



Introduction to EQuIP

Enhancing the Quality of Industrial Policy

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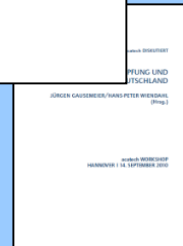
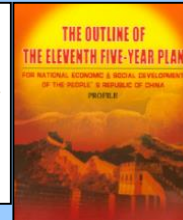
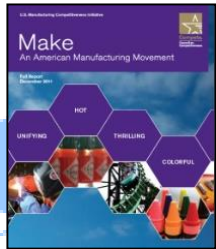
Outline: EQuIP in 30 minutes

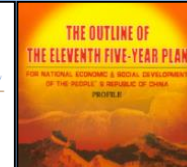
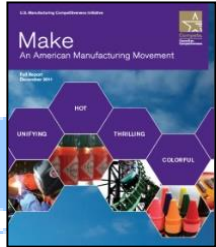
- Justification
- The EQuIP approach
- The new tools



Justification







It is no longer a question of whether to have industrial policy...
 ...but rather how they should be designed and implemented most effectively.





Common challenges in industrial policy design

- Policy documents “falling from the sky”
→ reliance on external consultants.



- Lack of strategic focus on objectives.

- Decisions are rarely based on evidence.





Common problem 1/2

- Reliance on externals results in higher likelihood of policies not being implemented.
- ‘Perfect’-looking, high-gloss industrial policies, however:
 - Naturally, less consideration of national context.
 - Tendency to include policy instruments used by other countries even before analysis.
 - No/little consideration of available budget.
 - Underlying logic may not be well explained to government.
 - Often weak coherence and alignment with other policies.



Common problem 2/2

- Lack of adequate quantitative analysis often leads to:
 - Objective of industrial policy being implicitly assumed.
 - Starting with desired policy instruments .
 - Including too much of everything.
 - Possible contradictions of IP objectives, and with other development priorities.



The EQuIP Approach





Enhancing the Quality of Industrial Policies

www.equip-project.org



german
cooperation
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Implemented by:

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EQuIP Objectives

- Improve government capacities to analyze industrial performance, strategically design IP and monitor progress.
- By means of tailor-made and strategic capacity building activities.
 - ✓ Review existing policies.
 - ✓ Design new policies.
 - ✓ Monitoring and evaluation of policies.
 - ✓ Have a larger say in engagements with development partners.



A new approach to IP design

Traditional approach

1. International expert takes the lead
2. IP objectives are assumed (e.g. Growth, competitiveness)
3. Decision on policy instruments prior to analysis and target-setting
4. Limited implementation

EQuIP approach

1. Building local capacities for industrial policy design
2. Acknowledge multi-dimensional nature of development and role of IP
3. Strategic selection and design of instruments based on analysis and set targets
4. Full agency over realistic and implementable policy

