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BCCP NEWSLETTER

Research results for policy

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Dear readers,

Welcome to the third issue of the BCCP Newsletter.

The mission of BCCP is to provide solid scientific evidence to support well-designed policies to the benefit of consumers. This newsletter reflects this mission and illustrates once again the extraordinary variety of research topics and approaches undertaken by BCCP Fellows. In this edition, we focus on several contributions in three areas: digitization, taxation, and behavioral aspects in labor markets.

Digitization is permeating virtually all consumer-relevant domains in the economy. Consequently, it has moved to the center of our research agenda. In this issue, we first explore four different research streams by BCCP Fellows on the role of data and privacy. Specifically, we discuss privacy concerns in the sharing economy and why people might readily disclose detailed information on large-scope platforms. Moreover, we consider privacy-by-design implementation by using probabilistic data structures in loyalty programs and electronic payment systems as well as in the human resource domain. Further, we show how clickstream data can be used in behavioral prediction models to evaluate the price of using more privacy adverse information. Finally, we study the role of big data for recommendation quality using data on internet searches and show that economies of scale from data increase with the average amount of personalized information the search engine has on its customers.

A second area of research relevant to consumers and hotly debated in policy in recent months are so called sin-taxes. Two contributions in this newsletter explore how taxation of unhealthy food and soft drinks affects consumer behavior and how policy can be optimally designed to protect consumers.

Finally, BCCP Fellows have published work on various behavioral aspects in the labor market. These include the role of discrimination in the German apprenticeship market, bonuses as a device to overcome moral hazard in expert advisor/client relationships, the effect of short-term changes in incentives on long-term performance, as well as the role of social image concerns for welfare assistance take-up.

We wish you an interesting reading, season's greetings, and a happy new year!

Tomaso Duso

BCCP speaker

Special Focus: Privacy

Personal data protection has surged to the center of the policy debate, leading to the introduction of the EU General Data Protection Regulation (GDPR). Several BCCP Fellows analyzed the issue of data privacy from different angles. We summarize some of their findings here.



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Privacy in the Sharing Economy – or ›Prism is a Dancer‹

Peer-to-peer resource sharing platforms have exhibited considerable growth and are expected to continue doing so in the future. Importantly, online marketplaces, such as Airbnb, have started to obliterate the boundaries between private and economic spheres. Marketing personal resources online is inherently associated with the disclosure of personal, potentially intimate, information, which raises unprecedented questions of privacy. Yet, thus far, there is little research on the role of privacy considerations in the sharing economy literature. Applying the privacy calculus framework, BCCP Fellow Timm Teubner and Christoph M. Flath investigate how privacy concerns and economic prospects jointly shape potential providers' intentions to offer resources through different channels.

In their forthcoming article, they argue that an individual's privacy concerns of disclosing detailed information on her apartment through different communication channels exhibit a curvilinear form where information is readily shared within small communities (e.g. among close circles of friends or family) as well as large-scope platforms that are publicly accessible and targeted to potentially any Internet user. Conversely, privacy concerns are very pronounced on intermediate levels, with medium-sized audiences and limited anonymity. This conjecture is theoretically related back to providers' assessment of their audience, suggesting that privacy concerns emerge as an intricate product of personal connection to the audience and perceptions of magnitude.

The authors evaluate their hypotheses by means of data from an online survey, providing support for the proposed effects. They discuss these findings in view of potential strategies from the platform sponsor's perspectives, including social media integration and the provision of tools for privacy management.

The full paper ›Privacy in the Sharing Economy‹ is forthcoming in the *Journal of the Association for Information Systems* in January 2019.

Uncertainty is Key to Privacy-Preserving Data Analysis

Data is considered to be one of the most valuable assets in modern economies. Its analysis plays a key role in making sound decisions and helping business to achieve effective operation. Therefore, many applications count the number of distinct elements in a large data stream. Applications include network monitoring, web analytics, and location-based services. However, large-scale data collection has some clear drawbacks. Specifically, it can reveal personal details that should remain private. Thus, new technologies need to be developed to enhance privacy.

