

Dellheim / Wolf
Industrial Policy vs. Socio-ecological
Transformation?

EuroMemo 2013

Starting point

“The crisis has laid bare the divergent productive structures in the EU. Regional policies have focused on physical infrastructure and training, but no attention has been given to industrial policy, something which the neo-mercantilist core around Germany has no interest in promoting. EU policies have tended to cement the existing European division of labour, and imposing austerity policies on the peripheral countries will exacerbate this yet further.” (*Euromemorandum 2012: 2*)

Complicated Background

This very starting point, however, has a complicated background – relating at once to

- the difficulty of addressing issues concerning material aspects of production within
- macro-economic theory, especially in its neo-classical variants,
- and to the traditional differences of economic policy perspectives between France and Germany which have strongly influenced
- the ways in which issues of industrial policy have been approached within the EU, even before its neo-liberal phase of development –
- Which will have to be overcome – in a new perspective, not trying to go back to Fordism.

Conceptual Issues

It will be helpful to approach this issue

- by looking at the existing conceptual approaches to replying to the question “What is industrial policy?” –
- and by trying to determine an alternative conceptual approach appropriate for contributing to an alternative economic policy in Europe.
- After having discussed both questions, we shall have to discuss two further ones:
- What is important for the EuroMemo in 2013 in this context, and
- which are the short and middle-term tasks this challenge defines for the EuroMemoGroup?

European Commission Inputs

In October 2012 the Commission adopted another communication on industrial policy, an update of the industrial policy flagship initiative – "A Stronger European Industry for Growth and Economic Recovery".

In this Communication the Commission has launched a new partnership between the EU, Member States and industry and has focused its proposals on four pillars:

(1) Investments in innovation, with a focus on six priority areas with great potential (advances manufacturing technologies for clean production; key enabling technologies; bio-based products; sustainable industrial and construction policy and raw materials; clean vehicles and vessels; smart grids);

(2) better market conditions, both in the Internal Market, with special reference to goods, entrepreneurship and Intellectual Property Rights protection, and in international markets;

European Commission Inputs, 2

(3) access to finance and capitals, by a better mobilising and targeting of public resources, including from the EIB, and by unlocking private funds;

(4) human capital and skills, to promote job creation and better anticipation of, and investments in, the skills needed to promote industry's competitiveness.

This partnership has been launched by the Commission, in order to favour a recovery of industrial investments. So it should be the common commitment of all European industrial policy actors to reverse the declining role of industry in Europe from its current level of around 16% of GDP to at least 20% of GDP by 2020.

European Commission Inputs, 3

“This approach focuses on improving framework conditions that reinforce the growth potential of EU industry. It is fully mindful of the need to stimulate competition for an efficient allocation of resources and a dynamic economy. Public intervention should create the right market environment and come up with remedies to market failures.”

Alternatives: Immediate Perspectives

- There are three issues relating to European industrial policy which should be given special prominence in the run-up to the European Council in December:
 - the military dimension of industrial policy,
 - the Connecting Europe Facility linked with the Europe20-Project-Bonds- Initiative, and
 - specific stakeholder activities.
- These three issues are significant for the over-all development of the EU, its global competitiveness and its global role, its approach to financialisation, as well as with regard to the issue of “different speeds” and to that of the EU’s processes of “peripherisation”.

Perspectives for EuroMemo

The paper should have shown that the EuroMemoGroup would be well-advised to do the following:

- formulate its own understanding of industrial policy;
- develop its own approach by analysing and criticising the ruling policy mix in this policy area;
- search for possibilities to act which could be recommended to relevant actors and groups of actors.

Here we may assume that the central idea which could go into a specific understanding of industrial policy adequate for the EuroMemo Group could be the notion of politically organizing and strengthening the various collective actors which are interested and engaged in such a change in the development of industry that will help to develop and to implement sustainable solutions for social, ecological and global problems. Such a “sustainable development” has to be democratic and solidarity-based, improving above all the social conditions and position of the socially and globally weakest.

Perspectives for EuroMemo, 2

These short notes may serve as a first orientation basis for future work of the EuroMemo Group on

- building political platforms concerning industrial policy issues and participating in networking on the EU level – after, finally, industrial policy has become a topic for more alternative actors;
- responding to Green Papers for enlightening people and partners, for becoming visible as a collective alternative thinking network;
- find and connect existing work and initiate further work on alternative conceptions for deconstructing and/or reconstructing the six aforementioned domains;
- find and connect existing work and initiate further work on alternatives and at the same time on work for political platforms based on the commitment for specific democratic, social and ecological standards, as well as for protecting, democratizing and enlarging the public spaces and resources.