49. Política industrial (alemanya) per a nous temps

"The current debate on industrial policy vacillates between the extreme positions of an orthodoxy of rejecting state action and a naive belief in the state's ability to control structural change.

However, the threatening decline of industrial production in Germany and the fundamental structural challenges attributable to political causes call for an industrial policy that addresses the quality of the business location as well as the concrete management of change processes by companies.

Industrial policy in Germany has traditionally been geared to the task of creating the conditions for competitive coordination on markets based on entrepreneurial freedom. It is thus precompetitive, even though horizontal measures always have vertical effects ('regulatory policy of the visible hand'). The politically set decarbonization by deadline (by 2045…) and the reassessed geopolitical risks fundamentally change the competitive environment and the need for action. Structural breaks and competitive distortions threaten to overwhelm companies' ability to adapt and compete. Industrial policy must therefore create the conditions for structural change to develop on competitive markets and at the same time safeguard the competitiveness of domestic value creation."

"In interventions to secure competitiveness in decarbonization or to secure strategic autonomy, there is always a risk of overstretching the role of the state. Just as structural breaks should be avoided, structural change should not be stopped. Business adaptability through innovation and investment are critical elements for successful change. Permanent, unconditional subsidies, market foreclosures or complete risk assumption would overstretch the role of the state and jeopardize the processes of change that is necessary at any time, and thus ultimately risk the competitiveness of companies."

Hüther, Michael et al. (2023): "Industrial policy at the turn of the times", IW-Policy Paper No.7
[Hüther, Michael; Hubertus Bardt; Cornelius Bähr; Jürgen Matthes; Klaus-Heiner Röhl; Christian Rusche; Thilo Schaefer (2023): "Industriepolitik in der Zeitenwende", IW-Policy Paper, Nr. 7]
https://www.iwkoeln.de/en/studies/michael-huether-hubertus-bardt-cornelius-baehr-juergen-matthes-klaus-heiner-roehl-christian-rusche-thilo-schaefer-industrial-policy-at-the-turn-of-the-times.html

"Germany needs to rethink its industrial policy, says Cornelia Woll in Handelsblatt and Tagesspiegel op-ed, 05.10.2023. To get the economy back on its feet, taboo subsidies might be the solution, the Hertie School President writes. The climate crisis and global competition over economic systems have put a strain on Germany's economy (…) Hertie School President Cornelia Woll calls for a new German and European framework for industrial policy.

'Companies will only invest in green technology if the market has the right incentive structures. It is not enough to make carbon emissions more expensive so that brown industries are less profitable,' the Professor of International Political Economy writes. An incentivising industrial policy should include both pricing pollution and the cost of knowledge transfer to enable green innovation.

Compared to the United States or China, Germany and Europe are currently lagging behind. According to Woll, Germany needs to set thematic priorities, and there should be more European funds to guarantee research and innovation. Moreover, she notes that the European Central Bank and the European Investment Bank could make greener decisions regarding their credit and bank supervision policies for private investment."

https://www.hertie-school.org/en/news/in-the-media/detail/content/germany-needs-to-rethink-its-industrial-policy-says-cornelia-woll-in-handelsblatt-and-tagesspiegel-op-ed

50. Lideratge de França i Alemanya en política industrial?

"To ensure the most effective industrial policy in the EU, Paris and Berlin should push for policies that build on their strengths and help Europe leap forward instead of always chasing the United States and China."

"Industrial policies and subsidies are back with a bang. From the United States and China to Germany and France, governments are increasingly setting industrial priorities and supporting strategic industries to promote innovation and technology diffusion. Industrial policy can take many forms and mobilize a variety of tools, from investment in R&D to tax incentives for corporations and households. But subsidies for local firms are by far the most popular tool: The annual implementation of subsidies has more than tripled over the past decade. In 2023 alone, governments implemented over 2,600 industrial policy measures, mainly in the form of subsidies favoring local firms.

In Europe, industrial policies have been advocated by Paris for a long time (…) Germany ranks among the top five countries relying on industrial policy over the last decade, after the US, China, and India. High-profile examples of the return of industrial policy to the global stage include the European Union's European Green Deal and Digital Europe program, the US' Inflation Reduction Act (IRA) and CHIPS and Science Act, and China's Made in China 2025 program."

"This shift is being driven by both economic and non-economic motives, reflecting the new context of rising competition between economic blocs and geopolitical tensions, as well as the proliferation of ambitious national targets for climate neutrality. Indeed, countries tend to counter higher geopolitical risk with more export policy measures, subsidies, and sanctions, while higher economic policy uncertainty between 2020 and 2023 has also led to a 13.4 percent higher likelihood of governments implementing industrial policy measures."

"… national interests differ: The US has put the largest emphasis on national security, with 43 percent of its measures falling under this category, compared to only 18 percent in the EU, where the lion's share of spending is going toward promoting competitiveness or strategic sectors, followed by resilience and supply-chain security, and climate change mitigation."

"Industrial policy is not a perfect solution and can even be counterproductive, leading to tit-for-tat reactions. A worrying trend for tenets of open markets is that governments have started to double down on tariffs by changing the industrial policy path from subsidies versus tariffs to subsidies followed by tariffs (i.e., the current introduction of electric vehicle tariffs after massively subsidizing them through the Inflation Reduction Act in the US) as the best tool to expand a favored firm or sector. But governments are notoriously bad at choosing and picking winners, due to a lack of accountability, as well as the risks of cronyism."

"In 2023, firm-specific subsidies ranged between 23 percent of total subsidies in the EU and 51 percent in the US. This could lead to an advantage for those firms receiving capital payouts over those cautious of state intervention. Moreover, industrial policies in one country can often provoke a response from

others that can neutralize the intended effects. China's introduction of a new subsidy has a 92 percent probability of provoking a response from the EU27 and 71 percent from the US within a year. Conversely, when the EU27 or the US introduce a new subsidy, China shows an 87 percent and 8 percent response rate within a year, respectively.

Industrial policy also depends on fiscal capacity. In 2023, subsidies were equivalent to 0.3 percent of GDP on average in EU27 economies. But both France and Germany spend more than the EU average—0.9 percent and 3.7 percent, respectively—but they are also increasingly being constrained by large budget deficits and high levels of public debt."

"For businesses, the return of industrial policy offers short-term profitability gains, especially for transition-related and tech sectors, primarily low-carbon technologies, metals (steel, aluminum and critical materials), advanced technologies, semiconductors, and defense-related sectors. The average renewable/green-tech manufacturer could see its gross profit margin double by 2025 compared to a baseline without tax credits."

"Large corporations looking to finance projects eligible for industrial policy subsidies through green bonds could also benefit from significantly lower financing costs as industrial policies could lower risk. But industrial policy can also create long-term challenges as investment can eventually turn into over-investment and lose its efficiency.

Moreover, industrial policy could lead to a crowding-out effect as large corporations tend to capture most of these benefits, leveraging their substantial resources, lobbying power, and established market positions to maximize their profits. Large corporations have extensive resources and dedicated teams to overcome red tape in application processes for subsidies and grants. They also have the financial positions to meet the requirements and upfront costs often accompanying these policies."

"Germany and France face a particular conundrum as national industrial policies can distort competition in the EU. Indeed, the EU's two largest economies need to navigate the delicate balance between achieving the green and digital transitions, maintaining the single market, and retaining national control over policies that are key to jobs and national economies."

"So far, the EU's industrial strategy has focused on key sectors such as semiconductor technologies, hydrogen, industrial data, space launchers, and zero-emissions aviation to achieve targets such as producing 10 million tons of green hydrogen by 2030 and securing a 20 percent share of the global microchips market (…) But technological neutrality in EU industrial policy has led to less targeted support for innovative technologies than the US.

There are lessons to be found in the past, though. One notable example of successful industrial policy in Europe is the Airbus consortium. Formed in 1970 as a collaboration between France, Germany, Spain, and the United Kingdom, Airbus received significant government support to compete with the American giant Boeing. Through coordinated R&D efforts, subsidies, and political backing, Airbus transformed into Boeing's only major competitor, capturing a significant share of the global commercial aircraft market.

The example of Airbus embodies some of the key factors that make an industrial policy successful: It fostered government-private sector collaboration, leveraged strategic investments in R&D, and

encouraged innovation ecosystems. It was also adapted to meet a benchmark in global competitiveness. Moreover, in the European context, it was an industrial effort that mutualized and pulled together existing industrial capacities without creating competition among the bloc."

"To maximize the benefits of industrial policy and minimize the risks, Germany and France will need to push for the design of smart, horizontal, conditional, and complementary policies that help Europe leap forward instead of chasing the US and China. They should rely on the following principles:

1. **Horizontal policies**: When implementing industrial policies in the past, many countries took an 'industry' or 'sector' approach. Nevertheless, it is important that policies should be horizontal and based on household and firms' needs, aimed at improving overall framework conditions (…)

2. **Coordinated policies considering EU member states' specializations and taking advantage of complementarities**: For industrial policy to be efficient, it must be coordinated so that member states' industries can complement each other (…) Historically, both countries' sectors thrived as they specialized in different segments (high-end for Germany versus entry/medium level for France). Policies need to be coordinated to ensure these specializations in products and target markets remain, and that the countries do not compete with one another on the same products and market segments. Responsibilities as well as profits needs to be shared. Furthermore, policies should build on countries' existing technological and economic capabilities. Policymakers should target where it makes the most sense and where there is enough difference to strengthen competitiveness (…)

3. **Implement strong conditionality of public support without increasing red tape**: Recent EU industrial policies lack clear conditions. Tying public support to specific conditions is not about creating more bureaucracy, but about moving away from a programmatic approach. Making these conditions explicit would unlock sustainable and fair economic growth. Therefore, incentives like subsidies or tax breaks should be linked with production outcomes, social criteria, and sustainability standards (EU employment, low carbon policies from corporates etc.). This is crucial for the efficient use of state funds and effective policy implementation in EU industries.

4. **Policymaker accountability and multiple stakeholders**: As for any public policy, industrial policy should have a set of KPIs [key performance indicator] (production of goods and services, CO2 avoided, industrial capacity created, etc.). Policymakers should be accountable for achieving targets and improving these KPIs. Furthermore, these KPIs and targets should be set through a dialogue with multiple stakeholders, including civil society and scientists to avoid opaque discussions with corporate experts.

5. **Place innovation ecosystem at the core and think 'two steps ahead'**: Germany and France should design smart industrial policies that do not run 'behind' the two other major blocs (i.e., the United States and China). Instead of developing large manufacturing capacities for products in which European firms do not have a technological or competitive edge (e.g., computer chips or EV factories), governments could invest massively in autonomous car software development or next-generation batteries or fabless chip design. Such policies would have the advantage of betting on a leap forward instead of playing catch-up.

6. **Sharing risks and profits with the private sector through blended industrial policy**: Industrial policy cannot only de-risk private investment but also not provide the taxpayers profits (beyond the positive externalities aimed by the policies). One way to achieve this is by having closer collaboration between the public and private sectors. There are several options for this, from increased public equity in private companies to more public-private partnerships (PPPs) to mixed funding mechanisms."

Subran, Ludovic (2024): "Industrial Policy: A Franco-German Consensus"
https://ip-quarterly.com/en/industrial-policy-franco-german-consensus

51. Política industrial nacional i tensions internacionals

"The central instrument of the U.S. Inflation Reduction Act (IRA) is a funding programme for climate projects, with an officially estimated volume of 369 billion US dollars. The Act's goals are in particular the decarbonisation of energy production and use. At least 70 % of the programme for climate projects aims at subsidising private investments in low-emission technologies. Companies receive particularly high subsidies if a large share of the raw materials and primary products used comes from the U.S. – or from countries with which the U.S. has free trade agreements. The IRA subsidy volume for green technologies is roughly equivalent to the size of the European Union's (EU) Green Deal Industrial Plan.

The largest single item in the IRA is subsidies for low-emission and sustainable electricity generation. For this, 43.6 % of the planned subsidy volume is earmarked in the form of tax credits. Studies estimate that the IRA will reduce the price of electricity in the U.S. by about 1 ct per kWh."

"The GCEE estimates the overall economic impact of the IRA for Europe to be rather low. For individual industry branches, the subsidies of the IRA could increase the attractiveness of the U.S. as an investment location. However, urgent action is needed due to existing energy price differences, which have a much greater impact on the relative attractiveness of the EU than the IRA.

Potential courses of action

- Coordinate responses among EU member states. Avoid a subsidy race with the U.S. and within the EU.
- Adapt EU funding programmes: Reduce bureaucratic hurdles, simplify applications, align funding with emission reductions.
- Rapidly expand energy supply and infrastructure, increase incentives for supply and demand flexibility and strengthen European coordination in infrastructure development to reduce energy prices.
- Press ahead with negotiations on a free trade agreement with the U.S. and ratify agreements already negotiated (e.g. Mercosur).
- Secure and diversify the supply of critical raw materials: Conclude agreements with commodity-producing countries, strengthen domestic extraction and recycling and expand international cooperation.

German Council of Economic Experts (2023): "The Inflation Reduction Act: Is the new U.S. industrial policy a threat to Europe?", Policy Brief 1/2023
https://www.sachverstaendigenrat-wirtschaft.de/en/publications/policy-briefs/policy-brief-1/2023.html

52. Canvi de paradigma de política industrial a Alemanya?

"Industrial policy has a notoriously bad reputation in Germany. The prevailing opinion among its economists is nicely reflected in the most recent report of the German Council of Economic Experts (…):

> 'In order to be sustainably successful, however, an innovation location should refrain from a guiding industrial policy … It is unlikely that policymakers have sufficient knowledge and understanding of future technological developments or changes in demand to make this a meaningful long-term strategy. If the government is concerned about sustainable progress, it should rather rely on the decentralized knowledge and the individual actions of various actors of the national economy … The potential for failure is greater the more fragmented and targeted the policy is.'"

"In February 2019 the CDU economics minister, Peter Altmaier, presented a 'National Industrial Strategy 2030', in which he formulated strategic guidelines for a German and European industrial policy. As expected, the reaction of German economists and business associations was almost unanimously negative."

"The paper starts with the following diagnosis: 'Industrial policy strategies are experiencing a renaissance in many parts of the world; there is hardly a successful country that relies exclusively and without exception on market forces to accomplish its tasks.' The strategy includes the following 'points of orientation':

- The share of German manufacturing in gross value added is to be increased from currently 23.2 per cent to 25 per cent. In the EU, the manufacturing share is to rise to 20 per cent by 2030.
- National and European champions—'size matters'—are needed in order to be internationally successful.
- The long-term survival of existing German champions (Siemens, Thysssen-Krupp, the German automobile manufacturers and Deutsche Bank) is in the national political and economic interest.
- In the context of foreign takeovers of German companies, 'in very important cases' the state itself should become active by acquiring shares in the company. For this purpose, a national participation facility is to be created.
- In the case of battery cells, which are regarded as very important in terms of value chains, state support, including support for the formation of consortia, would make sense.
- Direct state participation is necessary and justified in the case of extremely important issues (the platform economy, artificial intelligence, autonomous driving)."

