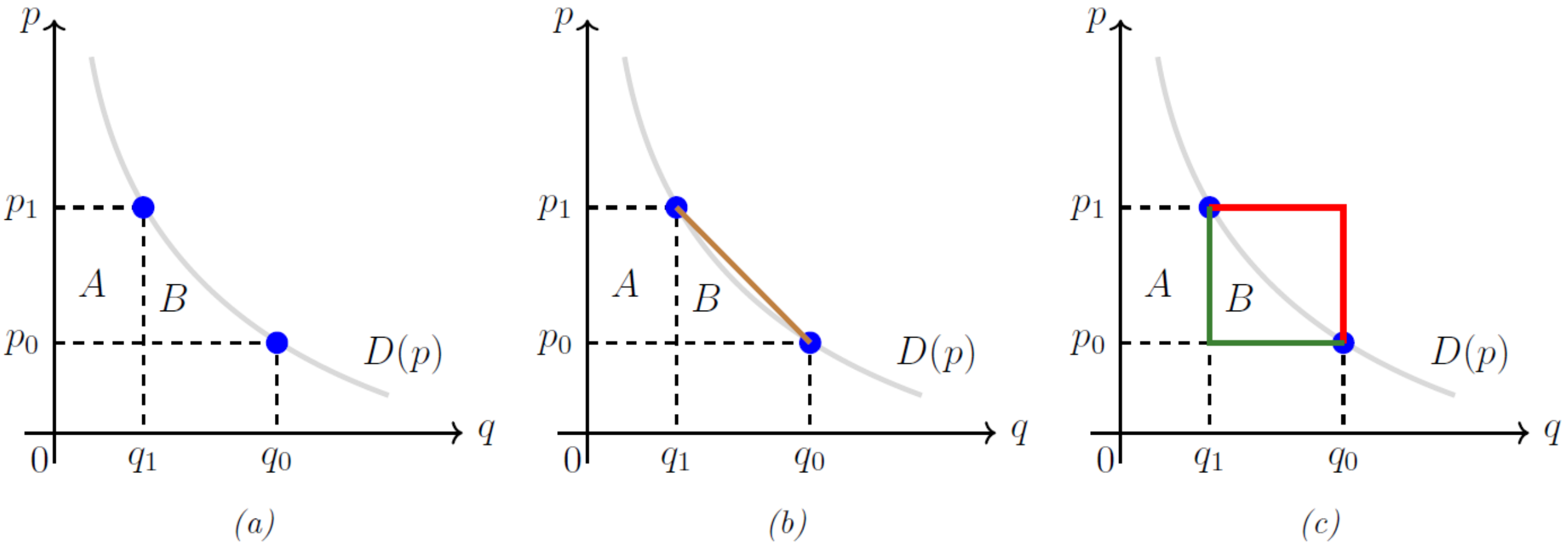
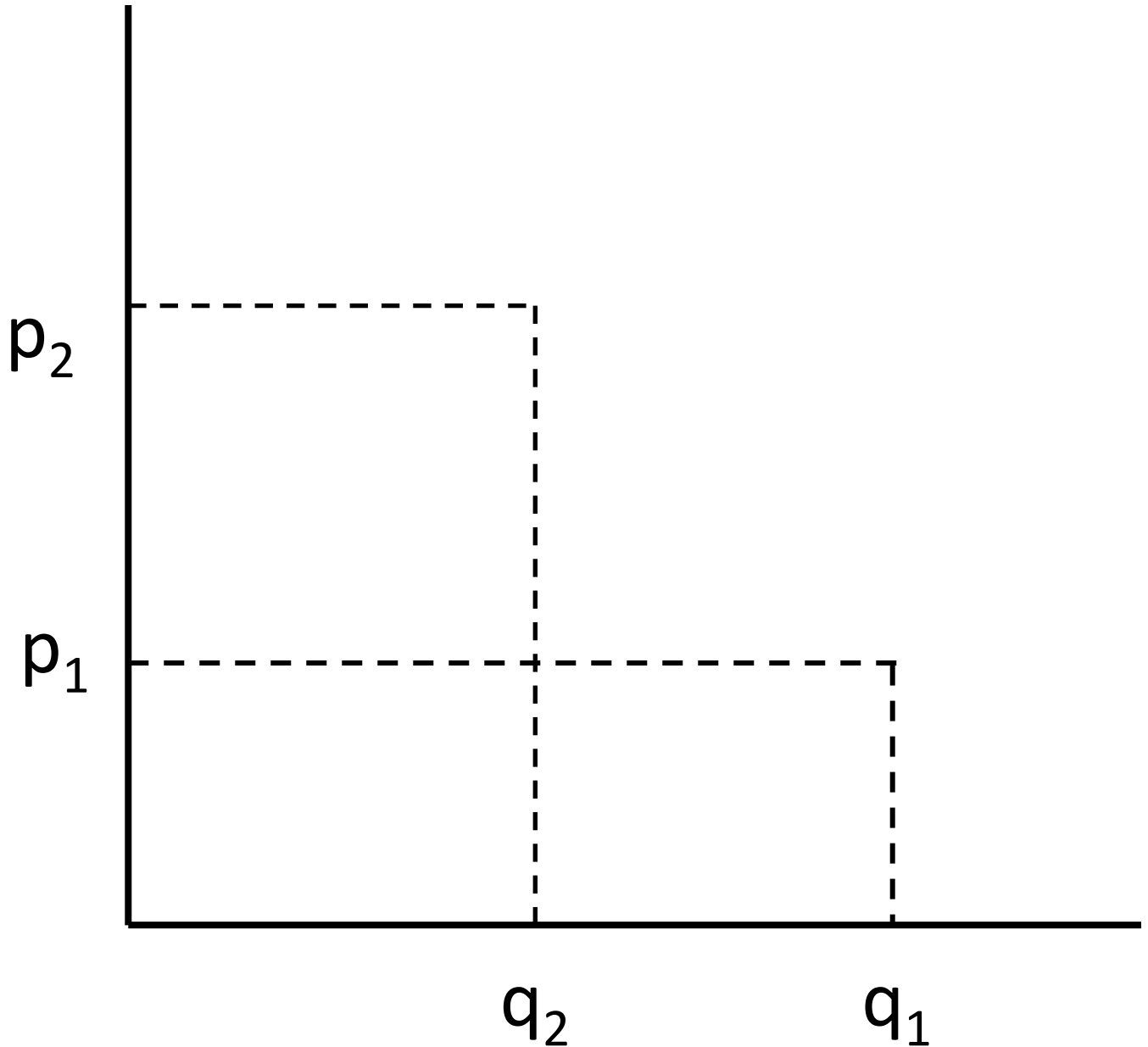


