



Economic Commission for Latin America and the Caribbean (ECLAC) and United Nations Conference on Trade and Development (UNCTAD)

invite you to a Webinar:

Reclaiming Industrial Policy for Latin American Development

Date: Wednesday July 14th, 2021

Time: 17:00- 18:30 Central European Standard Time (CEST)

Register at: https://us02web.zoom.us/webinar/register/WN_XlobpYxWSMK38WRVs5IDQg

Virtually all of today's advanced economies have completed their journey from widespread rural poverty to post-industrial wealth employing policies designed to shift the production structure towards higher productivity activities and sectors with progressively, better paid jobs and a greater upgrading potential. Such policies are conventionally called industrial policies.

From the late 1970s onwards, the debates between proponents and opponents of industrial policy became sharply ideological. In mainstream economic analysis, in the pronouncements of international development agencies, and in policy statements by Western governments, industrial policy, along with the idea that the state could have a role in effecting structural transformation fell into disrepute. With governments everywhere increasingly concerned to accommodate footloose capital and trade and investment rules narrowing the policy space available for policy action, the time. It seemed, had come to read the last rites on industrial policy. Still, the late industrializing economies in East Asia continued to employ industrial policies as part of their successful development stories while advanced economies would resort to similar instruments on a more ad hoc basis in response to specific economic challenges. Moreover, with adherence to neoliberal policies in developing countries showing few signs of delivering economic diversification, strong productivity growth or technological upgrading, and with many suffering

premature deindustrialization and a growing informalization of economic activity, industrial policy began to return to the policy conversation, particularly with the weak recovery after the global financial crisis.

A joint UNCTAD-ILO volume published in 2015 concluded “discussion among economists and policy makers is now increasingly shifting away from whether or not to have industrial policy and towards a focus on the objectives and scope of industrial policies and “how to do it” in a way appropriate to each country’s conditions”. UNCTAD’s *Trade and Development Report 2016* laid out the case for bringing back industrial policy and began to collaborate with the OECD Development Centre on producing Productive Transformation Policy Reviews. UNCTAD’s World Investment Report 2018 identified eighty-four countries (accounting for 90 per cent of global GDP) that had adopted formal industrial policies in the five years to 2018. A much-discussed IMF Working Paper in 2019 welcomed “The Return of the Policy That Shall Not Be Named”.

Hence, whether in the context of meeting the SDGs, tackling the climate emergency, rewiring supply chains in response to the Covid-19 crisis or leveraging new digital technologies, industrial policy has returned to centre stage of debates over the direction of development strategy at the national level. International organizations have become more open to discussing industrial policy in developing countries. This is a new consensus across a broad spectrum of economists and policy makers on the relevance, desirability, and practicability of industrial policy.

This webinar is the second of a four-part webinar series. The purpose of this series of webinars is to assess what this new consensus means and involves, particularly for developing countries. Tapping into the expertise of the recently launched *Oxford Handbook on Industrial Policy*, this second webinar will explore the challenges and areas of debate posed within the Latin American and the Caribbean region context.

During the last two decades and following a substantial increase in the international commodity prices, most countries in the global South attained high growth rates, large reductions in extreme poverty, and an expansion of the middle class. However, given the absence of a genuine process of structural transformation and in spite of their abundant reserves of natural resources, the road to development for the Latin American region has been difficult to generate inclusive growth and decent employment.

Hence, this particular webinar seeks to find answers if industrial policies are central to achieving a high level of socio-economic development and requires interventions that go beyond macroeconomic stability, the transparent functioning of markets, and an insertion into the world economy based on the promotion of foreign direct investment and indiscriminate trade liberalization.

The seminar will promote a discussion oriented towards the definition of a renewed strategy for the region, aimed at promoting sustainable growth through the creation of economic and social value above what accrues from its natural, demographic, and geographical comparative advantages.

PROGRAM

Please note, simultaneous translations from English to Spanish, and Spanish to English will be provided during the webinar.

Introduction:

H.E. Federico Villegas, Permanent Representative of Argentina to the United Nations Office at Geneva

Moderator:

Martin Rapetti, Associate Professor of Macroeconomy II and Director of the Economy M.A. in the University of Buenos Aires, Economic Development Program Director, CIPPEC

Presenters:

Mario Cimoli, Deputy Secretary Executive of the Economic Commission for Latin America and the Caribbean (ECLAC)

Luis E. Bértola Flores, Head, Professor, Department of Economic History, Programa de Historia Económica y Social, Facultad de Ciencias Sociales, Universidad de la República, Uruguay

Maria Savona, Professor of Economics of Innovation, Science Policy Research Unit (SPRU) University of Sussex and of Applied Economics at DEF, Luiss University, Rome

José Gabriel Porcile Meirelles, Economic Affairs Officer and Officer in Charge of the ECLAC Office in Montevideo.

Question & Answer Session

Closing remarks:

Richard Kozul-Wright, Director, Division on Globalization and Development Strategies, United Nations Conference on Trade and Development, (UNCTAD)