# Advanced Economic Policy

## Prof. Francesco Timpano

## Module 1 – European Economic Policies for Sustainability

## Module 2 – Policies for Business and Digitalization

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

The course is introduced by a reflection on the meaning of policies starting from the concept of “market failure”, widely applied in European policies. It will then offer an in-depth analysis of some topics aimed at providing students with some tools for understanding the prevailing policy approach, especially with reference to business support policies.

The first module of the course starts from the approach of the Sustainable Development Goals of the UN Agenda 2030 (SDGs) to represent the evolution of the European framework, which is leading from the European Green Deal to the Action Plan for Sustainable Finance and to the recent interventions in the field of production standards, reporting, financial regulation, and taxonomy of sustainable economic activities.

Subsequently, the course will focus on the economic policies implemented at the European level in response to the major adverse events of the last fifteen years, from the 2008 financial crisis to the pandemic crisis and the war. In addition to focusing on the policies adopted, the course will reconstruct the economic rationale that inspired them in the overall framework of the European Union construction.

The second part of the course analyses the recent evolution of European policies starting from the analysis of the theoretical debate between the “*place-based*” approach to policies and the “*spatially neutral*” approach. The concepts of territorial cohesion and competitiveness will be used to understand the territorial dimension of enterprise policies and the contribution they have made to agglomeration and/or balanced development.

Subsequently, the course will discuss the most recent industrial policies in support of enterprises, with special reference to the European Agenda for innovation, the policies in support of industrial clusters and the so-called “policies for Industry 4.0”, and more generally for digitalisation.

The course is transversally characterised by its contextualisation in the European *Next Generation EU* programme which will be followed in its design and implementation phase and 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:

* Understand the theoretical reasons that motivate European policies (goal 1);
* Understand the approach based on the concept of sustainability (according to the SDGs) in economic policies (goal 2);
* Know the policy instrumentation intended for businesses (goal 3);
* Implement an in-depth analysis of sustainability and digitalisation policies (goal 4);

*Ability to apply knowledge and understanding*

* Ability to develop applied competences on the European programme (goal 5);
* Ability to propose design changes in economic policies, especially those aimed at businesses (goal 6);
* Use macroeconomic models to evaluate the impact of monetary, fiscal, currency and European policies, as well as those oriented towards achieving sustainable development (goal 7);
* Develop specific competences on policy evaluation in the light of the 2030 Agenda and the SDGs (goal 8).

As part of the course, the students’ ability to learn the policies structure and to evaluate their impact will be enhanced, aiming to significantly promote their own independent judgment and the ability to propose policy changes, also in light of the evaluation of the professional world. The assessment methods are designed to stimulate communication skills, in particular through the Hackathon path where students are measured against the professional world.

***COURSE CONTENT***

Module 1 - European economic policy for sustainability

* 1. Market failure and reasons for economic policy: the European perspective
	2. The SDGs Agenda 2030 approach and economic policies for sustainable development in Europe: the European Green Deal
	3. Pandemic and war economic policies: Next Generation EU and RePowerEU

Module 2 – Business and digitalisation policies

* 1. Convergence, territorial competitiveness, and policies for enterprises in Europe and in Italy
	2. The New European Innovation Agenda and Horizon Europe
	3. Policies to support innovation: industrial clusters, Industry 4.0 and digitalisation

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

The lecturer will distribute coursepacks and materials for each of the topics indicated. These will be papers, reports and websites where students can obtain information regarding the policies. Listed below are some of the proposed tools, which however are not to be considered exhaustive.

*Module 1*

* *Fetting, C. (2020). “The European Green Deal”, ESDN Report, December 2020, ESDN Office, Vienna.*
* *Apollonia Miola, Fritz Schiltz (2019), “Measuring sustainable development goals performance: How to monitor policy action in the 2030 Agenda implementation?, Ecological Economics, Volume 164, 2019, 106373, ISSN 0921-8009,* [*https://doi.org/10.1016/j.ecolecon.2019.106373*](https://doi.org/10.1016/j.ecolecon.2019.106373)*.*
* *Codogno, L., van den Noord, P. (2022). Assessing Next Generation EU. In: Paganetto, L. (eds) Economic Challenges for Europe After the Pandemic. Springer Proceedings in Business and Economics. Springer, Cham.* [*https://doi.org/10.1007/978-3-031-10302-5\_5*](https://doi.org/10.1007/978-3-031-10302-5_5)
* *Laurent A. Lambert, Jad Tayah, Caroline Lee-Schmid, Monged Abdalla, Ismail Abdallah, Abdalftah H.M. Ali, Suhail Esmail, Waleed Ahmed (2022), “The EU's natural gas Cold War and diversification challenges”, Energy Strategy Reviews, Volume 43, 2022, 100934,, ISSN 2211-467X,,* [*https://doi.org/10.1016/j.esr.2022.100934*](https://doi.org/10.1016/j.esr.2022.100934)

*Module 2*

* 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
* 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*

* EU Commission, “*La coesione in Europa in vista del 2050*”, Eighth report on economic, social and territorial cohesion in Europe, 2021
* World Economic Forum, *“Global Competitiveness Report* 2020”, 2021
* EU Commission, “*European Innovation Scoreboard”, 2022*
* ASVIS, “*Rapporto ASVIS sullo sviluppo sostenibile”*, 2022
* EIT Digital, “*Digital Transformazion of European Industry A policy perspective”*, Full Report, 2019

***TEACHING METHOD***

Teaching is based on lectures, seminars and case studies. Student presentations on course topics and mid-term assessment sessions will also be organised. Finally, some forms of policy design will also be implemented in the form of hackathons.

***ASSESSMENT METHOD AND CRITERIA***

The assessment method varies between attending students who take two interim tests, and non-attending students who take the exam in a single session.

The first group of students will have to answer two questions in each of the interim tests (to be chosen between two alternatives for each question). The first interim test will include questions on the first module (two for each part, from which students will have to choose two questions) and the second part will include questions on the second module (two on innovation support policies and two on digitalisation policies). The time allowed for each interim test is 90'.

Attending students will be able to participate in the Next Generation EU Workshop which involves the creation of: an assessment in the first semester related to an in-depth analysis of a policy or an intervention programme, and an exercise in the second semester consisting of the proposal of policy corrections or of the promotion of investment programmes, consistent with the guidelines of the Next Generation EU. The works will be presented in debate sessions and will be the subject of a Hackathon designed for discussions with experts and professionals.

The overall mark for attending students will be:

* Mark for the interim tests (60%);
* Mark for the assessment of the first semester (15%)
* Mark for the Hackathon work (25%)

Non-attending students will have to answer five questions out of eight alternatives proposed during the final exam (time allowed 2h30').

***NOTES AND PREREQUISITES***

Prerequisite for the exam is the knowledge of 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 the University bookshops; they can also be bought from other retailers. [↑](#footnote-ref-1)