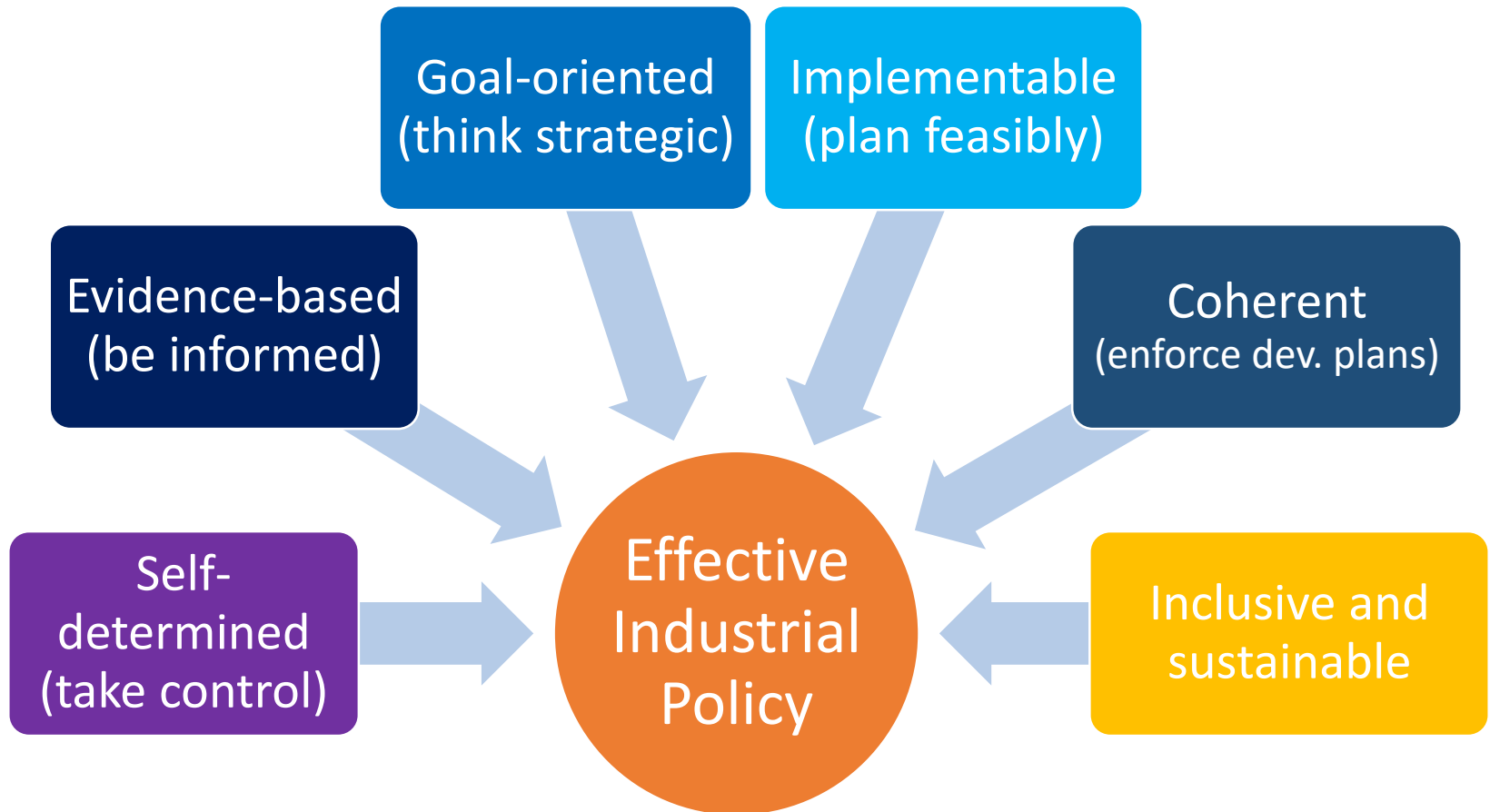


Data

- For all EQuIP tools the data should
 - Be freely available
 - Have good cross-country coverage
 - Be comparable
- Generalisability: results hold irrespective of a particular data set
- The proposed concepts may however also be suited to a more specific question to which you may wish to apply your own data.



