



TILEC Annual Report 2011

TILEC
ANNUAL REPORT 2011

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The Tilburg Law and Economics Center (TILEC) was created in 2002 as a joint research center of the Tilburg School of Economics and Management (TISEM) and the Tilburg Law School (TLS) at Tilburg University.

For the participating researchers from the two Schools, TILEC's mission is to provide support for, and stimulate, joint research activities, thereby enhancing the intellectual climate for research at Tilburg University. Towards the outside, TILEC aims to belong to the top in Europe and to be recognized as a leading center in its areas of activity also in the US.

TILEC research is distinguished by the following characteristics:

1. *Interdisciplinary*: TILEC research integrates law and economics together on an equal footing, or at least includes substantial input from the other discipline;
2. *Innovative*: TILEC brings law and/or economics further, and opens up new perspectives. Whilst this might imply that it leaves established paths in each discipline, it remains state-of-the-art at the technical and methodological level;
3. *Fundamental*: TILEC research addresses basic questions of each discipline, including the relationship between the two disciplines and how they can mutually strengthen each other;
4. *Relevant*: TILEC research is inspired by real world problems and aims to contribute to the ultimate solution of these problems.

FOREWORD

2011 has been a year of transformation for the Tilburg Law and Economics Center (TILEC). After successfully steering TILEC for almost ten years, the two founding directors, Eric van Damme (Tilburg School of Economics and Management –TiSEM) and Pierre Larouche (Tilburg Law School – TLS) transferred executive duties to us and moved to the TILEC Board. Following the university-wide reorganization of support functions, TILEC was also affected by the departure of several staff members. Despite these difficulties on the side of administrative support, which are being resolved, TILEC members adjusted and maintained their enthusiasm with regards to the delivery of first-rate research output and the organization of many exciting events in Tilburg and elsewhere.

2011 was also marked by the conclusions of an external peer-review committee (made up of Peter Nijkamp, chairperson, Martin Hellwig, and Daniel Crane) in charge of assessing TILEC's research performance. The committee was very positive. The quality, output and scientific relevance of TILEC's research were regarded as excellent, while its societal relevance was found to be outstanding. The committee noted that "TILEC has acquired a unique position at the interface of economics and law", a remark we take as a vindication of our approach to interdisciplinary research.

This annual report provides ample evidence of the commitment and achievements of our members. Their input was crucial in the preparation and finalization of TILEC's new research program for the years to come. In 2012-2017, TILEC will continue analyzing the various ways in which economic activity is, or should be, governed. Building on the expertise that we have accumulated over the years, 'it will focus on six main research areas,: Institutions and incentives; Competition policy; Innovation; Healthcare regulation; Network industries; Trade, finance and investment.'

With the support of its parent schools and the renewed commitment of its members, TILEC is well-prepared to continue tackling the fundamental, yet policy-relevant research questions which the governance of economic activity poses. Our efforts are now targeted at consolidating the success of the TILEC formula within those well-defined research areas. 2012 will again be an evaluation year for TILEC, this time by a committee advising the Board of Tilburg University on competitive funding. We are confident that TILEC can make a solid case before this committee. As this annual report suggests, we can be optimistic about the future.



Cédric Argenton and Panagiotis Delimatsis - TILEC Directors

I. HIGHLIGHTS FROM 2011

2011 proved to be year of transition for TILEC. Following a very positive evaluation of its performance over the period 2006-2010, TILEC made adjustments to its organization and research orientation in order to maintain the academically path-breaking and societally relevant nature of its research over the period 2012-2017. This said, as in previous years, TILEC members kept themselves busy with research on competition, innovation, health care markets, network industries, financial markets, and trade. They also innovated in bringing the mutual understanding of legal and economic science to another level by developing crash courses aiming at familiarizing each side with the other discipline's methodological foundations.

I.1 ORGANIZATIONAL CHANGES

In accordance with the agreement between TILEC's parent Schools, the Tilburg Law School and the Tilburg School of Economics and Management, which provided for a TILEC-specific research performance assessment, TILEC was **evaluated** in the Spring of 2011. On 15 March 2011, the Peer Review Committee consisting of Peter Nijkamp (VU University Amsterdam; chairperson), Daniel Crane (University of Michigan) and Martin Hellwig (Max-Planck Institute for Research on Collective Goods, Bonn) published its assessment of the research performance of TILEC during the 2006-2010 period. The committee's report was very positive with an overall grade of 4.5 out of 5; it stressed that "TILEC performs well in bringing law and economics research together, which is not an easy task. It has developed into an internationally-renowned center in its field. TILEC's philosophy of stimulating mutual interdisciplinary understanding and inspiration has shown to be quite successful." Moreover, the committee pointed out that "[it] was impressed by the quality of TILEC's research" and "by the high degree of relevance of the research for end-users in society". The committee made suggestions relating primarily to TILEC's organization, which can help the TILEC management and parent schools enhance the commitment and productivity of TILEC members, and improve TILEC's strategy in the future so as to optimally exploit the "unique position at the interface of economics and law" that it has managed to acquire.

Following the committee's remarks, TILEC's management team, in cooperation with TILEC members, focused on TILEC's future strategy over the upcoming contract period: 2012-2017. To this end, TILEC prepared an elaborate yet succinct **research program** for this period. The new TILEC research program, evolving around the theme of economic governance, constitutes the tying feature of the research performed by TILEC members. One of TILEC core values is the belief that understanding the nature of the interactions among economic agents, institutions and policy instruments may

yield significant results that can improve the functioning of the economy through the identification of appropriate governance structures. Recognizing the importance of interdisciplinarity for the success of TILEC research, the new research program prioritizes its research interests by focusing on the full use of the expertise of TILEC researchers. According to the research program, **six core research areas** are identified: (1) Institutions and incentives; (2) Competition policy; (3) Innovation; (4) Healthcare markets regulation; (5) Regulation of network industries; and (6) Finance, trade, and investment. These six research areas are topical, as demonstrated by current policy developments setting the political agenda for the next ten years.

2011 was also marked by the appointment of new TILEC directors. Since September 2011, **Cédric Argenton** (on the side of TiSEM) and **Panagiotis Delimatsis** (on the side of the TLS) serve as the **new TILEC co-directors**. Panagiotis and Cédric take over from TILEC founding directors Pierre Larouche and Eric van Damme, who successfully led TILEC in the first ten years of its existence and remain involved in its management as leaders of numerous research projects and members of the TILEC Board.

Cédric Argenton studied law and public policy at Sciences Po Paris and University of Paris 1, Panthéon-Sorbonne. He was trained as a professional economist at Boston University and the Stockholm School of Economics, where he defended his dissertation under the supervision of Jörgen Weibull. Cédric specializes in industrial organization, the branch of economics which studies market interactions. He has an interest in competition policy, especially exclusionary practices associated to predatory pricing and the use of vertical restraints, law and economics, as well as a number of more theoretical questions. Cédric had been part of the TILEC management team for the past four years and is familiar with the organization.

Panagiotis Delimatsis has worked at Tilburg University since 2008 and has been a TILEC senior member from the beginning. Panagiotis has considerable expertise in the regulation of international trade, trade in services in particular, as well as EU law. His research focuses on regulatory diversity, domestic regulatory reform, good governance and institutional design, and the effects of unduly burdensome domestic regulations on factor mobility. Panagiotis has a particular interest in the regulation of the financial sector, professional services and energy. He has published his work with leading publishers such as *Oxford University Press* and *Cambridge University Press*, while his articles appeared in top refereed journals, including *European Journal of International Law*, the *Journal of International Economic Law*, the *Common Market Law Review*, the *Journal of World Trade* and the *World Trade Review*.

1.2 RESEARCH ON COMPETITION AND INNOVATION



Greg J. Sidak

2011 remained a very productive year in the fields of competition policy and innovation. A major event was TILEC member **Greg J. Sidak's inaugural lecture** as Ronald Coase Professor of Law and Economics on 16 September 2011. In this lecture, entitled "Is harm ever irreparable", Greg Sidak addressed, among others, the difficulties attached to the interpretation of the notion of 'irreparable harm' in injunctive relief cases, a topic that lies at the intersection of economic outcomes and legal standards, and that has taken a particularly problematic aspect in fast-moving, high-tech industries.

In conjunction with this event, TILEC hosted a **workshop on 'Open source, standards and innovation'** in Tilburg, a key issue in the IT sector. Distinguished scholars, such as Geertrui van Overwalle (Tilburg University and Leuven University), Neil Gandal (Tel Aviv University) and Marshall van Alstyne (Boston University) discussed the implications of the 'openness' of source, standards and innovation and their relationship with alternative models.

Together with the Dutch Bureau for Economic Policy Analysis (CPB) and the Dutch Ministry for Economic Affairs, Agriculture and Innovation, TILEC continued organizing the so-called **competition workshops**, which gather academics, policy-makers and market participants in the Dutch capital to discuss topical issues in the field of competition. In May 2011, the discussion focused on agricultural markets and their distinctiveness. Does competition help or hinder environmental goals in the sector? Are those markets characterized by competition anyway, given the concentration levels at the retail level? Those two contentious topics were addressed by Frank Bunte and Bernd van der Meulen (Wageningen University) among others.

Competition policy remained the subject of many **TILEC seminars** throughout the year. In February, Patrick Rey (Toulouse School of Economics) and Alison Jones (Kings College London) discussed the future direction of the rules governing vertical agreements. In May, Mark Armstrong (UCL) and Max Huffmann (Indiana University) addressed the role of consumer protection under competition law, while in June David Gerber (Chicago-Kent College of Law) and Maarten Pieter Schinkel (University of Amsterdam) expressed their views on the directions that competition policy does, or should, globally take.

During the year, TILEC members had the opportunity to communicate their research results worldwide. TILEC members participated in many academic and policy-related conferences and workshops worldwide. It is worth pointing out that junior TILEC members were also particularly active. This was for example illustrated by the massive participation of TILEC researchers at the **5th Competition Law and Economics European Network (CLEEN) Workshop**, which took place at the premises of the European University Institute in Florence. In line with the main purpose of CLEEN, an academic network aiming at fostering the exchange of ideas on competition policy and market regulation, 7 TILEC members participated in the workshop and had the opportunity to present and discuss their work with peers from other CLEEN institutions.

Finally, in 2011 new **researchers** were brought in to strengthen TILEC's research in competition and innovation. On the side of law, **Antigoni Lykotrafiti** was hired as assistant professor to work on a major research effort funded by the European Commission and aiming at characterizing the European Union's innovation policy across the various areas of legal intervention. Meanwhile **Victoria Daskalova** started as a PhD student, working on buyer power under the supervision of Pierre Larouche.

1.3 RESEARCH ON HEALTHCARE MARKETS

2011 also proved a very active year for the TILEC research group on health care markets. On 26 January 2011 TILEC and Tranzo (Scientific Centre for Care and Welfare) organized a conference entitled '**Does competition in healthcare harm solidarity?**'. The one-day event addressed this highly topical theme from various angles. It reviewed the circumstances under which competition harms or reinforces solidarity in healthcare. Speakers from the Netherlands, the UK, Belgium and Switzerland discussed how to design rules and institutions that enable competition and solidarity to reinforce each other rather than undermine each other.

Moreover, TILEC, together with the Dutch health care authority (NZa) and the Netherlands Bureau for Economic Policy Analysis (CPB), continued with the successful organization of **Health Policy Workshops**. The topic explored in the second one, which took place in Utrecht in November 2011, was 'Incentives in health insurance; the role of cost-sharing'. Participants, which include academics, policy-makers, and participants, considered international experiences in cost-sharing and confronted their views on the subject, with a view on drawing lessons that could help improve the design of the system in the Netherlands. Willard Manning (University of Chicago), Richard van Kleef (Erasmus University Rotterdam) and Wika Oortwijn (Ecorys Nederland) were the main speakers.

On 16 December 2011 TILEC held a mini-workshop in Tilburg on the topic of **risk adjustment**. Wynand van de Ven (Erasmus University), Jan Boone (Tilburg University) and Mark A. Hall (Wake Forest University Medical School, USA) took stock of the standard results as well as the recent advances in the field of risk adjustment with focus on experiences from the Netherlands and the USA.

1.4 RESEARCH ON NETWORK INDUSTRIES

In 2011, TILEC members continued conducting relevant research on energy markets and media regulation. In March, in cooperation with the Dutch competition authority (NMa), the Netherlands Bureau for Economic Policy Analysis (CPB) and the Dutch ministry for economic affairs, TILEC organized an **energy economics policy workshop on European gas markets and security of supply**. Dan Harris (Brattle group) and Nils-Henrik von der Fehr (University of Oslo) discussed the costs and benefits of the so-called ‘Dutch gas round-about’, namely the set of measures which the Dutch government would like to implement to attract more investments in gas infrastructure. Moreover, Franz Hubert (Humboldt University) and Otto Waterlander (Booz & Company, Amsterdam) discussed the security of European gas supply and how security and diversification of gas supply can be improved in Europe. In November 2011, another energy economics policy **workshop on distribution networks, regulation and consumers** was held in The Hague. Ronnie Belmans (KU Leuven) and Erik ten Elshof (EL&I) discussed the regulation of smart grids, while Michael Pollitt (Cambridge University) and Paul Koutstaal (ECN) addressed the concerns arising from demand side management.



