



# Industrial policy and the road to recovery



**Mario Cimoli**

Secretario Ejecutivo Adjunto

Comisión Económica para América Latina y el Caribe (CEPAL)

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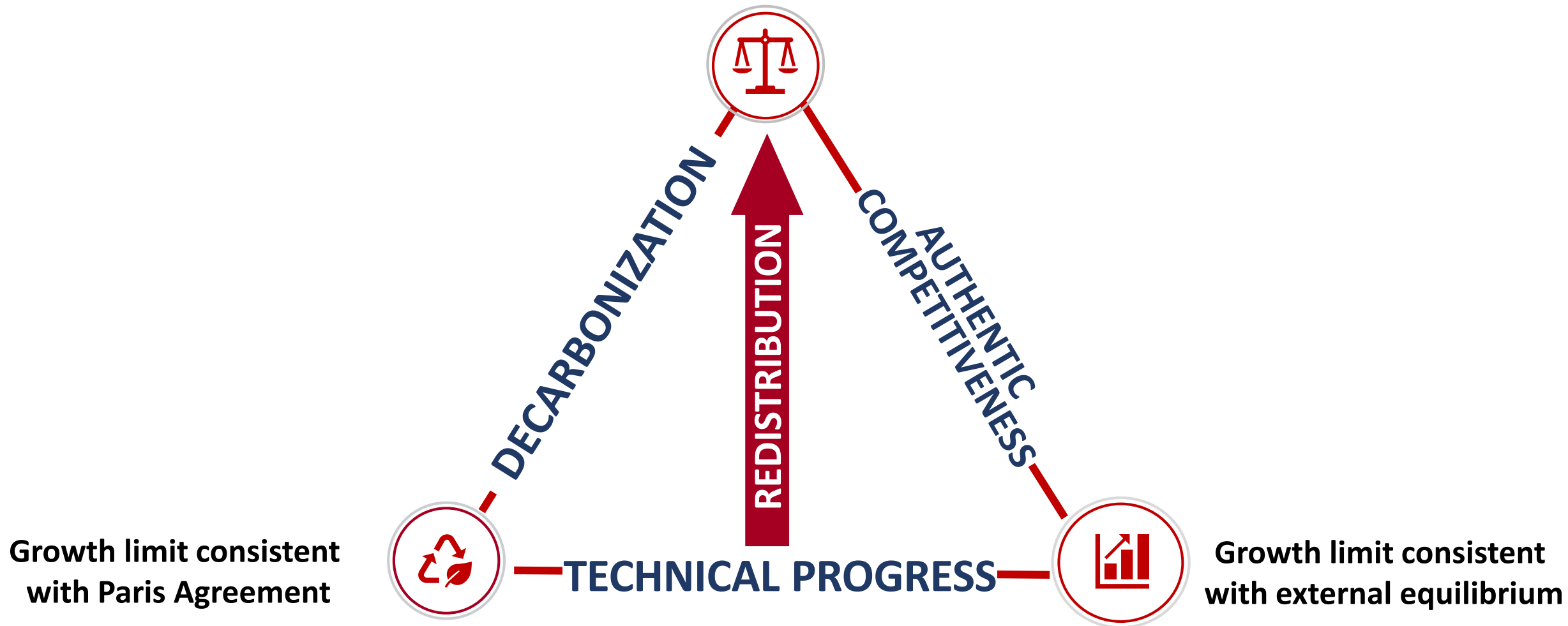
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# It is everything about growth (?)

Minimum target for growth with equality



# The political (and micro) economy of industrial policies

“If the economy is to be kept moving ahead, the task of development policy is to maintain **tensions, disproportions and disequilibria**. That nightmare of equilibrium economics, the endlessly spinning cobweb, is the kind of mechanism we must assiduously look for as an invaluable help in the development process” (Hirschmann)



# The developing world needs a debate on: structure, markets and technology

- **Structural independencies** matter
- **Direction of growth and change** matters
- **Technological tensions** matter (the microeconomics of change)
- **Sectors** matter
- Structural gaps and tensions → productive structure → circular dynamics of development (or underdevelopment)
- America Latina and the Caribbean didn't manage to unlock its historical structural tensions and remained locked in an underdevelopment process (low productivity, low technology)
- **COVID-19 increases the risk of development trap: low productivity and low employment**
- **Issues that must be addressed: productive structure, technology, natural resources**
- **The debate on industrial policy cannot exclude a debate on (fair) international trade and the distribution of trade benefits**

**Which role for policy action? Provide a vision for future development and strategic coordination to foster change and development. Bring public and private interests at the service of sustainable development**



# Our proposal: look at strategic side of sectors

**Sectors have a strategic role in closing the three gaps because they promote technical change, generate employment and reduce the external constraint and the environmental footprint**

- Transformation of the energy matrix based on renewable energies
- Sustainable mobility and urban spaces
- Digital revolution for sustainability
- Health-care manufacturing industry
- Bioeconomy: sustainable development based on biological resources and natural ecosystems
- Circular economy
- Sustainable tourism





**Construir  
un nuevo futuro**

Una recuperación  
transformadora  
con igualdad  
y sostenibilidad

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2020

Trigésimo octavo  
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26 a 28 de octubre



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**Thank you!**

