
Rethinking industrial policy as a leverage for social progress and for the structural transformation of the society

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Résumé

Nowadays, the on-going debate on national and regional development strategies is undoubtedly characterized by the resurgence of a global academic and policy interest on industrial policies. Despite industrial policy has always been a contentious issue in the academic and policy-making debate, today we are witnessing wide rethinking on the role of industrial policy as many national and sub-national governments are clearly promoting actions targeting their national industries.

However, despite the theoretical foundations of the literature on industrial policy based on both market and government failures, two limits appear to affect the current theoretical debate.

Firstly, while robust analytical frameworks and empirical instruments have been advanced to deal with the industrial performance on the ecological parameters, the ones focusing on social progress do not seem to have yet reached the same level of sophistication and comprehensive coverage.

Secondly, the theoretical foundations of industrial policies are not fully able to capture and explain the variety of "real-world" government intervention models on production dynamics driven by national societal goals, including meta-economic goals (unemployment, deindustrialization, protection of domestic productions, territorial unbalances, social inequalities, environment issues, etc.).

The objective of this paper is to present a new sound theoretical framework to sustain and analyse the role of industrial policy as leverage for the structural transformation of the society and social progress. In particular, this framework draws from the following five stream

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of literature and approaches that have so far been connected only to a limited extent: a) the analysis of industrial policy and structural transformation of the society (Chang and Amsden, 1994; Rodrik, 2004; Di Tommaso and Schweitzer, 2013; Di Tommaso et al., 2013); b) the study of industrial policy as a vision of industrial development (Bianchi and Labory, 2011; Bianchi, 2018); c) the Capability Approach and Sustainable Human Development perspective (UNDP, 1990; Sen, 1999; Biggeri and Ferrannini, 2014; Capriati, 2018); d) the literature on social economics (Pressman, 2006; Dannreuther and Kessler, 2008; Davis and Dolfsma, 2008); e) the political economy perspective (Dahrendorf, 1988 and 2008; Chang, 1996; Saad-Filho, 2011; Tassinari, 2018).

All in all, the integrated connection among these theoretical pillars allows going beyond conceiving industrial policy simply as tool for productive structural change, towards a broader vision of its effects in terms of social progress, cohesion and sustainability.

The paper is structured as follows. After this introduction, the second section provides the main rationales for connecting the literature on industrial policy with the debate on social progress. Then, the third section discusses each of the five theoretical pillars, while the fourth section connects these pillars in an integrated framework to rethink industrial policy as leverage for social progress. The fifth section presents real-world insights by drawing from the long-run experience of the US and China, as well as from the recent advancements arose within the Europe 2020 Strategy for smart, inclusive and sustainable growth and within UN Agenda 2030 for Sustainable Development. Finally, section six concludes by presenting preliminary remarks in terms of policy and future research.

Mots-Clés: Industrial policy, Structural transformation, Government intervention, Social progress, Sustainable industrialization, Political economy