associação nacional de centros de pós graduação em economia

EXAME NACIONAL DE SELEÇÃO 2021

PROVA DE INGLÊS

2º Dia: 22/10/2020 – QUINTA-FEIRA
HORÁRIO: 10h30m às 12h30m (horário de Brasília)

anpec
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INSTRUÇÕES

1. Esta **PROVA** é constituída de **quinze** questões objetivas.
2. Recomenda-se não marcar ao acaso: cada item cuja resposta divirja do gabarito oficial acarretará a perda de $\frac{1}{n}$ ponto, em que n é o número de itens da questão a que pertença o item, conforme consta no Manual do Candidato.
3. Durante as provas, o(a) candidato(a) não deverá levantar-se ou comunicar-se com outras pessoas.
4. A duração da prova é de **duas horas**.
5. Durante a realização das provas **não** é permitida a utilização de calculadora, qualquer material de consulta ou equipamentos eletrônicos além do utilizado para realização das provas.
6. Durante a realização das provas somente será permitida a saída do candidato após a autorização, por meio do *chat online*, do fiscal de prova.
7. O candidato só poderá desconectar-se, após o término da prova de cada disciplina.
8. Se a conexão cair, o candidato deve reiniciar a máquina. Caso a conexão não volte após o reinício da máquina, o candidato deve rotear a internet/wi-Fi de alguma pessoa próxima ou entrar em contato com o suporte técnico, cujo contato está no Comprovante de Inscrição.
9. A desobediência a qualquer uma das recomendações constantes nas presentes Instruções poderá implicar a anulação das provas do(a) candidato(a). A desobediência ao fiscal de prova também poderá implicar a anulação da prova do(a) candidato(a).

AGENDA

- 26/10/2020 – 14 horas – Divulgação dos gabaritos das provas objetivas, no endereço: **http://www.anpec.org.br.**
- 26/10 a 27/10/2020 – Recursos identificados pelo autor serão aceitos até às 14h do dia 27/10 do corrente ano. Não serão aceitos recursos fora do padrão apresentado no Manual do Candidato.
- 16/11/2020 – 14 horas – Divulgação do resultado na Internet, no *site* acima citado.

OBSERVAÇÕES:

- Em nenhuma hipótese a ANPEC informará resultado por telefone.
-
- Nas questões de **1** a **15,** marque, de acordo com o comando de cada uma delas: itens **VERDADEIROS,** marque **V**; itens **FALSOS,** marque **F**; ou deixe a resposta **EM BRANCO (SEM MARCAR)**.

Based on your interpretation of the texts that follow, determine if each statement is true of false.

Patient Finance for Innovation-Driven Growth

Professor Mariana Mazzucato
Director of UCL Institute for Innovation and Public Purpose

Laurie MacFarlane
Research Associate, UCL Institute for Innovation and Public Purpose

The challenge of smart, inclusive and sustainable growth

Tackling societal challenges, from climate change to improving public health and adjusting to demographic changes, require steering investments and innovation towards achieving concrete targets, such as those outlined in the Sustainable Development Goals. Technological, organisational and institutional innovations are key in this process. And because innovation has not only a rate but also a direction, this ‘directionality’ helps determine the degree to which innovation outcomes lead to more inclusive and sustainable growth.

The research of the Institute for Innovation and Public Purpose (IIPP) on “mission-driven” innovation has provided thought leadership on how both innovation and industrial policy can help achieve concrete challenge led goals. Missions require cross-sectoral and cross-actor investments, and bottom up experimentation. In the UK, IIPP has set up a Commission for Mission-Oriented Industrial Strategy (MOIIS) to help transform challenges set out by the government (clean growth, mobility, data economy, and ageing society) into missions, and our European Commission report, Mission-Oriented Research and Innovation in the European Union, focuses on how to use the Commission’s FP9 budget for research, science and innovation to tackle targets like plastic free oceans, carbon neutral cities, and decreasing the burden of dementia (Mazzucato, 2018).