Jasper Shuijs

On 20 and 21 June 2011 TILEC organized an international **workshop on the law and economics of media and telecommunications** in Tilburg. The workshop focused on different aspects of media and telecommunications regulation, including network neutrality, telecoms policy, broadcasting, media bias and news financing and subsidies. Distinguished scholars, such as Stefan Bechtold (Swiss Federal Institute of Technology Zurich), Matthew Gentzkow (University of Chicago), Benjamin Hermalin (University of California, Berkeley) and James Speta (Northwestern University) addressed topical issues in these area, followed by specific presentations on the law and economics of media and telecommunications by TILEC members and other researchers.

1.5 RESEARCH ON FINANCIAL MARKETS, TRADE AND INVESTMENT REGULATION

Although the project on **financial market regulation** that had been financed by the Dutch authority for financial markets (AFM) had its final year in 2010, the group continued to research, and organize events relevant to the topic. In March, the project was closed with a workshop on the premises of AFM, where the main research results on the issues of institutional investor voting behavior, liquidity of venture capital-backed companies and the impact of the location of trading venues were presented. In the Spring, the group organized a TILEC seminar on corporate governance, with Wolf-Georg Ringe (University of Oxford) and Marc Goergen (Cardiff University), as well as a joint seminar with the European Banking Center (ECB), where Geoffrey Miller (NYU Law School) discussed financial markets regulation after the financial crisis.

The group also published extensively not only in leading academic journals but also **books on topical issues** that are called upon becoming classics in the field. Among others, Joe McCahery and Erik Vermeulen published *Strategic alliances and joint ventures: Law, economics and management* with Cambridge University Press. Furthermore, Panagiotis Delimatsis (together with N. Herger) edited *Financial Regulation At the Crossroads: Implications for Supervision, Institutional Design and Trade* with Kluwer Law International, which discusses the causes of the financial turmoil, but also presents thoughtful proposals that contribute to the future policy debate, and opportunities that financial services can offer in funding activities which raise standards of living through initiatives in microfinance, renewable energy, and food distribution. In addition, Angelos Dimopoulos published his book *EU Foreign Investment Law* with Oxford University Press, which examines the foundations upon which EU investment policy is, and will be, based and presents the first comprehensive treatment of the legal, practical, and political concerns that the creation of an EU common investment policy creates.

1.6 INTERDISCIPLINARY DIALOGUE

In addition to the numerous open events they organized, TILEC members continued to meet at least once a week during the academic year to present papers, discuss recent research, cases or policy developments. This year, they also deepened the spirit of interdisciplinary cooperation by developing ‘crash courses’ designed to expose researchers from one side to the techniques, maintained assumptions, and methodological issues of the other discipline. The ‘**crash course in law and legal scholarship for economists**’ and the ‘**crash course in economics for lawyers**’ proved to be learning experiences for the participants that delineated the potential benefits but also the pitfalls of drawing on another discipline so as to improve one’s research.

1.7 MEMBERS

In 2011, TILEC accommodated 57 members. The number of senior members decreased from 47 to 43. The number of junior members decreased from 18 to 14. In total TILEC welcomed 4 new members: one at the senior level and three at the junior level. 12 members left TILEC, including four members who continued their connection to TILEC as Extramural Fellow.

On the side of the Tilburg School of Economics and Management, three new junior members joined TILEC. On the side of the Tilburg Law School, one new member joined TILEC at the senior level. More details can be found in Appendix A.



TILEC Annual retreat 2011

2. RESEARCH

2.1. OVERVIEW

In 2011 TILEC members continued to be very active in research. TILEC members produced an impressive number of 102 academic publications, including 60 journal articles, while TILEC issued in total 56 Discussion Papers.

The table below provides a summary of the number of relevant publications by TILEC members falling within the scope of the TILEC research program. Appendix B provides a list of publications of TILEC members for 2011.

Table 1.1: 2011 publications by TILEC members

Academic publications	102
Journal articles	60
Book chapters	33
Monographs and edited books	9
Professional publications	26
Journal articles	21
Books	4
Book chapters	1
Discussion papers	56
Articles in newspapers	11

2.2. RESEARCH RESULTS

2.2.1 Institutions and incentives

It is widely thought that communication helps agents coordinate on good outcomes (that is why, for instance, explicit communication is thought to be so important for cartelization) but economic theory has trouble explaining why talk should matter when it is cheap. In DP 2011-55, TILEC members **Eric van Damme** and **Jan Potters** and co-author Marta Serra Garcia of Tilburg University compare communication about private information to communication about actions in a one-shot two-person public good game with private information. The informed player, who knows the exact return from contributing and whose contribution is unobserved, can send a message about the return or her contribution. Theoretically, messages can elicit the uninformed player's contribution, and allow the informed player to free-ride. The exact language

used is not expected to matter. Experimentally, however, the authors find that free-riding depends on the language: the informed player free-rides less, and thereby lies less frequently, when she talks about her contribution than when she talks about the return. Further experimental evidence indicates that it is the promise component in messages about the contribution that leads to less free-riding and less lying. Hence, the ability to make explicit promises about one's actions, even when cheap, seems to be an important ingredient of a successful cooperation.

Impersonal exchange has been a major driver of economic development. However, transactors with no stake in maintaining an ongoing relationship have little incentive to honor deals. Therefore, all economies have developed institutions to support honest trade and realize the gains from impersonal exchange. Contract law is an obvious candidate but there is evidence that many transactions actually take place in the absence or in the shadow of the law. Why is it so? In DP 2011-17, TILEC member **Jens Prüfer** and co-author Scott Masten (University of Michigan) analyze and compare the relative capacities of communities (or social networks) and courts to secure cooperation among heterogeneous, impersonal transactors. Their main finding is that communities and courts are complements: they support cooperation in different types of transactions. The authors apply their results to the rise and fall of a medieval enforcement institution, the Law Merchant, concluding that progressive reductions in the risks and costs of transportation over long distances, driven in part by improvements in shipbuilding methods, increased first the value and then the composition of long-distance trade in ways that initially favored and later undermined this institution.

If the prior criminal record is a good predictor of future criminal behavior, then making the length of a prison sentence conditional on an individual's offense history could provide a powerful way of preventing crime. In DP 2011-01 TILEC member **Ben Vollaard** and Tilburg University professor Jan van Ours estimate the crime-reducing effect of the law on selective incapacitation of a habitual offender, adopted in 2001 in the Netherlands. The law allowed judges to sentence offenders with ten or more offenses on their criminal record to a prison term that was some ten times longer than usual. The authors match every individual offender sentenced under the law to the urban area in which he was criminally active. Using monthly data for 12 urban areas between 1999 and 2007, they find the sentence enhancements to have dramatically reduced theft rates. Extending prison terms is expensive, but the social benefits of the policy are found to greatly exceed the additional costs for this specific group of offenders. Even though only a small number of offenders were affected by the law, they find the size of the crime-reduction effect to be subject to rapidly decreasing returns to scale. In other words: a policy of selective incapacitation only pays off when it is highly selective.

The law's assumptions refer to theoretical and empirical presuppositions behind legal concepts, rules, and doctrines, about factual and normative features of the world. Legal rules and doctrines are, at least implicitly, based on such assumptions, especially about human behavior. In DP 2011-49 TILEC member **Peter Cserne** discusses the epistemic and methodological character of the law's assumptions about human behaviour in order to identify how they are related to objectivity. Taking H.L.A. Hart's views on legal epistemology as a starting point, the author suggests that the assumptions behind legal doctrines typically combine common sense factual beliefs, moral intuitions, philosophical theories of earlier ages and scientific knowledge. A thorough analysis of the law's assumptions has to provide a 'rational and critical foundation' for the law which also requires going beyond conceptual analytical and positivist description. Legal philosophy thus does not only contribute to law's objectivity through conceptual clarification but also involves the legal scholars into substantive empirical and moral argumentation. However, integrating empirical knowledge on human behavior into legal policy and legal doctrines raises challenges linked to the institutional, systemic and normative features of the law. In particular, the law's assumptions about personhood and human agency may come into conflict with empirical research in psychology and neurosciences, as it is increasingly integrated into behavioral law and economics.

2.2.2. Competition

When is a market competitive? Which measure of competition does entry bring to a particular market? Those are questions that competition authorities routinely face? In DP 2011-25, TILEC member **Catherine Schaumans** and co-author Frank Verboven (Leuven) propose a methodology for estimating the competition effects from entry when firms sell differentiated products. They first derive precise conditions under which entry threshold ratios (ETRs) can be used to test for the presence, and to measure the magnitude, of competition effects. They then show how to augment the traditional methodology with a revenue equation. This revenue equation serves to adjust the ETRs by the extent of market expansion from entry, and leads to unbiased estimates of the competition effects from entry. The authors apply their approach to seven different local service sectors. They find that entry typically leads to significant market expansion, implying that traditional ETRs may substantially underestimate the competition effects from entry. In most sectors, the second entrant reduces markups by at least 30%, whereas the third or subsequent entrants have smaller or insignificant effects, thus underlining the key role played by the presence of even one single competitor.



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Does competition policy matter? TILEC DP 2011-22 by TILEC members **Erik Brouwer** and **Fatih Ozbugday** tests whether the transition from the old Economic Competition Act to a modern competition policy regime in the 1990s in the Netherlands had an impact on price-cost margins in manufacturing industries following its implementation (1993-2007). The paper further investigates if the price-cost margins were higher in industries where temporary antitrust immunity was granted for a subset of firms that engaged in concerted practices, a possibility under the new Act. The results indicate that the change in competition law had a very small and negative, yet statistically insignificant deterrent effect on the price-cost margins. Elsewhere, markups were higher in industries in which temporary antitrust immunity was granted for some classes of coordinated actions.

In which industries are cartels likely to be formed? When a modern competition policy regime was introduced in the Netherlands in the 1990s, some legal cartels were allowed to go on for a while under some conditions. TILEC DP 2011-21 by TILEC member **Fatih Ozbugday** examines the impact of several industry characteristics on the propensity to collude using a dataset on the existence of collusion across Dutch industries during the late 1990s and early 2000s. Correcting for selection, the paper shows that concerted practices are less likely to be seen in service industries relatively to manufacturing industries. The results also show that it is more likely that firms engage in concerted practices in non-concentrated industries. There is also strong

evidence from all the regressions that concerted practices are less likely in industries where entry is easier. Interestingly, estimation results indicate that there is a positive correlation between cartel prevalence import penetration, which implies that import competition did not discipline firm behaviour and foreign importers joined the cartel paradise in the Netherlands.

Which firms are likely to apply for exemption of competition rules? TILEC DP 2011-18 by TILEC members **Erik Brouwer** and **Fatih Ozbugday** examines the determinants of antitrust immunity-seeking behavior at industry level for the Netherlands. Their findings suggest that market structure and the level of competition are important determinants of antitrust immunity-seeking behavior. There were more dispensation requests in less competitive industries. On the other hand, the authors could not find systematic evidence for the impact of the degree of interaction and asymmetry on antitrust immunity-seeking behavior in the Netherlands, even though they had legitimate reasons to believe that they had. Finally, they could not detect any effect of market demand growth and profitability on exemption application counts.

Ever since the creation of the General Court ("GC"), the effectiveness of judicial review in EU competition cases has sparked intense scholarly debates. Contributing to this discussion, DP 2011-08 by TILEC Member **Damien Geradin** and co-author Nicolas Petit (Liège) discusses the goals and functions of judicial review in competition law matters, throwing some empirical light on the GC's judicial review performance and taking a closer look at the (controversial) case-law of the GC in the field of abuse of dominance. The authors' analysis indicates that while the GC struck down an important number of cartel and merger control decisions, as the GC has been keen to define and refine normative legal standards in light of modern economic theory, it has shown deference to the Commission in abuse of dominance cases, essentially relying on the formalistic – and poorly in line with economics – legal standards adopted by the ECJ. The authors conclude that this approach is likely to have a negative impact on welfare by increasing the risk of prohibition of benign dominant firm conduct and that it also risks harming the efforts made by the Commission and NCAs to promote effects-based approaches by legitimizing decisions based on per se standards.

The fines imposed by the European Commission for infringements of Articles 101 and 102 TFEU have risen significantly over the last 20 years. Increasing the level of corporate fines may not, however, be the most appropriate means to increase deterrence. In DP 2011-52 TILEC member **Damien Geradin** offers a reassessment of the EU competition law fining system and provides suggestions so as to improve the efficiency and fairness of the sanctions imposed in case of infringement, and ensure that they are made at the least cost to society. The paper focuses on the criticisms raised against

the existing fining system with regard to (i) the ability of undertakings to identify breaches of competition rules and discipline the employees that have committed such breaches; (ii) the importance of compliance programs, which, also in the context of parental liability, remain the main instrument at the disposal of companies to prevent competition law infringements; (iii) the absence of coordination between public (fines) and private enforcement (actions for damages), which threatens the effectiveness of enforcement of EU competition rules and lead to the imposition of excessive financial penalties and (iv) the predictability as to the possible outcome of the fine calculation process.

It is a fact that the law and economics literature often studies optimal policies without paying too much attention to the legal constraints that actually restrict the range of possible designs. In TILEC DP 2011-56, TILEC extramural fellow **Evgenia Motchenkova** and co-authors study antitrust enforcement when the fining regime must obey four arguably well-established legal principles: punishment-should-fit-the crime, proportionality, bankruptcy considerations, and minimum fines. They integrate these legal principles into the analysis of optimal deterrence of collusion in an infinitely-repeated oligopoly model. They derive the optimal fine schedule that achieves maximal social welfare under these legal principles. Bankruptcy considerations ensure abnormal cartel profits. The optimal fine schedule induces collusion on lower prices, making it more attractive than on higher prices, a result that is reminiscent of the larger literature on marginal deterrence. Because it only reinforces constraints, raising minimum fines reduces social welfare and should never be implemented.

