

The Hebrew University of Jerusalem

Syllabus

ANTITRUST AND REGULATION - 55740

Last update 17-08-2017

HU Credits: 2

Degree/Cycle: 2nd degree (Master)

Responsible Department: business administration

Academic year: 0

Semester: 2nd Semester

Teaching Languages: Hebrew

Campus: Mt. Scopus

Course/Module Coordinator: Dr. Shlomi Parizat

Coordinator Email: shlomi.parizat@gmail.com

Coordinator Office Hours:

Teaching Staff:

Dr. Shlomi Parizat
Mr. BOAZ GOLAN

Course/Module description:

The course presents selected topics in economic regulation using examples from Israel and other jurisdictions as well as provides students with basic concepts of antitrust law

Course/Module aims:

In the first part, the purpose of the course is to provide students with basic concepts of economic regulation - the justification for market regulation, theoretical and practical aspects of regulation in different industries (electricity, water, aviation, banking), regulation of social interests (Labor and the minimum wage, the environment, public health). The second part of the course will focus on antitrust law in Israel and abroad, while discussing its goals and the economic concepts (theoretical and empirical) used in its implementation. The various chapters of the law will be discussed (mergers, restrictive trade practices, monopolies and oligopolies) and the methods used in each of them will be presented. The course will discuss decisions of the Antitrust Court and the Supreme Court in various cases and will focus on the economic analysis underlying the decision.

Learning outcomes - On successful completion of this module, students should be able to:

to analyze selected cases of economic regulation and master basic concepts of antitrust law and analysis

Attendance requirements(%):

0%

Teaching arrangement and method of instruction: Lecture

Course/Module Content:

Part I - Economic Regulation

1. normative basis for the existence of market regulation

Introduction to economic regulation and the arguments justifying its existence - the public interest versus individual interest and freedom of occupation.

2. The economic theory of regulation

Discussion of the regulation as a product, regulatory costs, special interest groups and their influence on regulation.

3. Regulatory Toolkit and supervisory practices

A. Control of market outcomes (price, range, quality, quantity, stability) examples from a variety of industries and markets

B. Consumer Protection (information and labeling, standard contracts, prospectuses)

C. Regulated market mechanisms - carbon emissions trading

D. Self-regulation

E. Supervising market structure - Competition

4. Enforcement, Compliance and Remedies

investigative powers of regulatory bodies key, private enforcement

Part II - Antitrust

1. Theoretical basis for antitrust policy in Israel and around the world

A Total welfare vs. consumer welfare as a criterion for policy. Concepts of perfect competition, competition among few, market power and monopoly and their impact on welfare, the importance of antitrust laws in historical perspective, the interface between public policy and antitrust

2. Basic concepts in Antitrust

3. Monopolies and oligopolies

Unilateral behavior of a dominant firm, monopolizing exploitation, tying and loyalty discounts by a dominant firm, coordinated behavior of the few markets and competitors

4. Restrictive arrangements

Cartels and cooperation between competitors - the boundary between the forbidden and possible joint ventures and supplier-customer agreements, cross-investments between competitors

5. Mergers

Analysis of horizontal mergers, vertical and Konglumeration, an empirical techniques mergers, mergers in markets with differentiated products, geographic market definition

Required Reading:

None

Additional Reading Material:

Trajtenberg Committee Report, 2011

Special interest politics, Grossman and Helpman 2001

Stigler, George J "The Theory of Economic Regulation", The Bell Journal of Economics and Management Science, Vol. 2, No. 1 (Spring, 1971),pp. 3-21

Armstrong M. & Sappington E.M., "Recent Developments in the Theory of Regulation", October 2005

Edward L. Glaeser & Andrei Shleifer, "The Rise of the Regulatory State," 41(2) J. of Econ. Lit. (2003) 401-425

Carlton, Dennis W. & Perloff, Jeffrey M., Modern Industrial Organization, Third Edition,

Addison-Wesley, 2000.

Varian, Hal R., Intermediate Microeconomics A Modern Approach, 1986.

Tirole, Jean, The Theory of Industrial Organization, The MIT Press, 1992

Course/Module evaluation:

End of year written/oral examination 100 %

Presentation 0 %

Participation in Tutorials 0 %

Project work 0 %

Assignments 0 %

Reports 0 %

Research project 0 %

Quizzes 0 %

Other 0 %

Additional information: