

Competition, innovation and environment

(24 hours - 2nd year option)

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The course covers three topics of microeconomics: competition, innovation and environment. It offers the students basic tools to analyse practical issues in these subjects. Central to these themes is the problem of market failure requiring the implementation of public regulation policies.

We begin with competition policy. We first analyse the public authorities' objectives and instruments before considering their main intervention fields, that is situations of mergers, abuse of a dominant position and cartels. A question will eventually be raised: how to ensure the firms' competitive behaviour without discouraging their productive investments in particular, in research and development activities?

To address this question, we consider in the second part of the course the firms' innovation incentives. It is important to identify them in order to implement efficient policy tools promoting innovation and growth in the economy. Of course, we keep in mind that research and development is also carried out in the public sector.

Yet, innovation as well as the resulting economic activity of production and consumption inevitably generate damaging effects on the environment. The last part of the course deals with this issue by considering the economists' position about pollution and the solutions they propose to limit it. A particular attention is given to the international dimension of environmental problems as well as to their inter-temporal dimension through the concept of sustainable development.