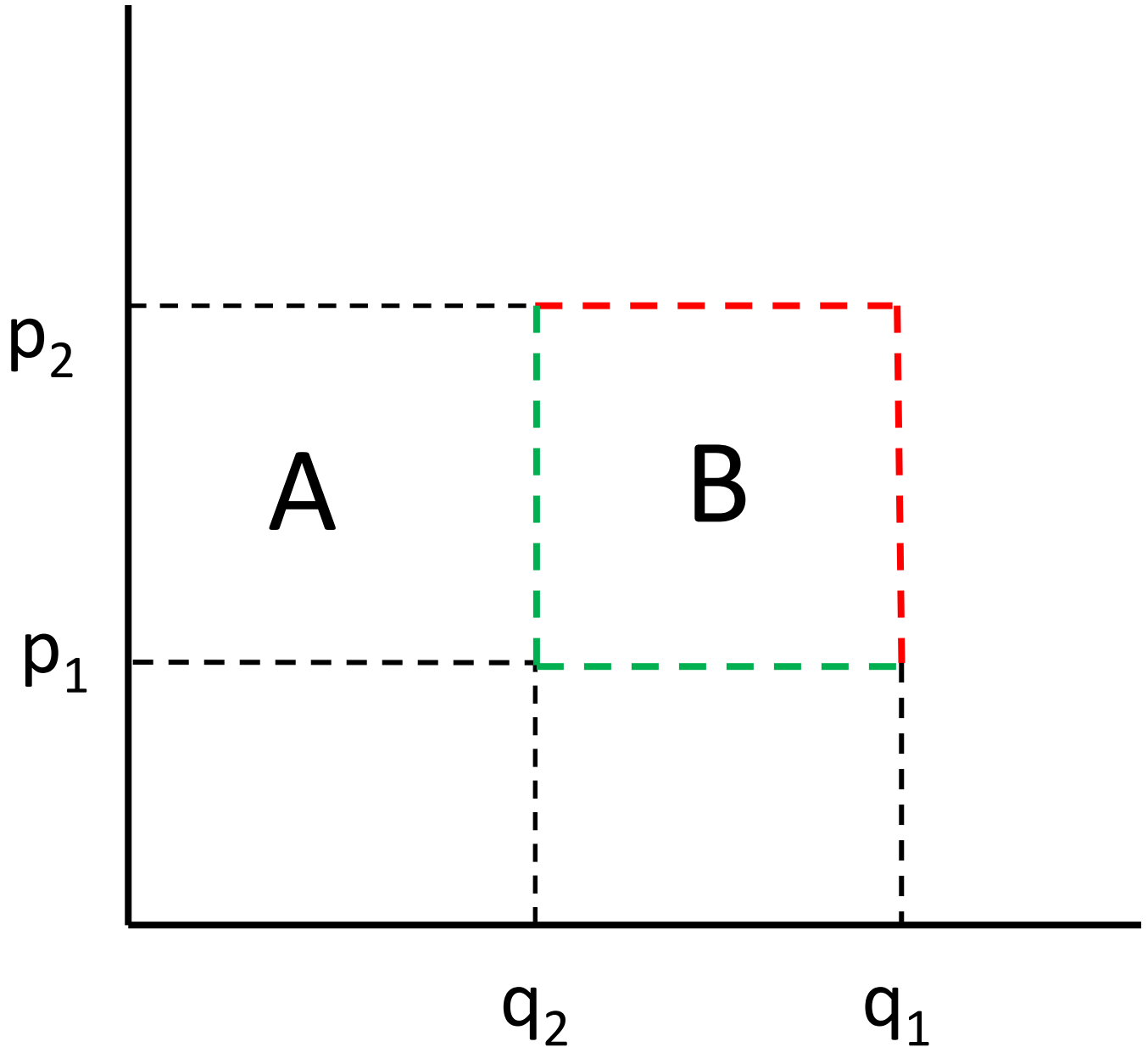
Figure 1: Illustration of how the change in consumer surplus from a price increase can be estimated.