Resulting policy





Methodology: from analysis to policy design

EQuIP 1

EQUIP ANALYTICAL TOOLBOX

Provides evidence as
foundation for priority setting

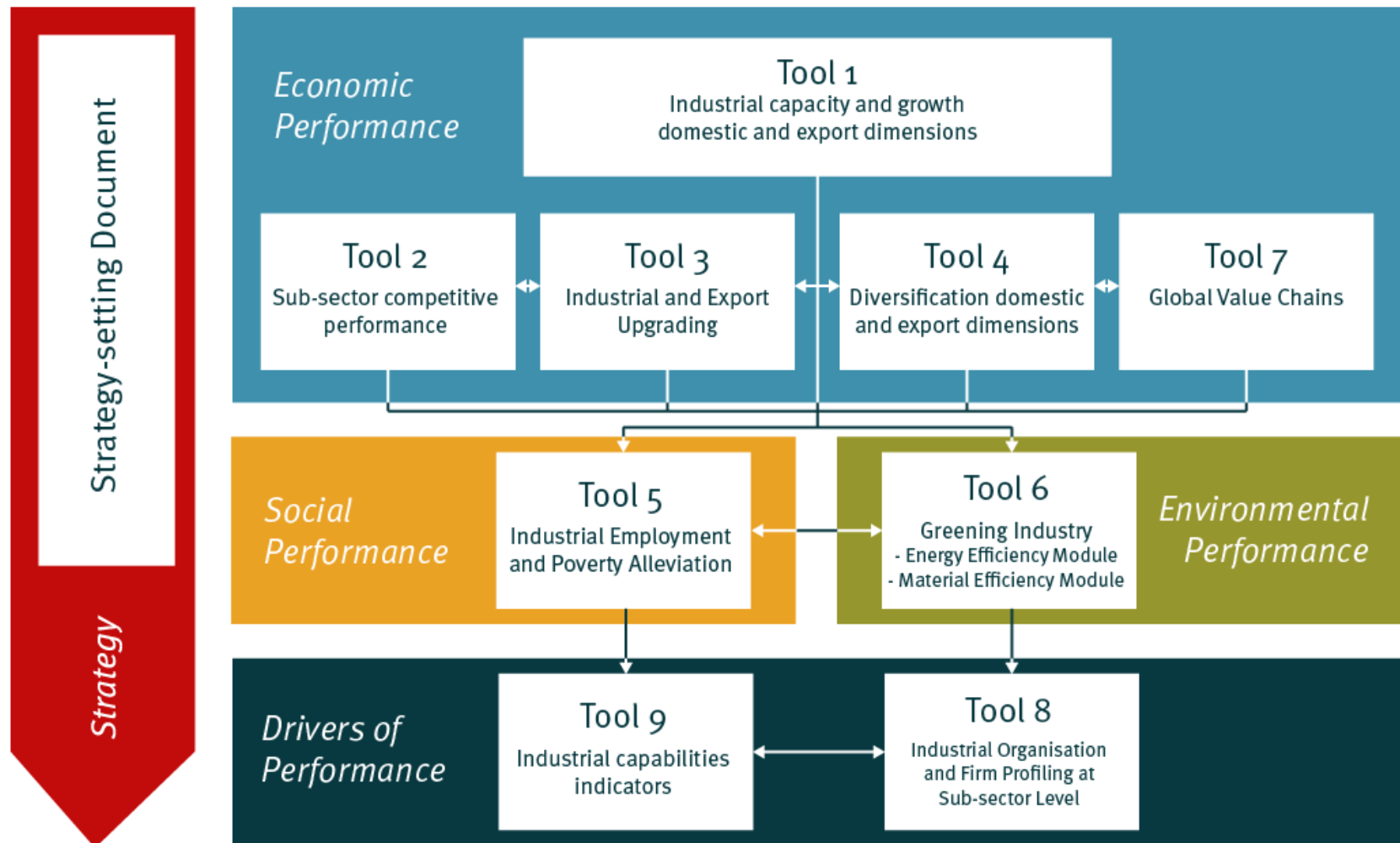
EQuIP 2

EQUIP POLICY DESIGN TOOL

Structures process to assess
and select industrial policy
instruments



The EQUIP toolbox



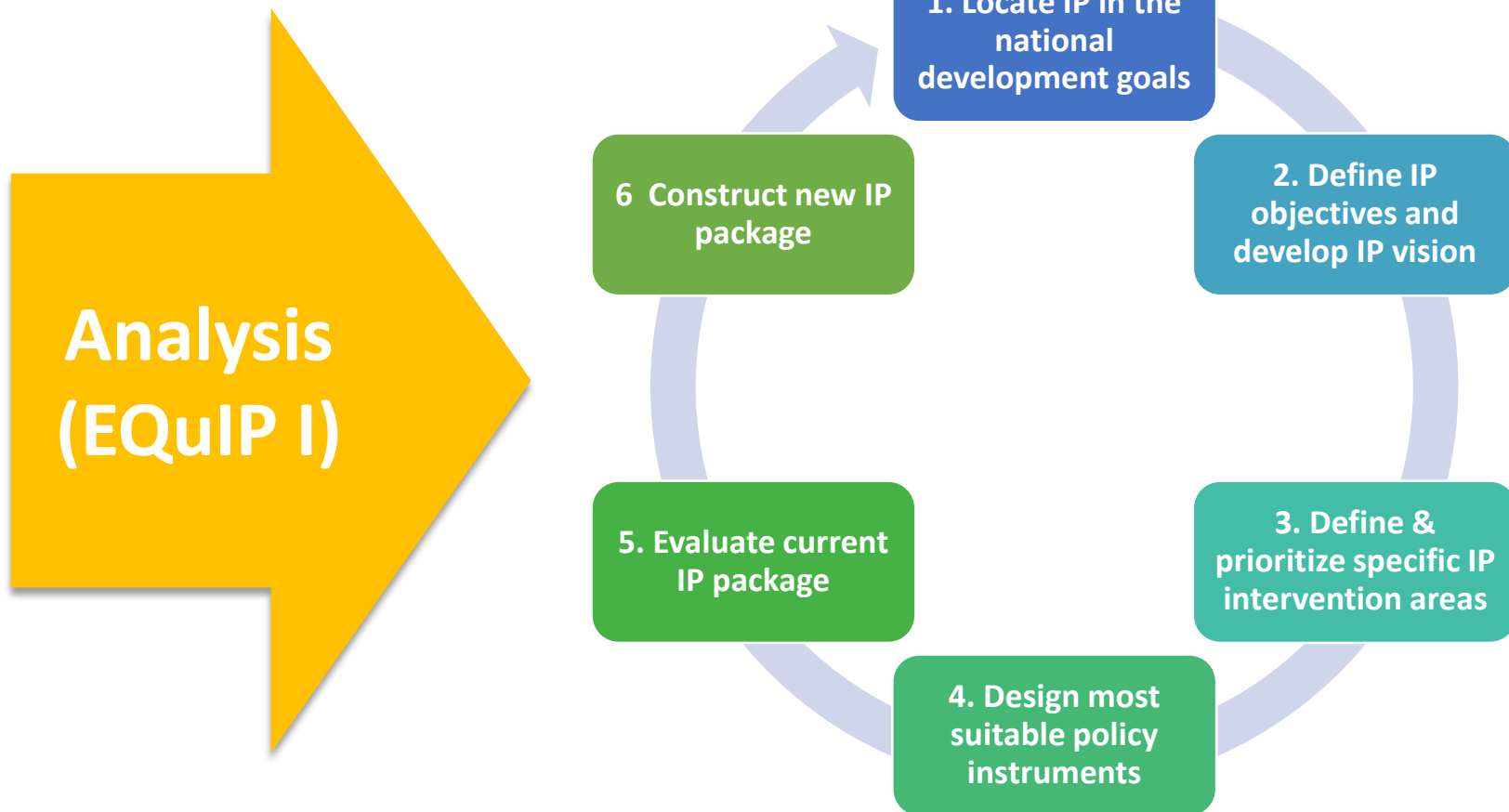


EQUIP Analytical Toolbox (EQuIP 1)

- A quantitative methodology based on benchmarking.
- Follows a ‘positive’ approach:
 - Fact- and evidence/based
 - Cannot be approved or disapproved
 - Stands in contrast to ‘normative’ view
- It does not
 - Advocate any strategic decision
 - Provide advisory services
 - Offer quick makeshift solutions
 - Depend on the trainers



