

IW Wirtschaftsdienst Conference 2018:
Regional policy in Germany: an update

*Keeping Emilia-Romagna strong:
An integrated industrial policy approach*

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Tuesday, October 30th, 2018
at the Hamburg State Representation in Berlin

Agenda

- Story-context-characteristics
- How to support development
- 2015 *Patto per il lavoro* *Deal for Labour*
- First monitoring results

Story-context-characteristics

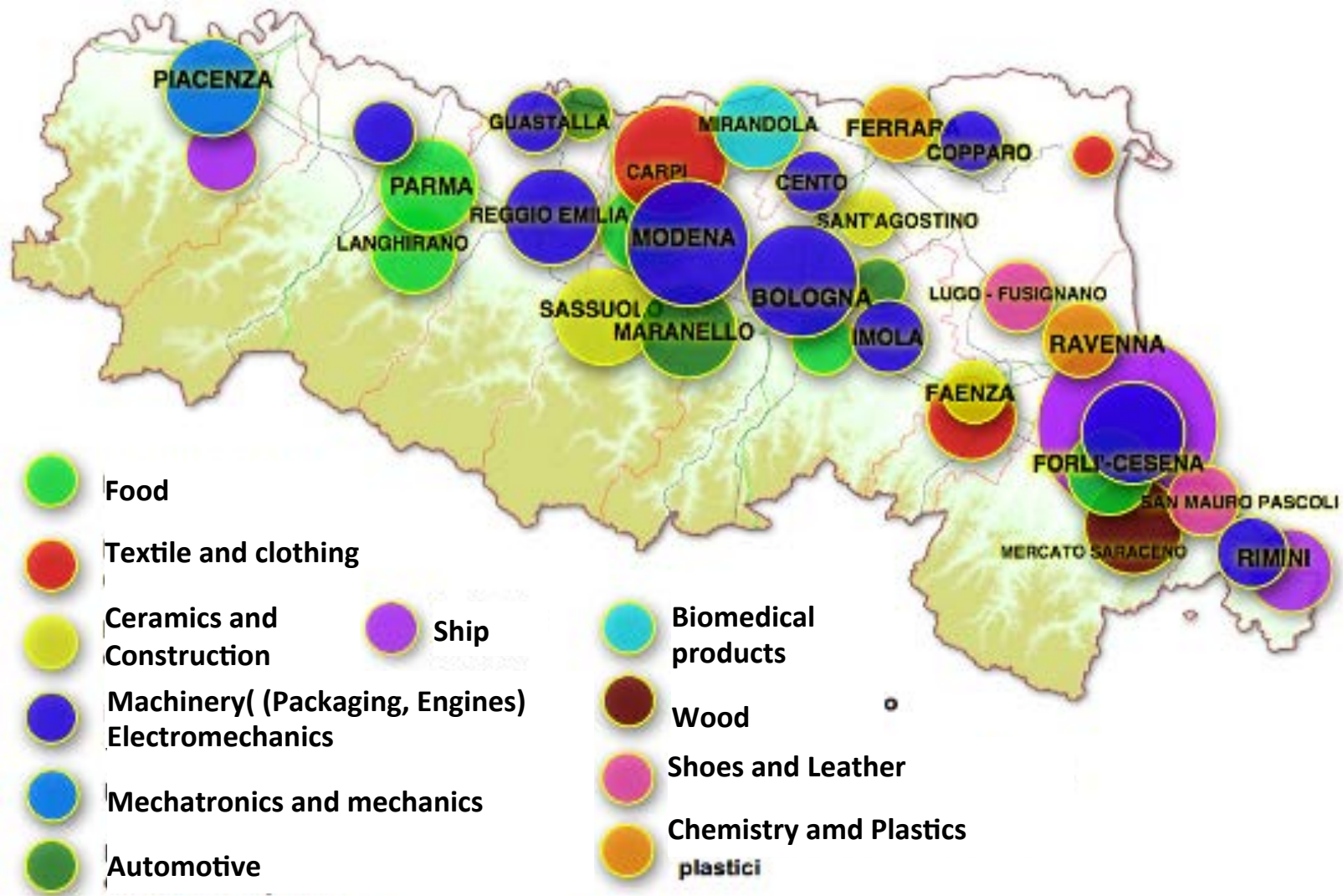
A few data about the Emilia-Romagna region

- An industrialised area based on high quality traditional and advanced production territorial aggregates (top industries machinery, food, ...),
- service centres addressing sectoral technology and design needs
- The technology platforms and the technology poles reflecting the regional productive assets
- Internationalisation, quality, cooperation, ...
- The policy mix >

EMILIA-ROMAGNA: MAIN INDICATORS

	Emilia-Romagna	Italy
Population (2017) inhabitants	4,457,318 (7.3%)	60,589,445
Foreigner residents	529,337	5,047,028
Foreigners on resident population	11.9%	8.3%
Surface sq.km	22,452.78	301,338
Population Density inhabitants per sq.km	198.51	201
GDP (2017) million current €	153,927 (9.1%)	1,679,500
GDP per capita (2017) €	34,533	27,719
GERD/GDP	1.37 %	1.33%
Number of companies (2017)	366,475	4,338,085
Average size of Local Units, employees	3.9	3.5
Number of agricultural firms (2017)	57,919	745,156
Employment rate (15-64 year olds) (average 2017)	68.6%	58.0%
Unemployment rate (15-64 year olds) (average 2017)	6.5%	11.2%
Export 2017 million €	59,881	442,005
Import 2017 million €	35,242	381,317
Trade balance million €	24,639	60,688
International opening of the economy (EXP+IMP/GDP)	57.6%	49.%

