



SCHOOL OF ECONOMICS
SUPPLEMENTARY ASSESSMENT 2019
APK CAMPUS

Course: INDUSTRIAL POLICY: INSTRUMENTS, DESIGN, IMPLEMENTATION

Course code: IDI9X01

Assessors: Dr L. Monaco

Marks: 40

External Moderator: Dr. L. Takala-Greenish

Time: 3 hours

Internal Moderator: Prof. S. Ashman

Instructions:

1. Answer 4 of the following questions (2 on theoretical issues from section A, 2 on applied topics from section B, of your choice)
 2. Each question carries equal marks (10)
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A) Theoretical Issues in Industrial Policy

- 1) *Developing countries need structural change. However, nature, direction and pace of such a change will affect developmental outcomes.* Critically discuss, providing examples.
- 2) *Comparative advantage is a guideline, the more you deviate, the higher the cost.* (Chang and Lin, 2009). Discuss, expressing your view on whether late developers should comply with or defy their comparative advantage. Provide examples.
- 3) *Today, developing countries wishing to industrialise face both internal and external constraints to their policy space.* Illustrate a few, and critically assess them.
- 4) *The design of a sound industrial policy depends on the selection of targets, which must be clear, realistic, and measurable. Otherwise, likely outcomes might involve implementation failures and/or monitoring & evaluation issues.* Engage with the statement, building on examples.
- 5) *Facing a shrinking policy space, late industrialisers must be creative and draw on a wider set of direct and indirect industrial policy instruments.* Elaborate on this statement, citing examples.

B) Applied Topics

- 1) *Africa's active participation in the 4th industrial revolution will strongly depend on skills development, technological education and digital access.* Critically engage with the existing debate, supporting your arguments with examples.
- 2) *In many African countries, local industrial development and successful transformation are hampered by significant barriers to entry, which make markets non-competitive.* Discuss, building on at least one case study/example.
- 3) What is the ideal role of Development Finance Institutions (DFIs), and what are the main challenges they face? Refer to a specific context and/or actor where appropriate.
- 4) *Vertical integration within GVCs cannot be successful without horizontal integration and the benefits of local development.* Discuss, building on examples.
- 5) *Sustainable industrial development will not occur without a serious consideration of its environmental impact and a proactive green innovation. However, this will involve a re-assessment of both production and consumption patterns.* Focus on one example (policy or case study) and discuss its implications.

END OF PAPER

Approved and signed on 29th April 2019 by Lotta Takala-Greenish.

Lotta Takala-Greenish