TILEC DP 2011-42 by TILEC extramural fellow **Jun Zhou** examines the effects of European Commission's (the US leniency program is also studied) new leniency program on the EC's capabilities in detecting and deterring cartels. The author discusses a dynamic model of cartel formation and dissolution to illustrate how changes in antitrust policies and economic conditions might affect cartel duration. Comparative statics results are then corroborated with empirical estimates of hazard functions adjusted to account for both the heterogeneity of cartels and the time-varying policy impacts suggested by theory. Contrary to earlier studies, statistical tests are consistent with the theoretical prediction that following an efficacious leniency program, the average duration of discovered cartels should rise in the short run and fall in the long run. The results shed light on the design of enforcement programs against cartels and other forms of conspiracy.

Horizontal concentrations are typically seen with suspicion by antitrust authorities. It is also understood that vertical integration can be anticompetitive. Indeed, downstream competition can make it difficult for a dominant upstream firm to extract

monopoly profit because it cannot commit to restrict its output to the monopoly level. By integrating vertically, this firm can foreclose its downstream rivals by raising the input price, thereby reducing output. Strangely enough, this theory assumes that only one input is needed by downstream firms, whereas there are many examples where such firms need to buy several, complementary inputs from many upstream manufacturers. What are the incentives to integrate and foreclose in that case? In DP 2011-04, TILEC extramural fellow **Emanuele Tarantino** and co-author Markus Reisinger (University of Munich) discuss vertical integration and foreclosure and show that vertical integration is not always a profitable strategy as the integrated firm runs the risk of seeing its higher downstream profits extracted by the supplier of complementary inputs. Moreover, they show that when integration is profitable, foreclosure of downstream rivals is not necessarily an optimal strategy. Instead, the integrated firm may want to set very low prices, thus making the merger pro-competitive.



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The application of the doctrine of abuse of dominance position under Article 102 TFEU in cases of refusal to supply is examined by TILEC Member **Damien Geradin** in DP 2011-09. In its guidance paper on Article 102 TFEU, the Commission established three conditions that in its view must normally be satisfied before a “refusal to deal” or “margin squeeze” may be considered contrary to Article 102 TFEU, mirroring those established by the European Court of Justice (the “ECJ”) in the *Bronner* case. However, in its *Telefónica* decision, the Commission took the view that in the circumstances of

that case it did not have to prove that these conditions were satisfied before concluding that there was an abusive margin squeeze, as the particular circumstances of the *Telefónica* case were fundamentally different from those in Bronner. Against this background, this paper seeks to demonstrate that the “*Telefónica exceptions*” do not make sense and are not justified from an EU law standpoint. On the contrary, their application could lead to negative consequences in particular by forcing a vertically-integrated dominant firm to give access to its infrastructure even when this access is not “essential” within the meaning of the refusal to deal case law of the ECJ.

The relationship between industrial policy and merger control is one of the most controversial topics in European competition law. The debate has become particularly intense in recent years, as the challenges of globalization and the 2008 economic crisis inspired a growing number of observers to argue for an increased intervention of public authorities into the economy. Against this background, TILEC member **Damien Geradin**, along with co-author Ianis Girgenson (Covington & Burling LLP) discuss in DP 2011-53 whether merger control rules should be relaxed in order to accommodate industrial policy objectives. After defining industrial policy, the DP examines the role that industrial policy has played in European merger control. It argues that although industrial policy dominated the early years of European merger control, following the adoption of the Merger Regulation in 1989, the European Commission largely ignored industrial policy considerations, focusing instead on the strict implementation of the competition-based test. However, in several recent cases national governments set aside merger control rules to facilitate the creation of “national champions” or used them as a protectionist tool to disrupt undesirable transactions. In that respect, the paper concludes that carefully selected industrial policies can successfully address market failures, e.g., by supporting national or European champions; however, merger control rules should not be relaxed or set aside, as their correct application enhances the efficiency of industrial policies.

The effects of cross-ownership on competition are not well-known. When exactly does a firm want to acquire a (controlling or non-controlling) stake in a competitor? In TILEC DP 2011-13 TILEC member **Tobias Klein** and co-authors Heiko Karle (Brussels) and Konrad Stahl (Mannheim) study a differentiated product market in which an investor initially owns a controlling stake in one of two competing firms and may acquire a non-controlling or a controlling stake in a competitor, either directly using her own assets, or indirectly via the controlled firm. While industry profits are maximized within a symmetric two product monopoly, the investor attains this only in exceptional cases. Instead, she sometimes acquires a noncontrolling stake. Or she invests asymmetrically rather than pursuing a full takeover if she acquires a controlling one. Generally, she invests indirectly if she only wants to affect the product market outcome, and directly if acquiring shares is profitable per se.

Two-sided markets involve intermediaries or platforms whose goal is to attract to two different categories of “customers”, whose presence is typically mutually reinforcing. For instance, media firms provide both content to readers or viewers and advertising slots to advertisers. Assessing mergers in such complicated industries remains a challenge to-date. In DP 2011-46 TILEC members **Lapo Filistrucchi** and **Tobias Klein**, along with co-author Thomas Michielsen (Tilburg University), compare different methods to assess unilateral merger effects in a two-sided market by applying them to a hypothetical merger in the Dutch newspaper industry. They first specify and estimate a structural model of demand for differentiated products on both the readership and the advertising side of the market. This allows them to recover price elasticities and indirect network effects. Then, marginal costs are recovered from an oligopoly model of the supply side. They use the estimates to compare different methods that can be used to evaluate merger effects: use of HH indices, SSNIP test, UPP or full merger simulation. Their results indicate that in the case at hand, the projected effects of the merger on prices are generally lower once the two-sidedness of the market is taken into account.

The idea of an open aviation area where air carriers from a multitude of states operate freely on the basis of common rules is certainly innovative. In DP 2011-33, TILEC member **Antigoni Lykotrafiti** examines the reasons why the old system of bilateral air transport agreements is no longer sustainable and looks into the newly emerging system of an open aviation area from the perspective of competition law and state aid. Looking firstly at the history of air transport regulation, the paper argues that the creation of a single market in Europe for air transport opened up new opportunities for air carriers on both sides of the Atlantic and created complications that could not be resolved on the basis of bilateral agreements. Focusing on the ongoing negotiations between Europe and the US for the creation of a transatlantic open aviation area, the paper argues that the greatest challenge from a competition law perspective is the need to avoid a regulatory failure that will induce multiple market failures. Regulatory convergence may only aim at improving the current system, enhancing legal efficiency and eliminating legal uncertainty, rather than experiment at the expense of stakeholders.

2.2.3. Innovation

The vast majority of the products developed by the IT industry are technologically complex, incorporating hundreds or thousands of different components, many of which read on an increasingly large number of patents held by a number of third parties. Assessing patent value when multiple, complementary patents held by different patent holders are involved is a complicated exercise. Given the growing complexity of products, whether the royalty base for a given patent should include only the component(s)

of the product that the patent directly reads on or the product as a whole seems an important question, which has been hotly debated in courts, but also by scholars and policy-makers. Against this background, TILEC member **Damien Geradin** and Anne Layne-Farrar offer in DP 2011-10 some thoughts on the economic principles or rules that can be applied to address patent value apportionment for complex, multi-patented products, arguing that in order to accommodate practical realities, the entire market value rule should be applied with some flexibility.

Standard-setting is a complicated business involving actors that may pursue very different strategies. An obvious discrepancy is between would-be users of the standards that are vertically integrated into production of hardware devices and users that contribute only their intellectual property and generate income on the basis of patent royalties. In TILEC DP 2011-03, TILEC extramural fellow **Emanuele Tarantino** analyze technology adoption in a standardization consortium composed by a majority of vertically integrated firms and one pure innovator. As in most standard-setting bodies, parties negotiate over the royalties after manufacturers' technology adoption and this generates a hold-up problem: once the standard is agreed-upon, users are at the mercy of the monopoly power of IP holders. Integrated operators can use a technology using their inputs and thus circumvent the hold-up problem, or buy from the specialized firm and enjoy the cost savings produced by its technology. The author shows that cross-licensing may lead to the inefficient exclusion of the pure innovator and that a policy of early-licensing commitments would result in more efficient technology adoption choices.



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2.2.4. Healthcare

In DP 2011-30 TILEC Member **Wolf Sauter** discusses the EU Patients' Rights Directive as a step in the process of harmonization in healthcare. In the EU harmonization of healthcare has long been elusive. Meanwhile the ECJ handed down a series of judgments concerning patients' rights to reimbursement for healthcare consumed in other Member States. An initial attempt to codify this case law in the Services Directive failed in 2004. In March 2011, however, following a two-and-a-half year legislative process the EU patient's rights Directive was adopted. The author discusses whether the Directive codifies pre-existing patients' mobility case law, the specific scope and role of patients' rights and more broadly if it can act a catalyst for change in healthcare harmonization. He argues that the Directive codifies the old patients' rights, creates new rights to accountability and transparency, and promotes cooperation among national healthcare systems. The EU's approach followed the familiar sequence whereby striking down barriers to the market freedoms breeds the need for elaborating rights and obligations in legislation that strikes a new balance between private freedoms and legitimate public interests. As such it can be seen as a watershed in EU involvement in the healthcare sector.

Patients rights are also discussed in DP 2011-32. EU law prohibits direct-to-consumer advertising of medicinal products for human use that are subject to prescription. However, EU law does not clarify the borderline between advertising and provision of non-promotional information on medicines, the latter being not as yet regulated at EU level. TILEC members **Leigh Hancher** and **Eva Foldes** examine in his article the latest initiative launched by the European Commission to establish a EU legal framework on direct-to-consumer information on prescription medicines by the pharmaceutical industry. On the background of earlier attempts at reform and the growing body of case law of the European Court of Justice the article discusses whether the Commission proposal is likely to promote patient empowerment and prevent information from being used to persuade as opposed to empower patients. It is argued that although the underlying assumption that ensuring access to high quality information will enhance the rational use of medicines sounds like an attractive vision, the impact of medicines information on patients' treatment choices is not as clear as assumed by the proposal. Ensuring patients' access to medicine information does not guarantee in itself the safe and effective use of medicines. Besides, the lack of an appropriate definition of information under the Directive threatens legal certainty and coherence in its application.

In all developed countries, health care costs are growing fast and their containment has become a major issue. For a while, managed care, the central role given to insurers in incentivizing doctors for the efficient provision of care, held the promise of bring-

ing some measure of control. However, the available evidence on its performance is mixed. In DP 2011-41, TILEC member **Christoph Schottmüller** identifies one possible channel explaining this poor performance as well as fitting a lot of the descriptions of the patient-physician relationship. The idea is that communication by the patient of the symptoms he or she experiences, and not only the clinical examination, is crucial in helping the physician reach the correct diagnosis. However, if a patient understands that his or her physician is incentivized to ration expensive treatments, he or she may be tempted to overstate his or her symptoms in an attempt to go around this rationing rule. In equilibrium the physician realizes this and, accordingly, adjusts his diagnosis rule as well as his treatment scheme. The result can well be noisy communication and poor diagnoses, as well as, strikingly, an *increase* in costs.

Within the EU, health insurance is a phenomenon subject to different rules of competition law, state aid, public procurement and internal market law. DP 2011-34 by TILEC member **Wolf Sauter** examines which EU law rules apply to providers of health insurance and under which conditions. The author discusses the question when an insurance provider is classified as an undertaking, which determines which regime applies, as well as when insurance is provided as a public service for the purposes of the competition and state aid rules. At the same time the internal market rules are also relevant, notably the non-life insurance Directives, and the conditions under which the various exceptions for public service, for the general good, and for healthcare apply, which limit the ability of Member States to intervene in insurance conditions, but with an exception for schemes that substitute for social security. This reflects the balancing act between compulsory coverage and privatization of risk that characterizes the increasing importance of health insurance as part of the policy mix which Member States apply to problems of funding and guaranteeing the provision of healthcare.

TILC DP 2011-37 by TILEC members **Jan Boone** and **Christoph Schottmüller** explores the implications two well-documented empirical regularities on the functioning of the market for health care insurance. First, low-income people tend to be more exposed to health risks. Second, wealthy people are the ones choosing for high-coverage insurance plans. According to standard economic theory, this should not occur: low risks should on the contrary subscribe to low-coverage plans in the presence of asymmetric information about risk. The authors show that the correlation between income and risk generates a very natural violation of a crucial assumption of standard theory: single crossing. At full coverage, high risks are indeed willing to pay more for coverage than low risks but under less than full insurance, income effects can perfectly depress the willingness to pay of low-income, high-risk people below the one of high-income, low-risk people. Under perfect competition, this feature does not reverse the usual prediction regarding coverage. However, under imperfect competition (duopoly) high

risks can indeed end up with limited coverage, thus providing a realistic explanation for the pattern of health insurance observed in many countries where it is not mandatory. This result has policy implications. Whereas risk adjustment (the practice consisting in subsidizing insurers willing to take up high risks) is typically seen as both efficient and fair in standard models, this is no longer true when income and risk are correlated. Policy-makers thus have to choose between efficient consumption and redistribution goals.

In DP 2011-05, TILEC researchers **Rein Halbersma** and **Katalin Katona** analyse health care option demand markets with vertical restraints divided along two dimensions: naked and conditional exclusion, and vertical integration; applicable to the upstream, the downstream, and both markets. Their unified framework includes forward and backward integration, as well as joint ventures. They show that conditional exclusion has the same bargaining effects as vertical integration, but does not lead to joint profit optimization. There are no individual incentives for exclusive dealing, but hospital-insurer pairs can find it jointly profitable to apply downstream vertical restraints on third parties. Outright downstream monopolization arises only when consumers have strong enough preferences for free provider choice.

