

BECCLE

BERGEN CENTER FOR COMPETITION LAW AND ECONOMICS

ANNUAL REPORT 2017

About BECCLE

The Norwegian School of Economics (NHH) and the University of Bergen (UoB) established BECCLE in 2011 following an initiative by a group of researchers in competition policy headed by professor Tommy Staahl Gabrielsen at UoB and professor Lars Sjørgard at NHH.

BECCLE is a unique collaboration scheme between the two main academic institutions in Bergen. NHH and the UoB have joint ownership in BECCLE and provide basic funding to the center. BECCLE's offices are located at the Faculty of Law at UoB, which offers excellent facilities to the researchers affiliated with the center. Our visiting address is Jekteviksbakken 31, Bergen.



Key Ambition

BECCLE's ambition is to improve competition policy by stimulating research in competition law and economics, and provide a meeting place for lawyers and economists interested in the field.

To achieve this BECCLE organizes conferences, seminars and policy debates; funds participation at conferences and workshops for affiliated researchers; sponsors master thesis on competition law and economics; funds visiting and adjunct professors; provides office space for affiliated and visiting researchers; etc.

In February 2016, the UoB and NHH (BECCLE's parent institutions) decided to extend BECCLE's funding for another five years. The decision was based on an evaluation of BECCLE by an external committee delivered in 2015. The evaluation report was very favorable and concluded that the center had been highly successful in stimulating research on competition policy and providing a meeting place for lawyers and economists.

Main Events in 2017

The year 2017 was the sixth year of BECCLE as an independent research, and it has proved to be an exciting year for us.

We organized the 3rd BECCLE Competition Policy Conference on April 27-28, counting with the participation of international experts on competition policy as keynote speakers. The conference was successful in terms of both quality and attendance.

BECCLE organized six regular seminars during 2017, three in the spring and three in the fall. Among these the seminar organized in February dealing with the new "sharing economy" - with presentations from the Sharing Economy Committee appointed by the Solberg Government - was particularly successful.

Professor Tommy Staahl Gabrielsen, was appointed Head of the Department of Economics (UoB) in August 2017. Associate Professor Bjørn Olav Johansen (ECON, UoB) replaced him as leader of BECCLE in November last year, while Associate Professor Ronny Gjendemsjø (Law, UoB) became deputy leader. Further, the general management group has been expanded and now includes: Professor Tommy Staahl Gabrielsen, Assistant Professor Simen Ulsaker (NHH) and Researcher Ignacio Herrera Anchustegui (Law, UoB).

This annual report will describe the activity of BECCLE in 2017, including the main events.

3rd BECCLE conference on competition policy

BECCLE organized the 3rd annual conference on competition policy on April 27-28 2017.

The conference had three top international experts as keynote speakers:

- Pierre Dubois (Toulouse School of Economics)
- Lars Henriksson (Stockholm School of Economics)
- Maarten Pieter Schinkel (University of Amsterdam)

The conference also had three invited sessions. The first session was on *Vertical issues*, with Özlem Bedre-Defolie



Pierre Dubois, Lars Henriksson and Maarten Pieter Schinkel. (ESMT Berlin), Thibaud Verge (ENSAE ParisTech) and Chiara Fumagalli (Bocconi University). The second session was on *Collusion*, with Joseph Harrington (University of Pennsylvania), Marc Ivaldi (Toulouse School of Economics) and Tomaso Duso (DIW Berlin). The third plenary session was on *Collective Dominance*, with Ronny Gjendemsjø (University of Bergen). In addition, we had several contributed parallel sessions with a total of 27 papers being presented. The conference was a great success in terms of quality and attendance. BECCLE will organize its 4th conference in June 11-12 in 2018.

BECCLE team presents at ESA



Malgorzata Cyndecka and Timothy Wyndham

In October Malgorzata Cyndecka and Tim Wyndham of BECCLE met with representatives of the EFTA Surveillance Authority and the European Commission and presented their findings regarding the Authority's state aid decision on zero VAT rate for electronic news services.

Through their presentation 'Price-increasing tax reductions for electronic newspapers: Implications for State aid policy', Cyndecka and Wyndham discussed the economic and legal implications of recent development in the economic theory of two sided markets. The discussion was active and will prove useful for future versions of their working paper. This work is an example of economists and lawyers working together in the field of Competition and State Aid Law at BECCLE.

BECCLE's Ignacio Herrera Anchustegui received the Concurrences award



Ignacio Herrera Anchustegui

Ignacio Herrera Anchustegui (UiB, Law) received the prestigious "2017 Concurrences PhD Award" for the best thesis of the year in competition/regulation law or economics for his thesis entitled "Buyer Power in EU Competition Law". Additionally and as part of the award, his PhD thesis was published as a monograph by Concurrences.

