

## **POLICY FORUM**

on the document

# **“A NEW EUROPEAN INDUSTRIAL STRATEGY” ORIENTED TO THE CITIZENS AND THE TERRITORY FOR A REFORM TOWARDS POST-NEOLIBERAL ECONOMIC POLICIES**

**4th December 2019 – Bruxelles**

Organized by



**Group “Growth, Investment and Territory”**

<http://economia.uniroma2.it/dmd/crescita-investimenti-e-territorio/>

<https://www.linkedin.com/groups/7451330/>

<https://www.facebook.com/crescитайvestmentiterritorio>

and

**Giuseppe Di Vittorio Foundation, Rome  
AISRe – Italian Regional Science Association**

in partnership with



## **EESC**

**European Economic and Social Committee**



## FOREWORD TO THE FORUM

### **“A NEW EUROPEAN INDUSTRIAL STRATEGY” ORIENTED TO THE CITIZENS AND THE TERRITORY FOR A REFORM TOWARDS POST-NEOLIBERAL ECONOMIC POLICIES”**

**4th December 2019, Bruxelles**

Forum in partnership with  
European Economic and Social Committee  
Rue de Trèves 74, Conference Room TRE7701  
Time: 9.00 am – 5.30 pm

The Forum is aimed to promote a deeper reciprocal knowledge and a wider consensus between European high level experts, who have shared the views illustrated in the document published in December 2018 on Academia.edu:

[https://www.academia.edu/38031947/Discussion\\_Group\\_Growth\\_Investment\\_and\\_Territory\\_2018\\_The\\_response\\_to\\_the\\_needs\\_of\\_the\\_citizens\\_and\\_the\\_turnaround\\_in\\_European\\_policies\\_a\\_common\\_cultural\\_and\\_political\\_platform\\_for\\_a\\_radical\\_change\\_in\\_European\\_economic\\_policies\\_December\\_](https://www.academia.edu/38031947/Discussion_Group_Growth_Investment_and_Territory_2018_The_response_to_the_needs_of_the_citizens_and_the_turnaround_in_European_policies_a_common_cultural_and_political_platform_for_a_radical_change_in_European_economic_policies_December_), (more than 1.170 views)

and aim to a major change of the European economic policies.

The Forum is organised by Group “Growth Investment and Territory” together with the AiSRe - Italian Association of Regional Science and the Giuseppe Di Vittorio Foundation and in partnership with the “European Economic and Social Committee”.

About 44 well-known experts are contributing with a short paper (7-14 pages) on the future development of European Economic policies. The Forum will also see the participation the representatives of the European Economic and Social Committee: Luca Jahier (President of the European Economic Social Committee), Stefano Palmieri (President of the EESC’s ECO section), Gonçalo Lobo Xavier (President of the Study Group “Industrial Policy towards 2030”), Mihai Ivaşcu (Vice-President of the Single Market Observatory of the EESC).

This discussion on a **“New European Industrial Strategy”** is especially important in this critical phase of the European Economy, after the elections of the European Parliament and when the European Commission has just been formally elected and before the adoption of his policy program.

The Forum has been anticipated by a Policy Workshop organised at the Office of the European Union in Rome (“Spazio Europa”) on April 17, 2019. The papers presented in this workshop are published in an e-book (preliminary draft, more than 620 views):

[https://www.academia.edu/39199486/Cappellin\\_R.\\_Ciciotti\\_E.\\_and\\_Battaglini\\_E.\\_eds.\\_The\\_guidelines\\_of\\_a\\_New\\_European\\_Industrial\\_Strategy\\_oriented\\_to\\_the\\_citizens\\_and\\_the\\_territory\\_policy\\_proposals\\_for\\_the\\_European\\_economic\\_growth\\_Academia.edu\\_May\\_2019\\_e-book\\_preliminary\\_draft](https://www.academia.edu/39199486/Cappellin_R._Ciciotti_E._and_Battaglini_E._eds._The_guidelines_of_a_New_European_Industrial_Strategy_oriented_to_the_citizens_and_the_territory_policy_proposals_for_the_European_economic_growth_Academia.edu_May_2019_e-book_preliminary_draft)

The policy aims and indications of the Forum have also been illustrated in a recent article:

<https://www.broadband4europe.com/a-new-european-industrial-strategy-20-measures-for-more-investments-more-growth-and-therefore-less-taxes/>

The preliminary draft and the abstracts of the papers by the many experts, who are either participating in person or contributing, to the Forum are available at the link:

[https://www.dropbox.com/sh/8vupe2mrsvj1ift/AACrA0\\_P5k\\_9Udoq4gHBR3u9a?dl=0](https://www.dropbox.com/sh/8vupe2mrsvj1ift/AACrA0_P5k_9Udoq4gHBR3u9a?dl=0)

and will be published in an e-book in Academia.edu, at the QR link indicated above.