Is a regime in which insurers and health care providers integrate the way to go? In TILEC DP 2011-16, TILEC researchers **Rein Halbersma** and **Katalin Katona**, along with co-authors Rudy Douven and Victoria Shestalova (both of CPB) examine vertical integration and exclusive vertical restraints in healthcare markets where insurers and hospitals bilaterally bargain over contracts. They use a bargaining model of a concentrated health care market with two hospitals and two health insurers competing on premiums. Without vertical integration, some bilateral contracts will not be concluded only if hospitals are sufficiently differentiated, whereas under vertical integration some relevant contractual links will always be missing. There may be two reasons for market participants not to conclude a contract. First, hospitals may choose to soften competition by contracting only one insurer in the market. Second, insurers and hospitals may choose to increase product differentiation by contracting asymmetric hospital networks. Both types raise total industry profits and lower consumer welfare.

There is a broad literature on the consequences of applying different welfare standards in merger control. Specific aspects of health care mergers, however, have not yet been considered. Two features of the health care sector are especially relevant. First, health care providers are possibly not profit-oriented. Second, consumers can be covered by a mandatory health insurance and pay uniform premiums. The existence, and level, of a payment is not connected to existence, and level, of consumption of health care services, which makes the concept of “consumer” in merger control ambiguous. The

previous literature on welfare standards in merger control has often built on the general result that consumer welfare is a more restrictive standard than total welfare. In TILEC DP 2011-38, TILEC members **Katalin Katona** and **Marcel Canoy** model mergers on hospital markets while allowing for non-profit maximizing behavior of providers and mandatory health insurance. They show that applying a restricted interpretation of consumer in health care merger control can reverse the relation between the two standards. Consumer welfare standard can be weaker than total welfare. Consequently, applying the wrong standard can lead to both clearing socially undesirable and to blocking socially desirable mergers. The possible negative consequences of applying a simple consumer welfare standard in merger control can be even stronger when hospitals maximize quality and put less weight on financial considerations.



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Risk adjustment on health Insurance market is often studied under the assumption that there is enough competition to drive insurers' profits to zero. Hence, selection is an issue but not market power. What if, as is plausible, insurers have the ability to earn positive margins on their customers. In DP 2011-39, TILEC researchers **Michiel Bijlsma**, **Jan Boone** and **Gijsbert Zwart** study optimal risk adjustment in imperfectly competitive health insurance markets when high-risk consumers are less likely to switch insurer than low-risk consumers. First, they find that insurers still have an incentive to select even if risk adjustment perfectly corrects for cost differences among consumers. Consequently, the outcome is not efficient even if cost differences are fully

compensated. To achieve first best, risk adjustment should overcompensate for serving high-risk agents to take into account the difference in mark-ups across the two types. Second, the difference in switching behavior creates a trade-off between efficiency and consumer welfare. Reducing the difference in risk adjustment subsidies to high and low types increases consumer welfare by leveraging competition from the elastic low-risk market to the less elastic high-risk market. Finally, mandatory enrolment into a single plan can increase consumer surplus even further, at the cost of efficiency.

When consumers are perfectly informed about the characteristics of goods or services, competition is known to discipline producers and move society towards efficient production and consumption. In the case of sophisticated products, such as health care, about which consumers may be ill informed, the theoretical case for the benefits of competition is much less clear. For instance, if quality is not observable, the risk is that competition leads to its deterioration. In TILEC DP 2011-02, TILEC extramural fellow **Michiel Bijlsma** and co-authors Pierre Koning and Victoria Shestalova (both of CPB at the time) examine the impact of competition on hospital quality. Their panel covers all Dutch hospitals in the period 2004–2008, during which information about hospital quality became more widely available. The authors develop measures of the quality of the clinical outcomes but also of the treatment process. They find that competition explains differences across hospital in process indicators, but not in outcome indicators. In particular, more competition in a given hospital's catchment area leads to more procedure cancellations at short notice and more delays of hip fracture injury operations for elderly patients. Both results suggest that competition increases the utilization rate of existing capacities. At the same time, hospitals that face more competition perform check-ups for chronic patients more frequently and organize diagnostic processes more efficiently.

A major reform proposal in Ireland is the introduction of 'managed competition' in the health care sector. This would involve replacing many of the functions of Ireland's public payer, the Health Service Executive, with a system of competing health insurers. In TILEC DP 2011-23, drawing on empirical evidence and theoretical considerations, TILEC extramural fellow **Misja Mikkers** and co-author Padhraig Ryan (Dublin) assess the likelihood of managed competition delivering efficient, high-quality health care in the Irish context.

Because of the high risk of costly complications (including death) and the externalities of contagious diseases, many countries provide free flu shots to certain populations free of charge. TILEC DP 2011-11 by TILEC member **Ilaria Mosca** and co-author Katherine Carman (Tilburg University) examines the expansion of the free flu shot program in the Netherlands. This program expanded in 2008 to cover all individuals

over the age of 60, instead of 65. The authors investigate the effectiveness of this policy change and examine those factors that are likely to influence people to change their behavior. They find that the main barrier to take up of free flu shots in the Netherlands is labor force participation. Expansion of the program did little to change the behavior of those at increased risk due to co-morbidities, primarily because these individuals were already getting flu shots.

2.2.5. Network industries

Communications

More than a decade has passed since the liberalization of telecommunications in the Netherlands. Nevertheless, the regulator is still mandating access to local access networks, and the incumbent and cable operators have been dragging their feet on upgrading their networks to fiber-based next generation networks. Is the gradual introduction of facilities-based competition, by fine-tuning access regulation, working as intended? What can one learn from the Dutch experience? In TILEC DP 2011-15, TILEC extramural fellow **Paul de Bijl** takes up those questions. As scale economies are persistent and broadband networks are becoming an integral part of our critical infrastructures, it is important to reassess the role of the government, on issues ranging from network neutrality to broadband penetration, universal service, and security. The outcome of such an assessment could be incongruent with the blueprint of competition held on to by policymakers and regulators.

The internet has become a significant means of cross-border trade, as suppliers and consumers of goods and services are increasingly relying on it to do business. Inevitably this has led to clashes between suppliers seeking to rely upon the free movement principles which underpin the EU's internal market and Member States aiming to restrict cross-border movement for reasons pertaining to consumer protection. In DP 2011-07 TILEC member **Alan Littler** examines the different approaches to consumer protection in internet based trade in different sectors. Comparing the responses of the Court of Justice on these matters in the sectors of online gambling services and the sale of medical devices and medicinal products via the internet, the DP indicates that a considerable chasm emerges in the degree to which the Court critiques national law. The Court has been far more critical of measures intended to protect consumers from exposure to risk arising from online gambling compared to the online sale of medical devices and medicinal products.

DP 2011-35 deals with the global dimension of network neutrality, a topic that has been high on the policy and academic agenda for a number of years. However, in order to deal with imbalances and congestion on their network, Internet Service Providers

(ISPs) are considering the introduction of measures such as differentiated Quality of Service (QoS) offerings, turning their services to a two-sided platform. Assessing these initiatives, TILEC member **Pierre Larouche** reviews the regulatory responses to network neutrality under US and EU law. The paper argues that differentiated QoS could lead to market fragmentation and raise market power concerns, most significantly at the ISP level. Addressing these concerns, the paper reviews the US Federal Communications Commission Open Internet Order of December 2010, which found that differentiated QoS is undesirable, requiring that ISPs fit any deviation within an exception (reasonable network management, specialized services). In the EU, the Commission has adopted a different policy line so far, whereby the introduction of differentiated QoS is possible, within some safeguards and subject to the application of EU competition law. At the global level, it must be expected that different local market situations and policy preferences will lead to divergence on network neutrality, resulting in global market fragmentation.



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Network neutrality is also the subject of DP 2011-40, which investigates the relevance of freedom of expression according to the European Convention on Human Rights (ECHR) in the European network neutrality debate, a topic that has been overlooked in current telecommunications debate. The role of Internet Service Providers (ISPs) as a potential gate keeper for internet access of end-users and online content providers

has sparked a heated debate. In line with standard practice in European telecommunications policy, the European regulatory response to the issue of network neutrality has been framed mainly in economic terms. At the same time, European civil society organizations have interpreted network neutrality in terms of fundamental rights, particularly freedom of expression. Within this context, TILEC member **Jasper Sluijs** relates network neutrality to the rich body of Art. 10 ECHR case law, and asks to what extent this jurisprudence is of relevance to network neutrality discussions. It is argued that the claim that network management by ISPs would violate end-users' freedom of expression is less straightforward than often assumed, so that only network management for anticompetitive purposes or that affects plurality in media can result in a state's violation of its positive obligation to protect freedom of expression. On the contrary, the opposite case in which network neutrality regulation violates ISPs' freedom of commercial expression is less far-fetched than it may seem.

Cloud computing is a new development, based on the premise that data and applications are stored centrally and can be accessed through the internet. As cloud computing impacts on the internal market in terms of innovation and regulatory harmonization, TILEC members **Jasper Sluijs**, **Pierre Larouche** and **Wolf Sauter** discuss in DP 2011-36 if and how cloud computing should be approached policy-wise on a European level. The authors single out European competition law, network regulation, and electronic commerce regulation, which relate to the main challenges for the further development of cloud services in Europe: interoperability and data portability between clouds; issues relating to vertical integration between clouds and Internet Service Providers (ISPs); and potential problems for clouds to operate on the European internal market. They conclude that these issues cannot be addressed adequately by the existing regulatory regime: competition law addresses interoperability and data portability constraints for clouds only indirectly, through the abuse of dominance regime, while vertical integration cannot be properly streamlined due to the market definition of the cloud sector; network regulation mainly applies to the ISPs that carry cloud data, hence it is of little use to mitigate interoperability and market power concerns, while e-commerce regulation can do little for clouds that is beneficial.

The market for Internet search is not only economically and socially important, it is also highly concentrated. Is this a problem? In DP 2011-024, TILEC members **Cédric Argenton** and **Jens Prüfer** study the question whether 'competition is only a free click away'. They argue that the market for Internet search is characterized by indirect network externalities of a particular type because previous searches by end users are used to refine the answer to their current queries. On this basis, they construct a simple model of search engine competition, which produces a market share development that fits the empirically observed development since 2003 rather well. They find that

there is a strong tendency towards market tipping and, subsequently, monopolization, with negative consequences on economic welfare. Therefore, they propose to require search engines to share their data on previous searches. They compare the resulting ‘competitive oligopoly’ market structure with the current, less competitive situation and show that their proposal would spur innovation, search quality, consumer surplus, and total welfare. They also discuss the practical feasibility of their policy proposal and sketch the legal issues involved.

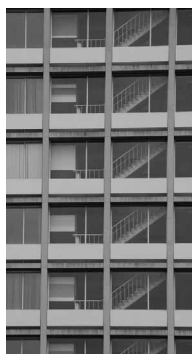
DP 2011-54 by TILEC members **Jan Boone** and **Christoph Schottmüller** analyses optimal procurement mechanisms in a setting where the procurement agency has incomplete information concerning the firms’ cost functions and cares about quality as well as price. The novelty of the paper is that firms are specialized: low type firms are cheaper than high type firms in providing low quality but more expensive when providing high quality. Hence, each type is specialized in a certain quality level. This environment is typical of liberalized industries where former incumbents are arguably good at providing high-quality service while entrants can more efficiently supply some simple products. The authors characterize the optimal procurement mechanism. They show that productive specialization simplifies the problem of political authorities: a number of types are bunched on zero profits, that is, a range of firms with different cost functions receive no informational rents. They further show that if first best welfare is monotone in type, in the sense that society would prefer either the highest or the lowest quality, then the optimal mechanism can be implemented by a simple auction. Interestingly, if society would prefer to procure an intermediate level of quality, then the optimal mechanism is not ex post efficient in the sense that types providing a lower second-best welfare can win against types providing a higher second-best welfare, a feature that can explain some of the complaints sometimes made by incumbents against the unfair selection of entrants (in their view).

Energy

The creation of a genuine and low carbon European energy market requires sufficient cross border infrastructure and a common approach towards new interconnector and pipeline investment. However, the relevant regulatory framework for cross border infrastructure, including the new “Third Package” of energy legislation adopted in August 2009, has developed in a piecemeal fashion. In DP 2011-06, TILEC member **Leigh Hancher** assesses the relevant legal framework, and in particular the exemption procedures for so-called ‘merchant projects’, whereby interconnectors are developed by private investment outside the price-controlled transmission business. Encouraging ‘merchant projects’, the relevant directives allow for the relaxation of certain regulatory requirements, including the requirements of third-party access on a regulated basis. Reviewing many projects that have benefited from an exemption procedure in

the past, the paper concludes that although the new procedures should alleviate some of the burden on investors seeking to secure a coherent response from two or more countries, the exemption procedures are in themselves based on a 'one size fits all approach', which do not always sit easily in the European institution's efforts to create an internal electricity and gas market.