The regional production systems



The technological platforms

**AGRIFOOD
PLATFORM**



**CONSTRUCTIONS
PLATFORM**



**ENERGY
ENVIRONMENT
PLATFORM**



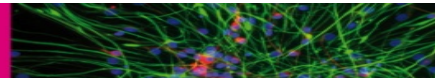
**ICT AND DESIGN
PLATFORM**



**MECHANICS
MATERIALS
PLATFORM**



**LIFE SCIENCE
PLATFORM**



The technological poles



An 'integrated' industrial policy

Industrial Research

Start ups

**Innovation and
competitiveness**

Internationalisation

**Human resources
training**

**Investment
attraction and
productive
enlargement**

**Inter-regional
cooperation**

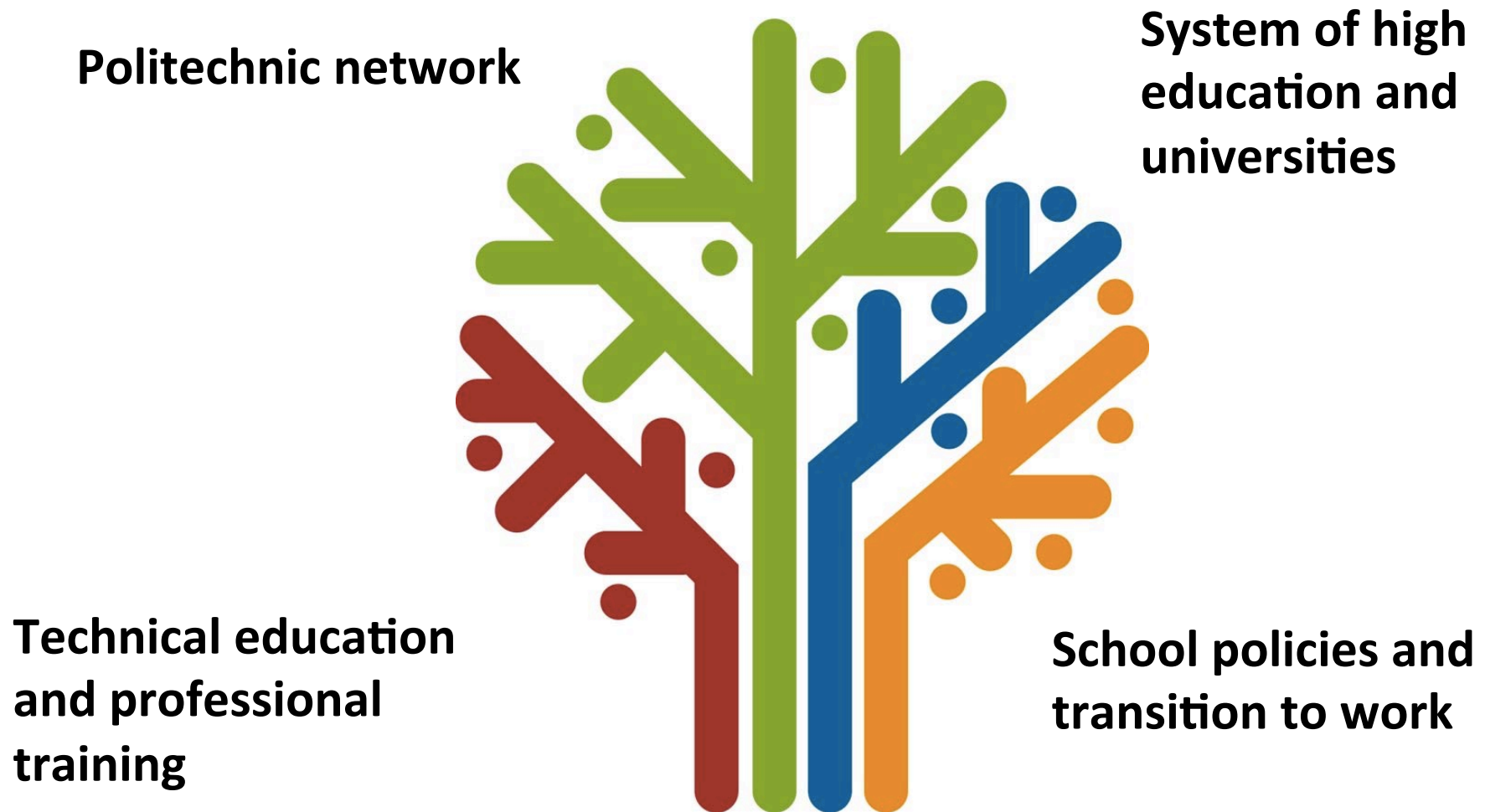
Tourist attraction

**Structural
analysis and
mapping**

**Norms, regulation,
territorial planning**

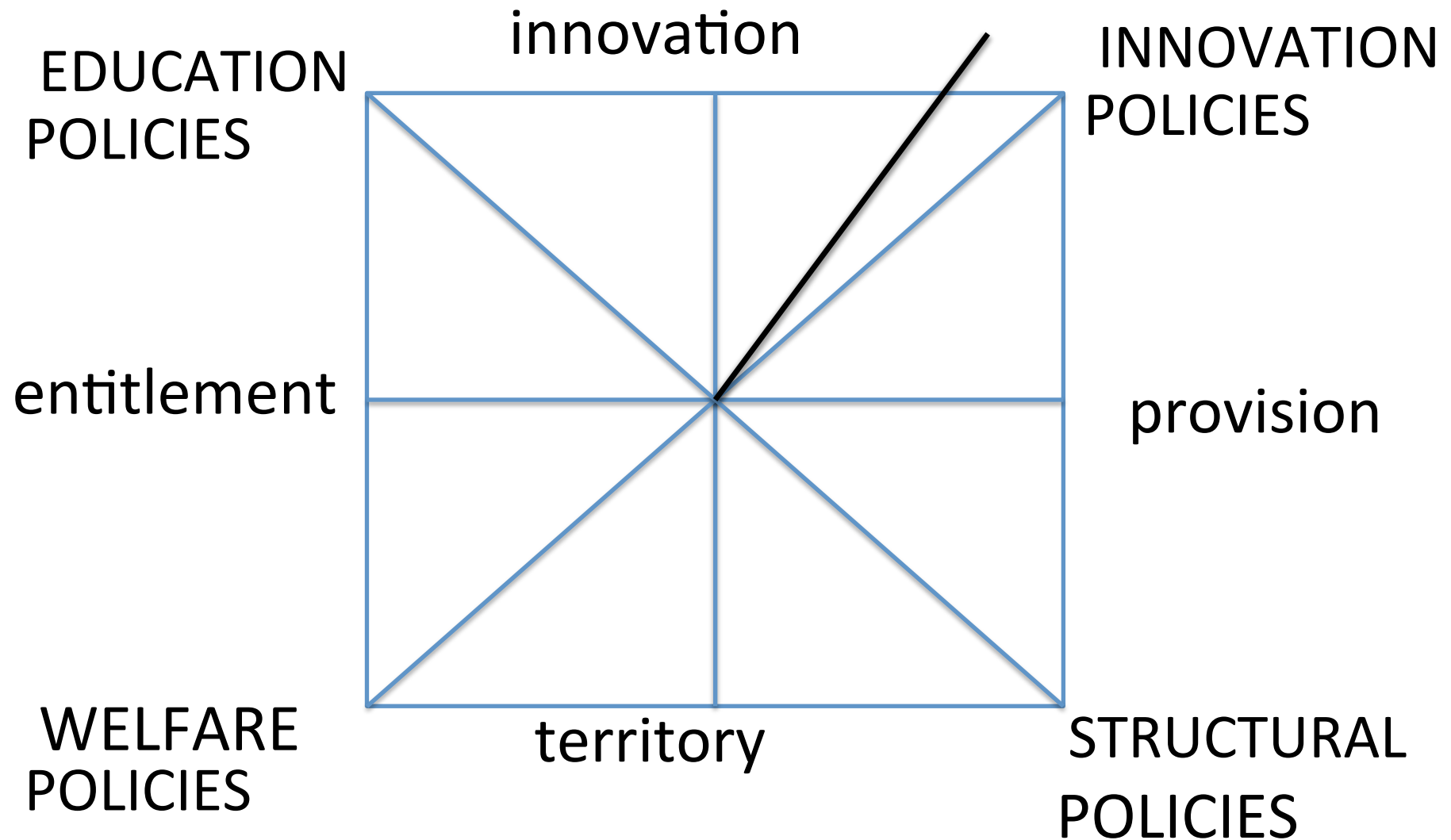
UNIVERSITIES AND EDUCATION
THE STRATEGIC ROLE OF AN INTEGRATED EDUCATION

A learning community



An 'integrated' industrial policy

Looking for a balance between policy streams and goals

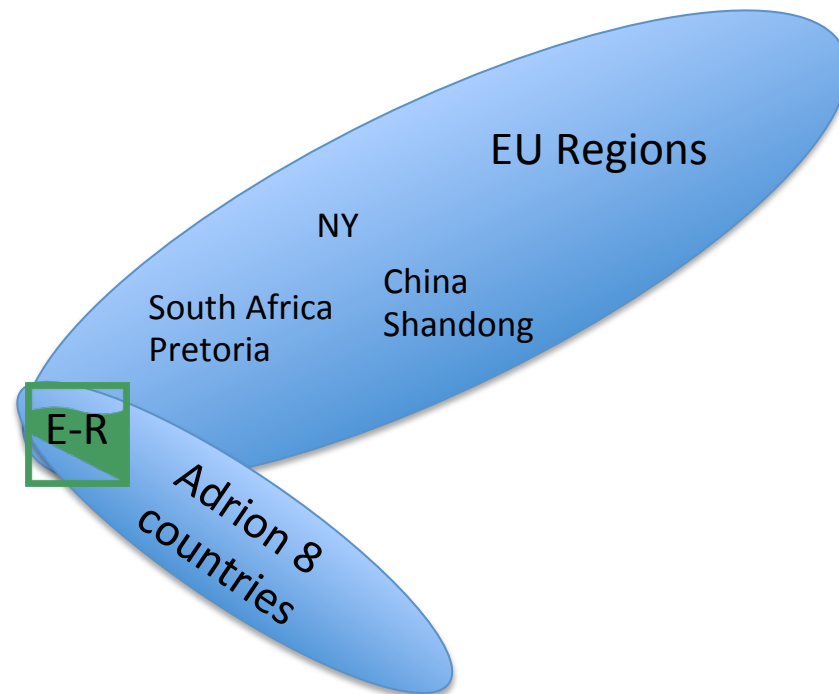


How to support development

- Building on the existing abilities and production skills, to **strengthen the absorptive capabilities**
- The regional government concentrates its knowledge and efforts on **studying and accompanying the regional repositioning** in the global scene.
- Priorities: investing on **people**, on the **linkages**, on **involvement**, on **agreeing** on the priorities
- policy of attract investments creating places which re-generate hubs much larger than what the region is and has, adequate for **long-term embeddedness**

Partnerships and networks

- In Brussels, with Hessen Wiesbaden, Nouvelle Aquitaine Bordeaux and Wielkopolska Posnan
- In the world, different levels and types of networks



Deal for Labour

- Philosophy
- Action lines
- Development drivers
- Signatories
- Areas

Philosophy

- a **long term view**, increase the value added , re-positioning the meridian-sun clock
- to mobilise **all** the regional system towards a **shared** goal: To create the conditions for the Emilia-Romagna region to be internationally identified as a region with high added value, which competes in Europe and in the world because it **invests in people, skills and initiative capacity**.