EQUIP Policy Design Tool (EQuIP 2)





EQuIP engagements so far

- EQuIP has been deployed in many countries globally:
 - Cambodia
 - Vietnam
 - Ukraine
 - Myanmar
 - EAC
 - SADC
 - Oman
 - Saudi Arabia
 - Republic of Korea

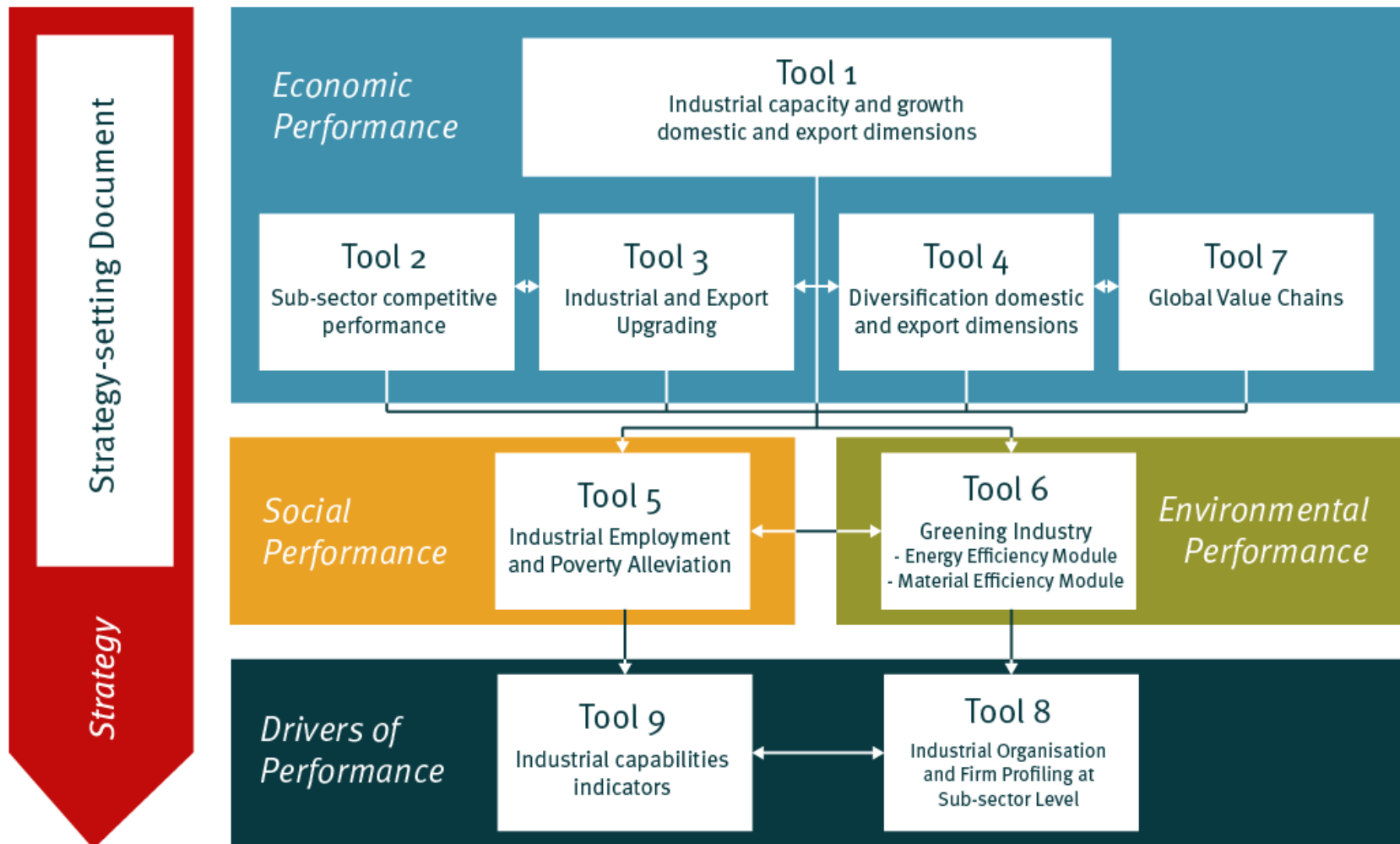


The new EQuIP tools



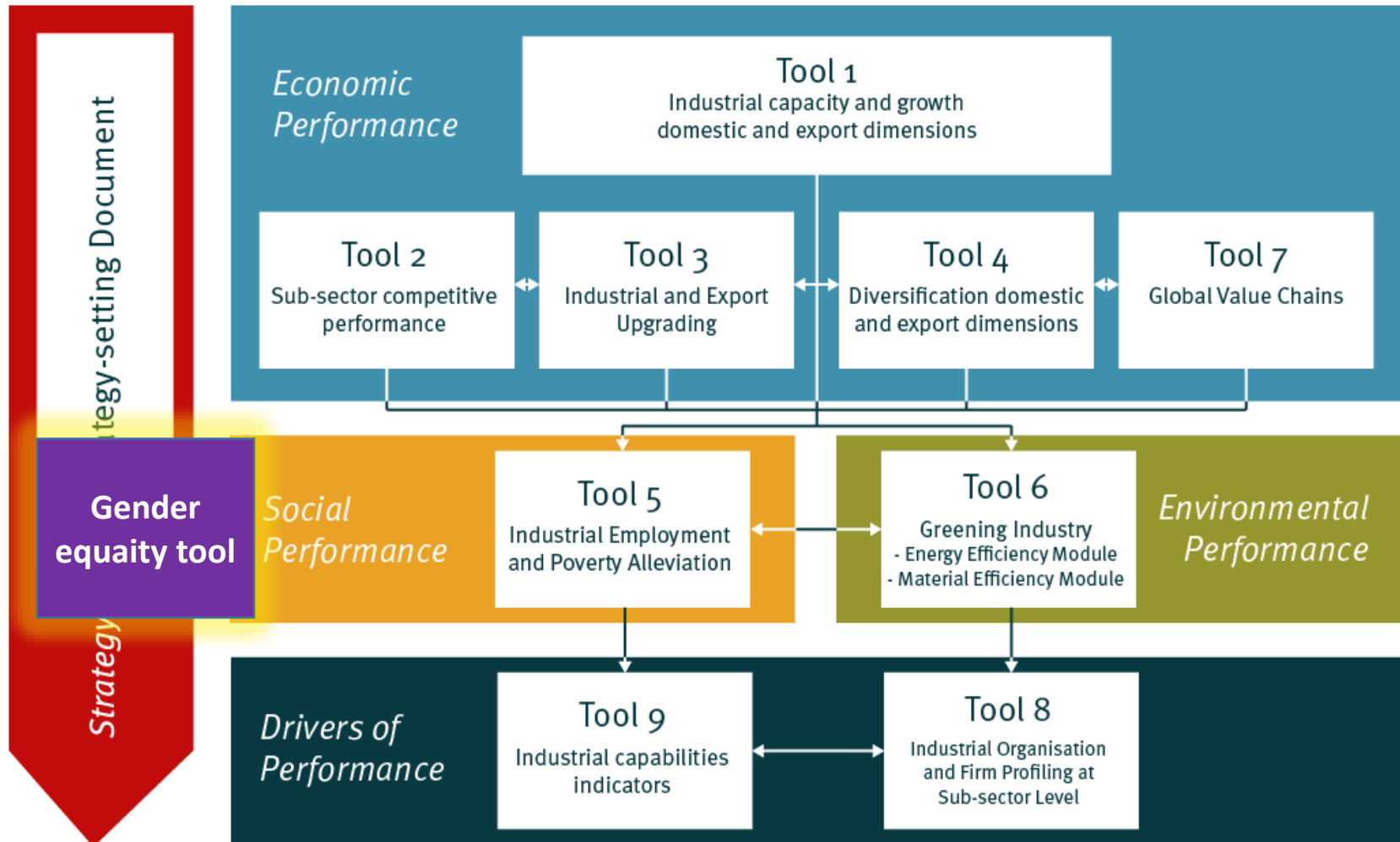


The new EQUIP tools





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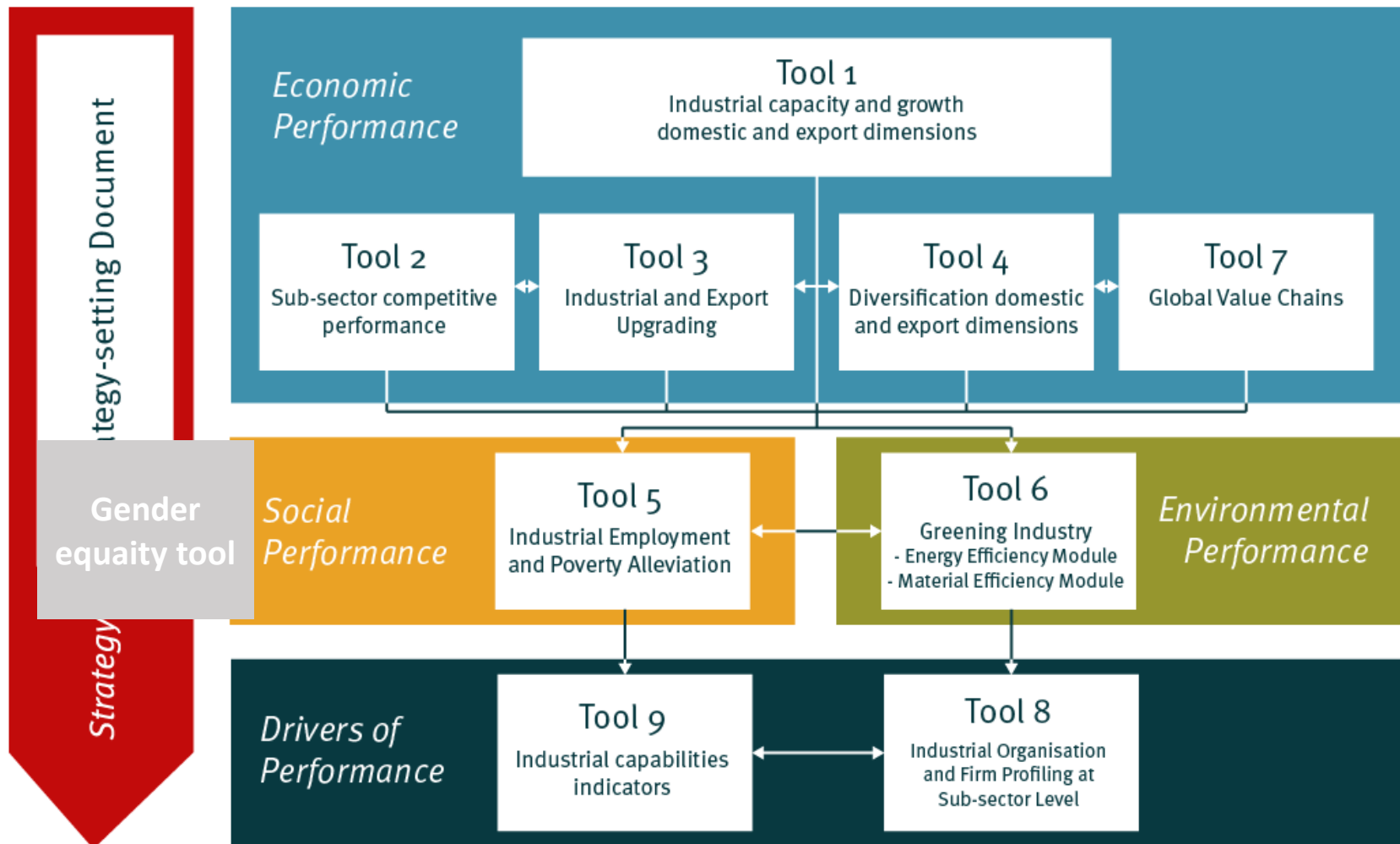


