Panel Series
The Role of the State in the Digital Transition

SASE Annual Meeting 2021

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As part of an effort to create an interdisciplinary scholarly community around the study of the state in digital transitions, we invite paper proposals for a series of panels during the upcoming 2021 SASE Annual Meeting. Interested contributors should submit paper abstracts through SASE's Network J "Digital Economy" by January 30, 2021 and send a brief message indicating their interest to join the panel series to Timur Ergen (te@mpifg.de).

The Covid-19 pandemic has channeled gigantic amounts of public funds into the economy, thereby reinforcing a trend that was already visible beforehand: State intervention to aid, guide, and stimulate industrial development is experiencing a resurgence in rich capitalist democracies since the Great Financial Crisis of 2008. Large parts of today's renewed interest in public support policies is focused on digital industries and the restructuring of conventional sectors to cope with digitalization. But which role does, or can, the state actually play in the digital economy?

The workshop focuses on recent industrial support policies across regions, countries, and economic sectors taking into account pre- and post-pandemic developments: Its guiding idea is that support policies aimed at the digital economy involve specific challenges, conflicts, and uncertainties. By bringing together experts from a multitude of disciplinary backgrounds, the workshop aims to facilitate the development of systematic knowledge about the character and novelty of today's support policies in relation to the digital economy.

Possible perspectives on state involvement in the digital economy can address, but are not limited to:

State-business relations While state agencies today rarely possess the expertise necessary for detailed command and control-policies, firms in digital fields often do not have the size, age, and associational embeddedness conducive to 'corporatist' forms of governance. What specific forms of state-business relations are there in today's industrial support policies? What are their respective dynamics, benefits, and pathologies?

Skill formation Responses to previous processes of structural economic change have typically relied on the broad upgrading of skill bases through varying means, contingent on the institutional make-up of political economies. But does the upgrading of skills still play a role in digital industries and digital restructuring policies? Are there examples of inclusive skill formation policies for digital industries – for example the upgrading of non-tertiary educational tracks and low- and medium-skilled workforces?

Interorganizational structures A growing research literature maintains that today's increasingly fractured and complex supply chains necessitate different kinds of industrial policy than classic vertically integrated and oligopolistic industries. How do digital industries fit into such historical arguments – industries in which first-mover advantages, network effects, and market power are often key and in which intellectual property seems to figure prominently? Are there dynamics of specialization across countries and sectors with regard to interfirm dynamics in the digital economy? Are there specific approaches towards knowledge diffusion and learning between firms and between firms and other institutions?

Protection and regulation of intangibles Large parts of the digital economy are based on intangibles. The ability of states or groups of states to control standards of intellectual property therefore is a crucial factor for the distribution of industrial opportunity. How do different states try to regulate, protect, and universalize their own intellectual property regimes in the realm of the digital? Which dynamics and conflicts in the international production of intellectual property can be observed?

State and capital The US-American state has played a key role in the emergence of today's digital industries by facilitating early stage investment and resource flows. Which alternative or functionally equivalent measures can be observed in different political economies? Which institutions are being shaped or transformed in order to fit the funding needs digital economy?

Open and hidden layers of industrial policy Recent research points to possible new "hidden" layers of industrial support connected to digitalization. The European GDPR, for example, can be seen as such a hidden layer: With the official goal of updating and protecting civil rights, the GDPR also works as a nudge for a more self-reliant European digital economy. Are there other examples for such policies? What kind of success is to be expected from emerging hidden layers of industrial policy? On the other hand, EU-anti-trust law, the Digital Service Act and the Data Governance Act explicitly follow a strategy of market design with the goal of supporting local industries. How are these measures interacting with other industrial policies? Is there a comprehensive European approach in the legal sphere and in governance?

Geopolitical tensions and the politics of digital sovereignty Digital technologies have had a significant impact on geopolitical developments and the politics of national and regional sovereignty. How do states balance national security and economic policy goals when formulating and applying new digital industrial strategies? Are there strategic alliances between different communities, regions, or states emerging as a response to such challenges? Are there specific trajectories that can be observed?