



ERSA Online Course on Empirical Industrial Organization (part II) May 2021

PURPOSE

The purpose of this course is to introduce the methods of Empirical Industrial Organization. The course will cover key economic techniques to empirically analyze competition in markets. The course will combine lectures and hands-on sessions during which real industry data sets will be used to conduct econometric estimations in R.

After the course you should be able to undertake basic quantitative analysis aimed at assessing functioning of the markets. You should also learn how to interpret and critically evaluate different empirical methods, as well as understand what the data requirements for applying various techniques are.

Part II of the course is focused on applications such as mergers, effects of entry and others.

LECTURERS

Prof Lukasz Grzybowski, University of Cape Town: lukasz.grzybowski@uct.ac.za

Dr Ryan Hawthorne, Acacia Economics: ryan@acaciaeconomics.com

Melissa Newham, KU Leuven University: melissa.newham@gmail.com

HOW TO SUBSCRIBE?

The course will take place on Zoom platform (an invite will be distributed to participants). The course is open to graduate students in economics, staff at South African universities, research institutes and other organizations involved in applied economic research. Researchers and graduate students from outside South Africa can also participate.

Students who enrolled in the first part of the course do not need to register again. New students who wish to enroll, should send an email with brief background info and motivation to: lukasz.grzybowski@uct.ac.za

Deadline for registrations is May 1, 2021

DATE AND TIME	TOPIC
<p>Wednesday 5 May 17.00 – 19.00 (Online)</p>	<p>Session 1: Market Structure and Entry Melissa Newham</p> <ul style="list-style-type: none"> • Market structure and prices • Free entry, monopoly and welfare • Market entry in the pharmaceutical industry <p><i>Readings</i></p> <p>Chapter 5 from Davis and Garces (2010) pages 230-235; 266-269</p> <p>Mankiw and Whinston (1986) Free Entry and Social Inefficiency. The RAND Journal of Economics</p> <p>Ellison and Ellison (2011). Strategic entry deterrence and the behavior of pharmaceutical incumbents prior to patent expiration. American Economic Journal: Microeconomics</p>
<p>Wednesday 12 May 17.00 – 19.00 (Online)</p>	<p>Session 2: Merger analysis Melissa Newham</p> <ul style="list-style-type: none"> • Overview of merger control • Unilateral effects • Market shares and HHI • Diversion Ratios • Upward Pricing Pressure <p><i>Readings</i></p> <p>Davis and Garces (2009) Chapter 4, Section 8.2</p> <p>Moresi (2010) “The Use of Upward Price Pressure Indices in Merger Analysis”</p>
<p>Wednesday 19 May 17.00 – 19.00 (Online)</p>	<p>Session 3: Merger analysis - Empirical tutorial in R Melissa Newham</p> <ul style="list-style-type: none"> • Interactive session using R and Google Colaboratory • Introduction to using Google Colab notebooks • Handling data in R • Calculating market shares, HHI and UPP in R
<p>Wednesday 26 May 17.00 – 19.00 (Online)</p>	<p>Session 4: Merger analysis - Empirical tutorial in R Melissa Newham</p> <ul style="list-style-type: none"> • Continuation