

CEPR Competition Policy RPN - Online Event

Antitrust Enforcement, Inflation and Corporate Greed. What do we know?

14 July 2022

4.25 5.30 PM (CET)

Roundtable Discussion chaired by Tommaso Valletti



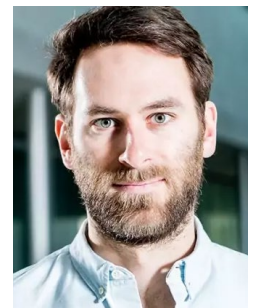
Jose' Azar

(University of Navarra and CEPR)



Jan Eeckhout

(Barcelona School of Economics and
CEPR)



Basile Grassi

(Bocconi and CEPR)



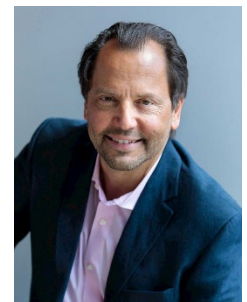
Thomas Philippon

(NYU Stern and CEPR)



Silvana Tenreyro

(London School of Economics, Bank of
England and CEPR)



Luigi Zingales

(Chicago Booth School of Business and
CEPR)

While competition and industrial organisation economics have much to contribute in themselves, they must also inform our views on broader economic issues given how much our market economies depend on competition to work effectively.

Further, at times of high inflation there is often community discussion about the role of market power and so called corporate greed.

This panel session, moderated by [Tommaso Valletti](#) (Imperial College London, and Director, CEPR Competition RPN) and involving distinguished economists, provides perspectives on many fascinating issues, including the following.

- Has market power contributed in any important way to current inflation levels? Market power likely affects the level of price pass through more in response to demand than supply shocks. Can market power allow some firms to limit supply responses and new firm entry when demand increases?
- In highly concentrated markets are companies better able to predict and shape competitor responses? How does this affect industry views on future price expectations?
- Do we know enough about concentration and mark ups in each part of the supply chains of those sectors seeing the highest price rises?
- Will market power in relevant sectors mean slower price reductions in response to monetary tightening? That is, can market structure affect the inflation/unemployment trade off?
- Does increasing market power lead to tightened supply capacity that can worsen inflationary pressures in times like these? For example, often after mergers we see a rationing of production capacity.

The panel discussion offers a range of insightful views on these issues.

There seems consensus, however, that our macroeconomic models do not take sufficient account of market power and market structure. Likewise, our IO models do not have enough to say on inflation. More work is needed in both areas.