

Foreign Experience in the Formation of an Industrial Strategy

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Abstract

The article discusses the "Asian", American and European models of industrial strategy formation, which have a number of specific features determined by the role of the state apparatus and interest groups.

Keywords: *industrial strategy, international experience, state policy, industrial development of the country, state program.*

The industrial strategy currently represents a complex of several government policies, including monetary, tax, which are in interaction. This strategy is not aimed at individual industries and enterprises, but acts as a compensator for "market failures" and is aimed at creating an effective business environment that leads to a change in the structure of the economy and creates the foundation for economic growth. Considerable interest in industrial strategy is associated with the complexity of coordinating the joint use of its tools and the results to which it can lead.

The study of international experience in the field of industrial strategy suggests that its implementation depends on the specific characteristics of the country, the time of its implementation and the level of development. Studying the industrial strategy of developing countries, it can be noted that there it is a set of state actions aimed at improving production in order to increase productivity, create production links.

The industrial strategy leads to the optimization of activities in several areas, including the development of human capital, the creation of infrastructure, and the use of financial instruments. The effectiveness of the industrial policy of Asian (Republic of Korea, Singapore) and some European countries (Ireland, Finland) depends on the level of its predictability and institutional mechanisms that made it possible to overcome the middle income trap. When implementing an industrial strategy, the institutional environment is an essential factor.

In developed countries, the industrial strategy determines the transfer of technology between countries, contributes to the creation of new jobs and the development of new educational programs (Table 1.).

Turning to Sweden, it can be noted that the industrial policy of this country is multi-layered. There are several directions in it: budget, tax, investment, innovation, regional and other policy directions. Sweden is implementing various measures designed to ensure the interests of large companies (in this regard, the main thing is participation in the EU and foreign economic liberalization) and support for small and medium-sized enterprises (here the main thing is legislative, informational and consulting assistance, assistance in technology transfer, policy against the omnipotence of monopolies).

As for the innovation policy, its implementation meets the interests of all Swedish enterprises. The impact of the Swedish state on the development of industry is not limited to the methods of industrial policy; much is determined by a policy designed for the entire economy of the country (for example, innovative or regional policy)

Table 1. Characteristics of the industrial strategy of the most economically developed countries

Country	Goals	Tools, Institutions
Japan	Export-oriented development of knowledge-intensive industries while reducing the role of traditional basic industries within the framework of the general policy of economic liberalization	<p>A combination of sufficiently active forms of selective industrial policy proper (structural and innovative) with "indirect" methods of increasing importance in the future (budget, tax, monetary, export). The main regulator of industrial policy is the Ministry of Economy, Trade and Industry (METP). The main instrument of the METP is structural policy (selective sectoral programs and regulation of the structure of industry). Structural policy also includes the activities of legislative bodies in the field of antimonopoly legislation.</p> <p>The development and implementation of macroeconomic types of industrial policy (monetary, tax, budget) are the collective competence of the Bank (central) Japan, the Ministry of Finance and the MET.</p> <p>The development and implementation of macroeconomic types of industrial policy (monetary, tax, budget) are the collective competence of the Bank (central) Japan, the Ministry of Finance and the MET. Foreign economic policy is also a collective "product" of a number of departments: the Ministry of Foreign Affairs, the Ministry of Finance and the Ministry of Internal Affairs, relying in their activities on large state credit structures (Export-Import Bank, Development Bank)</p>
Italy	Development of the scientific and technical base of industry. Strengthening the competitive position of industry at the level of small and medium-sized enterprises in the domestic and foreign markets. Activation of the development of state-owned enterprises. Emphasis on the development of energy as a weak link in industry	<p>Reform of institutional structures (privatization) and development of the legislative framework. State programs to support small enterprises through the mechanisms of preferential tax, credit, depreciation, innovation policies. Using budget policy to help develop R&D for small and medium-sized businesses. The state program of stimulation of energy saving, financing of exploration of energy resources, construction of power plants. The complexity and multiplicity of government agencies involved in the development of measures and regulation of industrial development. The complicated nature of state influence on industry, allows for the impact on industrial development in many areas and to stimulate it, creates the problem of interdepartmental barriers and insufficient coordination of industrial policy mechanisms</p>
Norway	Improving the	<ul style="list-style-type: none"> Widespread use of the main methods of industrial policy,

