

Innovation, Competition and Technical Progress
Prof. Leonardo Burlamaqui

Presentation and Objectives:

This course investigates the forces that drive the continuous reinvention of capitalism: innovation, competition, and structural change. Drawing on the evolutionary perspective inspired by Schumpeter, we will analyze how new technologies are generated, diffused, and transform entire sectors; how firms compete, formulate strategies, and build (or lose) leadership positions; and how the State acts—sometimes governing, sometimes stimulating, sometimes constraining—this restless dynamic.

More than abstract theory, the course connects classic debates with concrete transformations: from the rise of corporate laboratories such as Bell Labs, to the role of industrial giants like Intel and Samsung, and finally to global digital platforms such as Google, Amazon, and entrepreneurial ecosystems such as Huawei — symbols, at the same time, of contemporary capitalism and of 'socialism with Schumpeterian characteristics'.

The central goal is to provide students with a robust analytical toolkit to understand the interdependencies between innovation, finance, competition, and public policy. The Schumpeterian evolutionary perspective will be presented not only as a conceptual framework but also as a critical lens to evaluate business strategies, innovation and competitiveness policies, and their social and geopolitical impacts.

By the end of the course, students are expected to be able to:

- Analyze the mechanisms of structural change;
- Evaluate public policies and strategic decisions based on theoretical foundations and empirical evidence;
- Formulate and argue professional-level proposals, including justifications for their adoption in medium- and high-level management contexts;

- Reflect critically on the dilemmas of contemporary capitalism: inequality, 'platform capitalism,' the green transition, and techno-geopolitical rivalries.

Evaluation:

- Class participation;
- One written exam (P);
- One final paper (T), 2,000–2,500 words, on a topic agreed with the professor and related to the program;
- A final exam will only be required in exceptional cases.

Observations:

- Cell phones must remain switched off during class (use permitted only for photographing slides).
- Texts and lectures are complementary, not substitutes.
- At the end of each class, time will be reserved for debate, questions, and critical comments.

Program:

Unit 1 – The Evolutionary Perspective in Economic Theory

- Schumpeter and the evolutionary vision: credit, innovation, competition, and structural change.
- The paradigm of creative destruction.
- Innovation, competition, costs, prices, and profits: an introduction.
- Technology and technological revolutions: basic concepts.
- Case study: the Second Technological Revolution and its long-term impacts.

Unit 2 – Schumpeterian Competition

- Schumpeterian competition (1): model logic and implications – creative destruction versus 'perfect competition.'
- Schumpeterian competition (2): innovation diffusion and limits to expansion – theory and cases.

- Schumpeterian competition (3): building and eroding business leadership – empirical evidence.

Unit 3 – Schumpeterian Competition and Business Dynamics

- Schumpeter's model of corporate capitalism and its developments: Chandler & Penrose. Illustration: Bell Labs.
- Creating and sustaining profits: resources and dynamic capabilities. Illustrations: Samsung and Apple.
- Beyond corporate capitalism? Business ecosystems and digital platforms as new business models: competitive impact, political and geopolitical implications. Illustrations: Google, Amazon, Huawei, and the advance of Artificial Intelligence.

Unit 4 – State, Institutions, Innovation and Public Policies

- State, innovation and institutions (1): knowledge governance from a Schumpeterian perspective; risks of monopoly in new digital platforms.
- State and innovation (2): Schumpeter, the entrepreneurial state and the neo-Schumpeterian contribution — national systems of innovation.
- State and innovation (3): the U.S. and the 'National Security State.'
- State and innovation (4): China and the 'entrepreneurial state on Steroids'.

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Revistas: The Economist, Wired.

Periódicos:

Harvard Business Review (Harvard)

California Management Review (Berkeley)

Sloan Review (MIT)

Journal of Evolutionary Economics (International J.A. Schumpeter Society)

Industrial and Corporate Change

Journal of Economic Issues

Strategic Management Journal