



DICE

Düsseldorf Institute for
Competition Economics

DICE-Newsletter 1/2012

April 2012

Headlines

- **DICE among best new think tanks worldwide**
- **Six DICE researchers at the 10th annual International Industrial Organization Conference (IIOC) in Arlington**
- **Analysis of the German energy market design completed**
- **Hans-Theo Normann presented experimental work at US Department of Justice**
- **Ralf Dewenter visiting scholar at University of California**
- **Hans-Theo Norman Associate Editor of "Journal of Economic Behavior and Organization"**
- **Research price for Annika Herr**
- **Second intake of the Düsseldorf Graduate School in Economics (DGSE) starts in October 2012**
- **Gerhard Riener new Assistant Professor of experimental economics**
- **Job opening: Schumpeter Postdoctoral Fellowship in competition and industrial economics**
- **Research seminar in summer 2012: Women only!**
- **New Publications**
- **New Discussion Papers**

Düsseldorf Institute
for
Competition
Economics
(DICE)

www.dice.hhu.de
info@dice.hhu.de

Building 24.31 ("oeconomicum")
Heinrich-Heine-University
Universitätsstr. 1
D-40225 Düsseldorf
Germany

Press office:
[+49-\(0\)211-81-15009](tel:+49-211-81-15009)
[+49-\(0\)211-81-15125](tel:+49-211-81-15125)

DICE among best new think tanks worldwide

International award for the Düsseldorf Institute for Competition Economics (DICE): In its yearly ranking of the best think tanks, the University of Pennsylvania rated the DICE among the most promising newly-founded think tanks worldwide.

In the category “Best New Think Tanks,” the DICE ranks fourth worldwide and is the best new European foundation, with the first three spots taken by think tanks from the US and China. “The award underpins that the DICE is well on its way to becoming one of the leading scientific centers for competition policy – not only in Germany but worldwide,” said Svenja Schulze, Minister of Science in North Rhine-Westphalia.

Prof. Dr. Justus Haucap, director of the DICE, is also very pleased with the award: “The ranking shows how much appreciation our work receives internationally.” But for Haucap, this can only be an interstation: “We want to grow further and attract more leading researchers from all over the world.”

Based on a large-scale survey among 1,500 international researchers and journalists, the University of Pennsylvania evaluates more than 5,000 international think tanks active in the fields of politics or economics on a yearly basis. Besides the research performance, the “Global Go To Think Tanks Ranking” also rates the public relations of the institutes. The participants evaluate to what extent decision makers from media, politics, and the economy rely on the expertise of the rated institutes.

Click [here](#) to see the complete ranking.

Six DICE researchers at the 10th annual International Industrial Organization Conference (IIOC) in Arlington

With six researchers presenting their work at the 10th annual International Industrial Organization Conference (IIOC) in Arlington, the Düsseldorf Institute for Competition Economics (DICE) demonstrated its high-quality research.

The participants were:

- **Clémence Christin:** *Equilibrium Strategic Overbuying* (with Eric Avenel)
- **Andrea Müller:** *Time-series Econometrics of the German and the US Cash-for-Clunkers Program* (with Veit Böckers)
- **Beatrice Pagel:** *Endogenous Mergers between Heterogeneous Firms in Unionized Oligopoly* (with Christian Wey)
- **Holger Rau:** *Rebels without a Clue? Experimental Evidence on Endogenous Cartels and Outside Firms* (with Georg Clemens)
- **Moritz Suppliet:** *Pharmaceutical Prices under Regulation: Co-Payment Exemptions and Reference Prices in Germany* (with Annika Herr)
- **Tobias Wenzel:** *Strategic Obfuscation and Consumer Protection Policy in Financial Markets: Theory and Experimental Evidence* (with Yiquan Gu)

We are also very grateful to the Henkel Foundation for financial support.

Analysis of the German energy market design completed

With the transition of the German energy generation towards renewable energy sources, a process initiated by the German government in 2011, guaranteeing the security of supply is increasingly becoming an issue. This is due to the fact that a forced implementation of renewable generation capacities leads to a larger degree of fluctuation in the generation of energy. Currently, the implementation of different capacity mechanisms in order to either complement or even entirely substitute the conventional Energy-Only market is under consideration in various countries. There are substantial doubts as to whether Energy-Only markets will be capable of incentivizing an adequate amount of generation capacity as part of the security of supply in the long run; capacity mechanisms are supposed to ensure a sufficient amount of investment in generation capacities, though.

Therefore, one part of our research concerns the possible existence of sound evidence to see whether the current market design in Germany is still in a position to meet the requirements of security of supply. Furthermore, we examine the influence of a massive extension of fluctuating renewable energy resources on the profitability of investment in conventional generation plants.