"The idea of a quantitative target for the value-added manufacturing share is just as questionable as a survival guarantee for large corporations. With the very general plea for national champions, the paper has also upset the smaller and medium-sized companies, which fear they would be disadvantaged in the process."

"… the fundamental question of how Germany can arm itself against China's aggressive industrial policy in international competition has hardly been discussed. It is interesting to see with what simple arguments this fundamental question is wiped off the table by the Scientific Advisory Board of the Federal Ministry of Economics and Technology, which includes leading German economists:

- Chinese industrial policy led to the preservation of a highly subsidised heavy industry.
- It was financed by the banking system, in which the first signs of an overload were seen, with loss-making industrial loans.
- It remains to be seen whether Chinese industrial policy will still be successful once the race to catch up with the west has been completed.
- China's politics have had nothing to do with a social-market economy.

Overall, so far Altmaier's paper has unfortunately not yet succeeded in initiating a constructive discussion on how to shape a successful industrial policy."

"The industrial policy of the EU is essentially characterised by a horizontal approach. It aims to create a favourable framework for innovation but it avoids the targeted promotion of certain technologies. This approach differs fundamentally from the vertical dynamic of 'Made in China 2025', in which individual industries and technologies are specifically promoted."

"Can it still be sensible today for the individual member states of the EU to respond to the Chinese challenge with national strategies for industrial policy? And is it the right approach, as suggested in the paper, to derive the European strategy from given national strategies?

Furthermore, it does not seem optimal to concentrate on individual links in value chains—the promotion of battery cells—instead of advancing the whole ecosystem."

"A joint European approach is also suitable for the promotion of artificial intelligence. This is the only way to make appropriate use of synergies in research and industrial applications. In the case of digital platforms, such as payment systems, unilateral national approaches are ruled out from the outset."

"The goal should be a 'green industrial policy' for Europe, which aims to achieve a balance between competitiveness and the most ambitious decarbonisation possible. A stimulating proposal was recently made in this regard by Michel Barnier. He called for a 'sustainability pact' for the EU's new policy cycle, as important in some respects as the stability and growth pact. As Barnier put it, 'Our ecological debts are no less a cause for concern than our fiscal debts.'

The pact would require concerted action on climate, trade, tax, agriculture and innovation—and massive investments."

"An interesting proposal for financing ambitious green policies was recently made by Paul de Grauwe. He proffered a model in which the European Investment Bank is entitled to finance environmental investments. The EIB would issue bonds refinancing these investments. The European Central Bank could buy these bonds at a pace dictated by the expiry of the old bonds on its balance sheet. The ECB could thereby create 'green money' without fuelling inflation."

"Europe's entire potential must be identified to derive options for action at the national level. And it cannot primarily be a question of securing industrial jobs at any price. It must be about shaping the inevitable ecological transformation in such a way that it does not adversely affect the international competitiveness of Europe and its member states. But a green industrial policy could even have a beneficial effect on jobs and growth."

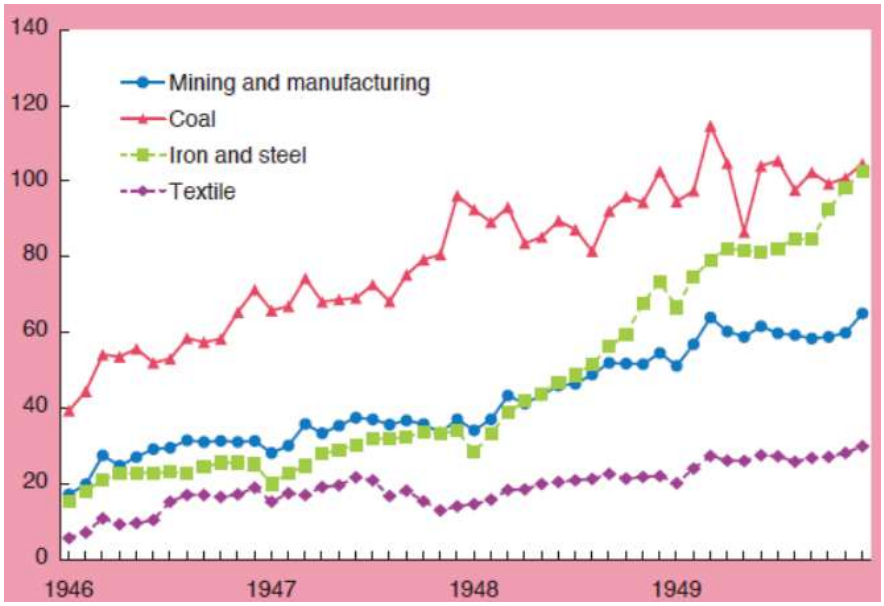
Bofinger, Peter (2019): "Industrial policy: is there a paradigm shift in Germany and what does this imply for Europe?", 27th May 2019
https://www.socialeurope.eu/industrial-policy-in-germany

53. Política industrial al Japó des de la Segona Guerra Mundial

"In this period, the Japanese government, more specifically the Ministry of Commerce and Industry (1945-1949), the Ministry of International Trade and Industry (MITI, 1949-2001) and the Ministry of Economy, Trade and Industry (METI, 2001-present) designed and implemented a number of industrial policies, i.e. micro-level policy interventions to firms, industries and markets."

"**Economic Recovery under Planning & Control**

In 1945, when World War II ended … reconstruction of the economy was an urgent issue for the government. As the scarcest materials were coal and steel, a policy to promote the production of these two materials, the 'priority production policy', was implemented in 1947 and 1948."



Production Indices (1934-36=100)

"Since the late 1930s, when the Sino-Japanese War broke out, a large part of the Japanese economy had been under the planning and control of the government. Prices were controlled and, accordingly, commodities were rationed, based on the plan decided by the government. The priority production policy was implemented based on this system."

"Further, the government established a special public financial institution, the Reconversion Finance Bank (RFB). According to the fund allocation plan by the government, the RFB selectively loaned money to the firms that were supposed to be essential to recovering production of the strategic industries, including coal and steel. To perform this function, the RFB raised funds by selling its bonds directly to the Bank of Japan (BOJ)."

"As resources were concentrated in the coal and steel industries, the allocation of resources to other industries was reduced by the policy. In this sense, the decline in textile production was a negative side effect of the priority production policy. This policy had other negative side effects as well. The policy, in giving priority to production increases, reduced the incentive of private firms to enhance efficiency, and the monetization of the RFB bonds by the BOJ accelerated inflation."

"**Transition to Market Economy & Promotion of Industries**

The Japanese economy transited from a regime of planning and control to a market economy in 1949, when the US minister Joseph Dodge came to Japan to give advice on economic policy … Dodge instructed

the Japanese government to balance its budget, stop new loans from the RFB, and set a fixed exchange rate of 360 yen per US dollar (…) With respect to microeconomic policy, he instructed the government to abolish controls on prices and distribution. Backed by the powers of the occupation authorities, these policies were implemented swiftly, making the Japanese economy successfully transit to a market economy.

Abolition of government controls and the fixed exchange rate implied that Japanese industries and firms had to compete with each other and with foreign industries and firms. The government considered that it was necessary to promote new industries because some of the existing industries would lose competitiveness compared with the industries in developing countries, which would endeavor to promote industries based on low wages (…) In this circumstance, the government devised a set of new tools for industrial policy.

First, two new public financial institutions, the Export Bank of Japan (EBJ) and the Japan Development Bank (JDB), were established in 1950 and 1951, respectively. The EBJ was renamed the Export-Import Bank of Japan (EIBJ) in 1952. The funds for these financial institutions were mainly from the Fiscal Investment and Loan Program (FILIP), which started in 1948. FILIP is a program that invests and loans government funds to the private sector. The largest portion of its funds came from postal savings."

"Second … the government reduced corporate tax in cases where a firm installed certain sorts of equipment that were effective in promoting rationalization, according to the law, and thereby promoted investment in new equipment. Third, … subsidies for R&D. Policy-based finance, tax relief and subsidies for R&D have been employed as the major industrial policy tools up to the present.

Besides these tools, there was another powerful policy tool utilized in the 1950s, the foreign exchange allocation system. In the 1950s, all foreign exchange was concentrated with the government, which then allocated foreign exchange based on the 'foreign exchange budget.' The part of the budget for commodity imports was drawn up by MITI. The foreign exchange budget was classified into two categories, the budget for foreign exchange allocation goods (FA goods) and that for automatic approval goods (AA goods) … the FA budget accounted for 70-80% of the total foreign exchange budget.

The distinction between the FA and AA budgets was essential because, with respect to the FA goods, the budget was allocated to individual commodities. This implied that MITI could impose de facto import quotas on FA commodities, using the foreign exchange allocation budget, given their prices. MITI used this system to protect domestic industries. Meanwhile, in relation to industries that heavily depended upon imported raw materials, by controlling foreign exchange allocations to the raw materials, MITI could indirectly control production in those industries. Furthermore, it is notable that MITI allocated the foreign exchange budget for each FA good to individual firms. This implies that MITI allocated rent to individual firms because the import of FA goods was more or less restricted. Thus, MITI promoted exports and investment of individual firms by linking the foreign exchange allocation to exports and equipment, respectively. The foreign exchange allocation system continued until the early 1960s, when Japan implemented the 'trade liberalization' recommended by the IMF, GATT, and the US government."

"In the high growth period … the government implemented various industrial policies. They included the policy for updating the equipment of basic industries (power generation, iron and steel, etc.), and promotion of new industries (synthetic fibers, automobile, petrochemical, computers, etc.). They were

typical 'targeting' policies, which aimed at promoting the industries that were regarded as strategic by the government.

The 'industrial rationalization' policy in the 1950s was a case of a targeting policy (…) Indeed, steel became one of the major export commodities from Japan, which caused trade frictions with the US in the 1960s.

Meanwhile, in the high growth period, some industries, such as the coal and natural fiber industries, lost a comparative advantage. For these declining industries, the government implemented the industrial adjustment policy to facilitate capacity reduction. The adjustment policy for the coal industry started in 1955 when the Coal Industry Rationalization Law was legislated. Under this law, the Coal Industry Improvement Public Corporation was established to buy inefficient mines from private mining firms to scrap."

"**Shift of Growth Path & Industrial Adjustment**

The First Oil Crisis in 1973 was not only a turning point in the growth of the macroeconomy, but it also had impacts on individual industries. In particular, the sharp rise in the oil price damaged the basic material industries, which were energy intensive, and many of them subsequently faced a structural depression … In these circumstances, MITI extensively implemented the industrial adjustment policy from the late 1970s to the 1980s (…) MITI designated depressed industries facing structural problems. Each designated industry drew up a plan for equipment disposal to be approved by MITI, which supported the implementation of the plan with policy-based finance, tax relief and exemptions from the Antitrust Law."

"… the industrial adjustment policy by MITI was criticized by the US in the context of bilateral economic friction in the 1980s. From 1983 to 1984, the Industrial Policy Dialogue was held between Japan and the US, during which the US argued that the competitiveness of Japanese firms was nurtured by promotional policies targeting strategic industries and, hence, that it was unfair. In addition, the US criticized the Designated Industries Structural Revision Extraordinary Measures Law, arguing that it aimed at preserving declining industries and was a barrier to imports. Facing these criticisms, along with the criticism of an expanding surplus on the current account balance, the Japanese government made efforts to compromise with the US government."

"This circumstance brought about a substantial change in industrial policy, especially the industrial adjustment policy. Because of the sharp appreciation of the yen after the Plaza Agreement in 1985, industrial adjustment was still an important issue for industrial policy in the late 1980s … In 1987, the Law for Facilitating Transformation of Industrial Structure was legislated … This law differed from the 1983 law in that its objects were individual firms and areas, not industries, and that it did not include exemptions from the Antitrust Law. These characteristics distinguish the policies after the late 1980s from the traditional industrial policies prior to that time. Shinji Fukukawa, who was administrative vice-minister of MITI from 1986 to 1988, … evaluated this change as indicating the transition of industrial policy from an industry-oriented policy to a market-oriented one."

"**Structural Reforms for Activating Innovation after Long Stagnation**

In 1991, the asset bubble collapsed and the Japanese economy transited to the third phase, i.e. the phase of long stagnation. In this period, the main issue of industrial policy shifted from industrial adjustment to structural reform of the economy. At first, structural reform had an aspect of international harmonization of economic institutions, in response to criticism from the US. However, as economic stagnation continued, structural reform was given a new mission, namely reform for constructing a new institutional basis for economic growth."

"In the 1980s, the Japanese economy almost matched the US economy, not only in terms of per capita GDP but also in terms of total factor productivity (TFP) … From the Meiji Era, the Japanese economy had continued to grow by adopting and improving technologies from advanced countries but when the catch-up had been achieved, Japan needed to create original innovations to continue its growth."

"In 1979, MITI proposed the concept of Japan as a 'technology-intensive nation' as a part of its 'Vision for Industrial Policy in the 1980s.' The vision claimed that 'a turning point is coming, a move away from an industrial pattern of 'reaping' technologies developed in the seedbeds of the West, to a pattern of 'sowing and cultivating' that displays greater creativity. With the century of catch-up modernization at an end, from the 1980s onwards we will enter a new and unexplored phase.'

One approach that MITI took to achieve economic growth based on innovation was structural reform of the economy … It was stated that not only government regulations but also various private practices restricted access to the Japanese market and the emergence of new businesses. In addition to regulatory reform, it proposed a broader reform of institutions, including the corporate system, the employment system and the financial system. The idea is that, whereas these institutions worked as the foundation of the postwar growth of the Japanese economy, they were not appropriate to a new pattern of economic growth based on original innovations."

"Another more specific approach to activating innovations was the industrial cluster policy that METI launched in 2001. It was a type of regional economic policy … motivated by the innovation-based growth of Silicon Valley, and it aimed to promote industrial clusters incubating innovations. For this purpose, METI designated 20 industrial clusters around Japan. Many firms and universities participated in these clusters. METI supported those firms and universities to form networks with each other, and it also mediated between the firms and regional banks. "

"It should be stressed that Japanese industrial policy is not a static set of policies but rather is characterized by flexibility. In the changing economic environment, industrial policy has been evolving to address the issues that the Japanese economy faces, devising tools under the constraints operating in each period."

