

Reading list 2009–10

99 Industrial economics

The current edition of the subject guide is the 2008 edition. This reading list was last updated in May 2009. Any queries about this reading list should be directed to externalstudy@lse.ac.uk.

Essential reading

Books

Tirole, J. *The Theory of Industrial Organization*. (Cambridge, MA: MIT Press, 1988) [ISBN 9780262200714].

Church, J.R. and R. Ware *Industrial Organization: A Strategic Approach*. (Irwin McGraw-Hill, 2000) [ISBN 9780256205718]. At the time of writing of this guide it was available for free download from the internet [last accessed 27 May 2009]:
<http://homepages.ucalgary.ca/~jrchurch/page4/page5/files/PostedIOSA.pdf>

Two other books are useful for particular parts of the syllabus. For Chapter 9, you may refer to: Sutton, J. *Sunk Costs and Market Structure*. (Cambridge, MA: MIT Press, 1991) [ISBN 9780262193054].

And for Chapter 11, you may read certain parts of:

Armstrong, M., S. Cowan and J. Vickers *Regulatory Reform*. (Cambridge, MA: MIT Press, 1994) [ISBN 9780262011433].

Journals

Porter, R.H. 'A Study of Cartel Stability: The Joint Executive Committee, 1880–1886', *Bell Journal of Economics* 14(2) 1983, pp.301–314

Rey, P. and J. Stiglitz 'The Role of Exclusive Territories in Producers' Competition', *Rand Journal of Economics* 26(3) 1995, pp.431–451

Schmalensee, R. 'Entry Deterrence in the Ready-to-eat Breakfast Cereal Industry', *Bell Journal of Economics* 9(2) 1978, pp.305–327

Sutton, J. 'Market Structure: Theory and Evidence', in Armstrong, M. and R. Porter (eds.), *Handbook of Industrial Organization, volume 3*. (Amsterdam: North-Holland, 2007) [ISBN 9780444824356]. Working paper version available at:
http://personal.lse.ac.uk/sutton/market_structure_theory_evidence.pdf

Further reading

Books

There are several other textbook references for this subject. Some of the most useful are:

Cabral, L. *Introduction to Industrial Organization*. (Cambridge, MA: MIT Press, 2000) [ISBN 9780262032865].

Carlton, D.W. and J.M. Perloff *Modern Industrial Organization*. (Pearson Addison Wesley, 2005) fourth edition [ISBN 9780321223418].

Martin, S. *Industrial Economics: Economic Analysis and Public Policy*. (Englewood Cliffs, NJ: Prentice Hall, 2001) second edition [ISBN 9780023767869]

Shy, O. *Industrial Organization*. (Cambridge, MA: MIT Press, 1995) [ISBN 9780262691796].

Clark, I. and I. Neumann (eds) *Classical Theories of International Relations*. (London: Macmillan, 1996) [ISBN 9780312159313].

The full list of further reading for the unit is:

Books

- Armstrong, M., S. Cowan and J. Vickers *Regulatory Reform*. (Cambridge, MA: MIT Press, 1994) [ISBN 9780262011433]. Chapters 7–10.
- Braeutigam, R.R. ‘Optimal Policies for Natural Monopolies’, in Schmalensee, R. and R. Willig (eds.) *Handbook of Industrial Organization*, volume 2. (Amsterdam: North-Holland, 1989) [ISBN 9780444704351].
- Bresnahan, T.F. ‘Empirical Studies of Industries with Market Power’, in Schmalensee, R. and Willig, R. (eds) *Handbook of Industrial Organization*, volume 2. (Amsterdam: North-Holland, 1989) [ISBN 9780444704351].
- Cabral, L. *Introduction to Industrial Organization*. (Cambridge, MA: MIT Press, 2000) [ISBN 9780262032865].
- Carlton, D.W. and Perloff, J.M. *Modern Industrial Organization*. (Pearson Addison Wesley, 2005) fourth edition [ISBN 9780321223418].
- Church, J.R. and Ware, R. *Industrial Organization: A Strategic Approach*. (Irwin McGraw-Hill, 2000) [ISBN 9780256205718]. Chapter 25.
- Competition Commission *New Cars: A Report on the Supply of New Motor Cars within the UK*, Cm 4660 (London: T.S.O., 2000) [ISBN 9780101466028]. Available online: http://www.competition-commission.org.uk/rep_pub/reports/2000/439cars.htm
- Geroski, P. ‘Markets for Technology: Knowledge, Innovation and Appropriability’, in Stoneman, P. (ed.) *Handbook of the Economics of Innovation and Technological Change*. (Oxford: Blackwell, 1995) [ISBN 9780631197744].
- Gilbert, R.J. ‘Mobility Barriers and the Value of Incumbency’, in Schmalensee, R. and Willig, R. (eds) *Handbook of Industrial Organization*, volume 1. (Amsterdam: North-Holland, 1989) [ISBN 9780444704344].
- Hart, O. *Firms, Contracts, and Financial Structure*. (Oxford: Oxford University Press, 1995) [ISBN 9780198288817] Chapters 1–4.
- Holmstrom, B.R. and J. Tirole ‘The Theory of the Firm’, in Schmalensee, R. and R. Willig (eds) *Handbook of Industrial Organization*, volume 1. (Amsterdam: North-Holland, 1989) [ISBN 9780444704344].
- Jacquemin, A. and M.E. Slade ‘Cartels, Collusion, and Horizontal Merger’, in Schmalensee, R. and Willig, R. (eds) *Handbook of Industrial Organization*, volume 1. (Amsterdam: North-Holland, 1989) [ISBN 9780444704344].
- Joskow P.L. and N.L. Rose ‘The Effects of Economic Regulation’, in Schmalensee, R. and R. Willig (eds.) *Handbook of Industrial Organization*, volume 2. (Amsterdam: North-Holland, 1989) [ISBN 9780444704351].
- Katz, M.L. ‘Vertical Contractual Relations’, in Schmalensee, R. and R. Willig (eds) *Handbook of Industrial Organization*, volume 1. (Amsterdam: North-Holland, 1989) [ISBN 9780444704344].
- Kwoka, J.E. and White, L.J. (eds), *The Antitrust Revolution: Economics, Competition, and Policy*. (Oxford University Press, 2004) fourth edition [ISBN 9780195161182]. Also the companion website: <http://www3.oup-usa.org/sc/0195161181/>
- Martin, S. *Industrial Economics*. (Englewood Cliffs, NJ: Prentice Hall, 1994) second edition [ISBN 9780023767869].
- Monopolies and Mergers Commission (MMC) *New Motor Cars*, Cm 1808 (London: H.M.S.O., 1992) [ISBN 9780101180825]. Available online: http://www.competition-commission.org.uk/rep_pub/reports/1992/313newmotorv1.htm
- Mowery, D. ‘The Practice of Technology Policy’, in Stoneman, P. (ed.) *Handbook of the Economics of Innovation and Technological Change*. (Oxford: Blackwell, 1995) [ISBN 9780631197744].
- Perry, M.K. ‘Vertical Integration: Determinants and Effects’, in Schmalensee, R. and Willig, R. (eds) *Handbook of Industrial Organization*, volume 1. (Amsterdam: North-Holland, 1989) [ISBN 9780444704344].
- Scherer, F.M. and D. Ross. *Industrial Market Structure and Economic Performance*. (Boston: Houghton Mifflin, 1990) third edition [ISBN 9780395357149].
- Shy, O. *Industrial Organization*. (Cambridge, MA: MIT Press, 1995) [ISBN 9780262691796].
- Stole, L.A. ‘Price Discrimination and Competition’, in Armstrong, M. and R. Porter (eds), *Handbook of Industrial Organization*, volume 3. (Amsterdam: North-Holland, 2007) [ISBN 9780444824356].

- Symeonidis, G. *The Effects of Competition*. (Cambridge, MA: MIT Press, 2002) [ISBN 9780262194686].
- Whinston, M. 'Antitrust Policy Toward Horizontal Mergers', in Armstrong, M. and R. Porter (eds.), *Handbook of Industrial Organization*, volume 3. (Amsterdam: North-Holland, 2007) [ISBN 9780444824356].