Gender equality

- Provides indicators to help understand female participation in manufacturing.
 - What are the characteristics of female **participation** in manufacturing at present (as opposed to male)?
 - What do we know about the **wages, quality, concentration** and **type of employment** of women in manufacturing?
 - How are women affected by the different dimensions of **structural transformation**?
 - What are the key **determinants** of female participation in manufacturing?

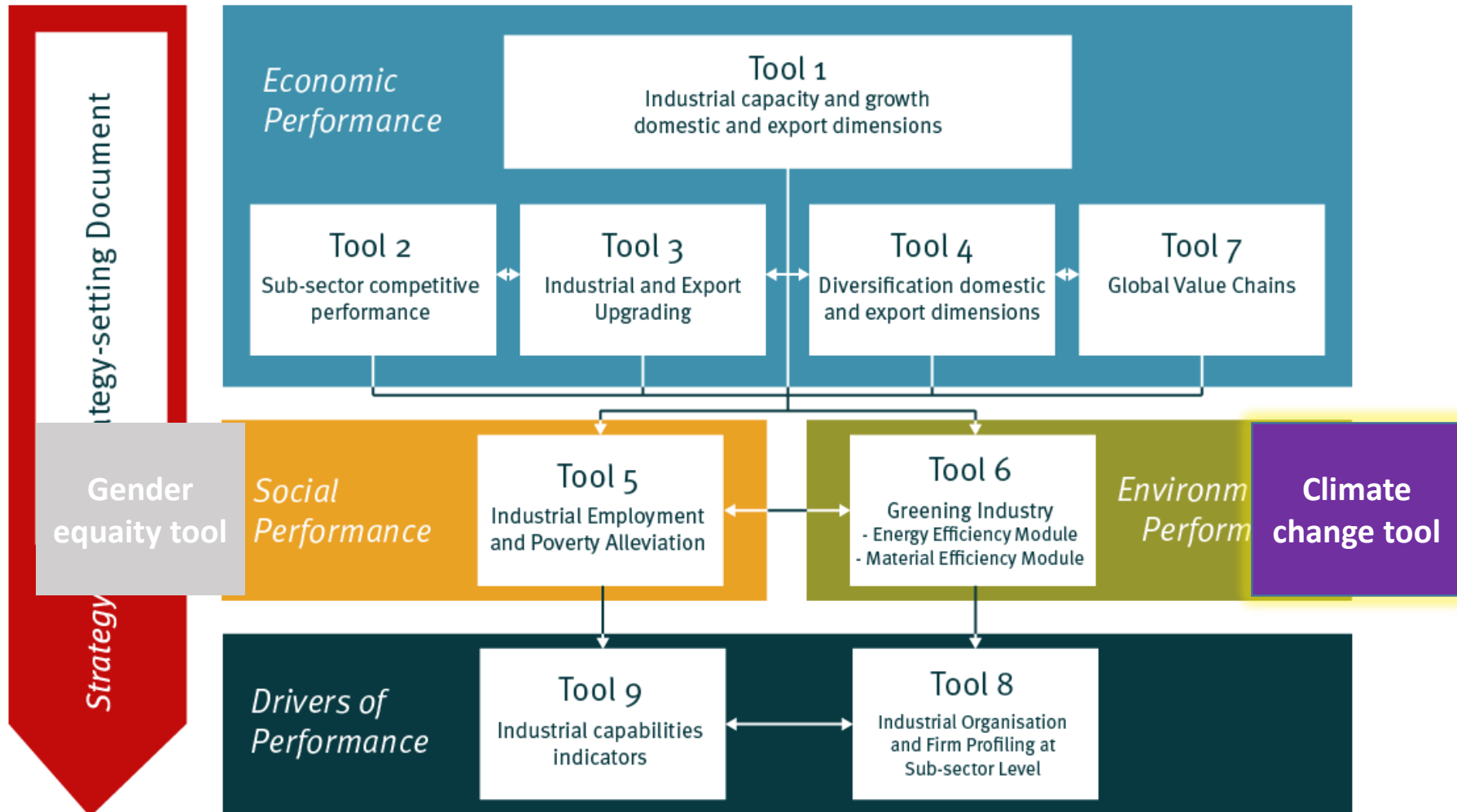


The new EQUIP tools