The Organizing Committee:

Riccardo Cappellin, Enrico Ciciotti, Gioacchino Garofoli, Maurizio Baravelli, Elena Battaglini, Leonardo Becchetti, Marco Bellandi, Roberto Camagni, Enrico Marelli, Luciano Pilotti, Marcello Signorelli

# “A NEW EUROPEAN INDUSTRIAL STRATEGY”

## ORIENTED TO THE CITIZENS AND THE TERRITORY FOR A REFORM TOWARDS POST- NEOLIBERAL ECONOMIC POLICIES

**4th December 2019 - Bruxelles**

organized by  
Group “Growth, Investment and Territory”  
AISRe – Italian Regional Science Association,  
Giuseppe Di Vittorio Foundation, Rome  
in partnership with

**EESC - European Economic and  
Social Committee**

### 1. New monetary and public budget policies

It is time that policymakers in the European Union change their orthodox neoliberal economic policy assumptions. An expansionary monetary policy with interest rates close to 0 is not effective on the increase of investments. A flat tax policy which subsidize private companies is not effective on investment and it only increases the profits and the bank deposits. The drastic slowdown of the economic growth in Europe requires the relaunching of the internal demand, a decrease of the current surplus, higher growth and inflation rates, a lower unemployment rate and lower spread of the interest rates, through a large European program of greater private and public (both material and immaterial, both European, national and local) investments financed by a new EU budget, by new rules on the national budgets (“Golden rule”), by the QE of ECB, by the EIB and also by large private funds.

### 2. A new industrial and innovation strategy

A new industrial strategy policy oriented to the internal demand rather than to export aims at promoting a reconversion towards new productions, driven by the new needs of citizens and embedded in the territory, in the six fields of: nutrition, housing, mobility, leisure and culture, health and education, environment and energy saving. It will relaunch infrastructures, fixed investments and immaterial investments in human resources, knowledge, creativity, technical design and new labour organization and R&D. A new industrial strategy should be oriented to the citizens and the territory and be adopted: a) with the people as workers active in a territorial production system, b) for the people as consumers and for their needs in a given territory and c) with the citizens, who have a common identity and make collective decisions in a given territory.

### 3. European coordination of new fiscal and financial instruments

The macroeconomic policy instruments are inadequate, as indicated by the wide disparities in the interest rates and in the tax rates and also by the wide disparities in income/wealth distribution and in the labour conditions, which are distorting the investments allocation and the wages and labour conditions in the European Single Market. New policy measures should be adopted in the European Union (as proposed in the USA) for a coordination and a coherent reform of the actual tax system and also the creation of new no bank financial instruments aiming to promote risk capital investments, innovation, economic growth and employment, thus avoiding the actual unfair “beggar my neighbourhood” policies of some European States. Raising employment levels is a crucial policy in some countries, in particular to reduce youth unemployment rates.

### 4. New territorial, urban and environmental policies

The territory is the priority policy framework for the new European industrial strategy as the life of people depends on a well preserved external natural and urban environment. New actors and civic movements have entered the policy arena proposing innovative visions of the community. The large metropolitan areas, the networks of medium and small cities and the rural and peripheral areas, throughout the European territory, indicate the crucial role for the future of the EU of joint actions for promoting projects preserving the natural environment, enhancing the value of “common goods” for the citizens in the various cities and local communities and investing in material and immaterial infrastructures. These new investments will promote modern productions and new qualified employment. In fact, the citizens and their living conditions represents the crucial European “common good” promoting the strengthening of the European Community.

### 5. Institutional changes and multi-level governance

European Integration and coordination require a medium-term collaboration based on the sense of community. Common values, as the three “republican principles” of freedom, equality and cooperation, together with reciprocal trust are key factors of the European common identity. External challenges and common future should induce to common actions. Thus, common norms and fixed financial parameters are not sufficient, but only complementary for European integration and coordination. Institutions and public policy should have a crucial role in orienting the economic and social change and private and public investments. The process of European integration should be based on multilevel governance and a flexible geometry model, where countries could agree new forms of cooperation or could “opting out”, as in the case of Euro area, with respect to new additional programs, aiming to strengthen growth, investment, employment and environmental quality.

### 6. European added value of a new industrial strategy

A new industrial policy, as monetary and fiscal policies, must necessarily be coordinated at European scale, and no country can act independently without determining positive or negative external effects (spillovers) for other countries. A European industrial strategy that promotes economic growth and a better quality of life in the different areas of the European Union certainly represents a “European added value” with respect to the limits of the current European and national economic, monetary and fiscal policies. In particular, a new industrial strategy, that raises GDP growth and improves the quality of life of European citizens, with investments and innovations, with “more and better jobs”, also contributes to improve the social conditions and creating a common identity, thus stimulating common trust and strengthening European institutions.

