## **Economic policy for innovation**

## Prof. Mario A. Maggioni

***COURSE AIMS AND INTENDED LEARNING OUTCOMES***

The aim of the course is to introduce students to the study of economic policy with particular reference to innovative themes. The course will present the economic principles underlying the analysis of the innovation process, will discuss cases of market failure, and will document the need for a specific policy (including a description of the relative tools). It will also highlight the existence of different paradigms in innovation policy and analyse the complex interactions between market structure and innovative activity.

*Intended Learning Outcomes (knowledge and understanding)*

At the end of the course, by attending lectures and devoting time to study both individually and in small groups, the student will be able to analyse the innovation process form the viewpoint of the economic analysis (both micro and macro), to identify the main feature of innovation in terms of appropriability and indivisibility, to describe different policies for the support of innovative activities, critically list their implementation instruments by stressing their relative advantages and drawbacks.

*Intended Learning Outcomes (applying knowledge and understanding)*

At the end of the course, by attending lectures and devoting time to study both individually and in small groups, the student will be able to describe – through the most appropriate graphical a/o analytical tools – the main models available in the economic literature on the allocation of resources for invention, to critically discuss the role played by different market structures in innovative process, evaluate in a comparative way the effects specific policy instruments within different economic and institutional frameworks.

***COURSE CONTENT***

1. The economics of innovation.

2. Market failures and the role of economic policy.

3. Micro and macro approaches to the economy and to innovation policies.

4. Policies for innovation: the tools.

4.1. Subsidies.

4.2. Tax relief.

4.3. Patents.

4.4. Contracts.

4.5. Awards.

4.6. Standards.

***READING LIST***

Lecture notes

Analytical and graphical schemes, available on Blackboard

F. Malerba, *Economia dell'innovazione,* Carocci, 2000.

Further references (also in English if students require them) will be provided at the beginning of the course and at lectures.

***TEACHING METHOD***

Lectures and tutorials.

***ASSESSMENT METHOD AND CRITERIA***

The exam is a written paper – administered through during official dates (appelli) – composed by 5 multiple choice questions (accounting for 1/3 of the final mark) and 3 open questions (accounting for 2/3 of the final mark). The final score will be express out of thirty points and will take account of the student's level of understanding, knowledge, use of the appropriate tools and ability to discuss themes and topics covered in lectures.

Exact dates will be displayed on the I-catt portal.

Oral exam is not compulsory; students may ask for an oral exam, that can improve or worsen the grade received on the written test. Teachers may also invite students, with a grade slightly below “pass” level, to sit an oral exam.

***NOTES AND PREREQUISITES***

Unlike other courses where the mnemonic component of learning predominates, economics courses require - as a prerequisite - a deep understanding of the subject matter. For this reason, we recommend students attend lectures and tutorials (which form part of the course), progressively study the materials covered in class during the semester, and complete the exercises proposed for individual and small groups study, in order to verify their own level of understanding of the subject.

The Blackboard platform provides the main online communication tool between lecturers and students and the repository for didactic materials made available after lectures. It is recommended the student to be familiar with the basic notion and tools of microeconomic analysis (with special emphasis on firms and markets) and with the elementary notion of macroeconomic analysis

Students are welcome to contact Prof. Mario A. Maggioni at DISEIS - Dipartimento di Economia Internazionale, delle Istituzioni e dello Sviluppo (Via Necchi 5, fifth floor, room 513). Weekly “question time” is usually every Monday (16.30 - 18.00); exceptions are signalled in advance on the lecturer's webpage. The Instructor is also generally available for short conversations in the classroom at the end of all lectures.

Further information can be found on the lecturer's webpage at http://docenti.unicatt.it/web/searchByName.do?language=ENG, or on the Faculty notice board.