Missions must be bold and inspirational, addressing societal priorities that are set through political leadership but determined more horizontally through multiple stakeholder engagement. They must inspire and reward investments across different types of actors (public, private, and third sector) and especially across different sectors in both manufacturing and services. They must also nurture different forms of bottom up experimentation that lead to different types of solutions.

A mission-oriented approach is not easy. It requires rethinking the policy tool kit which is often wed to just fixing market failures and ‘levelling the playing field’. Rather than just ‘fixing’ what is required in a mission-oriented approach is a more active co-creation of markets framework, and rather than levelling what is required is actively tilting the playing field in dynamic ways that reward and assist those organisations willing to engage in new forms of collaborations to tackle difficult missions. Not picking winners but picking the willing. Not just de-risking but sharing risks and rewards.

Missions thus raise as many questions as they answer. Who chooses the missions and how can diverse stakeholders be engaged throughout? What sort of administrative structures and capabilities are required for governing missions? How can a delicate balance be struck between directing innovation policy towards societal goals, while also fostering bottom up exploration and experimentation which keep open multiple pathways? How can missions be evaluated using new public value metrics that go beyond static costbenefit framework? What sort of financing requirements does mission-oriented innovation-led growth require?

In this policy brief we focus on the issue of financing missions, while also touching on some of the other questions above. We will be addressing more directly the issue of stakeholder engagement, public value, and policy capacity in two forthcoming IIPP policy briefs.

Strategic mission-oriented finance

Access to finance is essential for firms looking to grow and innovate. But simply increasing the availability of finance will not on its own improve economic performance. What matters is not just the quantity of available finance, but the quality of finance. This is because finance is not neutral; the type of finance available can affect both the investments made and the type of activity that occurs (Mazzucato and Semieniuk, 2017). Because innovation is highly uncertain, has long lead times, is collective and cumulative, innovation requires not just any type of finance but patient strategic committed finance (Lazonick and Mazzucato, 2013). Short-termism and risk-aversion means that the private sector will often not invest in higher-risk areas until future returns become more certain. And if financial institutions, like venture capital, are too short-termist and exit-driven, they can lead to problems in sectors, as those faced by the biotechnology industry (Pisano, 2006; Lazonick and Tulum, 2011).

Early-stage public investment helps to create and shape new markets and nurture new landscapes which the private sector can develop further. In other words, it can – if structured well – lead to a dynamic ‘crowding in’ effect. Indeed, from advances such as the internet and microchips to biotechnology and nanotechnology, many major technological breakthroughs – in both basic research and downstream commercialisation – were only made possible by direct public investment willing and able to take risks before the private sector was willing to (Mazzucato, 2013).

A key lesson is that financial instruments can provide an ‘investor of first resort’ role that implies moving beyond fixing market failures towards one of actively co-shaping and co-creating new landscapes (Mazzucato, 2016). Understanding how this was done – what works, what does not – requires learning from international experiences with financial institutions willing to provide strategic long-term finance. This has taken different institutional forms, from public venture capital funds, such as Yozma in Israel, to public banks like the KfW in Germany or the multilateral banks including the European Investment Bank. It has also required new forms of financial regulations (Kattel et al, 2016; Campiglio et al, 2018).

In many countries patient strategic finance is increasingly coming from state investment banks. We focus on this particular type of institution, and consider its role within a mission oriented setting.

State investment banks as a source of patient strategic finance

State investment banks have their historical roots in the reconstruction plans for Europe following the Second World War. While the traditional functions of state investment banks were in infrastructure investment and counter-cyclical lending, some have more recently become key domestic and global actors driving economic growth and innovation, often focusing on tackling modern societal challenges (Mazzucato and Penna, 2015; 2016).

In two new IIPP working papers, IIPP Director Professor Mariana Mazzucato and Research Associate Laurie Macfarlane compare the activities of eight state investment banks from different countries and regions and analyse the role they play in their respective economies. Different design features are examined, and lessons are used to reflect on how state investment banks can be designed to address the challenges and opportunities of mission-oriented policy (Mazzucato and Macfarlane, 2017, 2018). A summary of the lessons from the research and are summarised in the next section.

