

## Course Syllabus

Course	The Law and Economics of State Aid
Lecturer(s)	Prof. Phedon Nicolaides
Course Description	<p>The course examines</p> <ol style="list-style-type: none"> <li>1) the framework for state aid control in the EU,</li> <li>2) the concept of state aid,</li> <li>3) the economic reasons which may justify the granting of state aid,</li> <li>4) the general principles for assessing the compatibility of state aid with the internal market, and</li> <li>5) the application of state aid rules to two important sectors of the economy [services of general economic interest and financial institutions].</li> </ol>
Primary References and Additional Materials	<p>Articles 107-109 of the Treaty on the Functioning of the European Union.  <a href="https://ec.europa.eu/competition/state_aid/legislation/provisions.html">https://ec.europa.eu/competition/state_aid/legislation/provisions.html</a></p> <p>European Commission, Notice on the Notion of State Aid, OJ 262, 19/7/2016.  <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2016.262.01.0001.01.ENG&amp;toc=OJ:C:2016:262:TOC">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.C_.2016.262.01.0001.01.ENG&amp;toc=OJ:C:2016:262:TOC</a></p>
Course Objectives	<p>Students will learn</p> <ol style="list-style-type: none"> <li>1) the criteria for determining whether a public measure constitutes state aid,</li> <li>2) the likely economic impact of state aid,</li> <li>3) when and how state aid may be considered compatible with the internal market,</li> <li>4) how state aid rules are applied, with reference to two important sectors.</li> </ol>
Prerequisite(s)	Knowledge of EU competition rules.
Teaching Method(s)	Lectures and in-class exercises.
Assessment Method(s) and Grading Policy	Written exam [essay type].

EXTENDED COURSE PLAN & REFERENCES		
<i>*Lecture Duration:3 hours</i>		
Lecture 1	<i>Topic</i>	Principles  EU system of state aid control: Rationale, structure & main actors [1 hr] Concept of state aid [1hr] Exercise on the concept of state aid [1 hr]
	<i>References</i>	European Commission, Notice on the Notion of State Aid, OJ 262, 19/7/2016.
Lecture 2	<i>Topic</i>	Determining the need for state intervention and identifying advantage in the financial transactions of the state  Concept of market economy investor [1 hr] Exercise on the market economy investor [1 hr] The economics of state aid [1 hr]
	<i>References</i>	P. Nicolaidis, A More Economic Approach to the Control of State Aid, in B. Nascimbene, A. Di Pascale (eds.), <i>The Modernization of State Aid for Economic and Social Development</i> , Springer, 2018.
Lecture 3	<i>Topic</i>	Conditions for exemption of state aid (compatibility with the internal market), main instruments of state aid & special sectors  Principles of compatibility of state aid with the internal market [1 hr]  The concept of de minimis aid (Regulation 1407/2013) [30 min] The General Block Exemption Regulation (Regulation 651/2014) [30 min]  The special character of services of general economic interest [1 hr] State aid rules and the banking sector [1 hr]
	<i>References</i>	De minimis Regulation [Regulation 1407/2013] <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2013.352.01.0001.01.ENG">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2013.352.01.0001.01.ENG</a>  General Block Exemption Regulation [Regulation 651/2014] <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:02014R0651-20170710</a>  Commission Guidelines on State Aid to Banks, 2013 <a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013XC0730(01)">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52013XC0730(01)</a>  SGEI Package, 2012 <a href="https://ec.europa.eu/competition/state_aid/legislation/sgei.html">https://ec.europa.eu/competition/state_aid/legislation/sgei.html</a>