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Parliamentary debates on Italy's industrial policy (1948-2022)

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Parliamentary debates on Italy's industrial policy (1948-2022)

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Abstract

This chapter provides an overview of how Italian policymakers have discussed industrial policy from the post-war period to the present. We conduct a quantitative and qualitative text analysis of the parliamentary debates in the lower House of Parliament, the *Camera dei Deputati*, from 1948 to 2022. In this analysis, we identify four distinct phases in the way Italian policymakers have approached industrial policy in the parliamentary arena. First, in the immediate post-war period, industrial policy was seen as crucial for the country's economic development (1950s-1970s). This was followed by a phase of declining popularity (1980s), during which industrial policy was portrayed as being captured by rent-seeking interest groups. In the third phase (1990s-2010s), which was marked by the introduction of stricter EU state aid rules and greater fiscal constraints, Italian parliamentarians largely continued to maintain a critical stance towards industrial policy. When support was expressed, it was primarily reactive and defensive—motivated by concerns over offshoring and the need to shield traditional sectors, such as agriculture and heavy industry, from the pressures of globalization. In the most recent period (since the mid-2010s), discussions around industrial policy have instead become increasingly aligned with European priorities, particularly in relation to the green and digital transitions. Moreover, in recent years, policymakers across the political spectrum have increasingly voiced concern over the rapid pace of privatization and the broader withdrawal of the state from the economy seen in previous decades.

Summary

- This chapter reviews the way in which Italian policymakers discussed the role of industrial policy in the country's post-war economic development trajectory (1948 to 2022) through quantitative and qualitative text analysis of parliamentary speeches.
- First, we examine the salience that industrial policy assumed across time in the country's post-war parliamentary debates. We then focus on *how* industrial policy was discussed in Parliament. This allows us to identify variations in the way in which major industrial policy issues were discussed across different historical periods. Third, we incorporate a party-political lens of analysis to show how salience and issues differ across parties.
- We argue that a four-phase trajectory in the salience of industrial policy in Italy's parliamentary debates can be identified: 1) *The developmentalist era* (1950s-1970s), when salience is high, support spans almost the whole party system, and it is the only period in which we detect a forward-looking interpretation of industrial policy as a means to achieve transformative economic development; 2) *The bemoaning assistentialism era* (1980s), when scepticism starts to grow, largely due to fiscal constraints and the emergence of implementation inefficiencies; 3) *The European market-oriented industrial policy era* (1990s-mid-2010), when the discourse is affected by the neoliberal precepts and requirements of EU integration; 4) *The Twin transitions and the Next Generation EU era* (mid-2010s – today), when industrial policy is rediscovered (salience increases) in the context of EU-driven public investments and twin-transition plans.
- All in all, we find that from the closing of the Developmentalist era, Italy's parliamentary debate has been dominated by a rather defensive and reactive interpretation of industrial policy, conceived primarily as a tool to prevent offshoring (*delocalizzazioni*) and to defend traditional economic sectors (sunset industries), as opposed to a strategic intervention to upgrade the country's economic system.
- Our *party-political* analysis shows that while in the early decades there was broad consensus among all major political parties on the importance of industrial policy as a means to modernize the country's economy, with particular emphasis on supporting the South, since the 1980s positions start to diverge and be distinguished along party lines.
- The first to take a strong stance against industrial policy, already in the 1980s, were parliamentarians from the liberal parties (PLI, PRI) and the far-right (MSI), who argued that industrial policy was outdated and misaligned with evolving economic priorities.
- By the 1990s and early 2000s, only the far-left parties continued to advocate for greater state intervention in the economy, while most other parties had grown more sceptical.
- The situation reversed in the mid-2010s, however, when a new party-political consensus emerged around the strategic role industrial policy could play in paving the way for decarbonization and the knowledge economy. Politicians across the political spectrum also began to express regret over the extent and pace of previous privatization efforts.

Introduction

For Italy's political and economic decision-makers, historically industrial policy has frequently played a crucial role in shaping the country's economy. Most notably, in the post-war period, state intervention in the economy, particularly through institutions like IRI (*Istituto per la Ricostruzione Industriale*), was central in rebuilding and modernizing key economic sectors such as steel, energy, and transport. Although the role of the state in industrial policy diminished from the 1980s onwards, leading to a more fragmented policymaking approach, in the aftermath of the COVID-19 crisis, state-led and EU-funded industrial policy initiatives have once again come to be seen as important instruments for promoting Italy's economic modernization.

While previous research has examined the impact of industrial policy on Italy's economic development (Audretsch and Lehmann, 2016; Lucchese et al., 2016; Zecchini 2020; see also Gronchi and Ughi 2025, in this paper series), this chapter focuses on how elite-level political discourse on industrial policy has evolved over time and across political parties. Here, we seek to identify the key differences in how industrial policy was framed and assess the extent to which these party-political differences influenced the trajectory of Italy's industrial policy development.

To achieve this, we leverage data from the *ItaParlCorpus* database (Cova, 2025), a recently published database containing a comprehensive collection of all plenary speeches from the Italian *Camera dei Deputati* between 1948 and 2022. This database includes information on parliamentarians' party affiliation, allowing us to systematically analyze policymakers' political discourse on industrial policy. In doing so, we highlight how parliamentary rhetoric on industrial policy has evolved, revealing differences between political parties and across time. This quantitative text analysis allows us to focus not only on the salience that accompanied the topic of industrial policy in Italian political discourse, but also on the themes and issues that were most frequently highlighted in these discussions.

As we demonstrate, applying quantitative text analysis and natural language processing (NLP) techniques to a large corpus of parliamentary debates allows us to trace the evolution of policymakers' rhetoric on industrial policy: from its post-war framing as an instrument for state-led development, through the privatization wave of the 1980s and 1990s, to its recent 'come-back'. Finally, this chapter will present a focused analysis of parliamentary discourse in the most recent period, examining how policymakers from different political orientations discussed the set of policies that, as documented by Gronchi and Ughi (2025, in this papers series), have comprised Italy's vertical and horizontal policies from 2006 onwards.

Our methodological approach combines a large-scale quantitative text analysis of parliamentary corpora with a qualitative, in-depth reading of selected parliamentary interventions on the topic of industrial policy. The quantitative analysis enables us not only to trace the way in which the salience of industrial policy has shifted over time, but also to identify the different ways in which policymakers from different political parties discussed the topic. The in-depth *qualitative* analysis of parliamentary speeches offers a deeper

understanding of specific themes that were brought to the fore, revealing the ideological fault lines between political groups and their differing views on the role that industrial policy should play in the Italian economy.

Our first finding is that the salience of industrial policy, measured through the extent in which industrial policy features in parliamentary speeches, was notably high in the early decades following the Second World War, subsequently declined through the late 1990s and early 2000s, and, finally, experienced a revival beginning in the mid-2010s.

Second, the themes dominating industrial policy debates have varied over time and across political parties. In the post-war decades, there was broad consensus on the importance of state intervention in the economy, often framed around macroeconomic goals such as income growth and employment creation. Nevertheless, the most enduring motivation for industrial policy during this time remained its use to modernize the economically lagging South.

By the 1980s, party-political divisions became more pronounced. While the major parties, DC, PSI, and PCI, continued to somewhat support industrial policy as a driver of growth and employment, policymakers also expressed concern over inefficiencies and the continued support of declining, sunset industries. In contrast, parliamentarians from the economically liberal parties (PLI, PRI) and the far-right (MSI) voiced more forceful critiques, portraying industrial policy as fostering ‘parasitic’ economic behaviour and thereby even posing risks for the quality of democratic institutions. These critiques were increasingly framed within the context of European integration and the need to introduce greater market liberalization. Policymakers also expressed concerns that state intervention in the economy was not only economically inefficient but also politically inequitable.

By the 1990s and early 2000s, this critical perspective had become dominant. Only far-left parties remained staunch advocates of state intervention, while most other political forces had grown increasingly sceptical. Policy constraints stemming from increased European integration, EU state aid regulations, the Maastricht convergence criteria, and the ensuing need to reduce budget deficits and public debt further limited the space for the development of industrial policy. Where industrial policy was mentioned, it was primarily framed in what we term a *defensive* stance; used mainly to prevent offshoring and to support traditional economic sectors like agriculture and heavy manufacturing. This, we argue, could be indicative of a failure on the part of Italian policymakers to adopt a proactive and forward-looking industrial policy at a time when most other European economies were adapting to globalization and the transition to a knowledge-based economy. What appears to be missing, in other words, is a view of industrial policy as a tool to continuously upgrade the country’s economy and maintain it at the technology frontier by promoting investment in those sectors with greater future potential.

By the mid-2010s, the political and economic landscape had shifted once again. A renewed consensus emerged around the strategic role of industrial policy in addressing the twin digital and environmental transitions as these became EU-wide priorities. At the same time, critical voices from both the right and the left have begun highlighting the extent to which past privatization efforts have weakened the country’s economic structure and increasingly pleaded for state intervention in economically strategic sectors.

The paper proceeds as follows. The next section (Section 1) shows the varying salience of industrial policy over the post-war period, contextualising it in the dynamics of the country's economic development. Section 2 then presents our detailed theme analysis by showing trends for each of the four time periods and for each party-family. The last section draws conclusions.

Tracing the parliamentary salience of Italy's industrial policy (1948-2022)

In this section we introduce our analysis of elite-level discourse on industrial policy that examines how parliamentarians discussed industrial policy in parliamentary debates from 1948 to 2022. We provide the high-level trends and contextualise the evolutions the Italian economy underwent over the period.

We use data from a newly published dataset, the *ItaParlCorpus* dataset (Cova, 2025), a machine-readable and fully annotated database containing all parliamentary speeches made in Italy's Lower House of Parliament's plenary debates from 1948 to 2022. Given the size of the dataset, which contains over 470 million words and 2.4 million parliamentary speeches from 5,830 unique speakers, we subset from the entire corpus of parliamentary speeches recorded in the *ItaParlCorpus* dataset a sample that specifically encompasses only those speeches that are highly likely to explicitly address industrial policy. To identify those parliamentary speeches which have a high likelihood of discussing industrial policy, we utilize a dictionary of industrial policy-specific terms (see Table A1, recorded in the Appendix). The resulting dataset contains 13,000 parliamentary interventions with an average of 1,201 words per parliamentary intervention.

Figure 1 charts the proportion of parliamentary speeches discussing industrial policy relative to the *total* yearly speeches made in the Italian Parliament. To contextualize the importance of industrial policy for Italian policymakers, we compare its parliamentary salience with that of another key policy preoccupation of the Italian political class in the post-war Republican period: tax evasion (*evasione fiscale*). Through this tax evasion benchmark, we are better able to contextualize the importance of industrial policy in relative terms. As illustrated by Figure 1, parliamentary debates on industrial policy peaked in the 1960s and 1970s before gradually declining in the 1980s and 1990s, and increasing once again in the mid-2010s.