Further, Ignacio visited the US during March and June 2017 as one of the recipients of the International Scholar-in-Residence scholarship by the American Bar Association, allowing him to work on the regulation of electricity and gas transmission.

BECCLE represented in the new Norwegian Competition Complaint Board



Ronny Gjendemsjø and Tore Lunde.

On April 1st 2017 the Complaint board for competition was established. The complaint board will address all complaints on decisions from the Norwegian competition authorities, including fines imposed for anti-competitive agreements and abuse of dominance. Two of the eight members of the board are BECCLE associates, namely Ronny Gjendemsjø and Tore Lunde.

Professor II's at BECCLE

Professor [Caroline Heide Jørgensen](#), University of Copenhagen, started her part time position at BECCLE in and the Faculty of Law, UiB in 2014. Caroline is an expert on EU Competition Law and the deputy chairman of the Danish Competition Council. At the end of 2016 her position was renewed for 3 more years till the end of 2019.

Professor [Thibaud Vergé](#), ENSAE/CREST in Paris, and professor [Greg Shaffer](#), University of Rochester in the US, both started their part time position at BECCLE in 2013 and are still active. Shaffer's position is shared with Department



Greg Shaffer, Caroline Heide Jørgensen and Thibaud Vergé.

of Economics at NHH (from January 2018) while Vergé's position is shared with the Department of Economics at UoB (also from January 2018). They are both experts on industrial organization and competition policy, with a particular focus on the economics of vertical restraints.

Özlem Bedre-Defolie, ESMT Berlin, and Joseph Harrington, University of Pennsylvania, both accepted to start part time positions at BECCLE from January 2018 onwards. Bedre-Defolie's position is shared with the Department of Economics at UoB, while Harrington's position is shared with the Department of Economics at NHH. Like Shaffer and Vergé, Bedre-Defolie and Harrington are both experts on industrial organization and competition policy – but with a particular focus on two-sided markets and vertical restraints (Bedre-Defolie), and cartels/collusion (Harrington).

Doctoral students

BECCLE hosted eight affiliated doctoral students in 2017. Five are law students, and three are economics students:

- Ingrid Halvorsen Barlund, Håvard Ormberg, Linda Midtun and Kristian Strømsnes and Øyvind Røed at the Faculty of Law, UoB;
- Håvard M. Sandvik and Ana Beatriz Mateus Davó Luis at Department of Economics, UoB;
- Timothy Wyndham at the Department of Economics, NHH.

Earlier doctoral students, Simen Aardal Ulsaker and Morten Sæthre (NHH), and Teis Lunde Lømo and Ignacio Herrera Anchustegui (UoB), were recruited as post-doctoral fellows (Ulsaker, Sæthre, Lømo) and researcher (Herrera Anchustegui) at their respective institutions, and are affiliated with BECCLE.

Seminars in 2017

BECCLE hosted six regular seminars in 2017 on competition law and economics. The seminars were both academic and policy oriented.

Spring

- **February 13**, [Delingsøkonomi – muligheter og utfordringer](#), with Professor Tommy Staahl Gabrielsen (UoB and BECCLE, and leader of the Sharing Economy Committee), Professor Espen R. Moen (BI and member of the Sharing Economy Committee), Heikki Holmås (member of the Norwegian Parliament (SV)), and Oscar Hellenes (Lotel).

- **March 30**, [Prisdiskriminering og prissykler](#), with Halvor Mehlum (University of Oslo).
- **June 15**, [BECCLE-seminar om krysssubsidiering i lys av EU/EØS-statsstøtteregelverket](#), with Christian Lund (Senior Economist, Competition and State Aid Directorate, EFTA Surveillance Authority).

Fall

- **October 18**, [BECCLE-seminar om fusjoner, avhjelpende tiltak og nasjonal prisning](#), with Kurt Brekke, Chief Economist, Norwegian Competition Authority), Eirik Østerud (University of Oslo and BECCLE) and Bjørn Olav Johansen (University of Bergen and BECCLE).
- **November 13**, [BECCLE-seminar om ESAs innvendinger mot bokavtalen og reguleringen av drosjenæringen](#), with Gjermund Mathisen (Director, Competition and State Aid Directorate, EFTA Surveillance Authority).
- **February 20**, [Substitution between online distribution channels](#), with Thibaud Vergé (ENSAE/CREST and BECCLE).