	<p>competitiveness of the industry as a whole with an emphasis on the export development of the oil and gas industry. Promoting a more harmonious development of industry in the regional context. Improving the efficiency of the public sector</p>	<p>including the improved system of public procurement and orders, accelerated depreciation, financing and R&D. These measures are significantly supplemented by indirect methods of influence through tax and credit benefits (for northern regions and small businesses), programming of the economy. The system and mechanism of industry regulation are based on active state participation in a number of key industries (transport, electric power, communications), as well as effective export specialization based on the oil and gas complex of industries. Measures of indirect impact on the private sector of industry through budgetary, tax, financial and credit, protectionist customs policy</p> <ul style="list-style-type: none"> •
<p>South Korea</p>	<p>Ensuring further accelerated growth of industry based on the latest achievements of scientific and technological progress and its integration into the world economy on the basis of greater openness to foreign capital, technology, know-how. Improving the institutional and organizational structure of industry by building up a network of medium and small enterprises</p>	<p>Restructuring of large firms in the direction of attracting foreign capital to them by liberalizing the conditions for the introduction of foreign firms into the South Korean industrial market. Improvement of the financial and credit system in relation to the interests of industrial development. A sharp increase in assistance in the development of small and medium-sized businesses through the instruments of selective tax, credit, foreign economic policy, subsidizing the training of highly qualified specialists. The development of industrial policy is the responsibility of the Ministry of Trade and Industry. Among the instruments of industrial policy, a special role is played by those types of industrial policy that are related to foreign economic relations (investment and tax policy of attracting foreign capital, stimulating growth and protecting national export-oriented industries from external competition, patent policy of acquiring foreign scientific and technical innovations)</p>

Sweden's industrial policy is difficult to distinguish from its economic policy, because in many ways its industry is developing under the influence of measures designed for the entire national economy of the country. Its characteristic feature is its intertwining with innovation, environmental and regional policy. A fundamentally important feature is also that it is closely related to the social component. This is a condition for achieving a high level of development of "human capital", which is necessary for the transition of the economy to an innovative type of development. Such features of Sweden's industrial policy make it possible to activate synergy mechanisms. The partnership between the state and private business is also actively used, which is carried out not only in the implementation of individual projects, but also at the macroeconomic level. For example, a consensus has been reached in the country regarding the social orientation of development, and business shares responsibility with the state for financing social spending.

The effectiveness of Sweden's industrial policy in the scientific, technical and innovative sphere is enhanced by the fact that the main targets of its state machine and private business coincide in general terms, since they are equally interested in social and innovative orientation.

Even in the context of large-scale privatization associated with the country's participation in economic integration and globalization, the Swedish state continues to retain important levers of influence on the economic and industrial development of the country, including with the help of state-owned enterprises. In industrial policy, the center of gravity has shifted from direct methods to indirect tools, and from structural policy to integration and innovation components. At the moment, the Swedish state continues to be the largest employer of labor and the largest owner of securities. It retains control over a number of the largest companies in the country (54 companies in total).

The characteristic features of Sweden's modern industrial strategy aimed at increasing competitiveness, supporting entrepreneurship and providing employment in 2007-2013 are: strengthening the use of regional and innovative potential; strengthening coordination of actions taken by different NIS participants, as well as support for scientific and technical specialization and cooperation; improving professional training and human development; improving transport accessibility development of strategic interregional cooperation; reduction of the tax burden on business (but not to the detriment of its social, innovative and environmental orientation).

An important distinguishing feature of the development of Swedish industry is its development towards the transition to the production of goods with a higher proportion of labor added by processing.

Sweden is similar to Russia in that it has a rich natural resource base (timber, iron ore, marine resources, etc.), however, it differs in that it was able to make the transition to an intensive type of development. This allows it to occupy an advantageous position in the system of the international division of labor, specializing in the export of products with a high share of value added by processing, including high-tech.

Some useful actions taken within the framework of Swedish industrial policy have already been recognized in Russia, and there have even been attempts to put them into practice. This applies to simplifying the registration of newly created enterprises, supporting small and medium-sized businesses, developing innovations and venture financing.

The main thing that can be learned from the Swedish experience is the understanding of the importance for industrial development of the general economic context created by the interweaving of innovation, social, environmental and export orientation. Recently, the emphasis on the use of regional policy opportunities has been increasing. The profitability of such a strategy is confirmed by Sweden's relatively mild passage through the current economic crisis, despite its high dependence on the sale of export products on the world market.

It is also necessary to say a few words about the state policy in the field of industry in the USA. The North American region is characterized by a historically developed orientation towards the policy of "small intervention of the federal government in the affairs of industry", which naturally follows from a number of underlying reasons. It is known from history that the United States was formed as a single state under the strong influence of the spirit of isolation of the states that formed it.