Assumption 1 (Worst Case Bounds)

$\underline{\Delta CS} = 0$

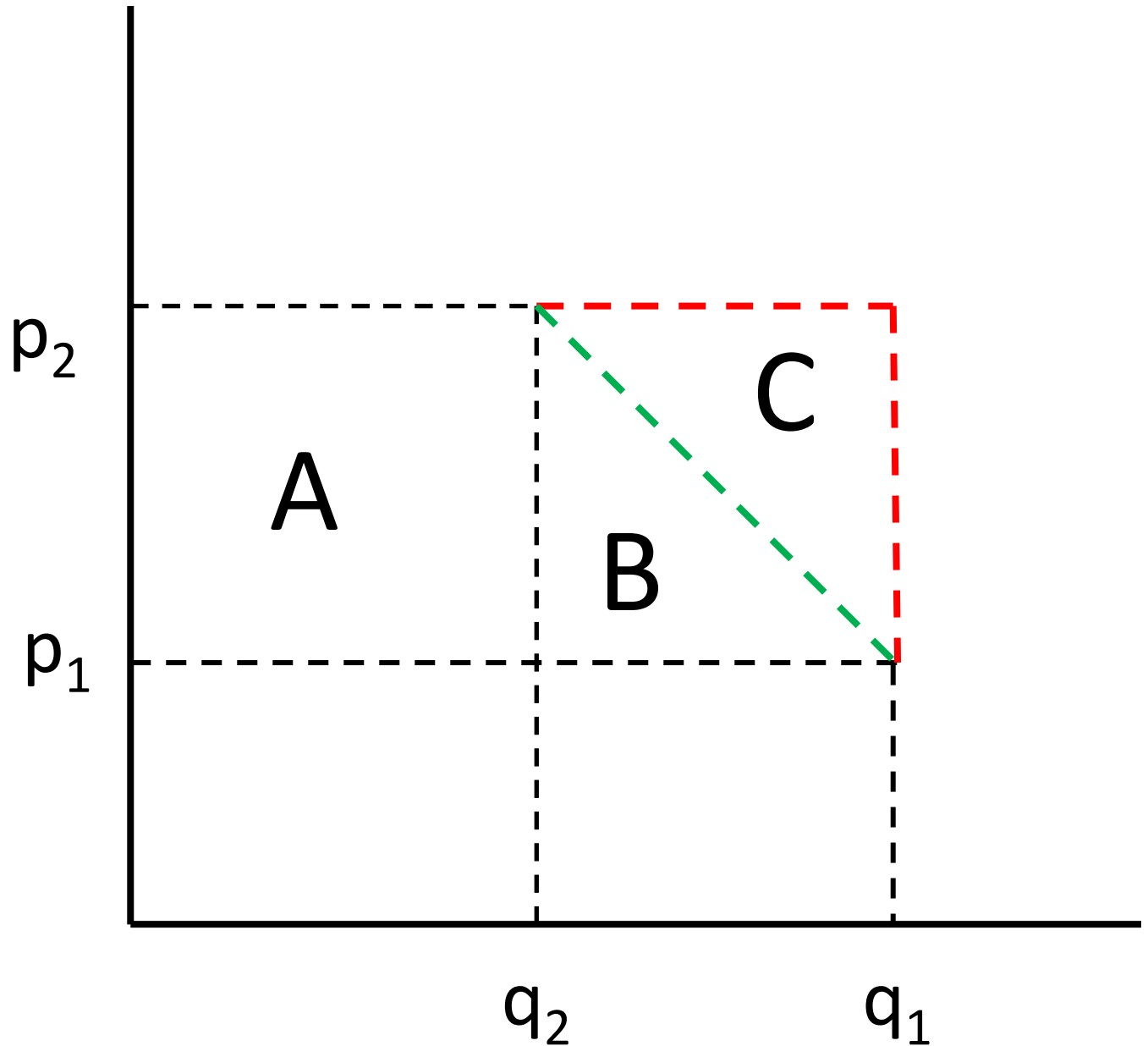
$\overline{\Delta CS} = \infty$



Assumption 2 (WARP)

