

Contemporary trends in European industrial policy: from global interdependencies to more economic sovereignty and autonomy?

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The objective of EU industrial policy in the 2021-2027 programming cycle (with €1.8 tn funding dedicated to recovery from the coronavirus pandemic and long-term EU priorities) is to better connect European science and technology infrastructure to industrial research and innovation in order to counter offshoring and achieve a stronger territorial embeddedness of European firms. Transcending economic nationalisms, innovation driven re-industrialisation has highlighted the role of an integrated European industrial policy, synthesising horizontal and vertical industrial policy instruments as a strategic priority. The likelihood of a Europe-wide industrial renaissance is conditioned by current trends shaping the new directions of new industrial policy, such as growing economic nationalisms and global competition for innovation, violations of European competition policy, the fragmentation of the European economic landscape along antagonistic competition vs. industrial policy interests, and the protectionist endeavors of supranational industrial circles and lobby groups. The offensive nature of new industrial policy solutions aimed at strengthening the EU's global positions facilitates exemptions from competition policy, revisiting rules on mergers and acquisitions, the policies on selecting “winners”, and joint efforts in favor of a Europeanisation of value chains and addressing the strategic dependencies of the European economy. For the industrial heartland of Europe, striking a balance between the objectives of innovative cohesion and disruptive innovation under the aegis of a pan-European industrial strategy is of crucial significance. The innovation (and more recently, coal) divide as a major barrier to unlocking growth in the European industry is manifest in the spatially variable drivers of competitiveness and strengthening dependency relations between the economic core and “nearshoring” countries. A pan-European industrial strategy conceived in a multi-level governance approach has to be mindful of the harmonisation of industrial policies promoting the catching-up of countries lagging far behind the technological frontier. The objective of the present paper is to discuss contemporary dilemmas brought to the fore by the EU's integrated industrial policy approach against the backdrop of the recent health and humanitarian crises.