Inspecting the Anti-Competitive Crime Scene

Stefan Bühler, professor of applied microeconomics and former vice president of the Swiss Competition Commission, knows the typical crime scene of anti-competitive behavior from first-hand experience. What are the most effective tools of competition policy to protect consumers? Are the global internet giants a threat to competition? What are the new challenges of the digital transformation, for students, businesses and policy makers?

You have been vice president of the Swiss competition commission for many years. How does the typical crime scene look like? What are the biggest challenges of competition policy?

Although the typical crime scene is less spectacular than a Netflix-style murder scene, it is fascinating from a microeconomist’s perspective. When you need to make sense of evidence on horizontal price fixing or exclusive vertical supply contracts you quickly realize that a good grasp of industrial organization and game theory comes in handy. Intellectually, the biggest challenge for competition policy is the proper application of competition law in rapidly evolving digital markets. In Switzerland, the high level of retail prices in many industries (“Hochpreisinsel”) has long been a major policy concern.

What are the most effective tools to preserve competition and protect consumers? Isn’t free trade and global competition doing the job? Is the digital transformation a new challenge to competition policy?

Free trade and international competition keep export-oriented firms on their toes. In domestic markets, effective competition policy is a key ingredient of successful economic policy. In my view, the digital transformation has improved the intensity of competition in many industries. The challenge is to ensure that digital platform operators do not abuse the enormous market power that they have gained over the last few years.

What is your current academic research line? Is your policy experience an inspiration for your research? How does your teaching link with your research focus?

I currently work on a SNF project entitled “pricing in a digital world”, which focuses on the impact of (electronic) consumer tracking on dynamic pricing. I feel that my best work has been inspired by real-world policy questions that I could not easily answer using
standard economic reasoning. In my supervision of master theses, I therefore encourage MEcon and MiQE/F students to use their analytical toolboxes to study interesting real-world issues.

As part of the new MEcon and MiQE/F, you give a course on “Industrial Organization and Digitalization”. What is the digital in your course? What is your advice for students interested in industrial organization, managerial economics and competition policy?

The course focuses on the application of industrial organization analysis to issues relating to digitalization, such as personalized pricing, pricing on electronic platforms, net neutrality, and privacy. Students get a chance to explore this exciting field of research and to interact with various instructors and guest speakers from the real world. My advice for students interested in these issues? Don’t get distracted by all the other good stuff that is on offer in the MEcon and MiQE/F programs!

How is work life balance? Can you give us some hints about your private hobbies and aspirations? Are you reading economics books in your holidays?

Well, I guess that keeping a work life balance is a permanent challenge. When I am not at my desk, I enjoy meeting friends and family, music, and sports. If possible, I avoid reading economics books in my holidays. There are so many other good books to read!

For more information, please visit www.stefan-buehler.net or write to stefan.buehler@unisg.ch.