

1. Course Title: **Economics of Innovation and Industrial Development**

2. Course Outline

This course combines a general introduction to the economics of innovation with selected advanced topics. We first explore the role of entrepreneurial initiative and the evolution of firm populations (corporate demography). We then study problems in the financing of innovation as well as new tools, which emerged from innovations in finance. Turning to the field of industrial organization, we learn about limited markets for new knowledge and the role of intellectual property rights, but also about the varied impacts competition can have on the incentives to invest in R&D. After addressing the role of structural change and the contribution of new knowledge to aggregate growth, we finally discuss the major approaches and instruments of innovation and industrial policies.

3. Attainment Objectives

Students will learn about the economic determinants and impacts of innovation with a focus on the process of industrial development. Graduate students will also benefit from examples that demonstrate how abstract theoretical concepts can become operational in terms of empirical research designs.

4. Required Preparatory Study

A *first* reading of selected papers that will later be discussed in class (see Reference books).

5. Course Schedule

0. Introduction

I. Entrepreneurship

II. Entrepreneurial Finance

III. Industrial Organization of Innovation

- Market Structure
- Markets for Knowledge
- Technology Diffusion

[IV. Development: Structural Change, Productivity and Growth]

V. Innovation- and Industrial Policy

6. Recommendations for Private Study: see selected literature

7. Grading Criteria and Method of Evaluation

Kind	Percentage	Grading Criteria etc.
End of Semester Examination (Written)	50%	
Report Examination	%	
Continuous Assessment	Verification Exam: Final Verification of Attainment Levels	%
	Evaluation of Everyday Performance in Class	50%

Note

8. Advice to Students on Study and Research Methods

t.b.a.

9. Textbooks

None.

10. Reference Books

Title	Author	Publisher, etc.	Comment
Handbook of the Economics of Innovation, Vol. 1	Hall, B.W., Rosenberg, N.	Elsevier, Amsterdam, 2010	Chapters 3, 4, 7, 14, 15
Handbook of the Economics of Innovation, Vol. 2	Hall, B.W., Rosenberg, N.	Elsevier, Amsterdam, 2010	Chapters 17, 19, 20, 27, 28
The Oxford Handbook of Entrepreneurial Finance	Cumming, Douglas (ed.)	Oxford University Press, Oxford UK, 2012.	Chapters 1, 4, 9, 11, 14

Note: The list of reference books is subject to change and will be updated in due course.

11. WWW ページ / Web Pages Useful for Reference

<http://michael.peneder.wifo.ac.at>

12. How to Contact Teaching Staff

Email: Michael.Peneder@wifo.ac.at