$\underline{\Delta CS} = A$

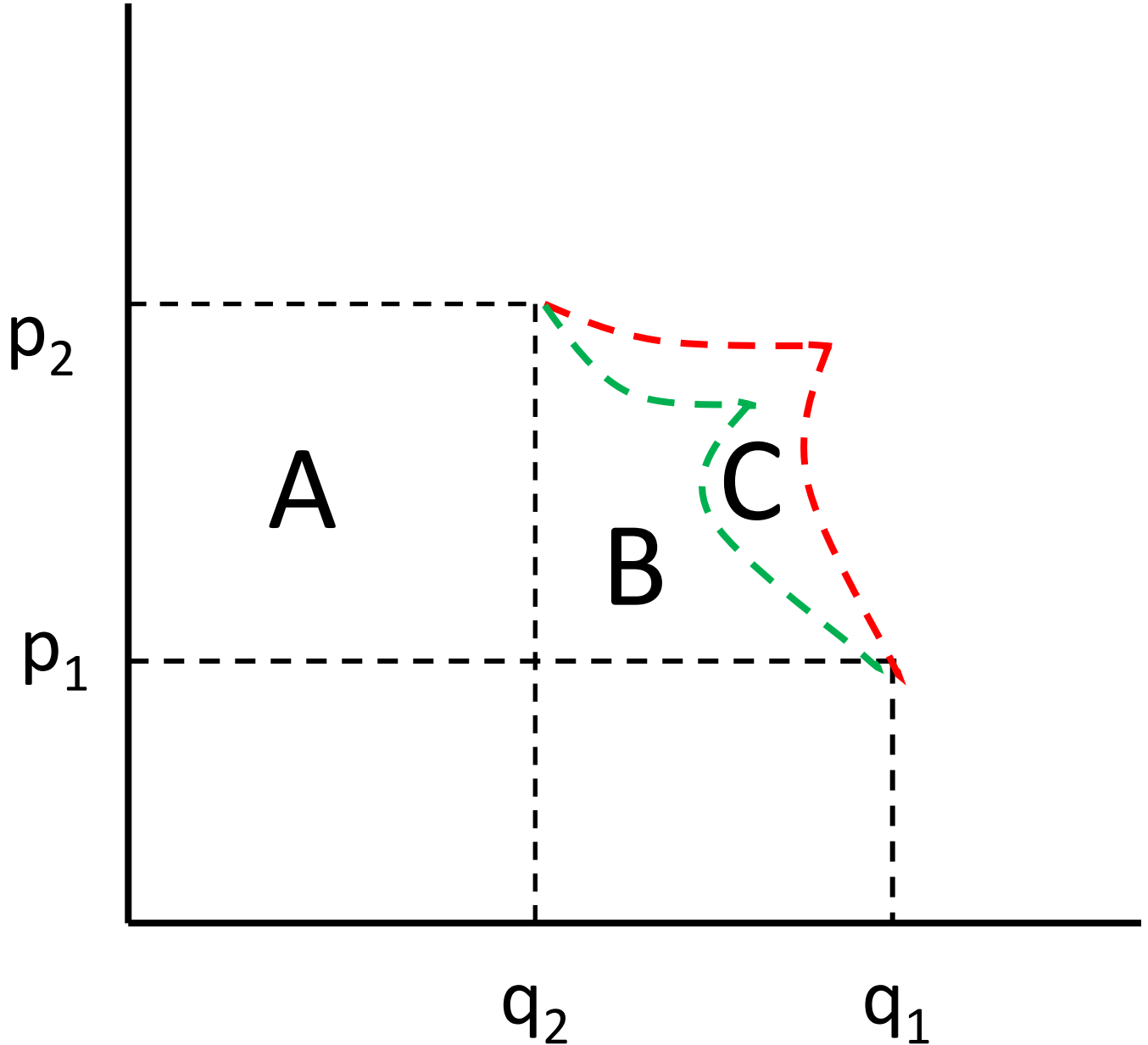
$\underline{\Delta CS} = A + B$



Assumption 3
(Marshall's Second Law)