Regulation of network infrastructure investments is the topic of TILEC DP 2011-19. Europe needs enormous investments in next-generation telecom and energy networks. Today, many network owners are subject to price cap regulation. This gives them good incentives to reduce operating costs. However, this type of regulation is thought to offer weak incentives for capacity investments, and many call for relaxing it. ITILEC members **Bastian Henze**, **Bert Willems**, and co-author Charles Noussair (Tilburg University), report the results of a laboratory experiment evaluating three regulatory schemes. They compare the performance of (1) price cap regulation, (2) a regulatory holiday for new capacity, and (3) price cap regulation with long-term contracts combined with a secondary market. They find that the price cap regulation actually outperforms the regulatory holiday as the latter creates an incentive to underinvest relatively to optimal levels. Long-term contracts also fail to improve on single price-cap regulation: by providing more noisy signals about future demand, they can lead to reduced investments.



In most liberalized electricity markets, abuse of market power is a concern related to oligopolistic market structures, flaws in market architecture, and the specific characteristics of electricity generation and demand. Several methods have been suggested to improve the efficiency of the liberalized electricity markets and to reallocate rents from generators to consumers. One possible remedy to address competition concerns is the divestiture of generation assets of dominant firms to increase the number of market participants. In DP 2011-20, TILEC member **Bert Willems** and co-author Hannes Weigt (European University Institute) study to what extent such divestitures could improve the competitiveness of the German electricity market. In Germany, the current wholesale market is dominated by four companies owning about 80% of conventional power plant capacity with E.ON and RWE dominating with a joint generation capacity of about 60%. The authors quantify the expected developments under different divestiture scenarios, using Cournot and supply function equilibrium simulations. They find an overall welfare gain in both models and show that those gains are highest if the divested assets are sold to independent and small firms, preventing the formation of additional firms that set prices strategically.

Is free entry a solution to the problems faced by network industries once competitive segments have been liberalized? In DP 2011-29 TILEC member **Bert Willems** and co-author Joris Morbee (Leuven) show that free entry decisions may be socially inefficient, even in a perfectly competitive homogeneous goods market with non-lumpy investments. In their model, inefficient entry decisions are the result of risk-aversion of incumbent producers and consumers, combined with incomplete financial markets which limit risk-sharing between market actors. Investments in productive assets affect the distribution of equilibrium prices and quantities, and create risk spill overs. From a societal perspective, entrants under-invest in technologies that would reduce systemic sector risk, and may over-invest in risk-increasing technologies. The inefficiency is shown to disappear when a complete financial market of tradable risk-sharing instruments is available, although the introduction of any individual tradable instrument may actually decrease efficiency. Sectors without well-developed financial markets would therefore benefit from sector-specific regulation of investment decisions.

The authors of TILEC DP 2011-12, TILEC extramural fellow **Amrita Ray Chaudhuri** and co-author Walid Marrouch (Montreal) tackle the issue whether countries should take unilateral adaptive measures in the face of global warming. It is sometimes argued that this risks undermining the occurrence of international agreements on emission reduction by making the issue less pressing. The authors show that adaptive measures undertaken by countries in the face of climate change, apart from directly reducing the damage caused by climate change, may also indirectly mitigate greenhouse gas emissions by increasing the stable size of international agreements on emission reductions. Moreover, they show that the more effective the adaptive measure in terms of reducing the marginal damage from emissions, the larger the stable size of the international environmental agreement. In addition, they show that larger coalitions, in the presence of adaptation, may lead to lower global emission levels and higher welfare.

Product safety labels, ecolabels and energy labels are employed to communicate certain characteristics of products which are difficult for a consumer to reach with her own means. TILEC member **Mehmet Cetik** focuses in DP 2011-48 on the development of those three types of product labels, namely, CE Marking, EU Energy Label and EU Ecolabel, which employed in the EU with a view to predict their future. The common aspects of eco-labeling and energy-labeling with product labeling for human health and safety purposes reveals that increasing societal awareness in ecological issues tend to converge earlier measures of product safety labeling into new measures of eco-labeling. Furthermore, it is argued that EU Energy Label and EU Ecolabel tend to converge into CE Marking not only in terms of substance but also in terms of standardization procedures as well as conformity assessment, market surveillance and enforcement,

which convergence tends to occur in both directions regarding the substance and standardization. In view of the historical development and justifications regarding mandatory CE Marking and EU Energy Label, it is suggested that EU Ecolabel may (and perhaps should) become mandatory in the future.

2.2.6. Finance, corporate governance and trade

The recent financial crisis has raised serious doubts about the correctness of the deregulatory practices of the past. Adequate risk monitoring, measurement and management have proven to be a daunting task, whereas regulation of innovative financial instruments has not brought about sufficient disclosure and transparency. In DP 2011-31 TILEC member **Panagiotis Delimatsis**, reviews the virtues and pitfalls of financial innovation and discusses the main transparency initiatives undertaken after the crisis to harness various financial innovations. Examining the advantages and drawbacks of financial innovation, he argues that financial innovation was regarded as inextricably linked with economic growth and aggregate welfare. Considering that regulation does not encourage or may stifle innovation, the author argues that the new regulatory initiatives on enhanced transparency can allow for well-meant regulatory competition and ultimately encourage innovation, while allowing for better supervision and informed investment decisions. In addition, the paper identifies the approach of the General Agreement on Trade in Services (GATS) regarding financial innovation and assesses the likely impact of the recent financial crisis on this stance. As the perimeter of regulation grows and countries become more suspicious vis-a-vis home-country financial regulation, trade in financial services will most likely not remain unaffected.

The impact of the financial crisis is also addressed in DP 2011-27. TILEC extramural fellow **Michiel Bijlsma** and co-author Sander Muns (CPB and Erasmus University Rotterdam) compare systemic risk in the banking sector, the insurance sector, the construction sector, and the food sector, addressing questions, such as is the banking sector is more susceptible to general crises or collapses than other sectors? And if so, are economy-wide crises simply amplified in the banking sector or is it subject to specific shocks? To measure extreme shocks, they use extreme negative daily returns in the stock market for the twenty largest U.S. firms in each sector. The number of institutions experiencing such an extreme event given that at least one other institution also does is arguably a good indicator of systemic risk. The authors find that systemic risk is significantly larger in the banking sector than in the other three sectors. This result remains present but diminished when one focuses on shocks that are not experienced by the entire economy. Hence, although the correlation with the market return explains a relatively large part of systemic risk in the banking sector, the banking sector appears inherently more subject to general crises.

Statistics reporting litigated cases of fraud on an exchange-by-exchange basis are not readily available to investors. DP 2011-50 by TILEC extramural fellow **Sofia Johan** and co-author Douglas Cumming (York University) introduces data from three countries with multiple exchanges with different listing standards, – Canada, the United Kingdom and the United States – to show litigated cases of fraud significantly vary by country, and the different exchanges within the country. Comparisons are also made to Brazil, China and Germany to assess out-of-sample inferences. The data examined suggest listing standards have a strong influence over the nature of observed fraud by securities commissions within the United States; by contrast, outside the United States there appears to be a comparative lack of enforcement. The data also suggest policy implications for the ways in which fraud ought to be reported to improve investor knowledge, market transparency and market quality.

A lot has been written about the positive aspects of the possibility for entrepreneurs to limit their liability in case of bankruptcy. Surprisingly little is known about the potential side effects. In DP 2011-43 TILEC member **Maria Fabiana Penas** and co-author Geraldo Cerqueiro (Universidade Católica Portuguesa) investigate the impact of personal bankruptcy regimes on the ability of entrepreneurs to raise funds. They analyze the effect of changes in U.S. state personal exemptions on the financing structure and performance of a representative sample of start-ups. They find that an increase in the amount of a borrower's personal wealth protected in bankruptcy reduces the availability of bank credit to *all* start-ups. Owners of unlimited liability businesses, who benefit from the increase in wealth insurance, offset the reduction in bank credit by investing more money in the firm. The authors find no such response for start-ups whose entrepreneurs' personal wealth is already protected by limited liability. Consequently, corporations experience lower growth rates and higher failure rates (while proprietorships' performance is not negatively affected).

The increasing globalization of business activities leads to a shift of regulatory power from public authorities to private bodies, such as professional associations, which act more often within institutional structures beyond national borders. In DP 2011-45 TILEC member **Panagiotis Delimatsis** maps the landscape of such transnational private regulation and discusses its enforcement in the field of professional services, which includes a wide array of professions such as accounting, law, architecture, engineering etc. It starts by analysing the self-regulation phenomenon in professional services and points to examples where professional associations accentuate their unique nature to justify the importance of non-intervention in their internal affairs. After a critical review of the most important professional associations at the global level, the paper focuses on instances of private enforcement and goes on to examine the role of courts in reviewing this type of enforcement. It is argued that although private discipli-

nary bodies present an excellent way for the State to remedy information asymmetries and diminish monitoring and enforcement costs, the State (in its various forms) is still omnipresent in the regulation of professional services.

Is it important for a public firm to benefit from the experience of well-connected, busy directors? Do CEOs' compensation packages depend on director networks? In DP 2011-14 TILEC member **Luc Renneboog** and co-author Yang Zhao (Cardiff) look into those questions for all listed UK companies over the period 1996-2007. They examine whether networks of executive and non-executive directors are built for reasons of information gathering or for the accumulation of managerial influence. They find that in companies with strong networks and hence busy boards the directors' monitoring effectiveness is reduced, which leads to higher and less performance-sensitive CEO compensation. They suggest that it is important to have the 'right' type of network: some enable a firm to access valuable information whereas others can lead to strong managerial influence that may come at the detriment of the firm and its shareholders. They confirm that there are marked conflicts of interest when a CEO increases his influence by being a member of board committees (such as the remuneration committee). They also find that hiring remuneration consultants with sizeable client networks also leads to higher CEO compensation, especially for larger firms.



TILEC DP 2011-44 by TILEC member **Marco Da Rin** and co-authors reviews the growing body of academic work on venture capital. It lays out the major data sources used. It examines the work on venture capital investments in companies, looking at issues of selection, contracting, post-investment services and exits. The survey considers recent work on organizational structures of venture capital firms, and the relationship between general and limited partners. It discusses the work on the returns to venture capital investments. It also examines public policies, and the role of venture capital in the economy at large.

3. EDUCATION

Although TILEC is not formally responsible for running any of the university's educational programs, it plays a key role in masters-level and doctoral level education at TiSEM and TLS.

TILEC members are very active in the MSc in Economics program at TiSEM (in the Competition and Regulation track, in particular) as well as the International Business Law Master and the Master in International and EU law at TLS. (In addition, courses were offered at the bachelor or PhD level.) In 2011, on top of general courses, many courses directly linked up with the TILEC research program. Examples on the side of TiSEM include bachelor course "Competition policy and regulation" (Eric van Damme and Lapo Filistrucchi), master courses "Competition policy" (Florian Schütt and Lapo Filistrucchi), "Competition and regulation in network industries" (Bert Willems and Gijsbert Zwart), "Competition and regulation in health care markets" (Marcel Canoy, Catherine Schaumans). Examples on the side of TLS include master courses "European competition law" (Pierre Larouche and Matteo Negrinotti), "Advanced competition law and economic regulation" (Firat Cengiz and Damien Geradin), "Banking and securities regulation" (Joseph Mc Cahery), "State aid and public procurement" (Leigh Hancher and Antigoni Lykotrafiti), "Trade and WTO law" (Angelos Dimopoulos and Panagiotis Delimatsis). In addition, TILEC members Cédric Argenton, Eric van Damme, Pierre Larouche, Jan Potters, Jens Prüfer, Ben Vollaard have contributed to the Research Master programs of their parent schools by offering specific courses in Law and Economics.

TILEC does not have its own PhD program but accommodates doctoral students through its affiliation with the graduate schools of its parent schools. Doctoral students who become junior TILEC members are provided with regular supervision by a team of academic experts from both TiSEM and TLS and become part of a congenial research environment. In 2011, Jérémie Lefebvre defended his dissertation on the microstructure and regulation of equity markets, one new member started her PhD at TILEC, and 11 junior members continued their doctoral studies at Tilburg.

4. FINANCES

TILEC is funded through a mix of internal funds provided by the University or TILEC's parent schools, as well as external funds. External funds comprise research financing obtained from the Netherlands Organization for Scientific Research (NWO) and assimilated institutions as well as competitive research funding obtained at EU level (7th Framework Programme, ESC, ERC), larger-scale agreements with public authorities or private firms, and revenues from research contracts.

