

Behavioral Competition and Regulation

Friday April 20, 2012

University of Amsterdam

Faculty of Law

Oudemanhuispoort 4

&

De Industriële Groote Club

Dam 27

Amsterdam



UNIVERSITEIT VAN AMSTERDAM
Amsterdam Center for Law & Economics

Behavioral Competition and Regulation

Much of competition policy and regulation is based on insights from economic models with rational decision-makers. Yet a substantial body of research shows that many individuals are better characterized as being boundedly rational. In consumption choices as well as contexts that resemble executive decisions, people display such deviations from rationality as time inconsistency, overweighting of small probabilities, and failure to ignore sunk costs. Where one side of a market is not fully rational, the other side tailors its behavior accordingly. For instance, credit card companies may impose attractive baseline repayment terms combined with large penalties for late payments. This will attract borrowers that are time inconsistent and not sophisticated enough to foresee their temptations. That is, business strategies may display non-standard features, which regulators and competition authorities need to understand to be effective.

This year's ACLE Competition & Regulation Meeting focuses on what we can learn from behavioral economics for the enforcement of competition law and regulation.

Keynote Speakers

Botond Kőszegi is professor of Economics at the University of California, Berkeley. He received his Ph.D. degree from MIT, and was awarded numerous grants and honors, including the Hicks-Tinbergen Medal 2008 and NSF and Sloan grants. He published extensively in the top economics journals such as the American Economic Review, Quarterly Journal of Economics, and Journal of the European Economic Association, on topics related to self-control, credit markets, reference dependence, and happiness. Website: <http://emlab.berkeley.edu/~botond/>

Maurice E. Stucke is associate professor at the University of Tennessee College of Law faculty. He has experience as a trial attorney at the U.S. Department of Justice, Antitrust Division, and he was presented two awards by The Legal Aid Society for his criminal appellate and defense work. He serves as a Senior Fellow at the American Antitrust Institute, an independent Washington, D.C.-based non-profit education, research, and advocacy organization devoted to competition policy, and is an elected member of the Academic Society for Competition Law. Stucke received numerous rewards including a Fulbright Scholar grant and the W. Allen Separk Faculty Scholarship Award in 2009. Website: <http://www.law.utk.edu/faculty/stucke/>

The 8th ACLE Competition & Regulation Meeting

This C&R Meeting brings together renowned specialists. We also welcome practitioners with a keen interest in this specialty subject, including new agency officials, government officials interested in competition policy as a development aid tool, competition lawyers and consultants that intend to develop a practice and young scholars working on these research topics. We will approach the topic of behavioral competition and regulation from different angles, both economic and legal. Seeking to be informed by scholarly learning and lessons drawn from the experiences mentioned the approach in this conference will also be practical.

Conference Venue

The program takes place at two venues in Amsterdam:

- Faculty of Law of the University of Amsterdam, Oudemanhuispoort 4, and
- De Industriële Groote Club, Dam 27

Registration

The registration desk will be staffed by Sidonie Rademaker during the entire conference. She will be happy to assist you with any inquiries concerning the conference, your stay in Amsterdam or onward travels.

Conference Ethics and Timing

There are quite a few parallel sessions and they all have interesting papers. Therefore, ‘session-hopping’ is fine, provided it is done non-disruptively, i.e., quietly and respectfully. It is important – in general and to facilitate hopping – that each presenter keeps to his or her allotted time (25 minutes). Chairs (see program) are asked to keep each presentation to no more than 25 minutes including discussion.

Dress Code

Part of the conference takes place at “De Industriële Groote Club,” which is a stylish historical society of business leaders. They have a dresscode: jacket and tie for men, stylish for women. Jeans are not appreciated.

Lunch

Lunch is served at 12.30 hours in Het Atrium, Oudezijds Achterburgwal 237 in Amsterdam. This restaurant is a short walk from the conference venues.

Drinks and Dinner Buffet

After closing the program towards 19.00 hours, you are invited for drinks and a dinner buffet at De Industriële Groote Club

Internet Access

A number of terminals with internet access are available at the registration desk. There are no printing facilities.

Arriving and leaving Amsterdam

Schiphol airport is best reached by regular train service. The 15-minute train ride leaves every 10 to 15 minutes from Amsterdam Central Station, which is a 5-minute taxi ride from the conference venue (euro 7,50). It is a 10 minutes walk from the Central Station to the conference venue. A taxi from the conference venue to Schiphol airport would take about 25 minutes and costs approximately euro 40.

Public Transport

You can buy train tickets from the yellow machines at the railway station. Some machines take credit cards and/or coins, some machines only take Dutch bank cards. For other types of public transport (bus/metro/tram) you will need an electronic transport card (“ov chip card”). These can be purchased from the machines at most metro stations or at the GVB office at the central station. For more information, visit <http://en.gvb.nl/pages/home.aspx>. To plan your trip, visit: <http://9292.nl/en>.