Philosophy

- to **share new analyses** necessary to strengthen the competences of the economic-social system and of the regional administration,
- to **qualify the planning, implementation and evaluation action** of the regional policies for development **shared/agreed** in the *Deal for Labour* and co-funded by the European Social Fund;
- to strengthen the **role of the territories in the transformation processes** of world economies for facing the challenges of globalization with a strategic vision.

Action lines

Growth of our society and its ability to generate good employment are founded:

- on increasing the ability to create **added value**, by acting on the development and dissemination of knowledge and skills and, therefore, on a broad capacity for **innovation** in production and services to businesses, individuals and communities;
- on the full affirmation of **legality** in every area and in particular in every **work relationship**;
- on the capacity to **stimulate investments** which, by improving the quality of collective life, generate new opportunities for employment;
- on the **institutional reorganization** action, organizational efficiency and regulatory simplification initiated by the Region, but extended to the entire institutional set-up present in the regional area;
- on the start-up and consolidation of a method for defining and implementing **public policies** focused on the **sharing of strategic choices** and on the integration of regional, national and European funds;
- on a **welfare** system as a lever to create good and new jobs, reduce inequalities and improve social cohesion.

Development drivers and priority actions

- **People and work:** creation of a regional employment agency and reinforcement of the education - training - work system, which we can define as ER dual education;
- **Community and work:** new welfare and new social work, the third sector and social self-organization;
- **Development, business and work:** internationalization, activation of the Regional Law 14/2014, innovation (S3 Strategy), quality and competitive strengthening of the production system, new businesses and development of skills;
- **Territory and work:** quality of the territory and investments in particular through a plan for the safety and maintenance of the territory - starting from a new regional plan for "an asbestos-free region" - a plan for the home, a plan for mobility and a school building plan;
- **Legality and work:** fight any attempt to infiltrate the legal economy by organized crime and the deny of fundamental rights in the workplace, by acting on tenders, anti-corruption and management of seized and confiscated assets;
- **Simplification and work:** the process of institutional reorganization started, the Regional Government sets a task force to achieve, also through the comparison with the social partners, regulatory simplification and organizational efficiency.

Signatories

50 signatories:

- local institutions,
- universities,
- social partners,
- employers' and trade unions and
- the third sector forum

which, by signing the Pact, have committed themselves to collaborating to implement strategies, actions and tools capable of generating development and a new social cohesion for the Emilia-Romagna.

Areas

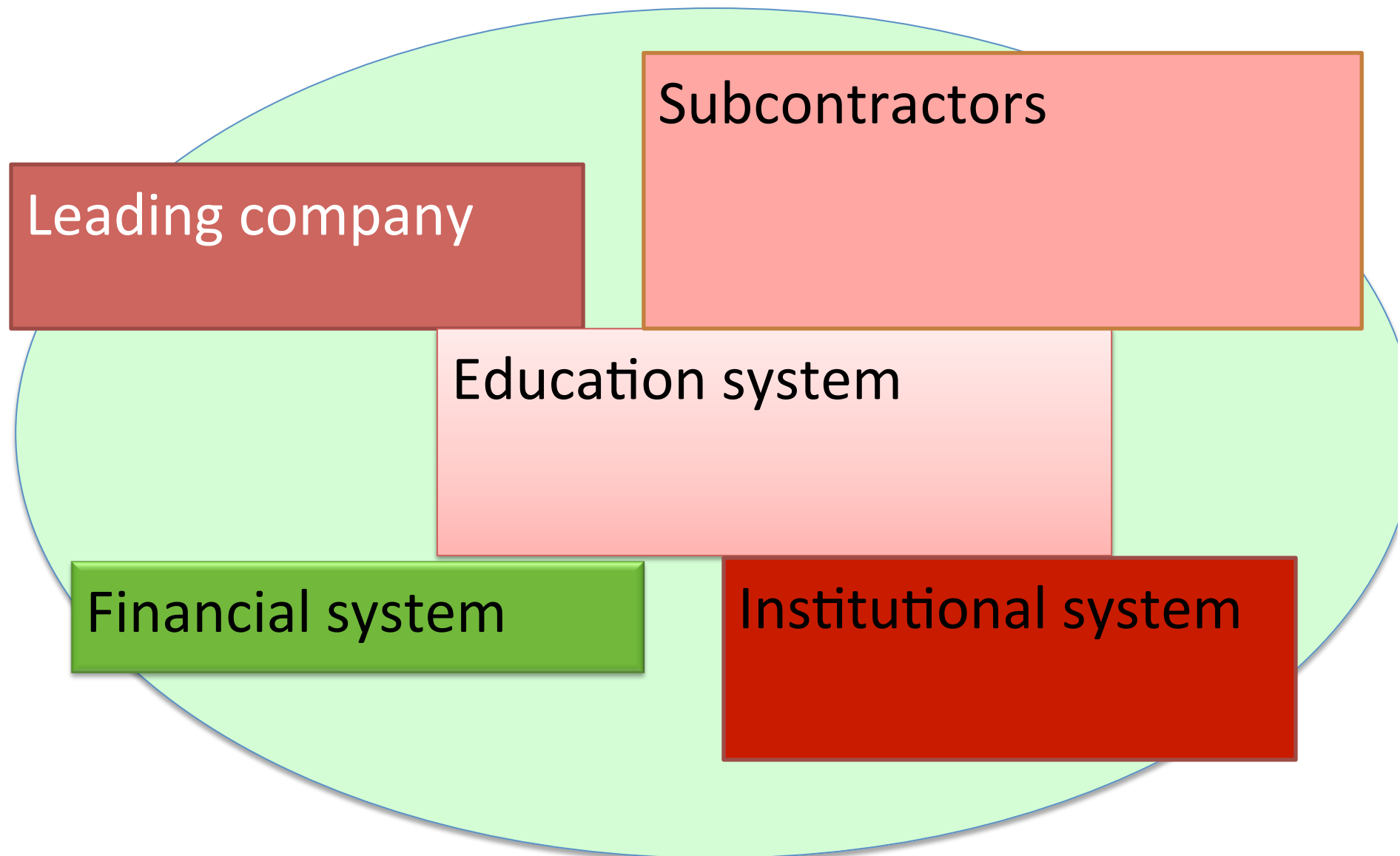
- Automotive, the **luxury** and **sport** segment
- Food **safety**
- Big data, from **quantity to value**, collecting and processing, techniques for extracting value from data, cooperation with the global top level competence centres
- Ceramics **special applications** for engines and health
- EmiliaLab – 6 economics depts and technical institutes network
-

Automotive luxury and sport

- Ferrari
- VW with Lamborghini and Ducati
- Toro rosso
- Pagani

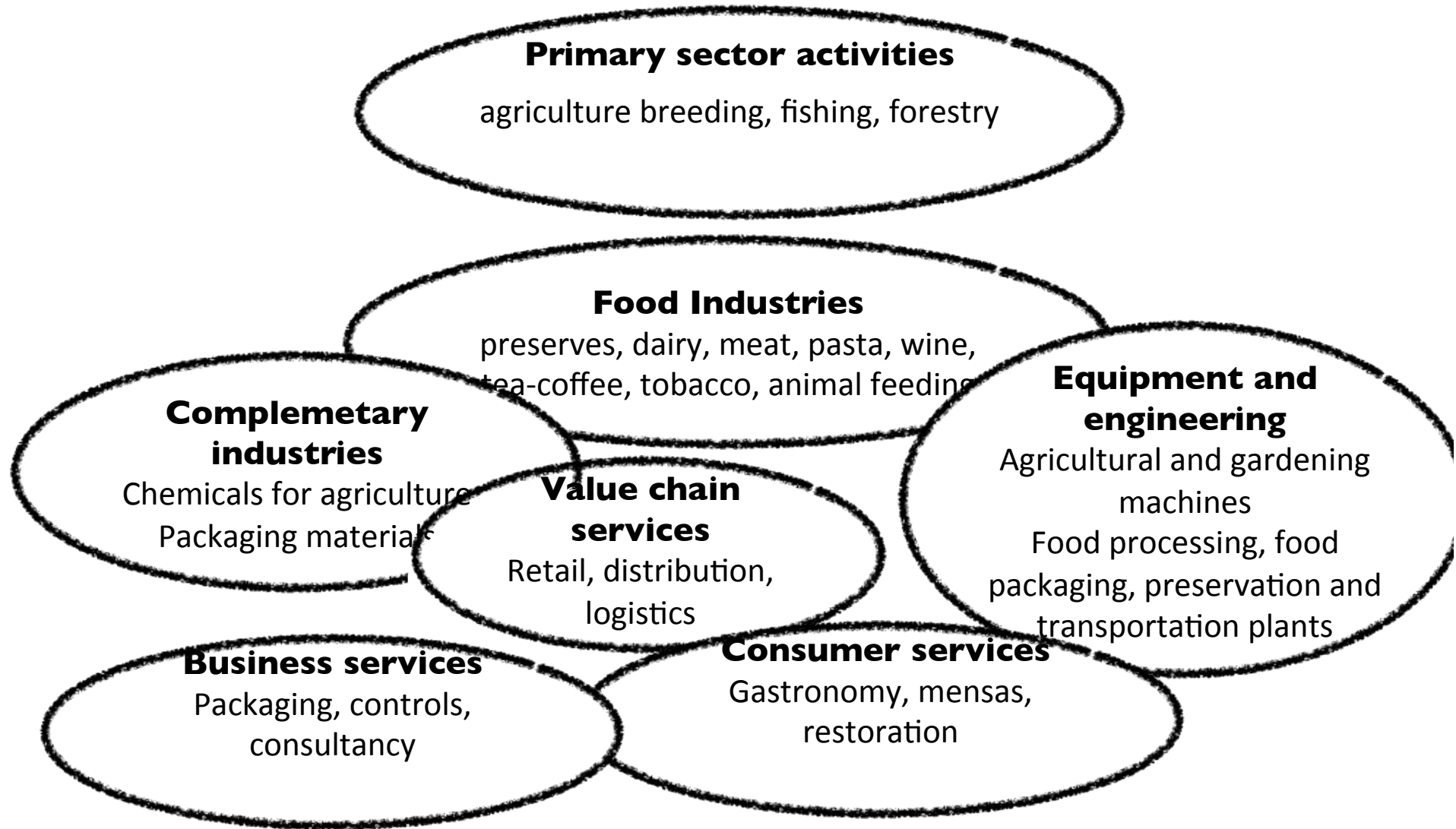
and specialised companies like Dallara and Coxa