Tetsuji, Okazaki (2017): "Industrial Policy in Japan: 70-Year History since World War II"
https://www.rieti.go.jp/en/papers/contribution/okazaki/06.html
(Article on the March/April 2017 issue of Japan SPOTLIGHT published by Japan Economic Foundation)

54. La revolució industrial al Japó

"In 1871, the recently established Meiji government sought to stave off a feared collapse of its nascent authority by abolishing Japan's domains and replacing them with prefectures subordinate to the center

… The Meiji leaders had resolved that their government needed to be the sole political power in the land so it could perform the urgent task of constructing a modern state.

Their deepest concern was that Japan might become a colony under the control of one of the great powers. This had been the fate of much of India and Southeast Asia, while China had been forced to yield Hong Kong to Britain in 1842 after losing the First Opium War. Consequently, they believed that the country needed to modernize as rapidly as possible, building up its economic strength to reinforce its military and protect itself from invasion.

This was why many of Japan's leaders and other important government officials set off on the Iwakura Mission, a journey of observation and learning to the United States and Europe … The mission also carried many students, and its participants contributed greatly to the country's modernization on their return to Japan.

Trains, Ships, and Telegraph Wires

Around the same time, the Meiji government concentrated its efforts on promoting industry and introducing modern forms of enterprise with the aim of fostering capitalism in Japan. One early stage was to sweep away the feudal system of internal checkpoints, post stations, and merchant guilds as barriers to industrial development. New infrastructure included the first telegraph line between Tokyo and Yokohama in 1869. Five years later, the telegraph network stretched from Nagasaki to Hokkaidō, while an undersea line further connected Nagasaki to Shanghai. In 1871, a modern postal service replaced the former courier system, and post offices were established around the country, selling stamps and postcards at set prices. In 1877, Japan joined the Universal Postal Union, linking its postal service to the world. It imported its first telephones the same year.

A rail service started between Tokyo and Yokohama in 1872. This initial route relied greatly on British assistance, as the European power supplied financing, train cars, and even the chief civil engineer Edmund Morel. In 1874, a new line linked Kobe to Osaka, which was connected in turn to Kyoto in 1877. By the turn of the century, the network had spread across the whole of Japan. The government also invested in upgrading the country's major roads."

"Firm government backing for the private company Mitsubishi did much to ensure that Japanese shipping could compete with Western companies. According special privileges to specific organizations was one way the Meiji leaders aimed to foster modern industry."

"The government also set up and operated many factories and establishments in fields like light industry and agriculture to boost the development of private industry. In the industrial sector, these included the Shinagawa Glass Factory, Aichi Spinning Mill, Fukagawa Cement Works, and Sapporo Brewery. Perhaps the most famous is the Tomioka Silk Mill in Gunma Prefecture, which is now a UNESCO World Heritage site. It was built in 1872, incorporating 300 silk reeling machines of the latest design, imported from France. Paul Brunat headed a team of French technicians, mainly female, who oversaw operations and trained Japanese workers. In their turn, these workers passed their knowledge on at mills across the country.

Industrial Revolution and Capitalism

Cases like the railways and Tomioka Silk Mill demonstrate how Western technicians and academics hired by the government made great contributions to the vigor of Japanese industry. Some 3,000 foreign specialists came to Japan in total, with more than 500 present in the peak year of 1876 … The bounteous rewards on offer to Western experts indicate the fervor of the Japanese government to modernize the country's industry.

The Home Ministry organized its first Domestic Industrial Exposition in 1877 at Ueno Park, going on to hold five in total, with the last in 1903."

"In the early 1880s, Minister of Finance Matsukata Masayoshi introduced deflation policies that set the prices of agricultural products tumbling and bankrupted many farmers. Some wealthy individuals benefited, however, by buying up cheap agricultural land from those who had gone under … Together with rich city merchants, they started buying and selling stocks and setting up new companies. The three years from 1886, in particular, were a boom time for establishing companies.

Spinning, silk reeling, and other light industries were soon thriving. The privately run Osaka Spinning Mill incorporated many British-made spinning mules, pioneering large-scale, steam-powered mechanized production. Employees worked in day or night shifts …. Incidentally, many of the workers laboring long hours for little pay were the children of bankrupt farmers who had fallen victim to deflation policies … Major production and export of cotton and silk yarn ensured Japan achieved an industrial revolution in light industry in the late nineteenth century. Less than 30 years after the Meiji Restoration in 1868, the country had established a capitalist economy.

The Edo Period Roots of Modernization

The groundwork for Japan's rapid modernization in the early Meiji era (1868–1912) was, however, laid in the Edo period (1603–1868).

In addition to the samurai elite who studied at domain schools, a large number of common people learned to read and write at terakoya, or local temple schools. The publishing industry flourished, allowing for further self-improvement and education through reading. Japan also developed its own advanced form of mathematics, called wasan. The country's primary education was arguably the best in the world at the time (…) In the last days of the shogunate, Japan was not greatly lagging behind the West and was able to quickly imitate its technology."

Japan's highly developed Edo-period education system was a key factor in its swift turn to industrialization and a capitalist economy after the Meiji Restoration, as well as its subsequent position as a major world power."

Atsushi, Kawai (2019): "Japan's Industrial Revolution"
https://www.nippon.com/en/japan-topics/b06904/

55. Claus de la innovació al Japó

"For some 30 years, Japan's real economic growth rate has remained stagnant, at around 1%. The seriousness of the Japanese economic situation has been highlighted again by the Japan Center for Economic Research's projection that, by 2023, Japan will be surpassed by Taiwan and South Korea in

terms of per-capita gross domestic product (GDP). To overcome the situation, it is essential to increase the value added per worker—that is, labor productivity."

"There is a broad consensus on the view that in order to raise labor productivity in Japan, it is necessary to redistribute resources to sectors and companies with high levels of innovation and productivity."

"According to an estimation by Professor Takizawa Miho of Gakushuin University … labor productivity in Japan was not necessarily lower than in the United States across all industries … On the other hand, labor productivity is markedly lower in Japan than in the United States with respect to many services industries, including retail and wholesale trade (68% lower) and real estate (73% lower). Moreover, those low-productivity industries account for a large portion of the overall value added in Japan, dragging down the total productivity level of all Japanese industries compared with all U.S. industries.

Another feature of those industries is the large share of small and medium-size enterprises (SMEs). According to the 2016 Economic Census, the share of companies with a workforce of 30 or less employees was 48.8% in all industries and 30.3% in manufacturing industries, whereas it was much higher in the wholesale and retail trade industry, at 61.9%, and in the real estate industry, at 60.3%. To raise productivity, it is necessary either to bring up the productivity of SMEs, which comprise a large component of industries, or to shift resources from SMEs to high-productivity industries and companies."

"One example of an industry whose productivity rose due to the spread of technological innovation among many SMEs is the Japanese textile industry at the beginning of the 20th century … In 1905, no habutae factories were using power looms in Fukui Prefecture, but in 1914, almost all factories there were equipped with power looms. Power looms had a significant impact on productivity."

"Behind this rapid spread of technological innovation were several factors. First, adopting new technology became easier than before. The development of domestic power looms reduced costs, while the expansion of electric power networks improved access to mechanized power.

Second, wages rose (…) Apparently, it was because of the wage increase that the shift to labor-saving technology, which had recently become more easily available, made progress.

Another point … is that technological change was not only the result, but also the cause of the wage increase … In short, there was a virtuous circle of rising wages and improving access to new technologies leading to the spread of those technologies, which in turn resulted in a further wage increase.

Another historical example is the mechanization of agriculture in postwar Japan. KITAMURA Shuhei, an associate professor at Osaka University, paid attention to the fact that at the same time as the rapid spread of tractors among farmers in the 1960s, a large-scale movement of labor from the agricultural sector to non-agricultural sectors occurred. He analyzed the relationship between this phenomenon and the farmland reform that was carried out immediately after the war.

According to his research paper, the factors that led to the rapid spread of tractors were the development of low-cost, high-performance tractors by Honda Giken Kogyo, which is now known as Honda Motor Company, and an increase in landed farmers due to the farmland reform. Farmers who had become landed were highly motivated to improve farm management and actively introduced low-

cost tractors. Second and later male children and female children, who became redundant as a result of the rising productivity, moved to non-agricultural sectors."

"… in the 1960s, SMEs' capital investment in labor-saving measures increased in manufacturing industries. The 1968 White Paper on Small and Medium Enterprises in Japan pointed out that SMEs' capital investment activity became vigorous from 1966 onwards and cited 'persistent appetite for investment to promote rationalization and modernization in order to adapt to changes in the surrounding environment, such as labor shortages' as one of the motivations.

From those historical experiences, we can extract two important implications regarding the problems facing the Japanese economy today. In both of the abovementioned cases, we see two drivers that triggered a productivity increase for many small manufacturers.

The first driver is a wage increase and the second driver is low-cost access to new technologies. Looking at the current situation of the Japanese economy, we can see that the shrinking labor force provides the necessary condition for a wage increase … As for the second driver, the necessary conditions will potentially be met as a result of the development of general-use technologies, including artificial intelligence (AI) and robotics. If low-cost and easily usable labor-saving technologies are developed through the application of such general-use technologies, the condition for the second driver will be satisfied, and this, coupled with the condition satisfied for the first driver, will lead to the spread of those technologies among small businesses and raise their productivity. That will lead to a further wage increase … raising the possibility that the Japanese economy may escape from its prolonged stagnation caused by factors such as low wages and low productivity.

Okazaki Tetsuji (2023): "Wage Increases and Low-cost Technologies are the Keys to Innovation"
https://www.rieti.go.jp/en/papers/contribution/okazaki/09.html

56. Recerca economètrica en política industrial

"Recent years have seen interest grow once again in industrial policy, specifically micro-interventionist industrial policy (…) In international academic circles of economics also, there has been a notable increase in interest in industrial policy. For example, the European scholarly publication *Journal of Industry, Competition and Trade*, compiled a special issue on industrial policy that was guest edited by Professor Karl Aiginger of the Vienna University of Economics and Business and Professor Dani Rodrik of the Harvard University. Both pointed out in their editorial notes 'Rebirth of Industrial Policy and an Agenda for the Twenty-First Century' that 'After a period of decline in interest and premature predictions of demise, industrial policy is back on the scene.'

This academic interest in industrial policy has also extended to the United States. The American Economic Association's Summer 2019 issue of the Journal of Economic Perspectives included an article … entitled 'A Toolkit of Policies to Promote Innovation' … (that) evaluated evidence for the effectiveness, cost-benefit differences, as well as other outcomes related to a total of nine policy tools that included R&D grants, R&D tax credits, and patent boxes (preferential tax systems on revenues generated from patents).

This same trend has also manifested in the topics of articles published in the so-called 'top five journals,' which are regarded as the most authoritative journals in the field of economics."

"The article by … Aiginger … points out that this increased interest in industrial policy is due to a growing demand in the developing world for changes in industrial structure, long-term labor market malaise and financial crisis in advanced economies, as well as major technological changes. Moreover they cite the presence of China looming behind all these trends.

China has not sought to merely expand its economy, but, as implied in its strategic plan 'Made in China 2025' issued in 2015, the nation has employed industrial policy targeting advanced technology sectors in its aim to be the world leader even in terms of state-of-the-art technological development."

"However, the reality of the current situation is not the only factor behind the high interest in industrial policy in economics. The development of methods for conducting empirical research founded upon econometrics has been a key in enabling scholars to rigorously and quantitatively identify and evaluate the effectiveness of industrial policies."

"In a 2014 *Quarterly Journal of Economics* (QJE) article by Patrick M. Kline and Enrico Moretti … the authors evaluated development policies for the Tennessee River Valley in the United States over the period of the 1930s to 1950s. The Tennessee Valley Authority (TVA) was a core part of President Franklin Delano Roosevelt's New Deal. It is also a typical example of a place-based industrial policy similar to Japan's new industrial city construction and regional revitalization policies."

"The original reason why the Tennessee River Valley was chosen as the object of development policy was its severe underdevelopment and other unique attributes … The authors therefore performed an econometric analysis for comparison using six other regions for which development policies similar to the TVA were proposed but not implemented due to political reasons as controls.

Their findings showed that the growth rate of manufacturing employment was relatively larger in the Tennessee River Valley not only during the period when public investment was provided, but also after the investment ended; whereas the growth rate of agricultural employment, despite being high while public investment was the greatest, fell below other regions after public funding was terminated. These effects show that regional development policies where public investment is intensively furnished to a specific region are able to produce sustainable positive effects in industrial growth through the effect of agglomeration.

In another AER [*American Economic Review*] article published in 2017, Sabrina T. Howell … employed a method known as a regression discontinuity design (RDD) to evaluate the effects of R&D grants. Her focus was a U.S. Department of Energy (DOE) research and development grant program. During the selection process for companies to whom grants would be provided, the DOE ranked companies based upon their applications.

Although there is continuity in the rankings, discontinuity occurs where companies above the threshold for a particular award receive grants and those below do not … The results of the analysis found that the award significantly increased subsequent cite-weighted patents as well as the chances of receiving venture capital funding for the recipient companies.

The natural experiment and regression discontinuity design which were employed in these two articles have been widely utilized in recent years in the field of economics as empirical analysis methods to identify causal relationships. These methods have provided a solid empirical basis for evaluating industrial policy effectiveness.

In addition, economic disparity among regions, which was the major factor determining the creation of the TVA, is also a major issue in Japan today …The important thing is that recent research has not only provided insight into the effectiveness of industrial policy, but also effective methods for implementing such policies … Howell's article demonstrated that R&D grants are more effective when allocated to younger companies and to companies in new industries.

In addition, Harvard University Professor Philippe Aghion and his co-authors used a dataset of enterprises in China to verify the type of cases where industrial policy was most effective in raising productivity. Their results showed that industrial policies can foster productivity growth to a larger extent in cases where they are designed to promote competition among companies, such as cases where benefits are allocated to many companies within one sector or to younger and more productive enterprises."

Okazaki Tetsuji (2020): "Twenty-First Century Industrial Policy Emphasizing Framework Design and Encouraging Competition"
https://www.rieti.go.jp/en/papers/contribution/okazaki/08.html

57. Nova macroeconomia empírica?

"The most important problem with macro over the past few decades has been that it has been too theoretical (…) Theory is an essential element of a healthy science. But a healthy science needs a balance between theory and empirical work. Macro lost this balance in the 1980s and is only regaining it now.

Most narratives about the evolution of macro focus on the evolution of macroeconomic theory and the rational expectations revolution in particular. An under-appreciated part of this story is that the rational expectations revolution shifted the field away from empirical work. This was partly because building models that met the higher standards of rigor set by Lucas and his co-revolutionaries was a challenging and therefore highly absorbing task."