### Group “Growth, Investment and Territory”



<http://economia.uniroma2.it/dmd/crescita-investimenti-e-territorio/>  
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<https://www.facebook.com/crescitainvestmentiterritorio>  
mail: [cappellin@economia.uniroma2.it](mailto:cappellin@economia.uniroma2.it)

### Documents

[https://www.academia.edu/39199486/Cappellin\\_R. Ciciotti E. and Battaglini E. eds. The guidelines of a New European Industrial Strategy oriented to the citizens and the territory policy proposals for the European economic growth Academia.edu May 2019 e-book preliminary draft](https://www.academia.edu/39199486/Cappellin_R._Ciciotti_E._and_Battaglini_E._eds._The_guidelines_of_a_New_European_Industrial_Strategy_oriented_to_the_citizens_and_the_territory_policy_proposals_for_the_European_economic_growth_Academia.edu_May_2019_e-book_preliminary_draft)  
[https://www.academia.edu/38031947/Discussion\\_Group\\_Growth\\_Investment\\_and\\_Territory\\_2018\\_The\\_response\\_to\\_the\\_needs\\_of\\_the\\_citizens\\_and\\_the\\_tur\\_naround\\_in\\_European\\_policies\\_a\\_common\\_cultural\\_and\\_political\\_platform\\_for\\_a\\_radical\\_change\\_in\\_European\\_economic\\_policies\\_December](https://www.academia.edu/38031947/Discussion_Group_Growth_Investment_and_Territory_2018_The_response_to_the_needs_of_the_citizens_and_the_tur_naround_in_European_policies_a_common_cultural_and_political_platform_for_a_radical_change_in_European_economic_policies_December)

### Participants

High level European economic experts from  
Universities, Think-Tanks, Foundations,  
Economic and Social Actors

## **KEY POLICY ISSUES**

### **1. New monetary and public budget policies**

It is time that policymakers in the European Union change their orthodox neoliberal economic policy assumptions. An expansionary monetary policy with interest rates close to 0 is not effective on the increase of investments. A flat tax policy which subsidize private companies is not effective on investment and it only increases the profits and the bank deposits. The drastic slowdown of the economic growth in Europe requires the relaunching of the internal demand, a decrease of the current surplus, higher growth and inflation rates, a lower unemployment rate and lower spread of the interest rates, through a large European program of greater private and public (both material and immaterial, both European, national and local) investments financed by a new EU budget, by new rules on the national budgets (“Golden rule”), by the QE of ECB, by the EIB and also by large private funds.

### **2. A new industrial and innovation strategy**

A new industrial strategy policy oriented to the internal demand rather than to export aims at promoting a reconversion towards new productions, driven by the new needs of citizens and embedded in the territory, in the six fields of: nutrition, housing, mobility, leisure and culture, health and education, environment and energy saving. It will relaunch infrastructures, fixed investments and immaterial investments in human resources, knowledge, creativity, technical design and new labour organization and R&D. A new industrial strategy should be oriented to the citizens and the territory and be adopted: a) with the people as workers active in a territorial production system, b) for the people as consumers and for their needs in a given territory and c) with the citizens, who have a common identity and make collective decisions in a given territory.

### **3. European coordination of new fiscal and financial instruments**

The macroeconomic policy instruments are inadequate, as indicated by the wide disparities in the interest rates and in the tax rates and also by the wide disparities in income/wealth distribution and in the labour conditions, which are distorting the investments allocation and the wages and labour conditions in the European Single Market. New policy measures should be adopted in the European Union (as proposed in the USA) for a coordination and a coherent reform of the actual tax system and also the creation of new no bank financial instruments aiming to promote risk capital investments, innovation, economic growth and employment, thus avoiding the actual unfair “beggar my neighbourhood” policies of some European States. Raising employment levels is a crucial policy in some countries, in particular to reduce youth unemployment rates.

#### **4. New territorial, urban and environmental policies**

The territory is the priority policy framework for the new European industrial strategy as the life of people depends on a well preserved external natural and urban environment. New actors and civic movements have entered the policy arena proposing innovative visions of the community. The large metropolitan areas, the networks of medium and small cities and the rural and peripheral areas, throughout the European territory, indicate the crucial role for the future of the EU of joint actions for promoting projects preserving the natural environment, enhancing the value of "common goods" for the citizens in the various cities and local communities and investing in material and immaterial infrastructures. These new investments will promote modern productions and new qualified employment. In fact, the citizens and their living conditions represents the crucial European "common good" promoting the strengthening of the European Community.

#### **5. Institutional changes and multi-level governance**

European Integration and coordination require a medium-term collaboration based on the sense of community. Common values, as the three "republican principles" of freedom, equality and cooperation, together with reciprocal trust are key factors of the European common identity. External challenges and common future should induce to common actions. Thus, common norms and fixed financial parameters are not sufficient, but only complementary for European integration and coordination. Institutions and public policy should have a crucial role in orienting the economic and social change and private and public investments. The process of European integration should be based on multilevel governance and a flexible geometry model, where countries could agree new forms of cooperation or could "opting out", as in the case of Euro area, with respect to new additional programs, aiming to strengthen growth, investment, employment and environmental quality.

#### **6. European added value of a new industrial strategy**

A new industrial policy, as monetary and fiscal policies, must necessarily be coordinated at European scale, and no country can act independently without determining positive or negative external effects (spillovers) for other countries. A European industrial strategy that promotes economic growth and a better quality of life in the different areas of the European Union certainly represents a "European added value" with respect to the limits of the current European and national economic, monetary and fiscal policies. In particular, a new industrial strategy, that raises GDP growth and improves the quality of life of European citizens, with investments and innovations, with "more and better jobs", also contributes to improve the social conditions and creating a common identity, thus stimulating common trust and strengthening European institutions.

