





EAEPE Symposium 2016

The role of industrial policy in European re-industrialisation

Venue: Krakow, Campus of Cracow University of Economics

12th and 13th of May 2016

The EAEPE Symposium on "The role of industrial policy in European reindustrialisation", held in Krakow, University of Cracow, aimed to contribute to the on-going discussion on the need and the content of industrial policy in Europe. It was organized in the context of Research Area E1 'Industrial Policy and Development' by Ioanna Kastelli, Laboratory of Industrial and Energy Economics at the National Technical University of Athens and Lukasz Mamica, Department of Economics at the University of Cracow (local organizer).

During the symposium there were two keynote speeches, one panel discussion and 16 paper presentations.

The resurgence of interest to industrial policy especially in Europe in the recent years is to some extent a recognition that the economic crisis is linked to the shortcomings in the real economy. In an integrated economic context characterized by market and trade liberalization, structural and productive asymmetries result to increased inequalities and social and political destabilization. In this context industrial policy regains its legitimacy and calls for non-mainstream considerations.

The two-day symposium opened with two invited keynote speakers:

On Thursday, May 12, Professor Karl Aiginger from the Austrian Institute of Economic Research made a lecture entitled "A new industrial policy for a dynamic, social and ecological Europe". The emphasis of the presentation was on the need for a European strategy that goes beyond fiscal consolidation, encompassing goals for ecological sustainability, social inclusiveness and







reducing unemployment. In this context, the renewed interest for industrial policy should take into account the current low growth of European GDP, the importance of manufacturing for R&D and societal challenges. Professor Aiginger defined the new industrial policy in Europe as a high-road strategy for competitiveness focusing on climbing up the quality ladder through innovation and human capital development and on considering societal goals in industrial strategy.

On Friday May 13, Professor Robert Wade from London School of Economics and Political Science made a lecture entitled "What else has to be got right for industrial policy to be effective?". Professor Wade pointed out the endless industrial policy 'debate' with standard economics remaining hostile to industrial policy, despite the rising demand for industrial policy expertise especially since 2008. Two main highlights from Professor Wade's lecture:

- a. The need to go beyond the standard approach to industrial policy, which means not ignoring macro variables, taking into account demand-income distribution and considering a new role for the state.
- b. The importance of boosting companies' propensity to make productive investments and make income/wealth distribution more equal.

Both keynote speakers stressed the importance of innovation for societal needs and that of green economy.

The panel discussion hosted the views of four distinguished guests on "What lessons can be learned from the economic crisis to implement a European industrial policy?". Participants of the panel were Karl Aiginger, Professor, Director of The Austrian Institute of Economic Research WIFO, Tassos Giannitsis, Emeritus Professor, National Kapodistrian University of Athens, former minister, Jerzy Hausner, Professor, Cracow University of Economics, former minister and Robert Wade, Professor, London School of Economics and Political Science and chair Professor Yannis Caloghirou from the National Technical University of Athens. The discussion focused on the following topics:







- a. What could distinguish the new from the old concept of industrial policy and what should be today the driving forces for European growth and competitiveness?
- b. The role of industrial policy in fostering convergence within Europe and enhancing the productive base of European economies.
- c. How Europe can sustain or redress its position to the global economy using industrial policy?

A vivid exchange of views has centered on the European policy and governance failures, the unsustainability of a common currency based on common macro-economic rules without convergent production bases and the role industrial policy can play to address the impasse. Again the high-road vs low-road strategy to competitiveness has been discussed. Interestingly, although there was a consensus on the importance of innovation and high added value activities for redressing European competitiveness, Jerzy Hausner expressed his view that in the context of the divide between countries of the Eurozone, it is fair for peripheral European countries to choose the low road if it is to cope with macro-imbalances.

The symposium included the following four sessions with presentation of sixteen papers:

New challenges for industrial policy

<u>Constantine</u> Theoretical justifications for industrial policies: an

<u>Collin</u> update.

<u>Yeoryios</u> Industrial policy scope in the knowledge economy:

<u>Stamboulis</u> embeddedness and flight of industry.

<u>Vasiliki</u> Industrial policy and global value chains: evidence

<u>Mavroeidi</u> from the electronics sector in Guangdong.







Industrial policy in different national contexts

Yannis Caloghirou, The need for a new industrial policy to "innovate out

<u>Aggelos Tsakanikas</u> of the crisis": the case of Greece.

Olga Nosova The impact of industrial policy on regional

development in Ukraine.

<u>Piotr Feczko</u> The assumptions of pro-innovative industrial policy

in Poland and China.

<u>Tomasz Geodecki,</u> Product standards and dynamic comparative

<u>Maciej Grodzicki</u> advantages. The case of boiler markets in Poland.

Linking structural and technological issues to industrial development

Iurii Bazhal Terminology is significant: "Re-industrialization"

versus "Innovation development".

Tassos Giannitsis, Linking structural and technological change to

<u>Ioanna Kastelli</u> industrial recovery in Greece.

Rauno Mäekivi, Private sector participation in research,

<u>Erkki Karo, Veiko</u> development and innovation policy: a technology

<u>Lember</u> perspective.

<u>Jonathan Feldman</u> Enablers of green industrial policy.

The role of interactive contexts in industrialisation

<u>Stamboulis</u> The many faces of proximity in innovation: a

Yeoryios, Stathaki literature review.

Chrisi

Ryszard Ćwiertniak Rules of cooperation between science and business

in the area of smart specialization at the regional







level: an attempt of evaluation.

Łukasz Mamica Locally embedded reindustrialization through a

system of students' theses oriented to companies.

<u>Piotr Kopyciński</u> Financial university-industry interactions. Proposals

on industrial policy.