



università di ferrara

DA SEICENTO ANNI GUARDIAMO AVANTI.

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INDUSTRIAL POLICY AFTER THE CRISIS: The Case of the Emilia-Romagna Region in Italy

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Labory***

***University of Ferrara and
Regione Emilia – Romagna Government**

AIM OF PAPER:

SHOW HOW INDUSTRIAL POLICY HAS
AFFECTED INDUSTRIAL DEVELOPMENT IN THE
EMILIA-ROMAGNA (ER) REGION

STARTING POINT:

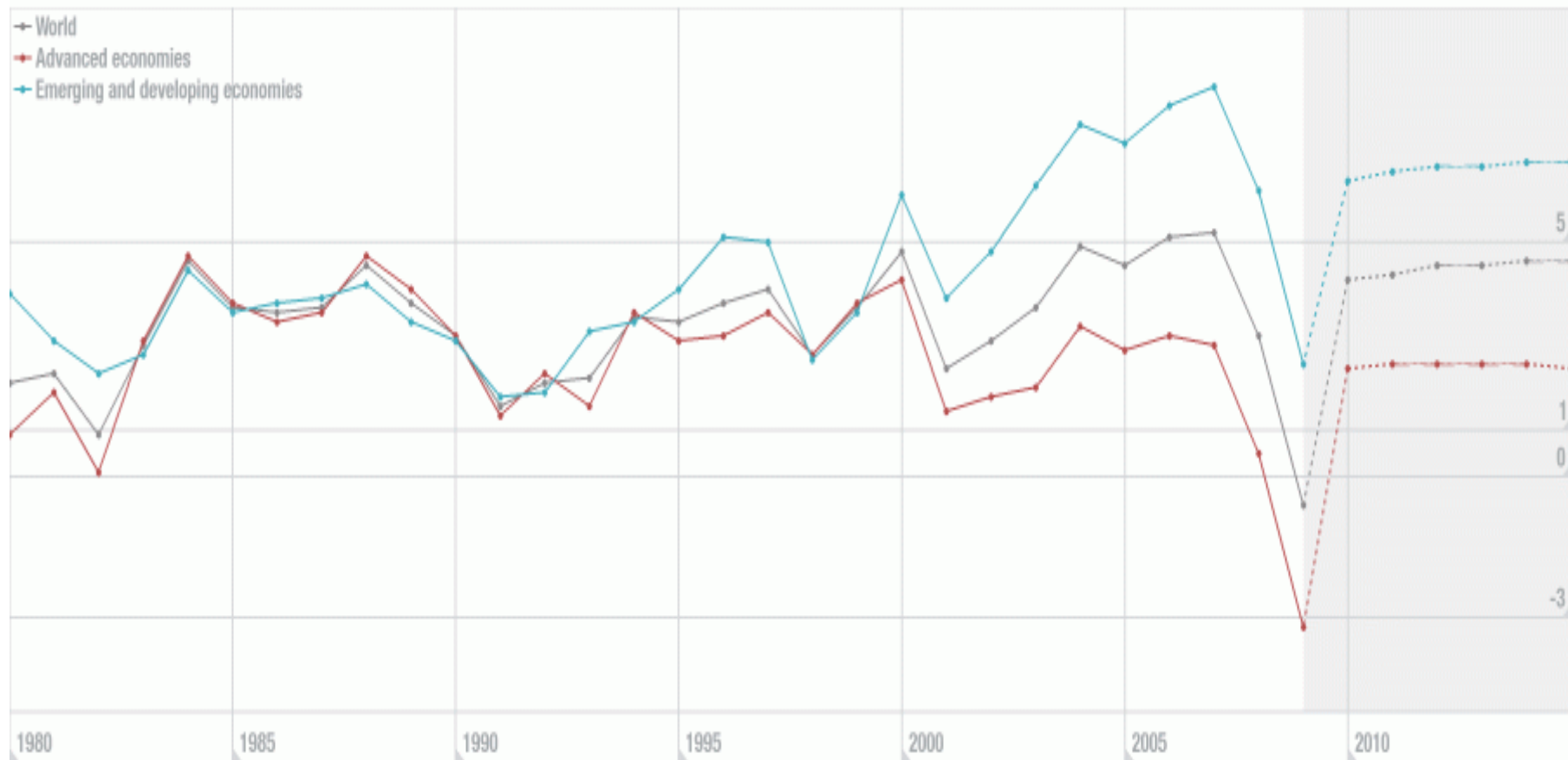
REFLECTION ON INDUSTRIAL POLICY BEYOND THE
CRISIS