" … a very substantial fraction of macroeconomists came to believe that the Lucas critique implied that quasi-experimental empirical methods could not be used in macro. The idea that changes in policy could radically alter empirical regularities (i.e., the Lucas critique) somehow came to be interpreted to mean that the only way to do empirical work in macro was to write down fully specified general equilibrium models of the whole economy and evaluate the entire model …. It seems that this line of thinking led large numbers of macroeconomists astray in terms of how to think about empirical work in macro for several decades."

"There were isolated pockets of empirical work in macro that employed instrumental variables methods — e.g., using lags as instruments when estimating Phillips curves or Euler equations. The structural VAR literature also managed to carve out some limited understanding of using 'identifying assumptions' to move away from whole-model inference. And throughout, there was a small minority

of empirical macro researchers that understood the value of quasi-experimental methods. But a large fraction of macroeconomists rejected such analysis as being un-sound".

"This misunderstanding seriously held back progress in empirical macroeconomics for a generation. Over this period, applied micro experienced a credibility revolution which led various types of quasi-experimental methods to become vastly more important in many subfields of economics. Macro was largely left behind on this front … Recently, as macro has been catching up on the empirical side, it seems that more and more researchers in applied micro have also started embracing more thoroughly the complementarity of quasi-experimental methods and serious structural modelling."

"… but being so dominated by theory, the field was very exposed to another problem: models in which markets work well are (usually) easier to solve than models in which market work poorly … Since models in which markets work well are easier to solve, researchers tend to work with such models. The default assumption about a market is typically that it is perfectly competitive. Researcher will often introduce a carefully constructed friction in a critical place in their model and focus their analysis on the implications of this friction. But all other markets in the model are typically modeled as being perfectly competitive for simplicity."

"The typical researcher is so used to assuming that virtually all markets are perfectly competitive that they are often completely blinded as to the consequences of these assumptions … One example of this that resonates strongly with me is the notion that MPCs [marginal propensity to consume?] are trivially small in many macro models."

"One of the critical roles of empirical work is to confront theorists and policymakers with facts that help them see that the models they are using are not well suited … Without a robust set of such estimates to guide the development of theory, the theoretical literature is rudderless and is at risk of getting lost at sea."

"It is, for example, becoming better and better understood that with the help of an instrument (or some other source of exogenous variation) one can estimate various types of causal effects without specifying a full structural model of the whole economy. (Panel data methods and various non-traditional datasets have also helped a lot.)"

"The upside of this is that credible estimates of more and more critical empirical statistics are emerging in macro and this is starting to guide theoretical and policy work in a more and more serious way. Let me take a few examples: We now have a substantial body of high quality work indicating that MPCs are quite large. This is the basic empirical fact favoring HANK [Heterogeneous Agent New Keynesian] models over traditional NK models. But this fact also has important consequences when it comes to the macroeconomic effects of policies that supplement people's incomes during recessions. We also have a substantial body of high quality work indicating that fiscal multipliers are large in the cross-section. This fact points in a similar direction as the high MPC fact: macro stimulus can raise output substantially in circumstances when monetary policy is accommodative (e.g., at the ZLB). Furthermore, we have more and more work indicating that the slope of the Phillips curve is modest. This implies that a boom that leads to overheating of the economy will have modest effects on inflation as long as inflationary expectations remain anchored."

"… one can reasonably argue that the field is trending strongly towards a healthy balance between theory and empirical work."

Steinsson, Jón (2021): "EfIP Online Panel: A New Macroeconomics?", Policy Brief 32
https://econfip.org/policy-briefs/efip-online-panel-a-new-macroeconomics/

58. Nova política industrial espanyola 2030 (22 Feb 2019)

"El documento ['Directrices Generales de la Nueva Política Industrial Española 2030'] recoge las propuestas del Ejecutivo en materia industrial a partir de cinco vectores prioritarios: la mejora de productividad y competitividad, el incremento del peso de la industria en el PIB nacional, la sostenibilidad y descarbonización de la economía, la digitalización, y el alineamiento de la política industrial española con la impulsada desde la UE.

El Ministerio de Industria trabaja en tres grandes iniciativas para dar respuesta a estos desafíos. En primer lugar, un Pacto de Estado por la Industria que dé seguridad a las empresas y que favorezca la atracción de nuevas inversiones industriales.

En segundo lugar, se elaborará una Estrategia de Política Industrial para España 2030 que defina las medidas necesarias para impulsar el crecimiento del sector industrial español, mejorar su competitividad y generar un crecimiento sostenible e inclusivo.

La tercera iniciativa es la aprobación de una nueva Ley de Industria que actualice el marco regulatorio industrial que data de 1992 a los nuevos retos de digitalización y descarbonización.

Esta política industrial se articularía en torno a 10 ejes de acción, entre los que destacan una mayor penetración de la digitalización y de innovación en el tejido industrial nacional; la mejora de la empleabilidad sobre todo entre los jóvenes y mujeres; la elaboración de una nueva Ley de Industria para adaptar la normativa a los nuevos tiempos; el estímulo al aumento de tamaño empresarial; y la mejora de la financiación.

También el documento aborda aspectos tan esenciales en el tejido industrial como los costes energéticos. En este sentido, se está desarrollando el reglamento del Estatuto del Consumidor Electrointensivo.

La logística industrial es otro tema que recoge este informe donde se pone de manifiesto la importancia del ferrocarril frente al transporte por carretera para ahorrar costes.

Por último, la internacionalización también está muy presente con el objetivo de incrementar el número de empresas industriales que exporten de forma regular, reforzando y potenciando los instrumentos públicos de apoyo a la exportación.

En definitiva, estas Directrices Generales de la Nueva Política Industrial Española 2030 sientan las bases de futuro que el Gobierno quiere implementar para que la industria nacional se sitúe en el foco del crecimiento económico a partir de la colaboración con las diferentes administraciones públicas y agentes sociales."

https://gandalf.fee.urv.cat/professors/AntonioQuesada/Curs2425/PIE_2019.pdf

https://www.mintur.gob.es/es-es/GabinetePrensa/NotasPrensa/2019/Paginas/20190222-directrices-politica-industrial.aspx

59. Espanya i la nova política industrial europea

"En los últimos años hemos sido testigos de un resurgimiento de la política industrial a nivel global. Las economías emergentes y las desarrolladas están reconociendo la importancia del Estado para conseguir una base industrial sólida y así impulsar el crecimiento económico y la generación de empleo. Este resurgimiento se ve promovido por la creciente competencia global y la necesidad de abordar desafíos socioeconómicos y medioambientales. Ejemplo de este cambio de paradigma son el programa Made in China 2025 y las leyes americanas de semiconductores (CHIPS), infraestructura y transición energética (IRA).

En Europa, la política industrial está volviendo a ocupar un lugar central en la agenda política. La Unión Europea está adoptando un enfoque más activo para apoyar a sus industrias, con el objetivo de mantener su competitividad global y garantizar un crecimiento sostenible. La nueva política industrial europea se centra en áreas clave como la digitalización, la transición verde y la resiliencia de las cadenas de suministro. Dos estrategias marcan el rumbo legislativo comunitario en política industrial: la Estrategia Industrial de la UE (2021) y el Plan Industrial del Pacto Verde Europeo (2023).

Estos planes se concretan en la Ley sobre la Industria de Cero Emisiones Netas, aprobada en mayo 2024, y la Ley Europea de Materias Primas Fundamentales. Estas leyes son cruciales para la estructura económica de los países europeos, ya que definen las tecnologías estratégicas, los objetivos de producción y aprovisionamiento doméstico, y el nivel y modalidad de la financiación pública. Otros elementos fundamentales para la política industrial de la UE son la Ley Europea de Chips, la próxima reforma del mercado eléctrico y el Programa Europeo para la Industria de Defensa (…) Su implementación y futuros desarrollos legislativos tendrán un efecto directo sobre la competitividad y la economía española."

"En primer lugar, va a aumentar mucho la presión en Europa para generar iniciativas, alianzas y operadores paneuropeos que puedan competir a escala global con empresas chinas y norteamericanas (…) El debate de crear 'campeones europeos', si bien es válido, podría dejar a las empresas españolas en una situación de mayor vulnerabilidad, ya que estos campeones europeos podrían acabar procediendo de Alemania, Francia o Países Bajos.

En segundo lugar, se va a librar una batalla entre estados para determinar si la financiación del desarrollo industrial se hará a nivel de Estado miembro o a nivel comunitario. Asegurar que la financiación sea comunitaria es crítico para un país europeo de renta media y con poco espacio fiscal como es España. Además, los mercados de capitales están fragmentados y la propuesta para una unión de capitales sigue avanzando lentamente."

"Por último, las nuevas políticas industriales … implicarán una nueva configuración geográfica de las cadenas de valor. Mientras el centro francoalemán lidera ampliamente al resto en el ámbito de las subvenciones industriales y en cuanto al desarrollo de sus estrategias industriales, se abren posibles reposicionamientos en las cadenas de valor europeas. Esto está generando una carrera entre los tres

flancos periféricos: el oriental liderado por Polonia; el sur, encabezado por Italia; y el suroeste, con la península ibérica.

España cuenta con varios elementos clave para desarrollar una política industrial efectiva. No se trata sólo de la Ley de Industria, que no es necesariamente equivalente a dotarse de una política industrial, sino de un conjunto más amplio de recursos. Entre estos se encuentran los ministerios de Industria y de Transición Ecológica, así como entidades como Enisa, CDTI e IDEA. Además, destacan la Estrategia Industrial de Defensa 2023 y el Componente 12: Política Industrial España 2030 del Plan de Recuperación, Transformación y Resiliencia, y en particular, los Proyectos Estratégicos para la recuperación y Transformación Económica (Perte). España también goza de muchas instituciones autonómicas fundamentales para el desarrollo industrial de los distintos territorios."

"España necesita una visión clara, transversal y compartida para su política industrial. Esta visión debe estar alineada con las prioridades de la nueva política industrial europea y debe centrarse en fortalecer la competitividad de la industria española … No necesitamos únicamente una política industrial que disponga de instrumentos de prevención, como las reservas estratégicas de capacidades industriales y medidas de respuesta a crisis. También se necesita una política industrial que realmente fomente la competitividad económica de las empresas, facilitando la transición hacia su descarbonización y digitalización en plazos y recursos realistas."

Saz Carranza, Ángel (2024): "España ante la nueva política industrial europea", Expansión, 8 Jul 2024
https://www.esade.edu/es/articulos/espana-ante-la-nueva-politica-industrial-europea

60. Passat i futur de la política industrial espanyola

"España en las últimas décadas no ha desplegado una política industrial, entendida como un Plan a largo plazo con Actores e Instrumentos encaminados a reforzar la industria manufacturera española. En cambio, sí se han desarrollado importantes iniciativas en el campo de la energía, componente menor pero relevante de la industria española, fundamentalmente en el desarrollo de las energías renovables.

El influjo de las teorías liberales del llamado Consenso de Washington … y ciertos requisitos exigidos a España para su entrada y permanencia en la UE en 1986, ha hecho que la industria manufacturera española haya ido perdiendo relevancia en la economía española. Prueba de lo anterior es que la Ley de Industria en vigor es del año 1992.

En algunos casos aislados como el automóvil, por lo que representa en cuanto a empleo y exportación, la industria aeronáutica y, en cierto modo las energías renovables, España ha podido mantener una cierta posición relativa con respecto a la industria manufacturera de la UE."

"La mayor parte de la inversión en temas industriales de los sucesivos gobiernos españoles ha ido … a mitigar los efectos de las sucesivas reconversiones de industrias en declive como el carbón, el acero y los astilleros. El apoyo económico a las industrias existentes o nuevas, ha estado centrado en fomentar proyectos y actividades de I+D, con un criterio de reparto más o menos equitativo entre ellas.

Finalmente, el Ministerio de Industria lanzó en diciembre 2010 un Plan Integral de Política Industrial 2020 (PIN 2020), cuyos objetivos eran abordar las debilidades estructurales de la industria española

para relanzarla. Se marcó como objetivo cuantitativo que, en cinco años, el valor añadido de la industria española alcanzara el 18% del total (…) La política de innovación ocupaba el lugar más destacado."

"La orientación de este nuevo Plan tenía dos parámetros fundamentales: el primero, que la industria recuperara protagonismo como motor de crecimiento y generador de empleo; y el segundo, que el enfoque fuera global y transversal."

El cambio de gobierno en diciembre de 2011 hizo que este Plan quedara fuera de las prioridades de política económica del nuevo gobierno."

"En 2021 se produce … la aprobación por parte de la Unión Europea de los fondos Next Generation EU, que para España supone un importe total de 140 MM€ repartidos aproximadamente al 50% entre subvenciones y préstamos en condiciones favorables. Estos fondos tienen como objetivo principal impulsar la recuperación del tejido económico de los distintos países miembros de la Unión Europea. A partir de esta iniciativa, el gobierno de España ha aprobado el llamado Plan de Recuperación, Transformación y Resiliencia (PRTR) que, entre varios componentes relacionados con la industria, presenta uno específico, el número 12, llamado Política Industrial España 2030 con una inversión total prevista próxima a 4.000 M€."

"Principales actores de la industria española

El Ministerio de Industria, Comercio y Turismo (2022), bajo sus diversas formas, ha venido siendo el actor de primer nivel de la política industrial. No obstante, con la configuración actual, la industria dentro del Ministerio no tiene rango de Secretaría de Estado, sino uno inferior, de Secretaría General, con rango de Subsecretaría. Por otra parte, y desde hace varios años, ha perdido sus atribuciones relativas a las actividades de I+D, claves en el desarrollo de una política industrial, y traspasadas a un nuevo Ministerio de Ciencia e Innovación creado en 2008. Por otra parte, ciertas atribuciones de Política industrial han sido traspasadas a las Comunidades Autónomas.

No obstante lo anterior, mantiene … (la) Secretaría de Estado … de Comercio, responsable de … promover las exportaciones y las inversiones españolas en el exterior.

También el actual Ministerio de Asuntos Económicos, tiene bajo su tutela una Secretaría de Estado de Economía y Apoyo a la Empresa, una Secretaría de Estado de Digitalización e Inteligencia Artificial, y una Secretaría de Estado de Telecomunicaciones e Infraestructuras Digitales."

