

Abstract

The main focus of the thesis is the measurement of market power. Since market power is a determinant of the degree of competition, its measurement is the key feature of competition policy. We present various methods for assessing market power. One of the most famous ones are Lerner index and Herfindahl-Hirschman index, both of which belong to SCP paradigm. Another group of measures are the NEIO models, which provide the empirical analysis of relevant markets.

For the estimation of market power, we have chosen the czech market of mobile operators. We examine the three largest operators (i.e. O2, T-Mobile and Vodafone) in the period 2000-2013. Firstly, the model of Röller and Parker (1997) is used to identify the market's structure. Secondly, we employ the Appelbaum's (1982) industry-level measure to estimate market power.

Keywords: market power, market structure, Lerner index, competition, industrial organization, mobile operator, telecommunications

Supervisor's e-mail address: koubek@fsv.cuni.cz

Author's e-mail address: barbora.kolomaznikova@centrum.cz