This research, along with IIPP's work on patient finance and mission-oriented innovation, has been used to inform the design of the new Scottish National Investment Bank, which is due to become operational in 2020. As Brexit creates new economic challenges, including the potential loss of access to the European Investment Bank, what key lessons can be drawn for policymakers across the rest of the UK?

International lessons for mission-oriented state investment banks

Mandate and mission

The overarching mandate is critical to the role that state investment banks play in their economies. Mandates are often set out in law or in Articles of Association, and often change and evolve over time. There is a notable contrast between banks that are 'mission driven', with activities being driven by a desire to solve big societal problems, and those which are focused on more static outcomes such as 'competitiveness' or serving particular sectors. By focusing finance on missions that need cross sectoral collaborations, the role of the banks is less open to 'capture' by specific business interests, and less susceptible to the related 'picking winners' problem. An exciting area for future work relates to how the definition of missions can be opened up to a wider group of stakeholders across civil society.

Different economic roles

Most state investment banks play a capital development and countercyclical role, however in recent years some have gone further and are now playing key venture capitalist and mission-oriented roles. By placing state investment banks at the centre of the investment process, countries like Germany and China as well as the European Union have taken centre stage in confronting the key social and environmental challenges of the 21st century. By steering the path of innovation towards overcoming key challenges, these banks are not just fixing 'market failures'; they are actively creating and shaping markets and enabling activity that otherwise would not take place. How state investment banks can optimally interact with other public agencies to drive innovation and contribute to the kind of 'networked entrepreneurial state' that has been responsible for many great technological breakthroughs, is a rich area for further study.

Investment activity

The investment activities of state investment banks vary between countries according to the bank's mandate, socio-economic circumstances and the stage of development. In the UK, a mission-led state investment bank could provide additionality by catalysing activity that otherwise would not happen. Investment activities would be guided by specific challenges, rather than an ex-ante desire to serve any specific sector. This could most effectively be achieved by placing a state investment bank at the centre of the investment process, nurturing knowledge and expertise and coordinating other stakeholders in the investment ecosystem. Some state investment banks have been criticised on the basis of 'picking winners', 'crowding out' or funding large incumbent companies. Indeed, crowding out can occur precisely when state investment banks are not causing additionality: making things happen that would not have happened anyway. And focussing loans on firms of a specific size (e.g. SMEs) or in a specific sector can lead to handouts that do not result in higher business investment. By focusing on providing patient strategic finance to organisations willing to engage with challenging problems (missions), a 'picking the willing' framework can replace the problematic picking winners one.

But it is also true that capturing the crowding in process requires monitoring and evaluation frameworks which adequately capture the dynamic spillovers created by mission-oriented investments and the additionality generated by these institutions. As a result, new monitoring and evaluation frameworks may be required in order to assess their performance.

Governance

Governance arrangements are vital to the success and legitimacy of state investment banks. Achieving the right balance between political representation and independent decision making is a key challenge. It is important that management teams are free of day-to-day political interference to make independent, long-term decisions; such capacity for autonomous decision-making has historically been key for successful 'innovation bureaucracies' (Karo and Kattel 2018). While political representation can help to maintain alignment with government policy and maintain a path of democratic accountability, steps should be taken to prevent undue political interference or capture by interest groups. The experience of some state investment banks such as the German KfW indicates that including a wider range of stakeholders can be beneficial.

Sources of finance

There are many different ways that state investment banks finance their operations, including taking savings and deposits from the public, raising funds in the domestic or international capital markets, borrowing from other financial institutions, using return on investments, receiving budget allocations from the national treasury, managing public pension or social security funds, or receiving financing from the central bank. There is evidence that sources of finance can have an impact on the ability of state investment banks to successfully meet their mandates. If a source of finance proves to be volatile or unstable, then it can impair the ability of the bank to fulfil its mandate. An important consideration is whether different sources of finance affect a bank's appetite for risk.

