

Intensive courses for practitioners and academics



Empirical Applications of Dynamic Oligopoly in Industrial Organization

Professor: Lanier Benkard (Stanford University).*

Dates: 31 August – 4 September 2015.

Hours: 9:30 to 13:00.

Overview: This course will provide an overview of recent advances in, and applications of, dynamic oligopoly models in Industrial Organization. We will start by introducing a simple framework for dynamic oligopoly in the context of a dynamic investment model.

We will move on to other applications and extensions of the framework, including dynamic entry models and dynamic mergers, with a discussion of antitrust issues. We will cover an empirical model of dynamic network adoption and participation. We will learn alternative econometric approaches to the identification and estimation of dynamic oligopoly models, including a discussion of serially correlated unobserved shocks. Finally, we will discuss methods for computing counterfactuals and welfare, and then speculate about some unresolved issues and the potential for future work in this area.

Topics: Dynamic oligopoly. Identification and estimation of dynamic games. Dynamic entry models. R&D and Investment. Mergers and antitrust. Dynamic network adoption. Serially correlated unobserved shocks. Computing counterfactuals and welfare.

Prerequisites: The class will be taught at the level of a second-year graduate class. Prerequisites are first-year graduate microeconomics and econometrics. However, I will vary the level of technical detail depending on the background of the students who enroll.

* Lanier Benkard is the Gregor G Peterson Professor of Economics at the Stanford Graduate School of Business, where he has taught since 1998. His research is in the areas of empirical industrial organization, applied microeconomics, and econometrics, and concentrates on applying microeconomic and game theoretic models to the study of individual markets. He has published numerous papers in refereed academic journals, including *Econometrica*, *American Economic Review*, *Journal of Political Economy*, *Review of Economic Studies*, and coauthored a chapter for the *Handbook of Econometrics*. He obtained his PhD in Economics from Yale in 1998.

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