["El nuevo Gobierno de Sánchez bate el récord de más secretarías de Estado, al iniciar su gestión, desde Aznar. En sus respectivos Ejecutivos tras la investidura, Aznar llegó a tener 18 secretarías de Estado, Zapatero 26 y Rajoy 25. El nuevo Gobierno de Pedro Sánchez ha batido el récord de más secretarías de Estado en las dos últimas décadas, en su composición inicial, tras la investidura del jefe del Ejecutivo. Con la nueva estructura, su Gobierno pasaría a tener 36 secretarías de Estado."
https://www.newtral.es/gobierno-sanchez-record-secretarias-estado-aznar/20231127/]

"… la actividad del Ministerio de Industria como promotor de la política industrial se ha visto sensiblemente reducida, y se ha limitado en los últimos años principalmente a la gestión de programas

de competitividad y apoyo a la industria de carácter generalmente horizontal, mediante subvenciones y préstamos en condiciones favorables.

Por su parte, el Ministerio de Ciencia e Innovación tiene actualmente las siguientes responsabilidades: 'Es el departamento encargado de la ejecución de la política del Gobierno en materia de investigación científica y técnica, desarrollo tecnológico e innovación en todos los sectores, incluyendo la dirección de las relaciones internacionales en esta materia y la representación española en programas, foros y organizaciones de la Unión Europea e internacionales de su competencia.' Otros actores relevantes son los Departamentos de Industria o equivalentes en las Comunidades Autónomas, las organizaciones empresariales y las organizaciones sindicales.

El futuro de la política industrial en España

En los últimos años se está produciendo un cambio sustancial por parte de los países occidentales, con respecto a la percepción de la importancia de la industria. Las razones son variadas, pero todas ellas apuntan a la necesidad de promover sus respectivas industrias mediante el desarrollo de políticas industriales, tanto de carácter horizontal como vertical. Entre estas razones se encuentran… :

- La constatación empírica de que los países con una proporción alta de PIB industrial tienen un comportamiento económico mejor en términos de crecimiento económico, creación de empleo y balanza comercial, que aquellos más dependientes de los servicios.
- El éxito del modelo de desarrollo económico de China, que … ha convertido a China en una potencia industrial.
- La constatación durante la pandemia, de que los países occidentales carecían de capacidad de fabricación propia de suministros básicos como medicinas y equipos médicos (…)
- La constatación de la gran dependencia que los países occidentales tienen de ciertos países asiáticos de los suministros de componentes fundamentales de aplicación en numerosos productos, como está siendo el caso de los semiconductores.
- La constatación de que las decisiones políticas de ciertos países suministradores de materias primas y componentes clave, pueden condicionar el desarrollo económico e incluso la seguridad de los países occidentales.

"Como consecuencia de la pandemia, la Unión Europea flexibilizó temporalmente ciertas normas de la competencia para permitir ayudas de estado a empresas en dificultades. También puso en marcha un programa de apoyo financiero a los estados miembros, denominado Next Generation EU, entre cuyos objetivos está el refuerzo de la industria, tanto la energética a través del impulso a las energías renovables, como a la manufacturera a través del impulso a la transformación digital."

"Desde esta Cátedra se quiere impulsar un Plan de Reindustrialización que vaya más allá de actuaciones específicas fruto de coyunturas temporales y que se sea un Plan a largo plazo y que disponga de un amplio consenso tanto político como social. El objetivo final es que España tenga un sector industrial comparable en tamaño relativo al de la UE-26, diversificado y tecnológicamente avanzado."

Cátedra de Política Industrial de la UPM: "La política industrial en España: pasado y futuro"
https://blogs.upm.es/catedra-politica-industrial/la-politica-industrial-en-espana/

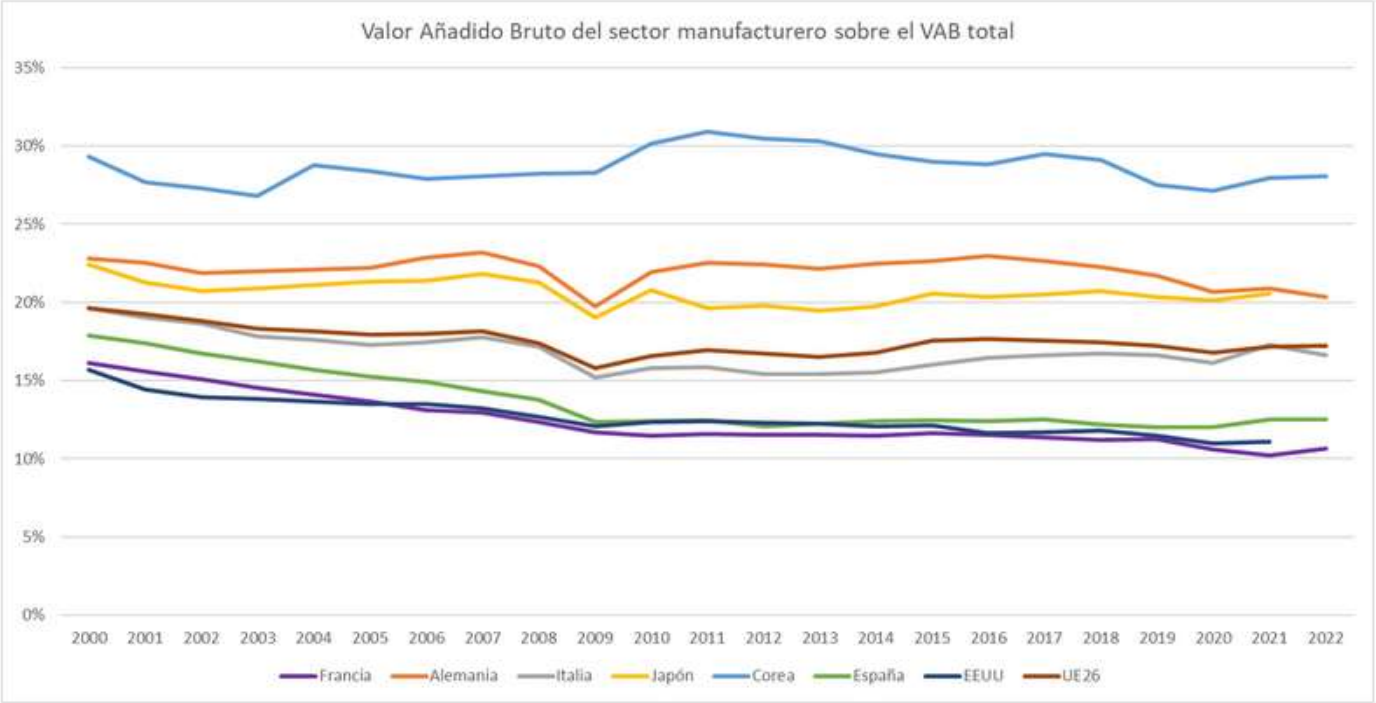
61. La indústria manufacturera espanyola

"Desde 2007 la renta media de los españoles viene cayendo con respecto a la mayoría de los países, en especial con respecto a la UE."

"El 90% de los bienes exportados son manufacturados. España se encuentra en un grupo intermedio de países, pero perdiendo terreno con respecto a la UE-26."

"España redujo significativamente el déficit comercial entre 2007 y 2020, pero en 2021 y 2022 volvió a aumentar hasta niveles de 2009, debido fundamentalmente a la importación neta de productos energéticos."

"El peso del sector manufacturero en España es bajo y pierde terreno con respecto a la UE-26."



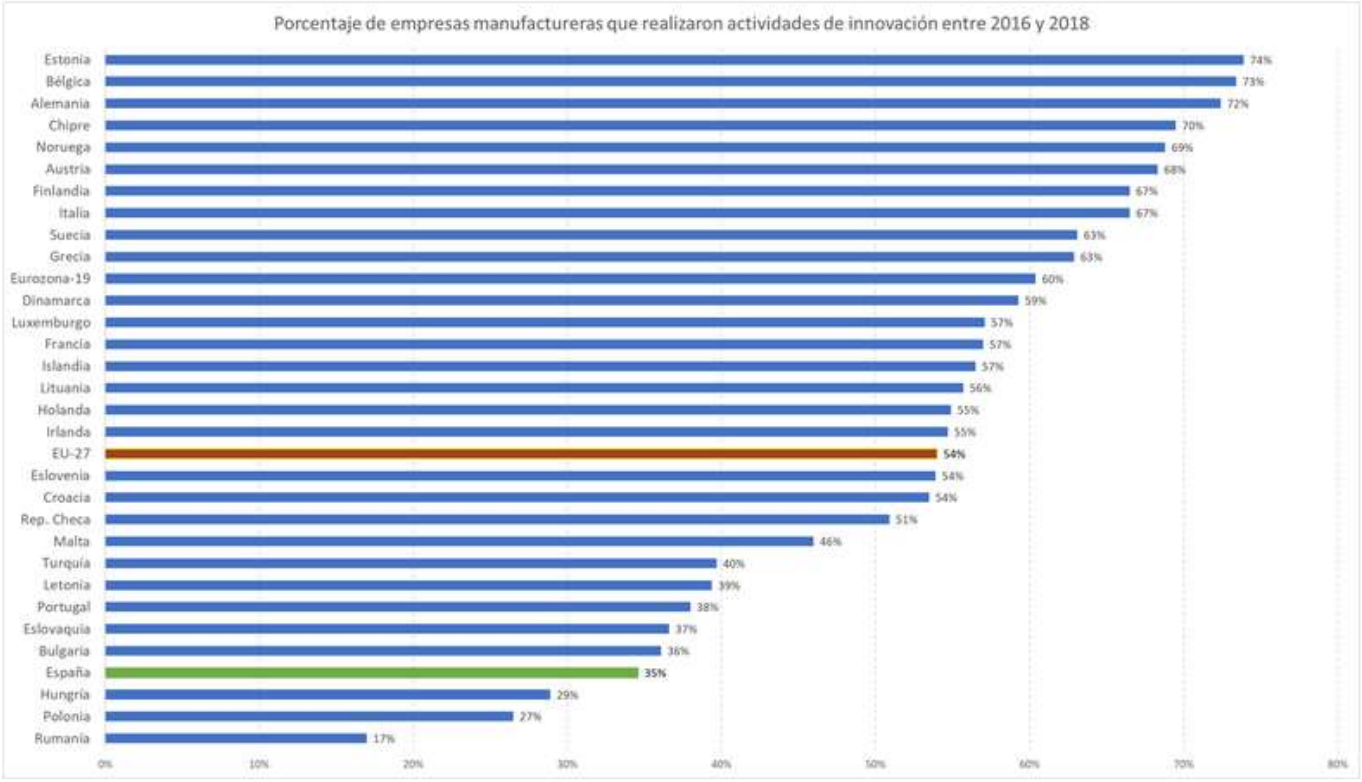
"Los subsectores de alimentación, bebidas y tabaco, productos metálicos, vehículos y material de transporte, y caucho y plásticos suponen más de la mitad del VAB total del sector manufacturero (55% en 2019)."

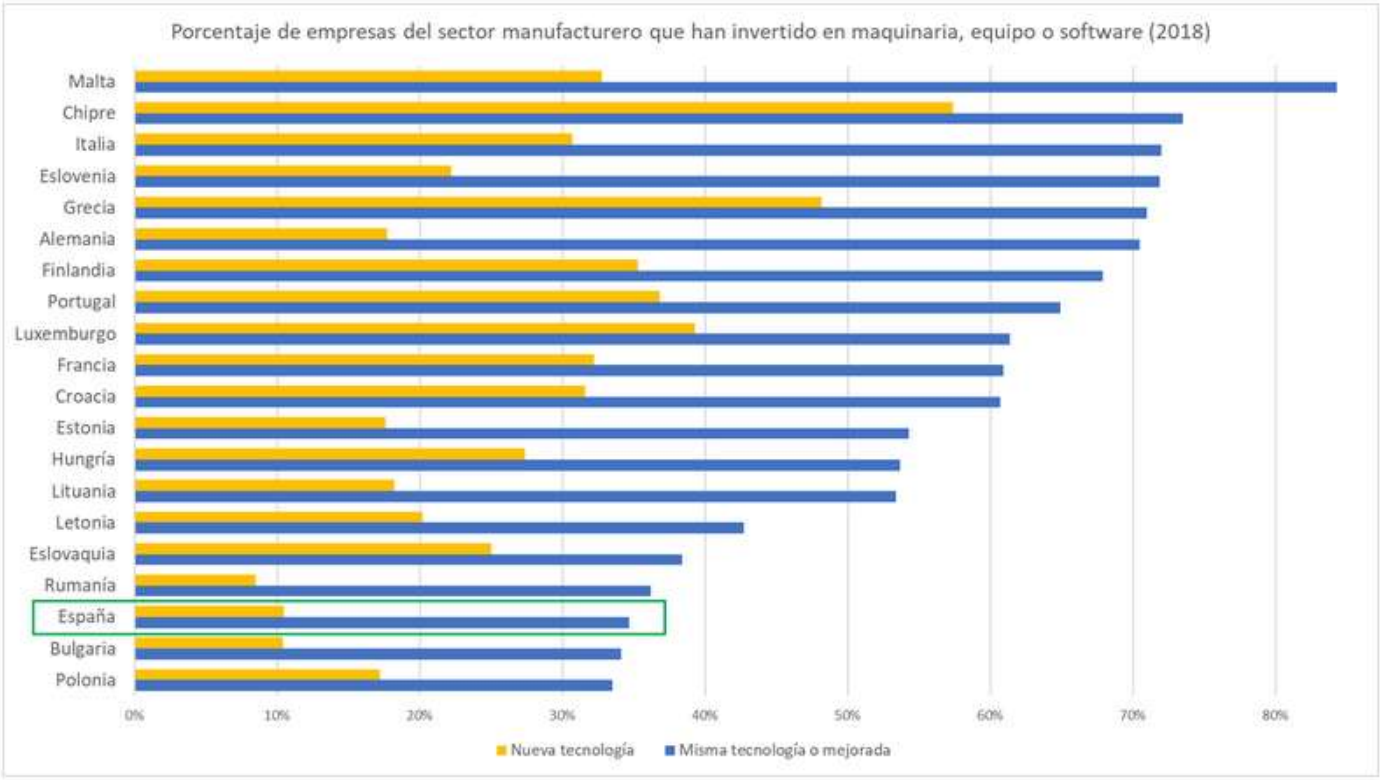
"Entre 2000 y 2019, y de los 4 sectores más relevantes, España solo crece por encima de la UE-26 en el de alimentación, bebidas y tabaco, sector de baja intensidad tecnológica, aunque de importancia estratégica para el suministro de alimentos a la población."

"Entre 2000 y 2019, la intensidad tecnológica media del sector manufacturero español, que ya era menor que la de la UE-26 en el año 2000, ha seguido perdiendo terreno."

"España se encuentra en el grupo de países europeos con un menor porcentaje de empresas del sector manufacturero que realizan actividades de innovación."

"España es uno de los países de la UE donde un menor porcentaje de empresas del sector manufacturero invirtieron en maquinaria, equipo o software (nuevo o mejorado), en el año 2018."





