



# ***INDUSTRIA 2015***

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# start with a diagnosis on Italy

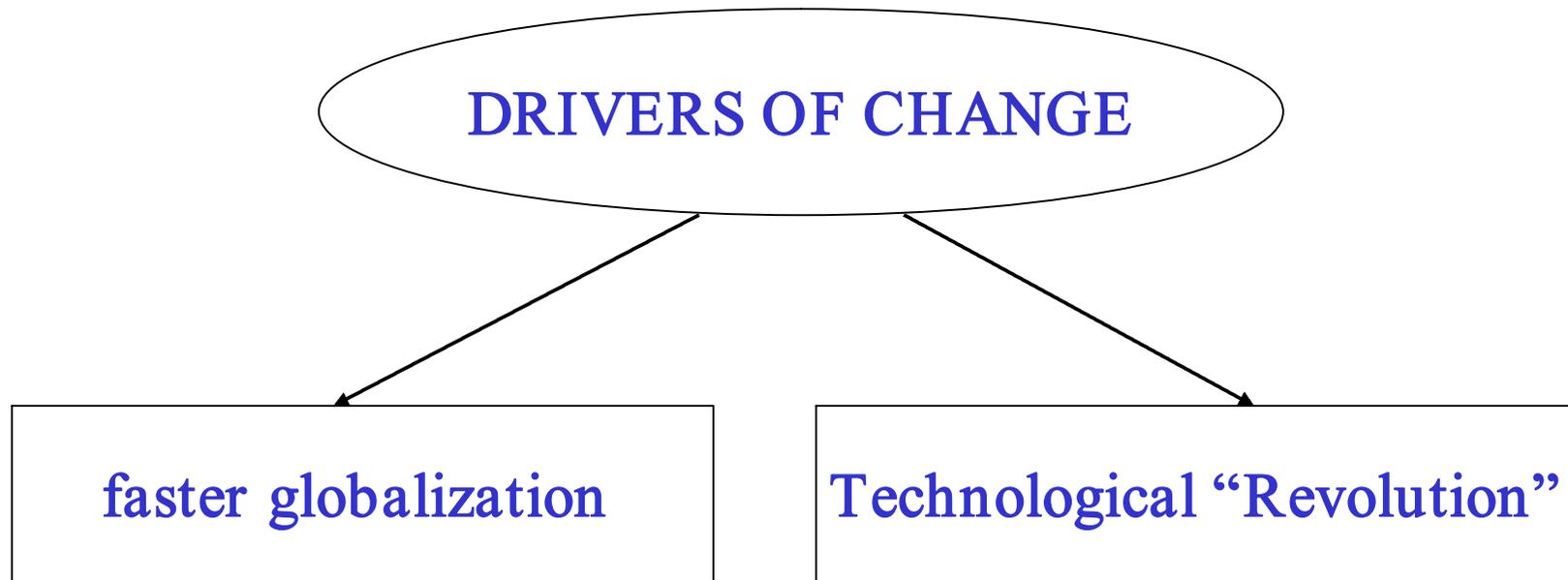
## Since the mid-1990s DEEP TRANSFORMATION OF THE WORLD ECONOMY

### MAIN FEATURES:

- Rapid growth of emerging economies
- development and diffusion of new ICT technologies

# WHAT IS CHANGING:

- Nature of goods
- Production and Distribution Systems
- Size and Localization of markets



## 1) FASTER GLOBALIZATION :

- *changes the international division of labour*
- *new actors emerge in international markets*

### WHAT EFFECTS:

- New equilibria in international trade with lower value-added activities “de-localised” in developing countries
- Industrial countries shift their productions towards higher technology (with lower competition) and services – restructuring -

NEW TECHNOLOGICAL  
PARADIGMS ... AND ...

... NEW  
OPPORTUNITIES

1) New information and  
telecommunications  
technologies



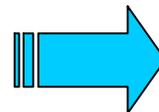
Spread in all productive  
systems

2) Apply the results of  
scientific research in new  
goods and services



Develop abilities  
of transformation –  
also in traditional manf.g

3) Highly dynamic and promising  
sectors of the world economy  
(ex. Biotechnologies  
and Nanotechnologies)



