

## CALL FOR PAPERS

### Special issue on **Industrial Policies for Sustainable Development**

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#### Background and motivation

Due to the unprecedented scope of global socioeconomic changes in the post-Pandemic and post-globalization era, the risks related to and deriving from global challenges with, most recently, the health crisis, spread worldwide and may have adverse domino effects in unpredictable ways. Accumulation of risks on one hand and economic complexity resulting from an interconnected world on the other, rejuvenated discussions about the rationale and necessity of industrial policy, albeit especially advanced economies never ceased implementing selective industrial policies over the years of neoliberal ascendancy (Weiss and Seric, 2020; Cherif and Hasanov, 2019; Kuhlmann and Rip, 2018; Lauridsen, 2018; Wade, 2014; Mazzucato, 2013).

After the 2008 financial crisis and the recent Covid-19 Pandemic, we observe a resurgence of interest for industrial policy, and the relevant debate has become more productive and less ideologically charged. Furthermore, as pointed out in recent literature (Chang and Andreoni, 2020; Oldekop et al., 2020; Gräbner and Hafele, 2020; Lee J-D et al., 2020; Pianta et al., 2020; Andreoni and Chang, 2019; Wade, 2018; Mazzucato, 2018, Lee and Malerba, 2017), designing industrial policy measures that could respond to global challenges and subsequent economic turmoil relates to:

- the development of production structures and embedded learning processes, of collective capabilities and 'capability domains' at the organisational, sectoral or national level,
- the interplay of local creation and diffusion of knowledge and integration in global value chains which is now expected to be more resilient,
- the interplay of industrial and macroeconomic policy and other policies such as innovation, health, competition, and trade,
- the need for risk and conflict management at different levels -as different economic and non-economic crises result in winners and losers-, and for political commitment of various actors to overcome threats and take advantage of opportunities in a long-term perspective.

Global challenges such as climate change and consequent energy issues, and ecologic and health hazards, shape transformations of economic reality that call for further investigation of what should be a new generation of industrial policies. Particularly, since the Paris Agreement adopted in 2015, we observe a shift from the old energy system to a new one and if we compare the situation today with 2019 "...only 25 per cent of the world had a decarbonisation horizon. Today, 75 per cent of the world economy has a decarbonisation

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horizon” (Financial Times, 2021). The pandemic crisis accelerated this trend but at the same time illustrated the huge socioeconomic cost resulting from the failure to build resilience.

In the race to curb climate change and boost environmental protection, industrial policy should announce long-term priorities and performance targets explicitly in line with sustainable development goals. In fact, the issue of sustainable development puts pressure on production patterns and on the relations among different actors involved in production with subsequent impact on established structures. Arising new societal needs require disruption in developed capabilities and skills and in learning trajectories; call for massive and coordinated investment in energy systems, health infrastructure, and production practices; they call for product, process, and organizational innovations; bring about changes in consumption patterns and broader structural transformations related to governance modes, allocation of resources, employment, and competitiveness, with consequences on growth. Furthermore, severe tensions due to redistribution of economic power reshape global politics. Notwithstanding, decoupling economic growth from environmental degradation and health risks opens windows of opportunities for the development of innovative activities addressing changing needs in energy, waste management, and health (Gupta and Lebel, 2020; Landini et al., 2020; Lema et al., 2020; Pinner et al., 2020, United Nations, 2021).

It is important to set measures and mechanisms in concertation with other policies to alleviate the costs of transformation. This could prove beneficial for macro-economic performance, as experience from the recent covid-19 crisis but also from the previous financial crisis – especially in Europe – proved to deepen macroeconomic divergence and structural polarization (Gräbner et al., 2020; Texeira et al., 2014). Moreover, as multi-dimensional transformation relates to a shift in the technoeconomic paradigm across different sectors, and to change in demand patterns and institutions (Foray and Grübler, 1996; Freeman, 1996), there is a relevant challenge in terms of long-run competitiveness concerning advanced and less advanced economies.

The purpose of this special issue of the Review of Evolutionary Political Economy—REPE is to further develop the discussion on a new generation of industrial policies. What should be done amid multilateral agreements and deepening of world integration, to alleviate environmental systemic risks and build resilient industrial systems that deal with uncertainties and create new opportunities? Momentum is particularly critical and relevant for advanced and emerging economies that in a macroeconomic context with near zero interest rates, could shape strategies for environmental and economic sustainability, shifting their production paradigm with investments in infrastructure and new green solutions. Such strategies could accelerate creation of jobs and economic resilience.

We welcome papers dealing with the following issues:

- What are the key policy domains of industrial policies to enable sustainable development, taking into consideration (i) the arising new global order and (ii) the trade-off between deep processes of globalization and national policy space?
- What factors support and accelerate or hamper the shift to a green economy? (for example, controlling raw materials crucial for green technology supply chains,

gaining an edge in technology, provision of capabilities and skills required for sustainable green transition etc.).

- How industrial policy could boost and accelerate the green transition exploiting windows of opportunities in specific sectors?
- How emerging countries could take advantage of green transition as new opportunities occur and reshape advantages among countries based on new important resources and new technologies required in production systems?
- What is the interplay of industrial policy with macroeconomic policies for dealing with transition to a more sustainable and resilient economy?
- How industrial policy can identify, and bridge future societal needs related to health and environmental challenges with technological accumulation, capability building and innovation in emerging technologies and solutions at the local level?
- To what extent and how industrial policy for sustainable development can align with fragmentation of production along GVCs and the emerging need for a more resilient GVC?
- What specific challenges arise for European countries to address environmental challenges reconciling industrial policy with competition and trade policies? How possible is to compete with countries such as China that implement more protectionist policies?
- What could be a viable new mode of industrial policy in the changing global context of 'post-globalization' and new geopolitics involving rising tension among the superpowers.

Country case studies especially in a comparative perspective are particularly encouraged.

#### Important dates

The timeline of this special issue is as follows:

Submission of title and abstracts by May 31<sup>st</sup>, 2021. Abstracts should be sent to the guest editors at the following three email addresses:

iokast@chemeng.ntua.gr; kenneth@snu.ac.kr; mamical@uek.krakow.pl

Submission of full papers by January 10<sup>th</sup>, 2022.

First round of review process by March 31<sup>st</sup>, 2022.

Submission of revised versions by June 30<sup>th</sup>, 2022.

End of revision process by September 30<sup>th</sup>, 2022.

Publication date end of 2022.

All candidate papers for the special issue will pass a double-blind review process through the online submission system of the journal.

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