Creating a working definition of "industry" and "industrial"

Information and concepts for discussion:

Dictionary definition of "industry."

Commercial production and sale of goods; specific branch of manufacture and trade; sector of an economy made up of manufacturing enterprises. (*American Heritage Dictionary of the English Language*)

• Industry is not just manufacturing.

• The NAICS classification system and how it defines the concept of "industry."

NAICS ("nakes"), the North American Industrial Classification System, was developed on the principle that firms are classified solely by processes used in production. In addition, each industry sector and subsector is classified as goods-producing or service-producing. (See Section 5.)

NAICS Sectors
11 - Agriculture, Forestry, Fishing, and Hunting
21 - Mining
23 - Construction
31-33 - Manufacturing
42 - Wholesale Trade
44-45 - Retail Trade
48-49 - Transportation and Warehousing
22 - Utilities
52 - Finance and Insurance
53 - Real Estate and Rental and Leasing
51 - Information
54 - Professional, Scientific, and Technical Services
55 - Management of Companies and Enterprises
56 - Administrative & Support, Waste Management & Remediation Services
61 - Educational Services
62 - Health Care and Social Assistance
71 - Arts, Entertainment, and Recreation
72 - Accommodations and Food Services
81 - Other Services (Except Public Administration)
92 - Public Administration

Back Street businesses.

Back Streets businesses (in contrast to Main Street businesses) are those that create products or provide services in manufacturing, wholesale, commercial, logistics, construction, repairs, and food processing.

Generally, these types of businesses translate into the following two-digit NAICS codes – general contractors (# 23), manufacturing (# 31 through # 33), wholesalers (# 42), transportation and warehousing (# 48 through # 49), information (# 51), real estate and rental (# 53), professional, scientific, and technical (# 54), administrative support and waste management (#56), accommodation and food services (# 72), other services (# 81), and public administration (# 92).

• Producing ideas rather than things.

"In the 19th and 20th centuries we made stuff: corn and steel and trucks. Now, we make protocols: sets of instructions. A software program is a protocol for organizing information. A new drug is a protocol for organizing chemicals. Wal-Mart produces protocols for moving and marketing consumer goods. Even when you are buying a car, you are mostly paying for the knowledge embedded in its design, not the metal and glass. A protocol economy has very different properties than a physical stuff economy. For example, you and I can't use the same piece of metal at the same time. But you and I can use the same software program at the same time. Physical stuff is subject to the laws of scarcity: you can use up your timber. But it's hard to use up a good idea. Prices for material goods tend toward equilibrium, depending on supply and demand. Equilibrium doesn't really apply to the market for new ideas. Over the past decades, many economists have sought to define the differences between the physical goods economy and the modern protocol economy. . . . The success of an economy depends on its ability to invent and embrace new protocols. . . (or) how quickly a society can be infected by new ideas."

Excerpt from "The Protocol Society," by David Brooks (New York Times, December 22, 2009).