COMPACTING THE SYSTEM BY SHARING COMMON RULES AND STANDARDS

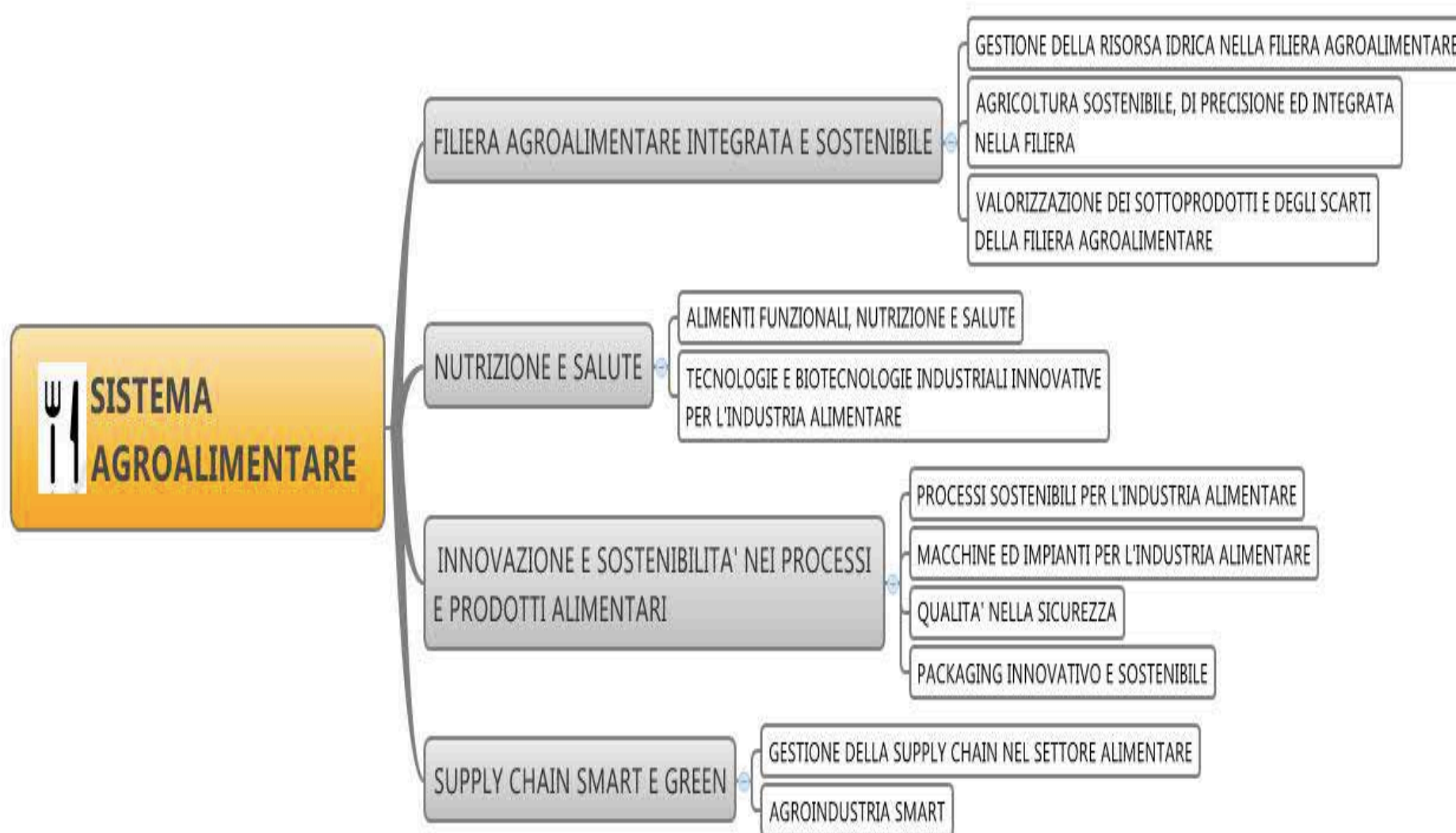


Connected with the society, within a clear, stable institutional environment

The complexity, complementarities and synergy of the agrifood system

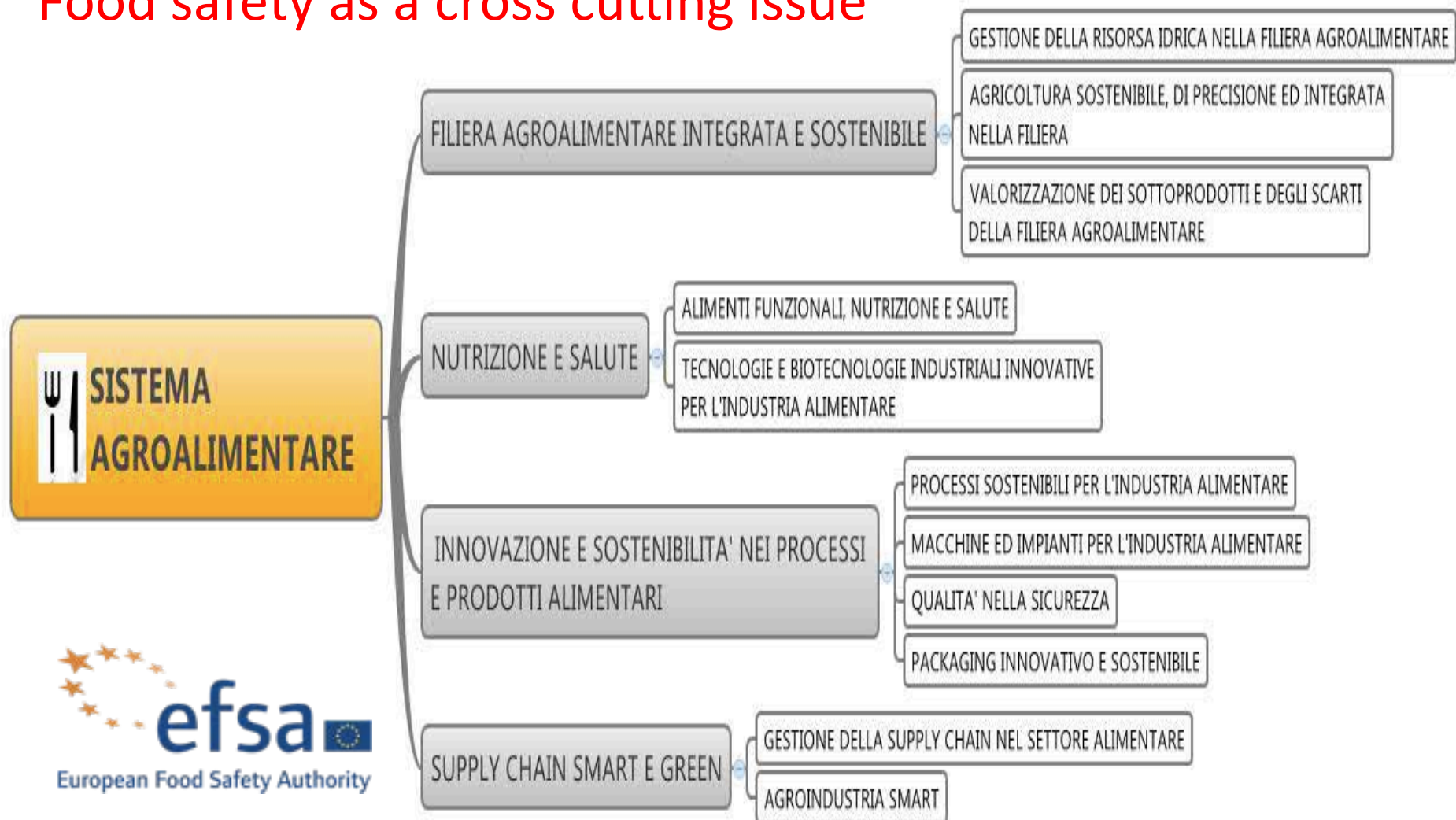


Research priorities in the S3 area Agrifood



Research priorities in the S3 area Agrifood

Food safety as a cross cutting issue





The EMILIA- ROMAGNA Big Data COMMUNITY

- **The Emilia-Romagna Region (ERR) is the National and European hub for big data: About the 70% of the Italian research data is stored/ processed in its research centre.**
- **Four top universities, the national university supercomputing consortium (CINECA), the National Institute for Nuclear Physics (INFN) and other National research institutes have their tier one computing services and data centres in ERR**
- **ERR is the headquarters of world-leading companies in the sector: automotive, mechatronics, digital production, bio-medical, e-commerce, agrifood**
- **Emilia-Romagna is the 1st Italian region in terms of economic growth rate and one of the most dynamic regions in Europe**

Emilia-Romagna Big Data Community