Probabilistic data structures -- i.e. algorithms that reduce complexity of data and provide approximate answers with a certain degree of certainty -- have been identified to serve as a privacy-enhancing technology. Due to their probabilistic nature, they inherently follow the principle of data minimization. In a recent article, BCCP Senior Fellow Björn Scheuermann and BCCP Fellow Florian Tschorsch propose a novel and versatile privacy-enhanced technology that aims to balance privacy, accuracy, and computational efficiency. They develop a method for so-called distributed counting with accurate estimates and a high level of privacy protection, based on cardinality estimators. To this end, they also contribute a novel probabilistic analysis approach that compares an attacker's a-priori and a-posteriori knowledge to assess transparently the privacy properties of the proposed algorithms. To obtain more complex statistics, one of the challenges is to combine individual estimates, e.g. to calculate correlations, which may lead to a poor accuracy due to error propagation. To address these challenges, the authors develop a novel method to perform efficient set intersection cardinality estimates.

In two research projects, they then apply and extend their findings. Björn Scheuermann investigates a privacy-by-design approach to loyalty programs and electronic payment systems in the Goodcoin project. Florian Tschorsch explores ways to realize privacy-preserving human resource analysis with transparent and secure access logs in the project on Anonymous Predictive People Analytics.

The full paper [P2KMV: A Privacy-preserving Counting Sketch for Efficient and Accurate Set Intersection Cardinality Estimations](#) is published in *IACR Cryptology ePrint Archive*.



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The Price of Privacy – An Evaluation of the Economic Value of Collecting Clickstream Data

The digital economy offers a plethora of opportunities. Every business transaction and stakeholder interaction leaves a digital footprint, providing a major opportunity for the systematic analysis of corresponding data assets in order to gain managerial insight, enhance firm operations, and improve decision-making. This is the value proposition of business analytics, a fact-based management paradigm increasingly adopted by industry. In consumer facing business processes, such as marketing and sales, excessive data gathering and processing by enterprises raise concerns related to privacy and possible consumer exploitation. Intuitively, the firm may have an incentive to collect the largest amount of (consumer) data possible but how much data is actually needed?



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In their recent article, BCCP Senior Fellow Stefan Lessmann and colleagues Annika Baumann, Johannes Haupt, and Fabian Gebert consider a specific type of data, called clickstream data, and examine the degree to which more data gathering and higher degrees of privacy invasion actually create utility to the firm. Clickstream data comprises information about the behavior in which a visitor interacts with a website.

Baumann et al. identify multiple data items that firms can derive from the clickstream and categorize these according to their privacy friendliness. For example, static data items related to the device or operating system a visitor is using to access the website facilitate analysis of user behavior at an aggregated level. Baumann et al. argue that corresponding information is less privacy invading than dynamic pieces of information that enable attitudinal profiling by tracing a consumer's webpage usage behavior in the form of, e.g., page scrolling actions, mouse movements, the time spend on a given page, etc. The group of most severe clickstream features include data items that facilitate disclosure of personal identifiable data.

Baumann et al. consider a transactional e-commerce website and assume a profit-maximizing site owner. Using the framework of cost-sensitive machine learning, they estimate the marginal utility of targeted marketing actions, such as digital coupons, when leveraging clickstream data items that increasingly invade consumer privacy. Empirical results from real-world digital marketing data suggest diminishing returns of privacy invasion. A targeting model that uses the full set of clickstream features performs marginally better than an alternative targeting model developed on the basis of less hazardous data items. The results shed light on the privacy-profitability trade-off and offer a new perspective for e-commerce analytics. If firms can successfully market greater respect of consumer privacy, abstaining from gathering and using certain types of privacy sensitive data might be the best strategy.

The full paper 'The price of privacy: An evaluation of the economic value of collecting clickstream data' is published in *Business & Information Systems Engineering*.

The Effect of Big Data on Recommendation Quality: The Example of Internet Search

Machine learning applications are becoming increasingly important in many industries. Logistic companies rely on them for supply management, banks for evaluating credit default risk, and search engines to match potential search results to the corresponding search request. All these applications rely on data to ›train‹ their underlying algorithms.