Conference Organization

The organizing committee consists of Kati Cseres, Michael Frese, Saskia Lavrijssen, Maarten Pieter Schinkel, Jo Seldeslachts, Adriaan Soetevent, and Jeroen van de Ven (chair).

Conference Program

📍 Opening at: De Industriële Groote Club

9.00 – 9.15 Registration (De Industriële Groote Club)

Plenary Session I

9.15 – 9.30 Jeroen van de Ven (University of Amsterdam and ACLE): Opening

9.30 – 10.30 Maurice E. Stucke (university of Tennessee, Law School):
“Behavioral antitrust: Economic findings and the goals of competition law”

10.30 – 10.45 Coffee and tea (De Industriële Groote Club)

10.45 – 12.15 *Contributed papers Session I: Perspectives* (De Industriële Groote Club)

🚪 Change of location to: Het Atrium

12.30 – 13.50 Lunch at Het Atrium

📍 Change of location to: Faculty of Law

14.00 – 15.15 *Contributed papers Session II* (Faculty of Law)

Learning and Searching	Attention	Pricing
Room C2.23	Room C3.23	Room F0.02

15.15 – 15.40 Coffee/tea and pastries (Central Hall, Faculty of Law)

15.40 – 17.20 *Contributed papers Session III* (Faculty of Law)

Reference Points and Loss Aversion	Collusion	Fines and Deterrence	Policy
Room C1.23	Room C2.23	Room C3.23	Room F0.02

📍 Change of location to: De Industriële Groote Club

Plenary Session II (De Industriële Groote Club)

17.45 – 18.45 Botond Kőszegi (UC Berkeley, Department of Economics):
“The Market for Deceptive Products”

19.00 - Drinks and diner buffet at De Industriële Groote Club

Workshop Program – Contributed Papers Sessions I

Perspectives

Chair: Maarten Pieter Schinkel (University of Amsterdam and ACLE)

Giancarlo Spangolo (SITE Stockholm School of Economics)

Flexibility and Collusion with Imperfect Monitoring

Sander Onderstal (University of Amsterdam)

Collusion and the choice of auction: An experimental study

Vanessa Mak (Universiteit van Tilburg)

Errare humanum est. Financial Literacy in European Consumer Credit Law

Frank Maier-Rigaud (OECD)

The Need of a Behavioural Foundation of Regulatory and Competition Analysis

Workshop Program – Contributed papers Sessions II

Learning and Searching

Chair: Philipp Reiss (Maastricht University)

Itai Ater (Tel Aviv University)

Do Customers Learn from Experience? Assessing Experience-Based Choices among Three-Part Tariff Plans

Sjaak Hurkens (Institute for Economic Analysis, Balterra)

Mobile Termination, Network Externalities, and Consumer Expectations

Philipp Reiss (Maastricht University)

The law of one price in auctions with outside competition

Attention

Chair: Alexia Gaudeul (Friederich Schiller Universität, Jena)

Jiwei Zheng (ESRC CCP)

The Power of Defaults with Inattentive Consumers

Jona Linde (University of Amsterdam)

Nudge Lullaby

Alexia Gaudeul (Friedrich Schiller Universität, Jena)

Do Consumers Prefer Offers that are easy to Compare?

Pricing

Chair: Charles Mason (University of Wyoming)

Ronald Peeters (Maastricht University)

Evolution of behavior when duopolists choose prices and quantities

Daniel Cracau (University of Magdeburg)

How Judo Economics can help small firms to survive Bertrand Competition

Charles Mason (University of Wyoming)

Imminent Entry and the Transition to Multimarket Rivalry

Workshop Program – Contributed Papers Sessions III

Collusion

Chair: Peter Dijkstra (Rijksuniversiteit Groningen)

Pierluigi Sabbatini (Italian Competition Authority)

Cartels under consumer asymmetric price fairness

Georg Clemens (Heinrich-Heine-Universität Düsseldorf)

Rebels without a Clue?

Alexander Morell (Max Planck Institute for Research on Collective Goods)

Can Organizational Complexity Constrain Collusion

Peter Dijkstra (Rijksuniversiteit Groningen)

Leniency Programs and the Design of Antitrust

Fines and Deterrence

Chair: Jo Seldeslachts (University of Amsterdam)

Matthias Lang (Max Planck Institute for Research on Collective Goods)

Legal Uncertainty an Effective Deterrent in Competition Law?

Charlotte Duke (London Economics)

The impact of competition interventions on compliance and deterrence

Giancarlo Spangolo (SITE Stockholm School of Economics)

The Distortive Effects of Antitrust Fines Based on Revenue

Anita Kopanyi-Peuker (University of Amsterdam)

Endogenizing punishments in social dilemmas - Fostering cooperation through the enhancement of own vulnerability

Policy

Chair: Aljaz Ule (University of Amsterdam)

Tom Tindall (Oxera)

The Use of behavioural economics in GB electricity markets

Maria de Lurdes Martins (University of Minho)

Confusion in cell phone plans choice: how can regulation improve welfare?