PATRIZIO BIANCHI SANDRINE LABORY
**INDUSTRIAL POLICY AFTER CRISIS:
SEIZING THE FUTURE**

EDWARD ELGAR PUBLISHER
CHELTENHAM, 2011 forthcoming

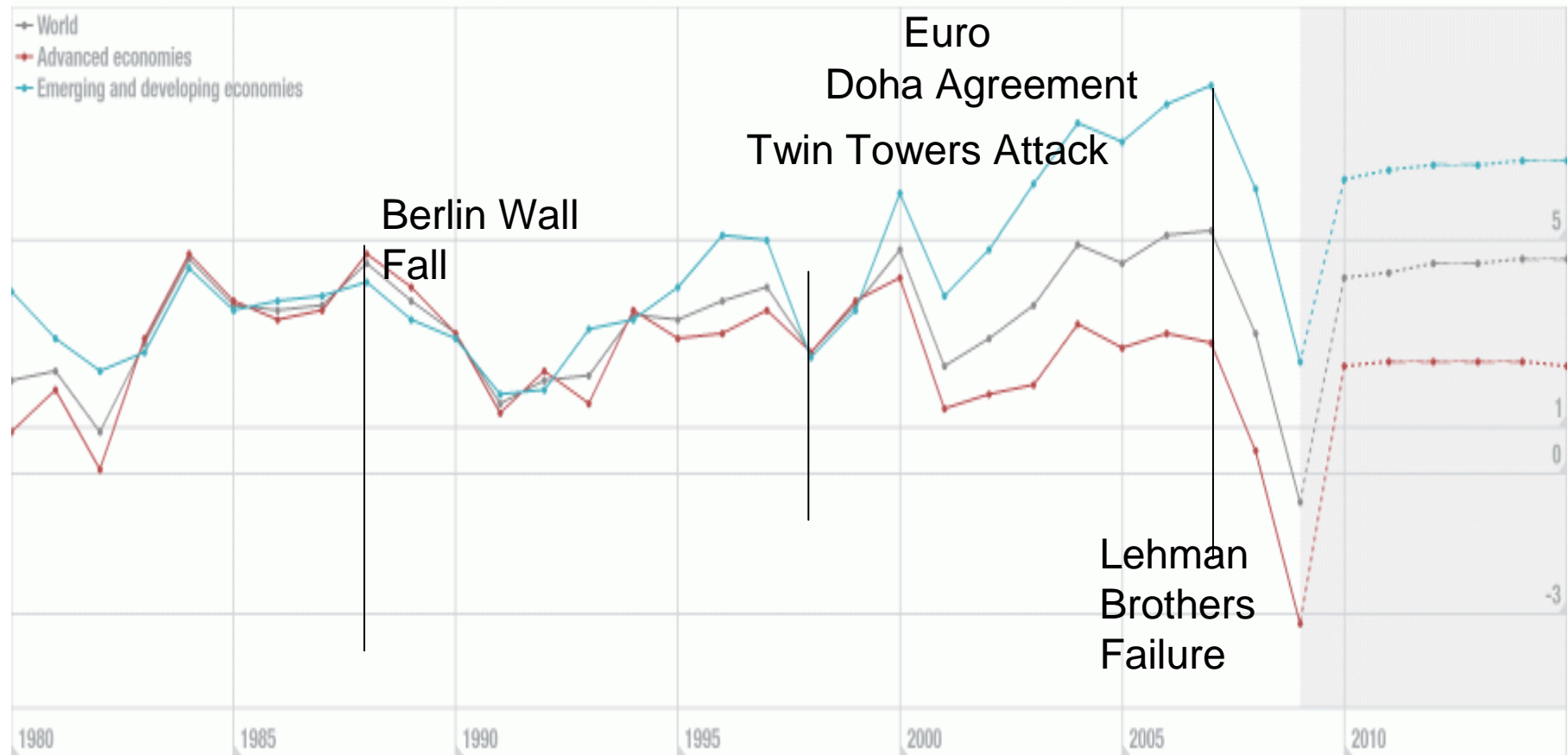
IMF Data Mapper

Real GDP growth (Annual percent change)



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The world crisis is not only the dramatic effect of the financial collapse, but it is the structural readjustment related to globalisation and multi-polar world

