

Field “Markets and Institutions”

Prof. Johannes Münster

Overview Schwerpunktmodule Markets and Institutions

Modul	Course	Frequency	Professor
Seminar M & I	Seminar M & I (Media Econ)	Every semester (summer 2017)	Höffler, Münster, Prantl
Competition Policy	Competition Policy	Every summer	Höffler
Specific Markets A	Media Economics	Every winter	Münster
Specific Markets B	Imperfect information in health care markets	Every winter	Schmidt
Topics in M & I – A	Topics in M & I – A	Every 4 semester	Höffler
Topics in M & I – B	Empirical Industrial Organization	Every 4 semester	Prantl
Topics in M & I – C	Industrial Economics	Every winter	Schmidt
Common Topics: M & I + Public Economics	Economics of Innovation	Every 4 semester	Prantl
Matching and Market Design	Matching and Market Design	Every winter	Westkamp

- My teaching focusses on Media Economics.
- Lecture “Media Economis”: every winter semester.
- Regular seminars.
- (I also teach Advanced Micro in the research track, every winter term.)

- Content media:
 - print: newspapers, magazines, books,
 - audiovisual: film, broadcast TV, radio, video channels
- Platform media:
 - wireline telecom, wireless telecom
 - cable & satellite TV platforms
- Internet media:
 - ISPs
 - search engines
 - online news media

- Why study media markets?
 - Worldwide media revenue $\approx 7\%$ of world GDP
 - Share of discretionary income $\approx 20\%$
 - Share of discretionary time $> 50\%$
- IO perspective on media markets:
 - high fixed costs
 - two-sided markets
 - ...
- Policital economy perspective on media markets

(Lecture & Exercise, every winter term)

Syllabus

- 1 Media's impact on markets, politics, and social outcomes
- 2 Structure and performance of media markets (cost structure, optimal pricing, two-sided markets, ...)
- 3 Political Economy of Media Markets (media bias, media power, concentration and diversity)
- 4 Sectors (print, online, television, ...)

- This summer: topic is media bias
- Topics of recent seminars
- exemplary topics:
 - The digital transformation of media markets
 - Media concentration
 - Economics of internet media
 - Political economy of media markets
 - Two-sided markets

Anderson, Strömberg & Waldfogel (eds.), 2016, The Handbook of Media Economics, Vol. 1A and 1B, Elsevier.



Prof. Dr. S. Prantl: Master Courses

1. Economics of Innovation
2. Seminar
3. Empirical Industrial Organization (Research Track)

Economics of Innovation

- The course is listed as “Schwerpunktmodul Common Topics: Markets and Institutions/Public Economics” (see Modulhandbuch).
- Accordingly, you can register for the course either as part of the field “Markets and Institutions” or as part of “Macroeconomics and Public Economics”.

Course Program - Economics of Innovation

Exemplary topics of the course are:

- Uncertainty and the Value of Inventions
- Private and Social Returns to Research and Development
- The Role of Intellectual Property Rights and Science
- Ideas, Knowledge Production, and Economic Growth
- Knowledge Spillovers
- Adoption and Diffusion of Technologies
- Product Market Competition, Entry and Innovation

Course Program - Economics of Innovation

Lectures:

- I. The Economics of Innovation (*see above*)
- II. Methods of Empirical Modeling in Economic Research
 - Causality and Causal Inference
 - Potential Outcomes, Treatments and Assignment Mechanisms
 - Effect Identification and Identifying Assumptions
 - Difference-in-Differences Methods
 - Instrumental Variables Approaches
 - Regression Discontinuity Designs, etc.

Class sessions:

- III. Discussions of recent research papers (incl. optional student presentations)

Readings - Economics of Innovation

Selected research papers:

- Galasso, A. and M. Schankerman. 2015. “**Patents and Cumulative Innovation: Causal Evidence from the Courts.**” *Quarterly Journal of Economics* 183 (1): 317-369.
- Griffith, R., Harrison, R. and J. Van Reenen. 2006. “How Special is the Special Relationship? Using the **Impact of U.S. R&D Spillovers on U.K. Firms** as a Test of Technology Sourcing.” *American Economic Review* 96 (5): 1859-1875.
- Bloom, N., M. Draca and J. Van Reenen. 2016. “**Trade Induced Technical Change?** The Impact of Chinese Imports on Innovation, IT and Productivity.” *Review of Economic Studies* 83 (1): 87-117.