Private and public foundations and Institutions:
Opificio Golinelli, Mast Cultural and Philanthropic Foundation, Masotti Fashion Foundation, Marco Biagi Foundation, Bologna Business School, Foundation of Religious Science John XXIII, Nomisma Economic Research, Prometeia Consulting on risk, wealth and performance, European Food Safety Authority, Consortium for the future in Research, ...

Leading IT companies:
IBM, Yooks, CRIF, Engineering, Dedagruop, ...

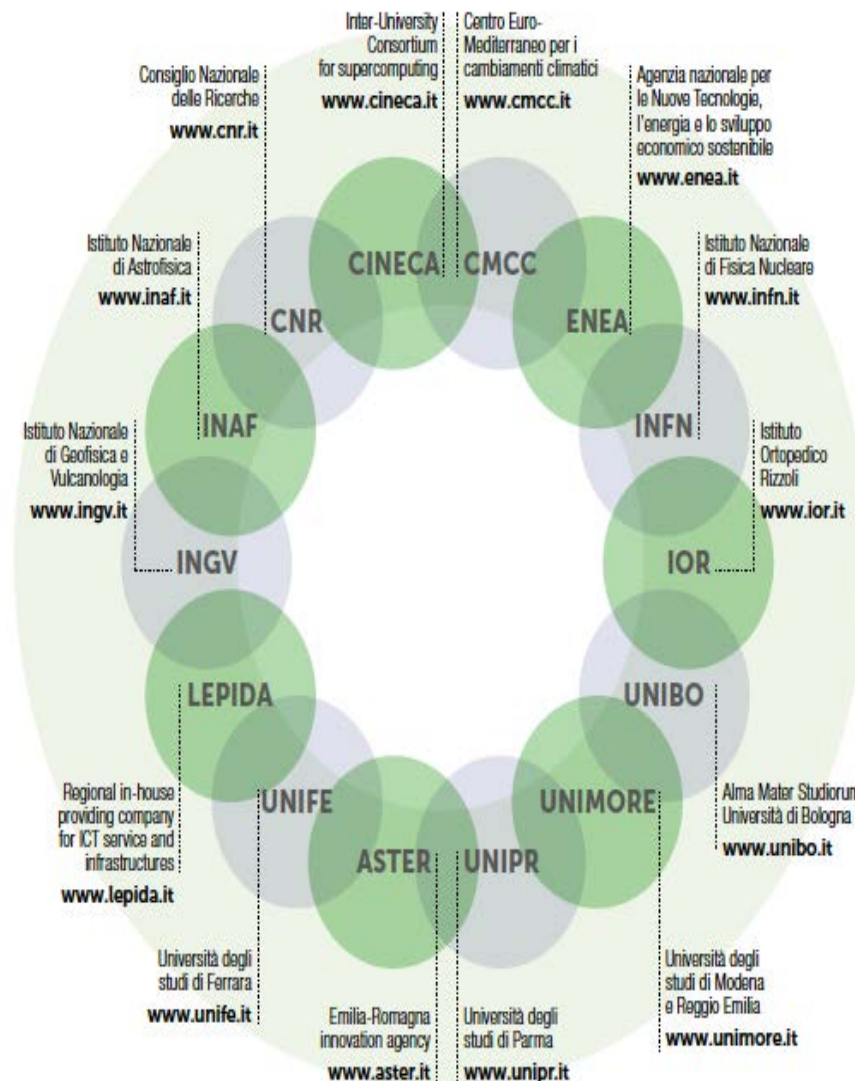
Strong International connections among universities, companies, institutions

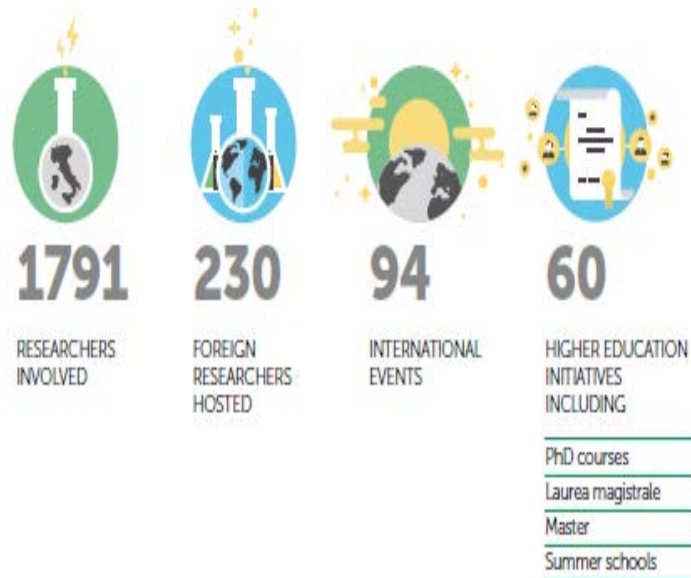
Connectivity
LEPIDA, GARR, GEANT

HW Infrastructure
CINECA, INFN, LEPIDA

SW Infrastructure
Center of excellence in Material Design, Operational Chain for Climate Services, Visual information technology lab, Genomic and bioinformatics data processing, ...

End users
University system, National Research Institutions and Agencies, Public administrations, Private and industrial organizations

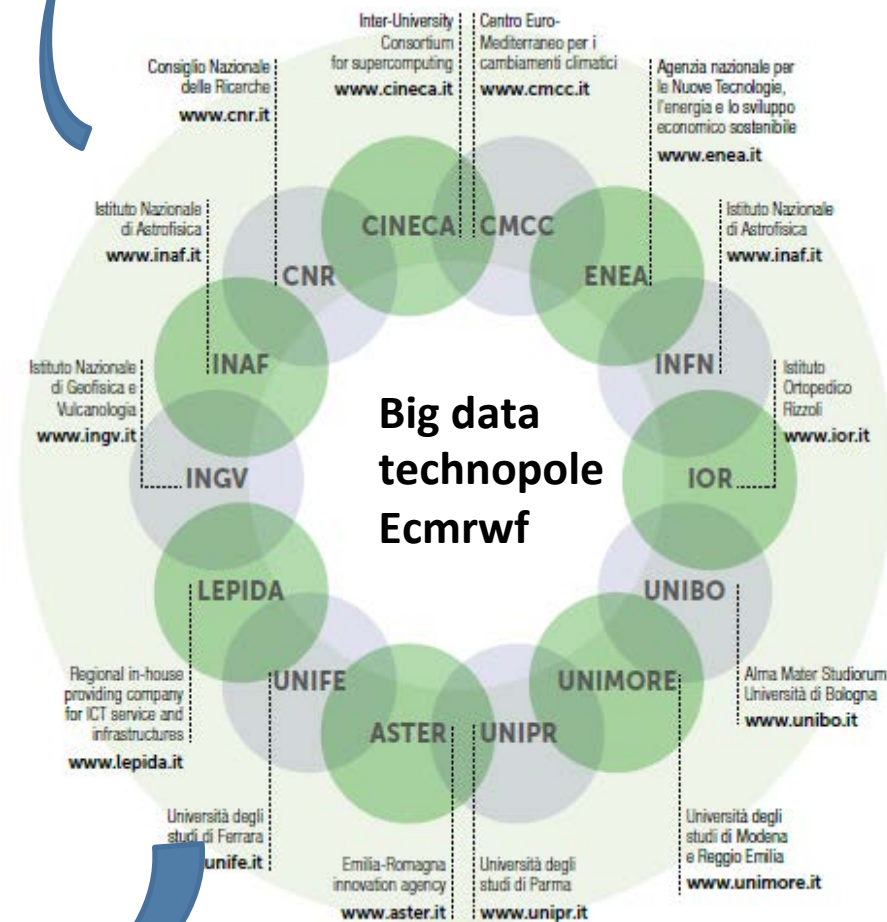




- Climate change
- Health and aging
- Production and innovation
- Humanities and society
- Sustainable cities
- Security and Cybersecurity
- Education

