



Seminar

“On the Antitrust Economics of the Electronic Books Industry”

(in English)



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Biography:

Alex is an Assistant Professor in the Department of Economics at the Tsinghua University School of Economics and Management. He received his B.A., in Economics, from the College at Columbia University in 2005 and his Ph.D., in the same field, from the Toulouse School of Economics in 2011. At Tsinghua, he currently teaches courses in Industrial Organization at both undergraduate and Ph.D. levels and Enterprise Organization and Analysis in the Global MBA Program.

Date: 22 April 2016 (Friday)

Time: 1:30pm – 3pm

Venue: WYL314, Dorothy Y. L. Wong Building

Abstract:

When Apple entered the ebook market, prices rose. A recent court decision found Apple guilty of colluding with publishers, blaming the price hike, in part, on agency agreements and prohibiting their use. Building a model to compare these with traditional wholesale agreements, we identify a single, pivotal condition that leads prices under agency to be higher than under wholesale with two-part tariffs but lower with linear pricing. Our model shows that the increase in ebook prices can be explained, instead, by heightened competition for reading devices, and it guides our understanding of when restricting agency agreements is advisable.