



Competition & Regulation European
Summer School and Conference

CRESSE Lawyers' Course

“The Role of Economics in Competition Law and Practice”

Friday, July 5 – Monday, July 8, 2024

Detailed Course Contents

(Minor changes on the timing of the sessions can be made at any time)

Matthew Bennett *(Vice President, Charles River Associates)*

Kathryn Fenton *(Jones Day)*

Frederic Jenny *(ESSEC Business School, OECD Competition Committee)*

William Kovacic *(Director, Competition Law Center, The George Washington University)*

Valérie Meunier *(Senior Vice President, Compass Lexecon)*

Yi Ling Ng *(Principal, RBB Economics)*

Patrick Rey *(Toulouse School of Economics)*

Thomas Ross *(Sauder School of Business, University of British Columbia)*

Maarten Pieter Schinkel *(University of Amsterdam)*

Howard Shelanski *(Georgetown University)*

	<p>SESSION 1: The Role of Economics and Review of Fundamental Economic Concepts I by Prof. Thomas Ross (Sauder School of Business, University of British Columbia)</p>
<p>Friday, July 5 09:30 – 11:10</p>	<p>The importance and effects of Competition Policy. Dimensions of competition – price, quality, variety, innovation. Types of competition – static vs. dynamic. Economic objectives of competition law. The use of the error-cost framework; the advantages (and disadvantages) of an economics-based approach. Demand, cost concepts, supply, profit maximisation. The notion of equilibrium.</p>
<p>11:10- 11:30</p>	<p>Coffee Break</p>
<p>Friday, July 5 11:30 – 13:10</p>	<p>SESSION 2: Markets, Welfare and the Benefits of Competition by Prof. Patrick Rey (Toulouse School of Economics)</p>
<p>11:30 – 13:10</p>	<p>Markets at work: supply and demand; competitive equilibrium. Competition in practice: a market game. Measuring well-being: consumer surplus, profits and total welfare; productive and allocative efficiency. The benefits of competition.</p>
<p>13:10- 14:30</p>	<p>Lunch Break</p>
<p>Friday, July 5 14:30 – 16:10</p>	<p>SESSION 3: The Role of Economics and Review of Fundamental Economic Concepts II by Prof. Thomas Ross (Sauder School of Business, University of British Columbia)</p>
<p>14:30 – 16:10</p>	<p>Types of markets: perfect competition, monopoly, monopolistic competition, oligopoly. The Lerner index and the measurement of market power. The concept of market structure and its measurement.</p>
<p>16:10- 16:30</p>	<p>Coffee Break</p>
<p>Friday, July 5 16:30 – 18:10</p>	<p>SESSION 4: Game Theory: Applications in Competition Policy by Prof. Maarten Pieter Schinkel (University of Amsterdam)</p>
<p>16:30 – 18:10</p>	<p>The role of oligopolies in economy. Introduction to game theory. Static games. Cournot and Bertrand models of oligopoly. Dynamic games. Applications of game theory in competition policy.</p>
<p>Saturday, July 6 09:00- 09:40</p>	<p>SPECIAL KEYNOTE LAWYERS' LECTURE by Prof. Christopher S. Yoo (Imasogie Professor in Law and Technology, Professor of Communication, Professor of Computer and Information Science, and Founding Director of the Center for Technology, Innovation & Competition, University of Pennsylvania)</p>
<p>Saturday, July 6 09:40 – 11:20</p>	<p>SESSION 5: Market Definition and Determinants of Market Power by Ms. Yi Ling Ng (Principal, RBB Economics)</p>
<p>09:40 – 11:20</p>	<p>The role of product and geographic market definition in the enforcement of competition law. Demand and supply substitution. The hypothetical monopoly test. Critical loss analysis. Shortcomings and fallacies. Legal definitions, concepts, basic economics of and measurement of "market power". Factors that influence market power.</p>
<p>11:20- 11:40</p>	<p>Coffee Break</p>
<p>Saturday, July 6 11:40 – 13:20</p>	<p>SESSION 6: Assessment of Mergers by Dr. Matthew Bennett (Vice President, Charles River Associates)</p>
<p>11:40 – 13:20</p>	<p>Horizontal Mergers: Legal and economic framework; unilateral effects; the role of diversion ratios; merger simulation models; upward pricing pressure (UPP); coordinated effects; analysis of efficiencies. Conglomerate and vertical mergers.</p>
<p>13:20- 14:40</p>	<p>Lunch Break</p>