**Forum on**  
**“A NEW EUROPEAN INDUSTRIAL STRATEGY”**  
**ORIENTED TO THE CITIZENS AND THE TERRITORY**  
**FOR A REFORM TOWARDS POST-NEOLIBERAL ECONOMIC POLICIES”**

**4th December 2019, Bruxelles**  
organized in partnership with  
European Economic and Social Committee  
Rue de Trèves 74, Conference Room TRE7701

**Preliminary draft of the final document on**  
**POLICY AIMS AND PROPOSALS**  
(29<sup>th</sup> November 2019)

1. **The disparities between countries, regions, companies and people** in the European Union have increased due to the macroeconomic low growth, asymmetric shocks, the inadequate adopted economic policies and should be decreased through a New European Industrial Strategy, which promotes **a greater growth of all territories and of modern high quality productions and improves the quality of life of each citizen.**
2. The causes of the current crisis are in **the insufficient domestic demand** (consumption and investments, private and public) and in the **excessive surplus of the Euro area current balance.**
3. **The ratio debt/GDP** should be decreased **by increasing the GDP**, which is stagnating in all Europe, and to this purpose public investment should be excluded from the deficit calculation (“**golden rule**”). Moreover, the **trillions of private debt** existing in Europe and of the **financial assets with negative return** indicate that there is ample scope for **financing innovative and profitable private real investments**, through various specialized financial institutions, such as among others the **European Bank of Investments** and the various national Development Banks.
4. A new "European Industrial Strategy" should promote **a large program of private and public investment** at the European scale aiming to increase the European internal demand (**by approximately 500 billion every year**, and to decrease **the surplus of the EU current external balance** or the difference between internal production and internal demand).
5. The European Union must use not only monetary policy or public budget policy, but also **a third instrument of economic policy, which is a "New European Industrial Strategy"**, aimed to orient the investments of private companies, also through public investments, **towards new strategic productions.** Moreover, European governments together should **adopt appropriate fiscal policies** to contrast the widespread and profound **financialization of the economy**, that leads to a price increase of the financial assets while weakening the growth of the real investments.
6. A New European Industrial Strategy **should aim to more innovation**, not only technological and in scientific research, but also **organizational and institutional innovation**, in the companies, in the society and in the institutions, supporting integration and

also digital networking between multiple platforms. A new industrial strategy should not only **expand the supply capacity** of companies by reducing costs and increasing productivity, **but it should also stimulate the consumer demand for new products and services**, that create new markets and can **drive the investment effort by the companies**, diversifying the European and national production systems.

7. A New European Industrial Strategy **should aim to a better environmental quality and a better quality life of the citizens** in the territory and especially in the urban areas, also as a tool for the creation of new productions and occupations. The quality of life of the European citizens represents the crucial **European “common good”**.

8. The European Union should **launch 6 or more strategic investment programs** in the following **new productions**, which determine the **citizen’s living conditions**:

- a) food;
- b) housing;
- c) mobility and logistics;
- d) culture, leisure and media;
- e) health, social assistance and education;
- f) environment, energy saving and spatial planning.

A new European Industrial Strategy should promote a **decisive process of transformation of traditional specializations** through a great investment effort by companies, finance, public administration and households. As in the post-war reconstruction and in the “economic miracle” of the 1960s, the European economy needs a **“big push” to get out of a “middle income trap” and to create the “bases” in terms of infrastructure, qualified services, and a workforce with high skills for a new phase of “industrialization”** and for transforming the European economy into a modern knowledge society.

9. **The territory, the urban areas and the cities networks** are the priority political and **geographical framework** for the New European Industrial Strategy, since the quality of the people's life depends **on a well-preserved natural environment and on liveable cities**, with a greater availability of affordable housing.

10. A new European Industrial Strategy, that responds to the new needs by European citizens and that **raises GDP growth**, promotes **interregional cohesion**, decreases **income disparities** and improves the **quality of life** of European citizens, through investments and innovations, will contribute to creating a **European common identity**, will stimulate **reciprocal trust** and **solidarity** and it will **strengthen the European institutions** and certainly represent a “European added value”.

Forum organised by



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**AISRe – Italian Regional Science Association**  
**Giuseppe Di Vittorio Foundation, Rome**

Program and papers available on Academia.edu:

[https://www.academia.edu/40471103/ A New European Industrial Strategy oriented to the citizens and the territory for a reform towards postneoliberal economic policies 4th December 2019 Forum in partnership with the EESC Bruxelles organised by Group Growth Investments and Territory preliminary program](https://www.academia.edu/40471103/A_New_European_Industrial_Strategy_oriented_to_the_citizens_and_the_territory_for_a_reform_towards_postneoliberal_economic_policies_4th_December_2019_Forum_in_partnership_with_the_EESC_Bruxelles_organised_by_Group_Growth_Investments_and_Territory_preliminary_program)

**Preliminary Program of the Forum on  
A NEW EUROPEAN INDUSTRIAL STRATEGY  
December 4, 2019 <sup>1</sup>**

European Economic and Social Committee  
Rue de Trèves 74, Conference Room TRE7701

**Morning**

**9.00 – 11.00**

Chairmen: Enrico Ciciotti and Riccardo Cappellin.

