



Mestrado em Economia e Políticas Públicas

Regulation, Competition, and Pricing

Joana Pais

2015

- Joana Pais
Office 602
jpais@iseg.utl.pt

Outline of the course

- I. Introduction (2 lectures)
 - I. Definition and instruments of regulation
 - II. Theories of regulation
- II. Economic regulation and pricing (4 lectures)
 - I. Regulation with transfers and pricing
 - II. Regulation without transfers and pricing
 - III. Regulation under asymmetric information
- III. Competition policy (3 lectures)
 - I. Horizontal and vertical agreements, fusions, price discrimination
- IV. Case studies (3 lectures)

Assessment

- I. 60% final exam
- II. 40% case study analysis + in-class presentation

Case studies - industries that can be examined

Industry

- Electricity
- Cable tv
- Wireline/less telephone
- Trucks
- Railways
- Airlines
- Pharmaceuticals
- Internet music

Regulatory approach

- Price regulation
- Franchise auction
- Price regulation/spectrum auction
- Price regulation
- Deregulation
- Deregulation
- Patents
- Copyright

References

- The recommended textbooks are:
 - Laffont, J-J. and Tirole, J., *A Theory of Incentives in Procurement and Regulation*, 1993, MIT Press. A serious reference for theoretical issues, referred to as **LT**.
 - Motta, M., *Competition Policy. Theory and Practice*, Cambridge University Press, 2004, Cambridge, MA. On competition, referred to as **MM**.
 - Viscusi, K., Vernon, J. and Harrington, J., *Economics of Regulation and Anti-Trust*, 2000, MIT Press. A light introduction on regulation, referred to as **VVH**.
- It is at some points advisable to take a look at:
 - Tirole, J., *The Theory of Industrial Organization*, 1988, MIT Press.
- And at a series of seminal papers given as we proceed

Other

- No classes on March 19 and March 26.