Industrial Economics: Competition Policy (M1), 18 hours
Instructor: Lorenzo Cassi

The course focuses on the foundational aspects of **competition policy** within the broader context of industrial economics. It begins with a **brief historical overview** of the evolution of competition law and its key objectives. The course then offers a **comprehensive review of oligopoly theory**, providing students with the analytical tools necessary to understand strategic firm behaviour in concentrated markets.

A particular emphasis is placed on **market power**, how it is **defined and measured**, and its implications for **consumer welfare**. The course also delves into the economics of **collusion and horizontal mergers**, assessing their impact on market efficiency, prices, and innovation incentives. In the final sessions, the course explores how mergers and acquisitions—especially so-called **"killer acquisitions"**—can influence the innovation landscape.

Topics Covered – Competition Policy – *18 hours*

- **Market power and welfare**: analysis of monopolistic and oligopolistic market outcomes
- **Definition and measurement of market power**
- **Models of oligopoly**:
  - **Bertrand competition**, including spatial models (e.g., Hotelling)
  - **Cournot competition**
- **Tacit and explicit collusion**: conditions and outcomes
- **Horizontal mergers**: economic analysis and regulatory implications
- **Innovation and mergers**: focus on **killer acquisitions** and dynamic competition

Main Reference

- Belleflamme, Paul, and Martin Peitz. *Industrial Organization: Markets and Strategies*. Cambridge University Press, 2015.