

Dynamics of Markets and Industries (312001)

Spring term 2018

Course Hours: Wed., 10:15 – 12:00 Uhr in X-E0-205
Attention: there will be no course on June 20th and July 4th, 2018.

Instructors Prof. Herbert Dawid, Dr. Philipp Harting
Dawid: Room W8-106
Email: hdawid@wiwi.uni-bielefeld.de
Office Hours: Tu, 13:30 – 14:30
Harting: Room V8-155
Email: philipp.harting@uni-bielefeld.de
Office Hours: on request

Course description:

The primary goal of this course is to study dynamics of markets and industries with a focus on innovation as a driver of these dynamics. Coursework will provide students with a solid understanding of empirical stylized facts and models analyzing the incentives of firms to innovate in dynamic market contexts and the dynamic processes by which innovations diffuse in a market and as well as typical patterns of industry evolution.

Preliminary outlook:

- Patent races and dynamic R&D competition
- Diffusion of Innovations
- Industry life cycles
- Evolutionary models of technological change

Exams:

Depending on the curriculum of your study there will be either a written exam of 90 minutes (Elective Courses 1/2/3 (Quant. Econ), Micro 3 (WiMa), BiGSEM) or a module exam of 60 minutes together with the course 'Economics of Innovation' (Managerial Econ. (WiWi, WiMa), Mikrotheorie und –politik (WiWi, WiMa)).

List of Literature for the Course Dynamics of Markets and Industries, Spring 2018

Books:

Stoneman, P. (Ed.), Handbook of the Economics of Innovation and Technological Change, Blackwell, 1995.
Hall, P., Innovation, Economics and Evolution, Harvester, 1994.
Freeman, C. and Soete, L., The Economics of Industrial Innovation, MIT Press, 1997.
Nelson, R. and Winter, S., An Evolutionary Theory of Economic Change, Cambridge University Press, 1982.

Research Papers underlying the different parts of the course:

(available in the Lernraum)

1. Patent Races and Dynamic R&D Competition

Vickers, J. (1986): The evolution of industry structure when there is a sequence of innovations, Journ. of Ind. Econ., 35, 1-12.

Fudenberg, D. Gilbert, R, Stiglitz, J. und Tirole J. (1983) ‚Preemption, leapfrogging and competition in patent races’, Europ. Econ. Review, 22, 3-31.

Aghion, P., Bloom, N., Blundell, R., Griffith, R. and P. Howitt (2005), Competition and Innovation: An Inverted-U Relationship, The Quarterly Journal of Economics, 120, 701-728.

2. Diffusion of Innovations

Stoneman, P. (1995), Chap. 7

3. Industry Life-Cycles:

Jovanovic, B. und MacDonald, G. (1994), The Life-Cycle of a Competitive Industry, Journ. of Political Econ., 102, 322-347.

Klepper, S. and Simmons, K. (1997) Technological Extinctions of Industrial Firms: An Enquiry into their Nature and Causes," Industrial and Corporate Change, 6, 379-460.

Klepper, S. (1996), Entry, Exit, Growth and Innovation over the Product Life Cycle, American Econ. Review, 86, 562-583.

4. Evolutionary models of technological change

Nelson, R., and Winter, S. (1982): Chaps. 12 +13.

Malerba, F., Nelson, R., Orsenigo, L. and S. Winter (1999), 'History-friendly' Models of Industry Evolution: The Computer Industry, Industrial and Corporate Change 8: 3-40.