College of Europe
Collège d'Europe
Brugge
Natolin

ECTS CARD

STUDY PROGRAMME	ACADEMIC YEAR	SEMESTER
ECO-ELEA, ECO-EPPA, POL-EPPA	**2020 - 2021**	**1st**

COURSE TITLE

State Aid

COURSE PROFESSOR	COURSE ASSISTANT
Phedon NICOLAIDES	**Tony O'CONNOR**

NATURE OF COURSE (COMPULSORY, OPTIONAL)	LANGUAGE OF INSTRUCTION
Compulsory	**English**

ECTS CREDITS

3 (ECO-ELEA, ECO-EPPA), 2 (POL-EPPA)

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1. COURSE OBJECTIVE

The course examines the concept of state aid, the system for control of state aid in the EU, the case for common rules on state aid, the economics of state aid and 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 when 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 tie in with the following learning outcomes for the European Economic Studies programme:

- Use economic theory to assess current problems and policies, with specific relationship to digital innovation and its associated business models.
- 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 state aid control & concept of state aid

1. EU system of state aid control; statistics on state aid & measures to combat covid-19
2. Concept of state aid

Compatibility principles

1. Principles of compatibility of state aid with the internal market
2. GBER, de minimis aid & ex post evaluation
3. The main guidelines on state aid

MEIP

1. Economics of state aid
2. Market economy investor; market operator.

Special themes

1. Public funding of services of general economic interest
2. Calculating the amount of state aid in loans & guarantees
3. Calculating the amount of compensation for damages from exceptional occurrences

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 a group presentation.

5. COURSE MATERIAL

Extensive slides that will be distributed in advance.

Main Commission documents:

2016 Commission notice on the notion of state aid: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2016.262.01.0001.01.ENG&toc=OJ:C:2016:262:TOC

Services of General Economic Interest: https://ec.europa.eu/competition/state_aid/legislation/sgei.html

Compatibility principles: https://ec.europa.eu/competition/publications/cpb/2014/011_en.pdf

Ex post evaluation methodology: https://ec.europa.eu/competition/state_aid/modernisation/state_aid_evaluation_methodology_en.pdf

Main academic papers:

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 exam [essay with case analysis] [75% of mark] and contribute to an in-class presentation [25% of mark].

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