<p>Saturday, July 6 14:40 – 16:15</p>	<p>SESSION 7: Assessment of Mergers by Dr. Matthew Bennett (Vice President, Charles River Associates)</p> <p>Horizontal Mergers: Legal and economic framework; unilateral effects; the role of diversion ratios; merger simulation models; upward pricing pressure (UPP); coordinated effects; analysis of efficiencies. Conglomerate and vertical mergers.</p>
<p>16:15- 16:35</p>	<p>Coffee Break</p>
<p>Saturday, July 6 16:35 – 18:15</p>	<p>SESSION 8: Cartels and Other Coordinated Practices by Prof. Maarten Pieter Schinkel (University of Amsterdam)</p> <p>Economic theory of collusion. Tacit collusion. Different forms of collusive practices including horizontal price fixing, horizontal market sharing, restrictions in production, collusive tendering, information exchanges, bid rigging. Structural factors conducive to coordinated conduct. Facilitating factors. Detecting and discouraging cartels. The role of leniency programs.</p>
<p>Sunday, July 7 08:30 – 10:10</p>	<p>SESSION 9: Assessment of Pricing Abuses by Dominant Firms by Prof. Frederic Jenny (ESSEC Business School, OECD Competition Committee)</p> <p>When does foreclosure lead to competitive harm? Tests for unilateral anticompetitive abuse by dominant firms: predatory pricing, loyalty rebates, margin squeeze.</p>
<p>10:10- 10:30</p>	<p>Coffee Break</p>
<p>Sunday, July 7 10:30 – 12:10</p>	<p>SESSION 10: Assessment of Non-Pricing Abuses by Dominant Firms by Howard Shelanski (Georgetown University)</p> <p>Refusal to sell; anticompetitive and pro-competitive exclusive dealing; anticompetitive and pro-competitive tying; bundling and bundled discounts.</p>
<p>12:10- 13:40</p>	<p>Lunch Break</p>
<p>Sunday, July 7 13:40 – 15:20</p>	<p>SESSION 11: Assessing Economic Evidence in Courts by Prof. Frederic Jenny (ESSEC Business School, OECD Competition Committee)</p> <p>The session will cover three main issues: 1) the difference between the legal and the economic approach to law enforcement; 2) the different ways to improve the understanding of economics by judges and 3) The lessons from experience on how to present complex evidence in courts.</p>
<p>15:20- 15:40</p>	<p>Coffee Break</p>
<p>Sunday, July 7 15:40 – 17:20</p>	<p>SESSION 12: The Economics of Exploitative Abuses by Dr.Valérie Meunier (Senior Vice President, Compass Lexecon)</p> <p>Excessive prices, market power and consumer welfare. Risks of intervention. United Brands: (a) price-cost tests and (b) 'unfair' prices. Economic measures of costs and profit. Economic value. 'Unfair when compared with other products' - price benchmarks. 'Unfair in itself'? Relationship with other abuses.</p>
<p>17:20- 17:40</p>	<p>Coffee Break</p>
<p>Sunday, July 7 17:40 – 18:40</p>	<p>SESSION 13: The Implications for Competition Policy of Behavioral Economics by Ms. Kathryn Fenton (Jones Day) & Prof. William Kovacic (Director, Competition Law Center, The George Washington University)</p> <p>The session examines a significant new development in competition policy. It considers the role that behavioural economics is already playing, and how this might be expected to develop going forward.</p>

Monday, July 8

10:30–12:10

SESSION 14: The Economics of Inter-firm Vertical Agreements - Vertical Restraints in Practice Part I

by Prof. Patrick Rey (Toulouse School of Economics)

Categorisation of vertical restraints, economic effects of vertical restraints. Vertical coordination: double marginalisation, retail services, marketing, quality, reputation, free-riding. Competition dampening: how can vertical restraints be used to soften competition among rival structures. Facilitating practices: how can vertical restraints be used to facilitate collusion.

12:10- 12:30

Coffee Break

Monday, July 8

12:30–14:10

SESSION 15: The Economics of Inter-firm Vertical Agreements - Vertical Restraints in Practice Part II

by Prof. Patrick Rey (Toulouse School of Economics)

Categorisation of vertical restraints, economic effects of vertical restraints. Vertical coordination: double marginalisation, retail services, marketing, quality, reputation, free-riding. Competition dampening: how can vertical restraints be used to soften competition among rival structures. Facilitating practices: how can vertical restraints be used to facilitate collusion.