$\underline{\Delta CS} = A + B$

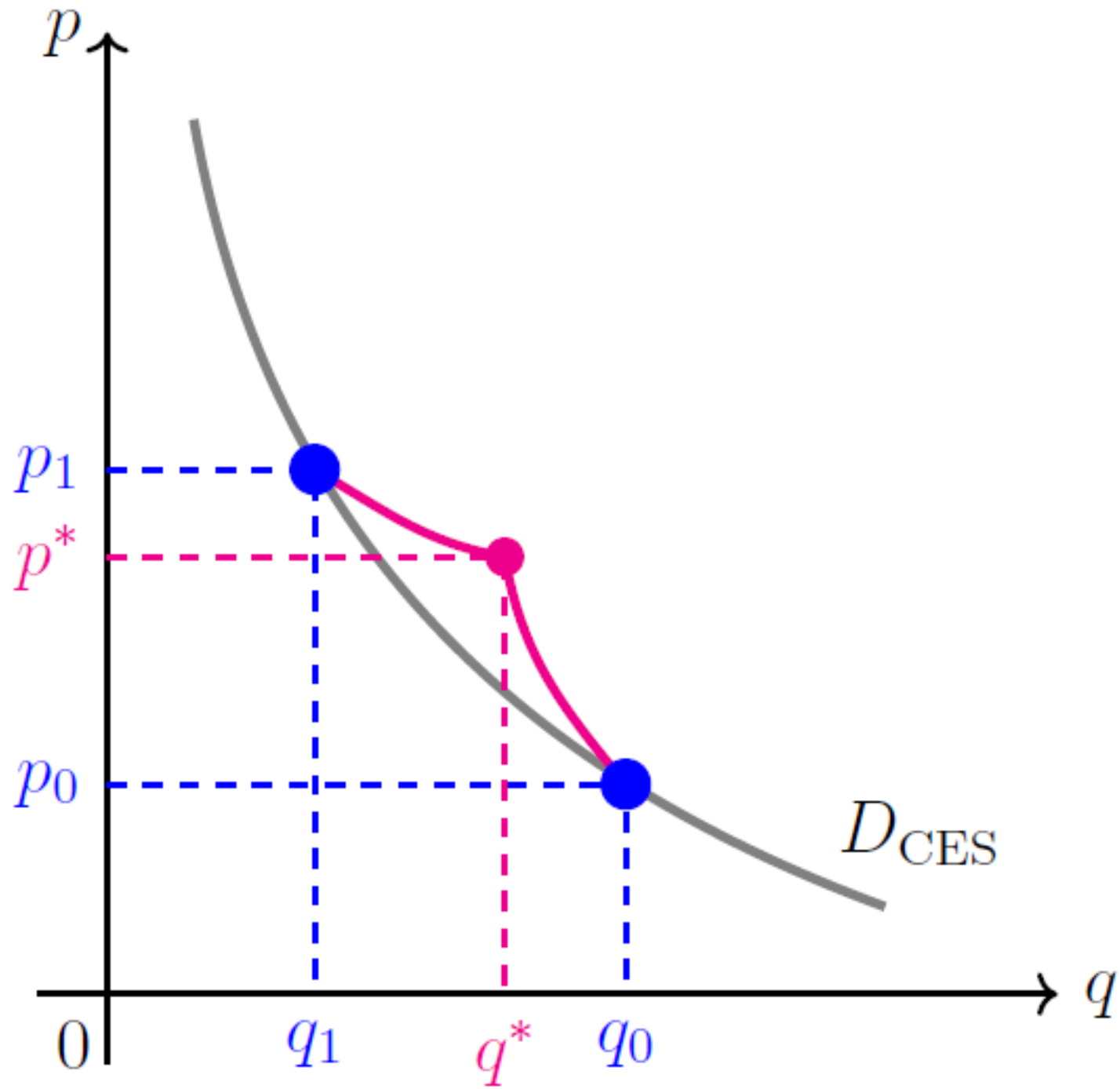
$\overline{\Delta CS} = A + B + C$



Assumption 4
(Marshall's Second Law and $\epsilon \in [\epsilon_L, \epsilon_H]$)

