

Need of Industrialization

1. What Is Industrialization?

Industrialization is the process by which an economy is transformed from primarily agricultural to one based on the manufacturing of goods. Individual manual labor is often replaced by mechanized [mass production](#), and craftsmen are replaced by assembly lines. Characteristics of industrialization include economic growth, more efficient division of labor, and the use of technological innovation to solve problems as opposed to dependency on conditions outside human control. Industrialization is regarded essential for rapid development of the country since industrial revolution. The countries which merely rely on agriculture have remained under developed, whereas nations which developed industries achieved high rates of development. The advanced countries encourage industrialization on large scale and transferred advantages to agriculture. They achieved balance of growth in various sectors of economy.

Pakistan at the time of partition in 1947 has negligible industrial base. The government has been utilizing all available resources for rapid development of the manufacturing sector.

2. Definition of Industrialization

1. The large-scale introduction of manufacturing, advanced technical enterprises and other productive economic activity into an area, society, country etc.
2. Conversion to the methods, aims, and ideals of [industry](#) and economic activity, particularly of an area that was previously underdeveloped economically.
3. These projects are targeted to increase environmental infrastructure to contend with the rapid *industrialization* and population growth that has strained the region for decades.

3. History of industrialization:

This process began in Britain in the 18th century and from there spread to other parts of the world. Although used earlier by French writers, the term Industrial Revolution was first popularized by the English economic historian Arnold Toynbee (1852–83) to describe Britain's economic development from 1760 to 1840.

4. What are some of the drawbacks of industrialization?

In economic terms, industrialization is the social and economic transformation of human society from agrarian to industrial. From approximately 1760 to 1840, the United States transformed from an agrarian society, in which the economy is established on the society's ability to produce and regulate crops, to an industrialized society; this period is better known as the Industrial Revolution. During this period, many processes, traditionally performed by hand, were mechanized.

5. Growth Industry

A growth industry is that sector of an economy which experiences a higher- than-average growth rate as compared to other sectors. Growth industries are often new or pioneer industries that did not exist in the past. Their growth is a result of demand for new products or services offered by companies in the field. An example of a growth industry is the technology sector, whose products have become runaway hits with consumers and led to multibillion- dollar valuations for tech companies in the stock market.

6. Industry of Pakistan

Pakistan's industrial sector accounts for about 64% of GDP. Cotton textile production and apparel manufacturing are Pakistan's largest industries, accounting for about 65% of the merchandise exports and almost 40% of the employed labor force.^[1] Cotton and cotton-based products account for 61% of export earnings of Pakistan. The consumption of cotton

export earnings of Pakistan. The consumption of cotton increased by 5.7% over the past five years while the economic growth rate was 7%. By 2010 the spinning capacity increased to 15 million spindles and textile exports hit \$15.5 billion.

[2] Other major industries include cement, fertilizer, edible oil, sugar, steel, tobacco, chemicals, machinery and food processing.

The government is [privatizing](#) large-scale parasitical units, and the public sector accounts for a shrinking proportion of industrial output, while growth in overall industrial output (including the private sector) has accelerated. Government policies aim to diversify the country's industrial base and bolster export industries.

7. Need for Industrialization

The need for and role of industrial sector have been fully recognized by the development thinking all over the world. Industrial sector through its forward and backward linkages with other sectors plays a very important role in achieving rapid growth and development. Most modern and rich countries have well developed industrial sector through their early industrial revolution.

Industrialization means widespread development of manufacturing vast quantities of goods, employing many people, promoting international market, characterization of specialized skill, science, technology, increasing application of electrical, electronic, computer technologies to enhance productivity.

Absence of such rigorous industrialization is the main reason for the backwardness of many poor countries too.

Hence, the modern development strategies attach more emphasis to rapid industrialization to achieve faster growth and progress. The following are some of the important needs for the industrial sector.

- **Raising National Income**

Vigorous industrialization ensures a solid and sustained base to increase the national income of an economy. A larger share of national income of industrially advanced economies comes from industrial sector.

• **Employment Opportunities**

Availability of surplus labor and unemployment are the major challenges of development strategy. Industrialization uses the productive resources of the economy and expands employment opportunities which in turn will improve the income and well-being of the people.

8. Role of Industrial Development in Economic Growth

The following points explain the role of industrial development in economic growth:

1. Modernization of Industry:

Industrial development is necessary for modernization of agriculture. In India, agriculture is traditional and backward. The cost of production is high and productivity is low. We need tractors, threshers, pump sets and harvesters to modernize agriculture. To increase productivity, we need chemical fertilizers, pesticides and etc. These are all industrial products. Without industrial development, these goods cannot be produced. Agricultural products like jute, cotton, sugarcane etc. are raw materials. To prepare finished products like flex, textiles and sugar etc. we need industrialization. So industrial development is necessary for modernization of agriculture.

2. Development of Science and Technology:

Industrial development encourages the development of science and technology. The industrial enterprises conduct research and develop new products. Ethanol in the form of bio fuel is an example of industrial development. Industry conducts research on its wastes and develops byproducts like biodiesel from Atrophy seeds. Due to industrialization, we have made progress in atomic science, satellite communication and missiles etc.

