

Revised: 09-26-22

Department of Economics
University of Washington

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Econ 431 – Fall 2022
Government and Business
(Topic: Antitrust and Tech)

SYLLABUS

TTH 3:30-5:20, LOW 101

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 and watching some videos to learn some antitrust fundamentals, we will focus on recent high-profile mergers and antitrust cases involving some of the largest technology firms.

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 will be especially valuable for students planning to go into law, econ consulting, public policy, and tech. (Note: even though we will discuss mergers, this class is not focused on firm strategy so it is not directly relevant for budding strategy consultants; nor will we discuss the financial mechanics of the deals so it will not be directly applicable for investment banking. The emphasis will be on how economics can help us think about whether a merger is harmful to consumers in a market.)

Prerequisites: The prerequisite for this course is a solid foundation in intermediate microeconomics at the level of Econ 300. Econometrics, IO, and game theory will be useful, but not essential in interpreting the arguments discussed in class.

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

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TA: None.

Class Meetings: All classes will be in person. All assignments will be submitted through Canvas. Office hours will be over Zoom. In person meetings are by appointment only.

Communication with me: You can talk with me during office hours or by appointment. You can also email me. Office hours Zoom link: <https://washington.zoom.us/j/7473253849>.

Grading:

<i>Task</i>	<i>Weight</i>
Discussion Questions (prior to most classes)	25%
Participation (attendance and in-class contribution)	25%
Mock Trials: Debater (once)	15%
Mock Trials: Judge (4 times)	20%
Panel Discussions: Discussant (once)	10%
Panel Discussions: Audience Member (2 times)	5%

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. ***Only 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 and showing that you have done the reading. 3 points for exceptional performance. **IMPORTANT: if you are going to quote from the paper, please use quotation marks and clearly cite the page number.**

Participation: Attendance and participation in class discussions is essential to this class. You will not be penalized for not speaking if I don't call on you to speak. However, you will lose points if I 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 allowed without penalty.***

Mock Trial: There will be **five** 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 you are a debater. If you have a known conflict, you must let me know so we can switch you to the other trial.* I will hand out further instructions on the mock trials later in the quarter.

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Panel Discussions: There will be three panel discussions at the end of the course dealing with unresolved matters in tech antitrust. I will be handing out further instructions and guidelines on this in the middle of the quarter.

Tentative Schedule:

Weeks 1-3: Introduction to Antitrust and Tech; Antitrust History; Intro to Mergers

Week 4: T-Mobile/Sprint Merger Mock Trial

Week 5: AT&T/Time Warner Mock Trial

Week 6: Microsoft Case Mock Trial

Week 7: Apple eBooks Mock Trial

Week 8: Epic v Apple Mock Trial

Week 9: Google Panel Discussion

Week 10: Facebook Panel Discussion

Week 11: Amazon Panel Discussion; Antitrust Legislation; Closing Remarks

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. I look forward to getting to know you all over the course of the quarter.