Readings - Economics of Innovation

Selected introductory readings:

- Aghion, P. and P. Howitt. 2009. *The Economics of Growth*. Cambridge, USA: MIT Press. Selected chapters.
- Jones, Charles and Dietrich Vollrath. 2013. *Introduction to Economic Growth*. New York, USA: W. W. Norton and Company. Selected chapters.
- Scotchmer, S.. 2004. *Innovation and Incentives*. Cambridge, USA: MIT Press. Selected chapters.

Selected readings on empirical modeling:

- Blundell, R., and M. Costa Dias. 2009. "Alternative Approaches to *Evaluation in Empirical Microeconomics*." *Journal of Human Resources* 44(3): 565-593.
- Imbens, G. W. and D. B. Rubin. 2015. *Causal Inference for Statistics, Social, and Biomedical Sciences - An Introduction*. New York, USA: Cambridge University Press. Selected sections.
- Wooldridge, J. M.. 2010. *Econometric Analysis of Cross Section and Panel Data*. Cambridge, USA: MIT Press. Selected sections.

Economics of Innovation

- The course will next be taught in English in the **Summer Term 2017/18**:
 - ▶ Time: Wednesdays, 8:15-9:45 and 10:00-11:30.
 - ▶ Location: WiSo-Hochhaus, 7th floor, room 710.
 - ▶ Lectures with integrated class sessions.

Seminar

- The next seminar will be taught in English in **Autumn 2017**.
- You will be able to register for the seminar either as part of the field **“Markets and Institutions”** or as part of **“Macroeconomics and Public Economics”**.

Exemplary Seminar Topics

Last seminar:

- Entrepreneurial Entry, Firm Entry and the Regulation of Entry

Autumn 2017:

- Worker Mobility and Immigration: Causes and Consequences

Empirical Industrial Organization (Research Track, RT)

The course will be taught in English in the **Winter Term 2017/18**.

The course is well suited for **advanced Master students, "Research Track"-Students and PhD students**.

Master students will be able to register for the seminar as part of the field **"Markets and Institutions"**.

You should bring along a strong interest in Industrial Organization and structural empirical modeling in economics.

Course Program - Empirical Industrial Organization (RT)

Lectures:

I. Empirical Industrial Organization

- ▶ Introduction
- ▶ Simultaneous Equations Models and IV Estimator
- ▶ Production Function Estimation
- ▶ Demand Estimation and Discrete Choice Models
- ▶ Entry Models
- ▶ Empirical IO and Competition Policy

Class sessions:

- II. Introduction to STATA and regular STATA sessions throughout the course.
- III. Lectures will be accompanied by class sessions with **student work on computer applications**.

Background Reading

- Akerberg, D., L.C. Benkard, S. Berry, and A. Pakes. 2007. “**Econometric Tools for Analyzing Market Outcomes.**” In J.J. Heckman and E.E. Leamer (ed.), *Handbook of Econometrics*, Amsterdam NL: Elsevier B. V., Volume 6A, 1st edition, chapter 63.
- De Loecker, J. and J. Van Biesebroek. 2015. “**The Effect of International Competition on Firm Productivity and Market Power.**” forthcoming: *The Oxford Handbook of Productivity Analysis*.
- Nevo, A. 2011. “**Empirical Models of Consumer Behaviour.**” *Annual Review of Economics* 3: 51-75.

Background Reading

- Aguirregabiria, V.. 2017. *Empirical Industrial Organization: Models, Methods, and Applications*. mimeo.
- Einav, L. and J. Levin. 2010. "Empirical Industrial Organization: A Progress Report." *Journal of Economic Perspectives* 24(2): 145-162.
- Reiss, P. C., and F. A. Wolak. 2007. "Structural Econometric Modeling: Rationales and Examples from Industrial Organization." In J.J. Heckman and E.E. Leamer (ed.), *Handbook of Econometrics*, Amsterdam NL: Elsevier B. V., Volume 6A, 1st edition, chapter 64.
- Tirole, Jean. 1988. "The Theory of Industrial Organization." Cambridge USA: MIT Press.
- Train, Kenneth E.. 2009. "Discrete Choice Methods with Simulation." Cambridge USA: Cambridge University Press, 2nd edition.
- Wooldridge, Jeffrey M.. 2010. "Econometric Analysis of Cross Section and Panel Data." Cambridge USA: MIT Press.