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報告論文タイトル：

Horizontal Merger and Social Welfare:  
Merger of Upstream Firms and of Downstream Firms  
with Divisions \*

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**Abstract**

This paper evaluates the effect of horizontal merger in a vertical relationship. Each downstream firm can create autonomous divisions with sufficiently small fixed cost per division. The divisions purchase homogeneous products from the upstream firms, and sell them to the consumers. The marginal cost is constant, and the demand function is linear. Both the upstream firms and the divisions compete in quantity. Then, merger of upstream firms reduce social welfare, but in most cases, merger of downstream firms increase social welfare.

*JEL classification:* L13; L20; L40

*Keywords:* Divisionalization; Horizontal Mergers; Vertical Relationship; Cournot Competition

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