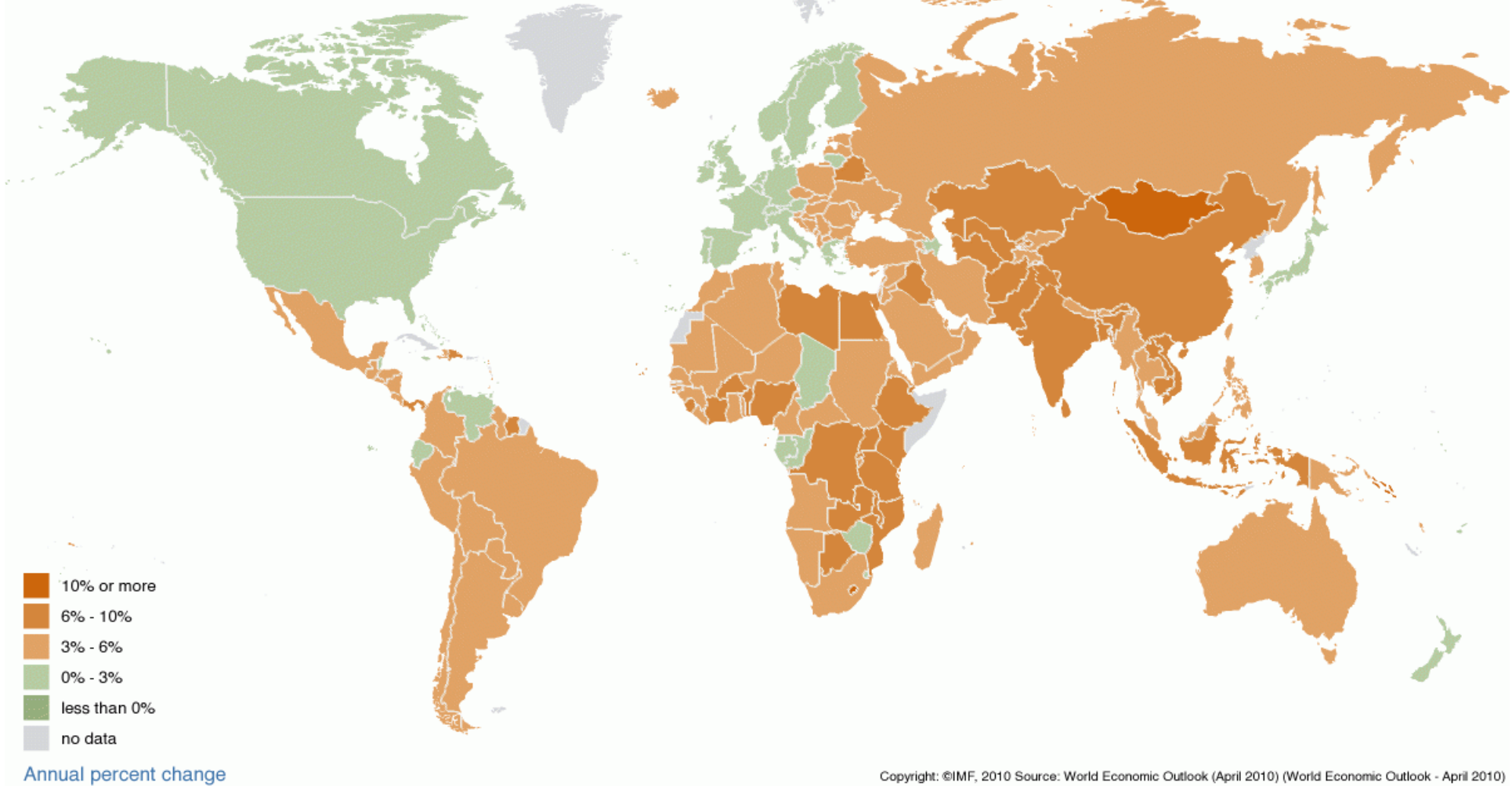


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Since the end of WWII, the world GNP growth was led by the developed countries; after the decade of structural readjustment following the collapse of Planned Economies, the world dynamics is led by other major economies

IMF Data Mapper

Real GDP growth 2015



The worldwide perspective of development is based on the low growth of mature economies and on differentiated increases in the rates of growth for the emerging economies.

CRISIS:

In fact due to difficulties of adaptation to deep structural changes arising since the 1980s

Structural changes:

Globalisation, implying

Re-organisation of production organisation

(adjustment division of labour to extent of the market)

Mainly:

Production internationalisation = organisation of production on worldwide basis = global production networks

- Already in the late-90s – early 2000s necessity to help adjustment to structural changes is felt:

Political leaders (Schroeder, Chirac) call for industrial policy in 2002 and 2003

European Commission publishes series of communications on industrial policy (in an enlarged Europe, in a knowledge-based economy, in a globalised world) (2002-2005)

Definition of industrial policy

Literature:

Many definitions from narrow:

Policies aimed at particular industries or firms (= selective policies, interventionist)

To broad

Policies aimed at favouring (or impeding) structural change

Our definition is broad:

