

**Industrial Organization Ph.D. meeting**  
**March 29, 2022**  
**11.30-13.30**

**PROGRAM**

**1. ARTIFICIAL INTELLIGENCE APPLIED TO MONEY LAUNDERING (LUC FORTIN)**

Artificial Intelligence (AI) is not likely to make humans redundant, nor will it create superintelligence anytime soon. Consequently, the AI and the Human would be used together in a few areas including fight against Money laundering. Thus, I show what would be the best combination between AI and Humans to perform this particular task.

**2. PATRONAGE AND TARGETED REWARD STRATEGIES FOR POWER PROVISION DURING MUNICIPAL ELECTIONS IN LEBANON (MARIE LAYON)**

Clientelist strategies unfold in two ways: either by rewarding base voters for their fidelity, or by swaying swing voters with targeted rewards. Our data and empirical strategy allow us to put both claims to test when looking at the manipulation of public provision of electricity in Lebanon during municipal elections. We first find strong patronage ties in non-competitive localities as they witness an increase in power provision before the election period even though their candidates are acclaimed winners. For competitive localities, we use a fixed effect model on panel data to find evidence for swing voter rewards as localities withheld elections where the margin of victory is very narrow get more power than the rest.

**3. IN-HOUSE OR IN THE CLOUD? MANAGEMENT OF FINANCIAL DATA AND CYBER RISK SYSTEMS (NOÉ CIET)**

This paper aims to study the empirical link between legal systems and income inequality. We address a critic to the traditional literature in Law and Economics which led to an analysis exclusively based on efficiency, and let redistributive issues to the taxation field. The legal frame of a country conditions its economic efficiency but also its primary income distribution. With cross-sectional and panel estimations we show that the level of income inequality in a country is correlated to its system legal. On average, civil law countries are more equal than the common law countries.

#### **4. LAW AND INEQUALITIES: A COMPARATIVE APPROACH OF LEGAL SYSTEMS (ILLAN BARRIOLA)**

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#### **5. EVALUATING THE PRODUCTION APPROACH TO ESTIMATE MARKUPS (TOVE FORSBACKA KARLSSON)**

The production approach estimates firms' markups using sales, variable costs, and output elasticity. This approach has recently attracted the attention of scholars and policymakers for its simple implementation and straightforward interpretation. However, the data requirement and the production function specification have raised some concerns in the recent literature. This paper provides a novel empirical assessment of the method using a rich dataset of the whole population of Swedish firms across four sectors, 251 local markets, and 20 years. I first estimate the markup of each firm using the production approach. Using different specifications, I then test whether these estimates confirm the well-known relationship between higher markups on more concentrated markets. I recover this link only for three-quarters of the data. Finally, I discuss how the production function specification may explain this result.