Fundamental analytics and applications

Science, Industrial and society challenges



Data Centre of the European Meteo Centre

The essence of the approach

- Industrial policy is defined starting from the constraints and the ‘worlds’ that you have around you (e.g a dis-integrated PA, a national industrial policy not strongly focused, ...)
- Emilia-Romagna Region is acting along an autonomous view, not ‘just’ as a small piece of the nation
- A key pivot is **involving and committing many different people** from different contexts, because this is the existing world, betting that this **variety of views is generating value** and richness of ideas/initiatives
- One of the monitoring lenses is: the emphasis on views exchange, dialogue, sharing priorities who much ‘**coordination**’ has generated?
- Is it worth negotiating an additional **degree of freedom** for the regional policy?

Monitoring, evaluation, persistence for next steps

- Results on **employment**, on **investment attractiveness and embeddedness/rooting**, on the 'mantra' of sharing the priorities
- The convergence of the local system is showing results in terms of **attractiveness** policy: Emilia-Romagna does not need any more to offer the 'usual' benefits. E.g., orienting an existing high level training technical school is working well
- Need to be **flexible** in policy actions
- ...

Advancement in the regional economy, three years after the Deal for labour

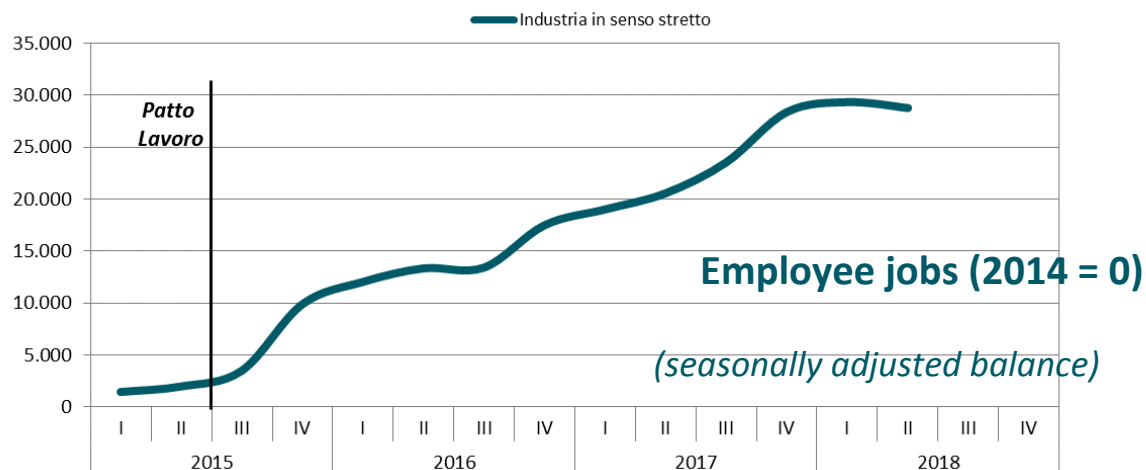
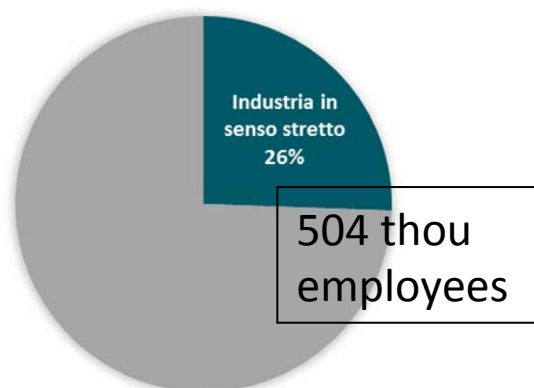


	Annual change %				Δ 2017/2014
	2014	2015	2016	2017	
GDP	+0,9%	+0,8%	+1,9%	+1,8%	+4,5%
Final consumption	0%	+1,8%	+1,3%	+1,5%	+4,7%
Fixed investments	-2,6%	+2,7%	+4,2%	+4,0%	+11,2%
Export	+4,4%	+4,8%	+2,6%	+4,8%	+12,7%

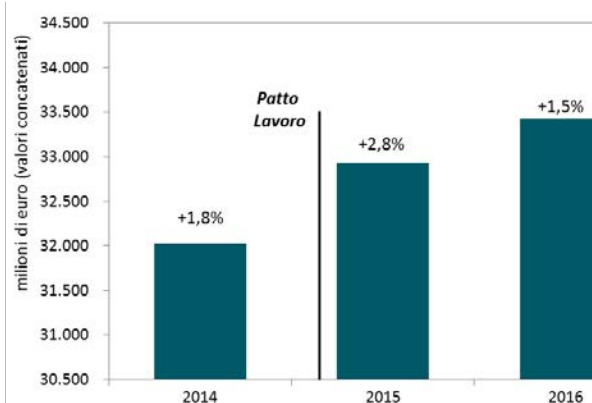


Purely Industry in Emilia-Romagna

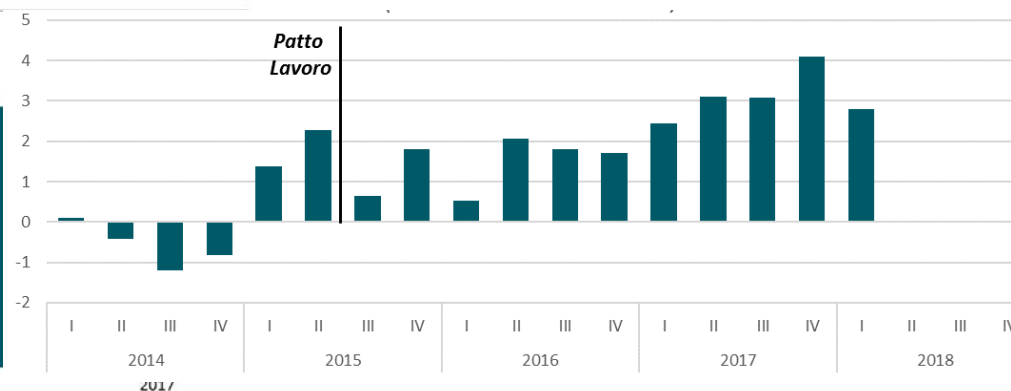
Employees 2017



Value added in purely Industry (million € and annual change %)