This research project analyzes a variety of alternative market designs with regard to their respective economic pros and cons, emphasizing the likely performances of the so-called capacity markets. In addition, the analysis is complemented with an evaluation of international experiences observed in different liberalized energy markets. The focus of the analysis of the distinct capacity markets is particularly drawn on risks associated with the regulation of crucial market elements. Furthermore, likely consequences on the European power market as well as on the degree of competition resulting from deficient incentives are analyzed. Further topics dealt with in this research project are potential transitional solutions which create as little distortion of competition as possible.

Click [here](#) for the complete report (in German).

Click [here](#) for the article in DICE Ordnungspolitische Perspektiven (in German).

Hans-Theo Normann presented experimental work at US Department of Justice

On October 11, Hans-Theo Normann, professor of economics with a focus on game theory and experimental economics at the Düsseldorf Institute for Competition Economics (DICE), presented his experimental work on "Explicit vs. Tacit Collusion" at the Antitrust Division of the US Department of Justice.

Click [here](#) for the paper "Explicit vs. Tacit Collusion - The Impact of Communication in Oligopoly Experiments" by M.A. Fonseca & H.-T. Normann.

Ralf Dewenter visiting scholar at University of California

Ralf Dewenter, professor of economics with a focus on empirical competition analysis at the Düsseldorf Institute for Competition Economics (DICE), has been a visiting scholar at the University of California, Berkeley. Following an invitation by Prof. Glenn Woroch, Prof. Dewenter is affiliated to the Institute for Business Innovation ([IBI](#)) at Haas School of Business. His research focus at UC Berkeley has been on two-sided markets, media markets and network effects.

Hans-Theo Normann Associate Editor of "Journal of Economic Behavior and Organization"

As of January 2012, Professor Hans-Theo Normann, professor of economics with a focus on game theory and experimental economics at the Düsseldorf Institute for Competition Economics (DICE), will be an Associate Editor of the Journal of Economic Behavior and Organization.

The Journal of Economic Behavior and Organization publishes theoretical and empirical research concerning economic decision, organization, and behavior.

Click [here](#) for further information on the journal.

Research price for Annika Herr

Annika Herr, post-doctoral researcher at the Düsseldorf Institute for Competition Economics (DICE), has been awarded the Gerhard-Fürst price by the German Statistical Office. The price is endowed with €5,000 and is awarded on a yearly basis for outstanding research that relies on data from the Statistical Office.

Herr was awarded for her research on the efficiency of private and public hospitals. Her results show that in 2003, public hospitals showed a higher cost-efficiency while private hospitals exhibited a higher profit-efficiency.

Currently, Herr chairs a research project focusing on the degree of competition in the pharmaceutical market.

Second intake of the Düsseldorf Graduate School in Economics (DGSE) starts in October 2012

On March 31, the deadline for applications for the second intake to the Düsseldorf Graduate School in Economics ended. The program starts in October 2012 and provides outstanding students holding a Master's degree with intensive training in analytical methods and quantitative analysis which prepares them for successful research.

There are two major fields of research, industrial economics and competition

policy or international economics and monetary economics. The duration of the program is three years with a possible extension for the completion of the dissertation. All teaching is in English.

Successful doctoral students will be awarded the doctoral degree of Heinrich Heine University.

There are no tuition fees. The Düsseldorf Institute for Competition Economics (DICE) offers up to six scholarships/ research positions per intake.

Click [here](#) for more information on the Düsseldorf Graduate School in Economics (DGSE).

Gerhard Riener new assistant professor of experimental economics

In April 2012, Gerhard Reiner joined the Düsseldorf Institute for Competition Economics (DICE) as an assistant professor of experimental economics.

Before he came to Düsseldorf, Riener was a post-doctoral fellow at the Graduate School Economics of Innovative Change at the University of Jena and the Max-Planck Institute for Economics, Jena.

He completed his PhD at the department of Economics, University of Essex in July 2010. He obtained his undergraduate degree in Economics at the University of Vienna, as well as a Diploma in Economics at the Institute for Advanced Studies, Vienna.

His general research interests lie in behavioral economics and microeconomics using experimental research guided by theory. At the moment he is working on projects concerning charitable giving (mainly with David Reinstein) examining issues of reputation, influence, and their connections to altruism.

Furthermore, he is interested in the role of discrimination and stereotypes within organizations and markets. Together with Niels Grosse he has written a paper on the role of gender-task stereotypes in gender specific sorting into competitive environments. Furthermore, he has examined roles of discrimination in small markets with Alexander Schacht and the connection between monitoring aversion and group membership with Simon Wiederhold. In a political context, together with Alexia Katsanidou and David Hugh-Jones, he examined the role of news on students-police discrimination after the recent riots.

For further information, visit Gerhard Riener's [personal website](#).

