UCL Université catholique de Louvain

LLSMS2041

2014-2015

Economics of Innovation (in English)

5.0 credits	30.0 h	1q

Teacher(s) :	Belleflamme Paul ;
Language :	Anglais
Place of the course	Louvain-la-Neuve
Main themes :	The course aims at analysing the mechanisms and institutions governing the production, use and diffusion of information and knowledge. It also aims at developing a rigorous economic analysis of a large set of issues surrounding intellectual property, R& and innovation. In this field, the economic approach appears as fundamental as it focuses on markets, incentives and strategic interaction.
Aims :	At the end of the course, students should understand (i) what sets innovation markets apart from other markets, (ii) why markets often fail when it comes to produce information and knowledge, and (iii) why and how governments should intervene in such markets. Students should also be able to use the economic analysis in order to improve their understanding of a number of topical issues (e.g., the impact of patents and generic drugs on the fight against diseases like HIV/AIDS or malaria, software patents, piracy of digital goods, etc). *The contribution of this Teaching Unit to the development and command of the skills and learning outcomes of the programme(s) can be accessed at the end of this sheet, in the section entitled "Programmes/courses offering this Teaching Unit".*
Content :	Summary, content and methods 1. We introduce the main concepts and explain why activities generating information and knowledge are marred by three sources of market failures, which contribute to create a generic problem of appropriability. 2. We compare various public policy measures that are designed to alleviate this problem of appropriability. 3. We assess the effect of market structure on the incentives for R& . 4. We study how patent protection should optimally be designed. In particular, we address the questions of the optimal length and breadth of patents. 5. We apply the previous general analyses to the specificities of the digital economy. Two topical issues are addressed: the piracy of digital products and the development of open-source software. Content Information and appropriability Market structure and incentives for R& Patents and efficiency Intellectual property in the digital economy Methods The theoretical material is presented during the lectures. Students are asked to work in groups in order to apply the theoretical framework to specific case studies and/or to topical issues. 1 Lectures 1 Interactive seminar 1 Micro-teaching (partly presented by students) At home activities 1 Readings to prepare the lecture 1 E-learning 1 Paper work 1 Students presentation

Other infos :	Other information Prerequisites Intermediate Micro-Economics and Introductory Industrial Organization Evaluation: Class participation and oral examination, in French or English Support: Lecture notes and Slides provided through icampus References: Provided during the class Internationalisation 1 international content (does the course tackle international issues related to the course content ?) 1 international case study Skills 1 presentation skills 1 writing skills 1 team work 1 individual autonomy 1 time management 1 project management 1 critical thinking 1 assertiveness Techniques and tools for teaching and learning 1 Internet work 1 modelling 1 quantitative methods 1 mathematics
Cycle and year of study :	> Master [120] in Business engineering > Master [120] in Management > Master [120] in Management > Master [120] in Business Engineering > Master [120] in Economics: General > Master [60] in Economics : General
Faculty or entity in charge:	CLSM