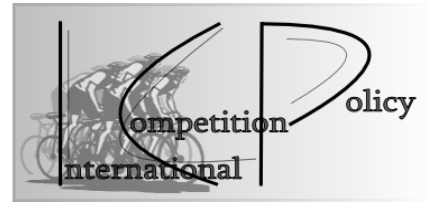


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Der Lehrstuhl VWL 8 „Internationale Wettbewerbsökonomik“ bietet im Wintersemester 2017/18 ein Seminar für Bachelor-Studierende in den Studiengängen Economics, Internationale Wirtschaft und Entwicklung, Wirtschaftsmathematik und Philosophy & Economics zu dem Thema

INDUSTRIE- UND WETTBEWERBSÖKONOMIK

an.

Spektakuläre Wettbewerbsverstöße von bekannten Unternehmen erregen immer wieder das Interesse der Öffentlichkeit, wie z.B. die geplante Fusion von Edeka und Kaiser's-Tengelmann oder die Absprachen des KFZ-Kartells zwischen VW, Mercedes und BMW. In diesem Seminar werden mikrotheoretische (also spieltheoretische) Modelle betrachtet die es erlauben derartiges wettbewerbswidriges Verhalten zu analysieren. Es geht z.B. um die Frage wann eine Fusion zwischen nachgelagerten Unternehmen schädlich für die Endverbraucher ist. Es wird auch analysiert ob Kronzeugenregelungen helfen können, nicht nur Kartelle aufzudecken sondern auch erst gar nicht entstehen zu lassen. Weitere Themen von aktueller Relevanz sind Plattformwettbewerb und sogenannte Patent Pools.

Die behandelten industrieökonomischen Modelle verwenden Techniken der Spieltheorie. Daher ist eine vorherige erfolgreiche Teilnahme an der Veranstaltung „Markt und Wettbewerb“, „Wettbewerbstheorie und -politik“, oder „Spieltheorie“ hilfreich, aber nicht zwingend erforderlich.

Es stehen insgesamt 20 Seminarplätze zur Verfügung. Übersteigt die Anzahl der Interessenten die verfügbaren Seminarplätze, so werden die Seminarplätze nach der Reihenfolge der Anmeldungen vergeben. Die **Seminarleistung** besteht aus einer **Seminararbeit** (10 - 12 Seiten) und einem **Vortrag** (inklusive Foliensatz) der eigenen Arbeit sowie in der Beteiligung an der allgemeinen Diskussion. Die Seminarnote ergibt sich als gewichtetes Mittel aus den Leistungen wie folgt: 70% Hausarbeit, 20% Vortrag und 10% Beteiligung an der Diskussion.

- Bachelor-Studierende aus dem Studiengang Philosophy & Economics können das Seminar im E6/Ö6-Bereich (5 Leistungspunkte) anrechnen.
- Economics-Bachelor-Studierende können das Seminar als „Seminar zu Institution und Governance“, „Mikrotherotisches Seminar“ oder im „Individuellen Schwerpunkt“ anrechnen (5LP, neue PO). Gemäß alter PO kann das Seminar als „GVWL 2-Seminar“ (GVWL II 5 oder GVWL II 6) eingebracht werden (5 LP).
- IWE-Studierende können das Seminar im „Individuellen Schwerpunkt“ (Spezialisierung IGME oder VET) anrechnen (5 LP).

Seminaranmeldung:

Um sich für das Seminar anzumelden, folgen Sie bitte exakt den nachfolgenden Anweisungen:

1. Schreiben Sie eine E-Mail an fabian.herweg@uni-bayreuth.de
2. Die E-Mail sollte folgenden Inhalt haben:
 - a. *Betreff:* Seminar-IÖ
 - b. *Inhalt:* Bitte geben Sie folgende Information als eine durch Kommata abgetrennte Liste (ohne Leerzeichen) an: (Ohne weitere Details, wie z.B. Lieber Herr Herweg)

Nachname, Vorname, Mat-Nr., Studiengang, Modul, Email-Adresse,Thema_1, Thema_2, Thema_3

Modul bezeichnet den Bereich in dem Sie das Seminar anrechnen lassen wollen. Z.B. IS (Individueller Schwerpunkt), IW (Seminar Internationale Wirtschaft).

Thema_I bezeichnet das Thema welches Sie am I-liebsten bearbeiten möchten. Geben Sie bitte auf jeden Fall drei Themenwünsche an.