"El porcentaje medio de inversión en innovación sobre la cifra de ingresos de las empresas manufactureras, es baja. Los sectores manufactureros con mayor intensidad en innovación son los de productos informáticos, electrónicos y ópticos, productos farmacéuticos y otro material de transporte."

https://blogs.upm.es/catedra-politica-industrial/la-industria-espanola/

62. Debats sobre la política industrial a la UE i Espanya

"Los debates en torno a la política industrial y la intervención directa de los Estados en las decisiones productivas de las empresas son recurrentes, pero recientemente han cobrado un nuevo vigor. Las discusiones sobre los objetivos y los mejores instrumentos para 'coordinar' u 'orientar' al tejido productivo tienden a avivarse durante y después de las crisis."

"A pesar de que el término 'política industrial' está ampliamente utilizado, no existe una única definición que pueda aplicarse de forma general a todos los países y situaciones (…) Se puede considerar que la política industrial consiste en políticas públicas que pretenden restructurar la actividad económica, a veces con el objetivo de corregir algún fallo de mercado, a veces para estimular la colaboración público-privada o a veces con el propósito de impulsar un cierto programa de transformación socioeconómica. En cuanto a los principales instrumentos de la política industrial, destacan los subsidios públicos, los préstamos, la modificación de la regulación, la participación del Estado en empresas privadas y, en las modalidades más intervencionistas, cierto nivel de proteccionismo o cláusulas obligatorias de producción local y/o reinversión local de beneficios."

"**La política industrial en la UE previa a la IRA**

Las concepciones más modernas de la política industrial reconocen que las economías nacionales no funcionan aisladamente y que es necesario comprender cuáles son las dependencias entre países, … que requieren de una acción estratégica concertada y que pueden considerarse las condiciones básicas para concebir, diseñar, ejecutar y evaluar la política industrial en la UE. Según un análisis reciente y exhaustivo del BCE (2023) estas dependencias fundamentales serían las siguientes:

[BCE (2023): "The EU's Open Strategic Autonomy from a central banking perspective. European Central Bank, No 311", https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op311~5065ff588c.en.pdf]

- **Dependencias comerciales**. La dependencia comercial del exterior … refleja … el grado de participación en las cadenas de producción globales y, por tanto, es un fenómeno ambiguo que puede convertirse tanto en oportunidad como en amenaza. Considerando el valor añadido que proviene de las importaciones en relación con el valor añadido total, y considerando los tres bloques comerciales principales (UE, EE. UU. y China), en el sector primario-agroalimentario, la UE y los EE. UU. tienen una dependencia cercana al 20 %, mientras que China está por debajo del 10 %. En las manufacturas, las diferencias entre bloques son menores y los tres se mueven en dependencias de entre el 15 y el 20 %. En materia de servicios, las dependencias son menores en el caso de la UE (10 %) y EE. UU. (5 %), destacando la dependencia de la economía china (11 %).
- **Dependencias energéticas**. La UE importa aproximadamente el 55 % de la energía que consume."
- **Dependencias en materias primas críticas**. La UE clasifica treinta materias primas como 'críticas' atendiendo a su posición en dos dimensiones: su relevancia económica y su dificultad de sustitución. Según los últimos datos disponibles, referidos a 2019, la UE importó 15.000 millones de dólares de materias primas críticas del resto del mundo. Además, las importaciones de algunas de estas materias primas críticas están muy concentradas en un número muy reducido de países de origen y algunas de ellas son virtualmente insustituibles por ninguna otra.

- **Dependencias asociadas a la transición digital**. Según el índice de la Comisión Europea, International Digital Economy and Society Index (I-DESI), la UE ocupa el lugar número 12 en términos de desempeño digital global. Las dificultades que impiden una más rápida adopción de tecnologías digitales en la UE están relacionadas con debilidades estructurales en términos de infraestructuras digitales, habilidades digitales de la población y regulación poco favorecedora de la transición digital. Es de prever que, dado el crecimiento en el volumen y la aceleración en la velocidad de proceso en las diversas herramientas y sistemas digitales (cloud computing, IA, impresión 3D), la dependencia de la UE puede acentuarse si no se toman medidas decididas para revertirla.
- **Interdependencias financieras**. Según el BCE (2023), se pueden distinguir cuatro tipos o canales de dependencias financieras relevantes para la UE: 1) las inversiones transfronterizas…; 2) posibilidades limitadas para la inversión en proyectos intra-UE, donde hay que destacar que el sistema bancario de la UE permanece relativamente fragmentado en términos nacionales y no se dispone de un mercado de capitales suficientemente integrado; 3) los métodos de pago e infraestructuras de mercado, en el cual los principales proveedores de servicios financieros digitales se encuentran fuera de la UE; y … 4) el papel de las divisas, ya que el uso generalizado de una divisa tiende a propiciar más financiación y más asequible para la economía que emite la divisa; en este sentido, el euro tiene un peso menor como divisa internacional del que le correspondería proporcionalmente al nivel de comercio e inversiones internacionales en los cuales participa la UE.
- **Interdependencias en el mercado laboral y los flujos migratorios**. En los últimos veinte años el número de inmigrantes de fuera de la UE y ciudadanos de la UE viviendo en otros países de la UE ha aumentado un 60 % (…) Según el BCE (2023), hay diversos retos pendientes: en primer lugar, la movilidad intra-UE es menor que la que existe en EE. UU. y eso puede ser un límite al crecimiento; en segundo lugar, la UE podría mejorar su atractivo para los inmigrantes con mayor cualificación; en tercer lugar, la incertidumbre geopolítica actual con toda probabilidad tendrá un efecto importante sobre los diversos tipos de migraciones."

"Dado que estas dependencias reflejan … riesgos para la UE y los Estados miembros, el primer objetivo de la política industrial debería ser anticipar, gestionar y, en cuanto sea posible, reducir estos riesgos."

"La descarbonización de la economía sin provocar la desindustrialización de Europa es un reto mayúsculo … Se ha establecido que la UE debería ser neutral para el clima en 2050 (…) Todo apunta a que la imposición y regulación de las emisiones de CO2 difícilmente serán suficientes para descarbonizar la economía de la UE."

"**La política industrial en la UE posterior a la IRA**

En 2022 los EE. UU. aprobaron la Inflation Reduction Act (IRA), un paquete legislativo que consta de tres partes: una reforma impositiva, una reforma en el sistema de salud y una nueva legislación en materia de energía y clima. Este último apartado prevé un gasto de hasta 400.000 millones de dólares en un período de 10 años y contempla las siguientes medidas …:

- Deducciones fiscales por la adquisición de vehículos eléctricos, tanto para particulares como empresas.

- Subsidios a la producción e inversión de bienes y componentes de tecnologías limpias, incluyendo baterías y componentes utilizados en la generación de energías renovables.
- Subsidios a la producción de electricidad que sea neutral en términos generación de carbono, así como hidrógeno y otros combustibles limpios.

La IRA puede perjudicar claramente a la industria europea y de terceros países, debido a que los subsidios de producción convertirán a los productos, servicios y energías norteamericanos en más competitivos. Pero también puede generar efectos positivos en los sectores europeos especializados en proveer tecnologías limpias y servicios relacionados con la transición hacia la sostenibilidad.

La IRA contiene elementos proteccionistas porque condiciona algunos de estos subsidios a requisitos de compra o fabricación local en EE. UU., que están prohibidos en las reglas de la Organización Mundial del Comercio. El nuevo paquete legislativo probablemente también genere otros efectos distorsionadores, como el aumento de la concentración industrial porque establece subsidios a la producción a gran escala (…) La IRA puede abrir oportunidades a empresas europeas en sectores donde éstas son punteras tecnológicamente y gozan de una buena presencia y posicionamiento en el mercado, como puede ser caso de la energía eólica y podría actuar como un estímulo para realizar nuevas inversiones de gran envergadura en estos sectores."

"Hay que destacar también el alto grado de consenso con el que se rechaza que la UE responda a la IRA con contramedidas proteccionistas … Otra de las reacciones que se ha sugerido es tratar de abordar el reto que supone la IRA de forma conjunta con otros retos que tiene planteados la UE:

(i) la doble transición (ecológica y digital);

(ii) la preservación del modelo de inclusión social europeo;

(iii) la superación de políticas exclusivamente basadas en la demanda;

(iv) la articulación conjunta, y explotación de sinergias, con los proyectos financiados por NGEU.

Todo ello podría manejarse si se identifican unos 'bienes públicos europeos' (European Public Goods, EPG…) hacia los cuales podrían converger los esfuerzos inversores de los Estados miembros y de la UE …: revisar el patrón de especialización productiva, rediseñar los mercados laborales y los sistemas de bienestar social, presionar los precios a la baja y contener la inflación, y combatir la depreciación del euro."

"**Debates recientes sobre la política industrial en España**

Estos debates son también aplicables a España. Los principales objetivos de la política industrial en España tradicionalmente se han concretado en las siguientes prioridades: aumentar el peso de la industria manufacturera en el PIB, diversificar y sofisticar el tejido productivo, aumentar la intensidad innovadora de la economía, detener la desindustrialización prematura de algunas regiones, fomentar la internacionalización de las empresas, aumentar la productividad del trabajo y fomentar la cooperación entre el sector público y el sector privado."

"La plasmación del NGEU en España mediante los Proyectos Estratégicos para la Recuperación y Transformación Económica (PERTE) … son un instrumento de colaboración público-privada,

inspirados en los Proyectos Importantes de Interés Europeo … relacionados con la idea de Bienes Públicos Europeos."

"Actualmente se cuenta con doce PERTE: desarrollo del vehículo eléctrico y conectado; salud de vanguardia; energías renovables, hidrógeno renovable y almacenamiento; agroalimentario; nueva economía de la lengua; economía circular; industria naval; aeroespacial; digitalización del ciclo del agua; microelectrónica y semiconductores; economía social y de los cuidados y descarbonización industrial. Para todos ellos en conjunto se destina … 40.093 millones de euros."

"Dada la cercanía conceptual entre los PERTE y la política industrial en España, el análisis de las barreras para la ejecución de los primeros puede ser informativo sobre los retos a los que se enfrenta la segunda. Esos retos pueden clasificarse en distintas categorías…:

- **Debilidades estructurales, coyunturales o regionales de la economía española** que dificultan la absorción de inversiones ligadas a la innovación tecnológica y a la economía del conocimiento. Puede tratarse de un insuficiente tamaño de mercado, de escasos recursos privados disponibles a nivel regional que complementen la inversión pública, cuando ambas son necesarias, o de una baja intensidad inversora en I+D privada.
- **Obstáculos derivados de la regulación y de cierta falta de agilidad administrativa**. Por ejemplo, se constatan dificultades para que todas las actuaciones recogidas en los PERTE queden concluidas en las fechas estipuladas en la convocatoria (finales de 2026) por diversos motivos. También se aprecia el tradicional sesgo en nuestro país a favor del control ex ante en detrimento del control ex post y, más en general, una débil cultura de la evaluación del impacto de las políticas públicas (…)
- **Rigideces en los requisitos específicos y el diseño de la convocatoria**. Por ejemplo, y adicionalmente a lo ajustado de los plazos de ejecución de los proyectos, existen dificultades para crear agrupaciones de pymes que participen en proyectos tractores que, geográficamente, se extiendan a dos o más comunidades autónomas y también se han observado dificultades para que las pymes presenten los avales exigidos (…)
- También se aprecia margen de mejora en el grado de participación en la toma decisiones por parte de distintos actores clave, como pueden ser las asociaciones empresariales o las administraciones públicas territoriales. El objetivo debe ser que estos programas de transformación económica cuenten con los máximos niveles de consenso institucional, social y económico desde sus fases iniciales de concepción.

"En términos de recomendaciones para adoptar un programa de política industrial en España se pueden destacar los siguientes:

i) simplificación de las cargas burocráticas y transición hacia una evaluación más ex post que ex ante, así como el refuerzo de la rendición de cuentas;

ii) búsqueda de los máximos consensos económicos, políticos y sociales en el diseño y ejecución de medidas de política industrial;

iii) compromiso político decidido a favor de las medidas de reformas estructurales de la economía española (educación, innovación, internacionalización) y de la organización eficiente de la actividad económica desde una perspectiva local y regional;

iv) potenciar el estímulo a la colaboración público–privada."

Xifré, Ramon (2023): "Política industrial en la UE y España: debates recientes", Cuadernos de Información Económica 295 (julio-agosto 2023)
https://www.funcas.es/articulos/politica-industrial-en-la-ue-y-espana-debates-recientes/

63. Per què els països no prosperen? (Daron Acemoglu i James Robinson, 2012)

"This book is about the huge differences in incomes and standards of living that separate the rich countries … from the poor (…) Egypt is poor precisely because it has been ruled by a narrow elite that have organized society for their own benefit at the expense of the vast mass of people. Political power has been narrowly concentrated, and has been used to create great wealth for those who possess it."

"… poor countries are poor for the same reason that Egypt is poor. Countries such as Great Britain and the United States became rich because their citizens overthrew the elites who controlled power and created a society where political rights were much more broadly distributed, where the government was accountable and responsive to citizens, and where the great mass of people could take advantage of economic opportunities."

" … the reason that Britain is richer than Egypt is because in 1688, Britain (or England, to be exact) had a revolution that transformed the politics and thus the economics of the nation. People fought for and won more political rights, and they used them to expand their economic opportunities. The result was a fundamentally different political and economic trajectory, culminating in the Industrial Revolution."

"The Industrial Revolution and the technologies it unleashed didn't spread to Egypt, as that country was under the control of the Ottoman Empire, which treated Egypt in rather the same way as the Mubarak family later did. Ottoman rule in Egypt was overthrown by Napoleon Bonaparte in 1798, but the country then fell under the control of British colonialism, which had as little interest as the Ottomans in promoting Egypt's prosperity. Though the Egyptians shook off the Ottoman and British empires and, in 1952, overthrew their monarchy, these were not revolutions like that of 1688 in England, and rather than fundamentally transforming politics in Egypt, they brought to power another elite as disinterested in achieving prosperity for ordinary Egyptians as the Ottoman and British had been. In consequence, the basic structure of society did not change, and Egypt stayed poor."

"Egypt has had revolutions in the past that did not change things, because those who mounted the revolutions simply took over the reins from those they'd deposed and re-created a similar system. It is indeed difficult for ordinary citizens to acquire real political power and change the way their society works. But it is possible, and we'll see how this happened in England, France, and the United States, and also in Japan, Botswana, and Brazil. Fundamentally it is a political transformation of this sort that is required for a poor society to become rich."