Enhance investments  
in these sectors

# Start from a diagnosis: Limits and perspectives of Italy's production system



# Italian Strategy for enhancement of competitiveness

## INDUSTRIA 2015

- Interventions to improve business environment
- Renewed industrial policy

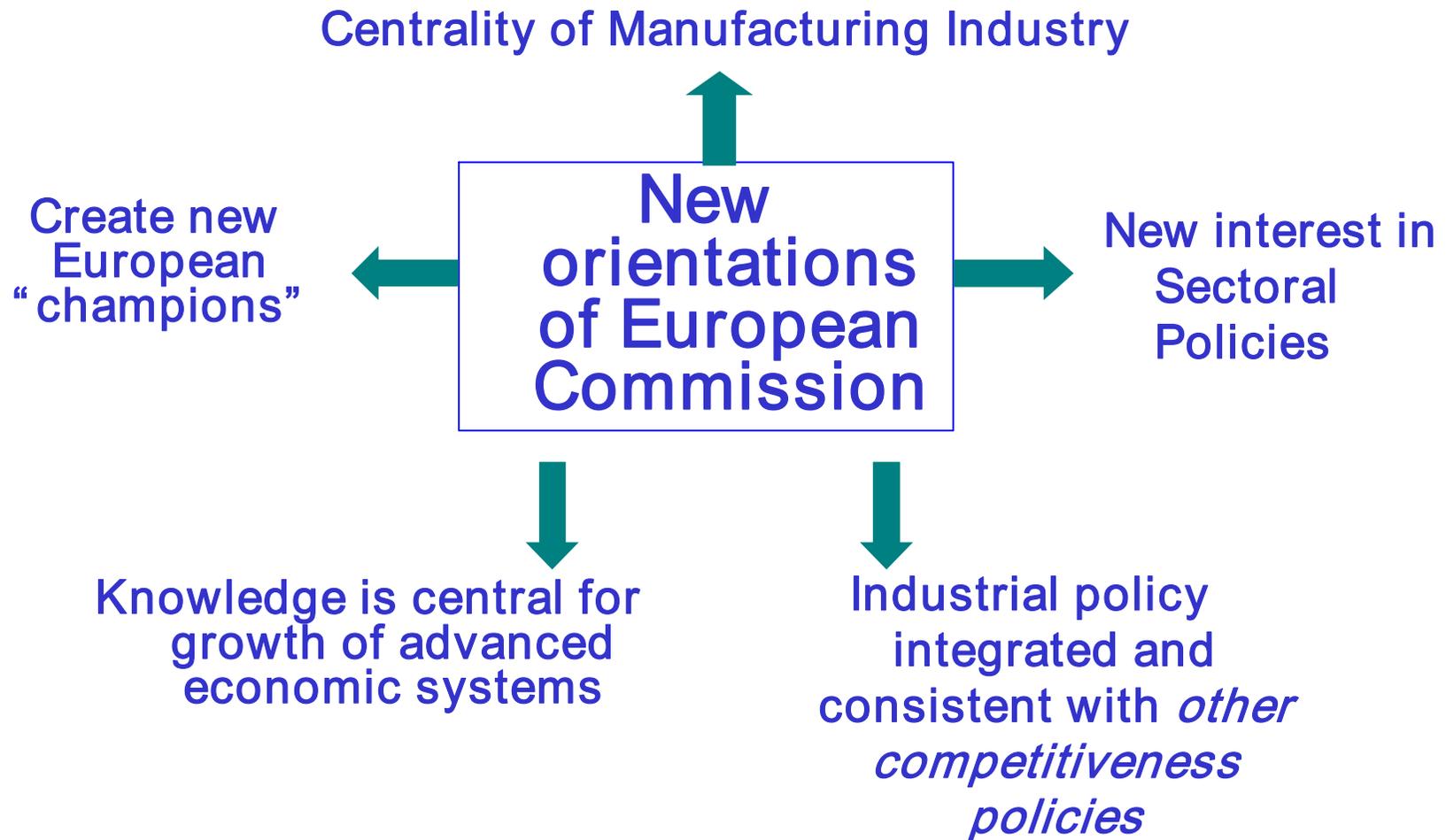
# Central Ideas

- **Medium-long run perspective (2015)**
- **Broad concept of industry to address value chains encompassing manufacturing, advanced services, new technologies**
- **Greater selectivity in targeting resource allocation to specific strategic areas (through the “Industrial Innovation Projects”, IIP)**
- **More synergies among national and local PA, business, Universities, Research, finance (systemic approach).**
- **Horizontal support through subsidies related to research and innovation**

# Evolution of European Community Approach to Industrial Policy



# in Europe renewed emphasis on Industrial Policy



## Similarities with France's Strategy

**Beffa Report** (“*Pour une nouvelle politique industrielle – JL Beffa*”, 15/01/2005) aims to repositioning national economy in the global scenario through:

- Mobilization programs for industrial innovation
- Promotion of public-private partnership for the implementation of the programs
- Public support for R&D
- Create the “Agency for Industrial Innovation” responsible of selection, assessment and monitoring of the industrial innovation programs

