

# Industrial Economics

## Chapter 1

### Introduction

### Part 2

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# Q9: Mention the Forms or Patterns of Industrialization?

**1- Pattern according to Control**

Industries working under

Government control

Private sector control

The control of big industrial house

**2- Pattern according to Trend of Growth**

Forward Industrialization

Backward Industrialization

**3- Patterns According to Ownership of Capital**

A) State Initiated Pattern

B) Private Initiated Pattern

C) Jointly Initiated Pattern

**4- Pattern according to Location**

A) Centralised Industrialization

B) Decentralised Industrialization

**5- Pattern according to Size**

A) Large – scale industries

B) Small-scale industries

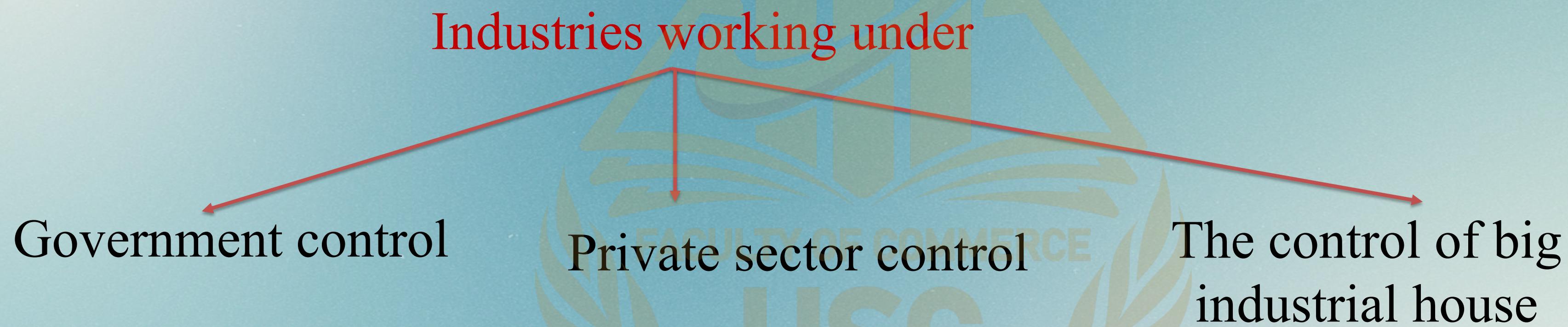
C) Medium sized industries

**6- Pattern according to Intensity**

A) Capital Intensive Industrialization

B) Labour Intensive Industrialization

## 1- Pattern according to Control



- ✓ Private industries working under the control of government regulations  
Industrialization
- ✓ Industries providing self-employment opportunities

## 2- Pattern according to Trend of **Growth**:

Forward  
Industrialization

Backward  
Industrialization

Industries of a country continuously keep on making progress and the rate of growth also increase regularly.

Industries continuously keep on declining, and the rate of growth also decreases.

### 3- Patterns According to Ownership of Capital

#### A) State Initiated Pattern

- ✓ When **the state takes initiative** in the establishment of industries.
- ✓ This pattern of industrialization is often found in **socialist countries**.
- ✓ Such industries are also termed as **industries of public sector**.

#### B) Private Initiated Pattern

- ✓ When initiative is taken by **private industrialists** in the establishment of industries.
- ✓ This form of industrialization is mostly found in **capitalist countries** such America.

#### C) Jointly Initiated Pattern

- ✓ When industries are established by **joint initiatives of Government and Private Sector** both.
- ✓ It is also termed as **joint sector industries**.
- ✓ This form of industrialization is often found in countries having **mixed economy** such as India

#### 4- Pattern according to Location

##### A) Centralised Industrialization

- ✓ When the establishment of an industry is **based on some particular location**.
- ✓ In Centralised Industrialization some places are industrially developed while other are highly backward leading to unbalanced industrialization.

##### B) Decentralised Industrialization

- ✓ When the establishment of industry **is not on some particular location**, but industries are located in entire areas in a balanced manner.

## 5- Pattern according to **Size**

### A) Large –scale industries

- ✓ Are the exact opposite of small-scale industries.
- ✓ Here **the capital invested** is large and advanced technology is in use here.
- ✓ Example, Automobiles and Heavy Machinery.