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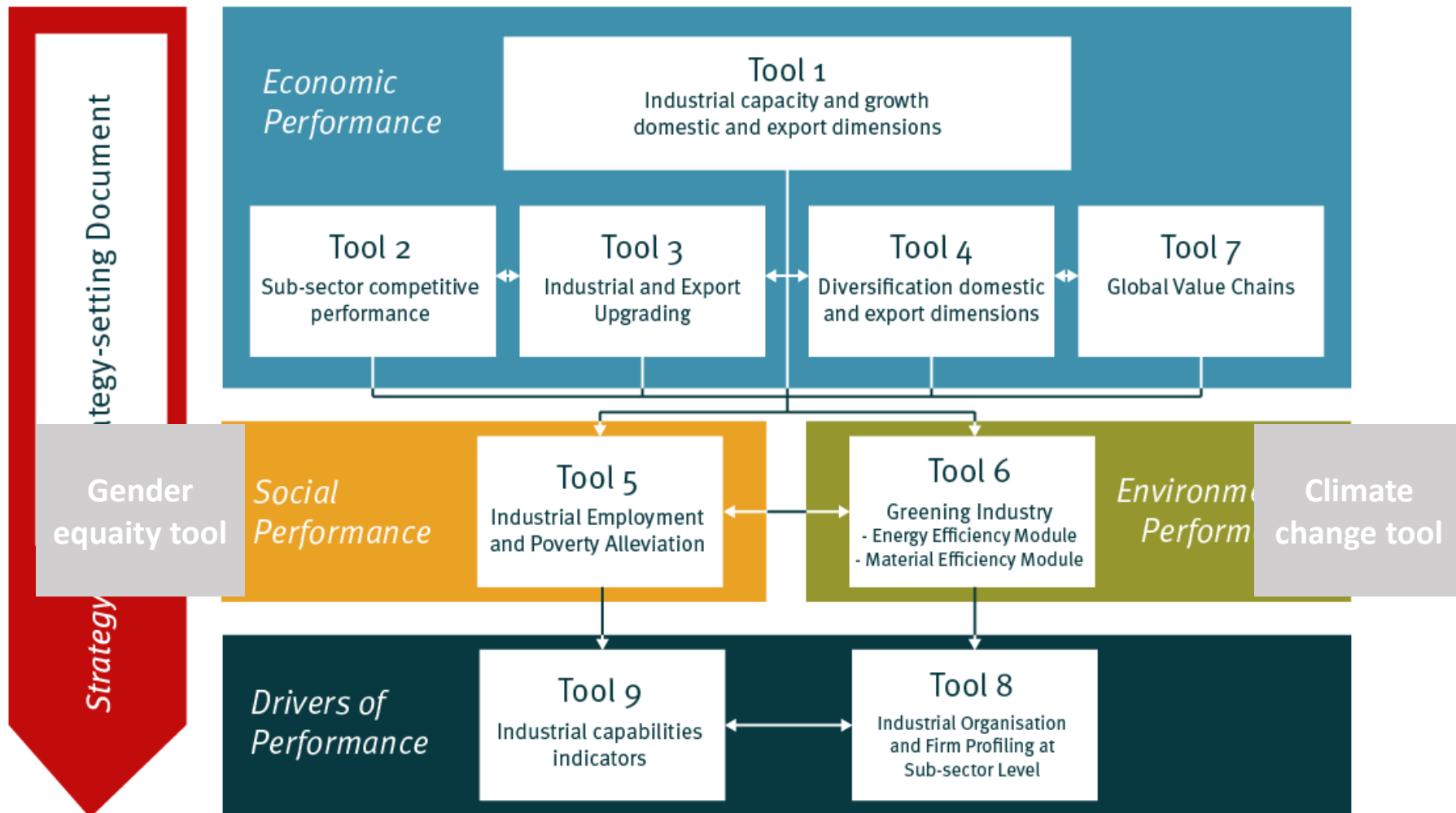


Climate change

- Presents indicators and analysis to assess a country's vulnerability to climate change and greenhouse gas emission focusing on the manufacturing sector.
 - How exposed is a country to the **impact of changes in the climate**?
 - How big is the **need for adaptation**?
 - How do **CO2 emission levels** (of countries and resp. industries) compare in a cross-country/-industry analysis.
 - Has the manufacturing sector achieved economic **decoupling**?
 - How can the growth of industrial CO2 emissions be **decomposed**?