Job opening: Schumpeter Postdoctoral Fellowship in competition and industrial economics

The Düsseldorf Institute for Competition Economics (DICE) at the Heinrich-Heine University is offering the first Schumpeter Postdoctoral Fellowship in Competition and Industrial Economics. The tax-free fellowship of €27,000 per year will be awarded for two years beginning September 2012 to an outstanding candidate conducting innovative research in the area of competition and industrial economics.

The selected candidate will focus on her/his research projects and will not have any teaching obligations but can be involved in teaching at all levels either in English or German if desired.

Click [here](#) for further information.

Research seminar in summer 2012: Women only!

Over the next summer term, the Düsseldorf Institute for Competition Economics (DICE) will launch its first women only research seminar. As Justus Haucap, director of the DICE, explains: "We wanted to demonstrate that there are a lot of excellent female researchers in economics and encourage especially our female students to think about starting a scientific career."

The seminar takes place on Tuesdays, 4.15 to 5.45 p.m. in room S2 in building 24.31 (Oeconomicum). Guests are most welcome!

- 10.04. Sigrid Suetens, Tilburg University
- 25.04. Céline Bonnet, Toulouse School of Economics
- 08.05. Reinhilde Veugelers, Catholic University of Leuven
- 15.05. Chiangxia Ke, Max-Planck-Institute for Tax Law and Public Economics, Munich
- 22.05. Ying Fan, University of Michigan
- 29.05. Andrea Weber, Universität Mannheim
- 05.06. Claudia Keser, University of Göttingen
- 12.06. Kerstin Schneider, Bergische University Wuppertal
- 19.06. Maria Bigoni, University of Bologna
- 26.06. Katrin Hussinger, Maastricht University
- 03.07. Friederike Mengel, University of Nottingham
- 10.07. Regina Riphahn, University of Erlangen-Nuremberg

Click [here](#) for further information.

New Publications

Published:

- [Countervailing Power and Dynamic Efficiency.](#)
R. Inderst & C. Wey
Journal of the European Economic Association, 9 (2011), 702-720.
- [Vertical Mergers, Foreclosure and Raising Rivals' Costs - Experimental Evidence.](#)
H.-T. Normann
The Journal of Industrial Economics, 59 (2011), 506-527.
- [A Within-Subject Analysis of Other-Regarding Preferences.](#)
M. Blanco, D. Engelmann, & H.-T. Normann
Games and Economic Behavior, 72 (2011), 321-338.
- [Profit Efficiency and Ownership of German Hospitals.](#)
A. Herr, H. Schmitz, & B. Augurzky
Health Economics 20 (2011), 660-674.
- [Transparency, Price-Dependent Demand and Product Variety.](#)
Y. Gu & T. Wenzel
Economics Letters, 110 (2011), 216-219.

- **Leading with(out) Sacrifice? A Public-Good Experiment with a Super-Additive Player.**
A. Glöckner, B. Irlenbusch, S. Kube, A. Nicklisch, & H.-T. Normann
Economic Inquiry, 49 (2011), 591-597.
- **Semi-Collusion in Media Markets.**
R. Dewenter, J. Haucap, & T. Wenzel
International Review of Law and Economics, 31 (2011), 92-98.
- **Deregulation of Shopping Hours: The Impact on Independent Retailers and Chain Stores.**
T. Wenzel
Scandinavian Journal of Economics, 113 (2011), 145-166.
- **Quality and Welfare in a Mixed Duopoly with Regulated Prices: The Case of a Public and a Private Hospital.**
A. Herr
German Economic Review, 12 (2011), 422-437.
- **Getting Beer During Commercials: Adverse Effects of Ad-Avoidance.**
T. Stühmeier & T. Wenzel
Information Economics and Policy, 23 (2011), 98-106.
- **Competition in the Turkish Mobile Telecommunications Market: Price Elasticities and Network Substitution.**
J. Haucap, U. Heimeshoff, & M. Karaçuka
Telecommunications Policy, 35 (2011), 202-210.
- **Calling Party Pays or Receiving Party Pays? The Diffusion of Mobile Telephony with Endogenous Regulation.**
R. Dewenter & J. Kruse
Information Economics and Policy, 23 (2011), 107-117.
- **Measuring the Deterrence Effect of Competition Policy: The Competition Policy Indexes.**
P. Buccirossi, L. Ciari, T. Duso, G. Spagnolo, & C. Vitale
Journal of Competition Law and Economics, 7 (2011), 165-204.
- **Stabilität und Wandel von Arbeitsmarktinstitutionen aus wettbewerbs-ökonomischer Sicht.**
A. Göddeke, J. Haucap, A. Herr, & C. Wey
Journal for Labour Market Research (formerly: Zeitschrift für Arbeitsmarkt Forschung), 44 (2011), 143-154.
- **Wettbewerbspotenziale im deutschen Apothekenmarkt.**
M. Coenen, J. Haucap, A. Herr, & B. Kuchinke
ORDO: Jahrbuch für die Ordnung von Wirtschaft und Gesellschaft, 62 (2011), 205-229.
- **Wettbewerb im Internet: Was ist online anders als offline?**
J. Haucap & T. Wenzel
Zeitschrift für Wirtschaftspolitik, 60 (2011), 200-211.
- **Zugangsentgelte zur Infrastruktur der Deutsche Bahn AG: Fluch oder Segen durch vertikale Separierung?**
M. Bataille & M. Coenen
Zeitschrift für Wirtschaftspolitik, 60 (2011), 370-388.
- **Wettbewerb im deutschen Mobilfunkmarkt.**
J. Haucap, U. Heimeshoff, & T. Stühmeier
Zeitschrift für Wirtschaftspolitik, 60 (2011), 240-267.