$\underline{\Delta CS}$ = A + B

$\overline{\Delta CS}$ = A + B + C


p
p_1
p^*
p_0
D_{CES}
q
0
q_1
q^*
q_0

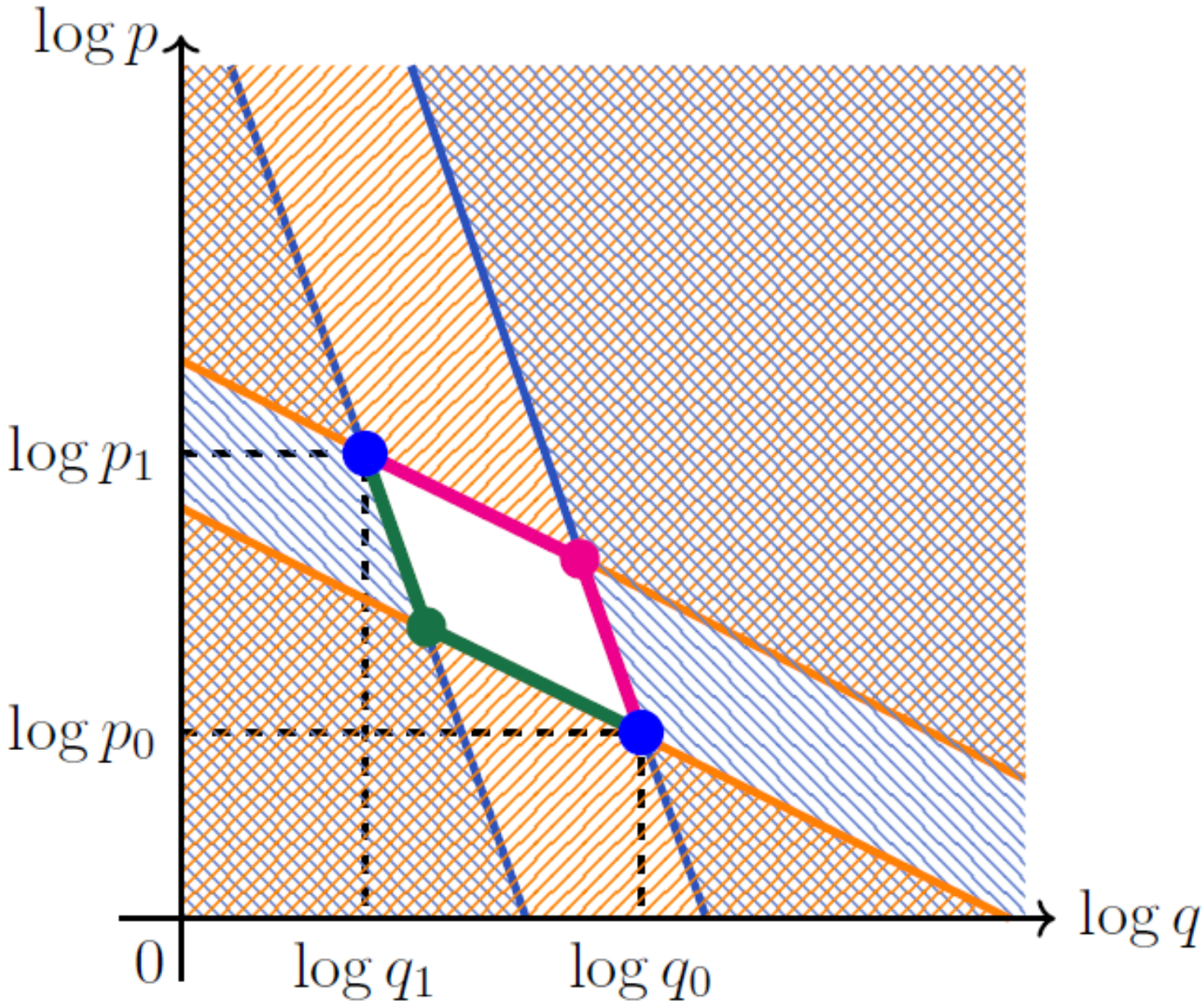
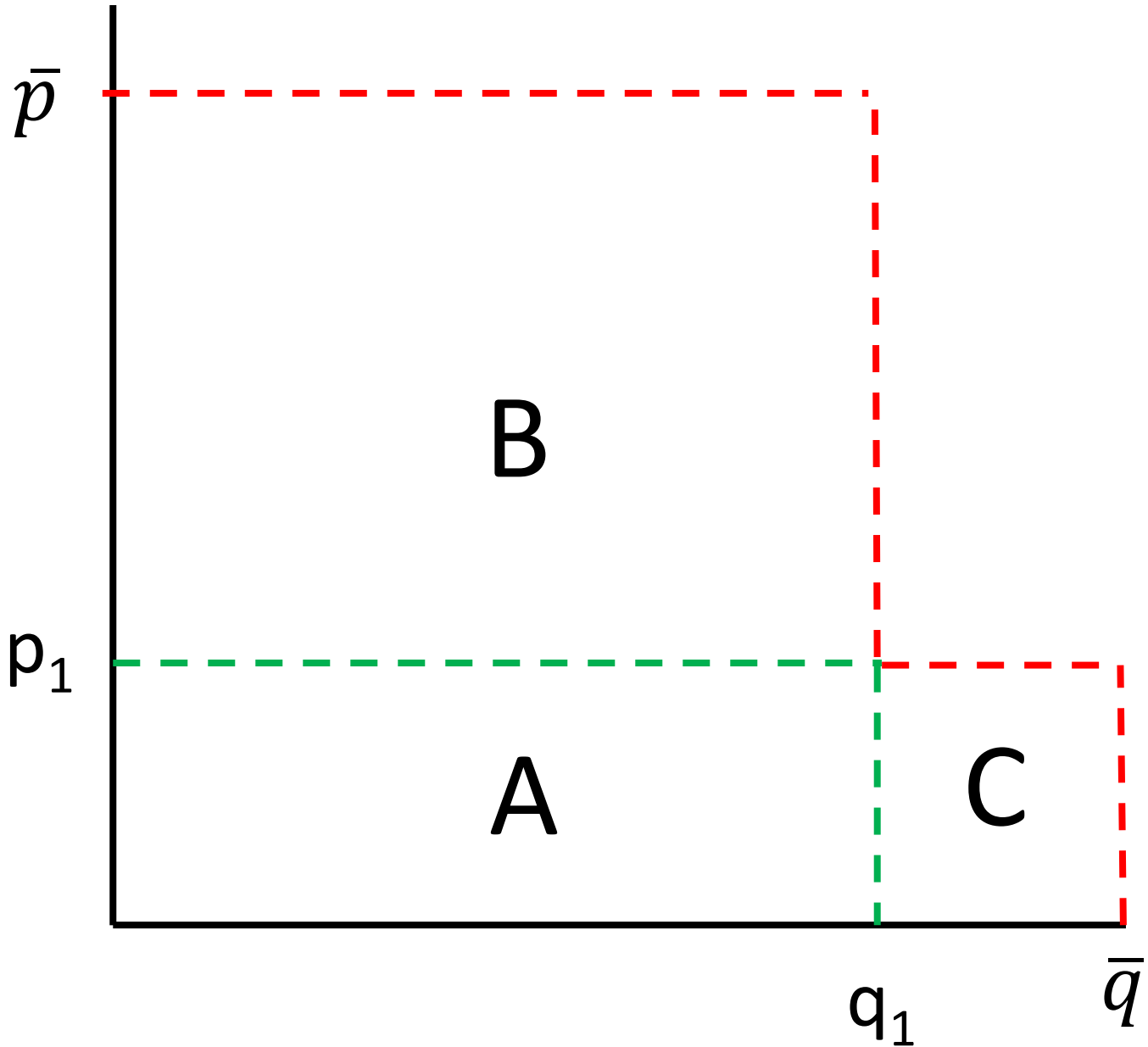