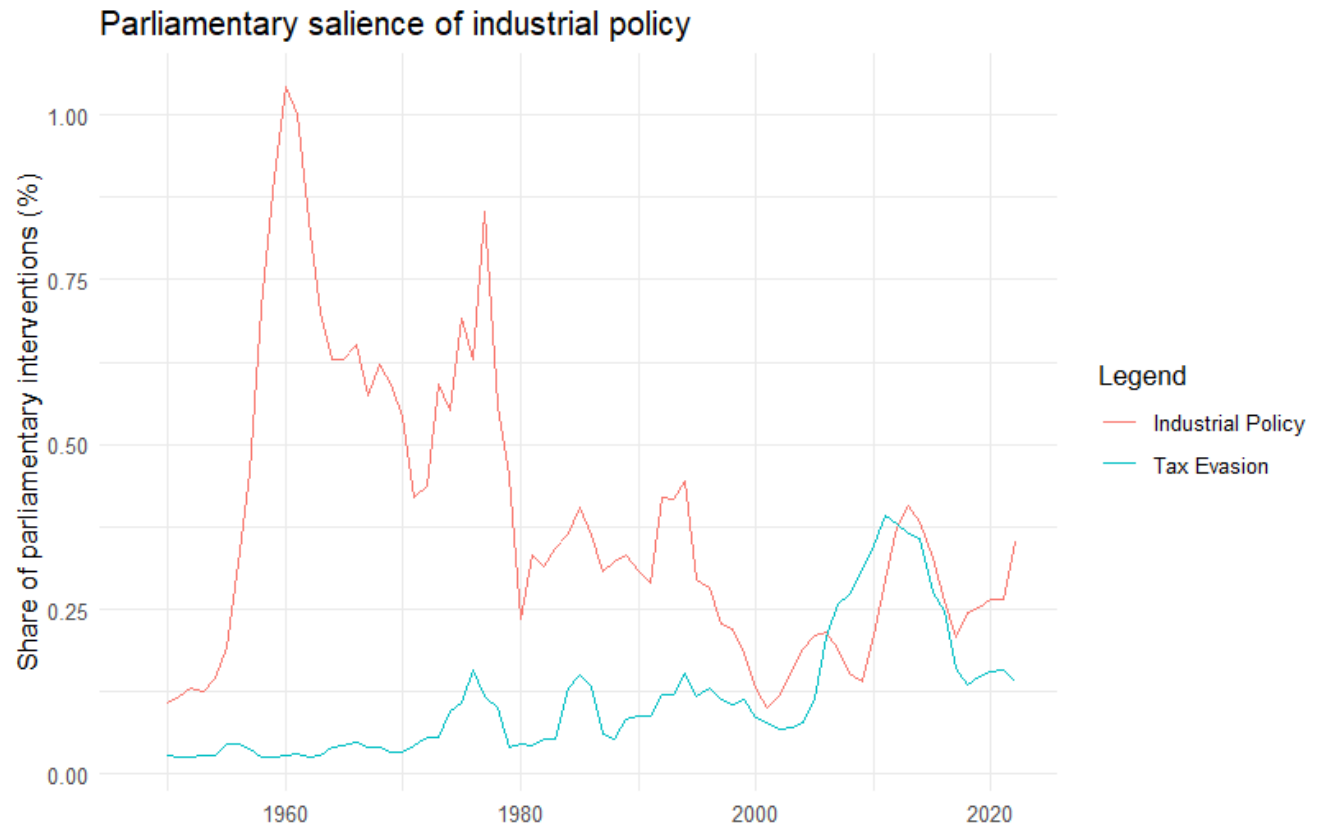


Figure 1: Share of parliamentary speeches discussing industrial policy - aggregate shares (3-year rolling averages).

The trend illustrated in Figure 1 reflects key developments in the Italian and European political economy of the period. Similarly to other European countries, in the aftermath of the Second World War, Italy also embarked on a robust industrialization strategy, with the state playing a leading role in economic development and in the organization of the economy. The Italian government, through institutions such as the IRI, actively invested in key sectors. This interventionist approach facilitated Italy's rapid economic growth and modernization, and contributed to propelling Italy towards the position as one of the world's leading industrial economies of the second half of the twentieth century. During the 1950s and 1960s, state-owned enterprises (SOEs) contributed significantly to Italy's economic *miracle*, fostering industrial diversification and technological advancement (Rolfo and Calabrese, 2003; Lucchese et al., 2016). This period saw the rise of the 'industrial triangle' of Milan-Turin-Genoa, expansion across various economic sectors and SOEs accounting for a large portion of the country's total economic output.

From a party-political perspective, there was a significant degree of ideological convergence around the importance of industrial policy as a key strategy for post-war reconstruction. While they might have disagreed on the direction and the scope, Communist and Christian Democratic policymakers agreed on the importance of industrial policy for Italy's economic development. Rebuilding Italy's industry was widely seen as requiring strong state involvement and high levels of investments. Conflicts concerning Italian

industrial policy during this time usually transcended the otherwise rigid left–right demarcations that distinguished economic policymaking in the post-war era.

However, the economic model that had fuelled Italy’s post-war growth, which was characterized by strong public investment and state intervention in the economy, began to falter by the 1970s, as sustained GDP growth gave way to mounting public debt, a lower productivity of SOEs (Locke 1995), inflation, and declining investment levels. This led to a shift towards greater market-oriented reforms, particularly from the mid-1980s onwards, ushering in a more liberal policy phase, which significantly reduced the role of the state in the economy (Bianchi, Labory, and Pontarollo, 2010).

As extensively documented by cross-national research, from an ideological perspective, the appeal of industrial policy also progressively waned by the 1980s as party-political conflicts on the importance of, and the need for, industrial policy became increasingly prominent (Graham, 1994; Wade, 2014). Changing economic policy paradigms, coupled with growing European economic and monetary integration, promoted market openness and stricter limits for state intervention in the economy (Clifton et al., 2006). Indeed, the decline of Italy’s state involvement in industrial policy was deeply shaped by the influence exerted by its EU membership, including the constraints derived from an increasingly strict implementation of European competition and state aid regulation (Majone, 1994, 1997; Thatcher, 2014).

As a founding member of the European Economic Community (Treaty of Rome, 1957), Italy gradually aligned its domestic policies with European market standards and regulatory frameworks. By the time the Single Market was launched in 1992, Italy, like all other EU member states, was required to liberalize key sectors and dismantle remaining state monopolies. Italy implemented one of the most extensive privatization programs in Europe, significantly reducing the state’s direct role in the economy (Barucci and Pierobon, 2008). This shift was further reinforced by the avalanche of EU competition and state aid rules, which restricted the use of national subsidies to support domestic industries.

At the same time, Italy, and particularly its southern regions, continued to benefit from EU structural funds through the Cohesion and Regional Development programs, tools that increasingly supplemented national industrial policy aimed at addressing regional disparities. However, with the EU’s eastern enlargement in the 2000s, these funds were increasingly redirected towards newer member states, leading to a gradual decline in economic support for Southern Italy. As a result, Italian governments found themselves in a predicament: on the one hand, national industrial support was increasingly constrained by Maastricht-era fiscal rules and EU competition law. On the other, EU cohesion funding, once a key compensatory mechanism, was increasingly oriented away from its traditional Italian regional beneficiaries (Staehr and Urke, 2022).

More recently, however, in the aftermath of the Eurozone crisis, Italian governments began to reengage with industrial policy through targeted initiatives aimed at modernizing the country’s industrial base. These efforts included measures such as tax incentives, support for digitalization, and funding for research and development. Amongst the most prominent initiatives were *Industria 4.0* and its successors *Transizione 4.0* and 5.0, both designed to enhance innovation, digitization, and productivity, particularly within the

manufacturing sector and amongst small- and medium-sized enterprises (SMEs) (see Gronchi and Ughi 2025 in this paper series for further details). By the early 2020s, interest in industrial policy gained renewed momentum, driven by shifting geo-economic dynamics, disruptions in global supply chains, and the intensification of strategic competition among global powers (Di Carlo and Schmitz, 2023).

These policy efforts received a further boost with the launch of the 2021 *Piano Nazionale di Ripresa e Resilienza*, PNRR (the National Recovery and Resilience Plan): Italy's national strategy under the EU's Recovery and Resilience Facility. With nearly €191.5 billion in funding allocated, the PNRR represents an unprecedented opportunity for the country. A significant portion of these resources has been directed towards supporting industrial transformation, digital infrastructure, green technologies and strategic and innovative sectors. More broadly, the PNRR marks a reassertion of the state's strategic role in industrial development, reflecting a shift in both Italian and European economic governance (Cotta and Domorenok, 2022). In contrast to the earlier era of market liberalization and privatization, recent industrial policy initiatives seem to have embraced a more proactive strategy of state intervention, mostly in order to ensure that the economy is well-prepared for the challenges associated with the 'twin' digital and green transitions.

Italian party politics and industrial policy

While the analysis above is informative of the changing salience of industrial policy in Italy's parliamentary debates, the level of aggregation does not provide information as to whether there are significant differences in the way in which different political parties discussed the topic. How often did different Italian political parties discuss industrial policy? And what differences and similarities emerge when considering the way in which different political parties broached the issue? In the following analysis we gauge the extent to which each main party in the Italian political spectrum has been an "issue owner" on industrial policy by measuring this issue's "salience" in the party communication. To do this, we look at the proportion of a party's parliamentary speeches devoted to the topic of industrial policy as a *share* of all parliamentary speeches made by the party.¹

The profound party-political transformations that marked the transition from the First Republic (1946–1993) to the Second Republic (1994–onwards) provide a natural structural break in the history of Italy's politics. We thus divide the analysis of the party-political salience of industrial policy into these two distinct historical

¹ In the political science literature on party politics, a common way to assess the importance that a policy issue has for a party is by measuring its salience. Salience is defined by how frequently a political party addresses a given issue in its policymaking discourse or in its electoral platforms and agendas. According to 'standard' models of party-political competition, the more often a party discusses a topic, the more it is perceived by the electorate to be what is known in the literature as an 'issue owner' (Petrocik, 1996; Budge, 2015). In the context of our analysis on Italian industrial policy, issue salience is quantified as the proportion of a party's parliamentary speeches devoted to the topic of industrial policy as a share of all parliamentary speeches.

periods. Additionally, given the fragmented and often short-lived nature of many Italian political parties, we examine party-political salience by aggregating parties into broader party families.²

As shown in Figure 2, during the period 1946–1993, parties belonging to the centre-left/social-democratic camp, such as the *Partito Socialista Italiano* (PSI), and far-left parties, such as the *Partito Comunista Italiano* (PCI), devoted a greater share of their parliamentary interventions to industrial policy compared to other Italian parties. By the 1980s, however, as privatization efforts gathered pace, liberal parties such as the *Partito Liberale Italiano* (PLI) and the *Partito Repubblicano Italiano* (PRI), which notably advocated for greater economic orthodoxy, increasingly discussed industrial policy. However, as we illustrate below, this shift was likely shaped by the negative framing these parties employed when discussing industrial policy. Indeed, just because a party discusses the topic of industrial policy more than its counterparts do, that does not mean that these discussions are necessarily framed positively. In any case, the analysis presented below suggests that while left-wing parties dominated parliamentary discussions on industrial policy during its peak, liberal parties took a more active ‘discursive’ role during its decline.

With the advent of the Second Republic in the early 1990s and the emergence of new party-political constellations, the dynamics of parliamentary discourse on industrial policy changed (Figure 3). After the collapse of the old party system in 1992, Italy shifted towards a bipolar (now multipolar) party-political system. Centre-right coalitions (Forza Italia, National Alliance, later Lega–Brothers of Italy) generally championed market reform, tax cuts, and lower spending. Silvio Berlusconi’s governments privatized utilities and sought to reduce state involvement in the economy, though they also notably protected some industries (Vassallo, 2013). By the 1990s, similarly to other European social-democratic parties, Italian centre-left governments also adopted a more liberal economic policy agenda and engaged in extensive privatization efforts (Obinger et al., 2016).

