

Chapter 4: Economic Development Strategies

Introduction:

The process of economic development goes beyond the provision of some contributions at the economic and technological levels. It requires the active and strong presence of the state through establishing rules that clarify how these contributions should be utilized. Without strong governance, comprehensive development cannot be achieved. This necessitates state intervention in all areas and the implementation of strategies that promote economic development.

Manufacturing Industries Strategy

This strategy has been implemented in some developing countries and it is not very different in principle from Hirshman's strategy of unbalanced growth. Deist and Dobrins agree on the importance of imbalance in driving development forward and criticize balanced growth for its inability to stimulate and mobilize the underdeveloped structure of economies in developing countries. However, they differ in that the state should identify an industry or a group of industries that differ from other industries and have the ability, in terms of place and time, to create other industries. Therefore, this type is called manufacturing industries or industries of diffusion, unlike Hirshman, who gave importance to import substitution industries (or consumer goods industries).

Dobrins suggested that these industries should be heavy or productive industries, and in his opinion, they include:

- Iron and steel industry;
- Mechanical industries;
- Chemical industries;
- Electrical industries and advanced energy centers.

Dobrins' choice of these industries is based on their distinctive characteristics, according to his belief, which are:

- Because they are high-cost industries, but he argues that all modern industries, even if they are consumer goods industries, have high capital intensity in the conditions of technological advancement.
- They need to be closed to the outside world, especially after the initial stage required to secure the establishment requirements of these industries from the outside world. The importance of this closure is to create an internal engine for development.
- These industries require a long time to operate and bear fruit, just like any project with high social returns.