Welcome address

**Stefano Palmieri, President of the ECO section of the EESC**  
The priorities of the ECO section of the EESC for the next term

Enrico Marelli  
University of Brescia  
How to reach a sustainable growth in a reformed EU  
enrico.marelli@unibs.it,

Marcello Signorelli  
University of Perugia  
Public investments, growth, debt sustainability and the future of Eurozone  
marcello.signorelli@unipg.it,

Riccardo Cappellin  
University of Rome "Tor Vergata"  
A new European industrial policy oriented towards the citizens and the territory for a stronger  
common identity in Europe  
cappellin@economia.uniroma2.it,

Vincenzo Colla  
CGIL Vice Secretary General, Roma  
Innovation and industrial policies in Europe. The CGIL position.  
segreteria.colla@cgil.it,

**11.00 – 13.00**

Chairmen: Enrico Ciciotti and Riccardo Cappellin

Welcome address

Gonçalo Lobo Xavier, Member of the EESC  
President of the Study Group "Industrial Policy towards 2030"  
and National Delegate of Horizon 2020 on Innovation  
A Comprehensive approach to industrial policy

Welcome address

Bert Kuby, Head of Unit of the ECON secretariat  
in the European Committee of the Regions  
The role of the territory and local institutions in the European industrial strategy

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<sup>1</sup> **IMPORTANT NOTE FOR THE SPEAKERS:**  
the forum will start at 9.00. Each speech should not be more than 10'



Welcome address  
Patrizia Toia  
Member of the European Parliament  
The role of the European Parliament for the new industrial and innovation strategy

Uwe Cantner  
University of Jena  
Innovation policy concepts under conditions of radical change  
uwe.cantner@uni-jena.de,

Dimitri Corpakis  
Former European Commission official  
Unlocking the potential of Smart Specialization: towards a new European industrial strategy (with Richard Tuffs and Jan Larosse, Group Friends of Smart Specialisation)  
d.corpakis@gmail.com,

Nickos Pantalos  
DG GROW, Senior Expert, "Innovation Policy and Investment for Growth"  
A new industrial and innovation strategy

Martin Myant  
University of the West of Scotland  
Achieving upward convergence of EU members States with a new industrial strategy  
MMyant@etui.org,

Beata Farkas  
University of Szeged (HU)  
Contribution of an institutional approach to the European industrial strategy  
bfarkas@eco.u-szeged.hu,

### **Afternoon**

**14.00 – 16.30**

Chairmen: Gioacchino Garofoli and Enrico Marelli

Welcome address  
Mihai Ivaşcu, EESC Member  
Vice-President of the Single Market Observatory of the EESC and  
Executive Director of the Chamber of Commerce and Industry of Romania  
Use-value is back: prospects and challenges for European products and services

Enrico Ciciotti  
Catholic University, Piacenza  
A new territorial-industrial policy oriented to the needs of citizens  
enrico.ciciotti@unicatt.it;

Gioacchino Garofoli  
University of Insubria, Varese  
European Policies from Italian Post-War Development  
ggarofoli@gmail.com;

Luciano Pilotti  
University of Milan  
Industrial policy in UE and growth perspectives  
luciano.pilotti@unimi.it,

Elena Battaglini  
Di Vittorio Foundation, Rome  
Industrial Policies in Europe. Social Generativity as a new perspective?  
e.battaglini@fdv.cgil.it;

Dubravka Jurlina Alibegovic  
Economics Institute Zagreb  
Smart city methodology for improvement of governance in Croatian large cities  
djurlina@eizg.hr,

Gabi Dei Ottati,  
University of Florence  
The local governance as example for the european multi-level governance  
gabi.dei@unifi.it

Lorena Ionita  
DG GROW, Deputy Head of Unit, Unit "Innovation Policy and Investment for Growth"  
European added value of a new industrial strategy

Nicos Komninos  
University of Thessaloniki  
Digital transformation of European cities: the priority of vertical markets and platform-based ecosystems  
kominos@urenio.org,

Carles Manera and Ferran Navinés  
University of Balearic islands, Economic and Social Council of Balearic Islands  
Regional economic prospect of a tourism economy confronted with the great global challenges for Horizon 2030  
carles.manera@uib.es, fnavines@gmail.com,

**16.30 – 17.30**

Chairmen: Riccardo Cappellin, Enrico Ciciotti and Gioacchino Garofoli

**Conclusions of the Forum**

**Luca Jahier, President of the European Economic Social Committee**  
Industrial Policy and Sustainable Development Goals

**General Discussion**

**and steps forwards toward a "New European Industrial Strategy"**

## CONTRIBUTIONS

### by experts who could not be present at the Forum

to be included in the final publication at the link:

[https://www.dropbox.com/sh/8vupe2mrvj1ift/AACrA0\\_P5k\\_9Udoq4gHBR3u9a?dl=0](https://www.dropbox.com/sh/8vupe2mrvj1ift/AACrA0_P5k_9Udoq4gHBR3u9a?dl=0)

Bernadette Andreosso  
University of Limerick (IRL)  
Growth revival in Ireland - the role of the IFSC  
Bernadette.Andreosso@ul.ie,