The analysis of how frequently political elites referred to industrial policy in Parliament in the 1990s–2000s is indicative of the topic’s declining salience among political actors. Although the overall share of parliamentary speeches on the topic has remained low, far-left parties have raised it more actively than

² The aggregation of political parties into party families follows the existing mapping included in the ParlGov database (Döring and Manow, 2023), which classifies parties into party families according to their position in “an economic (state/market) and a cultural (liberty/authority) left/right dimension.

other political groups. In more recent years, however, both the *Movimento 5 Stelle* and the centre-left *Partito Democratico* have become increasingly vocal on this issue and thus emerged as potential “issue owners”.

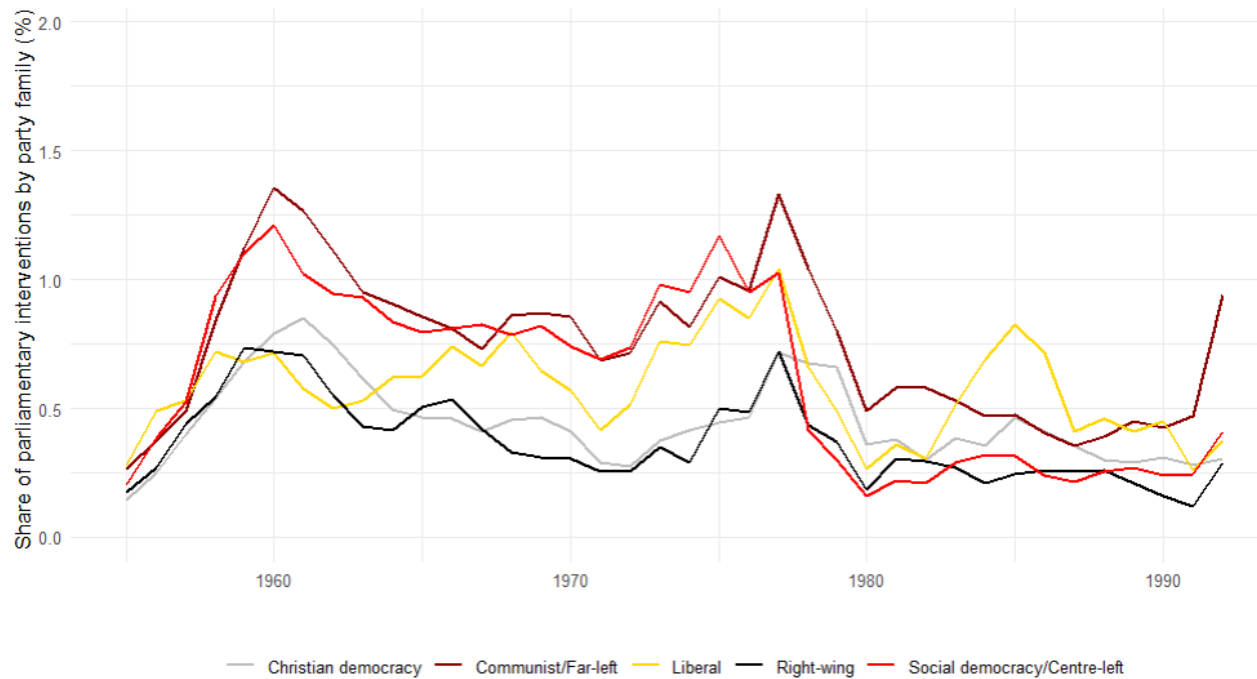


Figure 2: Share of parliamentary speeches discussing industrial policy (3-year rolling averages), by party family (1955-1993).

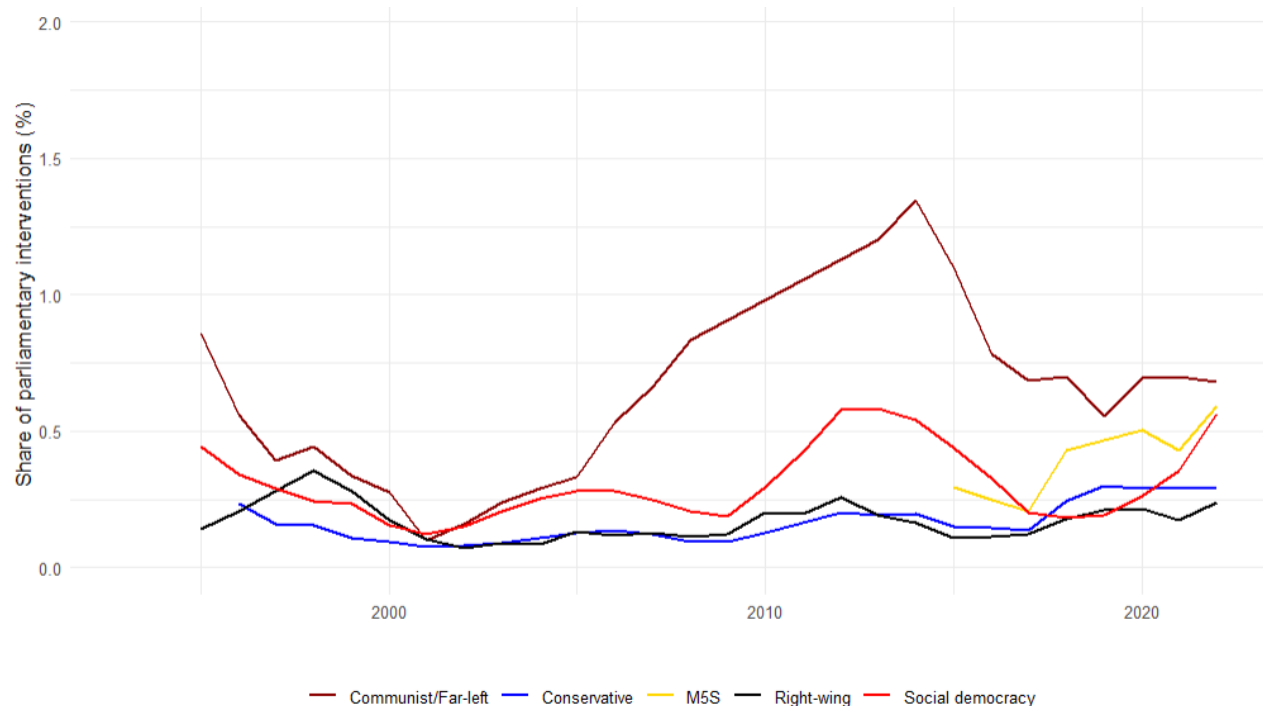


Figure 2: Share of parliamentary speeches discussing industrial policy (3-year rolling averages), by party family (1994-2022).

While the charts presented so far provide valuable insights into the party-political dynamics shaping parliamentary discourse on industrial policy, it is useful to supplement this analysis by examining the specific ways in which parliamentarians have discussed industrial policy over time. We thus now proceed to an analysis which focuses on examining the context in which discussions on industrial policy have occurred.

To do this, we apply two widely used techniques in natural language processing: topic modelling and Named Entity Recognition (NER). Briefly, topic modelling is an unsupervised machine learning technique that automatically identifies clusters of related words - referred to as "topics" - within a collection of texts, allowing us to detect the main, underlying themes discussed across the corpus of industrial policy debates. NER, on the other hand, enables us to extract and classify specific types of information, such as the names of people, places, and organizations, that co-occur in text passages in which parliamentarians discuss industrial policy. These methods are commonly used in quantitative text analysis, and we provide further technical details in the appendix for interested readers. By combining these two approaches we are better able to understand the way parliamentarians discussed industrial policy among political parties and across time. Since the topic modelling algorithm generates a broad array of topics in which words tend to co-occur, we narrow our focus to those with a clearly identifiable *sectoral* dimension. This allows us to examine how different political parties discussed industrial policy in relation to specific economic sectors. As shown in Figure 4, the results highlight that steel and telecommunications "topics" are particularly prominent in the discourse of left-wing parties, while SMEs emerge more frequently in the speeches of centre-left as well as right-wing policymakers.

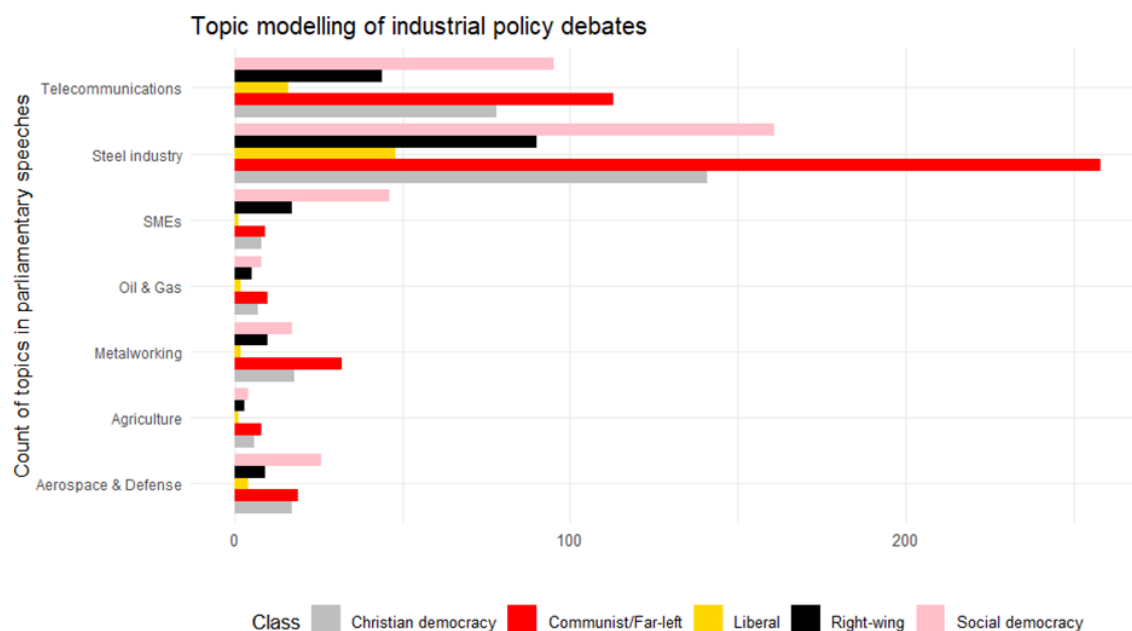


Figure 3: Selection of topics as identified by a topic model analysis of parliamentary debates discussing industrial policy (1948-2022)

We complement this initial topic modelling analysis of economic sectors with a NER analysis, which, as discussed above, identifies the names of people, organizations, and places that most frequently co-occur in sentences in which parliamentarians discuss industrial policy. The results of this analysis, shown in Figure 5, reveal that in the latter half of the twentieth century discussions on industrial policy were often centred on the South of Italy (*Mezzogiorno*). Throughout the period, our NER analysis also reveals that there has been a consistent focus on tying discussion of industrial policy to specific industries and SOEs, such as ENI (electricity), Finmeccanica (defence and aerospace), and Finsider (steel). The next section deep dives into each key period we identified, discussing how the rhetoric of each party family has evolved.