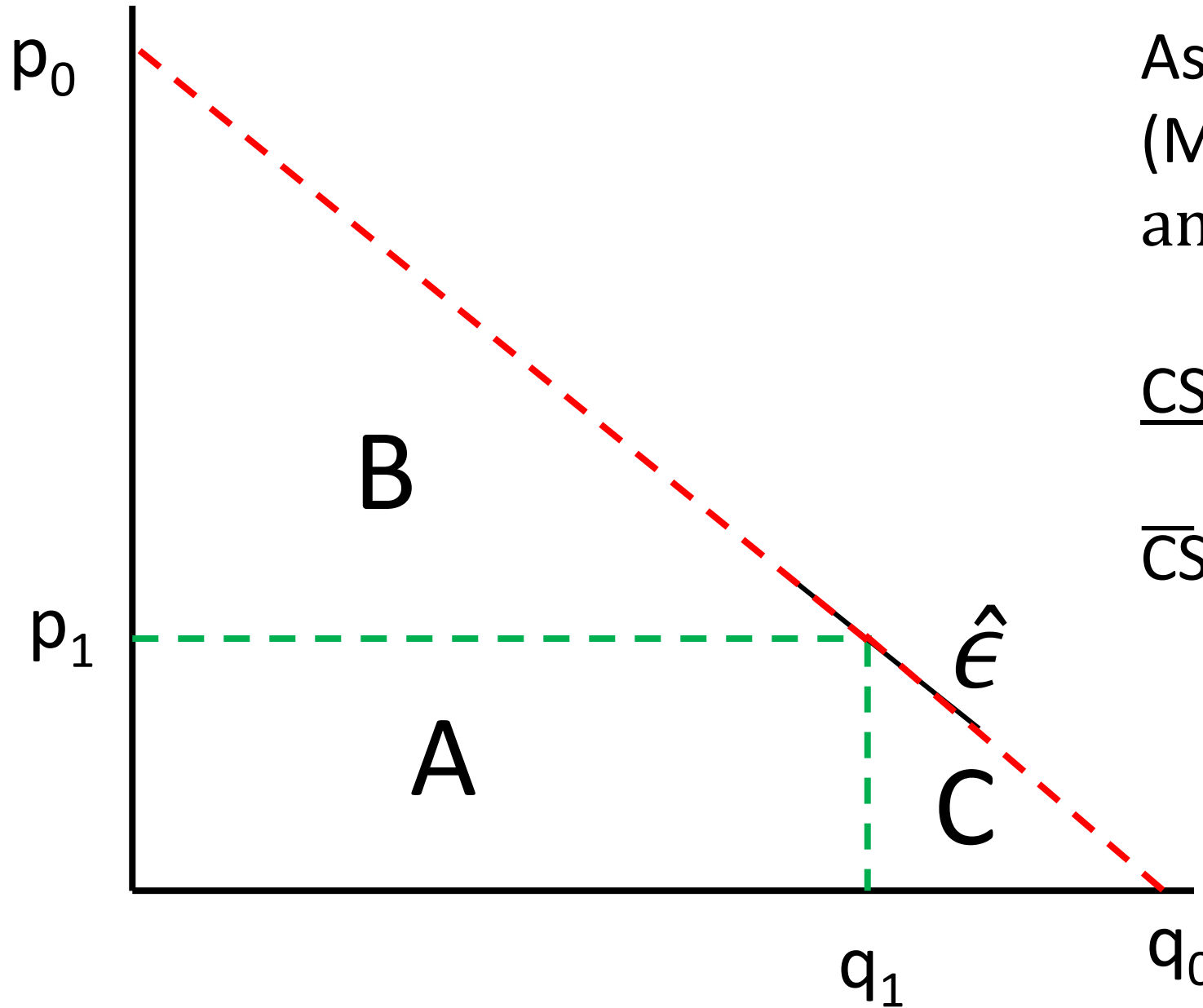
Figure 3: Sketch of the proof of Theorem 1.



