

Industrial policy and sectoral priorities in China. Analysing the strategic presence of government in key industries

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China's experience of industrial growth is noteworthy for several reasons, not least because it has made a massive use of selective industrial policies. Even when the shift towards a free market economy seemingly has taken place, it can be argued that it has led to 'a capitalism with Chinese characteristics', where governments maintain an active role in pursuing strategic objectives. This has led to the emergence of few state actors that limits de facto the international competition in strategic key industries.

This research describes Chinese industrial policy and the role of government in pursuing sectoral priorities. The research question of the empirical investigation is: What are the industries characterized by higher intensity of government presence, especially with regard the presence of state-holding enterprises? In order to address this question, the paper proposes a 'Government-Presence Intensity (GPI) Index', a statistical index which synthesizes the value of different sectoral variables and provides a ranking of industries according to the level of intensity of government presence.

Information provided by the GPI Index are employed to draw indication on the effects of Chinese industrial policy on global competition, especially with the US and EU on key industries and technologies.