Beispiel:

Helfrich,Magdalena,1478249,Econ,GVWL-2,magdalena.helfrich@uni-bayreuth.de,8,4,10

Die Zuteilung der Themen erfolgt am **Mittwoch, 25. Oktober 2017**. Sie werden per Email über die Annahme zum Seminar und die Themenzuteilung benachrichtigt. Die Seminaranmeldung gilt ab diesem Tag als **verbindlich**. Die **Seminaranmeldung** ist **ab sofort** möglich.

Organisatorisches/ Termine:

- Vorbesprechung: **Montag, 16. Oktober 2017**, 15:00 Uhr, Raum: **S 48 (RW II)**
- Anmeldeschluss: **Montag, 23. Oktober 2017**
- Blockseminar: Freitag und Samstag, **8. und 9. Dezember 2017** (9-18 Uhr)
- Ort: Universität Bayreuth
- Abgabe der Seminararbeit: Mittwoch, **20. Dezember 2017** (gedruckt und per E-Mail als ein PDF-Dokument)
- Ansprechpartner: Prof. Dr. Fabian Herweg (fabian.herweg@uni-bayreuth.de)
- Vortragssprache: deutsch
- Leitfaden zum Erstellen einer wissenschaftlichen Arbeit: <http://www.icp.uni-bayreuth.de>

Lehrbücher zu den Themenkomplexen

- **Competition Policy: Theory and Practice**, Massimo Motta, Cambridge University Press, 2004.
- **Industrial Organization: Markets and Strategies**, Paul Belleflamme und Martin Peitz, Cambridge University Press, 2010.

THEMEN

In dem Seminar werden **fünf Themenblöcke** besprochen:

- a) Kronzeugenprogramme und Kartelle
- b) Fusionen nachgelagerter Unternehmen
- c) Fusionen und Fusionskontrolle
- d) Patent Pools
- e) Plattformen und Plattformwettbewerb

Weitere Themen können auf Anfrage vergeben werden.

a) Kronzeugenprogramme und Kartelle

1. Motta, Massimo und Polo, Michele (2003): “Leniency programs and cartel prosecution”, *International Journal of Industrial Organization*, Vol. 21, 347-379.

We study the enforcement of competition policy against collusion under leniency programs, which give reduced fines to firms that reveal information to the Antitrust Authority. Leniency programs make enforcement more effective but they may also induce collusion, since they decrease the expected cost of misbehavior. We show that in the optimal policy the former effect dominates, calling for leniency programs when the Antitrust Authority has limited resources. We also show that these programs should apply to firms that reveal information even after an investigation is started.

2. Aubert, Cécile, Rey, Patrick und Kovacic, William (2006): “The impact of leniency and whistle-blowing programs on cartels”, *International Journal of Industrial Organization*, Vol. 24, 1241-1266.

Antitrust authorities have set up leniency programs for cartel members that denounce their collusive agreements. These programs help prosecute participants and can thereby deter collusion. We compare the impact of reduced fines and positive rewards and argue that rewarding individuals, including firm employees, can deter collusion in a more effective way. We discuss possible adverse effects of whistle-blowing programs on firms' behavior, and particularly on turnover, incentives to innovate and cooperation. We also explore explanations for the puzzling fact that managers keep incriminating evidence and argue reward programs actually provide additional incentives for keeping such evidence.

3. Choi, Jay P. und Gerlach, Heiko (2012): „Global cartels, leniency programs and international antitrust cooperation“, *International Journal of Industrial Organization*, Vol. 30, 528-540.

In this paper, we analyze cartel formation and self-reporting incentives when firms operate in several geographical markets and face antitrust enforcement in different jurisdictions. We are concerned with the effectiveness of leniency programs and the benefits of international antitrust cooperation between agencies. When international antitrust prosecution is uncoordinated, multi-market contact allows firms to reduce the amount of self-reporting in equilibrium and sustain cartels more effectively. We then discuss the effects of information sharing among antitrust authorities as a function of how much and which type of information is exchanged. We show that extensive information sharing might have an adverse effect on self-reporting by cartel members.

4. Lefouili, Yassine und Roux, Catherine (2012): “Leniency programs for multimarket firms: The effect of Amnesty Plus on cartel formation”, *International Journal of Industrial Organization*, Vol. 30, 624-640.