"Central to our theory is the link between inclusive economic and political institutions and prosperity. Inclusive economic institutions that enforce property rights, create a level playing field, and encourage investments in new technologies and skills are more conducive to economic growth than extractive economic institutions that are structured to extract resources from the many by the few and that fail to protect property rights or provide incentives for economic activity. Inclusive economic institutions are in turn supported by, and support, inclusive political institutions, that is, those that distribute political power widely in a pluralistic manner and are able to achieve some amount of political centralization so as to establish law and order, the foundations of secure property rights, and an inclusive market economy. Similarly, extractive economic institutions are synergistically linked to extractive political institutions, which concentrate power in the hands of a few, who will then have incentives to maintain and develop extractive economic institutions for their benefit and use the resources they obtain to cement their hold on political power."

"These tendencies do not imply that extractive economic and political institutions are inconsistent with economic growth. On the contrary, every elite would, all else being equal, like to encourage as much growth as possible in order to have more to extract … What is crucial, however, is that growth under extractive institutions will not be sustained, for two key reasons. First, sustained economic growth requires innovation, and innovation cannot be decoupled from creative destruction, which replaces the old with the new in the economic realm and also destabilizes established power relations in politics. Because elites dominating extractive institutions fear creative destruction, they will resist it … Second, the ability of those who dominate extractive institutions to benefit greatly at the expense of the rest of society implies that political power under extractive institutions is highly coveted, making many groups and individuals fight to obtain it. As a consequence, there will be powerful forces pushing societies under extractive institutions toward political instability.

The synergies between extractive economic and political institutions create a vicious circle, where extractive institutions, once in place, tend to persist. Similarly, there is a virtuous circle associated with inclusive economic and political institutions. But neither the vicious nor the virtuous circle is absolute … some societies have been able to break the mold and transition toward inclusive institutions. Our explanation for these transitions is historical … Major institutional change, the requisite for major economic change, takes place as a result of the interaction between existing institutions and critical junctures. Critical junctures are major events that disrupt the existing political and economic balance in one or many societies, such as the Black Death…; the opening of Atlantic trade routes … ; and the Industrial Revolution."

"Why does the path of institutional change differ across societies? The answer to this question lies in institutional drift … two otherwise similar societies will also drift apart institutionally—albeit, again, slowly. Conflict over income and power, and indirectly over institutions, is a constant in all societies. This conflict often has a contingent outcome, even if the playing field over which it transpires is not level. The outcome of this conflict leads to institutional drift. But this is not necessarily a cumulative process. It does not imply that the small differences that emerge at some point will necessarily become larger over time. On the contrary … small differences open up, and then disappear, and then reappear again. However, when a critical juncture arrives, these small differences that have emerged as a result

of institutional drift may be the small differences that matter in leading otherwise quite similar societies to diverge radically."

"There should be little doubt that in fifty or even a hundred years, the United States and Western Europe, based on their inclusive economic and political institutions, will be richer, most likely considerably richer, than sub-Saharan Africa, the Middle East, Central America, or Southeast Asia."

"… nations likely to grow over the next several decades—albeit probably under extractive institutions—are those that have attained some degree of political centralization."

"Our theory also suggests that growth under extractive political institutions, as in China, will not bring sustained growth, and is likely to run out of steam. Beyond these cases, there is much uncertainty. Cuba, for example, might transition toward inclusive institutions and experience a major economic transformation, or it may linger on under extractive political and economic institutions. The same is true of North Korea and Burma (Myanmar) in Asia."

"Even greater caution is necessary in drawing policy recommendations from this broad account of the origins of prosperity and poverty (…) Of course, our theory is all about how nations can take steps toward prosperity—by transforming their institutions from extractive to inclusive. But it also makes it very clear from the outset that there are no easy recipes for achieving such a transition."

"In this, as in most things, avoiding the worst mistakes is as important as—and more realistic than—attempting to develop simple solutions. Perhaps this is most clearly visible when we consider current policy recommendations encouraging 'authoritarian growth' based on the successful Chinese growth experience of the last several decades. We next explain why these policy recommendations are misleading and why Chinese growth, as it has unfolded so far, is just another form of growth under extractive political institutions, unlikely to translate into sustained economic development."

Acemoglu, Daron; James Robinson (2012): *Why Nations Fail*, Crown Publishers.

64. Institucions polítiques 'adequades' expliquen el creixement econòmic

"… the two fundamental features of the world economy in our times re-emerge. One is the gap between rich and poor countries. Two hundred years ago, there was no such gap, at least not on the scale we are used to today; nor, most probably, will there be one in 200 years' time. But the present reality is of astounding difference: the same people can live in abject poverty in one country, yet be prosperous once they move to another.

This book takes the graphic example of the twin towns of Nogales, one on the Mexican side of the border, the other on the American side: why does a border make such a difference?"

"Scholars have struggled for decades to find a convincing answer. Often, the direction of search has been technocratic. In the 1960s, the dominant explanation was that poor countries lacked capital; by the 1980s, it was that they had poor economic policies.

The last decade has appeared to offer a new and potent clue: the ascent of China, which is the other fundamental feature of our times. China's growth is an economic phenomenon without precedent that has implications both for poverty and geopolitics. It has lifted millions out of penury and the country is

projected soon to topple America from its position as the world's largest economy. The beacon offered by China has been widely interpreted, especially by African elites, as demonstrating the benefits of autocracy."

"Far from seeing China as the clue to spreading prosperity, Acemoğlu and Robinson see it as yet another instance of a society rushing into a cul-de-sac. China is not, on their analysis, on course for our own level of prosperity. Their argument is that the modern level of prosperity rests upon political foundations. Proximately, prosperity is generated by investment and innovation, but these are acts of faith: investors and innovators must have credible reasons to think that, if successful, they will not be plundered by the powerful.

For the polity to provide such reassurance, two conditions have to hold: power has to be centralised and the institutions of power have to be inclusive. Without centralised power, there is disorder, which is anathema to investment."

"China resoundingly fails to tick the box of inclusive institutions. Acemoğlu and Robinson quote a summary of the structure of Chinese political power: 'The party controls the armed forces; the party controls cadres; and the party controls the news.'"

"Their argument is that order without inclusive institutions may enable an economy to escape poverty, but will not permit the full ascent to modern prosperity. Their explanation is that if the institutions of power enable the elite to serve its own interest – a structure they term 'extractive institutions' – the interests of the elite come to collide with, and prevail over, those of the mass of the population.

"… it is only in the interest of the elite to cede power to inclusive institutions if confronted by something even worse, namely the prospect of revolution. The foundations of prosperity are political struggle against privilege."

Collier, Paul (2012): "Why Nations Fail by Daron Acemoğlu and James Robinson – review", 11 Mar 2012 https://www.theguardian.com/books/2012/mar/11/why-nations-fail-acemoglu-robinson-review

65. Institucions polítiques 'adequades' expliquen el creixement econòmic?

"*Why Nations Fail* … makes an argument that is appealingly simple: countries with 'inclusive' (rather than 'extractive') political and economic institutions are the ones that succeed and survive over the long term.

Ultimately, though, the book is a major disappointment. I found the authors' analysis vague and simplistic. Beyond their 'inclusive vs. extractive' view of political and economic institutions, they largely dismiss all other factors—history and logic notwithstanding. Important terms aren't really defined, and they never explain how a country can move to have more 'inclusive' institutions.

For example, the book goes back in history to talk about economic growth during Roman times. The problem with this is that before 800AD, the economy everywhere was based on sustenance farming. So the fact that various Roman government structures were more or less inclusive did not affect growth.

The authors demonstrate an oddly simplistic world view when they attribute the decline of Venice to a reduction in the inclusiveness of its institutions. The fact is, Venice declined because competition came

along. The change in the inclusiveness of its institutions was more a response to that than the source of the problem. Even if Venice had managed to preserve the inclusiveness of their institutions, it would not have made up for their loss of the spice trade. When a book tries to use one theory to explain everything, you get illogical examples like this."

"Another surprise was the authors' view of the decline of the Mayan civilization. They suggest that infighting—which showed a lack of inclusiveness—explains the decline. But that overlooks the primary reason: the weather and water availability reduced the productivity of their agricultural system, which undermined Mayan leaders' claims to be able to bring good weather."

"The authors believe that political 'inclusiveness' must come first, before growth is achievable. Yet, most examples of economic growth in the last 50 years—the Asian miracles of Hong Kong, Korea, Taiwan, and Singapore—took place when their political tended more toward exclusiveness."

"… even under the best conditions, growth doesn't sustain itself. I don't think even these authors would suggest that the Great Depression, Japan's current malaise, or the global financial crisis of the last few years came about because of a decline in inclusiveness.

The authors ridicule 'modernization theory,' which observes that sometimes a strong leader can make the right choices to help a country grow, and then there is a good chance the country will evolve to have more 'inclusive' politics. Korea and Taiwan are examples of where this has occurred.

The book also overlooks the incredible period of growth and innovation in China between 800 and 1400. During this 600-year period, China had the most dynamic economy in the world and drove a huge amount of innovation, such as advanced iron smelting and ship building. As several well-regarded authors have pointed out, this had nothing to do with how 'inclusive' China was, and everything to do with geography, timing, and competition among empires.

The authors have a problem with Modern China because the transition from Mao Zedong to Deng Xiaoping didn't involve a change to make political institutions more inclusive. Yet, China, by most measures, has been a miracle of sustained economic growth."

"This points to the most obvious theory about growth, which is that it is strongly correlated with embracing capitalistic economics—independent of the political system. When a country focuses on getting infrastructure built and education improved, and it uses market pricing to determine how resources should be allocated, then it moves towards growth. This test has a lot more clarity than the one proposed by the authors, and seems to me fits the facts of what has happened over time far better."

"… we've offered a simple theory and used it to explain the main contours of economic and political development around the world since the Neolithic Revolution.

Gates, Bill (2013): "Inclusive vs Extractive. Good ideas, but missing analysis", 26 Feb 2013
https://www.gatesnotes.com/Why-Nations-Fail
http://foreignpolicy.com/2013/03/12/what-bill-gates-got-wrong-about-why-nations-fail/

66. Jared Diamond sobre *Why nations fail*

"The fence that divides the city of Nogales is part of a natural experiment in organizing human societies. North of the fence lies the American city of Nogales, Arizona; south of it lies the Mexican city of Nogales, Sonora. On the American side, average income and life expectancy are higher, crime and corruption are lower, health and roads are better, and elections are more democratic … The reasons for those differences between the two Nogaleses are the differences between the current political and economic institutions of the US and Mexico.

This example, which introduces Why Nations Fail by Daron Acemoglu and James Robinson, illustrates on a small scale the book's subject. Power, prosperity, and poverty vary greatly around the world. Norway, the world's richest country, is 496 times richer than Burundi, the world's poorest country (average per capita incomes $84,290 and $170 respectively, according to the World Bank). Why? That's a central question of economics.

Different economists have different views about the relative importance of the conditions and factors that make countries richer or poorer. The factors they most discuss are so-called 'good institutions,' which may be defined as laws and practices that motivate people to work hard, become economically productive, and thereby enrich both themselves and their countries. They are the basis of the Nogales anecdote, and the focus of *Why Nations Fail*."

"In their narrow focus on inclusive institutions, however, the authors ignore or dismiss other factors. I mentioned earlier the effects of an area's being landlocked or of environmental damage, factors that they don't discuss. Even within the focus on institutions, the concentration specifically on inclusive institutions causes the authors to give inadequate accounts of the ways that natural resources can be a curse. True, the book provides anecdotes of the resource curse (Sierra Leone cursed by diamonds), and of how the curse was successfully avoided (in Botswana). But the book doesn't explain which resources especially lend themselves to the curse (diamonds yes, iron no) and why. Nor does the book show how some big resource producers like the US and Australia avoid the curse (they are democracies whose economies depend on much else besides resource exports), nor which other resource-dependent countries besides Sierra Leone and Botswana respectively succumbed to or overcame the curse."

"My overall assessment of the authors' argument is that inclusive institutions, while not the overwhelming determinant of prosperity that they claim, are an important factor. Perhaps they provide 50 percent of the explanation for national differences in prosperity. That's enough to establish such institutions as one of the major forces in the modern world."

http://www.nybooks.com/articles/archives/2012/jun/07/what-makes-countries-rich-or-poor/
https://www.nybooks.com/articles/2012/08/16/why-nations-fail/
http://marginalrevolution.com/marginalrevolution/2012/05/jared-diamond-reviews-why-nations-fail.html

"Dictatorship, not democracy, is the default form of government. This is pretty clear from the historical record. The question then, is not why countries aren't democracies, it's why they aren't dictatorships, … 'Why do dictatorships decay?' or 'Why do dictatorships fail?' Why does power move from the center

to the periphery? (…) In this framework, democracy is a decayed form of dictatorship… It is a process, not a destination. Thus, 'democracy' in Argentina is not forced to be the same as 'democracy' in Norway. Dictatorship has decayed more in the latter than in the former."

Comment by Steven Kopits
http://marginalrevolution.com/marginalrevolution/2012/05/jared-diamond-reviews-why-nations-fail.html

"Trouble with this sort of stuff: it's called 'teleosis' in historical criticism and it's a form of 'anachronism', meaning the reason fits the data perfectly only because it is backward looking and, like many economic models, tweak parameters to fit the data but has no future predictive value. Like any nth-order polynomial curve that can fit the data but, depending on the degree chosen (i.e., the highest polynomial in the Taylor series expansion) can predict either that the curve will flatten, will rise, or will fall (MATLAB has a demo on this).

Aristotle, the Greek scientist, first coined the theory of teleosis to explain why an acorn grows into an oak tree: basically, 'it's just destiny, the way things are meant to be' kind of like a 'winning team wins and a losing team loses'sort of circular logic but often… 'past performance is an indicator of future success'. Another trick: in math often the initial conditions determine future paths, hence a country that was in the lead 200 years ago might still be in the lead today."

"Nowadays, agriculture is less a factor so I would say 'initial conditions' matter more … meaning 'Hollywood favors movie producers and they flock there from all over the world', 'Silicon Valley favors computer designers', 'China manufacturing'. All of this being a form of Aristotelian teliosis but it does predict the future and explain the past pretty well."

Comment by Ray Lopez
http://marginalrevolution.com/marginalrevolution/2012/05/jared-diamond-reviews-why-nations-fail.html

"Doesn't explain why some countries had rule of law, property rights, etc. before other countries. Partial innovations don't seem to guarantee success - Italian city-states invented bonds. The Hanseatic League entrenched banks. The Dutch invented the recognizably modern corporation. So why was the 19th century an account of British empirehood?"

