

Empirical Industrial Organization

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This course provides an introduction to workhorse methodologies in empirical industrial organization, routinely applied by academic researchers as well as by economists working for government agencies and consulting companies. The emphasis will be on empirical applications although we will introduce each topic making references to theoretical underpinnings.¹

The techniques are introduced providing their econometric foundations and then reviewed discussing key papers that illustrate their application. Exercise sessions will involve coding effort to replicate results from papers applying the models we will review.

We will focus on two main topics: estimation of static demand models and estimation of static entry games.

Demand estimation

- Product space models
Hausman et al. (AEeS,1994).
- Characteristics space models
Berry (RAND 1995); Berry et al. (ECMA 1995), Bresnahan (JIndEc 1987); Goldberg and Verboven (ReStud 2001); Nevo (ECMA 2001).
- Valuation of new goods
Petrin (JPE 2002).

Entry models

- Homogeneous firms, complete information games
Bresnahan and Reiss (JPE 1991).
- Complete information games, endogenous product choice
Mazzeo (RAND 2002).
- Heterogeneous firms, complete information games
Berry (ECMA 1992).
- Incomplete information games
Seim (RAND 2006).

¹The standard reference for the theory behind most of the model we will learn to estimate is the book by Jean Tirole “The theory of Industrial Organization” (MIT Press).

References

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