

Revised: 3-30-21

Department of Economics  
University of Washington

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Econ 431 – Spring 2021

## **Economic Policy Seminar:**

### ***Harnessing Antitrust Policy in Tech Markets for the Common Good***

## **SYLLABUS**

T-Th 4:30-6:20, Remote

Welcome to Econ 431! In this class, we will take a deep dive into how economics can promote social welfare through the channel of antitrust (or competition) policy. We will focus specifically on technology markets and examine recent high-profile mergers and antitrust cases using the lens of economics.

The cases will address fundamental issues of competition policy such as whether digital platforms that depend largely 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 market power should be allowed to leverage that power to penetrate other markets (Microsoft; Google); whether dominant firms can enter into contracts that explicitly exclude rivals (Intel); 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: Intel, Apple, Microsoft, Google, Amazon, Facebook.

In analyzing these cases, you will gain a solid 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 graduate school in economics. (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 only prerequisite for this course is a solid foundation in microeconomics (Econ 300 or equivalent).

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

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**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>
Quizzes	15%
Participation (including written discussion questions)	50%
Mock Trial: Debater	20%
Mock Trial: Judge	5% x 3 times = 15%

Quizzes: I will have an occasional quiz at the beginning of the class to test how well you absorbed the reading for the day.

Participation: I will evaluate how engaged and prepared you are in case discussions. We will cover general papers on antitrust as well as specific cases. Only official absences approved by UW will be allowed. There will be written discussion questions prior to each class that will count toward participation grade.

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. Each student will be a debater once and a judge 3 times.

**Tentative Schedule:**

Module 1: Introduction to Antitrust

Module 2: Horizontal Mergers: T-Mobile/Sprint

Module 3: Vertical Mergers: AT&T/Time Warner

Module 4: Exclusionary Conduct, I: Microsoft

Module 5: Exclusionary Conduct II: Amex

Module 6: Mock Trials: Qualcomm, Apple e-Books, Intel, and one more TBD

Module 7: Exclusionary Conduct, III: Google

Module 8: Exclusionary Conduct, IV: Facebook/Apple/Amazon

Module 9: Antitrust Policy Reform

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**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.