Publications

Selected articles (published in 2017)

Gabrielsen, Tommy Staahl and Bjørn Olav Johansen, "Resale Price Maintenance with Secret Contracts and Retail Service Externalities," *American Economic Journal: Microeconomics*.

Herrera Anchustegui, Ignacio and Julian Nowag, "Buyer Power in the Big Data and Algorithm Driven World: The Uber & Lift Example," *Antitrust Chronicle*, Summer 2017 Vol 1: 31-36. *Article shortlisted for the Antitrust Writing Awards, 2018.*

Herrera Anchustegui, Ignacio, "Joint Bidding and Object Restrictions of Competition: The EFTA Court's Take in the 'Taxi Case,'" *European Competition and Regulatory Law Review (CoRe)*, Vol. 1, No. 2, p 1-6, (2017).

Lunde, Tore, "Arbeidsgivar sitt 'særlige behov for vern mot konkurranse'", *Tidsskrift for forretningsjus 2017*, Vol. 22(4), s. 252-278.

Cyndecka, Malgorzata Agnieszka, "The FIH-Case and the MEIP – A Step Forward or a Step in the Wrong Direction? Annotation on the Judgment of the General Court (Sixth Chamber) of 15 September 2016, in Case T-386/14 FIH Holding and FIH Erhvervsbank v European Commission (FIH)," *European State Aid Law Quarterly 2017*, Vol. 16(1) pp. 86-92.

Cyndecka, Malgorzata Agnieszka, "The Applicability and Application of the Market Economy Investor Principle: Lessons Learnt from the Financial Crisis," *European State Aid Law Quarterly 2017*, Vol. 16(4), pp. 512 – 526

Foros, Øystein, Hans Jarle Kind and Frode Steen, "Individuelle priser i dagligvaremarkedet - et fangens dilemma for kjedene?" Magma - Tidsskrift for økonomi og ledelse 2017, Vol. 20(4) s. 44-49.

Blundell, Richard, Estelle Cantillon, Barbara Chizzolini, Marc Ivaldi, Wolfgang Leininger, Ramon Marimon, Laszlo Matyas; and Frode Steen, "Introduction: The COEURE Project" in "Economics without borders. Economic Research for European Policy Challenges." Cambridge University Press 2017 ISBN 978-1-107-18515-9. s. 2-28

Nilsen, Øivind Anti, Arvid Raknerud and Terje Skjerpen, "Estimation of a model for matched panel data with high-dimensional two-way unobserved heterogeneity," Empirical Economics 2017, Vol. 53. s. 1657-1680.

Books, chapters in books and monographs

Herrera Anchustegui, Ignacio, "Buyer Power in EU Competition Law", Institut de droit de la concurrence/Concurrences. 652 pages.

Lunde, Tore, "Applying the UCP Directive in Practice: The Norwegian Experience," in U. Bernitz and C. Heide-Jørgensen (eds.), "Marketing and Advertising Law in a Process of Harmonization," Hart Publishing Ltd 2017 ISBN 978-1-50990-067-1. s. 187-200

Doctoral defense on buyer power



Ignacio Herrera
Anchustegui

[Ignacio Herrera Anchustegui successfully defended his thesis on Buyer Power in EU Competition Law in February 2017.](#)

Opponents were Professor Lars Henriksson (Stockholm School of Economics) and Professor Petri Petri Kuoppamäkin (Alto University), while Professor Caroline Heide-Jørgensen (University of Copenhagen) was the leader of the committee.

Ignacio's dissertation presents a holistic discussion of buyer power across all competition law areas. Unlike most works in the field, the study is not centered in different areas of the application of the law (coordinated and unilateral behaviors, and mergers) but rather in different 'theories of harm' that explain how buyer power may produce anticompetitive effects that adversely affect market conditions. One of Ignacio's main findings is that buyer power can indeed be employed in anticompetitive manners, and when those situations occur, the EU competition law is well equipped to deal with these market power abuses.

Doctoral defense on vertical contracts



Teis Lunde Lømo

[Teis Lunde Lømo successfully defended his thesis on "vertical contracting with externalities" in January 2017.](#)

His trial lecture was on the topic "The Norwegian market for books – in light of competition theory".

Opponents were associate professor Özlem Bedre-Defolie (ESMT Berlin) and professor Thibaud Vergé (ENSAE/CREST), while professor Kjell Erik Lommerud (Department of Economics, UoB) was the leader of the committee.

Teis' dissertation is about vertical restraints. Specifically, he uses game theoretical models to study how firms can use vertical restraints strategically in markets with externalities, such as network effects, service provision or risk, and to evaluate how such use may affect total and consumer welfare. His findings contribute in current debates over antitrust policy in the EU and US.

