

## Topics in Theoretical Industrial Organization

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The lecture material will deal with methods and topics (the selection of the specific content will be done in accordance with the audience). Both will introduce the audience to recent developments in the theoretical literature.

- Static oligopoly games and horizontal mergers
  - Cournot and Bertrand competition and their aggregative games formulation
  - Horizontal mergers in homogeneous and differentiated product markets
  - Empirical model of mergers
- Search
  - Diamond paradox
  - Sequential and non-sequential search model
  - Empirical test of search models
- Innovation, patents and antitrust
  - Persistence of monopoly and patent races
  - Antitrust in innovative industries
  - Empirical evidence on killer acquisitions
- Information acquisition and the economics of privacy
  - Experimentation
  - Organization of persuasion
  - Economics of social data

## Readings (\*=necessary for the lectures)

### Static oligopoly games and horizontal mergers

- \*Anderson, Erkal and Piccinin (2020), Aggregative Games and Oligopoly Theory: Short-run and Long-run Analysis, *Rand Journal of Economics*, 51, 470-495.
- \*Farrell and Shapiro (1990), Horizontal Mergers: An Equilibrium Analysis, *American Economic Review*, 80, 107-126.
- Nocke and Schutz (2018), Multiproduct-Firm Oligopoly: An Aggregative Games Approach, *Econometrica*, 86, 523-557.
- Nocke and Whinston (2010), Dynamic Merger Review, *Journal of Political Economy*, 118, 1201-1251.
- Nocke and Whinston (2013), Merger Policy with Merger Choice, *American Economic Review*, 103, 1006-1033.
- \*Whinston (2008), *Lectures on Antitrust Economics (Cairoli Lectures)*, MIT Press, Chapter 3.

### Search

- Anderson and Renault (1999), Pricing, Product Diversity, and Search Costs: A Bertrand-Chamberlin-Diamond Model, *RAND Journal of Economics*, 30, 719-735.
- Baye, Kovenock, and de Vries (1992), It Takes Two to Tango: Equilibria in a Model of Sales, Games and Economic Behavior, 4, 493-510.
- Burdett and Judd (1983), Equilibrium Price Dispersion, *Econometrica*, 51, 955-969.
- \*De Los Santos, Hortacsu, Wildenbeest (2012), Testing Models of Consumer Search Using Data on Web Browsing and Purchasing Behavior, *American Economic Review*, 102, 2955-2980.
- \*Diamond (1971), A Model of Price Adjustment, *Journal of Economic Theory*, 3, 156-168.
- Lach (2002), Existence and Persistence of Price Dispersion: An Empirical Analysis, *Review of Economics and Statistics*, 84, 433-444.
- \*Reinganum (1979), A Simple Model of Equilibrium Price Dispersion, *Journal of Political Economy*, 87, 851-858.
- \*Stahl (1989), Oligopolistic Pricing with Sequential Consumer Search, *American Economic Review*, 79, 700-712.
- \*Varian (1980), A Model of Sales, *American Economic Review*, 70, 651-658.
- \*Weitzman (1979), Optimal Search for The Best Alternative, *Econometrica*, 47, 641-654.
- \*Wolinsky (1986), True Monopolistic Competition as a Result of Imperfect Information, *Quarterly Journal of Economics*, 101, 493-512.

## **Innovation, patents and antitrust**

- Arrow (1962), *Economic Welfare and the Allocation of Resources for Inventions*, Princeton University Press.
- \*Cunningham, Ederer, and Ma (2021), *Killer Acquisitions*, *Journal of Political Economy*, 129, 649-702.
- Eliason (2020), *How Acquisitions Affect Firm Behavior and Performance: Evidence from the Dialysis Industry*, *Quarterly Journal of Economics*, 135, 221-267.
- \*Gilbert and Newbury (1982), *Preemptive Patenting and the Persistence of Monopoly*, *American Economic Review*, 72, 514-526.
- Gilbert and Shapiro (1990), *Optimal Patent Length and Breadth*, *RAND Journal of Economics*, 106-112.
- Hopenhayn and Squintani (forthcoming), *On the Direction of Innovation*, *Journal of Political Economy*.
- \*Reinganum (1983), *Uncertain Innovation and the Persistence of Monopoly*, *American Economic Review*, 73, 741-748.
- \*Segal and Whinston (2007), *Antitrust in Innovative Industries*, *American Economic Review*, 97, 1703-1730.
- Segal and Whinston (2010), *Property Rights*.
- Wollmann (2019), *Stealth Consolidation: Evidence from an Amendment to the Hart-Scott-Rodino Act*, *American Economic Review: Insights*, 1, 77-94.

## **Information acquisition and information transmission**

- Fainmesser, Galeotti, and Momot (2020), *Digital Privacy*.
- \*Henry and Ottaviani (2019), *Research and the Approval Process: The Organization of Persuasion*, *American Economic Review*, 109, 911-955.
- \*Bergemann, Bonatti, and Gan (2021), *The Economics of Social Data*.
- Bergemann, Bonatti, and Smolin (2019), *The Design and Price of Information*, *American Economic Review*, 108, 1-48.
- Bonatti and Cisternas (2020), *Consumer Scores and Price Discrimination*, *Review of Economic Studies*, 87, 750-791.
- Che and Horner (2018), *Recommender Systems as Mechanisms for Social Learning*, *Quarterly Journal of Economics*, 133, 871-925.
- \*Ely and Szydlowski (2020), *Moving the Goalposts*, *Journal of Political Economy*, 128, 468-506.
- Henry, Losetto, and Ottaviani (2020), *Regulation with experimentation: ex ante approval, ex post experimentation and withdrawal*.