Aljaz Ule (University of Amsterdam)

Infrastructural investment under political uncertainty

Reference Points and Loss Aversion

Chair: Topi Miettinen (Hanken School of Economics, Helsinki)

Najmeh Rezaei-Khavas (Utrecht University)

Menu pricing with reference-dependent preferences

Katharina Hilken (Vrije Universiteit Brussel (VUB))

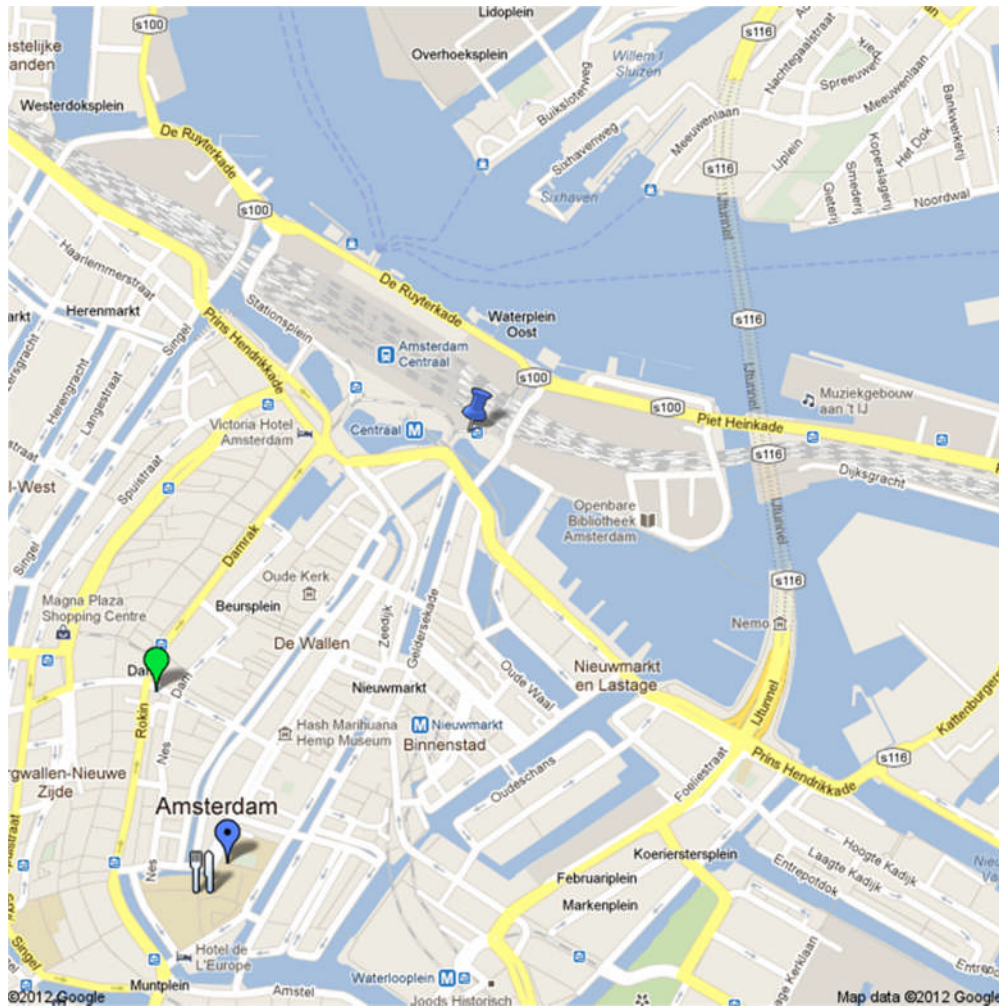
Strategic Framing in Contracts

Marco Haan (Rijksuniversiteit Groningen)

Search when Consumers Are Loss Averse

Topi Miettinen (Hanken School of Economics, Helsinki)

Gambling for the Upper Hand - settlement negotiations in the lab



De Industriële Groote Club
Dam 27
Regind station



Faculty of Law
Oudemanshuispoort 4



Mensa Atrium Universitair Restaurant
Oudezijds Achterburgwal 237
Lunch



Central Station

The Amsterdam Center for Law and Economics

The Amsterdam Center for Law & Economics (ACLE) is a joint initiative of the economics and law faculties of the Universiteit van Amsterdam. The objective of the ACLE is to promote high-quality academic research in fields at the interface of law and economics. The ACLE combines the research expertise of some twenty-five scholars in both disciplines, ranging from full professors to PhD students. The Center's main focus areas are: Competition & Regulation, Corporate Governance & Law, and Foundations of Law & Economics. In these three areas, the ACLE seeks to advance understanding, through both research and teaching.

The ACLE C&R Meetings

The ACLE Competition & Regulation meetings are a series of annual workshops that focus on topics in competition law enforcement and regulation. Around a program of key-note speakers, scholars discuss submitted academic papers in parallel sessions. The leading idea is to inform European competition policy. The aim is to attract roughly 70 specialized participants from academia, government antitrust agencies, law and consulting firms to create the optimal conditions for a high level exchange of views.

For more information, see: <http://crmeetings.acle.nl>

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