

# Empirical Industrial Organization II: Topics

Reading list

January 31, 2023

Starred (\*) compulsory. Make sure to read the compulsory material before the lecture in question.

## Introduction and general reference

D. Akerberg, L. Benkard, S. Berry and A. Pakes, “Econometric Tools for Analyzing Market Outcomes,” Handbook of Econometrics, Volume 6A, Chapter 63. [link](#)

Bresnahan, T. “The Oligopoly Solution is Identified,” Economics Letters.

L. Einav, and J. Levin. 2010. ”Empirical Industrial Organization: A Progress Report.” Journal of Economic Perspectives.

\* P. Reiss and F. Wolak, “Structural Econometric Modeling: Rationales and Examples from Industrial Organization,” Handbook of Econometrics, Volume 6A, Chapter 64. At least sections 1–4. [link](#)

## Electricity markets

Borenstein, B, J. Bushnell and F. Wolak (2002) “Measuring Market Inefficiencies in California’s Restructured Wholesale Electricity Market,” American Economic Review.

Bushnell, J., E. Mansur, and C. Saravia (2008) “Vertical Arrangements, Market Structure and Competition: An analysis of Restructured U.S. Electricity Markets.” American Economic Review.

Cramton, P. (2017) “Electricity Market Design,” Oxford Review of Economic Policy.

Fabra, N., N.-H. von der Fehr, and D. Harbord (2006) “Designing Electricity Auctions.” The RAND Journal of Economics.

Fabra, N. and M. Reguant (2014) “Pass-Through of Emissions Costs in Electricity Markets”, American Economic Review.

Fabra, N. (2018) “A primer on capacity mechanisms”, Energy Economics.

Green R. and D. Newbery (1992) ”Competition in the British Electricity Spot Market,” Journal of Political Economy.

Hortaçsu, A., and S. Puller (2008) “Understanding Strategic Bidding in Multi-Unit Auctions: A Case Study of the Texas Electricity Spot Market.” *RAND Journal of Economics*.

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Ito K. and M. Reguant, (2016) “Sequential Markets, Market Power, and Arbitrage,” *American Economic Review*.

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\* Puller, S. (2007) “Pricing and Firm Conduct in California’s Deregulated Electricity Market”, *Review of Economics and Statistics*.

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\* Ryan, N. (2021) ”The Competitive Effects of Transmission Infrastructure in the Indian Electricity Market”, *American Economic Journal: Microeconomics*.

Wilson, R. (2002) “Architecture of Power Markets”, *Econometrica*.

Wolak, F. (2003) “Identification and estimation of cost functions using observed bid data: An application to electricity markets.” *Advances in Economics and Econometrics: Theory and Applications*, Vol. II.

Wolak, F. (2021) “Wholesale electricity market design,” *Handbook on Electricity Markets*, Chapter 4.

Wolfram, C. (1998) “Strategic Bidding in a Multiunit Auction: An Empirical Analysis of Bids to Supply Electricity in England and Wales,” *Rand Journal of Economics*.

## **Productivity**

\* G. Steven Olley and Ariel Pakes (1996). ”The Dynamics of Productivity in the Telecommunications Equipment Industry”. *Econometrica*, 64(6), 1263-1297.

\* James Levinsohn and Amil Petrin (2003). ”Estimating Production Functions Using Inputs to Control for Unobservables”. *Review of Economic Studies*, 70(2), 317-341.

\* Daniel. A. Akerberg, Kevin Caves and Garth Frazer (2015). ”Identification Properties of Recent Production Function Estimators”. *Econometrica*, 83(6), 2411-2451.

Jan De Loecker and Chad Syverson (2021). "Chapter 3 - An industrial organization perspective on productivity". Handbook of Industrial Organization, Volume 4, 141-223.

### **Health market**

Chandra, Amitabh, et al. "Health Care Exceptionalism? Performance and Allocation in the US Health Care Sector." The American Economic Review, 2016, vol. 106(8): 2110–44.

Chandra, Amitabh, and Douglas O Staiger, "Identifying sources of inefficiency in healthcare." The Quarterly Journal of Economics, 2020, 135(2): 785-843.

Gaynor, Martin, Kate Ho, and Robert J. Town "The industrial organization of health-care markets." Journal of Economic Literature, 2015, 53 (2): 235-84.

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\* Einav, Liran and Finkelstein, Amy "Selection in Insurance Markets: Theory and Empirics in Pictures" Journal of Economic Perspectives, 2011, 25(1): 115-138.

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\* Ho, Katherine. "The Welfare Effects of Restricted Hospital Choice in the US Medical Care Market." Journal of Applied Econometrics, 2006, 21(7): 1039-1079

Moscelli, Giuseppe, Gravelle, Hugh, Siciliani, Luigi. Hospital Competition and Quality for Non-emergency Patients in the English NHS. The RAND Journal of Economics, 2021; 00: 1-33.

### **Auctions**

\* Paul R. Milgrom and Robert J. Weber (1982). "A Theory of Auctions and Competitive Bidding". Econometrica 50, 1089-1122.

\* Emmanuel Guerre, Isabelle Perrigne and Quang Vuong (2000). "Optimal Nonparametric Estimation of First-Price Auctions". Econometrica 68, 525-574.

\* Susan Athey, Jonathan Levin and Enrique Seira (2011). "Comparing Open and Sealed Bid Auctions: Evidence from Timber Auctions". The Quarterly Journal of Economics 126, 207–257.

### **Static Entry Models**

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- \* Bresnahan, T. and P. Reiss, 1991. Entry and Competition in Concentrated Markets. *Journal of Political Economy*, 99, 5, 977-1009.
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- \* Dunne, T., M. Roberts and L. Samuelson, 1988. Patterns of Firm Entry and Exit in US Manufacturing Industries. *RAND Journal of Economics* 19, 4, 495-515.
- \* Eizenberg, A. 2014. Upstream Innovation and Product Variety in the US Home PC Market. *Review of Economic Studies*, 81,3, 1003-45.
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