

University of Jordan	
Faculty of Business	
Department	Business Economics
Programme	BSc Business Economics
Module title / number	Competition and Economic Regulation 1607335
Pre-requisite	1607210
Module description	<p>The course consists of three main parts. The first part is concerned with basic microeconomics. This includes market forms and the main sources of market and government failures. It explains the basic theories of competition and some specific markets such as networks, knowledge-based industries and two-sided markets as they relate to the various theories of completion.</p> <p>In the second part, the basic theories of completion are translated into concrete policy indicators for antitrust and competition policy enforcement. The economics of ex ante regulation will be introduced in the third part, with emphasis on available theories of regulation, price regulation and price-cap, revenue- cap, yardstick methods, and other regulation. Special attention will be placed on problems of capture, enforcement and implementation in developing countries. Examples will be drawn from the telecoms, energy and transportation fields.</p>
Aims	<p>.The main course aims are:</p> <ul style="list-style-type: none"> - To provide an under standing of the key issues relating to the working of competition and regulation. - To provide an review of the main theories of competition and regulation and their policy implications - To provide an overview of the various definitions of, and approaches to, regulation and outline some of the main regulatory policies and practices, with emphasis on developing countries,
Intended Learning Outcomes (I L Os)	
1- knowledge and understanding:	<p>Students should have knowledge of:</p> <ul style="list-style-type: none"> - Economics as a social science - Why spontaneous behavior does not always lead to maximizing social welfare; why efficient after clashes with fairness and justice, and why individual never behave like the homoeconomics. - Market forms, with emphasis on welfare analysis of perfect competition and monopoly.

	<ul style="list-style-type: none"> - Theories behind ex ante regulation and ex post competition. - Roots and purposes, and main competition policy models existing in the world. - Role and purposes, and main competition policy models existing in the world. - Role that antitrust policy can play in developing countries. - Costrels - Alternative methods of regulation. 						
2- Analytical and thinking skills	<ul style="list-style-type: none"> - approach problems of market failures and anticompetitive conduct of the basis of a sound understanding at the underlying economic issues. - Encompass the whole policy cycle of market failure and potential solutions, from formulation to implementation and enforcement. 						
Teaching and learning methods							
	<p>There will be 3 lectures per week. Although the lectures cover the most majority of the module material, students must make use of the textbooks extensively.</p> <p>A case study, applied mainly to Jordan, should be submitted and presented by each student (or group of students depending on the number of registered students in the class) in the late of the semester .</p>						
Assessment methods: Students will be assessed based on both assignments and exam as follows:							
	<table style="width: 100%; border: none;"> <tr> <td style="text-align: right;">Mid-term Exam</td> <td style="text-align: right;">30%</td> </tr> <tr> <td style="text-align: right;">Case study</td> <td style="text-align: right;">20%</td> </tr> <tr> <td style="text-align: right;">Final Exam</td> <td style="text-align: right;">50%</td> </tr> </table>	Mid-term Exam	30%	Case study	20%	Final Exam	50%
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Academic Honesty							
	<i>All the assignments and work submitted by the student should be his or her own. All actions of academic dishonesty including cheating, plagiarism or helping other students in such actions will be dealt with strictly according to the university regulations.</i>						
Main textbook(s) and additional readings							
	<ol style="list-style-type: none"> 1. K. Viscusi, J. Harrington and J. Vernon, Economics of Regulation and Antitrust, fourth edition. Cambridge: MIT Press, 2005. 2. Massimo Motta, "Competition policy: Theory and practice", European University Institute. Cambridge university Press, 8th printing 2007. 3. Kessides, I., Reforming Infrastructure: 						

	Privatization, Regulation and Competition, Washington and New York, The World Bank and Oxford University Press, 2004 4. World Bank, The Little Data Book on Private Sector Development. Washington: The World Bank, 2008 .
Detailed lecture schedule	
Week	Topic
1	PRINCIPLES AND OBJECTIVES OF REGULATION AND THE KEY ISSUES Why regulate? What to regulate? How did we get here?
2	PRINCIPLES (cont'd) Market failures versus government failures Regulatory reform worldwide and implications for Jordan
3	Market Structure and forms of competition
4	Introduction to antitrust and competition policy
5	Unilateral Conduct and pricing abuses
6	INSTITUTIONAL FRAMEWORKS FOR REGULATING UTILITIES enforcement mechanisms, multisector regulators, government department versus corporatization versus privatization versus public-private partnerships
7	REVIEW AND ANALYSIS OF MARKETS, including efficiency and welfare
8	HOW TO REGULATE A NATURAL MONOPOLY rate-of-return regulation, incentive regulation
9	HOW TO REGULATE A NATURAL MONOPOLY (cont'd) structure of tariffs, franchise bidding, regulating other dimensions such as quality
10	HOW TO REGULATE NETWORK INDUSTRIES network economics, regulating during technological change, regulation of structure, entry/exit and potentially competitive markets, access terms and pricing, transition (stranded costs)
	MIDTERM EXAMINATION
11	UTILITY MARKETS rail, ports, water and sanitation
12	FINANCIAL MARKET REGULATION
13	OTHER ISSUES IN REGULATORY ECONOMICS Environmental regulation
14	OTHER ISSUES (cont'd) poverty reduction, health and safety, pharmaceuticals
15	STUDENT CASE STUDIES PRESENTATIONS
16	STUDENT CASE STUDIES PRESENTATIONS
	FINAL EXAMINATION