BACHELOR OF ECONOMICS
THAMMASAT UNIVERSITY

Course Outline

EE483 Economics of Regulation and Competition

Semester 1/2024 (August 13 - December 2, 2024)

Lecture Time: Friday, 09.00-12.00 hours

Lecture Venue: Room 206, 2nd floor, Faculty of Economics

Teaching Materials Platform: Google Classroom

https://classroom.google.com/c/NzAzNDc5NDk2Nzcy?cjc=n5pigf5

Class code: n5pigf5

Instructor:

Name: Asst. Prof. Dr. Pornthep Benyaapikul

Office Hours: Monday 13.00-16.00 or by appointment.

Email: pornthep@econ.tu.ac.th

Number of Credit: 3 Credits (3-0-6)

Prerequisite: EE311

Course Description:

Study of regulatory theories, competition policies, together with their economic rationales. Study of approaches, methods, instruments and impact assessment of regulation and competition policies. Study of regulatory institutions, governance and performance. Study of case studies from the developed and developing countries.

Course Objectives:

By the end of this course, students will be able to:

1. Explain the key economic theories and rationales underlying regulation and competition policies
2. Describe and compare different regulatory approaches, methods and instruments

3. Assess the impact and performance of regulation and competition policies
4. Analyze the role of regulatory institutions and governance
5. Apply course concepts to real-world case studies from various countries and industries

Required Textbooks:

1. Viscusi, W. Kip, Harrington, Joseph E., & Sappington, David E. M. (2018). *Economics of Regulation and Antitrust* (5th ed.). Cambridge, MA: MIT Press.

Suggested Readings:

- Baldwin, R., Cave, M., & Lodge, M. (2012). *Understanding Regulation: Theory, Strategy, and Practice* (2nd ed.). Oxford: Oxford University Press.
- Decker, C. (2014). *Modern Economic Regulation*. Cambridge University Press.
- Motta, Massimo (2004). *Competition Policy: Theory and Practice*. Cambridge: Cambridge University Press.
- Joskow, P. L. (2007). Regulation of natural monopolies. *Handbook of Law and Economics*, 2, 1227-1348.
- Rysman, M. (2009). The economics of two-sided markets. *Journal of Economic Perspectives*, 23(3), 125-143.
- Hazlett, T.W. (2024) U.S. Antitrust Policy in the Age of Amazon, Google, Microsoft, Apple, Netflix and Facebook. *Const Polit Econ* **35**, 73–108. https://doi.org/10.1007/s10602-022-09391-9

- Additional readings may be suggested later.

Term Group Assignment: Project Options

As part of this course, students will work in groups to complete a term project that delves into specific aspects of regulation and competition policy. Each group will choose one of the following topics, and together, they will conduct an in-depth analysis. The projects are designed to allow students to apply the theories and concepts learned in class to real-world scenarios and case studies.

Suggested Project Topics

1. **Analysis of Antitrust Case in a High-Tech Industry**
    - Investigate a recent antitrust case involving a major technology company. Analyze the economic arguments, the outcome of the case, and its implications for competition policy in the tech sector.

2. **Comparative Study of Competition Policies in Developing vs. Developed Countries**
    - Compare and contrast the competition policies and enforcement practices in a developing and a developed country, analyzing the differences in economic contexts and regulatory outcomes.
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3. **Case Study Analysis of a Regulated Industry**
    - Analyze a specific regulated industry in Thailand, evaluating the role of regulation in shaping market outcomes, including competition, pricing, and innovation, with recommendations for potential reforms.

4. **The Economics of [Healthcare/sector of your choice] Regulation**
    - Explore the impact of Thailand's [healthcare/ sector of your choice] regulation on market outcomes such as price, quality, and access, focusing on a specific regulation.

5. **The Role of Competition Policy in Digital Markets**
    - Investigate the challenges and impact of competition policy in digital markets, focusing on issues like platform dominance, data privacy, Artificial Intelligence and consumer protection.

6. **Regulatory Challenges in the Gig Economy**
    - Examine the regulatory challenges and economic implications of the gig economy (e.g., Uber, Airbnb, Grab), addressing issues such as labor laws, taxation, and market competition.

7. **Comparative Analysis of Energy Regulation in Different Countries**
    - Compare regulatory approaches in the energy sector across different countries including Thailand, assessing the impact on prices, competition, and environmental outcomes.

8. **Regulation and the Sharing Economy**
    - Assess the regulatory challenges and economic impacts of the sharing economy, evaluating the effectiveness of current regulations and proposing new frameworks.

9. **Regulation in Thailand Telecommunications: A Case Study**
    - Conduct a case study on regulation in the telecommunications industry, analyzing its impact on competition, pricing, and consumer access to services.