Forthcoming:

- [Transparency, entry and productivity.](#)
T. Wenzel & Y. Gu
Forthcoming in: Economics Letters.
- **Signaling in Deterministic and Stochastic Settings.**
T.D. Jeitschko & H.-T. Normann
Forthcoming in: Journal of Economic Behavior and Organization.
- **Technology Adoption in Markets with Network Effects: Theory and Experimental Evidence.**
C. Keser, I. Suleymanova, & C. Wey
Forthcoming in: Information Economics and Policy
- **Access Regulation with Asymmetric Termination Costs.**
T. Stühmeier
Forthcoming in: Journal of Regulatory Economics
- **Roaming and Investments in the Mobile Internet Market.**
T. Stühmeier
Forthcoming in: Telecommunications Policy
- **On File Sharing with Indirect Network Effects Between Concert Ticket Sales and Music Recordings.**
R. Dewenter, J. Haucap, & T. Wenzel
Forthcoming in: Journal of Media Economics
- [Regulating advertising in the presence of public service broadcasting.](#)
T. Wenzel & T. Stühmeier
Forthcoming in: Review of Network Economics.
- **Product Market Competition and Lobbying Coordination in the U.S. Mobile Telecommunications Industry.**
T. Duso & A. Jung
Forthcoming in: Journal of Industry, Competition, and Trade.
- **Was lesen und schätzen deutschsprachige Ökonomen heute?**
M. Bräuninger, J. Haucap, & J. Muck
Forthcoming in: Perspektiven der Wirtschaftspolitik.

New discussion papers

- DICE Discussion Paper No 47
[The Effects of Gasoline Price Regulations: Experimental Evidence, April 2012.](#)
J. Haucap & H.C. Müller
- DICE Discussion Paper No 46
[Roaming and Investments in the Mobile Internet Market, March 2012.](#)
T. Stühmeier
- DICE Discussion Paper No 45
[The Effects of Rebate Contracts on the Health Care System, March 2012.](#)
J. Graf
- DICE Discussion Paper No 44
[Unionization Structures in International Oligopoly, February 2012.](#)
B. Pagel & C. Wey

- DICE Discussion Paper No 43
[Price-Dependent Demand in Spatial Models, January 2012.](#)
Y. Gu & T. Wenzel
- DICE Discussion Paper No 42
[Does the Growth of Mobile Markets Cause the Demise of Fixed Networks? – Evidence from the European Union, Januar 2012.](#)
A.-K. Barth & U. Heimeshoff
- DICE Discussion Paper No 41
[Regulating Advertising in the Presence of Public Service Broadcasting, January 2012.](#)
T. Stühmeier & T. Wenzel
- DICE Discussion Paper No 40
[Forecast Errors in Undisclosed Management Sales Forecasts: The Disappearance of the Overoptimism Bias, December 2011.](#)
H.C. Müller
- DICE Discussion Paper No 39
[Transparency, Entry, and Productivity, November 2011.](#)
Y. Gu & T. Wenzel
- DICE Discussion Paper No 38
[Entry Deterrence Through Cooperative R&D Over-Investment, November 2011.](#)
C. Christin
- DICE Discussion Paper No 37
[In Vino Veritas: Theory and Evidence on Social Drinking, November 2011.](#)
J. Haucap, A. Herr, & B. Frank
- DICE Discussion Paper No 36
[Irrationality Rings! – Experimental Evidence on Mobile Tariff Choices, November 2011.](#)
A.-K. Barth & J. Graf
- DICE Discussion Paper No 35
[Signaling in Deterministic and Stochastic Settings, November 2011.](#)
T.D. Jeitschko & H.-T. Normann

Newsletter of the Düsseldorf Institute for Competition
Economics (DICE)
Director: Prof. Dr. Justus Haucap (responsible according
to the press law)

www.dice.hhu.de

Subscribe? Just click here and return the e-mail.

Unsubscribe? Then click here and return the e-mail.