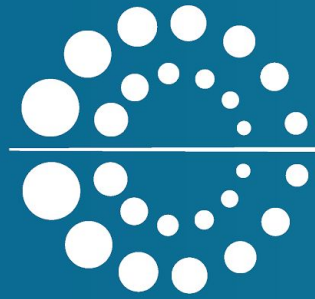


Beyond Growth

2023 Conference

European Parliament

THE GREENS/EFA in the European Parliament

epp group in the european parliament

S&D

GUE/NGL THE LEFT IN THE EUROPEAN PARLIAMENT

renew europe.

Welcome

Beyond Growth

2023 Conference

Focus panel 2

How to target and future-proof industrial policy towards climate neutrality?

Join the Q&A

sli.do/BeyondGrowth

SPEAKER

Ville Niinistö

Member of the European Parliament (Greens/EFA)

Beyond Growth Conference organiser

Focus Panel n°2. Industry

SPEAKER

Jonathan Barth

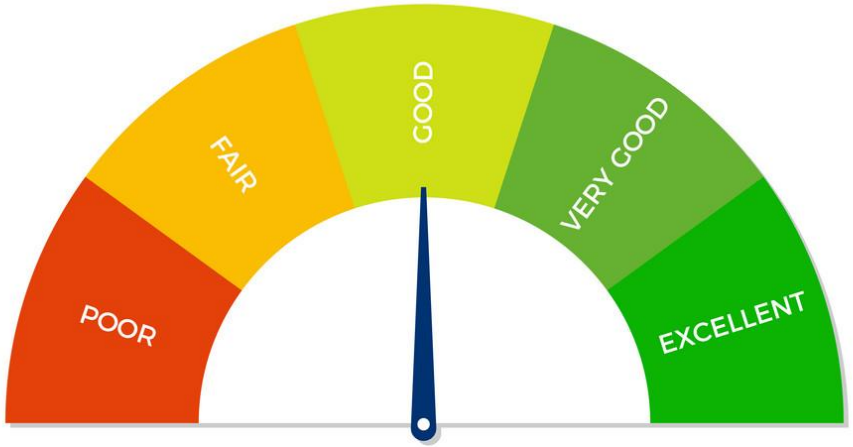
Co-founder and Policy Director,

ZOE Institute for Future-Fit Economies,

Beyond Growth
2023 Conference

Three key points for industrial policy

#1: Conditional performance-based goals
#2 Social conditionalities
#3 From risk taking to reward sharing



#1: Conditional performance-based goals

- Potential for **moral hazard** in the current EU approach
- State aid framework **needs ex-post conditionalities** to set a goal and achieve it
- Example: South Korea, in the 1970s – temporary subsidies had long-term positive effects on the firms involved.

©VectorStock

#2 Social conditionalities

- Social aspects such as **trade union organisation, tariff contracts, and gender and diversity plans** should be taken as eligibility criteria.
- Continued support conditioned by achievement of pre-defined social targets.
- Involve diverse stakeholders in the decision-making process
- Example: EU CAP.

#3 From risk taking to reward sharing

- Only de-risking investments is an unequal exchange
- The NZIA can allow states to **acquire shares in companies it supports**
- This will incentives governments to **support innovative and productive businesses**
- Example: State ownership e.g. of Renault (FR), Volkswagen (GER), US Chips & Science Act.

©Unsplash

SPEAKER

Monika Sitárová

Head of the International Department of the Metalworkers' Trade Union OZ KOVO,

Chair of the Workers' Group of the CCMI, European Economic and Social Committee

Beyond Growth
2023 Conference

SPEAKER

Anaïs Voy-Gillis

Adjunct Researcher at IAE Poitiers and
Associate Director at June Partners

Beyond Growth
2023 Conference

SPEAKER

Paavo Järvensivu

Co-founder and researcher at the independent multidisciplinary research unit BIOS

Beyond Growth
2023 Conference

European industrial policy needs science-driven planning

- Active industrial policy needed in the EU for two main reasons:
  - new security and geopolitical concerns
  - urgency of a deep sustainability transformation, affecting all economic sectors/industries

- To succeed, industrial policy needs to be democractic, fair (also between EU member states!) and fully aligned with the sustainability transformation
  - Are we on the path of achieving this?

