

The four-firm concentration ratio (CR4) is given by the formula:

$$CR4 = S_1 + S_2 + S_3 + S_4$$

where S_1, S_2, S_3 , and S_4 are the market shares of the top four firms in the industry.

Estimate of implementation costs for factor k is $\lambda_k^S - \lambda_k^{MF}$