3. Capital Formation:

Acute deficiency of capital is the main problem of Indian economy. In agricultural sector, the surplus is small. Its mobilization is also very difficult. In large scale industries, the surplus is very high. By using external and internal economies,

industry can get higher profit. These profits can be reinvested for expansion and development. So industrialization helps in capital formation.

4. Industrialization and Urbanization:

Urbanization succeeds industrialization. Industrialization in a particular region brings growth of transport and communication. Schools, colleges, technical institutions, banking and health facilities are established near industrial base. Rourkela was dense forest but now is ultra modern town in Orissa. Many ancillary units have been established after setting up of big industry.

5. Self-reliance in Defense Production:

To achieve self-reliance in defense production, industrialization is necessary. During war and emergency dependence on foreign countries for war weapons may prove fatal. Self-reliance in capital goods and industrial infrastructure is also necessary. Atomic explosion at (Rajasthan) and Agni Missile are examples of industrial growth.

6. Importance in International Trade:

Industrialization plays an important role in the promotion of trade. The advanced nations gain in trade than countries who are industrially backward. The underdeveloped countries export primary products and import industrial products. Agricultural products command lower prices and their demand is generally elastic. While industrial products command higher values & their demand is inelastic. This causes trade gap. To meet the deficit in balance of payments we have to produce import substitute products or go for export promotion through industrial development.

7. Use of Natural Resources:

It is a common saying that India is a rich country inhabited by the poor. It implies that India is rich in natural resources but due to lack of capital and technology, these resources have not been tapped. Resources should be properly utilized to transform them into finished industrial products. The British people took India's cheap raw-materials for producing industrial goods in their country. India was used as a market for their industrial products. So India fought with poverty and England gained

during industrial revolution. Hence industrialization plays important role for proper utilization of resources.

8. Alleviation of Poverty and Unemployment:

Poverty and unemployment can be eradicated quickly through rapid industrialization. It has occurred in industrially advanced countries like Japan. The slow growth of industrial sector is responsible for widespread poverty and mass unemployment. So with fast growth of industrial sector, surplus labor from villages can be put into use in industry.

9. Main Sector of Economic Development:

Industry is viewed as leading sector to economic development. We can have economies of scale by applying advanced technology and division of labor and scientific management. So production and employment will increase rapidly. This will bring economic growth and capital formation.

10. Fast Growth of National and Per Capita Income:

Industrial development helps in the rapid growth of national and per capita income. The history of economic development of advanced countries shows that there is a close relation between the level of industrial development and the level of national and per capita income. For instance, the share of industrial sector to national income was 26% and the per capita income in year 2000 was 36,240 dollar in USA.

11. Sign of Higher Standard of Living and Social Change:

A country cannot produce goods and services of high quality in order to attain decent living standard without the progress of industrial sector.

9. What is Industrial Development ?

Industrial development is the building and growing of industries within an economy. These industries include mass production, technological advances, and other services. When an area or economy is industrialized it experiences an increased standard of living, job growth, and more

productivity as it sustains growth. As productivity in an area increases, there is so much more opportunity.

10. Why is Industrial Development Important?

The industrial and economic developments of the Industrial Revolution brought significant social changes. Industrialization resulted in an increase in population and the phenomenon of urbanization, as a growing number of people moved to urban centers in search of employment. Some individuals became very wealthy, but some lived in horrible conditions. A class of prosperous industrialists, ship owners and merchants dominated, accumulating great wealth, but at the same time the working classes had to live with minimum comforts in overcrowded environments. Children were sent to work in factories, where they were exploited and ill-treated; women experienced substantial changes in their lifestyle as they took jobs in domestics and the textile industries, leaving the agricultural workforce and spending less time in the family home.

Industrialization generates employment opportunities, provides educational opportunities, encourages advancement and innovation, and better utilizes resources. All these benefits and more make industrial development extremely valuable to a population and the local economy.

a. Economic Growth

The economic growth provided by developments as well- sustained growth that can transform an economy. Industrial growth and economic growth go hand in hand. Economies thrive when an industry is growing because a growth in the industry means more jobs, more money, and more opportunity. Industrial growth is often linked with higher wages the production that industry provides but more money and more services for the economy leading to higher income per capita and more labor productivity. The standard of living increases when

industry increases. These opportunities can transform an area and inspire endless amounts of growth.

b. The Industrial Revolution

Historically, industrial growth has had a large impact on the economy. For example, the time known as the Industrial Revolution in the 18th and 19th centuries led to some of the most important economic development known to man. The Industrial Revolution was a transition to new and more efficient manufacturing processes—leading to the cotton gin, the steam engine, electricity, the assembly line, and other important inventions that largely impacted the world. These advancements propelled the world forward as industrialization grew and resources advanced.

Prior to the Industrial Revolution, the manufacturing of goods was mostly done in people's homes with handcrafted tools. Though this made lead to unique items being made, it does not profit the economy much. When that production was shifted into mass production in factories, everything changed. Suddenly goods were more accessible, work was easier to find, and demand for products and services rose—all these things sustain an economy. The world saw improvement in many ways, including job creation, more manufactured goods, advancement in transportation, communication, and living standards for some.