

### Why IMF is wrong

- Economic development has (almost never) happened without industrialisation
- Manufacturing drives productivity growth and innovation
- Manufacturing helps services
- The manufacturing sector is larger than you think
- The fourth industrial revolution is not stealing manufacturing jobs

Photo by Petr Magera on Unsplash.

### The manufacturing sector is larger than you think

Not only do many services depend on a manufacturing core, some of them are also by their very nature linked to manufacturing. These most importantly include industrial R&D, innovation, product design, and other engineering-related services.

One could make a strong case for having such services counted as manufacturing in the national accounts, which is currently not the case. A study published by the Brookings Institution think tank shows the importance of scrutinising the way we count production activities. The authors of the study calculated the size of the entire US manufacturing value chain, and found that in 2010, manufacturing, narrowly defined, employed 11.5m workers in the US, but broadly defined, it employed 32.9m workers.