Advances in the field of artificial intelligence combined with falling costs for computing, data storage, and, most notably, data collection have consequences for competition policy. Many observers fear that industries in which data and machine learning play an important role may tip toward monopolies. This conjecture is often rationalized by the ›positive feedback loop‹ hypothesis, which states that more data leads to improved quality, which attracts more customers, who provide more data, which increases quality, and so on.

Despite the ongoing policy debate revolving around how to properly assess the role of data for competition policy issues, the empirical literature on the topic is surprisingly scarce. In this recent working paper, BCCP Doctoral Student Maximilian Schäfer, Geza Sapi, and Szabolcs Lorincz contribute to a better understanding of the role of data for service quality by looking at the example of search engines. Most notably, the authors elaborate on an identification strategy to disentangle the impact of data from the impact of other factors, like the quality of the algorithm.

The authors use search engine query logs from the Yahoo! search engine to analyze how data accumulation on specific search terms impacts the quality of the search results for the search terms. The analysis shows that economies of scale from data increase with the average amount of personalized information the search engine has on the customers who search for a specific search term. This insight lends support to initiatives that enable users of IT services to easily carry their personal data to other service providers as a way to mitigate potential market power.

The full paper ›The Effect of Big Data on Recommendation Quality: The Example of Internet Search‹ is available as DIW Discussion Paper No. 1730.



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Paternalistic Taxation of Unhealthy Food and the Intensive versus Extensive Margin of Obesity

Obesity is one of the most pressing health problems worldwide. For example, in the US more than one third (38.2%) of the population aged 15 years and over is obese, i.e. has a body mass index (BMI) larger than 30 kg/m². Similar high obesity rates are observed in Mexico (32.4%), New Zealand (30.7%), Hungary (30.0%), and Australia (27.9%). The average obesity rate in OECD countries is 19.5% and is expected to increase further in the coming years.



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As a countermeasure against obesity and overweight, many countries have implemented taxes on unhealthy food, including, for instance, soda taxes in France, Hungary, Mexico, Ireland and the UK, the sugar tax in Norway, and the fat tax in Denmark. The economic rationale behind such taxes is the view that consumers make mistakes in their choice to overconsume unhealthy food. This leads to a paternalistic role for the governments to correct these mistakes.

In this project, BCCP Fellow Zarko Kalamov and BCCP Senior Fellow Marco Runkel investigate whether the choice to be obese can indeed be a mistake and what are the bounds to the paternalistic role of governments. Individuals choose calorie-rich food consumption by balancing between two goals: a healthy level of consumption and a desired level of consumption. Only when the latter is larger than the former does an individual become obese. However, there is no justification to call a high desired consumption level a mistake and use it to justify paternalistic policy.

However, people might make mistakes by putting greater weights on the desired consumption relative to the healthy consumption due to impulsive behavior. Such behavior is later regretted by individuals as it leads to higher than desired obesity. In such cases, there is a paternalistic role for the government and a tax on unhealthy food should be introduced. However, it should be limited and only correct the increase in obesity due to impulsive behavior and not aim to eradicate obesity in society.

The full paper ›Paternalistic Taxation of Unhealthy Food and the Intensive versus Extensive Margin of Obesity‹ is available as CESifo Working Paper No. 6911.

What Can We Learn from Soft Drink Taxes in Other Countries?

High sugar consumption is associated with the increasing prevalence of obesity, type 2 diabetes and cardiovascular diseases. Since a large share of sugar is consumed in beverages, taxes on sugar sweetened beverages are becoming more and more popular. A number of jurisdictions have already implemented such excise taxes using different tax designs. In a new DIW Aktuell, BCCP Doctoral Student Renke Schmacker summarizes what we can learn from the experiences that various countries have made.

In all cases that have been evaluated, a decline in consumption of taxed drinks can be observed. However, a number of factors have to be considered which could jeopardize the health effects of these taxes. On the one hand, in Mexico a new study shows that the demand for other sugary, but untaxed, beverages like fruit juices has increased in reaction to the tax. Therefore, the net effect on sugar consumption may be smaller than previously thought. On the other hand, in Berkeley, California, the tax is not fully passed through to consumer prices since retailers are competing with retailers in neighboring cities. Thus, the effectiveness of such a local tax, that consumers can easily avoid by shopping elsewhere, is likely to be limited.

