EU Industrial Policy in a Global Economy (2cr)

Governments and Regulators exert a profound effect on industrial activity. In turn, businesses exert a reciprocal influence in shaping public policy. This interdependence occurs with and through all levels of government (national, European as well as global) and a panoply of sectors. This course analyzes those relationships, how they have emerged and changed and which effects they have had on both business and government. It does so by examining a range of issues related to industrial policy. Particular attention is given to current issues in the EU but also draws on an historical reflection on EU industrial policy including tensions and trade-offs made by the EU.

This course is especially useful for those interested in public policy making and those who work in corporate contexts interfacing with regulatory regimes. It is also a valuable introduction into microeconomic policymaking.

Prerequisites: None

Learning Objectives:
By the end of the course, participants will gain an understanding and appreciation of:

• Reproducing and explaining the historical and institutional elements of industrial policy esp. in the EU

• Recognizing competing perspectives on the effectiveness of industrial policy

• Labeling the theoretical economic foundations of industrial policy in the EU

• Applying economic theories on current European industrial policy
Key Topics (with Readings) * = required, + = recommended

Depending on the nature of discussion and engagement, each topic will be 6 hours long (2 sessions)

1) **Industrial Policy: Theory and Concepts**


**Case Study**: 1-800-Buy Ireland

2) **European Industrial Policy – History**

   Owen, Geoffrey (2012) ‘Industrial policy in Europe since the Second World War: what has been learnt?’ *ECIPE Occasional paper* 1. The European Centre for International Political Economy, Brussels, Belgium*


**Case Study**: Catalan Leather Industry

3) **Global Competitiveness and EU Industrial Policy**


**Case Study:** European Integration: Meeting the Competitiveness Challenge

4) **Sectoral Policies as EU Industrial Policy**


**Case Study:** Europe, Russia, and the Age of Gas Revolution

5) **EU Industrial Policy and Global Competition**


**Case Study:** Willkommen to Europe: The Political Economy of Migration Policy in Germany

**Assessments**

*Class Participation (20%)*

*Management Memo (40%)*

You are drafting a “Management Memo” and presentation directed towards the senior leadership of a multinational firm. You should choose one of the following topics for the memo and presentation:

(a) Success of European attempts to create ‘national’ and ‘European champions’.
(b) The feasibility of EU 2020 strategy for competitiveness
(c) Short- and long-term trade-offs in EU energy policy e.g. gas v. renewables
(d) Striking the right balance in industrial policy between national and EU level actions

The Memo should be formatted in Microsoft Word (NO PDF please) with a maximum of 4 single-spaced pages of content (excl. title page, references, diagrams, tables and figures etc.). Make sure to print your names on the title page and to number your pages. You must supply a complete and accurate set of references for this project. This is in addition to the four pages. If you have diagrams, tables and figures, they must also be accurately sourced and placed in a separate appendix and is not included in the four pages.

Economic Policy Brief (40%).

The primary audience (people you are trying to convince) for your policy brief are government officials at the regional (within a nation, not global) or national level in the context that you describe in the introduction (see below). They are not scientists or experts in the field you are writing about and probably know relatively little about the issues you have identified. Brevity, clarity and a good visual presentation are critical.

Required Elements in the Policy Brief

Title. An effective title of a paper should give readers a quick overview of the subject and problem addressed in the policy paper. A reader may use the title in deciding whether to read the paper or not. As a general rule, avoid titles of more than 10 words.

Executive Summary. The executive summary aims to interest readers in reading the whole paper. However, the main function of the executive summary is to satisfy the needs of those readers (especially decision-makers) who will not read the entire paper and readers whose main interest is in the key proposed policy recommendations.

Introduction. The introduction sets the scene by presenting the context for the threat or challenge and linking this to the specific focus of the policy paper. The introduction will include a statement about the purpose of the policy paper. Most policy papers also include a brief overview of the methodology for data collection and/or kinds of resources used in its construction, but this will be limited in your case to describing the sources of data, you have used to construct your recommendations.

Problem Description. The problem description identifies, defines and elaborates the nature of the threat or challenge under discussion. This may include the background information about the history of the threat, its causes, who is affected, descriptions of previous policies aimed at addressing the threat, and the outcomes of implementing those policies (positive and negative). It should also include a detailed and convincing description of the actual status of the issue – the extent and impact of the issue now, who is affected now, the current policy and its successes and failures.
Policy Options. This section outlines, evaluates and compares the possible policy alternatives. Remember, you are focusing on overall strategic policy-making, not developing a plan of action. You should present all the approaches or strategies that you think are potentially useful for addressing the Do NOT limit the discussion of the option you prefer. Your policy options should clearly reflect the key differences in strategic frameworks.

Conclusions & Recommendations. This section presents the case for your preferred alternative strategy to decision makers. However, this is more than a summary of the main findings. You should explain how your strategy will lead to and inform policy recommendations relevant to the issue. Provide a list of three to six key policy recommendations that must be implemented as part of the strategy.

The Memo should be formatted in Microsoft Word (NO PDF please) with a maximum of 4 single-spaced pages of content (excl. title page, references, diagrams, tables and figures etc.). Make sure to print your names on the title page and to number your pages. You must supply a complete and accurate set of references for this project. This is in addition to the four pages. If you have diagrams, tables and figures, they must also be accurately sourced and placed in a separate appendix and is not included in the four pages.