[…]

Source: Institute for Innovation and Public Purpose; IIPP Policy Brief (updated April 2019)

QUESTION 01

According to the text:

⓪ Steering investment and innovation are imperative to tackle societal challenges;

① Innovation is a necessaire tool to achieve social development;

② Mission orientated institutions help to tackle targets;

③ Public and private sectors are both essential to define the mission;

④ Missions should support bottom-up actions in order to achieve multiple solutions.

QUESTION 02

We understand from the text:

⓪ Institutions that repair market failures are the required instrument to implement a mission orientated approach;

① Institutions must not interfere in the market dynamics;

② The private sector must share the innovation risk with the public sector;

③ A mission-oriented strategy is not apparent;

④ Those who choose the missions are easily defined.

QUESTION 03

According to the text, finance is:

⓪ essential for the mission orientated process;

① able to influence the investment as well as the project it occurs;

② easily utilised in innovation projects;

③ neutral;

④ naturally fitted for long term projects.

QUESTION 04

The text argues that:

⓪ Public investment is vital to create and shape new markets;

① Financial instruments can not move beyond fixing market failures;

② Financial instruments can make the investor in someone that will co-shape and co-create new landscapes;

③ There are not many examples of international financial institutions;

④ It is required new forms of financial regulation.

QUESTION 05

We can infer from the text:

⓪ Strategic finance is increasingly coming from State investment banks;

① State investment banks were powerful for Europe reconstruction plans following the Second World War;

② State investment banks never invested in infrastructure projects;

③ State investment banks never acted counter-cyclically;

④ There are many State investment banks in operation throughout the world.

QUESTION 06

According to the text:

⓪ Mandates are not essential for the success of State investment banks;

① Mandates are usually set out in law or Articles of Association;

② Mandates evolve over time

③ Banks that focus on missions that need cross-sectoral collaborations are more open to being 'capture' by specific business interests;

④ Banks that focus on missions that need cross-sectoral collaborations are more susceptible to the 'picking winners' problem;

QUESTION 07

We understand from the text:

⓪ State investment banks never work as a mission-oriented institution;

① By placing State investment banks at the centre of the investment process, some countries are not confronting the critical social and environmental challenges of the 21st century;

② State investment banks can not fix 'market failures';

③ State investment banks can actively create and shape markets;

④ State investment banks can not enable activity that otherwise would not take place.

QUESTION 08

The following conclusion can be drawn from the text:

⓪ The investment activities of State investment banks are equal between countries;

① State investment bank's mandate, socio-economic circumstances and the stage of development impact its activities;

② Governance arrangements affect the success of State investment banks;

③ Governance arrangements are vital to the legitimacy of State investment banks;

④ Achieving the right balance between political representation and independent decision making is not a fundamental challenge for State investment bank.

QUESTION 09

According to the text, there are many different ways that state investment banks finance their operations, including:

⓪ deposits from the public;

① capital markets;

② services;

③ receiving budget allocations from the national treasury;

④ receiving financing from the central bank.

Printing money is valid response to coronavirus crisis

Quantitative easing programmes may be here for the long term

Financial Times Editorial Board
APRIL 6 2020
https://www.ft.com/content/fd1d35c4-7804-11ea-9840-1b8019d9a987

The British government has never paid off the £1,200,000 loan that created the Bank of England in 1694. In exchange it gave the merchants who provided the money the exclusive right to print banknotes against this debt, giving birth to the central bank and much of the architecture behind the world's financial system. Today, as policymakers promise to do "whatever it takes" to prop up their economies in the face of coronavirus, central banks are facing calls to print money to finance government spending directly.

In times of emergency, particularly war, central banks have often handed freshly printed banknotes to governments. The fight against resultant inflation was postponed until after any crisis. Despite the pandemic, the world is not yet in that position today. There is no need, for now, to relax the framework of independent, inflation-targeting central banking. Yet this kind of monetary financing should be a tool available to policymakers, if needed.