The example of the United Kingdom shows that clever tax design can give producers an incentive to reformulate their products. The UK have decided to implement a tax that is higher for soft drinks with a sugar content exceeding a certain threshold. Consequently, even before the tax was enacted, several producers reduced the sugar content of their products in order to fall below the threshold and be subject to the lower tax rate.

The tax in South Africa goes even one step further and varies the tax rate continuously with sugar content. Thus, producers are given a sustained economic incentive to reduce the sugar content of their products.

The full DIW Aktuell is available in German.



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Discrimination Against Women in the Apprenticeship Market

Although the labor market outcomes of men and women have converged, major gender differences in the labor market prevail. Hence, an important question is what causes these differences to persist. In this recently published article, BCCP Senior Fellow Dorothea Kübler, Julia Schmid, and BCCP Doctoral Student Robert Stüber try to answer this question focusing on the first stage of the careers of young women and men by analyzing the German apprenticeship market.

To analyze gender discrimination in the apprenticeship market, the researchers included short CVs of fictitious applicants (vignettes) for apprenticeship positions in the Training Panel 14 of the Federal Institute of Vocational Education and Training (BIBB). Human resource managers from approximately 650 German firms that engage in apprenticeship training evaluated how likely they think it is that an applicant would be invited to a job interview. Various applicant characteristics, such as, for instance, the average grade when leaving school or practical experiences, were randomly varied between the vignettes. Thus, a comparison of female and male applicants shows the causal effect of gender. The study delivers three main findings.

First, women are discriminated against when applying for an apprenticeship position. On average, their applications are evaluated worse than the applications of male applicants. The difference corresponds approximately to a change in the average grade by one grade point. This finding is based on a sample that is representative of the population of German firms, including firms that train apprentices in 126 different occupations.

Second, embedding the vignettes in a comprehensive survey not only allows for measuring discrimination in a variety of occupations and industries, but also to analyze the relationship between discrimination and different firm- and occupation-specific characteristics. The authors find that the amount of discrimination varies by industry and occupation. It matters whether an occupation is predominantly female or male, with women being significantly less likely to be in-

invited for an interview than men when applying for male-dominated occupations, like technical occupations such as mechatronics engineer. There is no evidence of discrimination against men in female-dominated occupations, though. Women fare especially worse than men in professions with a low social status according to a status index. Furthermore, there is no clear relationship between the average wage of a profession, the educational requirement, or firm size and discrimination. In contrast, the authors only find a difference in the evaluation between men and women made by human resource managers of firms in which no or only a few apprenticeship positions have remained unfilled in past years.



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Third, controlling for several firm and occupation characteristics, only the share of women in a profession correlates with the difference in evaluations. All other firm- and occupation-specific variables cannot explain variation in discrimination. Thus, the results show that women have lower chances of getting a job in male-dominated industries. The results are consistent with policies that aim at increasing the number of women in jobs where they are under-represented.

The full paper ›Gender Discrimination in Hiring Across Occupations: A Nationally-Representative Vignette Study‹ is published in *Labour Economics*, Volume 55 (December), 2018, pp. 215-229.

Can a Bonus Overcome Moral Hazard? Experimental Evidence from Markets for Expert Services

Expert financial advice can hurt clients if the interests of advisors and clients are not aligned. For instance, recent evidence from the US financial market shows that funds offering higher broker commissions attract more investments but, at the same time, higher broker commissions are related to lower investment performance.

In their recently published article, BCCP Fellow Vera Angelova and Tobias Regner investigate which factors could improve advice quality. In a laboratory experiment, they study the interaction between an expert advisor and a client.



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The advisor recommends a product to the client. However, one product is more profitable for the client, while another one yields the highest commission to the advisor. The authors introduce competition among advisors, the possibility for them to build a reputation, and a channel through which clients can reciprocate if they receive truthful advice: a voluntary bonus paid after feed-

back about advice quality. The key innovation is to test whether the bonus can increase honesty, on its own and together with competition and reputation.