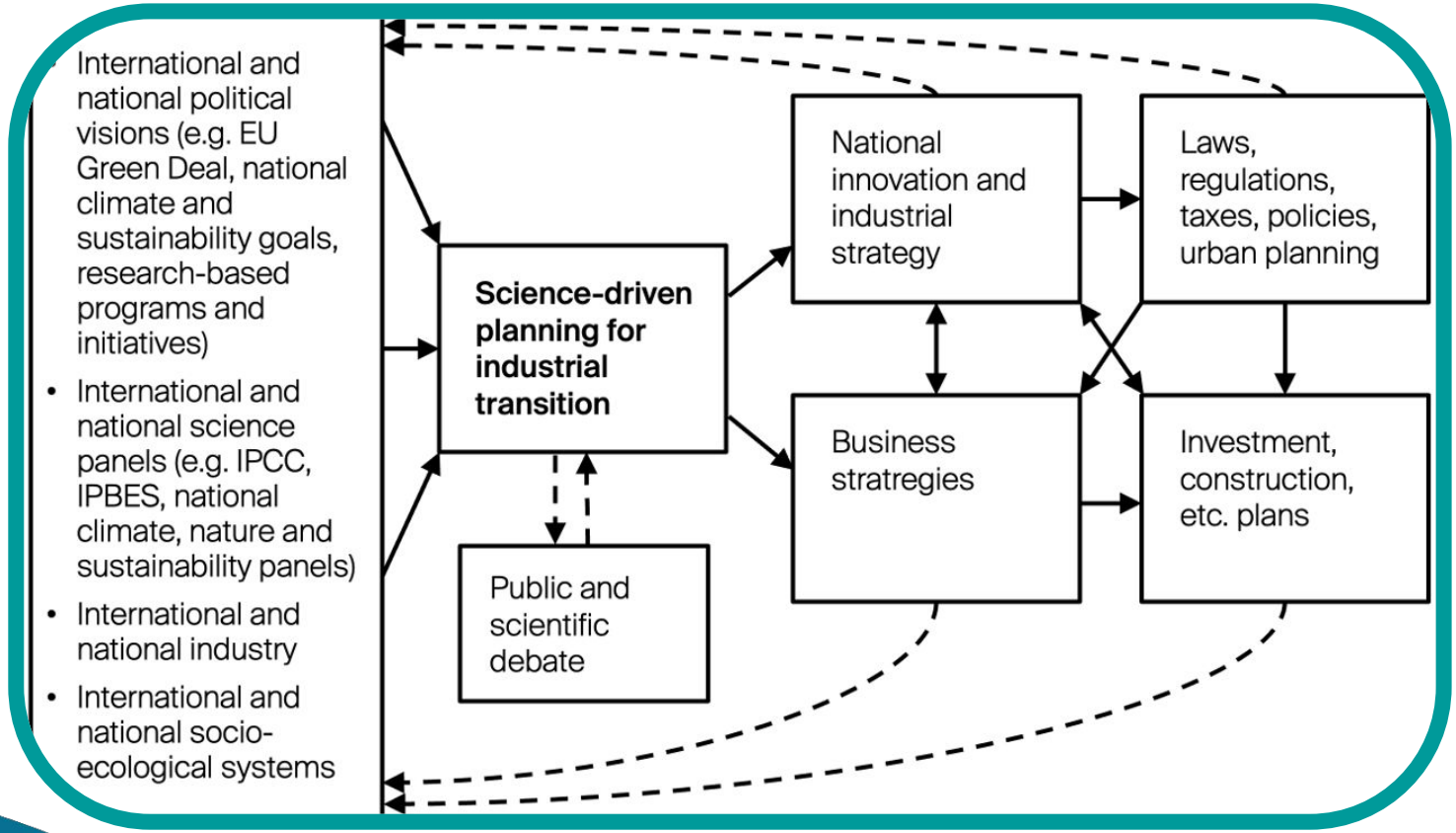
- Science-driven planning can provide a rational basis for coordinating industrial policy within and between EU member states
- In research and in political initiatives, there has been lack of serious consideration on how to build a suitable knowledge base for active industrial policy

Science-driven planning?

- Shifting from free-market policies to active industrial policies means a shift from planning universal market mechanisms to planning place-based, contextual industrial paths
    - Planning gives shape to interconnected industrial pathways that are both realistic and desirable
- Planning should be autonomous in relation to decision-making: planning creates a credible and open knowledge platform for political decisions and public discussions
- What "science-driven" means: multidisciplinary expertise, systemic analysis, questioning conventions, learning from errors, truth above interests, transparent data and methods, open to critical scientific and public debate
- Science-driven planning balances between different rationalities: ecological resilience, economic competitiveness, geopolitical security, human welfare
- Planning is needed nationally and at the level of the European Union

Case Finland

- Recent history: rise and fall of Nokia energy >> and material-intensive process industry takes the center stage again >> focus on bioeconomy >> new low-carbon industrial potential through wind, solar and nuclear
- Current risks:
  - missing the innovation and investment momentum
  - wrong/sub-optimizing industrial paths taken
  - green transition turns out not so green
  - international depencies called out by geopolitical disturbances
- National, sector-specific low-carbon roadmaps in 2020 were a nice try, but not science-driven: lack of cross-sectoral considerations, based on industry's self-interests (despite attempts at challenging old industry structures), closed from critical public scrutiny, disregard of ecological boundaries
  - Not good enough for democratic, fair, and sustainability-aligned industrial policy


International and national political visions (e.g. EU Green Deal, national climate and sustainability goals, research-based programs and initiatives)
International and national science panels (e.g. IPCC, IPBES, national climate, nature and sustainability panels)
International and national industry
International and national socio-ecological systems
Science-driven planning for industrial transition
Public and scientific debate
National innovation and industrial strategy
Business stratregies
Laws, regulations, taxes, policies, urban planning
Investment, construction, etc. plans

SPEAKER

Jørgen S. Madsen

Head of Regulatory and Public affairs,
New Markets & EU, Ørsted

Beyond Growth
2023 Conference

Panel debate

Beyond Growth

2023 Conference

Focus panel 2

How to target and future-proof industrial policy towards climate neutrality?

Join the Q&A

sli.do/BeyondGrowth - **choose Focus panel 2 industry**

Questions & Answers

Beyond Growth

2023 Conference

Focus panel 2

How to target and future-proof industrial policy towards climate neutrality?

Join the Q&A

sli.do/BeyondGrowth - **choose Focus panel 2 industry**

European Parliament

THE GREENS/EFA
in the European Parliament

epp
group
in the european parliament

S&D

GUE/NGL
THE LEFT
IN THE EUROPEAN PARLIAMENT

renew
europe.

ni

Thank you.

Beyond Growth
2023 Conference

Pathways towards Sustainable Prosperity in the EU