

12C008

6 ECTS

## Economics of Competition Policy

### Overview and Objectives

This course aims to give students an introduction to the economics of competition (or “antitrust”) law and policy. We shall mainly use extremely simple economics concepts and economic models to analyze important competition policy issues, such as collusion, mergers, and exclusionary practices. The material we are going to deal with makes use of elementary game theory and simple oligopoly models, which should be familiar to all students. Although detailed analysis of competition cases will be the object of a separate course, we shall stress references to cases and policy implications.

### Course Outline

1. 1. What is Competition Policy? An introduction
  - a. History, law, and objectives of competition policy
  - b. Market power and welfare
  - c. Measurement issues: market definition and market power
2. Horizontal agreements, collusion and enforcement of cartel laws
  - a. Cartels: Economics of collusion; policy; a case: Woodpulp
  - b. Horizontal agreements: Joint-ventures; Cross-licensing; Patent pools
3. Horizontal Mergers
  - a. Single-firm dominance (unilateral effects); Efficiency gains
  - b. Upward Pricing pressure; effects of mergers on investments
  - c. Joint dominance (coordinated - effects)
  - d. EU Merger control experience; remedies
  - e. Recent mobile merger cases
4. Vertical agreements
  - a. Different types of vertical restraints
  - b. Intra-brand competition: double marginalisation and free-rider problem
  - c. Inter-brand competition
  - d. Exclusive dealing
  - e. Policy implications
  - f. Vertical mergers
5. Price discrimination
6. Exclusionary practices
  - a. Predatory pricing
  - b. Loyalty discounts, rebates
  - c. Excessive pricing
  - d. Margin squeeze
  - e. Tying and bundling
  - f. Refusal to deal

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### Required Activities

To be determined by the professors

### Evaluation

Final exam

### Materials

Motta, M. (2004), Competition Policy. Theory and Practice, Cambridge University Press, Cambridge, MA..

O'Donoghue, R. and Padilla, A.J.. (2006), The Law and Economics of Article 82 EC, Hart Publishing, Oxford.