

INDUSTRIAL POLICY IN THE E.U

Curso 2017/2018

(Código: 26600082)

1.PRESENTACIÓN

2.CONTEXTUALIZACIÓN

Generally speaking, economic policy can be classified into microeconomic and macroeconomic policy. The first category is related to strategies designed and implemented for particular markets or activities, such as agriculture, trade, regional issues and industry. The second, instead, deals basically with policy changes which impact the aggregate demand of the economy, through fiscal and monetary measures, and the aggregate supply, via structural reforms (in this last case macroeconomic policy is inextricably linked to microeconomic policy).

Industrial policy can be described as the set of laws, regulations and measures designed and implemented by legislators and policymakers in order to induce certain outcomes on the organization, operation and output of firms. Thus it belongs to the category of microeconomic policies.

In turn, within industrial policies two main types of approaches can be distinguished: horizontal, intended for the vast majority of firms operating in the economy, and sectoral, specific for particular spheres of the economic activity. Examples of horizontal measures are those covering the following areas: regional, taxation, social, competition and environment. By sectoral measures we usually refer to: industry and enterprise policies, R+D, energy, transport, agricultural and fishery.

In the last 60 years three main types of paradigms have been used in this regard. The first part of the period was characterized by active intervention in the economy, through subsidies, targeted procurement by governments and fostering of mergers and acquisitions. From the 80s onwards, instead, governments opted for a more market friendly approach, oriented towards the removal of obstacles to competition in markets and the consolidation of a favourable environment where firms could operate. While in the first part of the period industrial policy was tantamount to sectoral policies, in the second it has shifted towards horizontal measures.

As a result of the financial and real economic crisis which started in 2007-2008, policymakers have gravitated to a more active behaviour, intended to lend support to some key activities and avoid their collapse.

During this course we shall revise the main features and landmarks of each of these approaches, analyzing their advantages and drawbacks and extracting lessons from their impact both at the microeconomic and macroeconomic level. Although this methodology has a chronological rationale, the combined study of both strategies provides a richer and more thorough analysis. Transport policy will not be covered in this course, however, since it is addressed elsewhere.

Industrial policy and technological policy are very closely linked. In fact, insofar the latter is devoted to increase competitiveness of firms by inducing the adoption of state of the art techniques, it could be considered as a part of industrial policy widely defined. In most of this course we shall follow this approach, in line with many relevant contributions in the

field.

3. REQUISITOS PREVIOS RECOMENDABLES

Students interested in this course should have a basic knowledge of microeconomics and macroeconomics, at least at the introductory level. Familiarity with basic concepts of firm management and strategy are also welcome.

Most of the study will be centered around material constructed from intuitions, applications, case analysis and graphical discussions. Hence, no advanced knowledge of mathematics is necessary to follow the course.

For obvious reasons, students should be familiar with the main IT tools employed in this University, and capable of reading technical literature in English.

4. RESULTADOS DE APRENDIZAJE

The main goals of this course as far as learning is concerned are the following:

Acquire familiarity with the main sectoral strategies pursued in the EU in the last 60 years, identifying the differences between the different phases alluded to above.

Understand the different tools which can be used by policy makers to act both horizontally and at the sector level, and grasp their main pros and cons.

Have a general knowledge of the main priorities and instruments of the EU at this moment as far as this issue is concerned, together with the relevant literature and on line resources where this information can be found.

5. CONTENIDOS DE LA ASIGNATURA

Part I.- Introduction and historical overview

1.- Industrial policy: concept; connection with other economic policies; horizontal and vertical approaches.

2.- Industrial policy in Europe: the first period (1950s to 1980s).

3.- Industrial policy in Europe: the second period (1990s to the economic crisis of 2007-2008) and the post crisis period.

Part II.- Horizontal strategies

4.- Output markets and competition policies

5.- Labour markets and social policies. Migration

6. Regional policies and agglomeration effects.

Part III.- Selected sectoral policies

7.- R+D and human capital strategies

8.- Energy policies in the EU

6. EQUIPO DOCENTE

- [BLANCA SANCHEZ-ROBLES RUTE](#)

7. METODOLOGÍA

The methodology for this course, as it happens commonly in this University, combines the individual study of the reference books and papers with access to on line material of various types, often through the Alf platform.

There is a final exam at the end of the course.

8. BIBLIOGRAFÍA BÁSICA

ISBN(13): 9780077169657

Título: THE ECONOMICS OF EUROPEAN INTEGRATION (quinta)

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Editorial: McGraw Hill

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Buscarlo en Catálogo del Patrimonio Bibliográfico

9. BIBLIOGRAFÍA COMPLEMENTARIA

Comentarios y anexos:

Allen, C., Gasiorrek, M and Smith, A. (1998) "The competition effects of the Single Market in Europe", *Economic Policy* 13, 27, 440-486.

Anderson, K. (2010) *The political economy of agricultural price distortions*, Cambridge University Press, Cambridge.

Baldwin, R. and Venables, A. (1995) "Regional economic integration", in Grossman, G. and Rogoff, K. (eds) *Handbook of International Economics*, North-Holland, New York.

Blanchard, O. (2006) "European unemployment: the evolution of facts and ideas" *Economic Policy* 21, 45, 5-60.

Boeri, T., Burda, M. and Kramarz (2008) *Working hours and job sharing in the EU and USA*, Oxford University Press, Oxford.

Checchi, D. and Lucifora, C. (2002) "Unions and labour market institutions in Europe", *Economic Policy* 17, 35, 361-408.

European Commission (2010) "EU competition laws: rules applicable to merger control, situation as at 1 April 2010", DG Competition, Brussels.

Hatton, T. (2007) "Should we have a WTO for international migration?" *Economic Policy* 22, 50, 339-384.

Moussis, N. (2015) *Access to European Union: law, economics, policies*, 21th edition, Intersentia, Cambridge.

OECD (2016) *2016 Economic Survey of European Union*, OECD, Paris

Owen, G. (2012) "Industrial policy in Europe since the Second World War: What has been learnt?", *ECIPE Occasional Paper* 1/2012, Brussels.

Redding, S. (2010) "The empirics of New Economic Geography", Journal of Regional Science 50, 1, 297-311.

Other resources

General issues

http://europa.eu/index_en.htm

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.9.1.html

http://www.europedia.moussis.eu/books/Book_2/

<http://www.unece.org/info/ece-homepage.html>

Competition

http://ec.europa.eu/dgs/competition/index_en.htm

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.9.2.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.5.1.html

Labour markets, social policies and migration

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.10.1.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.10.3.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.10.4.html

<http://www.frd.org>

Regional Policy

http://ec.europa.eu/regional_policy/index_en.cfm

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.1.1.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.1.2.html

R+D Policy

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.9.6.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.9.7.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.9.3.html

Common Agricultural Policy

<http://wyngrant.tripod.com/WynGrantCAPpage.html>

<http://europa.eu.int/comm/agriculture>

Energy Policy

<http://www.oecd.org/eu/evaluationofagriculturalpolicyreformsintheuropeanunion.htm>

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.7.1.html

http://www.europarl.europa.eu/aboutparliament/en/displayFtu.html?ftuid=FTU_5.7.2.html

10.RECURSOS DE APOYO AL ESTUDIO

11.TUTORIZACIÓN Y SEGUIMIENTO

Office hours: Wednesday, 10-14.00

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12.EVALUACIÓN DE LOS APRENDIZAJES

The grade will depend on the final exam. Proactive participation in on line discussions and chats will also be taken into account.

13.COLABORADORES DOCENTES

Véase equipo docente.