### B) Small-scale industries

- ✓ Are those industries which operate mainly with hired labour and are concentrated in urban areas.

### C) Medium sized industries

- ✓ The enterprises, where the **investment in plant and machinery** is more than five crore rupees but does not exceed ten crore rupees.

## 6- Pattern according to Intensity

A) Capital Intensive  
Industrialization



- ✓ When priority is given to such industries in which comparatively **more capital** is invested.

B) Labour Intensive  
Industrialization



- ✓ When priority is given to such industries in which **more labour** is required.

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**14. Which pattern of industrialization involves industries working under the control of big industrial houses?**

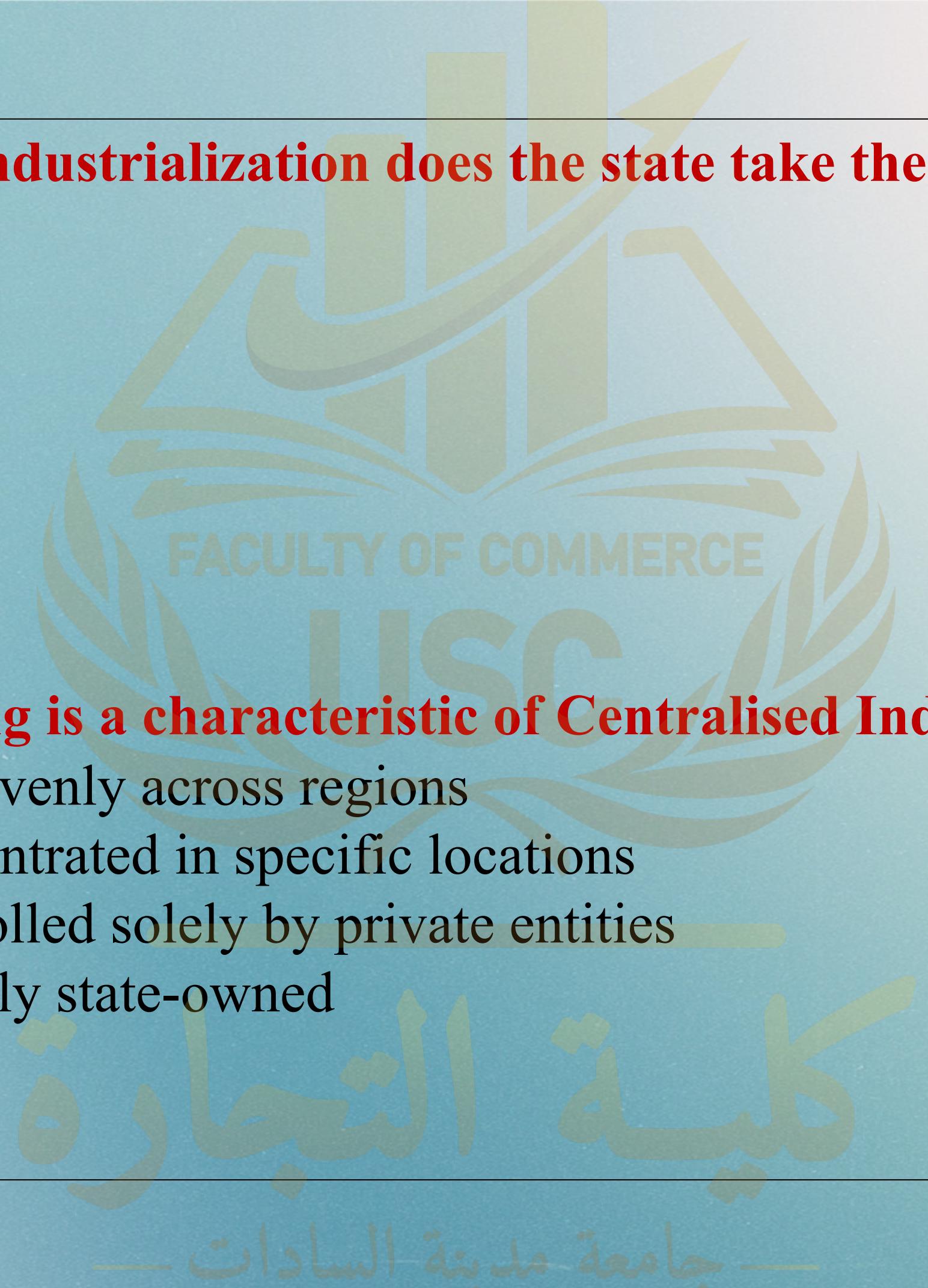
- a. Government-Controlled Industries
- b. Private Sector-Controlled Industries
- c. Big Industrial House-Controlled Industries
- d. Self-Employment Opportunities Industries

