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Department of Economics
University of Washington

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Econ 431 – Winter 2022
Government and Business
(Antitrust and Tech)

SYLLABUS

TTH 3:30-5:20, Remote and SAV 166

Welcome to Econ 431! In this class, we will take a deep dive into antitrust economics and policy with regards to technology markets. After reviewing some recent papers to learn a bit of antitrust fundamentals, we will focus on recent high-profile mergers and antitrust cases involving some of the largest firms in tech.

The cases will address fundamental issues of antitrust such as whether dominant digital platforms that depend mostly on advertising revenues, such as Google and Facebook, have abused their market power in ways that are detrimental to competition and consumers; whether a firm with substantial market power could leverage that power to penetrate other markets; whether dominant firms can enter into contracts that explicitly exclude rivals; to name a few of the difficult and important issues that will arise in this class. Many household names will be protagonists in these cases: Apple, Microsoft, Google, Amazon, Facebook.

In analyzing these cases, you will gain a good understanding of how economists apply their skills to real world issues. This class should appeal to students planning to go into law, consulting, public policy, finance, tech, or econ grad school. (Note: even though we will discuss mergers, this class is not focused on firm strategy, nor will be discuss the financial mechanics of the deals. The emphasis will be on whether a merger is harmful to society and how economics can help us to think through that.)

Prerequisites: The main prerequisite for this course is a solid foundation in intermediate microeconomics. Econometrics is also a prerequisite although less so than micro. IO and game theory are useful as well.

Textbook: No textbook required. I will assign papers and occasional videos.

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TA: None.

Class Meetings: The first two class sessions will be on Zoom and will be recorded. The remaining class sessions will be in person and not recorded. All assignments will be submitted through Canvas. Office hours will be over Zoom or in person by appointment only.

Communication with me: You can talk with me during office hours or by appointment. You can also email me.

Grading:

<i>Task</i>	<i>Weight</i>
Discussion Questions (prior to most classes)	25%
Participation (in class)	30%
Mock Trial: Debater	15%
Mock Trial: Judge (3 times)	15%
Final Presentations	15%

Discussion Questions: Before most classes, I will assign discussion questions for you to ponder and reflect on the reading. Your responses will be due just prior to the beginning of class. *One late submission allowed without penalty.* Grading will be on a 3-point scale. 0 points for late submissions. 1 point for effort. 2 points for responding to all questions with evidence of having done the reading and thoughtfulness. 3 points for exceptional performance.

Participation: We will evaluate how engaged and prepared you are during class discussions. You will not be penalized for not speaking if we don't call on you to speak. However, you will lose points if we do call on you and it is clear that you're not following the discussion or you did not read the assigned material closely. *One absence due to interviews allowed without penalty.*

Mock Trial: There will be **four** mock trials. In each trial, one group of students will act as debaters and another group as judges. The trial will take up the entire class and will follow a format designed to mimic the experience of a real antitrust trial. *You cannot miss these when act as a debater. If you have a known conflict, you must let me know so we can switch you to the other trial.*

Final Presentation: You will prepare a final group 15-20 minute presentation on a final topic to be determined later in the course. I will be handing out further instructions and guidelines on this in the middle of the quarter.

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Tentative Schedule:

Weeks 1 and 2: Introduction to Antitrust

Week 3: Microsoft

Week 4: Amex

Week 5: Google

Weeks 6 & 7: Mock Trials

Week 8: Facebook

Week 9: Epic v Apple

Week 10: Final Presentations

Final Comments: This is not a lecture course. Aside from the first meeting, the course will be seminar style. I will encourage active participation and discussion, as the topics we will cover have no easy answers. I expect everyone to come to class having done the assigned reading. We will have no useful discussion unless this happens.