The EAEPE Symposium on “The role of industrial policy in European re-industrialisation”, 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**

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Industrial policy in different national contexts

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The assumptions of pro-innovative industrial policy in Poland and China.

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Product standards and dynamic comparative advantages. The case of boiler markets in Poland.

Linking structural and technological issues to industrial development

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Terminology is significant: "Re-industrialization" versus "Innovation development".

Tassos Giannitsis, Ioanna Kastelli
Linking structural and technological change to industrial recovery in Greece.

Rauno Mäekivi, Erkki Karo, Veiko Lember
Private sector participation in research, development and innovation policy: a technology perspective.

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The many faces of proximity in innovation: a literature review.

Ryszard Ćwiertniak
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level: an attempt of evaluation.

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Locally embedded reindustrialization through a system of students’ theses oriented to companies.

Piotr Kopyciński

Financial university-industry interactions. Proposals on industrial policy.