Assumption 1 (WARP)

$\underline{CS} = A$

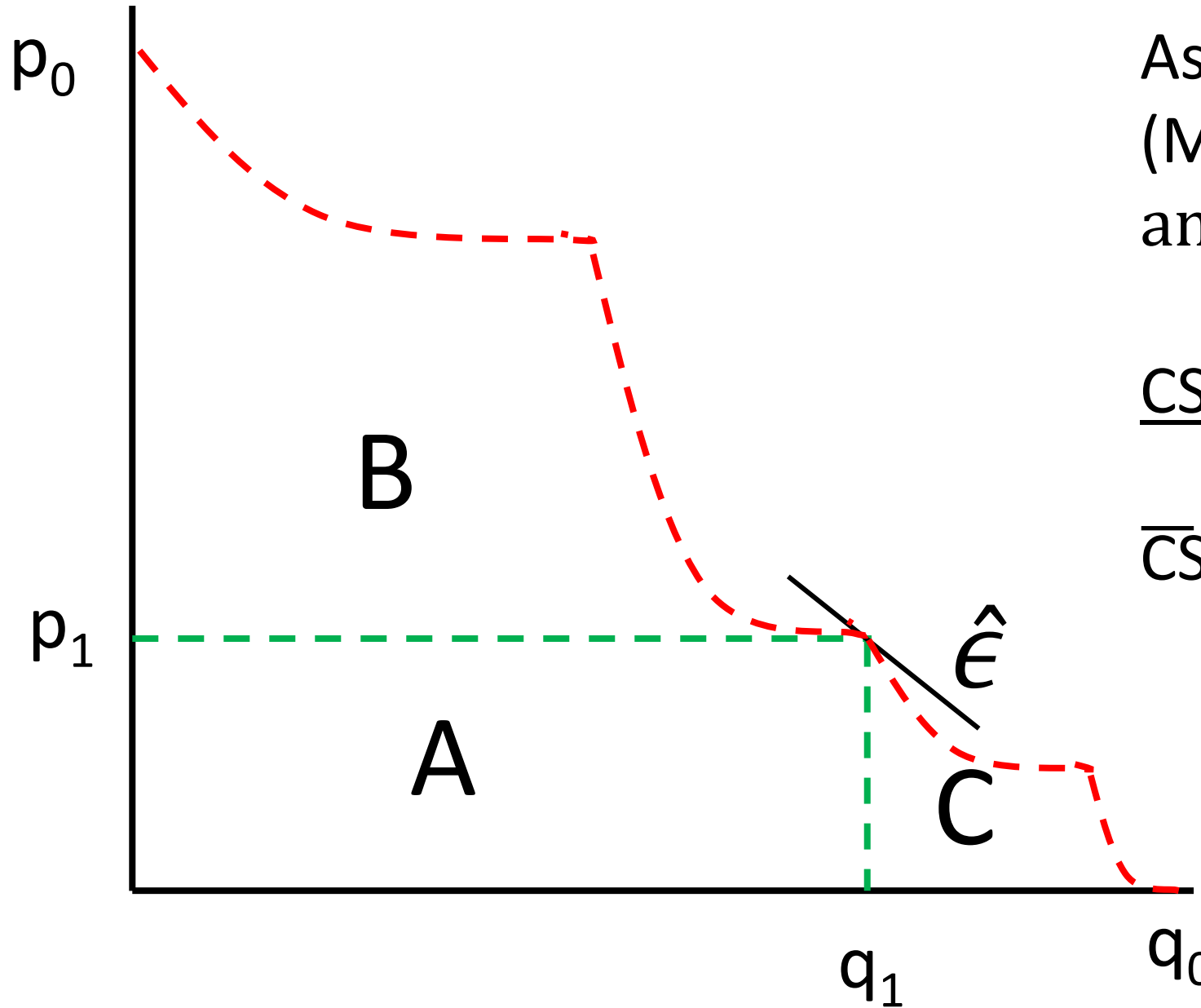
$\overline{CS} = A + B + C$



Assumption 2
(Marshall's Second Law and $\hat{\epsilon}$)

$\underline{CS} = A$

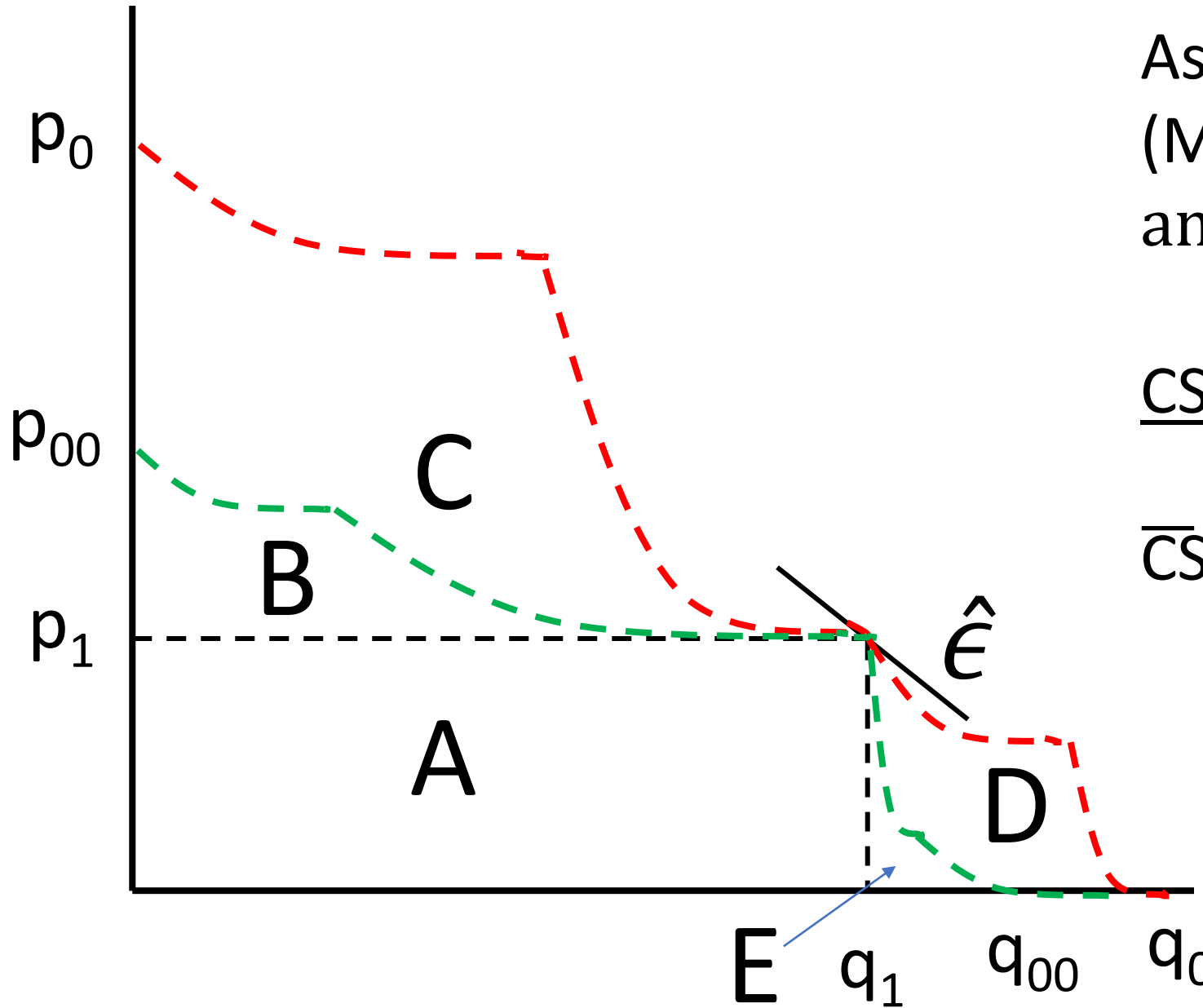
$\overline{CS} = A + B + C$



Assumption 2
(Marshall's Second Law and $\hat{\epsilon}$)

$\underline{CS} = A$

$\overline{CS} = A + B + C$



Assumption 3
(Marshall's Second Law and $\hat{\epsilon}$ and $\epsilon \in [\epsilon_L, \epsilon_H]$)

$\underline{CS}$ = A + B + E

$\overline{CS}$ = A + B + C + D + E


Like