies cannot compete with multinational corporation (Pradhan, 2022).
Conclusion

Modernization is bringing about change economically and culturally in the global south, which represents Asia, Africa, and Latin America. The development of all the countries in the south will reflect the patterns of development in the north. This perspective argued that the economic and political factors that had been important for explaining the rapid development of the countries in the north. It is the forms of new economic policy that were effectively applied by global south countries and international organizations.

The country's economy and culture are dynamic and influenced by developed countries policies and trends of development and culture as well. This type of effect or change is influenced by information technology, education, political ideology, infrastructure development, and charismatic leadership. So that the economy and culture of the global south are continuously influenced by developed countries, i.e., the global north, and converted to modernization from traditional.

The impact of modernization can be studied from both positive and negative perspective. From a positive perspective, modernization creates opportunities for the worldwide economy based on productivity and quality. It helps to increase the rate of infrastructure development, reduce inequalities, maintain quality education, digitalize, and improve health care facilities, reduce geographical distance, old agriculture tools replaced by modern technology, scientific innovation, a change in family structure, the elimination of social crime. Likewise, there are some negative impacts on modernization. Western bias, cultural resistance, and the introduction of colonialism and neocolonialism do not breakdown the economic disparities of poor countries; corrupt and self-seeking cultures established in global south countries increase the promotion of false needs, etc.

Although it has both a negative and positive impact on the economy, every country should be aware of the opportunity for modernization at the right time and be able to reduce or eliminate the negative impact of modernization.
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