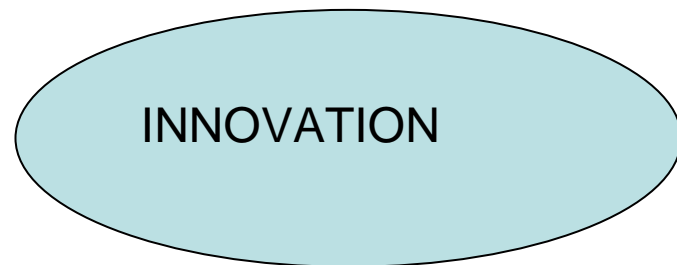
Considering industry as the capacity to organise production to serve specific markets (manufacturing and services)

Industrial policy is set of measures aimed at favouring structural change: supporting new sectors and helping upgrading of old sectors

(Adam Smith, Sanjaya Lall, Dany Rodrik, Cimoli et al.)

⇒ Definition of appropriate set requires a long-term vision of industrial development

The recent debate on development and the experiences of European policy making have stressed two basic concepts to analyse economic dynamics and structural change



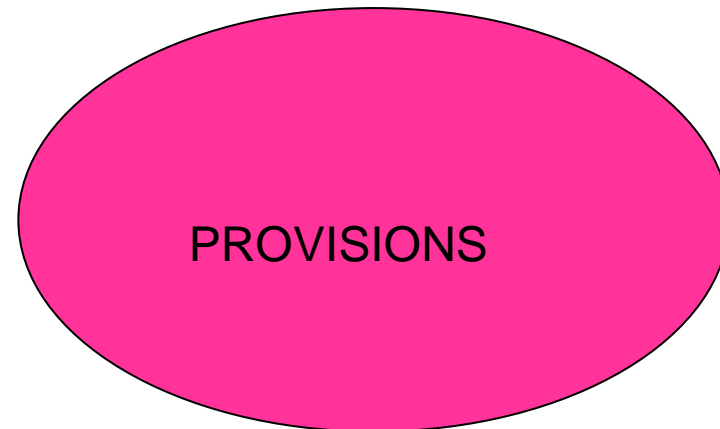
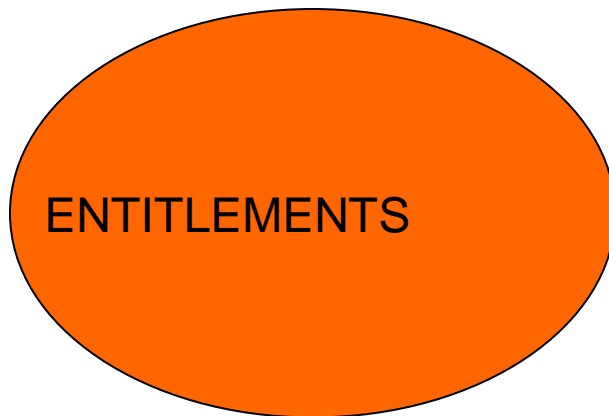
innovation



territory

These two concepts are necessary but not sufficient to define the new idea of development (necessary to adapt to globalisation and new world political order of multi-polarism)