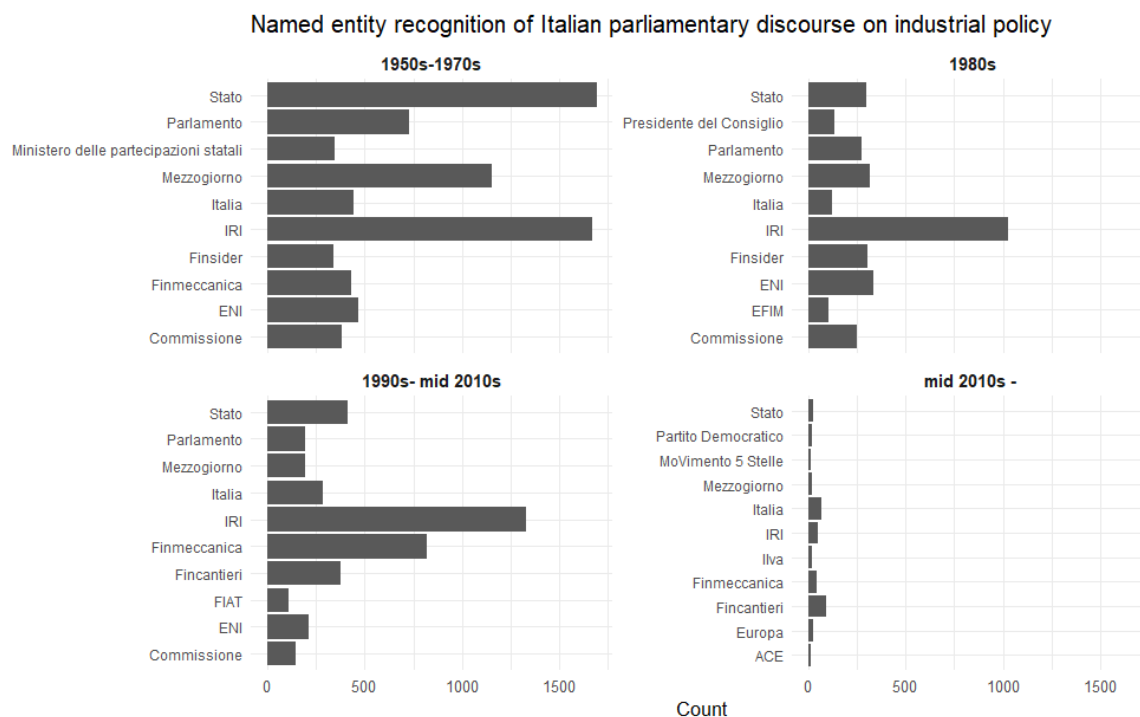


Figure 4: Named entity recognition of Italian parliamentary discourse on industrial policy (1948-2022)

Industrial policy in the era of state-led developmentalism: Parliamentary debates on industrial policy (1950s-1970s)

After having presented this high-level overview of parliamentary discussions on industrial policy, we now proceed in examining specific and representative parliamentary speeches on the topic from different parties. As discussed above, we do this by analysing a series of parliamentary speeches from the corpus of parliamentary speeches that specifically deal with industrial policy ($N = 13,000$ parliamentary speeches).

Our qualitative, in-depth analysis of the parliamentary discourse on industrial policy strongly supports existing historical accounts that highlight industrial policy as a central pillar of Italy's economic strategy during the first three decades of the Republic (Baldissari, 1993; Grabas, 2014). During this period, across all major political parties, there appears to have been broad agreement on the importance of industrial policy as an economic development strategy. Two dominant themes emerge from this discourse: 1) The recognition of the state as a key actor regulating the economy; 2) The emphasis on regional development, particularly on the South, where industrial policy was seen as a crucial tool for reducing the economic gap with the rest of the country.

The importance that industrial policy plays for the economic development of the South garnered particularly high levels of support across political parties, which otherwise had very different economic policy priorities and ideological outlooks. For instance, the far-right *Movimento Sociale Italiano* (MSI) repeatedly stated that SOEs and industrial policy were fundamental for the industrialization of Southern Italy.³ This is a perspective that was shared by MSI's arch-rivals, the PCI, which instead often discussed industrial policy in conjunction with the regional development of the poorer Southern Italian regions. This aligns with the stance of the DC, which for decades had been the dominant party in successive coalitions governments and which saw in the regional development of Southern Italy a key plank of the country's industrial policy strategy. Some DC parliamentarians in the 1960s even proposed that it should become official government policy for industrial policy interventions to be by default located in the South of the country as well as in other impoverished areas.⁴ The political imperative of using industrial policy as a developmental strategy to assist the less economically developed regions thus seemed to have trumped considerations derived from economic calculus alone, which would have presumably directed state funding to the industries and geographic areas in which it would have been more economically advantageous to do so.

In addition to industrial policy's important regional dimension, discussions on the issue were also deeply embedded in broader debates about the role that the state should have in directing the economy. PCI parliamentarians, in particular, emphasized industrial policy as a vehicle for asserting the state's leadership in political economy and highlighted the democratic nature of economic planning.⁵ Given the state's significant role in the economy, one key socio-economic outcome was that industrial policy could serve as an effective means of expressing and advancing a broader range of economic policy goals. On the one

³ For example, MSI parliamentarian, Antonio Guarra (MSI, 1970) stated that: "l'apporto delle imprese a partecipazione statale sarà sempre determinante per intensificare l'industrializzazione meridionale".

⁴ See for example, Francesco Fabbri (DC): "Per quanto concerne l'intervento delle aziende a partecipazione statale, tutte le nuove iniziative a localizzazione non vincolata da motivi tecnici - ivi comprese quelle relative all'ampliamento di attività delle imprese già esistenti o sostitutive di loro attività produttive in atto, dovranno essere realizzate nel Mezzogiorno (e nelle zone economicamente depresse del Centro Nord), in particolare nelle << aree di sviluppo globale >> precedentemente indicate., I programmi delle aziende a partecipazione statale dovranno essere, anno per anno, riveduti alla luce dell'evoluzione degli investimenti complessivi nel Mezzogiorno".

⁵ See for example, Giuliano Pajetta (PCI, 1958): "Poniamo anche il problema della funzione dell'industria di Stato, oggi attaccata da tante parti, e dalla destra con tanta ferocia. Questo attacco non può essere respinto se non contrattaccando; non può essere respinto se non attribuendo all'industria di Stato una funzione di guida d'una politica nuova. Ecco il carattere democratico della programmazione!"

hand, for example, former Industry Minister Pietro Malvestiti (DC) argued that industrial policy was closely linked to income growth. Drawing on Keynesian macroeconomic ideas, there emerged the view that state support for industry via industrial policy could foster overall economic growth through the “propulsive” effect of rising incomes on the economy.⁶ On the other hand, PCI policymakers in particular argued that robust state investments in the economy could ensure that the level of unemployment remained low.⁷

Which economic sectors benefited most from industrial policy? While the majority of parliamentary discussions during the heyday of industrial policy notably focused on supporting the manufacturing sector, heavy industry, and the energy sector, it is noteworthy that industrial policy was also frequently framed as a tool for modernizing and developing the agricultural sector. Industrial policy was considered an effective means to mechanize agriculture and enhance its competitiveness, often through the involvement of SOEs. This aspect of industrial policy was especially significant for the DC, a party that had historically represented agrarian interests.⁸

In conclusion, this period was marked by a high importance of industrial policy reflected by the large share of parliamentary speeches which dealt with aspects connected to industrial policy. Across political parties the consensus that seems to have emerged was that industrial policy and state intervention in the economy could not only serve as an economic development strategy to develop Southern Italy and other less affluent parts of the country, but also as a macroeconomic strategy designed to foster income growth and reduce unemployment.

Bemoaning assistentialism: Changing economic policy paradigms, and the decline of industrial policy in Italian parliamentary debates (1980s)

Enthusiasm for industrial policy as a driver of national growth and regional economic development declined in the following decades. This shift was mostly caused by rising fiscal pressures, growing scepticism about the necessity of strong state involvement in the economy, and the constraints imposed by European integration (Baldassari, 1993).

⁶See for example, Pietro Malvestiti (DC, 1953): “I redditi di lavoro, e in modo particolare, i redditi di lavoro dipendente dall’industria (salari e stipendi), per loro natura, per l’omogeneità della domanda cui si applicano, per il carattere stesso della domanda che è suscettibile di determinare produzioni di massa a costi decrescenti, hanno una funzione altamente propulsiva dell’economia nazionale. Ignorare questo fatto, considerare i redditi di lavoro solo sotto l’aspetto dei costi aziendali, significa di fatto non solo commettere un errore di natura economica, ma rinunciare a una coerente politica industriale”.

⁷See for example, Giuseppe di Vittorio (PCI, 1956), “I.R.I, E.N.I e le altre aziende dello Stato devono essere utilizzate, mobilitate, potenziate per assecondare lo sforzo di industrializzazione che si impone per dare un serio colpo alla disoccupazione permanente, che è la più grave piaga sociale del nostro paese”.

⁸See for example, Giuseppe Medici (DC, 1954): “Da ciò la necessita di favorire un crescente sviluppo della meccanizzazione attraverso una collaborazione tra il settore industriale ed il settore agricolo; collaborazione che non è difficile realizzare se le industrie meccaniche sono di proprietà dello Stato”.

In this section, we address what specific aspects of industrial policy policymakers took issue with and how policymakers from different political parties positioned themselves on the topic. The declining significance of industrial policy becomes evident when analysing parliamentary discourse from the 1980s. Notably, liberal parties became increasingly critical of industrial policy, focusing their critiques on its centralised and heavily planned nature, which they argued could distort market dynamics. They also grew concerned about the emergence of *assistenzialismo*, that is, the tendency to provide excessive state support to ‘sunset industries’, as well as about the risk that industrial policy was primarily used to serve the interests of specific and politically well-connected interest groups. This is clearly what emerges from the discourse of the liberal parties (PLI and PRI), whose parliamentarians expressed the view that the state should exit from non-strategic economic sectors and engage in wholesale privatization efforts, blaming ‘corporativism’ for the poor state of the economy. They increasingly saw the ‘Leviathan’ state as a drag on the national economy.⁹ Moreover, parliamentarians also grew concerned that industrial policy was used to keep inefficient organizations (“*carrozzi*”) afloat.¹⁰

Concerns relating to *assistenzialismo* were also rife in the parliamentary speeches made during this time by far-right parliamentarians from the MSI, who stated that state-funded assistance to industry was not only problematic from a distributive perspective, but also from an intergenerational one.¹¹ The concern that industrial policy was not ‘future-proof’ was also present in speeches that criticized the way in which state funding was allocated, as MSI parliamentarians pointed out that too little funding was directed to the productive sectors which had an economic future.¹² Moreover, MSI policymakers expressed concern that *assistenzialismo*, by favoring specific interest groups, could endanger the quality of the country’s democratic institutions.¹³ The concern that industrial policy was misguided and directed to economic sectors which were

⁹ See for example Giuseppe Facchetti (PLI, 1986): “Noi vorremmo anticipare il momento in cui lo Stato dovrà uscire da quei settori che non sono strategici. Esso dovrà permanere solo in quei pochi e ben limitati settori che definiamo strategici. Per questo motivo il gruppo liberale, pur registrando le notevoli ed importanti modifiche apportate, voterà contro l'emendamento in questione per testimoniare la propria indicazione di tendenza a favore di una integrale privatizzazione di tutto ciò che non è strategico nel settore delle partecipazioni statali.” And Giovanni Spadolini (PRI, 1985) “Lo Stato sopporta per tutti i settori parassitari delle partecipazioni statali, dell'industria di Stato e di tutti i settori dominati da un corporativismo e da un burocratismo che hanno ridotto il nostro paese come l'hanno ridotto” and Paolo Battistuzzi (PLI, 1983): “La voracità del leviatano statale sulla ricchezza nazionale”.