# Industria 2015: a Renewed Industrial Policy

## *WHAT TO DO*

- ✿ Exploit the opportunity of increasing growth of private demand of highly innovative goods
- ✿ Improve the capacity of productive system to satisfy emerging needs of an advanced society ('quality' of development)
- ✿ Enhance traditional sectors' competitiveness through synergy between goods and technology producers

# Interventions to improve business environment

- Automatic incentives for research, industrial investments, cost reduction, reduction of gap among regions

together with

- “Tailor made” interventions in selected techno-production areas focused on strategic national objectives (Industrial Innovation Projects)

# How this is financed: a Fund for Competitiveness and Development

- Created with the 2007 Budget Law, that finances both IIP and “horizontal” support to firms.
- Overall financing is €1.02 bn. for 3 years (2008-10), equivalent to about 0.01% of GDP
- expected to generate €2.5 bn. Investments (public subsidy amounts to 30%)
- and €450 mill. per year for three years for horizontal interventions (tax credits: 10% for R&D carried out in-house, 40% for R&D contracted to Universities and R&D Centres).
- should help reach R&D = 1.2% of GDP

# Automatic (horizontal) Interventions

- €450 mill. per year for three years for horizontal interventions in the form of:
- tax credits:
  - 10% for R&D carried out in-house,
  - 40% for R&D contracted to Universities and R&D Centres.

# Renewed industrial policy

## *HOW TO DO*

- ❑ Focusing on 5 strategic technological areas:
  1. Energy efficiency
  2. Sustainable mobility
  3. New technologies for health and life science
  4. New technologies for Made in Italy
  5. New technologies for cultural heritage
  
- ❑ Promote public-private partnership in order to enhance the collaboration between industry and R&D
  
- ❑ Set up large projects of national relevance in each selected technological area

# How Industrial Innovation Projects develop: a blend of....

## *TOP-DOWN Approach*

*when Government identifies strategic lines to affect the country's productive structure and specialization*

## *BOTTOM-UP Approach*

*the market is called to propose, prioritize and implement projects*

**Budget 2007 selects 5 productive/ technology Areas:**

- 1. Energy efficiency**
- 2. Sustainable mobility**
- 3. New technologies for health and life science**
- 4. New technologies for *Made in Italy***
- 5. New technologies for cultural heritage**

## Technological Area

----- (all from private business)

**Appointed Project Managers**

### Build up of the Industrial Innovation Project

- Desk analysis of supply/ demand
- firms
- technologies
- R&D centres
- 
- IPI - ENEA**

- Market consultations
- Call for ideas
- Negotiating groups and meetings

- Consultation with the Regions
- Creation of a Stable organization
- expressions of interest

**Approval of Conference State-Regions**

**IIP**

**Tenders for consortia and groups of firms-organizations**

**Decree of Minister in agreement with MUR, Min. for Public Sector Reform, Min. for Regional Affairs, and other interested Ministers**

**Start of operations**

**Strategic Actions**

**New Laws**

**New (renewed) Infrastructures**

**Actions to improve the context**

# Industrial Innovation Projects

## Main Characteristics:

A) FOCUSING

B) INTEGRATION

## a) Focusing

- ❑ the new modes production aggregate “Clusters of Activities” from industry, services and research;
- ❑ the most promising technologies show a high degree of **pervasivity** over the entire production system;
- ❑ consistency with the guidelines of the European Commission outlined in the VI and VII Framework Programme on research and Technological Development and in the Innovation and Competitiveness Plan

### 5 strategic technological areas

Energy efficiency

Sustainable mobility

New technologies for health and life science

New technologies for Made in Italy

New technologies for cultural heritage

## b) Integration

- ❑ Supply side policies (not only Incentive Schemes)
- ❑ Demand side Policies (not only public procurement)
- ❑ Development of highly specialized factors:
  - Human Resources
  - Infrastructures (ICT, Logistics, Administrative)
  - R&D
  - Capital Markets (VC, PE, guarantee schemes)

# “related” actions

The IIP also fosters some so-called “related” actions (functional to the objectives of the project) e.g.:

- ✓ help realize S&T infrastructures for industrial research and TT
- ✓ help carry out basic research
- ✓ demonstration activities to promote demand
- ✓ development/strengthening of productive chains
- ✓ support to the creation of new high-tech firms through incubators, support to academic spinoffs, etc.
- ✓ Development of highly specialized human capital
- ✓ Sensitization and diffusion
- ✓ Improvements and simplification of the legal and regulatory framework