

Competition policy and market regulation

UGRA_016570

Departments	Department of Economics, Finance & Accounting
Teaching Languages	English
ECTS	5
Teacher responsible	Gianandrea Staffiero - gianandrea.staffiero@esade.edu

Course Goals

Knowledge of how the regulatory environment affects the threats and opportunities firms face in different kinds of markets.

Understand the theoretical foundations of competition policy and market regulation.

Analyze the role of government and regulatory agencies in protecting and fostering market competition.

Critically examine case studies of competition law enforcement and market regulation.

Previous knowledge

The course is self-contained. Some basic knowledge of microeconomics would help, but willingness to learn (and to ask for help when needed) is more important.

Prerequisites

No specific prerequisites.

Recommended courses

Attendance to specific courses is not required. Knowledge of microeconomics is an useful complement to what we learn during the course (which can also be seen as a different way to present microeconomic models).

Teaching methodology

The methodology used in class includes:

- 1) Lectures delivered using power-point slides, with references to textbooks and additional sources. Constant, active participation from students is expected. Participation will be assessed and it is part of the grading.
- 2) Presentations and discussions on competition cases: students will analyze real-life competition cases, showing how students apply the knowledge acquired during the course.
- 3) Modelling exercises. These will help students to familiarize with the use of microeconomic models to describe how firms compete and how regulators may affect outcomes to consumers.

Description

Course contribution to program

Competition and Market Regulation is a course that help students to understand the rationale of policy and regulatory interventions.

Since Adam Smith's seminal work, economists and other social scientists have been thinking about the conditions needed to ensure that markets contribute to enhance the overall welfare of our societies – the "total surplus", in the language of economics.

With this course, students will become familiar with the concrete problems and dilemmas that competition authorities and regulators face. In turn, they will also learn in which circumstances firms get real opportunities incentives to innovate and compete or, on the contrary, are hindered by entry barriers, flawed regulations and abusive conduct.

Short description

This course explores the principles, policies, and practices of competition and markets regulation.

It examines how governments and regulatory bodies foster market competition and improve outcomes to consumers and innovative firms.

Students will learn how competition policy and regulatory environments affect incentives to firm and their opportunities to thrive in their markets.

We'll use microeconomic modelling and explore competition cases and regulatory interventions.

Bibliography

Massimo Motta, Competition Policy. Theory and Practice, Cambridge University Press (Book)

Xavier Vives, Gianandrea Staffiero, Horizontal, vertical and conglomerate effects: the GE–Honeywell merger in the EU, Cambridge University Press (Book Chapter)

Jeffrey R Church, Roger Ware, Industrial Organization: A Strategic Approach, McGraw-Hill (Book)

Activities

In-class discussions and debates

Students will engage in discussions on the topics we explore during the course.

Group presentations

Students will present their analyses of some specific issues or cases, with important insights regarding competition policy and regulation.

Case study analyses

We will select some case studies that will give to each student the opportunity to apply the

knowledge and techniques acquired during the course.

Content

#	Topic
1	The role of competition policy Competition and welfare, market power, oligopolistic competition
2	Strategic behaviour Barriers to entry, impacts of regulation, discussion of cases
3	Market definition and merger regulation Market definition, unilateral and coordinated effects of mergers, efficiency defence. Discussion of cases.
4	Prohibition of anti-competitive agreements and abuse of dominant position in the TFEU Role of the European and national competition authorities
5	Vertical relationships Impacts of vertical integration, transaction costs, double marginalisation, vertical restraints.
6	Abusive conduct Predatory pricing, tying/bundling, resale price maintenance.
7	State Aid Rationale of State Aid regulation in the EU and elsewhere. Case studies
8	Competition policy and regulation in practice. The Microsoft case, the attempted merger GE-Honeywell, other cases

Assessment

Tool	Assessment tool	Category	Weight %
In-class analysis and discussion of issues	Class participation	Retake and ordinary round	20.00%
In-class analysis and discussion of issues	Individual and group presentations	Retake and ordinary round	40.00%
Written and/or oral exams	Exam	Retake and ordinary round	40.00%

PROGRAMS

BITLASI22-Bachelor in Transformational Leadership and Social Impact (Undergraduates: Business)

BITLASI22 Year 4 (Optative)

G114-Global Governance Exchange Program (Undergraduates: Law)

G114 Year 1 (Optative)

GEL23-Bachelor of Global Governance, Economics and Legal Order (Undergraduates: Law)

GEL23 Year 2 (Optative)

GEL23 Year 1 (Optative)