Maurizio Baravelli  
University of Rome "Sapienza"  
An European finance for innovation and growth  
maurizio.baravelli@uniroma1.it,

William Bartlett  
The London School of Economics and Political Science  
Cooperative enterprises as an instrument of local economic development  
will.bartlett2@gmail.com,

Leonardo Becchetti  
University of Rome "Tor Vergata"  
Civil economy: definition and policies for sustainable well-living  
becchetti@economia.uniroma2.it,

Marco Bellandi  
University of Florence  
A place-based view on Industry 4.0 in local productive systems (with Lisa De Propris and Erica Santini)  
marco.bellandi@unifi.it,

Sebastien Bourdin  
Ecole de Management de Normandie  
The circular economy, a lever for industrial competitiveness in Europe (together with André Torre, andre.torre@wanadoo.fr, MSH Paris-Saclay)  
sbourdin@em-normandie.fr,

Roberto Camagni  
Polytechnic of Milan  
Increasing spatial inequalities, growing land rents and integrated housing policies  
roberto.camagni@polimi.it,

Manas K. Chatterji  
University of Binghamton (US)  
Brexit and its Economic impact to EU and other countries  
mchatter@binghamton.edu,

Gabriel Colletis  
University of Toulouse  
Industrial policies for a sustainable development perspective  
gabriel.colletis@ut-capitole.fr

Phil Cooke  
Mohn Center of Innovation Studies (Norway)  
Civic universities: bridging the gap between research and innovation and citizens in cities and regions  
CookePN@cardiff.ac.uk,

Claude Courlet  
Alpes Grenoble University  
The territorial issue after liberalism  
courlet@aol.com

Wolfram Elsner  
University of Bremen  
Comment on a New European Industrial Strategy  
welsner@uni-bremen.de

John Goddard  
University of Newcastle  
Civic universities: bridging the gap between research and innovation and citizens in cities and regions  
john.goddard@newcastle.ac.uk,

Stuart Holland  
University of Coimbra  
Beyond Brexit: the return of a Gaullist Europe?  
sholland@fe.uc.pt

Jan Larosse  
Friends of Smart Specialisation, FoSS  
Unlocking the potential of Smart Specialization: towards a new European industrial strategy (with Dimitri Korpakis and Richard Tuffs, Group Friends of Smart Specialisation)  
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Charlie Karlsson  
Jönköping University (SE)  
Industrial policy in the modern world  
Charlie.Karlsson@ju.se,

Bart Nooteboom  
Tilburg University  
Identity in the EU  
bart.nooteboom@gmail.com,

Christos Pitelis, David Bailey, Philip R Tomlinson  
Queens' College, Cambridge, Birmingham Business School, University of Bath  
A 'place based' industrial strategy for sustainable competitiveness  
christos.pitelis@brunel.ac.uk,

Franz Tödtling  
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Industrial policy and urban strategies for inclusive growth (with Vittorio Galletto)  
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Unlocking the potential of Smart Specialization: towards a new European industrial strategy (with Dimitri Corpakis and Jan Larosse, Group Friends of Smart Specialisation)  
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Development industrial policies: a possible solution for EU economic problems

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### NOTE

The program and the papers of the Forum are available at the link:

[https://www.dropbox.com/sh/8vupe2mrsvj1ift/AACrA0\\_P5k\\_9Udoq4gHBR3u9a?dl=0](https://www.dropbox.com/sh/8vupe2mrsvj1ift/AACrA0_P5k_9Udoq4gHBR3u9a?dl=0)

**and on Academia.edu:**

[https://www.academia.edu/40471103/ A New European Industrial Strategy oriented to the citizens and the territory for a reform towards postneoliberal economic policies 4th December 2019 Forum in partnership with the EESC Bruxelles organised by Group Growth Investments and Territory preliminary program](https://www.academia.edu/40471103/A_New_European_Industrial_Strategy_oriented_to_the_citizens_and_the_territory_for_a_reform_towards_postneoliberal_economic_policies_4th_December_2019_Forum_in_partnership_with_the_EESC_Bruxelles_organised_by_Group_Growth_Investments_and_Territory_preliminary_program)



## **Coordinators committee**

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## **Group “Growth, Investments and Territory”**



<http://economia.uniroma2.it/dmd/crescita-investimenti-e-territorio/>

## **Documents to be discussed**

[https://www.academia.edu/38031947/Discussion\\_Group\\_Growth\\_Investment\\_and\\_Territory\\_2018\\_The\\_response\\_to\\_the\\_needs\\_of\\_the\\_citizens\\_and\\_the\\_turnaround\\_in\\_European\\_policies\\_a\\_common\\_cultural\\_and\\_political\\_platform\\_for\\_a\\_radical\\_change\\_in\\_European\\_economic\\_policies\\_December](https://www.academia.edu/38031947/Discussion_Group_Growth_Investment_and_Territory_2018_The_response_to_the_needs_of_the_citizens_and_the_turnaround_in_European_policies_a_common_cultural_and_political_platform_for_a_radical_change_in_European_economic_policies_December)  
(more than 1.170 views)

