

POLICY CHALLENGES // KEY TAKEAWAYS

POLICY CHALLENGE 1: FUTURE OF INDUSTRIES

- An EU industrial policy is contested but could help harmonize strategic investments to foster innovation and remove inefficiencies.
- The EU's greatest innovative potential lies in its exceptionally educated workforce. It's human capital still exceeds that of China or the USA.

Do we need a European industrial policy?

Industrial policies in the EU were found to be insufficient to foster innovation and long-term competitiveness of European products.

A European industrial policy could set the frame to integrate national strategies for innovation and investment and thus remove inefficiencies. Others suggested that a healthy degree of competition between member states and their industrial policies would be more effective in achieving innovation, if enough investments are made in key industries.

Concretely, MPs in favor of harmonization suggested naming champion industries at the EU level to channel investments towards particularly promising sectors of the economy.

Education is key.

There was overwhelming agreement that education is key in making sure that Europe maintains its competitive advantage over other global players – the largest supply of highly-skilled labor in the world.

A highly skilled labor force can contribute to highly innovative industries.

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The future requires more cooperation.

Avoid policies that have had little evidence of success in the past.

New ideas also mean that we should allow ourselves to fail.

Technological innovation, especially in the industrial sector, will require more flexibility but, at the same time, governments have to provide security for companies and employees.

Innovation in the industrial sector will only bring prosperity and productivity gains if it is designed to be inclusive.

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Albert Bravo-Biosca is Director of the Innovation Growth Lab (IGL) at Nesta. The IGL is a global collaboration of governments, foundations and researchers that develops and tests new approaches to increase innovation, support high-growth entrepreneurship, and accelerate business growth. IGL aims to make innovation and growth policy more experimental and evidence-based, to improve the design of the programs and institutions that help to make our economies more innovative and entrepreneurial. Albert holds a PhD in Economics from Harvard University, a MSc in Economics from the London School of Economics, and a BA in Economics from Universitat Pompeu Fabra. He is guest professor at the Barcelona Graduate School of Economics. He has also been a visiting economist at the OECD and consultant for the World Bank.

