



TOWARDS A RETURN OF INDUSTRIAL POLICY?
ARTNeT SYMPOSIUM
25-26 JULY 2011
ESCAP, BANGKOK

DOES THE NEO-MERCANTILIST PREOCCUPATION WITH PROTECTING MANUFACTURING MAKE SENSE?

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To be covered

- Protectionist argument
- Can we rationalize it with data?
 - Manufacturing share of GDP
 - Manufacturing share of the labor force
- Conclusions

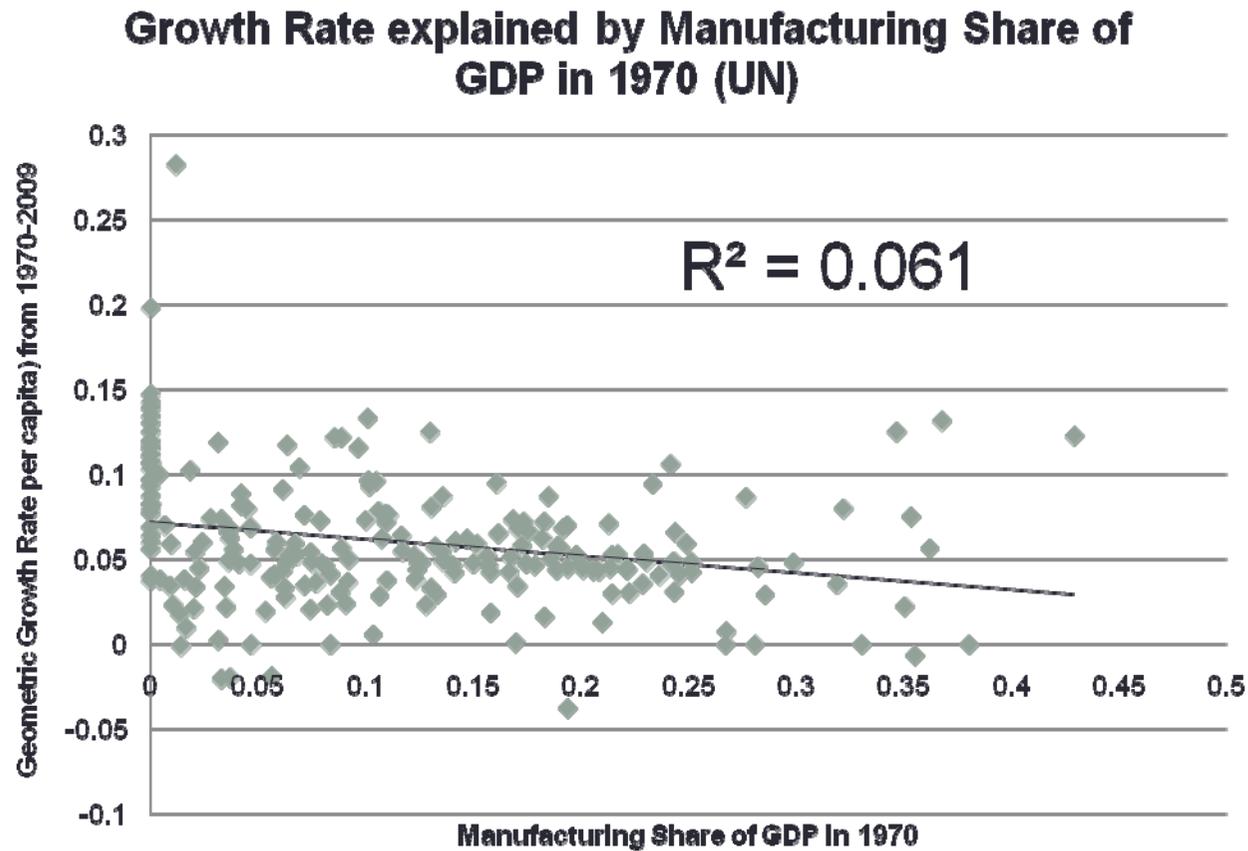
The protectionist argument

- Manufacturing central to economy; other sectors serve manufacturing
- Services not tradable
- Capital goods and knowledge accumulation in manufacturing is tried and true recipe for growth
- Structural unemployment
- National security concerns

How do we define manufacturing?

