



STUDY PROGRAMME

ECO-ELEA + ECO-EPPA + POL-EPPA

ACADEMIC YEAR

2023 - 2024

SEMESTER

1

COURSE TITLE

STATE AID CONTROL IN THE EU: OBJECTIVES, METHODS, EFFECTS

COURSE PROFESSOR

PHEDON NICOLAIDES

COURSE ASSISTANT

SHANAWAR RANA

NATURE OF COURSE (COMPULSORY, OPTIONAL)

COMPULSORY

LANGUAGE OF INSTRUCTION

ENGLISH

ECTS CREDITS

3 (ECO-ELEA + ECO-EPPA); 2 (POL-EPPA)

1. COURSE OBJECTIVE

The course examines the system of control of state aid in the EU, the rationale for common rules on state aid, the concept of state aid, the economic effects of state aid and the conditions for the compatibility of state aid with the internal EU market.

2. LEARNING OUTCOMES

Students will learn:

- The criteria for determining when a public measure constitutes state aid.
- Under which conditions aid is compatible with the internal market.
- Identify the economic effects of state aid and under which conditions state aid control raises overall welfare.
- How to determine whether a public authority acts as a private investor.
- The contents of the main block exemption regulation and the de minimis aid regulation.
- The objectives, principles and approaches of the main state aid guidelines.

The learning outcomes for this course correspond to the following learning outcomes for the European Economic Studies programme:

- Use economic theory to assess current problems and policies.
- Understand the normative assumptions, implications and limitations of economic theory and economic policy making.
- Integrate knowledge of related disciplines (e.g. EU law, environmental policy and concerns) into the domain-specific knowledge of the economics of state aid.
- Demonstrate knowledge of the European Union' institutions, competences and substantive principles; as well as their interaction with Member States' legislative powers, and private governance.



- Think innovatively and provide constructive analytical commentary on how the evolution of EU rules and policies may impact on future market development.
- Describe, explain and illustrate the core normative assumptions, implications and limitations of legal theory and political science theory related to economics.
- Use knowledge of economics, legal principles, strategic management and political science to analyse contemporary public policy problems.
- Work together in groups to solve problems, share tasks, prepare assignments, go through case studies and make presentations.
- Recognise, analyse, explain and critique economic developments and economic policies in Europe.
- Find, select, critically evaluate and use references, data and other sources of information within a short amount of time.

3. COURSE CONTENTS

System of state aid control & concept of state aid

1. EU system of state aid control; statistics on state aid & measures to combat covid-19 and the impact of war in Ukraine.
2. Concept of state aid and the interpretation of its constituent components.

Compatibility principles

1. Principles of compatibility of state aid with the internal market and assessment of their effectiveness and completeness.
2. GBER, de minimis aid & ex post evaluation of large aid measures.
3. The main Commission guidelines on state aid.

Economic effects and “market economy investor principle”

1. Analysis of the economic effects of state aid and how to calculate the minimum necessary amount of aid.
2. Market economy investor; market operator; market creditor.

Special themes

1. Public funding of services of general economic interest and related cases.
2. Calculation of the amount of state aid in loans & guarantees and related cases.
3. Calculation of the amount of compensation for damages from exceptional occurrences [e.g. covid-19] and related cases.

POL-EPPA students follow the first 10 hours of the course. ECO-ELEA/EPPA students follow all 20 hours of the course.

4. TEACHING METHOD(S)

Lectures, in-class exercises and group presentations.

All students participate in group presentations.

5. COURSE MATERIAL

Extensive slides distributed in advance.



College of Europe
Collège d'Europe

Brugge



Natolin

ECTS CARD

Commission notice on the notion of state aid:

[https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719\(05\)&from=EN](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52016XC0719(05)&from=EN)

Services of General Economic Interest:

https://ec.europa.eu/competition/state_aid/legislation/sgei.html

Commission guidelines:

https://ec.europa.eu/competition-policy/state-aid/legislation_en

Economic effects of state aid:

Spector, D., State Aids: Economic Analysis and Practice in the EU, in Vives, X., Competition Policy in the EU, 2009.

Haucap, J. & U. Schwalbe, Economic Principles of State Aid Control, Dusseldorf Institute for Competition Economics, 2011.

Kavanagh, J. G. Niels and S. Pilsbury, The Market Economy Investor: An Economic Role Model for Assessing State Aid, in E. Szyszczak (ed.) Research Handbook on European State Aid Law, Research Handbooks in European Law series (Edward Elgar, 2011).

Kassim, H. & B. Lyons, The New Political Economy of EU State Aid Policy, Journal of Industrial Competition and Trade, 2013, vol. 13. [see whole issue]

6. EVALUATION

All students will have to take a written examination [essay with case analysis] [75% of mark] and contribute to an in-class presentation [25% of mark].

Second session examination [resit]: Written, no presentation [100% of mark].