In 2011, TILEC's formal budget amounted to about € 1.23 million. In 2011 outside funds raised by TILEC represented 66% of its budget. More specifically, research at TILEC was funded by the following organizations:

- European Commission
 - For the research project Growth and Sustainability Policies for Europe (GRASP)
- HiiL (the Hague Institute for the Internationalisation of Law)
 - For the research project Convergence and Divergence of National Legal Orders
- Microsoft
 - For the research on competition policy and regulatory aspects of key developments in ICT
- NZa (Nederlandse Zorgautoriteit)
 - For research on healthcare markets
- NWO (De Nederlandse Organisatie voor Wetenschappelijk Onderzoek)
 - For the research project of Ting Jiang
 - For the research project of Natalia Fiedziuk
- Qualcomm Inc.
 - For research on innovation, intellectual property and competition

APPENDIX A – OVERVIEW OF TILEC MEMBERS PER 31 DECEMBER 2011

Name	Faculty		Research		Commitment
	TiSEM	TLS	ICR	L&F	Fte
Senior Members					
Argenton, Cédric	.		.		0,3
Barendrecht, Maurits		.	.		0,1
Boone, Jan	.		.		0,4
Brouwer, Erik	.		.		0,4
Canoy, Marcel	.		.		0,2
Cengiz, Firat		.	.		0,8
Cserne, Peter		.	.		0,8
Da Rin, Marco	.			.	0,1
Damme, Eric van	.		.		0,4
Degryse, Hans	.			.	0,1
Delimatsis, Panagiotis		.	.		0,4
Dimopoulos, Angelos		.			0,6
Elst, Christoph van der		.		.	0,1
Filistrucchi, Lapo	.		.		0,6
Foldes, Eva		.			1,0
Geradin, Damien		.	.		0,4
Goeij, de Peter	.			.	0,2
Hancher, Leigh		.	.		0,2
Hoyng, Willem		.	.		0,1
Hu, Audrey	.				0,4
Klein, Tobias	.		.		0,1
Larouche, Pierre		.	.		0,4
Lykotrafiti, Antigoni		.	.		0,8
McCahery, Joe		.		.	0,4
Müller, Wieland	.		.		0,1
Negrinotti, Matteo		.	.		0,6
Ongena, Steven	.			.	0,1
Parret, Laura		.	.		0,1

Name	Faculty		Research		Commitment
	TiSEM	TLS	ICR	L&F	Fte
Senior Members					
Penas, Maria Fabiana	.			.	0.1
Potters, Jan	.		.		0.1
Prüfer, Jens	.		.		0.6
Renneboog, Luc	.		.		0.2
Ruys, Pieter	.		.		0.2
Sauter, Wolf		.	.		0.2
Schaumans, Catherine	.		.		0.6
Schütt, Florian	.		.		0.5
Sidak, Gregory		.	.		0.1
Suetens, Sigrid	.		.		0.1
Vermeulen, Erik		.		.	0.4
Vollaard, Ben	.		.		0.8
Wagner, Wolf	.		.	.	0.1
Willems, Bert	.		.		0.5
Zwart, Gijsbert	.		.		0.2
Name	Faculty		Research		
	TiSEM	TLS	ICR	L&F	
Junior Members					
Cetik, Mehmet	.		.		
Cziraki, Peter	.			.	
Daskalova, Victoria		.	.		
Hirschfeld, Annette		.	.		
Jiang, Ting	.		.		
Kervel, Vincent van	.			.	
Keunen, Simone	.		.		
Larrain Aylwin, Maria Jose	.		.		
Li, Jing		.		.	
Lu, Liping	.			.	
Ma, Kebin	.		.		
Ozbugday, Fatih	.		.		
Schottmüller, Christoph	.		.		
Sluijs, Jasper		.	.		

Extramural Fellows

Bijl, de Paul

Bijlsma, Michiel

Brunekreeft, Gert

Calcagno, Riccardo

Carletti, Elena

Chaudhuri, Amrita Ray

Chirico, Filomena

Gabor, Barbara

Haar, van der Ilse

Halbersma, Rein

Johan, Sofia

Lavrijsen, Saskia

Luttikhuis, Karin

Mikkers, Misja

Motchenkova, Evgenia

Mulder, Machiel

Sorana, Valter

Szilagyi, Peter

Tajana, Alessandro

Tarantino, Emanuele

Verouden, Vincent

Zhou, Jun

External PhD-students

Battaglia, Lauren

Bezem, Jan

Bolhuis, Machiel

Corte de, Emmanuel

Fiedziuk, Natalia

Katona, Katalin

Lugard, Paul

Nooij, Michiel de

APPENDIX B: PUBLICATIONS 2011

The following publications all appeared in 2011^I.

B I ACADEMIC PUBLICATIONS

B I.1 Journals

Barendrecht, J.M.

Rule of law, measuring and accountability: Problems to be solved bottom up. *Hague Journal on the Rule of Law*, 3(2), 281-304.

Legal aid, accessible courts or legal information? Three access to justice strategies compared. *Global Jurist*, 11(1), 1-26.

Measuring the costs and quality of paths to justice: Contours of a methodology' *Hague Journal on the Rule of Law*, 3(2), 349-379 (with M.A Gramatikov & J.H. Verdonshot).

Boone, J.

Recessions are bad for workplace safety. *Journal of Health Economics*, 30(4), 764-773 (with J.C. van Ours, J.P. Wuelrich and J. Zweimüller).

Brouwer E. & Ozbugday, F.C.

What determines behavior seeking temporary antitrust Immunity?:Dispensation requests in The Netherlands. *Journal of Competition Law and Economics*, 7(3), 671-694.

Cengiz, F.

Judicial review and the rule of law in the EU competition law regime after Alrosa. *European Competition Journal*, 7(1), 127-153.

^I The categories are defined as follows:

- Academic publications: scientific papers, contributions to collective books, or monographs aimed at an audience of scientists and researchers.
- Professional publications: scientific papers, books, book chapters and reports aimed at a broader professional audience, intending dissemination of professional knowledge.
- Discussion papers: papers published in the TILEC discussion paper series, to the exclusion of other series in which TILEC members place their research pieces.
- Popularizing contributions: informal pieces written for a general audience and aimed at a broad dissemination of ideas.

Contrary to the impression conveyed by the classification, how to treat a particular piece or outlet is not always obvious. The following list is indicative. TILEC makes no representation as to the exact status of any given piece of research for formal evaluation purposes.

Damme, E.E.C. van & Potters, J.J.M

Hiding an inconvenient truth: Lies and vagueness. *Games and Economic Behavior*, 73(1), 244-261 (with M. Serra Garcia).

Da Rin, M.

Entrepreneurship, firm entry, and the taxation of corporate income: Evidence from Europe. *Journal of Public Economics*, 95(9-10), 1048-1066 (with M. Di Giacomo and A. Sembenelli).

Degryse, H.A.

Staying, dropping or switching: The impacts of bank mergers on small firms. *Review of Financial Studies*, 24(4), 1102-1140 (with N. Masschelein and J. Mitchell).

Degryse, H.A. & Ongena, S.

Rules versus discretion in loan rate setting. *Journal of Financial Intermediation*, 20(4), 503-529 (with G.M. Cerqueiro).

Delimatsis, P.

Financial innovation and transparency in turbulent times. *Journal of Financial Transformation*, 33(3), 99-112.

Protecting Public Morals in a Digital Age: Revisiting the WTO Rulings on US ; Gambling and China ; Publications and Audiovisual Products. *Journal of International Economic Law*, 14(2), 1-37.

The fragmentation of international trade law. *Journal of World Trade*, 45(1), 87-116.

Dimopoulos, A.

The validity and applicability of international investment agreements between EU Member States under EU and international law. *Common Market Law Review*, 48(1), 63-93.

Elst, C.F. van der

Het onmogelijkheidscriterium inzake overmacht: Hoe onmogelijk is onmogelijk?. *Tijdschrift voor privaatrecht*, 38(1), 123-166 (with L. Snauwaert).

Regulatory supply and demand of risk management: Match or clash. *Risk Governance and Control*, 1(1), 100-111.

Elst, C.F. & Vermeulen, E.P.M.,

Corporate Governance 2.0: Assessing the Green Paper of the European Commission. *European Company Law*, 8(4), 165-174.

De toekomst van corporate governance in Europa. *Tijdschrift voor de ondernemingsrechtpraktijk*, 6(4), 143-149.

Entrepreneurship and Innovation: The hidden costs of corporate governance in Europe. *South Carolina Journal of International Law & Business*, 7, 1-47 (with Mendoza, J.M.).

Fiedziuk, N.A.

Services of general economic interest and the Treaty of Lisbon: Opening doors to a whole new approach or maintaining the “status quo”. *European Law Review*, 36(2), 225-241.

Foldes, M.E.

Research on Roma health and access to healthcare: State of the art and future challenges (Editorial). *International Journal of Public Health* (with A. Covaci).

Foldes, M.E. & Hancher, L.

Pull or Push? Information to patients and European law. *European Journal of Consumer Law / Revue Européenne de Droit de la Consommation*, 4(4), 749-776.

Geradin, D.A.A.G.

A proposed test for separating pro-competitive conditional rebates from anti-competitive ones. *World Competition: Law and Economics Review*, 32(1), 42-70.

Pricing abuses by essential patent holders in a standard-setting context: A view from Europe. *Antitrust law Journal*, 76(1), 329-358.

Interpreting and enforcing the voluntary FRAND commitment. *International Journal of IT Standards and Standardization Research*, 9(1), 1-23 (with A. Brooks).

Patent value apportionment rules for complex, multi-patent products. *Santa Clara Computer & High Technology Law Journal*, 27(4), 763-793 (with A. Layne-Farrar).

Elves or trolls? The role of non-practicing patent owners in the innovation economy. *Industrial and Corporate Change*, 20(3), 1-22 (with A. Layne-Farrar and J. Padilla).

Henze, B. & Schuett, F. & Sluijs, J.P.J.B.

Transparency regulation in broadband markets: Lessons from experimental research. *Telecommunications Policy*, 35(7), 592-602.

Klein, T.J.

The effect of private health insurance on doctor visits, hospital nights and self-assessed health: Evidence from the German socio-economic panel. *Schmollers Jahrbuch; Journal of Applied Social Science Studies*, 131(2), 395-407 (with P.G.J. Hulleger).

Lykotrafiti, A.A.

Consolidation and rationalization in the transatlantic air transport market: Prospects and challenges for competition and consumer welfare. *Journal of Air Law and Commerce*, 76(4), 661-731.

McCahery, J.A. & Vermeulen, E.P.M.

The case against reform of the takeover bids directive. *European Business Law Review*, 22(5) 541-558.

Müller, W.

Signaling without common prior: Results on experimental equilibrium selection. *Games and Economic Behavior*, 74(1), 102-119 (with M. Drouvelis and A. Possajennikov).

Collusion through price ceilings? In search of a focal-point effect. *Journal of Economic Behavior and Organization*, 79(3), 291-302 (with D. Engelmann).

Ongena, S.

Foreign currency borrowing by small firms in the transition economies. *Journal of Financial Intermediation*, 20(3), 285-302 (with M. Brown and P. Yesin).

Who needs credit and who gets credit in Eastern Europe. *Economic Policy*, 26(65), 93-130 (with M. Brown, A. Popov and P. Yesin).

Interbank market integration, loan rates, and firm leverage. *Journal of Banking and Finance*, 35(3), 544-559 (with A. Popov).

Corporate choice of banks: Decision factors, process and responsibility - First evidence. *Journal of Corporate Finance*, 17(2), 326-351 (with G. Tümer-Alkan and B. Vermeer).

Which firms engage small, foreign, or state banks? And who goes Islamic? Evidence from Turkey. *Journal of Banking and Finance*, 35(12), 3213-3224 (with I. Sendeniz-Yüncü).

Penas, M.F.

Does debtor protection really protect debtors? Evidence from the small business credit market. *Journal of Banking and Finance*, 35(7), 1843-1857 (with A.N. Berger and G.M. Cerqueiro).

Potters, J.J.M.

Buyer confusion and market prices. *International Journal of Industrial Organization*, 29(1), 14-22 (with K. Kalayci).

De gouden standaard: Veldexperimenten bij de voorbereiding en evaluatie van beleid. *Tijdschrift voor Politieke Economie*, 5, 76-90 (with P. Kooreman).

Prüfer, J.

Competition and mergers among nonprofits. *Journal of Competition Law and Economics*, 7(1), 69-92.

Ray Chaudhuri, A.

Environmental policy and stable collusion: The case of a dynamic polluting oligopoly. *Journal of Economic Dynamics and Control*, 35(4), 479-490 (with H. Benchenkroun).

Renneboog, L.D.R.

Art and money. *American Economic Review*, 101(3), 222-226 (with W. Goetzmann and C. Spaenjers).

Evidence on the international evolution and convergence of corporate governance regulations. *Journal of Corporate Finance*, 17(5), 1531-1557 (with M. Martynova).

Is ethical money financially smart? Nonfinancial attributes and money flows of socially responsible investment funds. *Journal of Financial Intermediation*, 20(4), 562-588 (with J.R. ter Horst and C. Zhang).

Managerial compensation: Agency solution or problem? *Journal of Corporate Law Studies*, 11(1), 99-138 (with P.H.M. Geiler).

Managerial compensation. *Journal of Corporate Finance*, 17(4), 1068-1077 (with M. Goergen).

Patterns in payout policy and payout channel choice. *Journal of Banking and Finance*, 35(6), 1477-1490 (with G. Trojanowski).

The performance of the European market for corporate control: Evidence from the 5th takeover wave. *European Financial Management*, 17(2), 208-260 (with M. Martynova).

The Dutch grey market. *De Economist*, 159(1), 25-40 (with C. Spaenjers).

Us knows us in the UK: On director networks and managerial compensation. *Journal of Corporate Finance*, 17(4), 1132-1157 (with Y. Zhao).

Who gets the carrot and who gets the stick? Evidence of gender disparities in executive remuneration. *Strategic Management Journal*, 32(3), 301-321 (with C. Kulich, S.A. Haslam, M. Rya and G. Trojanowski).

Renneboog, L.D.R. & Szilagyi, P.G.

The role of shareholder proposals in corporate governance. *Journal of Corporate Finance*, 17(1), 167-188.

Sauter, W.

Sociale zekerheid, vrij verkeer en Unieburgerschap: De rafelranden van het nieuwe zorgstelsel? *Nederlands tijdschrift voor Europees Recht*, 2011(2), 62-70.

State aid, services of general economic interest and universal services in healthcare. *European Competition Law Review*, 32(12), 615-620 (with J.W. van de Gronden).

Taking the temperature: EU competition law and health care. *Legal Issues of Economic Integration*, 38(3), 213-241 (with J.W. van de Gronden).

Schuett, F.