¹⁰ See Gerolamo Pellicano (PRI, 1983): “Dobbiamo, insomma, assolutamente evitare di tenere in vita carrozzoni improduttivi e costosi per la collettività, a dispetto degli impieghi e degli impianti produttivi, ed anche a dispetto delle possibilità di risanamento e di sviluppo dell'intero sistema industriale italiano”.

¹¹ See Domenico Menetti (MSI, 1985): “Ritengo che in Italia vi sia senz'altro bisogno di una riforma del collocamento, di rivedere certi meccanismi, ma vi sia intanto bisogno - parliamoci con estrema chiarezza - di rivedere i meccanismi assistenziali, che sono stati profondamente distorti e che si risolvono in un danno reale, soprattutto per quanto riguarda le aspettative delle nuove generazioni”.

¹² As stated by Cesco Baghino (1985), “E necessario ribaltare l'intera impalcatura di politica industriale creata in Italia in questi anni. Come ha detto il governatore della Banca d'Italia, è necessario chiudere definitivamente la fase in cui hanno predominato provvedimenti di difesa dell'esistente ed aprirsi invece ad una logica di promozione dell'avvenire, dove gli aiuti alla ristrutturazione aziendale e settoriale ed al riequilibrio territoriale si uniscano ad investimenti non limitati al capitale fisso. Ma estesi alla produzione e all'accumulazione di ricerca, concentrati in settori in espansione e ad elevate potenzialità rinnovate”.

¹³ See Agostino Greggi (MSI, 1985): “[...] enti di Stato che sappiamo nella realtà politica e sociale italiana di oggi sono gli enti che contano, sono gli enti che manovrano i miliardi, che manovrano la politica... Ma una democrazia non può fondarsi sugli enti di Stato, si fonda sui privati, su associazioni private, sui gruppi privati”.

not considered to be particularly profitable and productive in the future continued, as we will see in the subsequent section, to be a dominant theme for policymakers' speeches on industrial policy.

While the smaller liberal and the far-right parties thus emerged as the main critics of the *assistenzialismo* that had often characterized state interventions in the economy, policymakers from the mainstream parties, the PSI and the DC, which had traditionally been the main advocates of industrial policy also changed tactics by the 1980s. Although PSI parliamentarians seemingly freely acknowledged the existence of problems in the industrial policy strategy that Italian governments had embarked upon in the post-war period, they were also critical of the view that the private sector should be deemed as being inherently more efficient than SOEs.¹⁴ PSI policymakers also highlighted the need for industrial policy to fit within the country's current macroeconomic situation, as they argued that it was necessary to balance productive investments with the need to achieve budget surpluses.¹⁵

By the 1980s, DC parliamentarians, like their counterparts, were increasingly aware of the danger of economically 'parasitic' behaviour, even as they sought to preserve the underlying rationale for industrial policy.¹⁶ There was also a growing emphasis on fostering stronger synergies between the public and private sectors, as highlighted by Clelio Darida, then Minister of State Holdings (*partecipazioni statali*).¹⁷ Despite these shifts, DC policymakers continued to stress the strategic importance of industrial policy for Southern Italy in particular.¹⁸ This was also echoed by parliamentarians from the PCI who stated that industrial policy

¹⁴ See Mario Seppia (PSI, 1980): "Non possiamo distinguere, non possiamo neanche accettare, se non vogliamo dimetterci da un ruolo e da una funzione di Governo, che l'impresa pubblica debba essere per forza una impresa deficitaria, mentre l'impresa privata debba essere per forza una impresa efficiente, perché la storia, l'esperienza ci hanno dimostrato che le cose non stanno affatto in questo modo. Si tratta allora di affrontare in modo serio un problema di risanamento dell'impresa a partecipazione statale, un problema di razionalizzazione del sistema dell'impresa a partecipazione statale, anche di consolidamento del suo ruolo".

¹⁵ See Franco Bassanini (PSI, 1983): "Sul merito, crediamo che si debba puntare ad un'operazione di riqualificazione della spesa pubblica, che sappia accoppiare rigore e reflazione, così da porre una scelta metodologica di rigore al servizio di una politica di reflazione attraverso, quindi, il contenimento della spesa corrente improduttiva, il rilancio qualificato e selettivo degli investimenti produttivi e l'impostazione di una seria politica industriale".

¹⁶ Gerardo Bianco (1982) Indubbiamente vi sono sacche di parassitismo che vanno contrastate e battute. Alcune di queste consistono nel fatto di assistere, sotto forma di investimento, aziende decotte. E mi riferisco anche alle aziende a partecipazione statale. Ecco perché riteniamo che il sistema industriale italiano non vada suddiviso in due settori: esso va mantenuto in una concezione unitaria per evitare giustificazioni ad un ulteriore assistenzialismo.

¹⁷ See for example Clelio Darida (DC, 1985): "Naturalmente, sono disponibile, come ministro delle partecipazioni statali, dunque titolare dell'azionariato pubblico, ad ogni forma di convergenza tra strutture pubbliche e strutture private. Al momento di affrontare l'ampio mercato offshore, non esiste da parte nostra alcuna pregiudiziale del tipo cui fa riferimento l'onorevole Macciotta; anzi, riteniamo positiva ogni collaborazione tra aziende pubbliche e aziende private".

¹⁸ See for example Calogero Pumilia (DC, 1982): "Credo che sulla necessita di un intervento sempre più massiccio delle partecipazioni statali alla nuova fase dello sviluppo del paese, particolarmente del Mezzogiorno d'Italia, non si possa non concordare ampiamente".

could aid in employment creation in Southern Italy.¹⁹ At the same time, concerns mounted on the part of PCI parliamentarians over the implications that deeper European integration would have.²⁰

Overall, the decade marked a shift in the discourse surrounding industrial policy. There was increasing scrutiny of state-funded support mechanisms and their effects on market dynamics, alongside a growing push to rationalize investments and prioritize funding for future-oriented sectors: all while considering the increased constraints posed by evolving European fiscal rules and regulations on state aid.

Italian industrial policy in the era of European market-oriented industrial policy (1990s-mid 2010s)

While the 1980s saw industrial policy increasingly questioned due to concerns over cronyism, economic inefficiencies, and increased fiscal constraints, the 1990s marked a turning point as adherence to European state aid regulations and the Maastricht convergence criteria accelerated the pace of privatization efforts and increasingly led to an abandonment of industrial policy. As a result, parliamentary discourse around industrial policy grew more critical. Opponents argued that several interest groups which were seemingly dependent on state intervention would be unable to survive in a competitive, market-oriented environment without continued public support.²¹

A prominent example of this shift in perspective is the troubled history of the Italian flag carrier, Alitalia. In particular, politicians from the *Lega*, at the time very economically liberal, openly called for allowing the “animal spirits” of the free market to prevail, arguing that if Alitalia could not sustain itself or remain competitive without continuous reliance on taxpayers’ support, it should be allowed to fail. This stance reflected a broader scepticism towards state intervention and a growing emphasis on market discipline and efficiency.²² The *Lega*’s politicians’ critique focused not only on the specific choices surrounding

¹⁹ See for example, Enrico Marrucci (PCI, 1986): “A nostro parere, infatti, è necessario aprire una nuova fase nell’iniziativa delle partecipazioni statali che accompagni la pur necessaria opera di risanamento finanziario e allargare la base produttiva ed occupazionale, in modo particolare in direzione del Mezzogiorno”.

²⁰ See Luigi Castagnola (PCI, 1983): “Non si dica che è la CEE che ce lo impone, perché questo non è giusto da nessun punto di vista e tanto meno dal punto di vista dell’interesse e della stessa dignità nazionale. Non è possibile subire dalla CEE quella doppia imposizione, non è possibile addossare interamente alla siderurgia pubblica tutto il peso dei tagli che operano nel vivo della produzione e dell’occupazione”.

²¹ For evidence of criticism of industrial policy see for instance this parliamentary speech on the question by Franco Frattini (Forza Italia, 1999), “La visione centralistica e pianificante dell’economia, schiacciata sempre più nel suo vortice finanziario costituito dall’assistenzialismo, dal debito pubblico, dalla pressione fiscale, dalla difesa e protezione delle minoranze più forti a danno di quelle più deboli. È utile ormai soltanto - forse - a difendere il conservatorismo delle classi politico-burocratiche e dei gruppi di pressione impegnati nella difesa di attività economiche non competitive e sovvenzionate - oltre a tutto - con il denaro di tutti.” Or criticism by Alleanza Nazionale, which in parliamentary debates also sought to underline the ‘degenerazione di mercato’, which was seen as a byproduct of industrial policy.

²² For this position, see for example this parliamentary speech by Giovanni Didone (Lega, 2004): “Se una di queste compagnie non è in grado di restare in piedi sulle proprie gambe, la lascia fallire. Secondo il mio punto di vista, in questi 11 anni qualcuno in Alitalia, soprattutto tra i dipendenti che i nostri colleghi della sinistra vogliono in qualche modo sostenere, si è convinto che lo

privatization, particularly which companies were targeted, but also on broader economic structural concerns. Parliamentarians from the *Lega* argued that globalization undermined the viability of national industrial policies and challenged the legitimacy of state subsidies to the economy. Their stance was broadly critical of *dirigiste* approaches, favouring market-based solutions and reduced state involvement in economic affairs.²³

While adopting a different tone, policymakers from the centre-left also notably emerged as active proponents of reforming Italy's industrial policy and privatising the large SOEs. Indeed, their speeches on industrial policy were often accompanied by concerns about the pace and direction of change; that is, whether changes were being implemented too rapidly or whether policy was targeting the wrong sectors. There was also a growing effort to distance industrial policy from its earlier reliance on centralization and "excessive" state control. For example, the *Democratici di Sinistra* (DS) advocated for a reoriented industrial policy that prioritized targeted support for SMEs rather than one focused on a blanket support of large SOEs.²⁴

From this perspective, it is particularly interesting to examine the evolving stance of the DC and the party's various centrist successor parties. Long-standing champions of industrial policy, these parties gradually recognized the need to re-evaluate the state's role in the economy by the late 1980s and early 1990s. This shift was driven by both fiscal constraints and the process of European integration, which demanded greater market discipline and reduced levels of state intervention. As a result, centrist and Christian-Democratic parties began advocating for a new type of industrial policy. This was aimed at remodelling the state's presence in the economy, moving away from traditional forms of direct intervention towards more strategic and market-compatible approaches.²⁵ A notable shift in the approach to industrial policy involved linking state-funded industrial policy projects more explicitly to concerns about productivity and competitiveness, particularly in the context of deeper engagement with the European Union.²⁶

Stato avrebbe continuato ad elargire risorse anche nostre - tutti noi, infatti, paghiamo le tasse - ad un'azienda priva della possibilità di competere da sola".

