

**A**ccording to new IMF research, countries need no longer rely on manufacturing for productivity growth. The IMF is not the first to take a jab at so-called manufacturing fetishism. Famous economists like Jagdish Bhagwati and Christina Romer have also done so in recent years.

In fact, you can trace the scepticism of pro-manufacturing theories to 1976, when the sociologist Daniel Bell published *The Coming of Post-Industrial Society*. Bell argued that the wealth of future societies would rely less on the production of goods and more on the provision of services.

In some ways, it's right that countries should look more to services for driving economic development. Some services are more easily traded and have greater potential for productivity growth than before. This holds true especially for services that are highly digitalised, like Netflix, Spotify, and other business-related services.

But talk of the post-industrial society is mostly hype without evidence. Here are five reasons to be sceptical of those who say that factories are dinosaurs.

**Economic development has (almost never) happened without industrialisation**

Throughout the history of capitalism, practically all countries that have transformed their economies from low to high income have done so through a process of industrialisation. The West's gradual establishment as world economic hegemon starting with the industrial revolution in the UK in the late 18th century was also a process of establish-