We introduce the two concepts of
ENTITLEMENTS and **PROVISIONS**

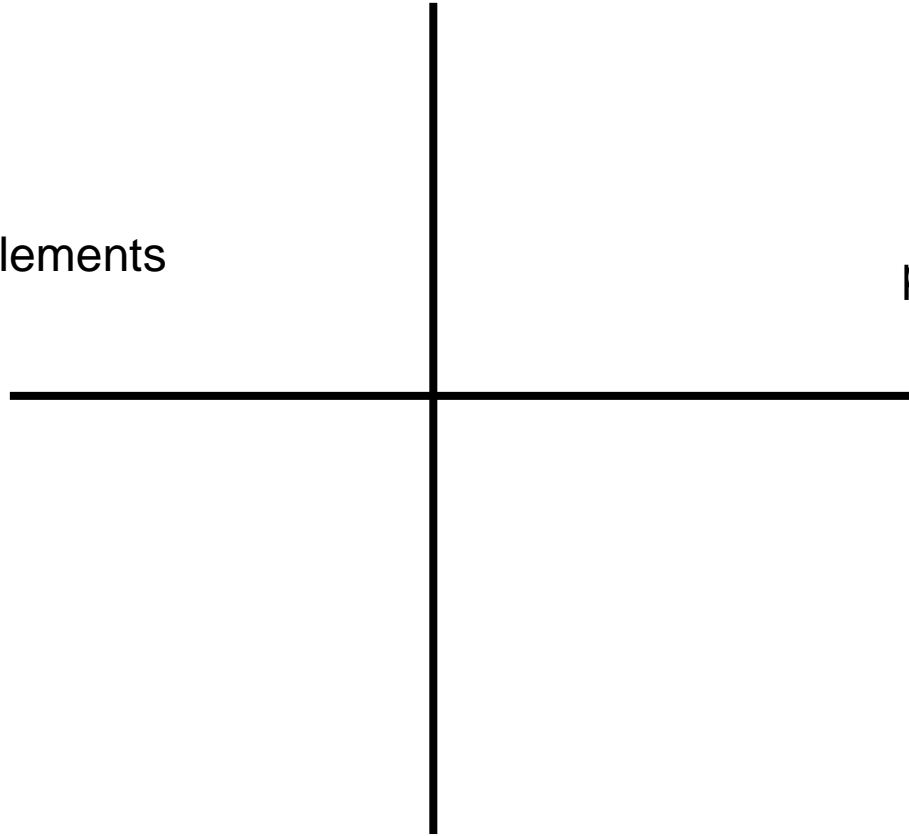


innovation

entitlements

provisions

territory