Hindsight-biased evaluation of political decision makers. *Journal of Public Economics*, 95(11-12), 1621-1634 (with A.K. Wagner).

Vollaard, B.A.

Does regulation of built-in security reduce crime? Evidence from a natural experiment. *Economic Journal*, 121(552), 485-504 (with J.C. van Ours).

Wagner, W.B.

Systemic liquidation risk and the diversity-diversification trade-off. *Journal of Finance*, 66(4), 1141-1175.

Credit risk transfer activities and systemic risk: How banks became less risky individually but posed greater risks to the financial system at the same time. *Journal of Banking and Finance*, 35(6), 1391-1398 (with R.G.M. Nijsskens).

Willems, B.

The effect of counter-trading on competition in electricity markets. *Energy Policy*, 39(3), 1764-1773 (with J. Dijk).

B 1.2 Book Chapters

Cserne, P.

Consequence-based arguments in legal reasoning: A jurisprudential preface to law and economics. In K. Mathis (Ed.), *Efficiency, sustainability, and justice to future generations* (Law and Philosophy Library, 98) (pp. 31-54). Berlin: Springer.

Duress. In G. de Geest (Ed.), *Contract law and economics* (Elgar Encyclopedia for Law and Economics, Second edition, 6) (pp. 57-79). Cheltenham: Edward Elgar Publishing.

Legal and political theory in the post-national age (Central and Eastern European Forum for Legal, Political, and Social Theory Yearbook, 1). Frankfurt: Peter Lang (with M. Könczöl).

Damme, E.E.C van & Vollaard, B.A.

De economie van criminaliteit in vier stappen. In T. Spapens, M. Groenhuijsen & T. Kooijmans (Eds.), *Universalis. Liber Amicorum Cyrille Fijnaut* (751-761). Antwerpen - Cambridge: Intersentia Publishers.

Delimatsis, P.

Financial regulation revisited. In P. Delimatsis & N. Herger (Eds.), *Financial regulation at the crossroads: Implications for supervision, institutional design and trade* (International Banking and Finance Law Series, 12) (pp. 1-15). Alphen aan den Rijn: Kluwer Law International (with N. Herger).

Promoting renewable energy through adaptive prudential regulation in financial services. In P. Delimatsis & N. Herger (Eds.), *Financial regulation at the crossroads: Implications for supervision, institutional design and trade* (International Banking and Finance Law Series, 12) (pp. 333-363). Alphen aan den Rijn: Kluwer Law International.

Fragmentation and coherence in international trade regulation: Analysis and conceptual foundations. In P. Delimatsis & T. Cottier (Eds.), *The prospects of international trade regulation: From fragmentation to coherence* (pp. 1-67). Cambridge: Cambridge University Press (with T. Cottier and K. Gehne).

Developing trade rules for services: A case of fragmented coherence? In P. Delimatsis & T. Cottier (Eds.), *The prospects of international trade regulation: From fragmentation to coherence* (pp. 245-283). Cambridge: Cambridge University Press (with N. Diebold, M. Molinuevo, M. Panizzon and P. Sauve).

Dimopoulos, A.

Creating an EU foreign investment policy: Challenges for the future. In P.J. Cardwell (Ed.), *EU external relations law and policy in the post-Lisbon era*. The Hague: Asser Institute.

The development of EU trade and investment policies: Drawing lessons from past experiences. In K. Sauvants & F. Ortino (Eds.), *Yearbook of international investment law and policy*. New York: Oxford University Press.

Elst, C.F van der

Risk management in corporate law and corporate governance. In W. Sun et al. (Eds.) *Corporate governance and the global financial crisis* Cambridge: Cambridge University Press.

Elst, C.F. van der, & Vermeulen, E.P.M.

Europe's Corporate Governance Green Paper: Do institutional investors matter? In H.S. Birkmose, M. Neville, & K.E. Sorensen (Eds.), *The European financial market in transition* (pp. 201-217). London: Kluwer Law International.

Geradin, D.A.A.G.

Taking contracts seriously: The meaning of the voluntary commitment to license essential patents on 'Fair and Reasonable' terms. In S. Anderman & A. Ezrachi (Eds.), *Intellectual property and competition law: New frontiers* (pp. 389-410). Oxford: Oxford University Press.

What's wrong with royalties in high technology industries? In G.A. Manne & J.D. Wright (Eds.), *Regulating innovation: Competition policy and patent law under uncertainty* (pp. 462-478). New York: Cambridge University Press.

Hancher, L.

Bailouts in the financial sector. In P. Delimatsis & N. Herger (Eds.), *Financial regulation at the cross roads: Implications for supervision, institutional design and trade* (pp. 123-155). Deventer: Kluwer.

Hancher, L. & Larouche, P.

The coming of age of EU regulation of network industries and services of general economic interest. In P. Craig & G. De Búrca (Eds.), *The evolution of law, second edition* (pp. 743-782). Oxford: Oxford University Press.

Henze, B. & Schuett, F. & Sluijs, J.

Does transparency regulation work? An experimental evaluation. In. J. Krämer & I. Spiecker (Eds.), *Network Neutrality and Open Access* (pp. 53-60). Baden-Baden: Nomos

Larouche, P.

Law, society and normativity. In S. Muller, S. Zouridis, M. Frishman & L. Kistemaker (Eds.), *The law of the future and the future of law* (pp. 407-416). Oslo: Torkel Opsahl.

Network neutrality: The global dimension. In M. Burri (Ed.), *Trade governance in the digital age* (pp. 1-15). Cambridge: CUP.

McCahery, J.A. & Vermeulen, E.M.P.

How does Corporate Mobility Affect Lawmaking? A Comparative Analysis. In Prentice, D & A. Reisberg (Eds.) *Corporate finance law in the UK and EU*. Oxford: Oxford University Press (with A.M. Banks)

A regulatory response to hedge funds. In W.W. Bratton & J.A. McCahery (Eds.), *Activist investors, hedge funds and private equity*. Oxford: Oxford University Press

Corporate Venture Capital: From Venturing to Partnering. In Cumming, D. (Ed.) *The Oxford handbook of venture capital*. Oxford: Oxford University Press

Legal business forms for joint ventures. In E.P.M. Vermeulen & J.A. McCahery (Eds.), *Law, economics and organization of alliances and joint ventures*. Cambridge: Cambridge University Press

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Loose monetary policy and excessive credit and liquidity risk-taking by banks. In T.H.L. Beck (Ed.), *The Future of Banking* (pp. 21-28). London: Centre for Economic Policy Research (CEPR) (with J.L. Peydro).

Parret, L.Y.J.M.

La perspective du Conseil de la concurrence. In N. Petit (Ed.), *Le nouveau droit belge de la concurrence: Bilan et perspectives après quatre années d'application* (Commission Université Palais - Université de Liège, 124) (pp. 269-293). Bruxelles: Anthemis.

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B 1.3 Monographs and edited books

Delimatsis, P. (edited)

Financial regulation at the crossroads: Implications for supervision, institutional design and trade (International Banking and Finance Law Series, 12). Alphen aan den Rijn: Kluwer Law International (edited with N. Herger).

The prospects of international trade regulation: From fragmentation to coherence. Cambridge: Cambridge University Press. (edited with T. Cottier).

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Europees recht in de zorg: Praktijkcahier Europees recht deel 5. Den Haag: Sdu Uitgevers.

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Cross-Border Banking in Europe: What's Next? London: CEPR (with F. Allen, T.H.L. Beck, E. Carletti, P. Lane and D. Schoenmaker).

B 1.4 Other academic publications**Barendrecht, J.M.**

Innovatie van civiele rechtspleging: de regie naar rechter en gebruiker' *Nederlands Juristenblad*, 86(6), 350-357.

Da Rin, M.

A reply to Douglas Cumming's Review Essay: 'Public policy and the creation of active venture capital markets. *Venture Capital*, 13(1), 95-98 (with G. Nicodano and A. Sembenelli).

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Review of *Mixed Agreements Revisited*, C. Hillion and P. Koutrakos (eds.), Oxford: Hart Publishing, 2010. 2011(4) *European Public Law Review*

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B 2 PROFESSIONAL PUBLICATIONS**B 2.1 Journals****Cengiz, F.**

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Het bier wordt duur betaald. *Economisch Statistische Berichten*, 96(4624), 739-739.

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EU's nuclear treaty tested by Fukushima. *EU Energy*, 2011(255), 15-16.

Van windmolens tot subsidiemolens. *Energie Actueel*, 2011(1), 10.

Larouche, P.

Enforcement and judicial review of decisions of national regulatory authorities. Brussels: Centre on Regulation in Europe (CERRE) (with X. Taton).

Mosca, I.

Evaluatie van de leeftijdsgrensverlaging voor de griep prik. *Economisch Statistische Berichten*, 96(4613), 411-412 (with K.G. Carman).

Parret, L.Y.J.M.

Noot bij: ECJ. (03-05-2011), *Markt en Mededinging* 2011-14(4), (De ene beslissing is de andere niet: De beperkingen voor nationale autoriteiten). p.151-155.

Renneboog, L.D.R.

Waarom loon niet 'meer' motiveert. *CFO Magazine*, 14(9), 18-19.

Sauter, W.

De herziening van het Altmark-pakket: Nieuwe regels voor staatssteun en diensten van algemeen economisch belang. *Markt en Mededinging*, 14(6), 224-230.

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Past een centraal aandeelhoudersregister in het huidige vennootschapsrecht?. *Ondernemingsrecht*, 2011(5), 199-202.

Zwart, G.T.J.

Wanneer wordt de Britse gasmarkt groter dan nationaal? De Centrica Review. *Actualiteiten Mededingingsrecht*, jaargang 11(2), pagina 17-21.

B 2.2 Book Chapters**Damme, E.E.C van**

Het dilemma van de gevangenen. In P. Schnabel, R. Abma, B. Klandermans, B. Meyer, C. Teulings, J. Thomassen, T. Roes, P. Giessen & M. van Calmthout (Eds.), *Wat Iedereen Moet Weten van de Menswetenschappen - De Gammacanon*. Amsterdam: J.M. Meulenhoff.

B 2.3 Books and reports**Damme, E.E.C. van**

Aanbesteding en de theorie van mechanism design. In Corvers Procurement Services, Bartels Sueters Fischer Aanbestedingsadvocaten & Maasdam Mededingingsadvocaten (Eds.), *Congres ter ere van het 10-jarig jubileum van Corvers, Bartels Sueters Fischer Aanbestedingsadvocaten en Maasdam Mededingingsadvocaten* (pp. 129-134). Den Haag: SDU Uitgevers.

B 3 DISCUSSION PAPERS**DP 2011-001 Ben Vollaard**

Preventing crime through selective incapacitation

DP 2011-002 Michiel Bijlsma, Pierre Koning and Victoria Shestalova

The effect of competition on process and outcome quality within hospital care in the Netherlands

DP 2011-003 Emanuele Tarantino

Technology Adoption in Standard Setting Organizations: A Model of Exclusion with Complementary Inputs and Hold-Up

DP 2011-004 Markus Reisinger and Emanuele Tarantino

Vertical Integration with Complementary Inputs

DP 2011-005 Rein Halbersma and Katalin Katona

Vertical restraints in health care markets

DP 2011-006 Leigh Hancher

Cross Border Infrastructure Projects: The EU Exemption Regime

DP 2011-007 Alan Littler

Internet Based Trade and the Court of Justice: Different Sector, Different Attitude

DP 2011-008 Damien Geradin and Nicolas Petit

Judicial Review in European Union Competition Law: A Quantitative and Qualitative Assessment

DP 2011-009 Damien Geradin

Refusal to supply and margin squeeze: A discussion of why the “Telefonica exceptions” are wrong

DP 2011-010 Damien Geradin and Anne Layne-Farrar

Patent Value Apportionment Rules for Complex, Multi-Patent Products

DP 2011-011 Katherine Grace Carman and Ilaria Mosca

Who Takes Advantage of Free Flu Shots? Examining the Effects of an Expansion in Coverage

DP 2011-012 Walid Marrouch and Amrita Ray Chaudhuri

International Environmental Agreements in the Presence of Adaptation

DP 2011-013 Heiko Carle, Tobias J. Klein and Konrad O. Stahl

Ownership and Control in a Competitive Industry

DP 2011-014 Luc Renneboog and Yang Zhao

US Knows US in the UK: On Director Networks and CEO Compensation

DP 2011-015 Paul W.J. de Bijl

Broadband Policy in the Light of the Dutch Experience with Telecommunications Liberalization

DP 2011-016 Rudy Douven, Rein Halbersma, Katalin Katona and Victoria Shestalova

Vertical integration and exclusive vertical restraints between insurers and hospitals

DP 2011-017 Scott Masten and Jens Prüfer

On the Evolution of Collective Enforcement Institutions: Communities and Courts

DP 2011-018 Erik Brouwer and Fatih Cemil Ozbugday

Analyzing the Determinants of Temporary Antitrust Immunity Seeking Behavior: The Dispensation Requests in the Netherlands

DP 2011-019 Bastian Henze, Charles N. Noussair and Bert Willems

Regulation of Network Infrastructure Investments: An Experimental Evaluation

DP 2011-020 Hannes Weigt and Bert Willems

The Effect of Divestitures in the German Electricity Market

DP 2011-021 Fatih Cemil Ozbugday

Exploring National Concerted Practices in an Open Small Economy: What Does the Change in the Competition Law in the Netherlands Reveal?

DP 2011-022 Erik Brouwer and Fatih Cemil Ozbugday

Competition Law, Antitrust Immunity and Profits: A Dynamic Panel Analysis

DP 2011-023 Misja Mikkers and Padraigh Ryan

"Managed Competition" for Ireland?