Without limits, allowing a government to finance itself by creating money can lead to hyperinflation. But these risks can be manageable: the quantitative easing of the past decade, despite predictions, has not lifted inflation above the main central banks' 2 per cent targets. The money pumped into rich-world economies has been met by increased demand, perhaps permanently, for precautionary saving.

There is no clear distinction between quantitative easing and monetary financing. Central bankers say asset purchases under QE are temporary, meaning the newly-created money will one day be removed from the economy. But it is hard to bind the hands of their successors, who could one day make them permanent. Either way, the effect is to lower the cost of government borrowing. Buying the bonds only after they have been sold to private investors still frees up funds for new issues.

Recent QE programmes, in fact, look increasingly likely to become permanent. Central bankers were unable to complete a much-discussed programme of "normalising" monetary policy between the financial crisis and today's crash. They are not going to be able to do so any time soon. The scale of previous schemes means the Bank of Japan — which holds government bonds worth more than 100 per cent of Japanese national income — may never be able fully to unwind its purchases.

The difference between QE and direct monetary financing is mostly one of presentation: whether asset purchases are deemed temporary or permanent. This matters: credibility and messaging are important features of central banking. An opinion article this week by Andrew Bailey, the Bank of England governor, that ruled out monetary financing may have been largely conceived to convince international investors that there is little reason to fear keeping funds in sterling.

If trends restraining inflation go into reverse, central bankers have tools to combat rising prices, whether through raising interest rates or unwinding QE. The present crisis may even be deflationary and central banks' targets are, with the exception of the European Central Bank, symmetric in promising to tackle inflation that is both below and above their stated goal.

The scale of today's downturn means even the most direct monetary financing, such as "helicopter money", or handing cash to the public, should remain an option. This will require co-ordination with democratically elected officials, who are responsible for the public finances. The debate should not be over whether monetary financing can happen — in QE, it already is — but over keeping the process under control via independent central banks.

QUESTION 10

The text lets us know that the British government:

⓪ has paid off the loan that created the Bank of England;

① gave the merchants who provided the money for the creation of the Bank of England the exclusive right to print banknotes;

② created the Bank of England in 1694;

③ has nothing to do with the creation of the architecture behind the world's financial system;

④ gave birth to the concept of central banks.

QUESTION 11

According to the text:

⓪ Policymakers and central banks are currently facing demands to print money to finance government spending;

① Central banks never print money in times of emergency, not even at wars;

② When central banks print money, no matter how big the crisis is, the fight against the resultant inflation is immediate;

③ The world is in a situation nowadays to print money;

④ There is a need to relax the framework of independent, inflation-targeting central banking.

QUESTION 12

From the text we can infer that:

⓪ Allowing a government to fund itself by creating money can lead to hyperinflation;
① It is impossible to manage the risk of hyperinflation;
② The quantitative easing of the past decade has not lifted inflation above the main central banks' targets;
③ The cash drained into the economies has not been met by increased demand;
④ There is a clear difference between quantitative easing and monetary financing.

QUESTION 13

According to the text:

⓪ It is most likely that current quantitative easing programmes will come to an end;
① Central bankers were capable of completing a programme of "normalising" monetary policy;
② Central bankers will normalise monetary policy very soon.;
③ Central bankers have tools to combat inflation;
④ Interest rates and quantitative easing are tools for the central bank.

QUESTION 14

From the text:

⓪ The difference between quantitative easing and direct monetary financing is mostly one of presentation;
① Quantitative easing is considered ephemeral;
② Monetary financing is considered ephemeral;
③ Credibility is essential characteristics of central banking;
④ Prices are stable and there is no chance they will increase any time soon.

QUESTION 15

We infer from the text that:

⓪ The current crisis is most likely inflationary;

① Monetary financing should remain an option;

② The scale of the economic crisis is still unknown;

③ It is imperative the co-ordination between central bankers and elected officials;

④ Central banks should not remain independents.