[https://www.academia.edu/39199486/Cappellin\\_R.\\_Ciciotti\\_E.\\_and\\_Battaglini\\_E.\\_eds.\\_The\\_guidelines\\_of\\_a\\_New\\_European\\_Industrial\\_Strategy\\_oriented\\_to\\_the\\_citizens\\_and\\_the\\_territory\\_policy\\_proposals\\_for\\_the\\_European\\_economic\\_growth\\_Academia.edu\\_May\\_2019\\_e-book\\_preliminary\\_draft](https://www.academia.edu/39199486/Cappellin_R._Ciciotti_E._and_Battaglini_E._eds._The_guidelines_of_a_New_European_Industrial_Strategy_oriented_to_the_citizens_and_the_territory_policy_proposals_for_the_European_economic_growth_Academia.edu_May_2019_e-book_preliminary_draft)  
(more than 620 views)

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draft: 29 November 2019

# A new European industrial strategy: 20 measures for more investments, more growth and therefore less taxes

Policy November 13, 2019

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The work done in recent years in economic research and the intense debate on the one hand on the new objectives of companies and on the other hand on the political objectives of the European institutions in the near future indicate that an economic policy is necessary in Italy and in Europe very different from the neoliberal and centralist policy, based solely on restrictive rules of public budgets, which cut collective investments and services, and on monetary expansion, which feeds the speculative bubble of financial markets.

We need a new economic policy, which we call a “New European Industrial Strategy”, oriented at the citizens and the territory, which raises the economic growth in Europe, which has been too low also due to the collapse of the private and public investments.

## New European Industrial Strategy

The new European economic policy will bring European institutions closer to European citizens if it will be able to meet their needs for a better quality of life in cities, the need to preserve the natural environment and the urgent need to reduce social inequalities and to a greater fiscal pressure on higher incomes, which often evade taxes.

The “New Industrial Strategy” must integrate budget policy and monetary policy, which are the typical policies of the traditional neoliberal and centralist approach, which is criticized by both the new left and the new right, both in Europe and in the United States.

Monetary and fiscal policies are in fact ineffective in the short term or incapable to promote an immediate economic recovery, which requires instead to promote mutual trust, the certainty of medium-term prospects and therefore shared investment projects of different private and public actors, through the instruments of industrial, regional, labour, financial and fiscal policy, in the perspective of integrated territorial eco-systems.

Therefore, the “New Industrial Strategy” places at the centre of the political debate: a) the objective of sustainable and inclusive development from the economic and social and environmental point of view, b) the reduction of income and wealth disparities, c) the active participation of citizens and the decentralization of political decisions and d) the radical transformation of the production system in Italy and Europe through the diversification towards new industrial and tertiary productions, which enhance knowledge, professional skills and meet the needs of citizens in the territory where they live with their traditions, vocations and cultures.

## 20 economic policy actions

The “New European Industrial Strategy”, [which the Group: “Growth, Investments and Territory”](#) (an independent and open think-tank and cultural-political movement) proposes ([Click here to join the LinkedIn group](#)), indicates as priorities the following 20 economic policy actions:

1. promote higher GDP growth rates and the decrease of the gap between Europe and the other large global regions, by stimulating the internal demand (private and public consumption and investment) and labour incomes, thus reducing the excessive European external current surplus,
2. avoid excessive fiscal austerity in government budget, reduce fiscal pressure especially on labour and low incomes (including lower VAT rates on selected “merit” goods) and switch public expenditure composition to support investments and decrease current expenditure,
3. promote a “New Deal for Europe” and launch an European investment plan, aimed at improving social infrastructures, the extraordinary maintenance of the environment and the territory and for the creation of new productions through regional and sectoral development projects, and to finance this European investment plan through European Investment Bank bonds to be serviced by the revenues of national governments, which will increase with a recovery of investment, employment and GDP. Therefore, according to the “golden rule” principle, these investments should be excluded from the stability pact’s indicators to show the role of the European solidarity and to represent an important step towards the construction of the common European identity,
4. invert the continuous decrease of private and public capital expenditure and promote innovation, the labour productivity within the companies and also in the public administration and stimulate new opportunities for a diversification into innovative productions and the creation of new jobs,
5. increase individual and collective consumption, investment in education, research, culture and public health,