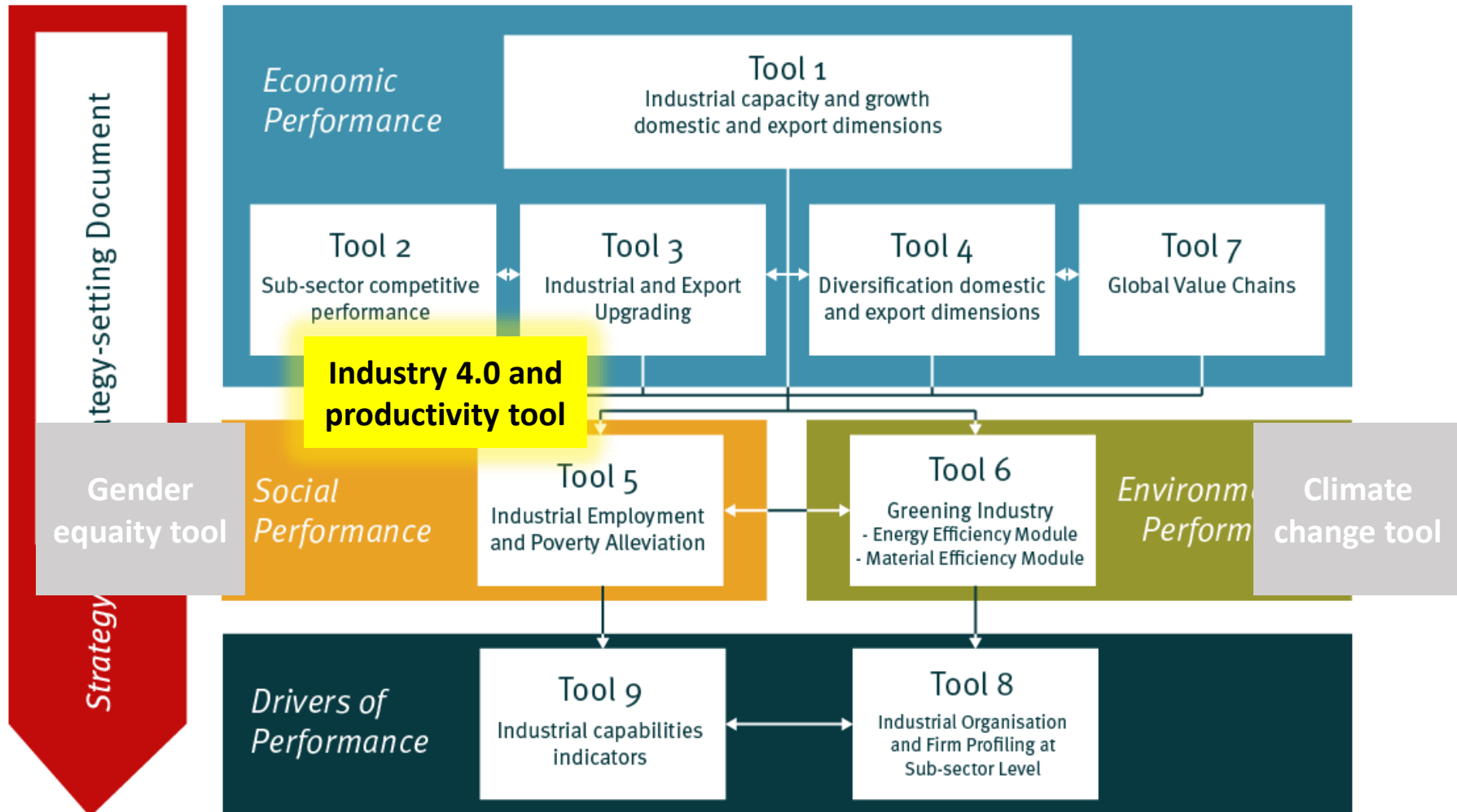


The new EQUIP tools





The new EQUIP tools





Industry 4.0 and Productivity

- What is the effect of new technologies on manufacturing?
 - What do we mean by **industry 4.0** and new technology?
 - To what degree is a country integrated in the **adoption of new technologies**?
 - Are **jobs at risk** of being replaced by new technology?
 - Will new technology inevitably lead to **jobless growth**?
- More on this later today!



Wrapping up: EQuIP in general

- The EQuIP toolbox should be viewed as one possible means of analysis.
- It is part of UNIDO's training toolkit; but not the only one.
- It does not provide nor advocate for a 'one-size-fits-all' solution.
- Analysts and policy makers are encouraged to use and adapt the concepts to their (own) data and specific question.
- For a comprehensive understanding of manufacturing, the combination of concepts and ideas from different tools (e.g. on prerequisites or climate change) is highly encouraged.



Wrapping up: EQulP in general

- Today has only scratched the surface. If you decide to take part in a training on this tool you will
 - Learn how and where to download the relevant data
 - Learn to calculate the relevant indicators (Excel)
 - Learn how to interpret the results and create benchmarks
 - Learn how to connect different concepts of your interest



Thank you for your attention

www.equip-project.org

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