**15. What describes Forward Industrialization?**

- a. Industries declining with a decreasing growth rate
- b. Industries remaining stagnant
- c. Industries under government control
- d. Industries continuously making progress with an increasing growth rate

**16. In which pattern of industrialization does the state take the initiative in establishing industries?**

- a. State Initiated Pattern
- b. Private Initiated Pattern
- c. Jointly Initiated Pattern
- d. Decentralised Pattern



**17. Which of the following is a characteristic of Centralised Industrialization?**

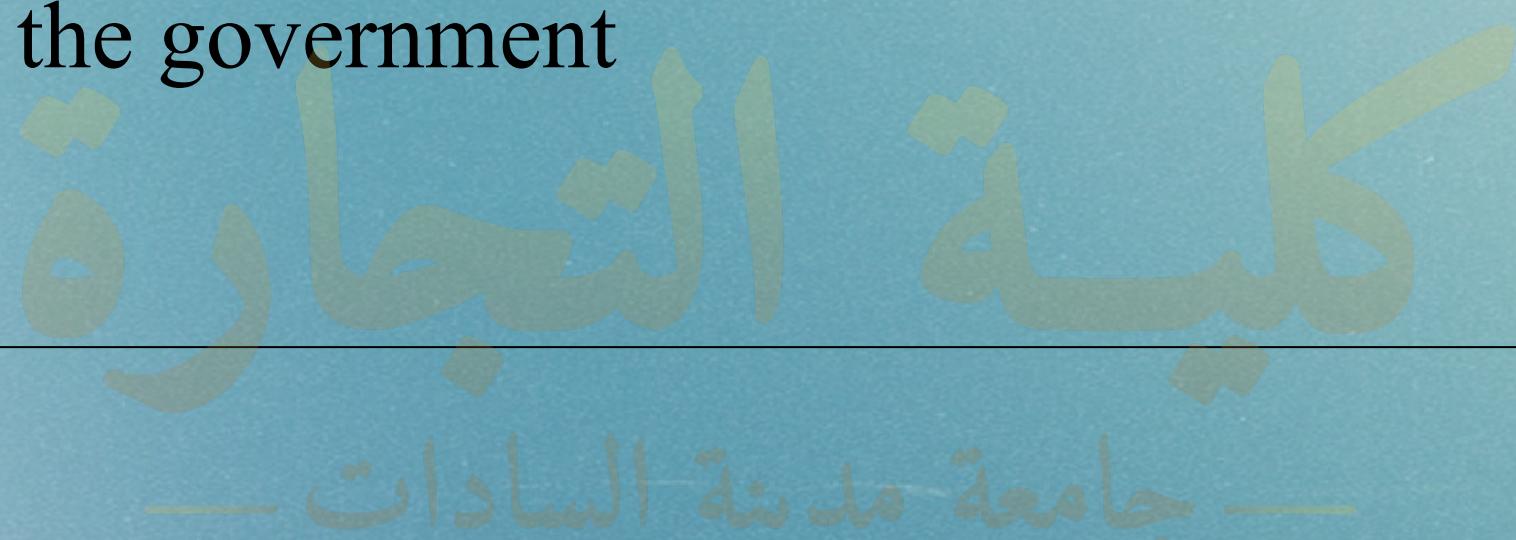
- a. Industries are spread evenly across regions
- b. Industries are concentrated in specific locations
- c. Industries are controlled solely by private entities
- d. Industries are entirely state-owned

**18. What pattern of industrialization is most common in capitalist countries like America and Germany?**

- a. State Initiated Pattern
- b. Jointly Initiated Pattern
- c. Decentralised Pattern
- d. Private Initiated Pattern

**19. What defines Decentralised Industrialization?**

- a. Industries are concentrated in urban areas
- b. Industries are developed in a balanced manner across regions
- c. Industries use advanced technology and large capital
- d. Industries are owned by the government