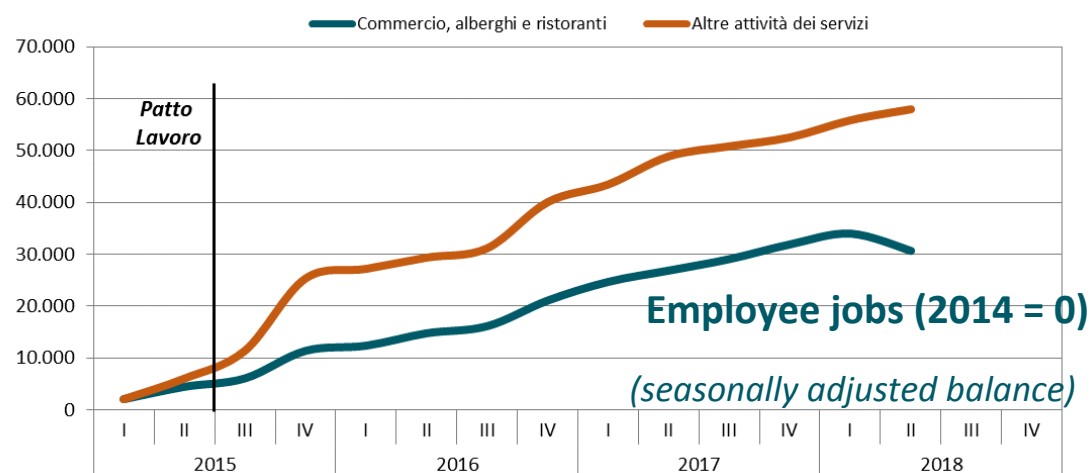
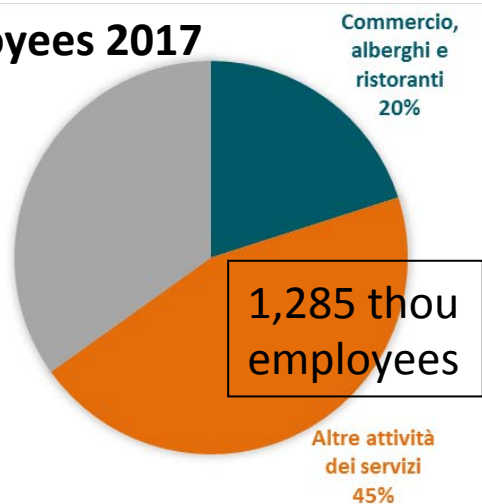


Industrial production (tendential var. %)

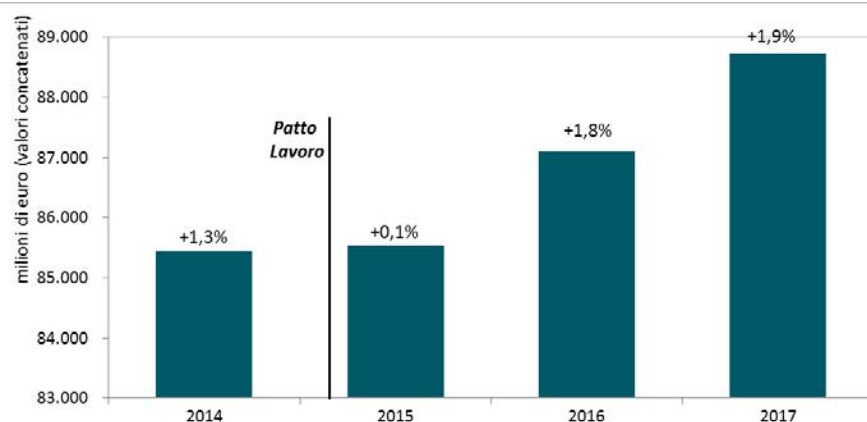


Services in Emilia-Romagna

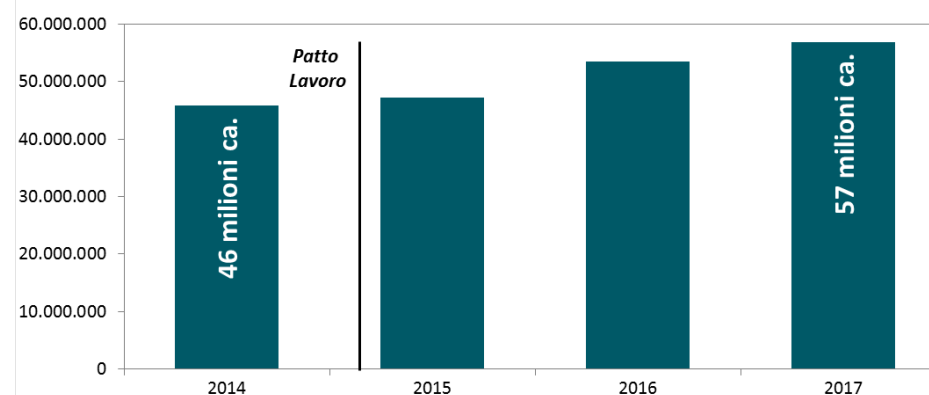
Employees 2017



Value added in Services (million € and annual change %)



Tourist numbers



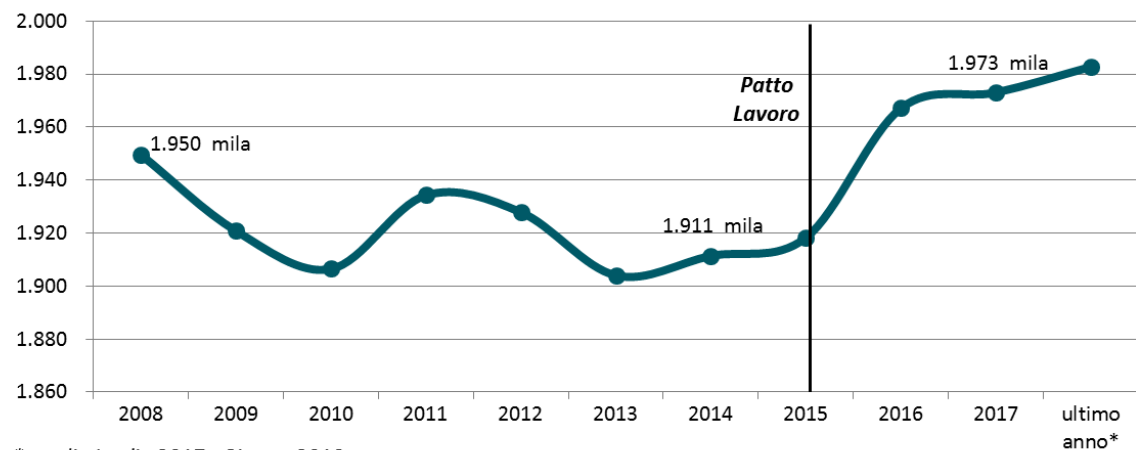
- Value added in Tourism in Emilia-Romagna 16,2 billion euro (11,8% of total)

Source: ERVET calculation on ISTAT, SILER, PROMETEIA data (July 2018), Unioncamere Emilia-Romagna

Patto per il Lavoro

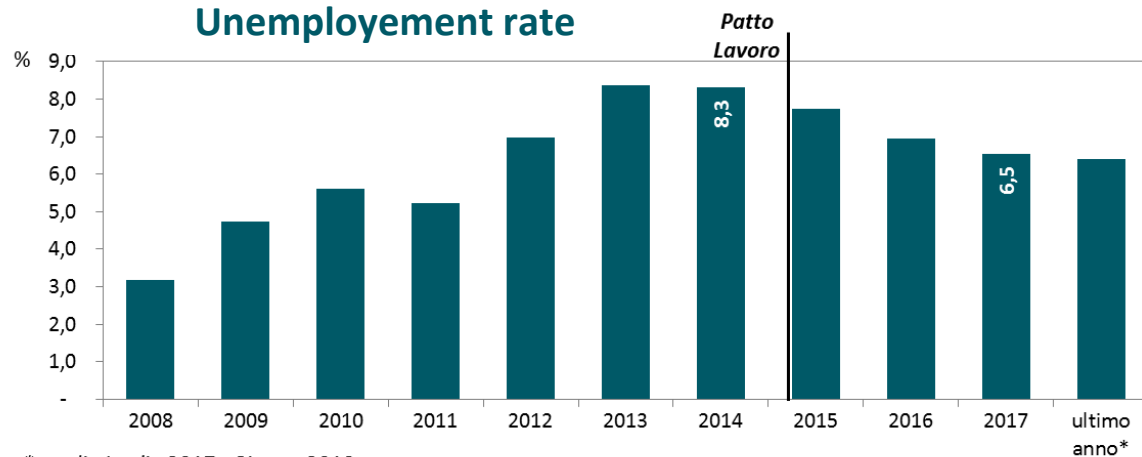
Un nuovo sviluppo per una nuova coesione sociale