Journals

- Abowd, J.M. and D.S. Kaplan 'Executive Compensation: Six Questions that Need Answering', *Journal of Economic Perspectives*, 13(4) 1999, pp. 145-168.
- Armstrong, M. and D.E.M. Sappington 'Regulation, Competition, and Liberalization', *Journal of Economic Literature* 44(2) 2006, pp.325–366.
- Bulow, J.I., J.D. Geanakoplos and P.D. Klemperer 'Multimarket Oligopoly: Strategic Substitutes and Complements', *Journal of Political Economy*, 93(3) 1985, pp. 488–511.
- Carlton, D.W. 'Does Antitrust Need To Be Modernized?' *Journal of Economic Perspectives*, 21(3) 2007, pp.155-176.
- Cooper, J.C., L.M. Froeb, D. O'Brien and M.G.Vita 'Vertical Antitrust Policy as a Problem of Inference', *International Journal of Industrial Organization*, 23, 2005, pp.639-664.
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- Fershtman, C. and A. Pakes 'A Dynamic Oligopoly with Collusion and Price Wars', *Rand Journal of Economics*, 31(2) 2000, pp. 207-235.
- Fudenberg, D. and J. Tirole 'The Fat Cat Effect, the Puppy Dog Ploy and the Lean and Hungry Look', *American Economic Review, Papers and Proceedings*, 74(2) 1984, pp. 361–368.
- George, L. and J. Waldfogel 'Who Affects Whom in Daily Newspaper Markets', *Journal of Political Economy*, 111(4) 2003, pp. 765-784.
- Hall, B.H. 'The Assessment: Technology Policy', *Oxford Review of Economic Policy*, 18(1) 2002, pp.1–9 (special issue: *Technology Policy*).
- Hart, O. 'An Economist's Perspective on the Theory of the Firm', *Columbia Law Review*, 89(7), 1989, pp.1757–1774.
- Hart, O. and J. Moore. 'Property Rights and the Nature of the Firm', *Journal of Political Economy*, 98(6) 1990, pp. 1119–1158.
- Helm, D. and T. Jenkinson 'The Assessment: Introducing Competition into Regulated Industries', *Oxford Review of Economic Policy*, 13, 1997, pp.1–14 (special issue: *Competition in Regulated Industries*).
- Joskow, P.L. 'Contract Duration and Relationship-Specific Investments: Empirical Evidence from Coal Markets', *American Economic Review* 77(1) 1987, pp.168–185.
- Judd, K.L. 'Credible Spatial Preemption', *Rand Journal of Economics*, 16(2) 1985, pp. 153–166.
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- Lafontaine and Slade, 'Vertical Integration and Firm Boundaries: The Evidence', *Journal of Economic Literature*, 45(3) 2007, pp. 629-685.
- Levenstein, M.C. 'Price Wars and the Stability of Collusion: A Study of the Pre-World War I Bromine Industry', *Journal of Industrial Economics*, 45(2) 1997, pp. 117–137.
- Levenstein, M.C. and V.Y. Suslow 'What Determines Cartel Success?', *Journal of Economic Literature*, 44(1) 2006, pp. 43-95.
- Lieberman, M.B. 'Excess Capacity as a Barrier to Entry: An Empirical Appraisal', *Journal of Industrial Economics*, 35(4) 1987, pp. 607–627.
- Martin, S. *Industrial Economics*. (Englewood Cliffs, NJ: Prentice Hall, 1994) second edition [ISBN 9780023767869]. Various chapters.
- Mathewson, G.F. and R.A. Winter 'An Economic Theory of Vertical Restraints', *Rand Journal of Economics*, 15(1) 1984, pp. 27–38.
- Monteverde, K. and Teece, D.J. 'Supplier Switching Costs and Vertical Integration in the Automobile Industry', *Bell Journal of Economics*, 13(1) 1982, pp. 206–213.
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- Salop, S.C. 'Monopolistic Competition with Outside Goods', *Bell Journal of Economics*, 10(1) 1979, pp. 141–156.

- Shaked, A. and J. Sutton 'Relaxing Price Competition through Product Differentiation', *Review of Economic Studies*, 49(1) 1982, pp. 3–13.
- Singh, S., M. Utton and M. Waterson,. 'Strategic Behaviour of Incumbent Firms in the UK', *International Journal of Industrial Organization* 16, 1998, pp.229-252.
- Slade, M. 'Strategic Pricing Models and Interpretation of Price-War Data', *European Economic Review*, 34, 1990, pp.524–537.
- Sutton, J. 'Technology and Market Structure', *European Economic Review*, 40, 1996, pp.511–530.
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- Symeonidis, G. 'The Effect of Competition on Wages and Productivity: Evidence from the UK', *Review of Economics and Statistics*, 90, 2008, pp.134-146.
- Vickers, J. 'Regulation, Competition, and the Structure of Prices' *Oxford Review of Economic Policy*, 13, 1997, pp.15–26 (special issue: *Competition in Regulated Industries*).
- Waldfogel, J. 'Preference Externalities: An Empirical Study of Who Benefits Whom in Differentiated Product Markets', *Rand Journal of Economics*, 34(3) 2003, pp. 557-568.

Making use of the Online library

- To help you read extensively, all External students have free access to the University of London Online library where you will find the full text or an abstract for many of the journal articles listed for this unit.
- The Online library is accessed via the Student Portal at <http://my.londonexternal.ac.uk/>
- For most journals, the username and password you need is the same as the one which you have been sent to use for logging in to the Student Portal.