²³ See for example Domenico Comino (Lega, 1996) "La globalizzazione dell'economia fa sì che gli investimenti non siano più vincolati dai confini nazionali e la dinamica industriale non sia più condizionata da antiquate sovvenzioni statali, bensì dal desiderio e dall'esigenza di servire mercati interessanti, ovunque essi siano, e di attingere risorse ovunque siano disponibili. Anche i consumatori non sono più condizionabili dai loro governi, essi vogliono semplicemente i prodotti migliori al prezzo più basso, qualunque sia la loro provenienza. Onorevole Prodi, nel suo programma c'è ancora troppo dirigismo e manca la consapevolezza del venir meno del ruolo di mediatori tradizionalmente svolto dagli Stati-nazione e dai loro governi"

²⁴ See for example, Gianni Verneti (L'Ulivo, 2004): "Pertanto, questo pacchetto di emendamenti ha esattamente l'obiettivo di permettere al nostro sistema industriale di diventare meno energivoro, più efficiente, più innovativo e più evoluto".

²⁵ See for example, Rino Nicolosi (DC, 1992): "Si tratta di decisioni alle quali non potevamo sottrarci, sia per i vincoli europei sia per quelli di bilancio, e che aprono anche una nuova fase dell'intervento pubblico che consentirà di rimodellare la presenza pubblica in economia".

²⁶ Hubert Corsi (DC, 1993) "Non siamo più, onorevoli colleghi, in presenza di fasi congiunturali cicliche, ma di situazioni nella maggior parte dei casi economicamente non più recuperabili o comunque non più trascinabili nel tempo con gli interventi assistenziali tipici del passato, anche perché le normative comunitarie impediscono rigorosamente aiuti di Stato senza una prospettiva di recupero di efficienza e di produttività legata alla competitività del mercato".

Interestingly, however, during this period there appears to have been no real evolution of political thinking towards a reconsideration of industrial policy as a means to promote the upgrading of the country's economic model in the face of deeper globalization and EU-integration.

DC policymakers, for instance, continued to justify state intervention in the economy mostly on the basis of socio-economic considerations. They argued that if left unchecked, private sector competition could lead to harmful socio-economic outcomes. From their perspective, industrial policy remained a vital tool to ensure a more equitable and balanced economic development, even as the form and rationale for such intervention evolved in response to new fiscal and supranational constraints.²⁷

A new, forward-looking interpretation of the role of industrial policy in the country's economic development seemed to be lacking also in its few remaining outright strong supporters. In the 1990s-2000s, a new far-left party, *Partito della Rifondazione Comunista*, stood out as the only staunch defender of industrial policy. During a period otherwise marked by a declining importance of this type of policy, this party emerged as the standard-bearer for industrial policy, emphasizing its historical role in Italy's economic development.²⁸ The party framed the marginalization of industrial policy within a broader critique of globalization, increased international competition, and the socio-economic challenges these processes created. In doing so, *Rifondazione Comunista* thus sought to reassert the relevance of state-led economic planning, but mostly as a means to counteract growing inequality and economic insecurity, rather than as a proactive tool for state-led industrial and technological upgrading.

Similarly, on the right, where positive references to industrial policy were made, these references also tended to emphasize a *reactive* use in response to emerging threats. That is, industrial policy was predominantly framed as a tool to prevent offshoring (*delocalizzazioni*) and defend 'traditional' economic sectors, rather than as a strategic instrument to promote future-oriented industries, particularly within the broader context of the transition to a knowledge-based economy, which other advanced economies were grappling with. Most mentions of industrial policy during the time lamented the decreasing levels of support for Southern Italy and continued to focus on sectors that had been central in the immediate post-war period but were now increasingly uncompetitive (sunset industries). This suggests that several Italian policymakers during this time embraced a more protective, reactive, and defensive vision of industrial policy: one aimed at

²⁷ Bruno Napoli (DC, 1993) "Le partecipazioni statali non sono nate perché il settore pubblico voleva entrare nel privato, ma perché quest'ultimo non era capace di restare nel privato, provocando danni economici ed umani spaventosi al paese. Le partecipazioni statali hanno avuto un grande ruolo nello sviluppo del paese; hanno equilibrato la spinta dello spontaneismo economico, hanno consentito di dare più spazio alla parte debole del sistema industriale, hanno fatto spesso ciò che il privato non ha voluto o non ha avuto possibilità di fare".

²⁸ See for example Alfonso Gianni (Rifondazione Comunista, 2002) "Non si può agire semplicemente a colpi di rottamazione o a colpi di incentivi o sgravi fiscali che premiano le grandi famiglie del capitalismo italiano, ma mortificano lo sviluppo produttivo del paese e ingenerano serie preoccupazioni per la stabilità dell'occupazione in un settore che resta, per la nostra economia, un settore fondamentale... Insomma, le risposte del Governo dimostrano che esso si disinteressa di una seria politica industriale degna di questo nome di cui, invece, il nostro paese avrebbe bisogno, proprio in un processo di integrazione europea".

supporting the South, safeguarding the traditional economic sectors of agriculture and heavy industry, and preventing offshoring.²⁹

Contemporary lineages of Italy's industrial policy: Parliamentary debates on industrial policy (2006-2022)

In the last part of our empirical analysis of Italy's parliamentary discourse on industrial policy, we focus on the current period. We do this by focusing specifically on how parliamentarians discussed the subset of industrial policies that were identified in the paper by Ughi and Gronchi (2025) as the key industrial policies for Italy from 2006 onwards (See Table A1 in the Appendix). As illustrated by Figure 1, the years around the COVID-19 pandemic saw a resurgent interest in the topic of industrial policy. This trend is not unique to Italy; indeed, since the mid-2010s, the European Commission has adopted a more flexible approach in regulating state intervention in areas with market failures (Bulfone et al. 2025, *forthcoming*). In particular, by the time of the COVID-19 pandemic, EU institutions had somewhat relaxed their perspective on state aid rules.

To understand the way in which policymakers discussed industrial policy in the more recent period (2006-2022), we once again complement a quantitative text analysis of the corpus of parliamentary speeches discussing industrial policy with a qualitative analysis. To do this, we make use of another commonly employed technique in the field of NLP, which allows us to examine how distinctive certain key terms are for policymakers from different political parties. As we illustrate below, in Figure 6, we make use of the TF-IDF (Term Frequency – Inverse Document Frequency) metric, which evaluates the importance of a word within a *document* (parliamentary speech) in relation to the entire *corpus of documents*.³⁰

Our analysis shows that across all major parties, parliamentarians have tended to discuss industrial policies by mentioning the PNRR and Europe. Yet, our analysis also clearly illustrates that, when discussing the topic, different parties also tend to emphasize the different terms and issues in which they can be reputed to be particularly interested or competent in.

Thus, parliamentarians from the *M5S* in their discussions of industrial policy seem to show a particular propensity to focus on environmental issues or to mention the National Energy and Climate Plans (PNIEC).

²⁹ See for example Carlo Giovanardi (FI, 2005): “E’ chiaro che le industrie, come la Finmeccanica, si comportano anche facendo riferimento alle condizioni del mercato; tuttavia, ritengo sia giusto che il Governo faccia il possibile e, in modo particolare, preme - ciò si definisce come, moral suasion, - sulla Finmeccanica affinché le attività di questa azienda siano svolte in Italia e non delocalizzate laddove vi sono condizioni migliori di mercato” or Pietro Armani (AN, 1998): “Tuttora il Governo non è riuscito a rendere accessibili investimenti per alcuni settori di vitale importanza, ad esempio l'agricoltura”.

³⁰ This metric thus measures how often a term appears in a parliamentary speech by weighing for how rarely it appears across the entire document collection, which in our case is constituted by all parliamentary speeches which discuss industrial policy from 2006 onwards.

Parliamentarians from the party family ‘Communist/Far-Left’, which aggregates parties such as *Alleanza Verdi e Sinistra* and *Sinistra Italiana*, instead have opted to frame their discussions on industrial policy through distinctive terms such as ‘Green New Deal’ and ‘workers’.

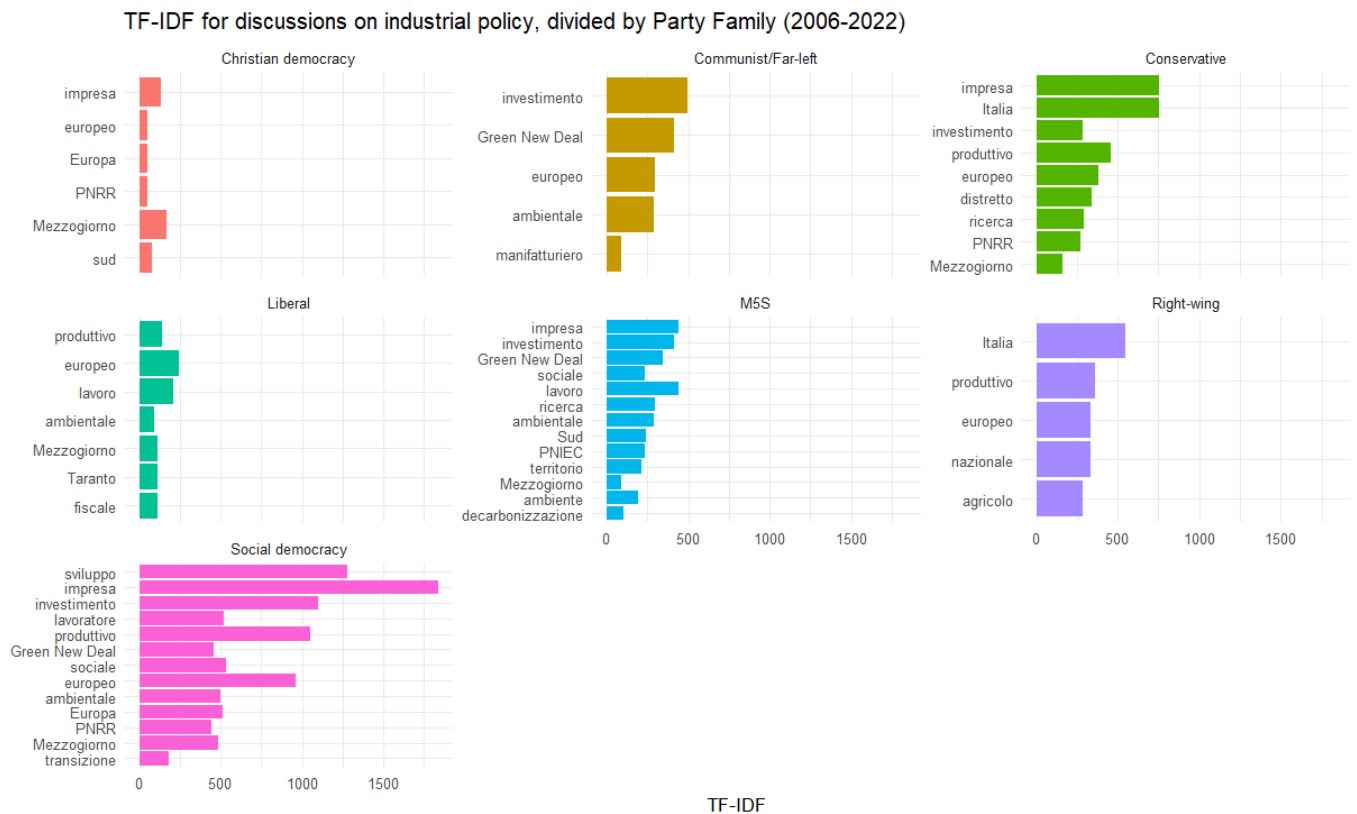


Figure 5: Term Frequency – Inverse Document Frequency (TF-IDF) indicator for parliamentary speeches discussing specific industrial policies in the period 2006-2022.

