Econ 8400: Empirical Industrial Organization

The course provides a graduate-level introduction to the topics and methods of Empirical Industrial Organization (IO). It is designed to provide a broad introduction to topics and industries that current researchers are studying as well as to expose students to a wide variety of techniques. It will start the process of preparing economics Ph.D. students to conduct thesis research in the area and may also be of interest to doctoral students in other fields.

Note: this course was offered in previous years as Econ 712. This year it will be a half semester course.

Lectures: Tuesday/Thursday 1:45-3:15, PCPE 202
- All lectures will be live, unless the university policy change.
- We will follow the university rules regarding Covid. Specifically, with regards to wearing masks. You are welcome to wear a mask even if not required by the university.
- I will distribute slides, via Canvas, in advance of each lecture. My hope is to have a “preliminary” version a day or two before the lecture. In some cases, I might need to revise/edit the slides as I make final preparation for the lecture, in which case I will update the slides.
- In addition to the slides I will at times distribute notes or ask you to read a paper in advance of the lecture.
- Q+A are a very important part of the class. Questions help slow me down and make the class livelier. You need to do your part and come prepared to participate.

Office Hours: By appointment.

Evaluation: Grading will be based on three empirical problem sets (75%) and class participation (25%).

Textbooks: There is no textbook for this course.
For coverage of theoretical principles (that I will rely on, but not cover in any detail) see:
For a broader coverage of empirical and public policy issues, you should also read:
You also might want to read several of the surveys in:
The two chapters from the Handbook of Econometrics, in the first section below, and my Handbook chapter with Amit Gandhi are probably the closest thing to a textbook for the material I cover.
The reading list below covers a variety of topics. We will not have time to cover all these topics, or to cover all the papers in the topics we do cover. The list is meant as a future reference guide as much as it is meant as a guide to what we will cover. Starred items are most likely going to be covered in class (or are the place to start for topics we will not cover. We will not discuss all of the papers on the reading list, however, I expect you to read all of the papers we discuss in detail in class.

The following abbreviations are used for journal titles:

| AER | American Economic Review |
| BJE | Bell Journal of Economics |
| EMA | Econometrica |
| EJ  | Economic Journal |
| IJIO | International Journal of Industrial Organization |
| JE  | Journal of Econometrics |
| JEH | Journal of Economic History |
| JEL | Journal of Economic Literature |
| JEMS | Journal of Economics & Management Strategy |
| JET | Journal of Economic Theory |
| JIE | Journal of Industrial Economics |
| JLE | Journal of Law and Economics |
| JPE | Journal of Political Economy |
| QJE | Quarterly Journal of Economics |
| RJE | Rand Journal of Economics |
| ReStat | Review of Economics and Statistics |

I. Introduction


II. Production, Technology and Industry Structure


III. Empirical Studies of Pricing

1. Static Models


D. Genesove and W. Mullin, “Testing Static Oligopoly Models: Conduct and Cost in the Sugar Industry,


R. Schmalensee, “Inter-industry Studies of Structure and Performance,” in HIO2, Chapter 16.


2. **Repeated Interaction**

V. Aguirregabiria, “The Dynamics of Markups and Inventories in Retail Firms,” ReStud, April 1999, 275-308.


3. **Differentiated Products Industries**


Computational, Instruments and Identification


Some Recent Papers


4. Welfare and Hedonic Prices

Hedonic Price Regressions and Price Indices

(*) P. Bajari and L. Benkard, “Demand Estimation With Heterogeneous Consumers and Unobserved


_Welfare Measures Computed from Estimated Demand Systems_


5. **Markups, Competition and Welfare**


IV. **Vertical Relations, Empirical Models of Bargaining and Related Topics**


M. Sinkinson, “Pricing and Entry Incentives with Exclusive Contracts: Evidence from Smartphones” mimeo


The rest of the material is offered for your reference: we are unlikely to cover it this term

V. Dynamic (Demand) Models
Methods


Applications


Identification


VI. Market Structure
1. **Entry Models**


2. **Entry, Growth, and Turnover**


VII. Dynamic Games

Methods


Applications


VIII. Antitrust

1. Introduction

(*) Whinston, Lectures on Antitrust Economics, Chapter 1

General readings


2. Horizontal Mergers


(*) Whinston, Lectures on Antitrust Economics, Chapter 3.


**Theory of Merger Policy**


**Prospective Merger Analysis**


Evidence on Merger Effects


3. Vertical Mergers

Theory


Empirical Evidence