**20. Which pattern involves industries where more labor is required than capital?**

- a. Capital Intensive Industrialization
- b. Labour Intensive Industrialization
- c. Large-Scale Industrialization
- d. Medium Sized Industrialization

**21. Which form of industrialization involves collaboration between the government and private sector?**

- a. Decentralised Industrialization
- b. State Initiated Pattern
- c. Jointly Initiated Pattern
- d. Private Initiated Pattern

**22. What type of industrialization is characterized by large capital investment and advanced technology?**

- a. Capital Intensive Industrialization
- b. Small-Scale Industries
- c. Medium Sized Industries
- d. Labour Intensive Industrialization

**23. What is true about small-scale industries?**

- a. They are the opposite of large-scale industries with minimal capital
- b. They are concentrated in rural areas
- c. They use the most advanced technology
- d. They are primarily government-controlled

# Q10: What are the determinants of industrialization growth?

## 1) Economic Factors

### A) Natural Resources

- ✓ The possibilities of industrial growth are more if a country is rich in natural resources.
- ✓ The production of an economy depends upon its resources quality and quantity of soil, minerals, climate, geographical situation, forest resources, rivers and power resources.

### B) Capital Formation:

- ✓ The increase in the rate of capital formation helps in industrial growth.

### C) Human Resources:

- ✓ Workers are needed to work in factories/industries.
- ✓ The growing population also provided an opportunity for business to sell their product to more people.

## 2) Non-economic Factors

A) Political Stability: The behaviour of Government plays an important role in encouraging or discouraging economic activities.

B) International Condition: If relations are good with neighbouring countries, then there are adequate possibilities of export and international co-operation is there, the industrial growth will be at a faster speed and vice versa.

C) Social Changes: Society's desires of progress rapidness towards growth and anxiousness to use new method, etc. are included in social environment.

# Q11: What are the main factors affecting the speed of industrialization?



## 1) Nature of Industrialization:

- ✓ If the industrialization is followed through manufacturing consumer goods, then the speed of the industry will be low.
- ✓ But speed of industrialization will be higher if it followed through manufacturing capital goods industries.

## 2) Level of Technological Development:

- ✓ If any country adopts **low level of technological development** in its initial stage of industrialization, then **the speed of industrialization is often slow** and vice versa.

## 3) Government Policy:

- ✓ If the **policy of government shows adequate interest in country's industrialization**, the **speed of industrialization would be higher** and vice versa.
- ✓ Government's price policy, trade policy and tax policy can encourage the industrialization.

## 4) Change in Social Conditions:

- ✓ If the social conditions of the country change in hand in glove with the industrialization, they the speed of industrialization will increases otherwise it decreases.

## 5) Population:

- ✓ If the population is less in comparison to economic and natural resources, the speed of industrialization will be faster in that country.
- ✓ If the population growth and density of population is high in the country, the speed of industrialization will be low.

## 6) Ability and Efficiency of Human Resources:

- ✓ If the human resources of the country are able, efficient and disciplined, then they will give their full productive co-operation in industrialization and the speed of industrialization will be higher and vice versa.

## 7) Other Factors:

1. Industrialization Availability of Natural Resources.
2. political stability.
3. labour relations

- ✓ are other factors which increase or decrease the speed of industrialization.

**24. Which of the following is considered an economic factor in industrial growth?**

- a. Political Stability
- b. Social Changes
- c. Capital Formation
- d. International Conditions

**25. How does the availability of natural resources -in the speed of industrialization- influence industrial growth?**

- a. By decreasing political stability
- b. By reducing the need for human resources
- c. By enhancing the economic prosperity of a country
- d. By decreasing capital formation

## **26. What role does government policy play in the speed of industrialization?**

- a. It can only slow down industrialization
- b. It has no effect on industrialization
- c. It solely depends on international conditions
- d. It can encourage or discourage industrialization

## **27. Which factor is NOT a non-economic determinant of industrial growth?**

- a. Social Changes
- b. Human Resources
- c. Political Stability
- d. International Conditions

**28. How does a country's level of technological development affect industrialization?**

- a. Higher technology levels slow down industrialization
- b. Lower technology levels speed up industrialization
- c. It has no impact on industrialization
- d. Higher technology levels speed up industrialization

**29. What is the relationship between population and the speed of industrialization?**

- a. The higher the population, the faster the industrialization
- b. The lower the population, the slower the industrialization
- c. A balanced population compared to resources speeds up industrialization
- d. Population has no effect on industrialization

**30. Which of the following statements is true about capital formation?**

- a. It is unrelated to industrial growth
- b. It decreases the demand for natural resources
- c. It is the basis for modern industrial growth
- d. It only benefits agricultural development

**31. How do social conditions influence the speed of industrialization?**

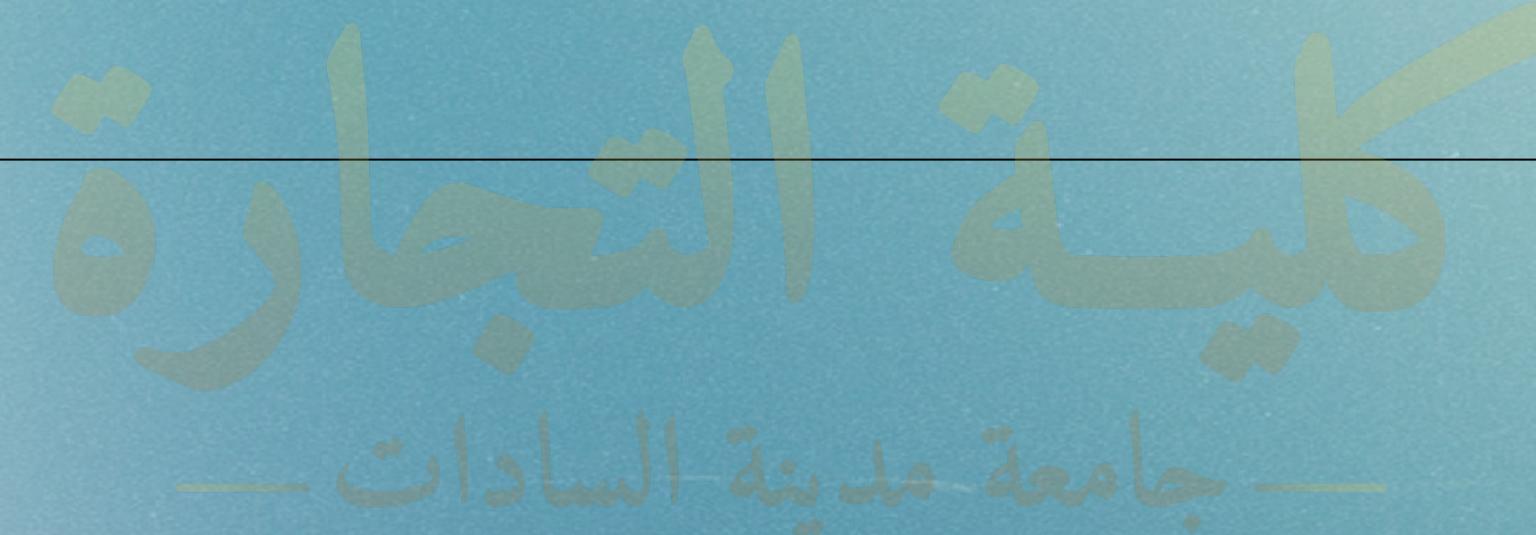
- a. They have no influence
- b. Changing social conditions can increase the speed
- c. They only slow down industrialization
- d. They only affect agricultural growth

**32. Which factor can enhance the ability and efficiency of human resources?**

- a. International conditions
- b. Government policy
- c. Natural resources
- d. Political instability

**33. How does political stability affect industrial growth?**

- a. It solely affects human resources
- b. It discourages economic activities
- c. It encourages economic activities
- d. It has no impact



# Now, Can you test your self ??

## Write in the following:

- Q1: Define Industrial Economics?
- Q2: Which issues Industrial Economics helps us to understand when analyzing decision making?
- Q3: What is the scope of Industrial economics?
- Q4: What is the methodology of industrial economics (Approaches)?
- Q5: What is the industrial structure elements?
- Q6: What is the meaning of industrialization?
- Q7: List the Objectives of industrialization?
- Q8: what are the characteristics of industrialization?
- Q9: Mention the Forms or Patterns of Industrialization?
- Q10: What are the determinants of industrialization growth?
- Q11: What are the main factors affecting the speed of industrialization?



Thank you!

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