

What is de-  
industrialization why  
was de-  
industrialization  
greater in the uk  
than ...

[Business](#), [Industries](#)



## **Introduction**

The process in which there is a decline of manufacturing in the region or society; for example, when a company closes down its production facilities due to being under pressure from the foreign competition. It is an economic and social change that happens due to the removal of many industries.

Marx's and Row thorn's theory of de-industrialization is considered one of the earliest definitions, which say that it happens due to technological innovations . With the invention, work that is more physical is increased and with that, the capital increases. The machines then replace the labor and the rate of profit decreases. It could be due to the bad performance of the economy as well.

Since the start of 1950s, Britain has faced de-industrialization, which resulted in fifty per cent decline of the workforce to even less than twenty per cent. The highest losses of jobs have been in engineering, steel, iron, textiles, and shipbuilding. Many of the industries were located near the coalfields, which were during the Industrial Revolution. This also explains as to why many industries were located in Scotland, Northern Ireland, and South Wales and in the Midlands. These industries used to have around thousands of employs and were called the Sunset Industries. With the producers in eastern Asia in the 1960s, the industries in the UK were failing to compete on delivery time and costs. Many coalmines were closed and the industries had declined. This led to many job losses in the areas where it was difficult to find an alternative job. This led to poverty, deprivation, unemployment and the prices of the properties had decreased. The streets were full of the view of abandoned factories, houses, industries etc. Despite

the help from the government of UK and EU, the losses have still not been covered and there are still not a lot of jobs available so people continue to migrate to the South from North .

### **The two main elements that caused de-industrialization in the UK are:**

- Increase in Machinery: A production line needs many workers and machinery like computers; robots and automation have replaced human labor. The unskilled laborers who did not do their tasks properly were the first ones to be replaced by the machines, which have made manufacturing very automated.
- Lack of competition: There was no such competition between the UK industries and the newly built industries in Asia. The production cost in Asia was much lower and the industries in the UK were high cost producers, which were because of high wages, historical locations, outdated buildings of factories, working practices were inflexible etc. The UK markets had penetrated the Tiger economies, which were Hong Kong, Taiwan, and Singapore and the market overseas slowly were lost by the UK .

The other actors included the recession and the sterling had increased to thirty per cent more than the other currencies, which were a huge blow to the manufacturing, and the demand for British goods increased. Many people have migrated to the South resulting in abandoned houses in the north. The unemployment rates are still high and the jobs seem to be disappearing despite the government's helps.

This topic is important because it tells the reader about the situation, which brought de-industrialization to the UK. It helps to understand the different

factors involved and the reasons surrounding it. De-industrialization is still a major problem in many countries especially the UK since many people are still migrating to other countries and the economy has gone down with high unemployment rate. The information provided in this report helps the reader to understand the basics behind de-industrialization and how it can be overcome so that the people can find jobs and improve their living conditions.

## **Theory/Analysis**

This table is the assumptions that underlie the different scenarios concerning the foreign trade. As these numbers are just assumptions, some of the major economy models of UK econometric have been considered. This table also applies to energy and trade. Focusing back on the table, it shows the volumes of exports and imports which are assumed. The actual volume is presented as 100 in 1983 as information is in the form of index numbers. The real trade volume is also given for comparison. The individual things in the table are shown as:

- Tobacco, Beverages, Food: The import demand for these items is low and the volume of the imported tobacco, beverages, and food is 5 percent to 15 percent in 1983, while the export is zero percent to five per cent than the real number.
- Basic Materials and Non-government services: the assumed number of services imported under the hypothetical scenario is from 25 percent to 35 percent in 1983. The output of the basic materials would have been 50 percent to 60 per cent if the economy had increased at a rate of 3. 0 percent

as assumed under the scenario.

As seen in both the figures. The unemployment rate has been zigzagging since the 1950s. From 1941 to 1951, the employment rate had been its highest at 50 percent. It gradually decreased due to 10 per cent in 1958 going further down to 22 per cent in 1991. The next figure shows the annual GDP of UK which too has not been stable and has gone down after the 1950s. The interest rates have been extremely low and if this continues, the government will have a lot of pressure and the markets will start to demand high rates on interest on the government debt.

## **Empirical/Evidence Section**

Philly Duffy in his article ' De-industrialization in the UK: Signs of a failed economy' says that UK even being the first country to industrialize its nation experienced a much more worse decline than any of the other countries since the 1950s. Many theories have been proposed for this and it has affected the future political and economic scenario of the country during the 1980s, which also includes the decline of Monetarism and Keynesian ideas. He also says that UK was involved in unique problems and many other factors that played a huge role in de-industrialization. This also affected the political side of the country and crisis was faced during the 1970s. Britain had complete imbalance of its trade because of which the manufacturing department was somehow protected than the rest of the departments. In response to the Great Depression, the tariff rates were fifteen percent lower in 1968 than in 1932 . The investors in UK were continuing to invest heavily in the countries where the profit rates were high and there was availability of

investments.

In comparison with other countries, Duffy (2013) says that Britain suffered much more de-industrialization. Despite the efforts made politically and through the policies of Keynesian and other things like nationalism and protectionism, the condition of the country remained the same. The effects were opposite and the policies of nationalism, protectionism, and Keynesian were even more devastating.

Peter Critchley says that if this condition continues then the economy and national capital will suffer majorly. It would not matter how strong and good the international relations of the country are with other countries, the failure to develop a domestic base by the government of UK is going to be a continuous struggle for the economy of Britain. Critchley also says that the manufacturers are more capable of trade and producing items, which will help Britain to make its base and prevent the damages for the future. This will open up the economy to other investors and help in financing the industries. However, the present condition of Britain's economy cannot predict a good future for the country.

## **Conclusion**

De-industrialization has caught the roots of Britain since the 1950s and has continued to grow until the present times. It has badly affected the economic and political health of the country and has unemployed many men. The unemployment continues to rise and people are continuing to abandon the north where there is worse condition of unemployment. An industry is the base of domestic growth and economy and if these are shut down then the

nation continues to suffer in problems, which if not handled in time make a bad shape for the nation. Two factors were also mentioned in which one of the major factors was the increase in machinery. Human labor is required for greater production line but with the invention of technology, many industries downsized and replaced the employs with the automated machines. The people who had lesser skills were immediately fired thus getting unemployed and there was a very low chance of them to find another job in that region. Britain should look out for the solution so that its economy can increase and the production and manufacture of products can improve as they were before the 1950s.

## **Works Cited**

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