

12P011

3 ECTS

Public Policy in the European Union

Overview and Objectives

The first part of the course will discuss distributional policies and outcomes in a context of economic activity internationalization, within the European Union and at the global level. Relevant theoretical and empirical aspects include dynamic interactions between individual choices and collective policies, with particular attention to labor market policies, pension systems, and the evolution of growth and inequality patterns.

The objective of the second part of this course is to familiarize the students with the main challenges that innovation policy makers face, how they think about them and the main instruments that they consider to address them. The course will cover both traditional innovation policy instruments (such as the R&D tax credit) as well as alternative approaches that have become popular recently. At the end of the course students should be familiar with current innovation policy debates, be able to assess how countries and regions perform on innovation, have a good understanding of the rationale and limitations of the different innovation policy instruments, and be able to critically assess the available evidence on their effectiveness while designing alternative approaches to evaluate them.

Course Outline

I. Social Policies (Juan F. Jimeno, 10 hours)

1. Employment policies
2. Pension systems

II. Innovation Policy (Albert Bravo-Biosca, 10 hours)

1. Innovation, productivity and growth
2. Innovation policy: rationales and approaches
3. Innovation policy instruments: theory and evidence

Required Activities

The social policy module will require to complete a group assignment in which students should analyse the main institutional features and results of particular programmes and propose guidelines for reforms, if needed.

The innovation policy module will require the completion of a group assignment, in which students will be expected to develop a series of policy proposals to improve the innovation performance of the region that they choose.

12P011

3 ECTS

Public Policy in the European Union

Evaluation

Social Policy module: 50% final exam, 30% assignment and 20% class discussion

Innovation policy module: 50% final exam, 30% assignment and 20% class participation.

Materials

For Social Policies Module (Juan F. Jimeno, 10 hours)

A full reading list will be provided at the start of the course

F.Blau, G.Bertola, L.Kahn, "Comparative Analysis of Employment Outcomes: Lessons for the United States from International Labor Market Evidence," in A.Krueger and R.Solow (eds.), *The Roaring Nineties: Can Full Employment Be Sustained?*, Russell Sage and Century Foundations, and CEPR DP 3023

G.Bertola, "Inequality, Integration, and Policy: Issues and evidence from EMU" *Journal of Economic Inequality* 8:3 (September):345–365, and CEPR DP7251, 2009

G.Bertola, "Labour Markets in EMU: What has changed and what needs to change" in M. Buti, S. Deroose,

Casado, J.M., Fernandez, C. and Juan F. Jimeno (2014): "Workers' Flows in the European Union during the Great Recession", working paper, Banco de España.

ECB (2014): "A Sum of Two Parts: Comparisons and Contrast of the Impact of the Crisis on Euro Area Labour Markets", Occasional Paper, ECB.

OECD (2013), *Pensions at a Glance, 2013*, OECD, Paris.

European Commission (2014), *Employment and Social Conditions in Europe, 2013*.

For Innovation Policy Module (Albert Bravo-Biosca, 10 hours)

A full reading list will be provided at the start of the course

Hall B. H. and N Rosenberg (eds). (2010) *Handbook of the Economics of Innovation*, Amsterdam: North-Holland.

OECD (2010), "The OECD Innovation Strategy: Getting a Head Start on Tomorrow". Paris: OECD

Scotchmer, S. (2005), "Innovation and Incentives", Cambridge: MIT Press

12P011

Public Policy in the European
Union

3 ECTS