One of the most notable developments that emerges in the parliamentary speeches of the more recent period is the increased prominence of environmental concerns. Across party lines, parliamentarians have increasingly linked industrial policy to the goals of decarbonization and achieving a successful energy transition. The new emphasis positions the state as a pivotal actor in steering the green transformation of the economy and stresses the need of aligning industrial objectives with climate policy.

From a sectoral standpoint, the automotive industry emerges as a key target when policymakers call for a more robust industrial policy. Parliamentarians, especially from centre-right parties, often frame their support of a green industrial policy by pleading at the same time to “pragmatically” protect and modernize the energy-intensive automotive sector—in continuity with the earlier trend of advocating for state

intervention for declining sectors.³¹ Specific environmental themes that are at times integrated into these arguments are appeals to support hydrogen research and low-emission technologies as part of a broader climate strategy.

On the left of the political spectrum, parties have emphasized the role of industrial policy in safeguarding Italy's manufacturing base and countering the threat of offshoring (*delocalizzazioni*).³² Left-wing parliamentarians have thus often framed industrial strategy as a means to protect domestic employment and retain strategic production capabilities within national borders. However, they also voiced scepticism regarding the actual beneficiaries of industrial policy and state subsidies to industry. Whereas critiques from previous decades criticized "parasitic" state-owned enterprises for seizing industrial subsidies, attention now seems to center more on multinational corporations.

One of the most notable and recurring themes that emerges across both left-wing parties as well as the right-wing *Fratelli d'Italia* argues that the privatization policies implemented during previous decades have weakened Italian industry and harmed workers.³³

Most notably, however, more recent debates on industrial policy have been strongly conditioned by a distinctly European dimension. In particular, the implementation of the PNRR, funded through the EU's Next Generation EU program, is seen by policymakers as a historic opportunity to reshape Italy's industrial

³¹ See for instance Guido Germano Petterin (Forza Italia, 2022), "Chiedere con forza una visione strategica in questo senso, che non ci condanni a diventare marginali rispetto alle grandi potenze industriali, non significa negare l'importanza della transizione ecologica, significa affermarla, ma rendendola consapevole, sostenibile e pragmatica. Per questo al Governo chiediamo ragionevolezza ed un serio appello per una politica industriale comune a livello europeo in questo settore, di modo che l'Europa, anche qui, batta finalmente un colpo, non limitandosi solamente a parole, ma facendo quei fatti che ci porteranno ad essere una vera, unica Unione europea".

³² See Federico Fornaro (LEU, 2021) "Occorre compiere tutti insieme uno sforzo di sistema per riporre al centro della politica industriale italiana proprio l'industria manifatturiera e questo va fatto, soprattutto, in relazione ai partner europei, al fine di costruire strategie di lungo periodo che possano comportare un effettivo rilancio dell'economia, rendendo più attrattivi gli investimenti in Italia. Occorre, cioè, che l'Italia rafforzi le misure di contrasto alle delocalizzazioni anche con eventuali nuovi interventi normativi che devono disincentivare questi comportamenti che spesso - e mi assumo la responsabilità di quello che dico - hanno una fattispecie di tipo predatorio e non imprenditoriale." See Piero Fassino (PD, 2018): "Se si vuole evitare la delocalizzazione, più che mettersi in una logica di carattere punitivo, bisognerebbe mettersi in una logica di carattere positivo e propositivo vedendo quali sono gli interventi e le misure che possono accrescere i fattori di convenienza per un'impresa e quindi indurla a mantenere le proprie produzioni qui, piuttosto che portarle altrove laddove appunto ci sono convenienze maggiori. E quindi questo richiama misure di politica industriale più che misure di carattere punitivo".

³³ See for instance Marco Osnato (Fdi, 2020) "Perché troppo spesso, dentro quest'Aula, e fuori da quest'Aula, magari da professori, commentatori, giornalisti, certo con atteggiamento da Solone, ci sentiamo ripetere che la politica deve restare fuori dall'economia, altrimenti, magari, potrebbe configurarsi questo spettro, che sempre aleggia, del dirigismo o, peggio, dello statalismo. In nome di queste presunte accuse, queste presunte ombre, negli anni, qualcuno ha voluto far credere che l'autoregolamentazione del sistema economico fosse la situazione più virtuosa, quasi necessaria e ineluttabile. Così ci siamo ritrovati, negli ultimi tre decenni, aziende di Stato, per esempio spesso decotte, ma talvolta in ottima salute, privatizzate senza la tutela del prodotto, dei lavoratori e, soprattutto, del vantaggio pubblico economico. Abbiamo visto liberalizzazioni che hanno portato più vantaggi a operatori di multinazionali a capitale straniero, piuttosto che a consumatori e utenti italiani. Abbiamo visto perdere sostanzialmente il controllo pubblico di realtà fondamentali per alcuni ambiti d'importanza strategica." See also Giuseppina Servodio (PD, 2012): "Tuttavia ciò non deve portarci, man mano che procediamo nelle privatizzazioni 'e che lo Stato si ritira dall'economia, a svilire e svuotare di contenuto il ruolo dello Stato stesso, al quale compete di farsi carico di definire una politica industriale capace non solo di superare qualsiasi forma assistenzialistica e parassitaria di supplenza, ma anche di individuare strade profondamente innovative, in linea con le esigenze di un reale ammodernamento".

landscape.³⁴ More critical voices, however, focus on the restricted fiscal flexibility entailed by European integration and have referred to the PNRR as a “masked ESM [European Stability Mechanism]” (“MES mascherato”) due to its performance-based conditionality requirements.³⁵

Apart from the PNRR, debates on industrial policy are often intertwined with discussions on the European Union, with policymakers typically divided along ideological lines on the question of whether it is possible to implement a successful industrial policy strategy within the fiscal and regulatory limits of the EU. Pro-European parliamentarians thus typically stress the importance of aligning industrial policy with broader European objectives and conceptualize European industrial policy as a key strategy to successfully decarbonize the economy.³⁶ Conversely, more Eurosceptic voices, both from the right and the left, raise concerns about the constraints imposed by EU fiscal rules and question the feasibility of an ambitious industrial policy within the current European economic governance framework. In particular, left-wing criticisms mostly seem to target the enduring influence of austerity policies, which they argue undermines the state’s ability to engage in long-term industrial planning and investment.³⁷

In the more recent period, parliamentary debates on industrial policy also frequently involve conflicts over the most appropriate policy instruments to implement industrial policy strategies. There is a cross-partisan emphasis on investments in research, development, and innovation.³⁸ Thus, for instance, Guglielmo Epifani, former General Secretary of the main Italian trade union, CGIL, and erstwhile leading figure of the centre-left, emphasized the need to prioritize innovation and R&D over the profitability of multinational corporations. Similarly, some right-wing figures, including those from FdI, have linked industrial policy with broader concerns over labour costs and competitiveness, arguing for measures that would reduce the structural cost of labour alongside the need to strengthen targeted R&D investments.³⁹ Another area of cross-party interest concerns the development and support of Special Economic Zones (*Zone Economiche*

³⁴ See for example, Raffaele Baratto, (Forza Italia, 2022) “che gran parte degli investimenti previsti per ridare impulso alla politica industriale nazionale oggi arriveranno dalla concreta attuazione del PNRR” and also Giorgio Silli (Noi Moderati, 2022) “Duecento miliardi non è che possiamo stamparli di nuovo: o questi 200 miliardi li investiamo nel modo giusto, secondo le norme dell’economia politica e usando strumenti di politica economica, o, se sbagliamo, noi veramente rischiamo di trovarci come i Paesi, non tanto del Sud d’Europa, ma quasi del Sud del mondo”.

³⁵ See Raphael Raduzzi (M5S, 2022), “Con il PNRR abbiamo approvato una sorta di MES mascherato, un MES con l’ombretto”

³⁶ See Rossella Murrone, (Centrosinistra, 2021) “L’Europa, nata su un patto legato al carbone e all’acciaio, può trovare nuovo slancio ed una leadership internazionale, puntando sulla green economy, a partire dalle fonti di energie rinnovabili., Il futuro dell’Europa passa necessariamente per il Green New Deal”.

³⁷ See Titti De Salvo (SEL, 2019), “Naturalmente, nessuno ignora che nuovi posti di lavoro hanno bisogno di nuovi investimenti: questo è il punto. E il punto che la legge di bilancio affronta con <<Industria 4.0>>, per superare quel modello di specializzazione antico, italiano, con i problemi legati alle dimensioni dell’impresa e agli scarsi investimenti in ricerca ed innovazione ed è il punto dello scontro con l’Europa sull’austerità, su che cosa vuol dire fare politiche di crescita”.

³⁸ See for example Alessandro Butti (FdI, 2022) “Quindi, concludo, dicendo che, certamente, quello che proponiamo non è la panacea per tutti i mali, ma ci dobbiamo rendere conto che non si può impostare la politica industriale di un Paese semplicemente sull’incentivo all’acquisto: bisogna investire sulla ricerca, bisogna investire sulle nuove industrie, bisogna indubbiamente investire anche sull’innovazione” and also Anna Laura Orrico (M5S) “La digitalizzazione e l’esigenza di preservare attività imprenditoriali e posti di lavoro sono sfide alle quali lo Stato non può mancare di rispondere, supportando le imprese in percorsi di formazione, accompagnamento e innovazione responsabile”.

³⁹ See Alessandro Colucci, (Centrodestra, 2020) “una politica industriale, che per noi vuol dire rafforzare i distretti industriali, che vuol dire investire in ricerca e innovazione, e soprattutto ridurre il costo del lavoro, perché è l’unica strada possibile”.

Speciali, ZES), which were introduced in 2017 and offer fiscal and administrative incentives to firms operating in specific geographical areas, particularly in the South.⁴⁰

Parliamentarians from the *M5S* have emerged as strong advocates for a more assertive industrial policy, emphasizing the strategic role of the European Union in supporting such efforts. Their recent discourse on industrial policy highlighted a focus on sustainability and decarbonization, alongside a pronounced concern over the pace of past privatizations and the resulting lack of state control over economically strategic sectors, particularly in the area of energy security.⁴¹

Parliamentarians from the *PD* instead emphasize the role of the state in supporting R&D, particularly for SMEs. Notably, in light of Italy's weak economic growth in recent years, *PD* parliamentarians have increasingly framed industrial policy as a tool to stimulate broader economic growth.⁴² Their speeches on industrial policy are also reflective of a concern over the consequences of past privatizations, alongside a recognition of the importance of the European Union in shaping the scope and overall thrust of national industrial strategy plans.⁴³

To conclude, in recent years, the Italian parliamentary debate on industrial policy has witnessed significant shifts in how policymakers across the political spectrum have discussed the topic. An analysis of parliamentary discourse reveals the emergence of several key themes. First, there is a growing concern that the pace of past privatizations was too rapid or poorly managed and that successive Italian governments had been wrong in relinquishing control over strategically important economic sectors. Second, while industrial policy continues to be linked to the economic development of Southern Italy, this theme appears

⁴⁰ See for example, Catello Vitiello (M5S, 2021) "Nonostante gli interventi fiscali di questi anni - penso ad esempio all'istituzione delle zone economiche speciali - non riusciamo ancora ad essere attrattivi per gli investitori stranieri; vuol dire, allora, che anche quel sistema va implementato e migliorato per evitare che resti lettera morta".