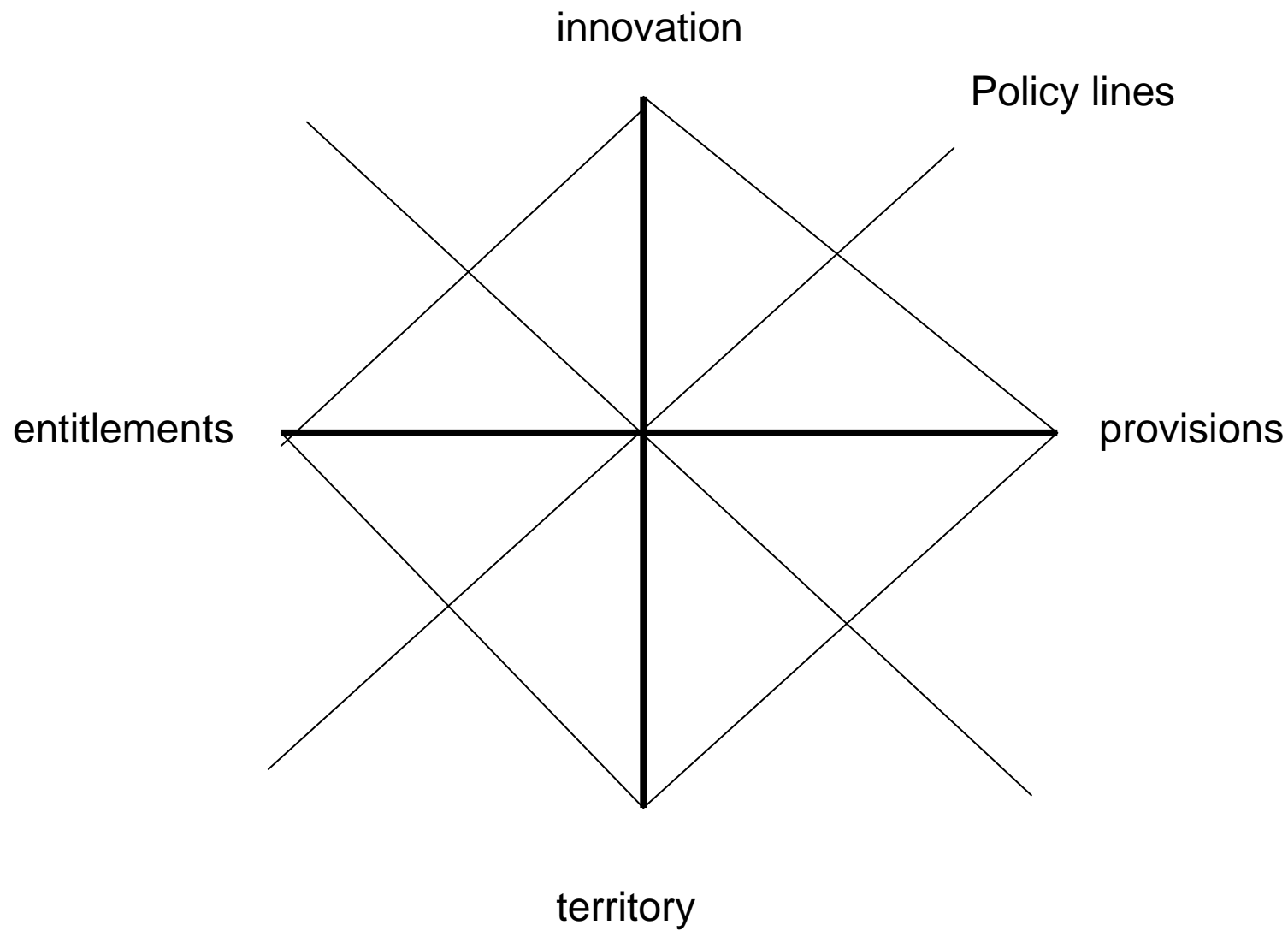
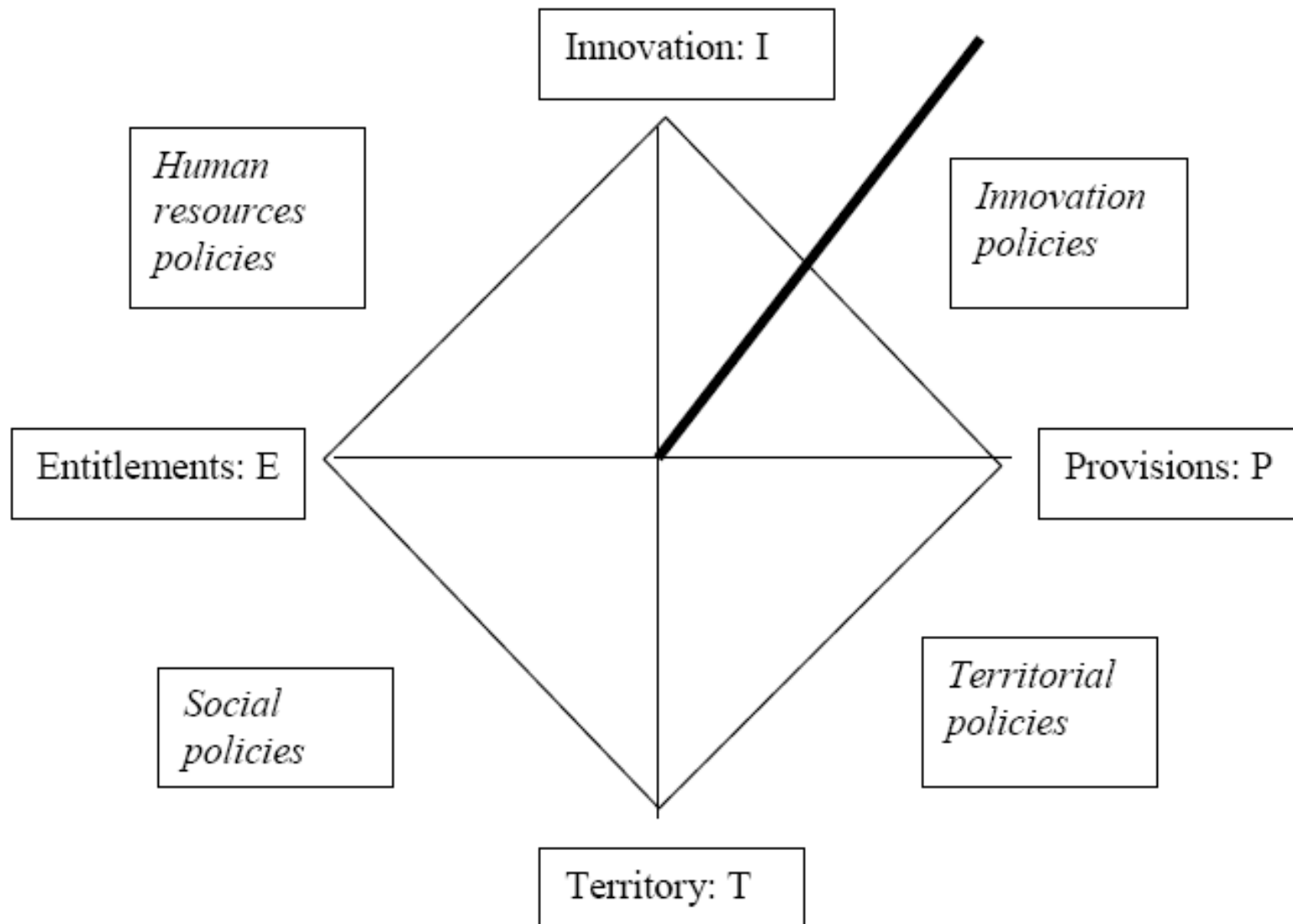


Figure 2. Four levers of industrial development



Source: Bianchi and Labory (forthcoming).

