

Content:

In this course, we will discuss the interaction between market competition and environmental sustainability goals. In the first block of the lecture, we will look at the specifics of “sustainable” products. In particular, we will discuss the need to build infrastructure in order to supply these goods and how competition can affect the speed with which this infrastructure is provided. We will also talk about strategic behavior such as greenwashing and investment in new technology in the presence of competition. Having established the specifics of competition with “sustainable” products, in the second block, we will discuss firm incentives to cooperate: either in order to produce more sustainable products or in order to discourage competition in this dimension. In the final block, we will look at how anti-trust law can affect firm incentives when it comes to investment in green technologies, with a specific focus on joint ventures aimed at improving product sustainability.

Target group:

This course is aimed at Master students in Economics or Business Administration.

Organization:

An introductory lecture will be held at the beginning of the semester (14.04.2022 10:30-12:00). This part of the course will provide students with an overview of the literature. Possible topics for presentations and term papers will be outlined. After the introduction, students will select a topic. In the second part of the lecture, individual work will take place, with multiple opportunities for consultations. In June 2022, students will make presentations of their topics (approx. 30 minutes) and participate in discussions. The presentations will take place on 09.06.2021 and 23.06.2021 (Thursdays). In case a large number of students signs up for the course, there will also be presentations on 30.06.2021. To complete the course, students need to write a short term paper. The deadline for submission of term papers is the 15th of August 2021.

Prerequisites:

Students attending the lecture should have completed at least one introductory economics course and one microeconomics course during their studies.

Language:

The course will be conducted in English (the literature and presentations will be in English; term papers will be accepted in both German and English).

Examination process:

Term paper (60%), presentation (30%), discussion (10%).

Workload:

2 SWS (4 ECTS)

Seminar paper topics and literature:

Specific papers and topics will be discussed and assigned during the introductory part of the course. A list of possible presentation topics, together with suggested literature, is provided below.

Block 1: Specifics of sustainable products

1.1 Consumer critical mass and investment in infrastructure

Zhou, Y., & Li, S. (2018). Technology adoption and critical mass: the case of the US electric vehicle market. *The Journal of Industrial Economics*, 66(2), 423-480.

1.2 Competitive environment and investment in sustainable R&D

Aghion, P., Bénabou, R. M. & Roulet, A. (2020). Environmental Preferences and Technological Choices: Is Market Competition Clean or Dirty? *NBER Working Papers* 26921, National Bureau of Economic Research, Inc.

1.3 Non-use value of green projects

Thomas, S. & Inderst, R. (2021). Reflective Willingness to Pay: Preferences for Sustainable Consumption in a Consumer Welfare Analysis, *LawFin Working Paper* 14

1.4 Greenwashing and limited information

Wu, Y., Zhang, K., & Xie, J. (2020). Bad greenwashing, good greenwashing: Corporate social responsibility and information transparency. *Management Science*, 66(7), 3095-3112.

Block 2: Collusion and sustainability choices

2.1 Collusive agreements and provision of “inferior” sustainability levels

Ale-Chilet, J., Chen, C., Li, J. & Reynaert, M. (2021). Colluding Against Environmental Regulation, *TSE Working Paper* n. 21-1204.

2.2 Collusive agreements as a tool to promote sustainability

Schinkel, M. P., & Spiegel, Y. (2017). Can Collusion Promote Sustainable Consumption and Production?, *International Journal of Industrial Organization* 53, 371–398.

Block 3: Sustainability and anti-trust

3.1 Tension between sustainability goals and anti-trust law

OECD (2020). Sustainability and Competition, *OECD Competition Committee Discussion Paper*, online.

3.2 Legal paths to resolving conflicts between anti-trust and sustainability

Monti, G. (2020). Four Options for a Greener Competition Law, *Journal of the European Competition Law & Practice* 11(3-4), 124–132.

3.3 Anti-trust vs. direct regulation

Schinkel, M. P., & Treuren, L. (2021). Corporate Social Responsibility by Joint Agreement. *Amsterdam Law School Research Paper*, (2021-01).

Contacts:

If you have further questions, please send an e-mail to yontcheva@dice.hhu.de. Additional information can be found on the ILIAS platform.