Comment by david (sobre Ferguson, Niall (2011): *Civilization: The West and the Rest*, Penguin)
http://marginalrevolution.com/marginalrevolution/2012/05/jared-diamond-reviews-why-nations-fail.html

"China did engage in long-distance trade: they were not a hermit kingdom like Japan or North Korea. However they did not need to go far abroad to do that trading: the long distance trade came to them, notably all that silver from the mine of the New World.

Europe didn't have anything that the world wanted which couldn't be found at closer remove; so the Europeans had to go abroad to trade for silk, spices and so forth. China could sit back and let the trader come to China. That did work to China's disadvantage in the long term (though only after the Industrial

Revolution left Europe towering above the rest of the world), but it did not mean China was an isolated backwater."

Comment by JonF

http://marginalrevolution.com/marginalrevolution/2012/05/jared-diamond-reviews-why-nations-fail.html

67. L'estret passadís: estat, societat i llibertat (Daron Acemoglu i James Robinson, 2019)

"Liberty needs the state and the laws. But it is not given by the state or the elites controlling it. It is taken by regular people, by society. Society needs to control the state so that it protects and promotes people's liberty rather than quashing it … Liberty needs a mobilized society that participates in politics, protests when it's necessary, and votes the government out of power when it can.

The Narrow Corridor to Liberty

Our argument in this book is that for liberty to emerge and flourish, both state and society must be strong. A strong state is needed to control violence, enforce laws, and provide public services that are critical for a life in which people are empowered to make and pursue their choices. A strong, mobilized society is needed to control and shackle the strong state … without society's vigilance, constitutions and guarantees are not worth much more than the parchment they are written on.

Squeezed between the fear and repression wrought by despotic states and the violence and lawlessness that emerge in their absence is a narrow corridor to liberty. It is in this corridor that the state and society balance each other out. This balance is not about a revolutionary moment. It's a constant, day-in, day-out struggle between the two. This struggle brings benefits. In the corridor the state and society do not just compete, they also cooperate. This cooperation engenders greater capacity for the state to deliver the things that society wants and foments greater societal mobilization to monitor this capacity.

What makes this a corridor, not a door, is that achieving liberty is a process; you have to travel a long way in the corridor before violence is brought under control, laws are written and enforced, and the state starts providing services to its citizens. It is a process because the state and its elites must learn to live with the shackles society puts on them and different segments of society have to learn to work together despite their differences."

"The story of women's liberation isn't unique or exceptional. Liberty almost always depends on society's mobilization and ability to hold its own against the state and its elites."

"Our main argument is that as the world changes, the state must expand and take on new responsibilities, but this in turn requires society to become more capable and vigilant … We need the state to develop additional capabilities and shoulder fresh responsibilities, but only if we can find new ways of keeping it shackled, mobilizing society and protecting our liberties."

Acemoglu, Daron; Simon Johnson (2019): *The narrow corridor: states, societies, and the fate of liberty*, Penguin.

68. Èxit o fracàs del països davant d'una crisi (Jared Diamond, 2020)

"**Gardels**: What is the main lesson from how nations dealt with this pandemic?

Diamond: The main new lesson concerns an extension of national identity, which is important for nations facing a crisis. The current crisis may help us develop a global identity by making it obvious that we are all in the same boat, all people everywhere in the world. We are realizing now that COVID-19 is everyone's problem — as is climate change, resource depletion, inequality and the risk of nuclear weapons.

Gardels: In the historical frame, what are some examples of nations successfully navigating challenging experiences?

Diamond: Germany is high on my list. Over decades, it came to grips with the legacy of World War II, while at the same time laying the groundwork for reunification when the Cold War ended. Germany acknowledged the Holocaust in such a convincing and thorough way, including in its education system, that it left no doubts about all those "never again" pledges. I remember Willy Brandt kneeling in humility and penance in 1970 at a monument to the Warsaw ghetto uprising. By contrast, though Japan has been successful on other counts, it has really failed in this respect.

Though no West German chancellor alone was able to bring about reunification, Brandt's 'Ostpolitik' in the 1970s prepared the way. If he had not opened to the East, Russia and even France and Britain would not have tolerated reunification later on. This is another element in how nations resolve crises: the qualities of leadership at historic junctures."

"**Gardels**: In Japan, there has been a kind of seesaw experience. First, you had the Meiji reforms of the 19th century, which had the quality of a realistic self-appraisal and selective adoption: Its leaders understood they had fallen behind the West in industrial modernization but gradually renovated their system by borrowing from the West, cognizant of the restraints of local resistance from the traditional political order. They didn't go too far, too fast.

Then, within decades, you had the next stage, an overbearance and an overconfidence on the part of the military elite after the Russo-Japanese War, in which an Asian nation bested a European power for the first time. That led in turn to overreach, which resulted in the disaster of World War II, total defeat and the nuclear devastation of Hiroshima and Nagasaki.

But then, after the war and the American occupation, you had yet another phase of adaptation based on realistic self-appraisal, making Japan a prosperous member of the advanced nations. Is there a pattern there?

Diamond: Well, yes, in the sense of recurrent crises. The fact that Japan succeeded so well in the Meiji era didn't guarantee that it would succeed or fail later on … There are some major areas where Japan has been dragging its feet. The Japanese did the opposite of Germany by not achieving a meaningful reconciliation with Korea and China … Japan remains relatively underequipped compared to heavily armed neighbor countries that have good reason to loathe it.

Japan has also never really come to terms with the role of women in modern society. Then there is Japan's policy of immigration — or, rather, of non-immigration (…) In a shrinking nation, who will

provide childcare so women can reenter the workforce, or eldercare in a society where people live longer on average than almost anywhere else? Then, of course, there are the large fiscal issues of how to pay for pensions when the active workforce is shrinking. I'd say Japan is at yet another turning point."

"**Diamond**: I don't think one can generalize about some cause and effect of successful and then failing generations. In the case of Japan, you're correct that after their victory in the Russo-Japanese War, the Japanese learned the wrong lesson. But there is the opposite case: After being defeated in Vietnam, the U.S. nonetheless didn't learn the lessons and went on to invade Iraq and suffer many of the same consequences."

"**Gardels**: The essence of realistic self-appraisal is to know others and how, as a nation, you fit into the balance of power that exists. How did Japan's leaders miss this before the war?

Diamond: Realistic self-appraisal was lacking for a particular reason. In the Meiji era, the reformist leaders had all been to the West after the opening of 1853. One of the first things that Meiji Japan did was to send out an observer team that spent a year and a half going around the West, studying best practices. They made a conscious effort to learn from the West. In the 1930s, many of those in the Japanese military who took control had not spent much time in the West (…) What matters is whether those in charge in the governing class share a worldview based on knowing the world, not just the part of it that fits with their inclination."

"**Gardels**: Clearly, the Japanese militarists … misread the challenge they were inviting. A parallel strikes me today. While Deng Xiaoping followed the notion of 'bide your time and hide your strength' as China developed, Xi Jinping has discarded any such restraint and boasted that the Middle Kingdom has returned to the center of the world stage and would even overtake the U.S. in technological supremacy. This proved too much for the Washington foreign policy establishment, no less Donald Trump and his team, who fought back with a trade war.

Xi's problem is that he seems to have moved too soon — China's technology advances still depend heavily on the West, for example with semiconductor chips. This seems a costly misapprehension not unlike the Japanese militarists vis-à-vis American steel production capacity before World War II.

Diamond: What was true of the Japanese militarists and may be true of Xi as you suggest, also applies to the U.S. today — people's mindset, the narrative they choose to believe, often overrides their perception of reality and the facts in front of their faces. This is likely true of the virtual paranoia many Americans feel today about China and the prospect of an 'Asian century' in which it dominates.

China's disadvantage, however, is that, having never been a democracy, it is much harder to challenge any misperception of reality. Despite its faults, in a democracy, you can debate big ideas and alternative scenarios. There is no real experience of the body politic as a whole debating big ideas in China. What springs from the top rules.

In the millennia since state government was first established in the Fertile Crescent, the record certainly shows that dictatorships can do things faster. Yet no one has yet figured out how to ensure that the faster decisions of dictatorships are good ones. China seems a good illustration of the problem.

Democracies also make bad decisions, of course. But they can more easily correct them."

"**Gardels**: But the lesson for the U.S. these days, and for other divided democracies, is that peril beckons when the spirit of compromise evaporates. Compromise and the ability to arrive at a governing consensus fails when the civic discourse is degraded and there's no trust in impartial institutions. The whole thing can collapse.

Diamond: I see the possibility of that in the U.S. today. It is a process of erosion that at some moment reaches a point of no return. If democracy ends in the U.S., it's not going to be the way it ended in Chile with a military coup. It will end through a slow erosion, a continuation of trends we see now: restrictions on the ability of people to register to vote, decreasing voter turnout, executive interference with the judiciary, struggles between the executive and the Congress. I don't take it for granted that democracy in the U.S. is going to overcome all obstacles (…) Why the breakdown? My best analysis all these years later is that we had then already entered a period of sharp decline in face-to-face communication in the U.S. — more than in any other country and before any other country. This was a result both of the culture of mobility — people moving far from their original communities, often to the other end of this large country — as well as growing inequality resulting from de-industrialization in the Rust Belt and the rise of the global economy that had the impact of segregating communities along class and educational lines."

"**Gardels**: I would add that, today, you have two elements reinforcing each other: the demise of socializing institutions and the rise of polarizing ones. For example, we don't have a military draft anymore, or nearly universal attendance in public schools, where once all ethnicities, races and classes were thrown together in face-to-face interaction. At the same time, the mainstream media plays to cultural niches in highly competitive markets while the big social media conglomerates promote virality among the like-minded as their business model.

Diamond: I agree … But in the U.S., we have a long-standing low level of social capital and trust compared to other countries, partly because of our geographic distances. Sometimes when Americans move, they move 3,000 miles away, from coast to coast. When Germans move, they move a short distance, like from Hannover to Berlin. You can still take the train for the day and see your friends in Hannover … We move often, and we move long distances, whereas Germans and Italians, for example, move less often, and their countries are small so they go shorter distances.

I stress this because spatial mobility in America is so common, we take it for granted and don't grasp its social consequences. Now they are coming to bear.

Gardels: In the last presidential election, analyses show that one indicator of sympathy with Trump's populist agenda was how far voters moved from their birthplaces … The British journalist David Goodhart discovered the same correlation in the Brexit vote, between the 'anywheres' — mobile elites — and the 'somewheres,' who remained local. The mobile folks voted to remain in the European Union, while the locals voted to exit.

Diamond: This is not at all surprising. And it is worsening since the anywheres and the somewheres have little crossover in their daily life experience."

"**Gardels**: Let's move on to the planetary crisis of climate change. You note in your book that the ability to properly assess realities and take effective action is most successful for those individuals and nations

who have a precedent for coping with a crisis. 'We were challenged in the past and surmounted the challenge, so we can again,' goes the logic (…) On the planetary scale, there is no precedent for all nations and societies facing a common crisis and overcoming it. What resources or experience can we draw on in this present challenge to civilization as a whole?

Diamond: When I discussed this issue in the first version of the book, I was pessimistic because I said that there is no precedent; the world has never faced and dealt with a challenge of the scope of climate change. However, I revised my thinking by the time I finished the book.

In fact, the world has a track record over the last 40 years of having solved really difficult problems in diffuse and unflashy ways — for example, eradicating smallpox. To eradicate the threat of smallpox contagion, you had to eradicate it in every country in the far reaches of the world, including Somalia, where the last cases appeared.

Then there was the agreement about defining economic zones in shallow waters. So many countries in the world have overlapping zones to which they claim sovereignty. Nevertheless, though it took quite a while, an agreement was reached by international treaty.

All nations also joined an agreement to eliminate chlorofluorocarbons from the atmosphere to reduce damage to the ozone layer. Mining the seabed is another case where international agreement was reached, even by landlocked countries.

Still, in the end, what has enabled nations to face and surmount a crisis is a sense of common identity that can mobilize allegiance to a course of action. Today, especially given the revival of nationalism, there is no such solid global identity. That is the chief challenge in battling climate change."

"**Gardels**: What about the fundamental cultural attributes that contribute to a failed or successful nation? I'm thinking of how the Confucian-influenced societies of East Asia — Singapore, Taiwan, South Korea, Japan, China — all rose from underdevelopment to prosperity over recent decades. Yet many nations in Africa or Latin America seem to have stalled.

Diamond: This is a valid point, though mainstream anthropology disdains any talk of 'sick societies,' only those with different cultural roots and practices.

Confucian cultures have a low level of individualism and a higher level of community compared to others. There's an interesting argument that attributes this to the development of rice agriculture, a form of economic activity that requires cooperation and collective effort, in contrast to wheat agriculture, which needs only individual farmers.

As a geographer, I have other thoughts on North America and Latin America. In my undergraduate geography course … I discuss why North America is more successful economically. There are several factors involved.

One factor is that temperate zones, in general, are economically more successful than the tropics because of the higher productivity and soil fertility of temperate agriculture, which in turn relates to the public health burden. All of North America is a temperate zone. South America only has a small temperate zone. It's in the far south in Chile, Argentina and Uruguay. Those are the richest countries in Latin America. The richest part of Brazil also lies in the temperate zone.

The second factor is a historical one related to the sailing distance from Europe to the Americas. The sailing distance was shorter from Britain to North America. It was longer from Spain to Argentina and still longer from Spain around the horn to Peru. A shorter sailing distance meant that the ideas and technology of the Industrial Revolution spread much more quickly from Britain, where it originated, to North America, than from Spain to Latin America.

Still another factor is the legacy of Spanish government versus the legacy of British government (…) Democracy did develop in Britain rather than Spain, and so North America inherited British government and British democracy while Latin America inherited Spanish centralist government and absolutist politics.

Then still another factor is that independence for the U.S. was a more radical break than it was in South America. After the Revolutionary War, all the royalists in the U.S. either fled or were killed. So there was a relatively clean break from Britain. Canada did not have that break, and the break in Latin America was much less abrupt and came later.

Gardels: Octavio Paz, the Mexican Nobel laureate poet, always added the cultural element when he spoke about 'the border of time' between north and South. The U.S. was a child of the Protestant Reformation and the Enlightenment, he often said, while Latin America was the child of the Counter-Reformation. This imprinted a distinctive mentality on each culture, one with a mind open to the future and less enamored by authority, the other closed and traditional."

Gardels, Nathan; Jared Diamond (2020): "Jared Diamond: Why Nations Fail Or Succeed When Facing A Crisis. An interview with Jared Diamond about his latest book, 'Upheaval: Turning Points for Nations in Crisis.'", 28 Jul 2020
https://www.noemamag.com/jared-diamond-why-nations-fail-or-succeed-when-facing-a-crisis/