**Advanced Economic Policy**

Prof. Francesco Timpano

Module 1 - European Economic Policy

Module 2 - Policies for Business and Digitalisation

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

The course will be introduced by a reflection on the meaning of policies, starting from the concept – widely applied in the European policies – of the definition of ‘market failure’. Then, it will carry out an in-depth analysis of a selection of topics, aimed to provide students with some useful tools to understand the predominant policy approach, especially in terms of business support policies.

During module 1, the course aims to explore the recent evolution of the European policies through the analysis of the innovations introduced during the pandemic period. From a more structural perspective, it will analyse the European convergence process between countries and regions, and the cohesion policies resulting from it, introducing also the theoretical debate between the *‘place-based’* and the *‘spatially neutral’* approach to policies.

Then, it will examine the concept of (territorial) competitiveness and the policies that resulted from it in the European context, from the Lisbon Strategy to the more recent Europe 2020. From this perspective, the course will also introduce the debate on the concept of territorial competitiveness and the comparison of the competitiveness between countries and regions.

Particular attention will be given to the topic of sustainable development and the assessment of economic policies in light of the sustainable development goals of the 2030 Agenda, the European Green Deal, and the Next Generation EU, with a focus on the topics related to energy policies (RePowerEU).

During module 2, the course aims to discuss the latest industrial policies for business, especially the so-called ‘Industry 4.0 Policies’ and, more in general, innovation and digitalisation policies. After analysing the relationship between productivity and the investments in digital transformation, the course will study in depth the latest policies for the promotion of Industry 4.0 investments, also through teaching methods involving an active role of students, and the promotion of new forms of co-planning. From this perspective, the course will discuss the specificities of the development of these policies in an ‘industrial cluster environment’, with a focus on ‘*cluster-based*’ industrial policies.

The course will be characterised, from an interdisciplinary perspective, by the contextualisation of the *Next Generation EU* European programme, that will be followed during its planning and implementation phase, and then monitored through the creation of a *Next Generation EU* workshop (https://www.linkedin.com/company/laboratorio-next-generation-eu/?viewAsMember=true).

*Intended learning outcomes*

*Knowledge and understanding*

At the end of the course, students will be able to:

* Analyse the competitive positioning of territorial systems in the European dimension of convergence and competitiveness (objective 1);
* Understand the spatial dimension of the development of the economic activity (objective 2);
* Know the policy instruments addressed to firms (objective 3);
* Implement an in-depth analysis of digitalisation and sustainability policies (objective 4);

*Ability to apply knowledge and understanding*

* Develop skills applied to the Next Generation EU European programme (objective 5);
* Propose amendments to the planning of economic policies, especially those addressed to businesses (objective 6);
* Use macroeconomic models to assess the impact of monetary, fiscal, and exchange rate policies, the European policies, as well as those oriented towards the realisation of sustainable development (objective 7);
* Develop specific skills for the assessment of policies in light of the 2030 Agenda and the SDGs (objective 8).

The course aims to improve the students’ ability to understand the structure of the policies and assess their impact, in order to promote their independent judgment skills and significantly develop their ability to propose policy amendments, also in light of the assessment of the professional world. The assessment criteria are aimed to encourage the students’ communication skills, especially through the Hackathon, that will give them the opportunity to test themselves in the professional world.

***COURSE CONTENT***

Module 1 - The European economic policy

* 1. Market failure and the reasons for the economic policy: the European perspective
	2. The European economic policy in times of pandemics and wars
	3. Convergence and cohesion policies in Europe
	4. Territorial competitiveness and competitiveness policies in Europe
	5. The Green Deal EU, the Next Generation EU, and the RePowerEU

Module 2 - Policies for businesses and digitalisation

* 1. The policies supporting innovation and industrial clusters
	2. The policies supporting the 4.0 Industry and digitalisation
	3. Sustainable development and the assessment of policies in light of the SDGs and the 2030 Agenda

***READING LIST[[1]](#footnote-1)***

Coursepacks and further teaching material will be made available by the lecturer for each of the topics, with a focus on the European growth, convergence, and competitiveness policies, and business support policies.

