

Faculdade de Economia do Porto
Ph.D in Economics
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Cartels and Collusion

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TEXTBOOKS:

Two main textbooks are going to be followed:

- *The Theory of Industrial Organization*, by Jean Tirole, MIT Press (1988) (henceforth T)
- *Competition Policy – Theory and Practice*, by Massimo Motta, Cambridge University Press, (2004) (henceforth M)

Indications for additional readings will be given during the course.

PROGRAMME:

Session 1:

- What is collusion? (M 4.1)
- Supergames: theory and applications (T 6.3.1-6.3.2)
- Factors that facilitate collusion (M 4.2)

Session 2:

- Collusion: Advanced Material (M 4.3)
 - Symmetry and collusion
 - Secrete price cuts (see also: T 6.3.3 and 6.7.1)
 - Cartels and renegotiation
 - Credibility of the punishment and optimal penal codes