DP 2011-024 Cédric Argenton and Jens Prüfer

Search Engine Competition with Network Externalities

DP 2011-025 Catherine Schaumans and Frank Verboven

Entry and Competition in Differentiated Products Markets

DP 2011-026 Hans Degryse, Frank de Jong and Vincent van Kervel

The Impact of Dark and Visible Fragmentation on Market Quality

DP 2011-027 Sander Muns and Michiel Bijlsma

Systemic risk across sectors: Are banks different?

DP 2011-028 Luc Renneboog and Christophe Spaeniers

Hard Assets: The Returns on Rare Diamonds and Gems

DP 2011-029 Bert Willems and Joris Morbee

Risk Spillovers and Hedging: Why Do Firms Invest Too Much in Systemic Risk

DP 2011-030 Wolf Sauter

Harmonisation in Healthcare: The EU Patients' Rights Directive

DP 2011-031 Panagiotis Delimatsis

Financial Innovation and Transparency in Turbulent Times

DP 2011-032 Leigh Hancher and Eva Foldes

Push or Pull? – Information to Patients and European Law

DP 2011-033 Antigoni Lykotrafiti

Consolidation and Rationalization in the Transatlantic Air Transport Market – Prospects and Challenges for Competition and Consumer Welfare

DP 2011-034 Wolf Sauter

Health Insurance and EU Law

DP 2011-035 Pierre Larouche

Network neutrality: the global dimension

DP 2011-036 Jasper Sluijs, Pierre Larouche and Wolf Sauter

Cloud computing in the EU Policy Sphere

DP 2011-037 Jan Boone and Christoph Schottmüller

Health Insurance without Single Crossing: why healthy people have high coverage

DP 2011-038 Katalin Katona and Marcel Canoy

Welfare Standards in Hospital Mergers

DP 2011-039 Michiel Bijlsma, Jan Boone and Gijsbert Zwart

Competition leverage: How the demand side affects optimal risk adjustment

DP 2011-040 Jasper Sluijs

From competition to freedom of expression: Introducing art. 10 echr in the European Network Neutrality Debate

DP 2011-041 Christoph Schottmüller

Cost incentives for doctors: a double-edged sword

DP 2011-042 Jun Zhou

Evaluating Leniency and Modeling Cartel Durations: Time-Varying Policy Impacts and Sample Selection

DP 2011-043 Geraldo Cerqueiro and Maria Fabiana Penas

How does personal bankruptcy law affect start-ups?

DP 2011-044 Marco Da Rin, Thomas Hellmann and Manju Puri

A survey of venture capital research

DP 2011-045 Panagiotis Delimatsis

The Enforcement of Transnational Private Regulation – the Case of Professional Services

DP 2011-046 Lapo Filistrucchi, Tobias J. Klein and Thomas Michielsen

Assessing Unilateral Merger Effects in a Two-Sided Market: An Application to the Dutch Daily Newspaper Market

DP 2011-047 Amrita Ray Chaudhuri

Cross-border mergers and market segmentation (revision of DP2010-035)

DP 2011-048 Mehmet Cetik

Do Europe's product labels converge? The case if EU Ecolabel, EU energy and CE marking

DP 2011-049 Péter Cserne

Objectivity and the Law's Assumptions about Human Behaviour

DP 2011-050 Sofia Johan

A New Look at Reporting Fraud: By Exchange

DP 2011-051 Damien Geradin

Refusal to Supply and Margin Squeeze: A Discussion of Why the 'Telefonica Exceptions' are Wrong

DP 2011-052 Damien Geradin

The EU Competition Law Fining System: A Reassessment

DP 2011-053 Damien Geradin and Ianis Girgenson

Industrial Policy and European Merger Control – A Reassessment

DP 2011-054 Jan Boone and Christoph Schottmüller

Procurement with specialized firms

DP 2011-055 Marta Serra-Garcia, Eric van Damme and Jan Potters

Lying about what you know or about what you do?

DP 2011-056 Harold Houba, Evgenia Motchenkova and Quan Wen

Antitrust Enforcement and Marginal Deterrence

B 4 POPULARIZING CONTRIBUTIONS

Cengiz, F.

The 2011 Turkish elections and the prospects for Turkey-EU relations. *Open Democracy*, June 2011 (with L. Hoffmann).

How not to manage a political crisis: The Turkish example. *Euractiv*, July 2011 (with L. Hoffmann).

Parliamentary crisis: Imprisoned politicians in Turkey. *Open Democracy*, pp. 1-4, July 2011 (with L. Hoffmann).

Turkey after the elections: Internal and external expectations. *Euro Atlantic Quarterly*, (with L. Hoffmann).

Degryse, H.A. & Kervel van, V.L.

The impact of dark trading and visible fragmentation on market quality. *Vox*, 24-11-2011 (with F.C.J.M. de Jong).

APPENDIX C: TILEC EVENTS 2011

C1 SEMINARS

21 January 2011, TILEC seminar

Philippe Choné, CREST

Margin squeeze, entry and “umbrella effect”

18 February 2011, TILEC seminar

Patrick Rey, Toulouse School of Economics

Vertical Integration, Innovation and Foreclosure

Alison Jones, Kings College London

Left behind by modernisation? Vertical “hardcore” restrictions of competition

18 March 2011, TILEC seminar on Cluster Policies and State Aid

Florian Mayneris, Catholic University of Louvain

Firms (self-)selection and clusters policies: Lessons from the French experience

15 April 2011, TILEC seminar

Wolf-Georg Ringe, University of Oxford

Decoupled shareholders in corporate governance

Marc Goergen, Cardiff University

Dividend Policy, Corporate Control and Tax Clienteles, The Case of Germany

21 April 2011, TILEC/EBC seminar

Geoffrey Miller, NYU Law School / HiiL

Blame Basel? How well intentioned regulation failed during the financial crisis, and what can be done about it now

20 May 2011, TILEC seminar

Mark Armstrong, University College of London

Exploding offers and buy now discounts

Max Huffman, Indiana University

Behavioral Exploitation and Antitrust

17 June 2011, TILEC seminar

David Gerber, Chicago-Kent College of Law

Global Competition: Law, Markets and Globalization

Maarten Pieter Schinkel, ACLE

Market Oversight Games

14 October 2011, TILEC seminar

Damien Gerardin, TILEC

When the Internet is going mobile: Antitrust and IP fights between Apple, Google, Microsoft, Motorola and many others

18 November 2011, TILEC seminar

Richard Whish, King's College London

Damages in competition law

16 December 2011, TILEC seminar

Wynand van de Ven, Erasmus University

Jan Boone, Tilburg University

Mark A. Hall, Wake Forest University Medical School

Reforming Private Health Insurance Markets in the U.S.: Constitutional and Regulatory Challenges

C2 WORKSHOPS AND CONFERENCES

17 March 2011, The Hague

Seventh Energy Economics Policy Seminar “European Gas Markets and Security of Supply”, jointly organized by CPB, NMa, TILEC/Tilburg University, Ministry of Economic Affairs, Agriculture and Innovation.

Speakers:

Dan Harris, Brattle Group;

Franz Hubert, Humboldt University

21 March 2011, Amsterdam

TILEC – AFM Workshop on Financial Market Regulation

9 and 10 May 2011, Florence

Fifth Competition Law and Economics European Network Workshop

17 May 2011, The Hague

Competition Workshop “Competition and Agriculture – a special case?”, co-organized by CPB, TILEC, Ministry of Economic Affairs, Agriculture and Innovation.

Speakers:

Frank Bunte, LEI Wageningen UR;

Bernd van der Meulen, Wageningen UR.

20 and 21 June 2011, Tilburg

International workshop “Law and Economics of Media and Telecommunications”

Speakers:

Stefan Bechtold, Swiss Federal Institute of Technology Zürich;

Matthew Gentzkow, University of Chicago;

Benjamin Hermalin, University of California, Berkeley;

James Speta, Northwestern University.

16 September 2011, Tilburg

Workshop “Open Source, Open Standards, and Innovation”, including the inaugural lecture of Greg Sidak, Ronald Coase Professor of Law and Economics “Is Harm Ever Irreparable?”

Speakers:

Neil Gandal, Tel Aviv University;

Geertrui van Overwalle, Tilburg University and Leuven University;

Jay Kesan, University of Illinois at Chicago;

Marshall van Alstyne, MIT and Boston University

9 November 2011, Utrecht

Second Health Policy Workshop on Incentives in health insurance, jointly organized by NZa, CPB and TILEC.

Speakers:

Willard Manning, School of Public Policy Studies, University of Chicago;

Richard van Kleef, Institute of Health Policy and Management, Erasmus Universiteit Rotterdam;

Wija Oortwijn, Ecorys Nederland B.V.

15 November 2011, The Hague

8th Energy Economics Policy Seminar “Distribution networks, regulation and consumers: How to enhance end-user participation?”. A jointly organized event by TILEC, CPB and NMa.

Speakers:

Ronnie Belmans, KU, Leuven;

Michael Pollitt, University of Cambridge.

C3 TILEC RETREAT

23 September 2011

Greg Sidak, TILEC

What Can Economics Say About Whether a Patented Invention Is Obvious?

Bert Willems, TILEC

Generation investment and access regulation in the electricity market: a real option approach

Antigoni Lykotrafiti, TILEC

Competition in the transatlantic air transport market

Lapo Filistrucchi/Tobias Klein, TILEC

Merger simulation in two-sided markets

C4 CLUB MED

19 January 2011

Case T-168/01 and Joined Cases C-501-513-515 and 519/06P; Case C-53/03 and Joined Cases C-468 to 478/06 (Competition Law and Parallel Trade in Pharmaceuticals: The GlaxoSmithKline Sagas), introduction by Matteo Negrinotti.

11 February 2011

AstraZeneca Part II - Drug Reformulation Regulatory Gaming, introduction by Lauren Battaglia.

25 May 2011

The Friesland/Campina case, introduction by Aitana Bryant Cano and Lorenzo Gatti (College of Europe students).

8 June 2011

The Patients' Rights Directive, introduction by Wolf Sauter

28 September 2011

The Telia/Sonera case, introduction by Pierre Larouche.

12 October 2011

Facts and values in the law's assumptions about human behavior: how legal doctrine resists behavioral economics, introduction by Peter Cserne.

16 November 2011

Case C-58/08 Vodafone and others, introduction by Jasper Sluijs.

C5 IO READING GROUP**12 January 2011**

Fatih Cemil Ozbugday presents "What Determines Cartel Success?" by Margaret C. Levenstein and Valerie Y. Suslow in *Journal of Economic Literature* (2006) Vol. XLIV, 43–95.

9 February 2011

Wolf Wagner presents "Heterogeneity and Systematic Risk in the Banking Literature: Are there any Interlinkages with IO?"

13 April 2011

Eric van Damme presents "Merger evaluation in differentiated product markets"

18 May 2011

Jens Prüfer presents Oliver Hart, "Thinking about the Firm: A Review of Daniel Spulber's The Theory of the Firm" *Journal of Economic Literature*, 2011, 49:1, 101–113.

15 June 2011

Kebin Ma presents Leniency Programmes.

C6 WORK-IN-PROGRESS (WIP) MEETINGS**2 February 2011**

Rein Halbersma (TILEC extramural fellow and NZa), *Market Definition Methodologies*.

2 March 2011

Florian Schütt, *Ethical voters and the demand for political news.*

20 April 2011

Lapo Filistrucchi and Jan Boone, *Releasing Competition through Product Innovation.*

1 June 2011

Catherine Schaumans, *Applications based on "Entry and Competition in Differentiated Product Markets" - the case of Belgian GPs.*

22 June 2011

Christoph Schottmüller, *Health insurance without single-crossing: Why healthy people have high coverage.*

29 June 2011

Matteo Negrinotti, *The Law and Economics of Reverse Payments in Patent Settlements.*

7 September 2011

Fatih Cemil Ozbugday, *Mandatory hospital quality disclosure and its implications in Germany.*

21 September 2011

Eric van Damme, *Competitive Subscription processes for coinsurance.*

5 October 2011

Peter Cserne, *Facts and values in the law's assumptions about human behavior: how legal doctrine resists behavioral economics.*

2 November 2011

Fatih Cemil Ozbugday, *The Assessment of Agreements for Which Temporary Antitrust Immunity is Sought: Competition Authority's Perspective.*

23 November 2011

Jens Prüfer, *Business Associations and Private Ordering.*

7 December 2011

Pierre Larouche, *The GRASP project.*

C7 CRASH COURSES LAW AND ECONOMICS

16 March 2011

Introduction to the law and legal scholarship for economists

Péter Cserne, *A brief introduction to legal theory*

23 March 2011

Introduction to the law and legal scholarship for economists

Pierre Larouche, *The sources of law and working with legal materials*

30 March 2011

Introduction to the law and legal scholarship for economists

Pierre Larouche, *Categories and differences of legal instruments*

6 April 2011

Introduction to the law and legal scholarship for economists

Firat Cengiz, *Basic Principles of EU Law*

14 September 2011

Crash course in economics for legal scholars

Cédric Argenton, *The foundations of Economics*

19 October 2011

Crash course in economics for legal scholars

Tobias Klein and Lapo Filistrucchi, *Introduction to Statistics and Econometrics*

9 November 2011

Crash course in economics for legal scholars

Bert Willems, *Welfare Economics*

14 December 2011

Crash course in economics for legal scholars

Jan Boone, *Market failure*

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