The highest rate of truthful advice results when advisors compete and can build reputations at the same time. The authors observe a similar effect when the bonus is combined with either competition or reputation. Thus, whenever it is impossible to implement competitive environments or reputation mechanisms in real life settings at the same time, a voluntary component can act as a substitute for either of them, increasing honesty. In a broader sense, the voluntary payment can be seen as any act that is costly to the client but would benefit the advisor, such as writing a review about the advisor online or telling family and friends.

The full paper <Can a bonus overcome moral hazard? Experimental evidence from markets for expert services> is published in the *Journal of Economic Behavior and Organization*, Volume 154 (October), 2018, pp. 362–378.

How Social Image Concerns Can Reduce Welfare Take-Up

Non take-up of social benefits is a major challenge for many welfare systems. While a number of studies show that information deficits and hassle costs contribute to non-take-up, welfare stigma is also often suggested as a further explanation. The idea is that individuals eligible to claim a social transfer refrain from doing so because they do not want to send a negative signal about their ability, work motivation, or social attitudes, and because the resulting stigmatization may not only impair their self-worth but may also lead to inferior treatment by others.

In this recently published article, BCCP Fellows Jana Friedrichsen, Tobias König, and BCCP Doctoral Student Renke Schmacker, study in a lab experiment if people refrain from taking up a redistributive transfer due to social image concerns. They find that a significant number of subjects do not take up the transfer to avoid the inference of being low-skilled (ability signalling) and willing to live off others (free-rider signalling).

In the experiment, individuals who are ranked last in the income distribution must decide whether or not they would like to take up a transfer from their group members under varying conditions. First, the authors vary the visibility of the take-up decision, i.e. whether the transfer can be taken up in private or whether it requires them to walk through the lab and pick up a yellow slip of paper. Second, the authors manipulate whether the take-up decision is informative about the claimant's ability. While in one treatment the income distribution is based on performance in a general knowledge quiz, in another treat-

ment income is determined randomly. Third, they vary whether the take-up decision reveals something about the willingness to live at the expense of other group members. Therefore, in one treatment taking up a transfer reduces the income of others and in another treatment the transfer is subsidized by the experimenter.

Comparing these treatments, the authors find that subjects are 30 percentage points less likely to take up a public compared to a private transfer. Moreover, both ability signalling and free-rider signalling contribute to this effect, while other explanations like transaction costs can be ruled out by design. However, when subjects vote on the transfer mechanism to be implemented, less than half of the subjects prefer a public transfer.

While further research is needed to assess the external validity of these findings in real-world welfare systems, the study suggests that reducing the visibility of application and delivery of welfare benefits may increase take-up. This is particularly relevant for programs with a high visibility like food stamps or social housing.



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The full paper ›Social Image Concerns and Welfare Take-Up‹ is published in the *Journal of Public Economics*, Volume 168 (December), 2018, pp. 174-192.

Does a Short-Term Increase in Incentives Boost Performance?

Short-term changes in employee incentives are a common way of responding to temporary changes in the business environment. For instance, sales managers are recommended to use short-term sales contests on top of regular employee compensation to increase sales in periods of slow business.

These additional short-term incentives are expected to boost business for a short period of time. However, they may also affect performance after they have been removed, or even before they are introduced (given that employees anticipate the introduction).



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In this recently published article, BCCP Fellow Vera Angelova, Thomas Giebe, and BCCP Senior Fellow Radosveta Ivanova-Stenzel study the effect of short-term changes in incentives on long-term performance. Does a short-term increase in incentives boost performance, if we also look at the time before and after incentives have been increased?

In a real-effort laboratory experiment, the authors compare two incentive schemes where agents either participate in a sequence of identically incentivized contests, or the pattern of ›low‹ and uniform incentives is interrupted by a contest with ›high‹ incentives. They find that introducing a contest with a large prize spread boosts performance in that contest, but does not result in an increase in total performance.

The results thus confirm the conventional belief that higher incentives lead to higher effort in the short run. But they also reveal the existence of countervailing behavioral effects (before and) after times of high incentives in dynamic competitive environments. Therefore, the simple static formula ›high(er) incentives induce high(er) performance‹ cannot be applied unconditionally in dynamic real-life working environments. This should be considered by practitioners when designing incentive schemes.

