

Syllabus

Behavioral and Digital Economics for Effective Management (BDEEM)

Course title	Theory of Regulation
Teacher	François Maréchal
shared course	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes, with M2 QAE
Hourly volume	21
Evaluation methods	Written exam and/or oral presentations
Course summary	Regulation is one of the tools used by governments to control monopolistic behaviour in the provision of public (or partially private) services such as health, electricity, transport, sewerage, or water. This course offers an overview of the design of regulations when different partners interact in a situation of asymmetric information (adverse selection and moral hazard) and uncertainty. Some useful applications are considered in the fields of insurance, health care provision, procurement, regulation of natural monopolies (e.g. by rate of return or by price-cap).
Skills	<p>Upon completion, students will be able to:</p> <ul style="list-style-type: none"> • Understand the consequences of asymmetric information (adverse selection, moral hazard) on markets and determine the optimal regulations in these situations. • Understand policies for regulating monopolistic behaviours in situations of asymmetric information (e.g. for the provision of water supply, gas, transport, etc.). • Understand the trade-offs involved in regulating the healthcare system: regulating demand (introducing potential competition in insurance) and supply (hospital pricing, methods of payment for healthcare providers, etc.).