⁴¹ See for example Massimiliano De Toma (FDI, 2021): "scindere l'energia dalle politiche industriali del Paese è stato un grave sbaglio, che pagheremo salato, anzi mi sia concesso, Presidente, di dire che lo stiamo già pagando tutti." See Lucia Scanu (M5S, 2022) "Modernizzare le nostre infrastrutture energetiche è diventata non più un'ambizione con scadenza lontana ma una scelta doverosa, immediata e improrogabile, in uno scenario geopolitico radicalmente mutato. L'energia e tutte le filiere ad essa collegate sono un asse imprescindibile per la sopravvivenza del nostro modello economico." See also Ilaria Fontana (M5S, 2022) "La strategia per superare la crisi è comprensibilmente complessa e articolata su più fronti, ma anche rispetto a quanto lamentato dall'interpellante, non prescindere assolutamente dalle politiche di decarbonizzazione. In particolare, ci si riferisce al dato per cui, nel perseguire la differenziazione delle fonti energetiche, si dovrà puntare primariamente sull'accelerazione della penetrazione nel sistema delle fonti rinnovabili, nonché sullo sviluppo di biocombustibili, biometano e idrogeno; parallelamente, sarà necessario agire sulla riduzione della domanda e sul risparmio energetico, attraverso il continuo miglioramento del livello di efficienza energetica e dell'impulso alle politiche per il risparmio energetico".

⁴² See for example Ivano Strizzolo (PD, 2011): "Non intravediamo nelle azioni che il Governo sta mettendo in campo iniziative di politica industriale che contrastino questa situazione di difficoltà e di crisi e che creino i presupposti affinché l'economia del nostro Paese torni a crescere. Senza crescita - e concludo, signor Presidente - e senza sviluppo economico non vi è neppure la possibilità di contrastare efficacemente anche l'enorme debito pubblico che, lo ricordo, in due anni e mezzo - dall'avvento di questa maggioranza e di questo Governo - è aumentato di 200 miliardi. Credo che serva proprio una nuova politica industriale da parte del Governo".

⁴³ See for example Paola De Micheli (PD, 2013): "si deve chiedere all'Europa di fare di più per la crescita: non solo fiscal compact, dobbiamo chiedere che l'Europa si faccia carico di promuovere investimenti, attuando finalmente la golden rule. Quindi, politiche industriali di filiera, crediti di imposta, rilancio attraverso meccanismi di esclusione dal Patto di stabilità di alcuni indispensabili investimenti pubblici, attivando le risorse che la virtù di tanti nostri amministratori e stata in grado di conservare".

to carry less weight than it did in earlier periods. Third, industrial policy is increasingly viewed as a vital instrument for addressing the environmental transition, promoting decarbonization, and supporting investment in future-oriented and innovative sectors of the economy (e.g. in renewable energy). However, this renewed interest in the strategic use of industrial policy appears deeply linked to discussions and reactions around EU-level initiatives (Next Generation EU, Green Deal, etc.). Indeed, a parallel growing theme is the role of EU rules, specifically the extent to which it is feasible to engage in industrial policy within the constraint of EU state aid and fiscal rules. Overall, these last two points, which associate industrial policy mentions with EU-related considerations, call into question the extent to which the Italian political-party system has truly elaborated its own vision of the role industrial policy can play to meet the specific industrial needs and economic challenges of the country—or, rather, is only reacting to an EU-driven policy momentum.

Conclusion

This paper has explored the preferences of Italian policymakers and political parties regarding industrial policy. Although increased European integration and shifting economic policy paradigms have increasingly constrained policymakers' discretion in economic matters, industrial policy has recently regained significant relevance within policymaking circles, particularly in the context of the Next Generation EU program and the Recovery and Resilience Facility.

This paper has examined how Italian political elites have discussed industrial policy in the parliamentary arena over recent decades. Using a combination of natural language processing techniques and a qualitative analysis of parliamentary speeches, we have sought to provide a view of inter-party and intra-party (over time) shifts in preferences. Empirically, we have sought to increase our understanding of the way in which policymakers have discussed industrial policy by focusing on its salience as well as the broader thematic context in which the topic has been discussed in parliamentary debates.

Our in-depth analysis of parliamentary speeches in Italy's lower House of Parliament concerning industrial policy reveals four distinct phases. The first phase, spanning from the 1950s to the late 1970s, was marked by high salience. During this period, industrial policy was not only closely associated with state-led development, particularly targeting the modernization of the South and other less developed regions, but was also broadly accepted across the political spectrum as an effective macroeconomic tool to promote income and employment growth.

Beginning in the early 1980s, we observe a marked decline in the prominence of industrial policy, evidenced by two key facts: first, a quantitative reduction in salience; second, a qualitative shift in the discourse, with growing scepticism about industrial policy's role as a driver of economic growth and increasing concern over its potential to facilitate rent-seeking behavior by interest groups.

This was followed by a third phase, which we have termed the *European Market-Oriented Industrial Policy* era. Here, discussions became increasingly shaped by European integration and the broader trend of market liberalization. References to industrial policy became even less frequent. Importantly, it is in this phase that the term's usage took on a more defensive and reactive tone, focused more on protecting declining ("sunset") industries than on promoting innovation. This period was characterized by heightened concern over offshoring and a strong emphasis on safeguarding traditional sectors such as agriculture, along with continued attention to the economic needs of the South. Industrial policy, however, stops being conceived as a forward-looking strategy to upgrade the economic system.

Finally, since the mid-2010s, we note a resurgence of interest in industrial policy. In this most recent phase, debates have increasingly focused on energy transition and the strategic role of the state in supporting key sectors, most notably the automotive industry. These discussions are often framed within the context of the European Union and, in particular, the National Recovery and Resilience Plan, which many policymakers regard as an unprecedented opportunity for advancing Italy's industrial development. This link to EU-level policymaking debates, however, also casts doubt on whether Italy's political system has genuinely developed a new appreciation of industrial policy and a domestically informed vision of the role this policy can play in the country's competitiveness.

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Appendix

In this Appendix, we provide additional information on the empirical analyses, which have been conducted in this chapter. First, we document the way in which we have extracted from the *ItaParlCorpus* dataset only the parliamentary speeches that specifically concern the topic of industrial policy. Second, we provide further information to the reader on the methodological aspects pertaining to our quantitative text analysis.

Dictionary analysis

To identify which parliamentary speeches discuss the topic of industrial policy, we use a dictionary of key terms, which contain words that can be deemed to be closely connected to industrial policy. If parliamentary speeches contain the words that we have included in the dictionary, they are thus included for further analysis. We use two different types of dictionaries. First, we use a more general dictionary (*Dictionary 1*) which includes more general terms that can be indicative of industrial policy discussions throughout the period under investigation (1948-2022). We supplement this more general dictionary with a second, more specific dictionary (*Dictionary 2*), which only includes the vertical and horizontal pillars of Italy's industrial policy (as documented by Gronchi and Ughi, 2025, forthcoming in this paper series) in the more recent period. Given that these policies only pertain to the most recent period, we only use those to subset parliamentary speeches for the period from 2006 onwards.

Table A1: Dictionary of industrial policy-related terms.

Dictionary	Terms
Dictionary 1: All terms related to industrial policy	“Politica Industriale”, “Partecipazioni Statali”, “IRI”, “Finsider”, “Finmeccanica”, “Italstat”, “Fincantieri”, “Intervento Straordinario per il Mezzogiorno”, “Distretti Industriali”
Dictionary 2: Terms connected to specific industrial policies (2006 – onwards)	“Piano Industria”, “Distretti produttivi”, “Credito d’imposta aree svantaggiate”, “Credito d’imposta R&S”, “Fondo per la Competitività e Sviluppo”, “Fondo Investimenti Ricerca Scientifica & Tecnologica”, “Bando ISI”, “FFI”, “Fondo per la Finanza d’Impresa”, “Agevolazione R&S industriale”, “Aiuto crescita economica”, “Brevetti+”, “Fondo Crescita Sostenibile”, “Italian Startup Act”, “Bando investimenti innovativi”, “Nuova Sabatini”, “Fondo Italiano Investimento”, “PNR”, “Fondo Strategico Italiano”, “Banca del Mezzogiorno”, “Credito R&S”, “CDP”, “Cassa Depositi e Prestiti”, “Bando Investimenti Innovativi”, “Piano Made in Italy”, “Strategia Banda Ultra Larga”, “Credito Mezzogiorno”, “Resto al Sud”, “Zone economiche speciali”, “SNSI”, “IncentivO Lavoro (IO Lavoro)”, “Fondo Trasferimento Tecnologico”, “Fondo Nazionale Innovazione”, “Fondo IPCEI”, “Green New Deal”, “PNIEC”.

Quantitative text analysis

In this chapter, we employ a range of different quantitative text analysis techniques, which we briefly discuss here. Recent advances in QTA and natural language processing (NLP) have made it possible to systematically analyse large corpora of political texts in ways that would not have been possible before. These tools allow researchers to *systematically* extract high-level information, such as recurring themes and frequently used terms, across a large range of different documents, which in our case are constituted by parliamentary speeches.

As we have demonstrated in our paper, applying QTA/NLP techniques to the corpus of parliamentary speeches allows us to identify the terms and themes most commonly used by policymakers when discussing industrial policy. These semantic associations offer insights into the themes/terms different parties choose to emphasize when discussing industrial policy. While these methods are invaluable for mapping large-scale discourse, they are most effective when complemented by a close, qualitative analysis of the text, which can reveal the nuance, context and rhetorical strategies adopted by parliamentarians; elements that

automated techniques may miss but which are crucial for understanding how policymakers envisioned the changing role of industrial policy for Italy's economic development.

To start, we first apply a technique from the field of natural language processing known as topic modelling. This method is particularly well-suited for analysing large text corpora, as it automatically identifies groups of words that frequently co-occur across documents: thus, revealing *latent* thematic structures within the data. Topic modelling enables us to uncover underlying topics and patterns in the discourse that, due to the size of the corpus, would be difficult to compile through a manual or purely qualitative analysis alone. As such, it offers an efficient and scalable approach for interpreting complex, large-scale textual data like parliamentary speeches on industrial policy. Moreover, by using a *dynamic* topic modelling approach we are also able to examine how the salience of specific topics has varied in time.

To explore the broader context in which policymakers discuss industrial policy, researchers have often used a keywords-in-context analysis, which tabulates the frequency with which words appear within the broader context in which a set of *target words* are found. The more frequently a word appears in conjunction with the keywords of interest, the easier it becomes to infer the particular context that political actors tend to discuss those terms in. Concretely, for our case, we are interested in examining the words that most frequently appear in sentences in which industrial policy is discussed. However, a potential limitation of this approach is that relying solely on a word frequency analysis may overlook the substantive content of parliamentary discussions on industrial policy. Common words do not confer much substantive information on the way in which policymakers from different parties discuss the issue of industrial policy. This is why in the chapter, we have applied a Named Entity Recognition (NER) analysis, a widely used natural language processing technique, to the corpus of parliamentary speeches on industrial policy. This method allows us to identify key terms, such as names of people, places and organizations, that systematically appear in conjunction with parliamentary discussions related to industrial policy.