10. **Competition Policy in the Pharmaceutical Industry**
    - Analyze the impact of competition policy on the pharmaceutical industry, focusing on issues like drug pricing, market entry, and intellectual property rights.

11. **Emerging Technologies and Competition Regulation Challenges**

- Examine the challenges that new and emerging technologies (e.g., AI, blockchain, cryptocurrencies) pose to existing competition regulation frameworks. Discuss potential regulatory responses and the implications for market dynamics and consumer welfare.

Project Guidelines

- **Group Composition:** Groups should consist of 3-5 students.
- **Deliverables:** Each group is required to submit a comprehensive written report (10-12 pages) and present their findings in class during Week 16 (November 29).
- **Evaluation Criteria:** Projects will be evaluated based on the depth of analysis, application of economic theory, clarity of argument, use of evidence, and overall presentation.
- **Submission Deadlines:** A project proposal is due by Week 5 (September 13), with the final report due by Week 15 (November 22).

Tentative Class Schedule:

Week	Date	Topic	Suggested Readings
1-2	Aug 16 Aug 23	Introduction to Economics of Regulation and Competition. Competition and Welfare	Viscusi et al. (2018), Chapter 1-3 Motta (2004), Chapter 1-2
3	Aug 30	Oligopoly and Collusion	Viscusi et al. (2018), Chapter 4 Motta (2004), Chapter 4
4-5	Sep 6 Sep 13	Market Structure and Dynamic Competition	Viscusi et al. (2018), Chapter 5 Motta (2004), Chapter 2
5-6	Sep 13 Sep 20	Horizontal Mergers	Viscusi et al. (2018), Chapter 6 Motta (2004), Chapter 5

Week	Date	Topic	Suggested Readings
7	Sep 27	Vertical Mergers and Vertical Restraints	Viscusi et al. (2018), Chapter 7 Motta (2004), Chapter 6
8		**Midterm Examination**	**Friday, October 4, 2024 09.00-11.00 AM.**
9-10	Oct 11 Oct 18	Monopolization and Abusive Practices	Viscusi et al. (2018), Chapter 8 Motta (2004), Chapter 7
11	Oct 25	Competition Policy in the New Economy	Viscusi et al. (2018), Chapter 9
12	Nov 1	Thailand’s Competition Law and Case Studies	TBD
13	Nov 8	Introduction to Economic Regulation	Viscusi et al. (2018), Chapter 10 Baldwin et al (2012) Chapter 2-4, 7
14	Nov 15	Optimal Pricing	Viscusi et al. (2018), Chapter 12
15	Nov 22	Incentive Regulation	Viscusi et al. (2018), Chapter 13
16	Nov 29	Group project presentation	TBD

Week	Date	Topic	Suggested Readings
		Final Examination	**Friday, December 13, 2024 09.00-12.00.**

Grading Criteria:

Midterm Examination: 35 %

Final Examination: 40%

Group Assignment: 25 %

Expected Learning Outcomes

1. Morality and Ethics EE483

Applicability	Expected Learning Outcomes	Evaluation Method
●	• Students demonstrate integrity and ethics as a researcher	Examination and Class discussion
○	• Students recognizes social responsibility and accountability to the society.	Examination and Class discussion
●	• Students recognize the importance of competition policy and economic regulation on consumers' welfare and well-being.	Examination and Class discussion

2. Knowledge

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Explain the key economic theories and rationales underlying regulation and competition policies.	Examination and Class discussion
●	2. Describe and compare different regulatory approaches, methods and instruments.	Examination and Class discussion

3. Intellectual Development

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Assess the impact and performance of regulation and competition policies	Examination and assignments
●	2. Analyze the role of regulatory institutions and governance	Examination and assignments

●	3. Apply course concepts to real-world case studies from various countries and industries	Examination and assignments
●	4. Students improve critical thinking in analyzing the problems	Examination and assignments

4. Interpersonal Skills and Responsibilities

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students are responsible for the assigned tasks	Group Assignment
○	2. Students work effectively as a team, demonstrating leadership and teamwork	Group Assignment
○	3. Students respects other opinions and provide constructive comments	Group Assignment

5. Quantitative Analysis, communication, and information technology

Applicability	Expected Learning Outcomes	Evaluation Method
●	1. Students can apply mathematical methods in solving the problems in the fields	Exam and group presentation
●	2. Students communicate effectively and select appropriate presentation approach to deliver discussion points and ideas to solve the problems	Exam and group presentation
○	3. Students use information and communication technologies appropriately to analyze the problems and propose policy recommendations.	Exam and group presentation

Remark: ● Primary expected outcome ○ Secondary expected