6. increase affordable and social housing, investments in efficient regional transport networks and improve the quality of life in cities,
7. decrease the excessive inequality in income and wealth distribution and education access between the top 1% – 10% segment and the large portion of the citizens and fight the huge poverty and social exclusion,
8. lead the companies to adopt a broader sense of purpose against short-termism, considering both social and environmental outcomes and not only the financial outcomes and profits. Therefore, companies should be committed to take concrete actions, which meet the needs of all stakeholders: customers, employees, suppliers, local communities, not just the shareholders. The EU should strengthen the actual European leadership in the share of the companies adopting Environmental and Social Governance (ESG by enlarging the concept of CSR) and promote the investment of companies in their respective local and regional communities,
9. reorient the financial industry and large corporations to use corporate profits in capital spending rather in share buyback and dividend distribution and limit short term financial transactions, thus discourage the patrimony accumulations (shareholder value) and encourage the production, the real material and immaterial investments, the distribution of revenues and stimulate a more efficient allocation of environmental, energetic, labour and knowledge resources with the actors external to the companies. This would be beneficial over the long term for the companies themselves and also for value creation and the stock markets,
10. support innovative tangible and intangible investments of private companies, also reducing taxes on these investments and creating innovation networks with other companies, developing “integrated platforms” that stimulate horizontal or intersectoral synergies, instead of just vertical ones, as in traditional production supply chains,
11. limit the excessive fiscal competition between the EU countries and promote the harmonization of the fiscal regulations on corporate incomes and the decrease of loopholes in the corporate tax code and the profit manipulation towards offshore low tax jurisdictions,
12. promote competition, break up too large companies (e.g. Google, Amazon, Facebook, Tencent) and limit monopolies and rents in digital markets with hard antitrust regulations in the interest of the consumers,
13. increase business confidence, enhance the collaboration with the consumers and savers or investors and the other local and regional stakeholders, in order to decrease the economic uncertainty, promote joint development projects in selected distressed areas and in new industrial and service productions based on knowledge and multi-functional and multi-sectoral competencies,
14. promote the innovation in top tech companies (“unicorns”) and in large companies, but also in the small and medium size companies and in services in order to diversify their traditional productions and improve their performance and networking with other companies at the local and the European scale,
15. promote the education and skills, hiring and retaining of qualified workers, raise wages (also by adopting a minimum wage), create attractive job opportunities and decrease the emigration of young people, reduce working hours and insure more free time to workers according to their age and gender and to specific needs and increase the time devoted by workers to collaborative creative work aimed at innovation in partnership with schools and universities at the local and national scale,
16. create a liveable urban environment in congested or distressed areas, by promoting investments through urban/territorial integrated projects in the following new productions, which jointly determine the citizen’s living conditions: a) food; b) housing; c) mobility and logistics; d) culture, leisure and media; e) health, social

assistance and education; f) environment, energy saving and spatial planning, which lead to a diversification of the national and local production system towards related innovative industrial activities and also allow to promote the energetic and waste recycle.

17. improve the well-being of the European citizens, promote environmental quality and energy saving and prevent the damages of “natural” catastrophes (earthquakes and great floods), through integrated programs within the territory and not only through measures in individual industrial sectors for reducing carbon emissions.
18. in an organizational and normative perspective, there is the need to, first of all, concentrate the policy interventions in selected specific urban and quasi-urban and rural problem areas in the European territory. Secondly, in order to foster a higher economic growth of the EU by promoting, both at the European and national scale, there is the need to identify and enhance new strategic and innovative productions, which should be highly integrated among them within the specific regions and local areas of intervention and respond to the needs of the citizens of these areas. Thirdly, it is necessary to differentiate the investment strategies and the policy instruments which are most suitable in order to promote, from one hand, the creation and growth of new high tech companies (“unicorn”), the horizontal diversification and internationalization of the large companies which are strategic national champions, from the other, a greater vertical integration of the dynamic medium size and small industrial and service companies and, finally, the restructuring of the many problematic companies and their respective local areas.
19. promote international cooperation between the European Union and the United States and other major world economies, negotiating and reducing economic, environmental, energy and geopolitical conflicts and realigning trade policies and promoting international regulations that counter property theft intellectual and forced technology transfers,
20. strengthen the European culture, values, thrust, reciprocity and the European common identity and institutions, also by promoting an higher GDP growth and a greater interregional cohesion in the European Union, reducing income disparities, aiming at a better wellbeing for the European citizens and a more sustainable environment.

## More democratic and participatory European policy

In conclusion, the crisis of the National States, both too small in globalization and distant from the problems and daily needs of citizens in Europe, is not resolved with the “sovereignism”, but through a [new, more democratic and participatory European policy, which contrasts the distrust of the citizens towards the State and the European Union.](#)

European economic policy must promote autonomy and federalism, also with cross-border networks, within an institutional architecture of the European Union defined on a triple territorial, national and continental level. The European identity must not be based only on the consensus on the importance of the four freedoms of movement of: goods, capital services and people, but also on the common awareness of the importance of promoting interactive processes of innovation and the creation of new knowledge and new models of collective and sustainable consumption by citizens. Thirdly, European identity must be based on the common will to promote the exercise of active citizenship

and the process of informed participation in the deliberative process of citizens, forcing individual States to greater political and administrative decentralization.

Therefore, the economic policy of the European Union must exploit, through appropriate regulations, public-private entrepreneurial initiatives organized from below and the participation of citizens and their associations in the design of services and infrastructures, which generate new jobs and modern productions capable of responding to the needs of citizens.

In summary, the “New Industrial Strategy” aimed at citizens and the territory proposes a new economic policy agenda to the Governments, the world of politics and the world of work and business, which aims to promote investment and innovation, which stimulate GDP growth on both the demand and supply side.

In fact, an increase in GDP reduces the Deficit or Public Debt ratio with respect to GDP and determines an increase in tax revenues and therefore would allow a reduction in taxes and even a redistribution of incomes in favour of the poorest citizens. Therefore, [in the case of Italy for example](#), the “New Industrial Strategy” would allow to achieve the following operative and linked together objectives of a new national economic policy:

- 40 billion more private and public investments,
  - 2% growth rate and
  - 10 billion lower taxes.
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