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## **Industrial organization and Competition Law**

**Level:** Master first year M1 / first semester

**Cursus:** Economics, Data and Decision Science, and Data Science and Management of Innovation

**Teaching hours:** 24h in class (lectures)

**Teacher:** Philippe Solal

### **Overview**

The course contains a historical, institutional and theoretical presentation of certain economic issues related to competition law.

### **Skills developed**

This course will enable you to understand certain issues in competition law, in particular the control of cartel formation. You will be able to model this issue using the theory of repeated games, which is the main method for modelling the different incentives (those of firms and those of Antitrust authorities).

### **Content**

#### **Chapter 1 Introduction: Antitrust law and competition policy**

#### **Chapter 2 Brief history of the Antitrust law**

- 2.1 Antitrust law in the United-States
- 2.2 The Sherman Act
- 2.3 The Federal Trade Commission and the Antitrust Division

#### **Chapter 3 UnitedStates v. Microsoft Corporation**

- 3.1 The “new economy”
- 3.2 Description of the case
- 3.3 Monopolization, anti-competitive conduct and tying
- 3.4 Comments

#### **Chapter 4 Law and Economics**

- 4.1 The old “Law and Economics”
- 4.2 The institutionalist school and the Chicago school
- 4.3 The new “Law and Economics”

#### 4.4. From “Law and Economics” to an Economic Analysis of Law

### Chapter 5 Game-theoretic modeling issues

- 5.1 Collusion in a simple static duopoly market
- 5.2 Static versus repeated oligopoly games and their equilibria
- 5.3 Collusion in price-setting oligopoly markets
- 5.4 Imperfection observation and random demand shocks

### Chapter 6 Impact of Antitrust policies on collusion

- 6.1 Cartel formation and duration
- 6.2 Penalties and the deterrence of unlawful collusion
- 6.3 The design of penalties

### Chapter 7 Strategic interaction between the Antitrust authority and the firms

- 7.1 Leniency programs as mechanisms
- 7.2 US and European leniency programs
- 7.3 Leniency programs and cartel prosecutions

### References

*In english*

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### **Prerequisites**

Game theory course of Licence 3 and elements of industrial organization (monopoly, oligopoly, Cournot and Bertrand markets).

### **Grading**

Written exam (2 hours)