

Econ 8602-Industrial Organization

Department of Economics
University of Minnesota
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Course home page: <http://www.econ.umn.edu/~holmes/class/2024s8602>

Description: Econ 8602 is the second course in the industrial organization field sequence. The course requirements include a final exam and two homework sets.

Topic 1: Dynamic Oligopoly, Background References

Aguirregabiria, Victor, and Aviv Nevo "Recent Developments in Empirical IO: Dynamic Demand and Dynamic Games," with Aviv Nevo. *Advances in Economics and Econometrics: Theory and Applications*. Tenth World Congress of the Econometric Society

Arcidiacono, Bayer, Blevins, and Ellickson, "Estimation of Dynamic Discrete Choice Models in Continuous Time with an Application to Retail Competition, *ReStud*

Bajari, Patrick, C. Lanier Benkard and Jonathan Levin, "Estimating Dynamic Models of Imperfect Competition," *Econometrica* Vol. 75, No. 5 (Sep., 2007) (pp. 1331-1370)

Doraszelski, Ulrich and Ariel Pakes, A Framework for Applied Dynamic Analysis in IO," Mark Armstrong and Robert Porter (eds.), *Handbook of Industrial Organization*, Volume 3, Chapter 30, Pages 1887-1966 (2007).

Maskin, Eric and Jean Tirole (1988), "A Theory of Dynamic Oligopoly I: Overview and Quantity Competition" and "A Theory of Dynamic Oligopoly II: Price Competition, Kinked Demand Curves, and Edgeworth Cycles," *Econometrica* 56, 549-599.

Gowrisankaran G. and T. Holmes, "Mergers and the Evolution of Industry Concentration: Results from the Dominant Firm Model," *Rand*, Autumn, 2004.

Matt Shum's (CalTech) course "[Empirical Methods for Industrial Organization](http://www.its.caltech.edu/~mshum/gradio/ioclass.html)"
<http://www.its.caltech.edu/~mshum/gradio/ioclass.html>

Example Applications

Mitsuru Igami, Kosuke Uetake, Mergers, Innovation, and Entry-Exit Dynamics: Consolidation of the Hard Disk Drive Industry, 1996–2016, *The Review of Economic Studies*, Volume 87, Issue 6, November 2020, Pages 2672–2702, <https://doi.org/10.1093/restud/rdz044>

NAKAMURA, EMI and DAWIT ZEROM, "Accounting for Incomplete Pass-Through," *The Review of Economic Studies* Vol. 77, No. 3 (July 2010), pp. 1192-1230 (39 pages)

2. More on Market Power

Ali Yurukoglu, Matthew Gentzkow, Jesse Shapiro, and Frank Yang , "Pricing Power in Advertising Markets: Theory and Evidence forthcoming *American Economic Review*, De Loecker Eeckhout and Unger (2020), *The Rise of Market Power and Macroeconomic Implications*,"

Yurukoglu, Ali, Lanier Benkard and Anthony Lee Zhang (2021), *Concentration in Product Markets*,

Grieco, Murry, and Yurukoglu, "The Evolution of Market Power in the US Automobile Industry,

3. More on Mergers

Nathan H. Miller, and Matthew C. Weinberg, "Understanding the Price Effects of the MillerCoors Joint Venture," *Econometrica* Dec 2017.

Ben Mermelstein, Volker Nocke, Mark Satterthwaite and Michael Whinston "Internal versus External Growth in Industries with Scale Economies: A Computational Model of Optimal Merger Policy" *Journal of Political Economy*, 2020, vol. 128(1), 301-341.

Volker Nocker and Michael Whinston, "Concentration Thresholds for Horizontal Mergers" *American Economic Review*, 2022, vol. 112(6), 1915-1948.

David Berger, Thomas Hasenzagl, Kyle Herkenhoff, Simon Mongey, Eric A. Posner, "Merger Guidelines for the Labor Market," Nov 28, 2023 working paper

4. Common Ownership

Matthew Backus, Christopher Conlon, and Michael Sinkinson, "Common Ownership in America: 1980–2017, Forthcoming at *AEJ: Micro*

Backus, Matthew, Christopher Conlon, and Michael Sinkinson. 2019. "The Common Ownership Hypothesis: Theory and Evidence." *Brookings Working Paper*.

5. Vertical Considerations

Gregory S. Crawford, Robin S. Lee, Michael D. Whinston, Ali Yurukoglu, "The Welfare Effects of Vertical Integration in Multichannel Television Markets," *ECONOMETRICA*: MAY 2018, VOLUME 86, ISSUE 3 p. 891-954