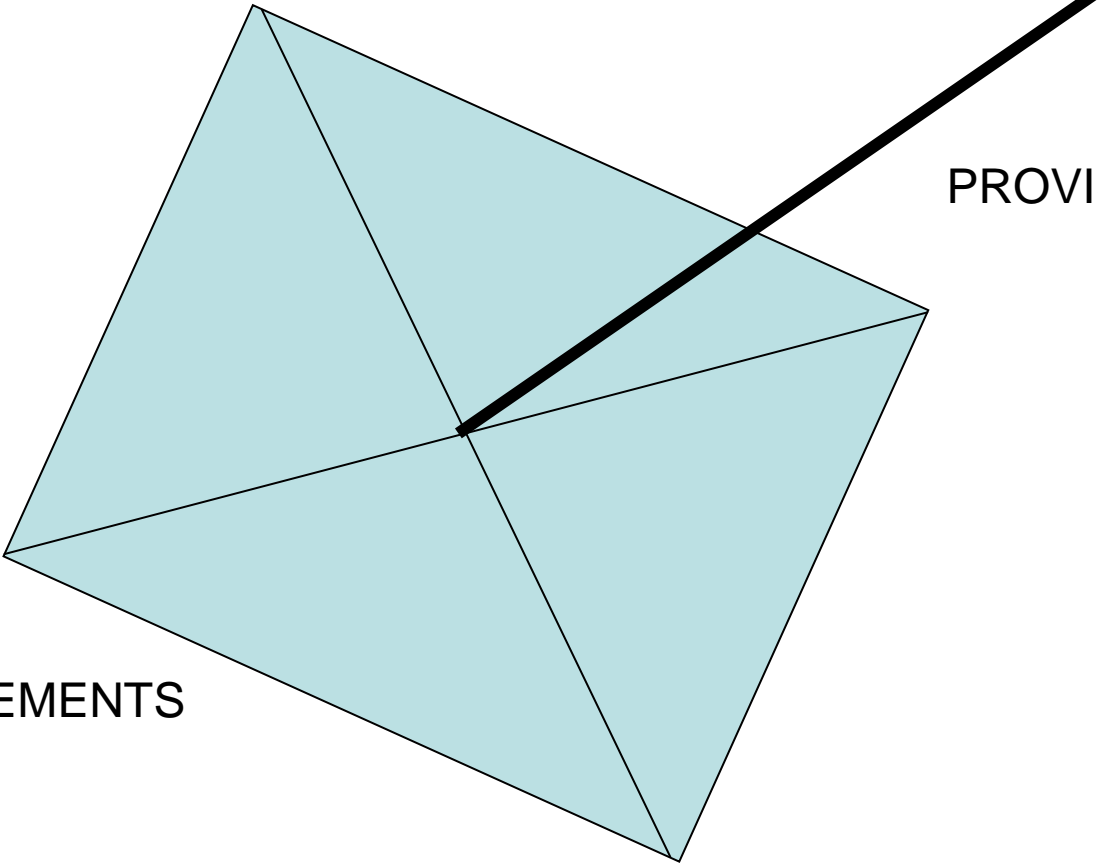
THE CASE OF
CHINA

INNOVATION

PROVISIONS

ENTITLEMENTS

TERRITORY



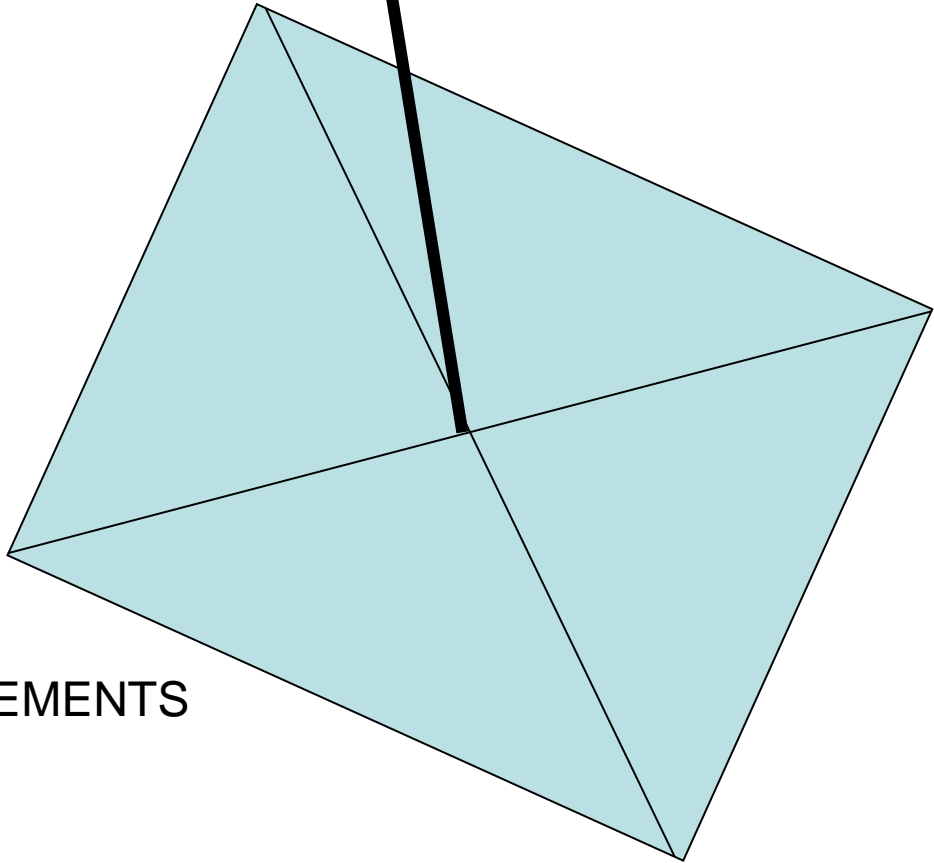
THE CASE OF
IRELAND

INNOVATION

PROVISIONS

ENTITLEMENTS

TERRITORY



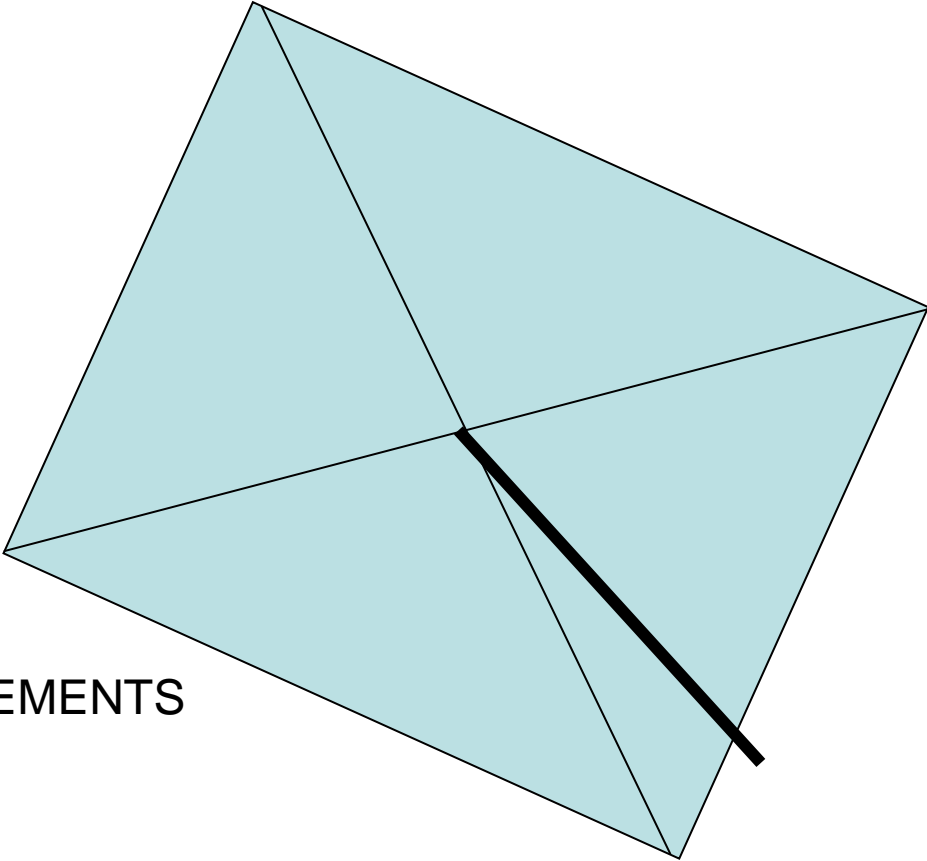
THE CASE OF ITALY

INNOVATION

PROVISIONS

ENTITLEMENTS

TERRITORY



- The new industrial policies is a vision of the future
- Different visions are possible, but each choice involves opportunities and risks
- There is a coherence issue in defining the vision and in making the specific policies
- The definition and adoption of the vision is a political decision (political leadership necessary)

Coherence between policy actions and between policy levels

⇒ Requires policy-makers to have broad view of the economic system in which the particular development problem arises (holistic approach)

⇒ This in turn requires going back to the basics of production organisation (to understand complexity of the economic system and identify appropriate gears of development)

THE CASE OF THE EMILIA- ROMAGNA REGION

- 1980s: ER is model of flexible specialisation, with industrial districts in traditional sectors (Brusco, Sabel,...)
- 2000s: ER is model of regional innovation system, innovative region

HOW DID THIS CHANGE HAPPEN?

We argue that industrial policy has had a significant role

- 1980s: focus on services (to firms and to families and workers)
- End 1980s: already doubt about the capacity of the district model to face changing competitive environment
- 1990s: policy aimed at building regional innovation system

ER policies

