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EDITORIAL NOTE

- *Editors*

The present issue consists of three articles which cover different facets of law ranging from competition law to arbitration and dowry protection. To solve different conundrums these articles seek to provide unique solutions through the application of Law and Economics.

In the paper titled **"Buyer Power, Exclusive Contracts, and Vertical Mergers in Competing Supply Chains: Implications for Competition Law and Policy",** Srishti Gupta presents an analysis and studies how the 'buyer power' of downstream firms has the potential of affecting market outcomes in upstream and downstream retail markets. The author studies the choice of firms between vertical mergers and Nash bargaining and places her findings though three cases of no vertical merger, single chain vertical merger and double chain vertical merger. It is found that joint profits of upstream and downstream firms are lowest when both channels choose vertical integration as compared to Nash Bargaining regime. The results are of relevance in the enforcement of competition law. The author posits that since competition law and policy is focused on the effects on consumer welfare, vertical mergers in the models are seen as welfare improving but upstream and downstream firms will not like to implement them as their joint profits are low in an integrated structure than in a structure where one firm is integrating while other is separated. The analysis shows that eventually, such exclusive contracts may have adverse effects on welfare.

In the paper titled **"The Rationale behind choosing Arbitration over Litigation: A Law and Economics Perspective"**, Priyansha Badoni and Dr. Faizanur Rahman addresses the contemporary question of choosing arbitration over the traditional method of dispute resolution - litigation. The growth of arbitration can be attributed to its stakeholders, namely the arbitrator(s) and the parties. These stakeholders want to derive maximum utility for themselves and all decisions made in the process are backed by economic considerations. The rationale guiding these decisions are looked through a Law and Economics lens. It is divided into five parts. The paper explores the incentives available to the parties to choose arbitration over litigation, especially in the highly competitive market of competition between the two. This is also examined through the social costs of arbitration which determines whether arbitral award is a public good or a private good, thus bringing the paper to its logical conclusion.

In the paper titled **"Social Incentives and the Enforcement of Law: Some Reflections"**, V. Santhakumar has addressed the ineffectiveness of dowry control laws in India from a law and

economics perspective. The author has delved into the social incentives to provide dowry, leading to an analysis of the private incentives for dowry givers as well as people who receive dowry. Two interpretations of the illegality of dowry have been discussed in detail. The author has also highlighted the importance of education in order to analyze the demand of the enforcement of dowry protection laws. The author concludes by highlighting the uses of these laws that make it ineffective, and how that can be remedied.

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