

NES RESEARCH PROJECT PROPOSAL

Topics in Applied and Empirical IO

Leader

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Overview

Industrial Organization (IO) is the broad part of Microeconomics that deals with business behavior, market structures and public policies. For many years the IO has attracted extensive research pertaining to strategic interactions of business agents. Consequently the vast scope of new results has been generated in this field.

Applied and empirical IO deals with testing for credibility of IO models, what gives specific implications of these models. One may point out, for example, the general applied and empirical studies of measuring the inter-industry market structure, firms' profitability, market concentration, entry/exit rate, cost structure, market power, demand and cost, predation, technology innovation and many other issues of the market. Despite their importance for economic science most of these studies remain inconclusive due to lack of robust methodological approaches as well as lack of reliable data.

Goals of Project

The current project supposes to address to some of applied and empirical issues of IO. The literature is full of interesting results which require detailed attention. This is why the scope of this project is mainly related to validation of existing results for different economic real situations and data. As an outcome it is expected to verify which theoretical implications are "robust" and which are not for Russian and world economy.

Methodology

The process of preparing the student's master dissertation involves the successful completion of several research stages. After each stage a report summary is to be written. In addition, a description of possible results to be achieved given the outcome of the completion of the current stage is needed. Typical research will involve four stages. Let us briefly outline each of them.

The first stage involves reading some of the general papers. The most interesting research agenda should to be selected. The selection process has to take into account how the applied or empirical question raised is essential. This potentially involves consulting with experts in the area of interest.

The second stage involves information and data processing. Given the topic chosen one should check the availability of general information and data..

The third stage: Given the outcome of the previous step. The necessary econometric procedures are implemented with possible data - "data cleaning". If it is required during this stage, the appropriate software tool to obtain the empirical results should be chosen

The last step contains the economic interpretation of the results of the previous step and writing down the thesis itself. This work contains the model, data description, econometric algorithms used, empirical results and economic policy implications.