We examine the effect of Amnesty Plus on dynamic cartel formation in a multimarket setting. The Amnesty Plus program has been adopted as part of the US Corporate Leniency Policy in 1999 and is now vigorously advertised as one of the most compelling tools in generating successful cartel investigations. Amnesty Plus is aimed at attracting amnesty applications by encouraging firms, convicted in one market, to report their collusive agreements in other markets. We show that Amnesty Plus has two opposite effects on firms' ability and incentives to collude which are both increasing in the fine reduction granted. First, Amnesty Plus can reduce the deterrence of cartel activities by making it easier for firms to sustain multimarket collusion through strategies involving self-reporting after a first cartel detection. Second, it can reduce the expected duration of cartels or delay their formation by increasing firms' incentives to self-report after a first cartel detection.

b) Fusionen nachgelagerter Unternehmen

5. Lommerud, Kjell E., Straume, Odd R. und Sogard, Lars (2005): “Downstream merger with upstream market power”, *European Economic Review*, Vol. 49, 717-743.

We examine how a downstream merger affects input prices and, in turn, the profitability of a such a merger under Cournot competition with differentiated products. Input suppliers can be interpreted as ordinary upstream firms, or trade unions organising workers. If the input suppliers are plant-specific, we find that a merger is more profitable than in a corresponding model with exogenous input prices. In contrast to the received literature, we find that it can be more profitable to take part in a merger than being an outsider. For firm-specific input suppliers, on the other hand, results are reversed. We apply our model to endogenous merger formation in an international oligopoly, and show that the equilibrium market structure is likely to be characterized by cross-border merger.

6. Symeonidis, George (2010): “Downstream merger and welfare in a bilateral oligopoly”, *International Journal of Industrial Organization*, Vol. 28, 230-243.

I analyse the effects of a downstream merger in a differentiated oligopoly when there is bargaining between downstream firms and upstream agents (firms or unions). Bargaining outcomes can be observable or unobservable by rivals. When competition is in quantities, upstream agents are independent and bargaining is over a uniform input price, a merger between downstream firms may raise consumer surplus and overall welfare. However, when competition is in prices or the upstream agents are not independent or bargaining is over a two-part tariff or bargaining covers both the input price and the level of output, the standard welfare results are restored: a downstream merger always reduces consumer surplus and overall welfare

c) Fusionen und Fusionskontrolle

7. Neven, Damien J. und Röller, Lars-Hendrik (2005): “Consumer surplus vs. welfare standard in a political economy model of merger control”, *International Journal of Industrial Organization*, Vol. 23, 829-848.

This paper considers the political economy environment that an antitrust agency is operating in and asks under what circumstances a consumer surplus standard yields higher welfare than a welfare standard. In particular, we address how institutional settings—such as transparency and accountability—interact with the choice of an appropriate standard. We consider a framework in which the antitrust agency can be influenced by third parties (at a cost in terms of real resources) and in which the agency is imperfectly monitored. A welfare comparison between the two standards reveals that neither standard dominates. The consumer surplus standard is attractive relative to a welfare standard, when lobbying is efficient, when accountability is low, where mergers are large and when a marginal increase in merger size is highly profitable.

8. Lagerlöf, Johan N.M. und Heidhues, Paul (2005): “On the desirability of an efficiency defense in merger control”, *International Journal of Industrial Organization*, Vol. 23, 803-827.

We develop a model in which two firms that have proposed to merge are privately informed about merger-specific efficiencies. This enables the firms to influence the merger control procedure by strategically revealing their information to an antitrust authority. Although the information improves upon the quality of the authority’s decision, the influence activities may be detrimental to welfare if information processing/gathering is excessively costly. Whether this is the case depends on the merger control institution and, in particular, whether it involves an efficiency defense. We derive the optimal institution and provide conditions under which an efficiency defense is desirable. We also discuss the implications for antitrust policy and outline a three-step procedure that takes the influence activities into consideration.

9. Vasconcelos, Helder (2010): “Efficiency gains and structural remedies in merger control”, *The Journal of Industrial Economics*, Vol. LVIII, 742-766.