- Defined by UN's ISIC D
- Comprehensive data
 - From 1970's
 - ~200 countries
- Caveat: overlap with services – many manufacturing companies either contract out to services or have “evolved” into services:
 - Neely: overlap in ~30% of firms studied – only 2% pure
 - Example: IBM

Does the size manufacturing base explain growth rate?



Explanatory models tested

Year	Model	Beta	P-Value
1996	$growth = \beta_1 \ln(gdp) + \beta_2 government + \beta_3 manshare$	0.011004	0.784263
1996	$growth = \beta_1 \ln(gdp) + \beta_2 government + \beta_3 manshare + \beta_4 educ + \beta_5 popgrowth$	-0.08362	0.215455
1998	$growth = \beta_1 \ln(gdp) + \beta_2 government + \beta_3 manshare$	0.157915	0.041066
1998	$growth = \beta_1 \ln(gdp) + \beta_2 government + \beta_3 manshare + \beta_4 educ + \beta_5 popgrowth$	0.134058	0.041156
Average	$growth = \beta_1 \ln(gdp) + \beta_2 government + \beta_3 manshare$	-0.1494	0.006218
Average	$growth = \beta_1 \ln(gdp) + \beta_2 government + \beta_3 manshare + \beta_4 popgrowth$	-0.1159	0.036251

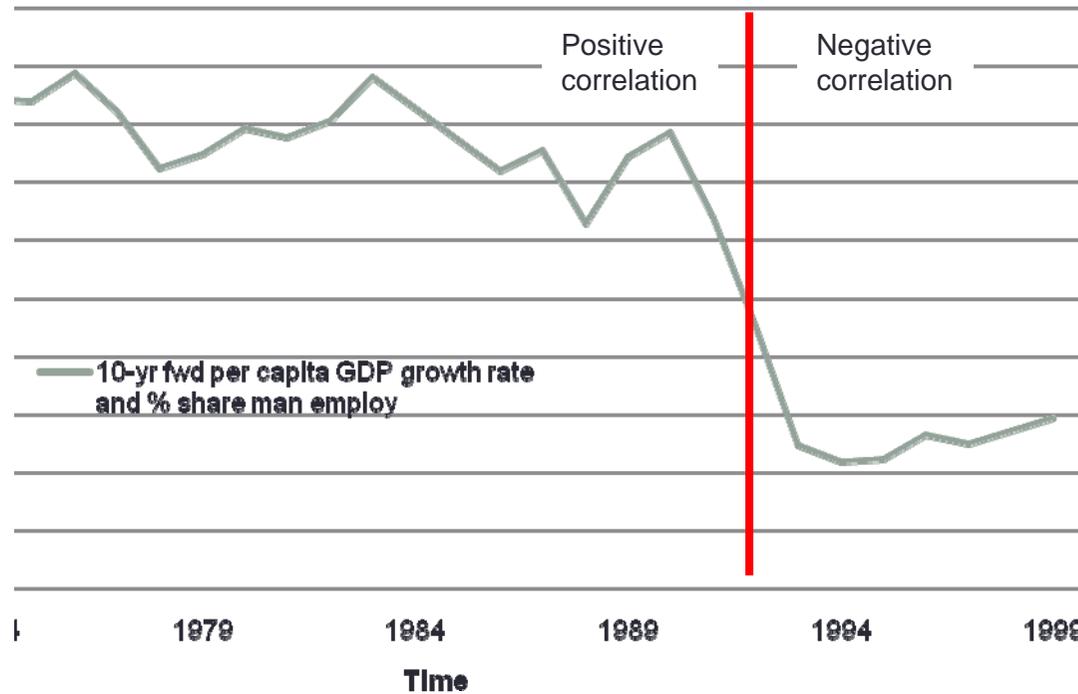
https://www.yunbaogao.cn/report/index/report?reportId=5_7922

预览已结束，完整报告链接和二维码如下：



labor in manufacturing

coefficient between 10 year forward per capita GDP growth rate and share of labor in manufacturing



in developed countries, we have a positive relationship in the 1970s and a negative relationship now