Research projects

In 2018 BECCLE and its associates have been awarded funding for the following research projects.

Tommy Staahl Gabrielsen, Odd Rune Straume and Bjørn Olav Johansen have been awarded funding for the project "Ikke-pris effekter av fusjoner – implikasjoner for Fusjonskontrollen" by 'Det alminnelige prisreguleringsfond'.

Chiara Canta, Øivind Anti Nilsen and Simen Ulsaker have been awarded funding for the project "Banking markets: Local competition and risk taking" by 'Det alminnelige prisreguleringsfond'.

Members of public committees and boards

Members of BECCLE have been active in the public debate through work in committees and working groups:

In 2017 professor Erling Hjelmeng (leader) and post doc Malgorzata Cyndecka (member) have been part of the Norwegian government's external working group, 'Competition on a level playing field', that have analyzed inter alia implicit guarantees and tax exemptions in favor of public entities and undertakings that compete with private market operators. In January 2018 they handed in their report, "Like konkurransevilkår for offentlige og private aktører".

Further, Ronny Gjendemsjø and Ignacio Herrera Anchustegui contributed with a report regarding possible legal avenues for the control of competition in the food retailing market. The report was submitted to the Nærings- og Fiskeridepartementet and is entitled «[Utredning av muligheten for å etablere en inngrepshjemmel mot ensidige](#)

[handlinger i verdikjeden for mat som ikke rammes av konkurranseloven § 11 / Unilateral Behaviors Below Dominance and Unfair Purchasing Practices: A Comparative Perspective.](#), Oslo. 68 pages.

On April 1st 2017 the Complaint board for competition was established. Two of the eight members of the board are BECCLE associates, namely Ronny Gjendemsjø and Tore Lunde (see own news item).

Media

People associated with BECCLE are active in the public debate. Examples are:

Tommy Staahl Gabrielsen, “Ulønnsomme pasientreiser?”
Dagens Næringsliv, 20.12.2017.

Frode Steen og Simen Ulsaker, “Mat på nett uten oppskrift”
Dagens Næringsliv, 23.9.2017.

Tommy Staahl Gabrielsen, “Kaskis delingsbommert”, Dagens Næringsliv, 26.2.2017.

Tommy Staahl Gabrielsen, “Uber og konkurranseloven”,
Dagens Næringsliv, 14.2.2017.

Tommy Staahl Gabrielsen og Espen R. Moen, “Deling åpner for ny verdiskapning”, Dagens Næringsliv, 7.2.2017. [Dagsnytt 18](#), 06.02.2017.

Malgorzata Cyndecka, “Amazon og Apples skatteregning i EU”, Dagens næringsliv, 8.11.2017.

Malgorzata Cyndecka, “Like vilkår - men likere for noen”,
Dagens næringsliv 26.04.2017

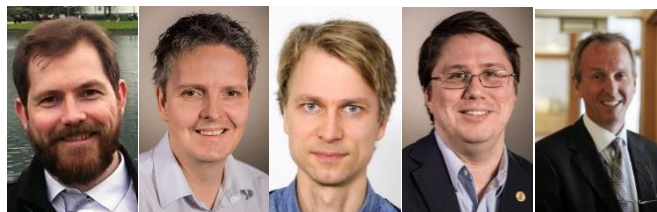
Malgorzata Cyndecka, “Innovasjon Norge må forklare seg”,
Bergens Tidende 11.10.2017

BECCLE

Bergen Center for Competition Law and Economics (BECCLE) was [established](#) in 2011, and it is a center jointly owned by Norwegian School of Economics and the University of Bergen. It is a meeting place for economists and lawyers interested in competition policy questions. The center is located in [Jekteviksbakken 31](#) in the centre of Bergen.

In 2012 BECCLE joined a European network of research institutions with a similar focus: [CLEEN](#) (Competition Law and Economics European Network).

The general management of BECCLE consists of five academics. They are associate professor Bjørn Olav Johansen from Department of Economics at University of Bergen (leader), associate professor Ronny Gjendemsjø from Faculty of Law at University of Bergen (deputy leader), post doc Simen Ulsaker from Department of Economics at Norwegian School of Economics, researcher Ignacio Herrera Anchustegui from Faculty of Law at University of Bergen and professor Tommy Staahl Gabrielsen from Department of Economics at University of Bergen.



The general management: Bjørn Olav Johansen, Ronny Gjendemsjø, Simen Ulsaker, Ignacio Anchustegui and Tommy Staahl Gabrielsen.