The full paper ›Does a short-term increase in incentives boost performance?‹ is published in *Economics Letters*, Volume 166 (May), 2018, pp. 31-34.

Review: BCCP Conference and Policy Forum 2018

Focusing on regulatory challenges in digital markets, in particular trust online, the third annual Conference and Policy Forum of the Berlin Centre for Consumer Policies (BCCP) was held in Berlin on June 8th, 2018.

Touching upon an issue at the forefront of current European and US policy debates, around 100 participants, including academics from law and economics, policy makers, professionals, BCCP Fellows, and the interested public came together at the headquarters of the Leibniz Association.

The tremendous growth of digital transactions has profoundly affected the way we interact, opening vast opportunities to improve our lives. Consumers have benefited from an unprecedented proliferation of new services and products. At the same time, consumers often must process large amounts of imperfect information regarding the products they purchase and services they use. Even more, for many services consumers need to share highly personal information. Being able to both rely on third party information as well as safely share personal data not only requires a well-designed legal framework and active enforcement. Consumers must trust (potentially dominant) platforms, providers of goods and services, as well as individuals they interact with online.

The conference panelists and participants discussed how policymakers, regulators and online platforms can foster trust and protect consumer privacy and their personal data.

Session Reviews

In the opening policy roundtable about the Digital Single Market and consumer trust, panelists Stacy Feuer (US Federal Trade Commission), Juhan Lepassaar (European Commission), and moderator Ludwig Siegele (The Economist) engaged in a lively discussion about current and potential policy measures to protect consumer privacy and foster online trust. With the increasing relevance of online influencers, regulation of influencer marketing similar to the regulation of traditional advertising is required. In particular, disclosure of compensation of online influencers for reviews or recommendations is necessary to prevent deception of consumers. Regarding consumer privacy protection, the introduction of the General Data Protection Regulation (GDPR) started a global debate about privacy protection in the digital era that was previously dormant. In the EU, the project of the Digital Single Market aims to enable the free movement of goods and services in the digital space, providing the underlying infrastructure, and harmonizing national advances in e-government.



Policy roundtable with Stacy Feuer (US Federal Trade Commission), Juhan Lepassaar (European Commission), and Ludwig Siegele (The Economist)
Photo: DIW Berlin/F. Schuh

In the first afternoon session, Ari Ezra Waldman (New York Law School) and Glen Weyl (Microsoft Research and Yale University) presented their research on user data sharing, trust and incentives. Nowadays many online services rely on the sharing of user-generated data. In this context, the so-called privacy paradox alludes to the finding that while consumers state that they care about their privacy, they still provide substantial personal information and data to online services.

However, as Ari Ezra Waldman argued, this privacy paradox exists because companies manipulate user behavior online through deliberate platform design choices that lull consumers into a false sense of trust and make them believe that they are in control over their personal information. Glen Weyl on the other hand, argued for a shift from regarding data as capital to regarding data as labor. According to him, artificial intelligence is just a new form of production function of tech companies that uses data as input.



Panelists Ari Ezra Waldman (New York Law School) and Glen Weyl (Microsoft Research and Yale University)
Photo: DIW Berlin/F. Schuh

As users provide the necessary data that is then used as an input in order to develop new sophisticated products and services, these users should consequently be paid by the companies for the provision of this data.

The two talks were followed by a vivid discussion moderated by Dorothea Kübler (WZB Berlin Social Science Center and Technical University Berlin) on how data labor unions could solve the issue of design choices creating a fake sense of trust on online platforms.

In the second afternoon session, Michael Luca (Harvard Business School), Steve Tadelis (UC Berkeley), and moderator Roland Strausz (HU Berlin) discussed the role of reputation and trust in online platforms. The design of reputation systems on online platforms can lead to unintended negative consequences. For example, including a photo and the name on the peer-to-peer rental platform Airbnb is supposed to decrease anonymity and foster trust but allows for racial discrimination of hosts with regards to potential guests.