*Textbooks (learning support material)*

Campiglio L., “Mercato prezzi e politica economica”, Mulino, 1999 [*Buy from VP*](https://librerie.unicatt.it/scheda-libro/luigi-campiglio/mercato-prezzi-e-politica-economica-9788815060181-208201.html)

*Papers*

* Fitoussi J., *L’Unione Europea e i suoi vizi capitali*, Vita e Pensiero, 3, 2014
* Muro - Liu, *Beyond “Amazon Idol” toward a real regional growth strategy*, Brookings Papers, 2017
* Barca F., McCann P. and Rodriguez Pose A., *The case for regional development intervention: Place-based versus place-neutral approaches*, WP series in Economics and Social Sciences, IMDEA, 2011
* Guastella G. - Timpano F., *Knowledge, innovation, agglomeration and regional convergence in the EU: motivating place-based regional intervention*, Review of Regional Studies, 2016
* Fabrizi E,, Guastella G., Marta S. & F. Timpano, *Determinants of intra distribution dynamics in European regions: an empirical assessment of the role of structural funds*, Tijdschrift voor Economische en Sociale Geografie, 2015
* Podobnik, B., Horvatić, D., Kenett, D.Y., Stanley, H.E., *The competitiveness versus the wealth of a country*, Scientific Reports,2, 2012
* Krugman P., *Territorial competitiveness: a dangerous obsession*, Policy Affairs, 1994
* Lall S, *Competitiveness Indices and Developing Countries: An Economic Evaluation of the Global Competitiveness Report*, World Development, 2001
* Carlini, *Nuove politiche industriali per la trasformazione digitale delle imprese. Il Piano Nazionale Industria 4.0*, Economia Italiana, 2017, 1-2-3
* Fiasché, M., Timpano, F., *The Italian approach to Industry 4.0: policy approach and managerial implications in a SMEs environment*, Springer-Aedem, 2018
* Timpano, F., *Cluster produttivi e sviluppo locale: il problema dell'unità di analisi* in Ciciotti E. – Rizzi P., Politiche per lo sviluppo territoriale, Carocci, 2005
* Calegari, E., Fabrizi, E., Guastella G., Timpano F., *Reconsidering the drivers of territorial innovation: new evidence on the spatial knowledge production function in the EU Regions*, Rivista Internazionale di scienze sociali, n.3 – 2017

*Reports*

* “*My region, my Europe, our future -Seventh Report on Economic, social and territorial cohesion in EU*”, European Commission, 2017
* “*Investimenti per l'occupazione e la crescita. Promuovere lo sviluppo e la buona governance nelle città e regioni dell'UE*”, Sesta relazione sulla coesione economica sociale e territoriale in Europa, European Commission
* *Territorial agenda put in practice 2020 - Enhancing the efficiency and effectiveness of Cohesion Policy by a place-based approach* - Volume I – Synthesis Report, Centre for Industrial Studies, 2015, EU
* *Territorial agenda put in practice 2020 - Enhancing the efficiency and effectiveness of Cohesion Policy by a place-based approach* - Volume II – Case studies, Centre for Industrial Studies, 2015, EU
* *Global Competitiveness Report* 2017/2018, World Economic Forum, 2017
* *Global Competitiveness Report* 2020, World Economic Forum, 2021
* OECD, *Science, Technology and Industry Scoreboard* 2017
* EU Commission, *European Innovation Scoreboard 2018*, The digital transformation
* ASVIS, *Rapporto ASVIS sullo sviluppo sostenibile*, 2021

***TEACHING METHOD***

The teaching method is based on frontal lectures, seminars, and case studies. In addition, the course will include oral presentations on specific topics, held by students, and progressive assessment tests. Finally, they will be invited to join policy planning activities, that will be implemented as hackathons.

***ASSESSMENT METHOD AND CRITERIA***

The assessment method will be different for attending students, that will have to take two progressive assessment tests, and non-attending students, that will have to take the whole exam on the same date.

During each test, attending students will have to answer two questions (choosing between two options for each question). The questions of the first test will be based on module 1 (two questions for each part of the test, and students will have to choose two questions in total), while the ones of the second test will be focused on module 2 (two questions on innovation policies and two on digitalisation policies). The duration of each test is 90 minutes.

Attending students will have the possibility to join the Next Generation UE Workshop, based on: an assessment, during semester 1, consisting in an in-depth analysis of a policy or an intervention programme, and an exercise focused on the proposition of policy amendments or the promotion of investment plans, coherent with the orientations of the Next Generation UE. These works will be presented during specific discussions and will be used for a Hackathon that will allow students to meet subject-matter experts and professionals.

For attending students, the final mark will result from:

* The mark obtained in the progressive assessment tests (60%);
* The mark obtained in the assessment focused on semester 1 (15%)
* The mark referring to the work for the Hackathon (25%)

Non-attending students will have to answer five questions to be chosen from among the eight alternatives proposed during the final exam (duration: 2 hours and 30 minutes).

***NOTES AND PREREQUISITES***

As a prerequisite for the final exam, students should know the basics of microeconomics and macroeconomics.

Information on office hours available on the teacher's personal page at http://docenti.unicatt.it/.

1. The textbooks indicated in the reading list can be purchased at UCSC libraries or from any other reseller. [↑](#footnote-ref-1)