

“Buffer Joint Ventures”

(in English)



Professor Thomas Ross
UPS Foundation Professor of Regulation
and Competition Policy
Sauder School of Business
University of British Columbia
Canada

Date: 24 January 2019 (Thursday)

Time: 4:00pm – 5:30pm

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

Abstract: While strategic alliances and joint ventures have become important organizational forms promising a variety of efficiency benefits for the economy, a body of research has been building showing that alliances between competitors can have significant anticompetitive consequences. This paper explores a particular kind of arrangement, here called a “buffer joint venture”, in which parent firms create an entity selling products located between their own locations in product or geographic space. Depending upon the governance structure of the joint venture and the timing of price-setting by the joint venture and its parents, the buffer joint venture may reduce competition between the parents leading to higher prices and profits and lower social welfare. By altering the per-period profits from collusion and deviation payoffs, a buffer joint venture can also affect the stability of collusion between parents in a repeated game context.

Biography: Tom Ross is the UPS Foundation Professor of Regulation and Competition Policy in the Sauder School of Business at the University of British Columbia. He is also the Director of the Phelps Centre for the Study of Government and Business at the Sauder School. An economist, he earned his undergraduate degree at the University of Western Ontario, his doctorate at the University of Pennsylvania and worked at the University of Chicago and Carleton University before moving to U.B.C.. His research in the areas of competition policy, industrial organization, public-private partnerships and experimental economics has been published in a number of scholarly journals. Professor Ross has also served as a consultant to a number of public and private sector organizations.

All Are Welcome

For enquiry: 2616 7190 (Carrie)