N. Employees in Emilia-Romagna (thousand)



* media Luglio 2017 - Giugno 2018

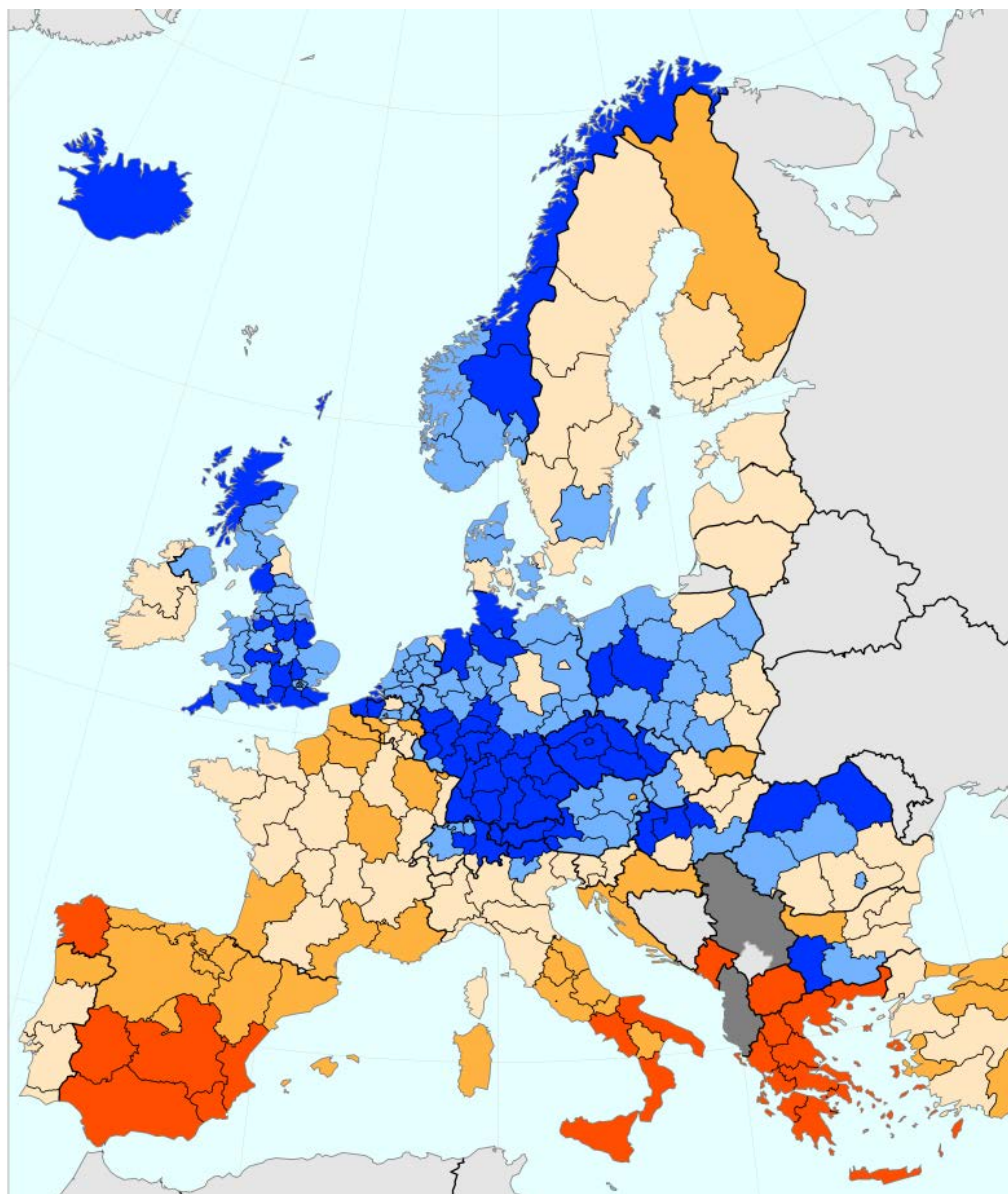
Unemployment rate



* media Luglio 2017 - Giugno 2018

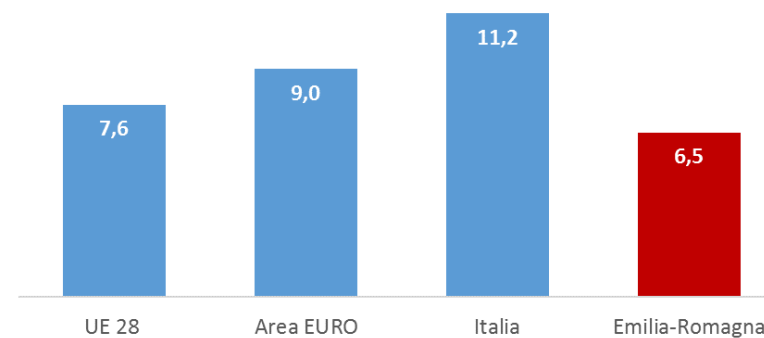
Patto per il Lavoro

Un nuovo sviluppo per una nuova coesione sociale



Source: EUROSTAT

Unemployment rate 2017



EU-28 = 7.6%

Dark Blue: $\leq 3.8\%$

Light Blue: $3.9\% - 5.7\%$

Light Orange: $5.8\% - 9.5\%$

Orange: $9.6\% - 15.1\%$

Red: $\geq 15.2\%$

Grey: Data not available

Regional labour market advancements, three years after the Deal



	2014	2017	Δ
Employees	<i>1,911 thou</i>	<i>1,973 thou</i>	<i>+62 thou (+3,2%)</i>
Participation rate (15-64 year olds)	<i>72.4%</i>	<i>73.5%</i>	<i>+1.1</i>
Employment rate (15-64 year olds)	<i>66.3%</i>	<i>68.6%</i>	<i>+2.3</i>
Unemployment rate (15 year olds and above)	<i>8.3%</i>	<i>6.5%</i>	<i>-1.8</i>



Skill advancement for youth in Emilia-Romagna three years after the Deal

	2014	2017	Δ
Upper secondary education rate (20-24 year olds)	81,5%	85,4%	+3,9
School drop-out (18-24 year olds)	13,2%	9,9%	-3,3
Tertiary education (30-34 year olds)	25,1%	29,9%	+4,9



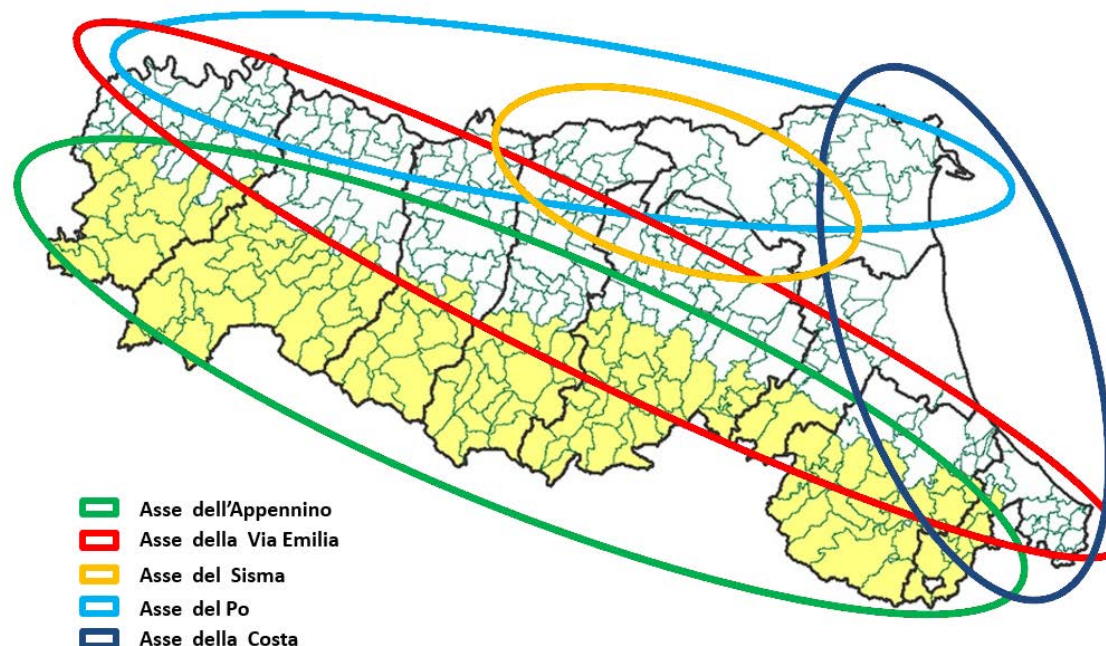
Progress in youth condition in the regional labour market, three years after the Deal

	2014	2017	Δ
Employment rate (18-29 year olds)	42,5%	47,5%	+5,0
Unemployment rate (18-29 year olds)	23,4%	16,2%	-7,1
NEET on population (15-29 year olds)	20,6%	16,1%	-4,5

AREAS:

The geography dimension of investments: territorial axes

ASSI PORTANTI DELLA PROGRAMMAZIONE TERRITORIALE DELLA REGIONE EMILIA-ROMAGNA



	Axis	Inhabitants at 31.12.17	% inhabitants	% contributions assigned
	Appennino	459.363	11,1%	17,5%
	Via Emilia axis	2.434.804	55,6%	51,1%
	Earthquake crater	511.157	17,6%	14,3%
	Asta of Po river	576.242	12,9%	12,3%
	Coast system	526.105	12,5%	12,0%