

“The Rise and (Potential) Fall of U.S. Cartel Enforcement”

(in English)



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Date: 20 May 2019 (Monday)

Time: 11:00am – 12:30pm

Venue: WYL314, 3/F, Dorothy Y. L. Wong Building

Abstract: Government enforcement against collusion, now viewed by the Supreme Court as the “supreme evil” in antitrust, has gone through various phases of enforcement in the U.S. There have been periods in which cartels have been able to collude more or less effectively given various institutional tools at the disposal of the government. By analyzing enforcement and prosecutions data over a long time horizon 1969-2016, this article examines the attributes of cartel enforcement over time and the changing use of tools to assist with detection and punishment. We provide a comprehensive description of critical cartel enforcement events and institutional developments from 1890 to the present. Our examination of the data includes a detailed descriptive analysis which tends to reveal three broad phases of U.S. cartel enforcement and prosecutions. The most recent data indicate a marked decline in the number of prosecutions, but sharp increase in per capita penalties. We also conduct regression-based estimation of the potential quantitative impact of the key institutional innovations to foster detection and prosecutions. Base on the raw data as well as our estimation, we comment on the potential factors that may be driving lower prosecutions in the more recent years. Finally, we briefly compare some key data between U.S. and European Commission cartel prosecutions to examine potential dynamic interlinkages.

Biography: Professor Ghosal is the Head of the Department of Economics, and the Virginia and Lloyd W. Rittenhouse '35 Professor of Humanities and Social Sciences. He received his Ph.D. from Warrington College of Business, University of Florida in 1988. Prior to joining Rensselaer in 2016, he was the Richard and Mary Inman Professor, and the Director of Graduate Programs, in the School of Economics at Georgia Institute of Technology. Professor Ghosal's current research and policy interests include: (1) firm strategy related to innovation, M&As, and pricing; (2) impact of environmental regulations on business strategy, innovation and firm reorganization; (3) firms' decision-making under uncertainty; (4) antitrust/competition laws and enforcement; and (5) regulatory reform to enhance competition and innovation.

All Are Welcome

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