Panelists Michael Luca (Harvard Business School) and Steve Tadelis (UC Berkeley)
Photo: DIW Berlin/F. Schuh

Research presented by Michael Luca showed that racial discrimination plays a role on Airbnb in the US. He suggested platforms should therefore try to maximize the value of reputation systems while minimizing unintended consequences. Further, online reputation systems often face three challenges: grade inflation, the public good problem, and the cold start problem. Steve Tadelis suggested several ways in which platforms could use information available to them to generate more informative reputation measures. Using data from eBay, he showed that these measures are good predictors of the likelihood of consumers to return to eBay after a transaction.

EU Commissioner for Competition Margrethe Vestager meets BCCP Fellows and Students

On November 19, 2018, EU Commissioner Margrethe Vestager, who has lead the Directorate General for Competition since 2014, visited DIW Berlin and BCCP to hold the DIW Europe Lecture on ›How Europe can cooperate to compete«. Eight BCCP Fellows and Students were honored to discuss with Commissioner Vestager during a subsequent meet and greet session.



DIW Europe Lecture with EU Commissioner Margrethe Vestager
Photo: DIW Berlin/H. Hanschke

Commissioner Vestager answered to and discussed a variety of questions touching upon the work at the Directorate General for Competition, for example the interdisciplinary challenges between Economists and Lawyers. A core topic of discussion were the challenges for antitrust authorities in increasingly important digital markets and the potential scope for authorities to tackle future cases in complex technology sectors by harvesting expertise in the information and data sciences.

Finally, the Fellows and Students were interested in the Commissioner's views on global challenges to competition such as the broad rise in market power, a recent center issue of active academic discussion and core topic of the Annual BCCP Conference on 21 June 2019.



Meet and greet session with BCCP Fellows Joanna Piechucka, Crispin Niebel, Pauline Affeldt, Jan Malek, Susanne Augenhofer, Hannes Ullrich, Commissioner Margrethe Vestager, Kevin Tran and Tomaso Duso
Photo: private



European Research Council
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BCCP Fellow and Coordinator Hannes Ullrich awarded ERC Starting Grant

The European Research Council (ERC) has awarded a coveted Starting Grant to BCCP Fellow and Coordinator Hannes Ullrich, Research Associate at the DIW Berlin and the University of Zurich.



BCCP Fellow and Coordinator Hannes Ullrich
Photo: DIW Berlin/F. Schuh

The grant, worth approximately 1.5 million Euros, will enable him to pursue his research project ›Antibiotic Resistance: Socio-Economic Determinants and the Role of Information and Salience in Treatment Choice‹ and build up his own research group working at the intersection of health economics, industrial economics, and digitization over the next five years.

The project proposes new research towards the understanding of the role of information and salience in physician decision-making. It will make use of a broad econometric toolset including machine learning methods, structural econometrics, and field experiments.

An improved understanding of the mechanisms driving antibiotic resistance as well as treatment choices will inform and enable targeted policy interventions aimed at improving antibiotic prescribing to curb antibiotic resistance.

The BCCP newsletters aim at presenting and discussing in accessible terms some of the main findings of scientific papers recently published by BCCP Fellows. Most of the news published in this issue can also be found on the BCCP website (<http://www.bccp-berlin.de/news>).

About BCCP

The Berlin Centre for Consumer Policies (BCCP) is a Leibniz ScienceCampus, established September 2015, and co-funded by the German Leibniz Association and its member institutions. Leibniz ScienceCampuses promote cooperation between Leibniz institutions and universities via regional, thematic research and policy partnerships.

The Centre builds on the cooperation between two Leibniz institutes – the German Institute for Economic Research (DIW Berlin) and the Berlin Social Science Center (WZB) – and faculties of the Humboldt-University Berlin, Free University Berlin, Technical University Berlin, the European School of Management and Technology (ESMT), and the Hertie School of Governance.

A strong focus on Behavioral Economics, Industrial Organization, as well as Consumer and Competition Law – all combined with established policy expertise – makes Berlin an ideal location for a ScienceCampus focusing on consumer policies.

BCCP reinforces and institutionalizes this exceptional environment to create an enduring international platform in the broad area of competition and consumer policies. This platform strengthens the academic environment, encourages interdisciplinary research, and increases the visibility of Berlin as a center of excellent academic research and evidence-informed policy advice.

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