The course is divided in two parts. In the first part, we provide a framework to study the classical regulation policies in sectors such as energy, telecommunications, transportation, etc. We present the most commonly used regulation mechanisms and we compare them with the theoretical proposals in the literature. We later discuss the liberalization processes undertaken in most developed countries and we draw lessons from their implementation.

The second part of the course is an introduction to competition policy. Using standard industrial economics models we discuss the three prototypical areas of intervention: abuse of dominant position, collusion and merger control. In each of these areas we combine the study of theoretical models and the practical implementation based on empirical papers and real world cases. Finally, a group of students will present a resolution by the European Commission or a national competition authority concerning each area in order to illustrate how the process is resolved in practice.

1 Syllabus

The following topics will be developed during the course. In brackets you will find chapters of textbooks useful for further reference. The papers listed in the complementary bibliography section develop some of these topics further.

PART 1: Regulation.

2. The Classical Theory of Economic Regulation (VVH ch.10 to 12 and LT ch.2 and 3).
3. Incentives in Regulation (ACV ch.3, LT ch.2 and 3, and LT93 ch.2).
4. Liberalization and Competition. (ACV ch.4 and LT ch.3, 4 and 5).
5. Universal Service Obligations (LT ch. 6).

PART 2: Competition Policy.

6. Introduction to Competition Policy.
8. Collusion and Leniency Programs (MOTTA ch.4).
9. Horizontal and Vertical Integration (MOTTA ch.5 and 6).
2 Requirements and Exam

During the course I will hand out between four and five problem sets. The grade of these homeworks accounts for 15% of the final grade. In the second part of course, students will organize in three groups to present each a competition policy case. This presentation has a 15% weight on the final grade.

The rest of the final grade corresponds to the final exam that will consist of some theoretical exercises and a discussion of a real competition policy or regulation case or a related topic. In this last part, some background information will be presented and students will need to motivate their answer using economic arguments. In the page of the course you will find examples from the previous years.

3 Recommended Books

The following book has a scope that covers both parts of the course


This book, however, deals only with the US perspective, in many aspects quite different from the European experience. It is also intended for a less technically-oriented audience.

For the regulation part, the following books are a useful reference:


They cover the regulation part of the course in detail. The first has examples of the liberalization process undertaken in the UK, while the second puts special emphasis on the telecommunications market. The third book is a good technical reference on economic regulation.

For the part on competition policy, an excellent reference for economists is


Two good complements for this book are:


The first book deals specifically with abuse of dominant position practices, while the second is a discussion of quantitative techniques used in Competition Policy.

Other books that cover some legal and methodological aspects: