Prof. Dr. Volker Nitsch
Fachgebiet VWL, Internationale Wirtschaft
Fachbereich Rechts- und Wirtschaftswissenschaften

international economics

TECHNISCHE
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Industrial Policy Revisited

The seminar reviews recent research on industrial policy. Once considered a relic of post-war economic planning, industrial policy has re-emerged at the forefront of economic debates amid rising geopolitical tensions, climate challenges, and renewed interest in state-led development strategies. We will discuss recent papers that stand out for their empirical rigor, innovative methodologies, and fresh perspectives on the design, implementation, and outcomes of industrial policy in both advanced and developing economies.

Structure: The seminar will be conducted on a paper discussion basis. A typical session starts with a (25 minutes) presentation of a published paper. This presentation is followed by a (5 minutes) comment. Finally, there will be a class discussion.

Requirements: All participants have to prepare (**in English[1]**):
- a written review of a paper from the reading list (max. 25 pages) (40% of the grading),
- a presentation of the paper in the class (as if they were the author) (40%), and
- a comment on another paper (preparing slides is useful) (10%).

In addition, we expect that all seminar participants are familiar with the paper that is discussed; active class participation is part of your grade (10%). Of course, joining all sessions is **mandatory**.

Administrative details: The seminar will take place as a "Blockseminar" probably in late November/early December 2025. Joining all sessions is mandatory. The latest submission of the written review is one month after presenting via email. Delayed submissions are not accepted. The number of participants is restricted to 28 students. For registered participants, we will give further instructions by e-mail and in a **brief meeting** probably taking place at the beginning of the semester (tentative date is October 22 at 14:00).

Contact: The best way to reach me is to send an email to nitsch@vwl.tu-darmstadt.de. If you have organizational questions, please contact Fabio Enrico Traverso: traverso@vwl.tu-darmstadt.de.

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[1] Please note that presenting and/or writing the review in other languages than English will lead to a final grade of 5, with no appeal.

Literature:

The following list offers a selection of papers. Own proposals are welcome.

Aghion, Philippe, Jing Cai, Mathias Dewatripont, Luosha Du, Ann Harrison, and Patrick Legros. 2015. "Industrial Policy and Competition," American Economic Journal: Macroeconomics. 7 (2015): 1-32. https://doi.org/10.1257/mac.20120103

Austin, Benjamin, Edward Glaeser, and Lawrence Summers. 2018. "Saving the Heartland: Place-Based Policies in 21st Century America." Brookings Papers on Economic Activity. Spring: 151-232.

Beason, Richard, and David E. Weinstein. 1996. "Growth, Economies of Scale, and Targeting in Japan (1955–1990)," Review of Economics and Statistics. 78 (May): 286-295. https://doi.org/10.2307/2109930

Becker, Sascha O., Peter H. Egger, and Maximilian von Ehrlich. 2010. "Going NUTS: The Effect of EU Structural Funds on Regional Performance," Journal of Public Economics. 94 (October): 578-590. https://doi.org/10.1016/j.jpubeco.2010.06.006

Blonigen, Bruce A. 2016. "Industrial Policy and Downstream Export Performance," Economic Journal. 126 (September): 1635-1659. https://doi.org/10.1111/ecoj.12223

Bloom, Nicholas, Chad Jones, John Van Reenen, and Michael Webb. 2020. "Are Ideas Getting Harder to Find?," American Economic Review. 110 (April): 1104-1144. https://doi.org/10.1257/aer.20180338

Criscuolo, Chiara, Ralf Martin, Henry G. Overman, and John Van Reenen. 2019. "Some Causal Effects of an Industrial Policy," American Economic Review. 109 (January): 48-85. https://doi.org/10.1257/aer.20160034

Goldberg, Pinelopi, Réka Juhász, Nathan Lane, Giulia Lo Forte, and Jeff Thurk. 2024. "Industrial Policy in the Global Semiconductor Sector." National Bureau of Economic Research Working Paper Series #32651.

Hanlon, W. Walker. 2020. "The Persistent Effect of Temporary Input Cost Advantages in Shipbuilding, 1850 to 1911," Journal of the European Economic Association. 18 (December): 3173–3209. https://doi.org/10.1093/jeea/jvz067

Juhász, Réka. 2018. "Temporary Protection and Technology Adoption: Evidence from the Napoleonic Blockade," American Economic Review. 108 (November): 3339-76. https://doi.org/10.1257/aer.20151730

Juhász, Réka, Nathan Lane, Emily Oehlsen, and Verónica C. Pérez. 2022. "The Who, What, When, and How of Industrial Policy: A Text-Based Approach," National Bureau of Economic Research Working Paper Series #33895. https://doi.org/10.31235/OSF.IO/UYXH9.

Juhász, Réka, Shogo Sakabe, and David Weinstein. 2024. "Codification, Technology Absorption, and the Globalization of the Industrial Revolution," National Bureau of Economic Research Working Paper Series #32667.

Juhász, Réka, Mara P. Squicciarini, and Nico Voigtländer. 2024. "Technology Adoption and Productivity Growth: Evidence from Industrialization in France," Journal of Political Economy. 132 (October): 3215-3259. https://doi.org/10.1086/730205

Kalyani, Aakash, Nicholas Bloom, Tarek Hasan, Josh Lerner, Marcela Mello, and Ahmed Tahoun. 2025. "The Diffusion of New Technologies," Quarterly Journal of Economics. 140 (May): 1299-1365. https://doi.org/10.1093/qje/qjaf002

Lane, Nathan. 2025. "Manufacturing Revolutions: Industrial Policy and Industrialization in South Korea," Quarterly Journal of Economics. 140 (November): 1683-1741. https://doi.org/10.31235/osf.io/6tqax

Manelici, Isabela and Smaranda Pantea. 2021. "Industrial Policy at Work: Evidence from Romania's Income Tax Break for Workers in IT," <u>European Economic Review</u>. 133: 103674. https://doi.org/10.1016/j.euroecorev.2021.103674.

Myers, Kyle R. and Lauren Lanahan. 2022. "Estimating Spillovers from Publicly Funded R&D: Evidence from the US Department of Energy," <u>American Economic Review</u>. 112 (July): 2393-2423. https://doi.org/10.1257/aer.20210678