This paper studies the role of structural remedies in merger control in a Cournot setting where (endogenous) mergers are motivated by prospective efficiency gains and must be submitted to an Antitrust Authority (AA) which might require partial divestiture for approval. From a merger policy perspective, this paper’s main contribution is two-fold. First, it shows that if mergers do not involve all firms in the industry, then merger remedies help the AA to increase consumer surplus only if assets are divested to competitors already in the market. Second, it presents a model which clarifies that there can only exist social costs to ‘over-fixing’ the anticompetitive effects of a merger if merger review policy treats mergers as one-time events. When a more dynamic view is taken of sequential merger review, then there can never be an ‘over-fixing’ problem. In this case, however, remedies are shown to be needed to make myopic merger review optimal.

d) Patent Pools

10. Lerner, Josh und Tirole Jean (2004): “Efficient Patent Pools”, *The American Economic Review*, Vol. 94, 691-711.

The paper builds a tractable model of patent pools, agreements among patent owners to license sets of their patents. It provides a necessary and sufficient condition for patent pools to enhance welfare and shows that requiring pool members to be able to independently license patents matters if and only if the pool is otherwise welfare reducing. The paper allows patents to differ in importance, asymmetric blocking patterns, and licensors to also be licensees. We undertake some initial exploration of the impact of pools on innovation. The analysis has broader applicability than pools, being relevant to a number of co-marketing arrangements.

11. Choi, Jay P. (2010): “Patent pools and cross-licensing in the shadow of patent litigation”, *International Economic Review*, Vol. 51, 41-460.

This article develops a framework to analyze the incentives to form a patent pool or engage in cross-licensing arrangements in the presence of uncertainty about the validity and coverage of patents that makes disputes inevitable. It analyzes the private incentives to litigate and compares them with the social incentives. It shows that pooling arrangements can have the effect of sheltering invalid patents from challenges. This result has an antitrust implication that patent pools should not be permitted until after patentees have challenged the validity of each other's patents if litigation costs are not too large.

12. Choi, Jay P. und Gerlach, Heiko (2015): “Patent pools, litigation, and innovation”, *RAND Journal of Economics*, Vol. 46, 499-523.

This article analyzes patent pools and their effects on litigation incentives, overall royalty rates, and social welfare when patent rights are probabilistic and can be invalidated in court. With probabilistic patents, the license fees reflect the strength of the patents. We show that patent pools of complementary patents can be used to discourage infringement by depriving potential licensees of the ability to selectively challenge patents and making them committed to a proposition of all-or-nothing in patent litigation. If patents are sufficiently weak, patent pools with complementary patents reduce social welfare as they charge higher licensing fees and chill subsequent innovation incentives.

e) Plattformen und Plattformwettbewerb

13. Peitz, Martin und Valletti, Tommaso M. (2008): “Content and advertising in the media: Pay-tv versus free-to-air”, *International Journal of Industrial Organization*, Vol. 26, 949-965.

We compare the advertising intensity and content of programming in a market with competing media platforms. With pay-tv, media platforms have two sources of revenues, advertising revenues and revenues from viewers. With free-to-air, media platforms receive all revenues from advertising. We show that if viewers strongly dislike advertising, the advertising intensity is greater under free-to-air television. We also show that free-to-air television tends to provide less differentiated content whereas pay-tv stations always maximally differentiate their content. In addition, we compare the welfare properties of the two different schemes.

14. Reisinger, Markus (2012): “Platform competition for advertisers and users in media markets”, *International Journal of Industrial Organization*, Vol. 30, 243-252.

This paper analyzes a two-sided market model in which platforms compete for advertisers and users. Platforms are differentiated from the users' perspective but are homogenous for advertisers. I show that, although there is Bertrand competition for advertisers, platforms obtain positive margins in the advertising market. In addition, platforms' profits can increase in the users' nuisance costs of advertising. As a general insight, I obtain that factors affecting competition in the user market in a well-known direction without externalities now have opposing effects due to competition in the advertiser market. The model can also explain why private TV platforms benefit if their public rivals are regulated to advertise less—a result at odds with models in which there is no competition for advertisers.

15. Von Ehrlich, Maximilian und Greiner, Tanja (2013): “The role of online platforms for media markets – two-dimensional spatial competition in a two-sided market”, *International Journal of Industrial Organization*, Vol. 31, 723-737.

We analyze the market for online and offline media in a model of two-dimensional spatial competition where media outlets sell content and advertising space. Consumer preferences are distributed along the style and type of news coverage where the distance costs may vary across dimensions. For integrated provision of online and offline platforms we show that entering the online market reduces average profits and may even constitute a prisoner's dilemma. Specialized provision may yield polarization in the style and type dimensions. This is in contrast to the maximum–minimum differentiation result previously established in the literature on multidimensional horizontal competition. We show that maximal differentiation in both dimensions occurs due to the discrete nature of the type dimension and asymmetric advertising markets.