Modern analysts have noticed that the main problem of US industrial policy is that business (including industrial) and the state are not partners, but rivals. If we evaluate the general features of the country's state policy in relation to industry, it should be noted that it is not officially formulated and is not formalized in the form of state documents developed by the structures responsible for the formulation of the national economic strategy.

With all the widely advertised "liberality" of the US government's policy towards national industry, it must be recognized that the legal regulation of the activities of industrial companies in this country through a system of legislative norms and rules is very strong (there are many laws affecting the functioning of industry) At the same time, the requirements for compliance with these laws by industrialists are very strict and litigation on industrial conflicts is not uncommon.

Turning to Russia, it is necessary to say a few words about terminology and define Russia's industrial strategy as a program of state actions for the development of industry within the general framework of national interests based on the development of development strategies focused on the diversification of production while abandoning reliance solely on the export of raw materials. Russia is one of the most industrially developed countries in the world. Meanwhile, for quite a long time, the development of industry in the country has been accompanied by very significant difficulties and problems.

In the recent past, the high growth rates of the Russian economy were largely provided by biased world energy prices and the increase in physical volumes of raw materials exports, which caused the absence of powerful market institutions to support economic diversification, allowing to occupy an advantageous position in the international division of labor and specialize in the production and export of products with a high share of added value. Russia is represented mainly by raw materials on the world market – the volume and range of exports of high-tech goods are still insignificant.

Due to the constant (even if not antagonistic) confrontation of the interests of different participants in the relationship, namely, the regional authorities and the owners of resources and business, top managers and employees, the state and regions, the state and employees who show their "face" quite specifically in behavior and in response to the governing and regulatory influences of different character, the balance between them is disturbed and the process of positive transformations is hindered. And with the unbalanced structure of system-forming industries and the limited resources available to them, the attitude of owners to the understanding of the need to concentrate business efforts on creating prerequisites for sustainable growth and strengthening the social orientation of the implemented programs for the development of regions and society is changing. In the course of Russian economic reforms, the issues of state industrial policy and its structural and investment direction have become one of the popular topics of economic publications and all kinds of election platforms of parties, movements and individual areas of the struggle for the electorate. The concepts of industrial policy and relevant development programs were considered at the government level. State bodies responsible for the development and implementation of this policy were created, then, however, disappeared. Similarly, many programs and recommendations were not destined to come true, because they either did not fit into the framework of right-wing government economic policy, or were speculative, correct only in the most general formulation. It has to be stated: after all the reformation years, it was not possible to develop a socially recognized, theoretically clear and practically effective industrial policy.

The current industrial policy, or rather its absence, increases Russia's lag behind the advanced countries of the West. In order to change the situation radically, we need a new industrial policy that relies on the development of the technological and production base of our defense complex, its restructuring in the direction of meeting the needs of civilian industries and final non-production consumption. The rise of the defense complex on the resource base of the fuel and energy complex will allow the economy to move at a double pace in the direction of technological progress and the growth of the welfare of the people.

Among the key tasks of the strategic development of the Russian Federation in the medium term is to gain leading positions in global competition, to reach the standards of living of developed countries.

Today, methods for achieving the declared priorities have also been identified, among which the emphasis on innovation and optimization of the use of regional and human potentials prevail. This, in turn, means the development of a fundamentally new domestic industrial policy, the main purpose of which is to stimulate the transition of the country's economy to the path of development, allowing science and high-tech industries to become the engine of economic growth, to provide adequate conditions for the development of the manufacturing sector of the economy, where the real wealth of the country is created. Assimilation of the generally positive European experience is expedient and important for reducing the vulnerability of the domestic economy in the face of many global challenges that require adequate response measures at the level of industrial policy today, the launch of fundamentally new industrial strategies.

Conclusion

Having considered and analyzed the state policy in the field of industry in a number of countries, it can be concluded that all states have their own path of industrial development. The strategy of the country's industrial policy depends on many factors. In developed countries with market economies, the process of improving industrial policy has been going on for many years. Therefore, the assimilation of the generally positive European experience is advisable and important to reduce the vulnerability of the domestic economy. The current situation requires rational response measures at the level of industrial policy, the launch of fundamentally new industrial strategies. That is why today the role and weight of each state is assessed in the world largely by its contribution to the development and implementation of fundamentally new industrial technologies for an adequate response to the negative realities of our time.

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