

BEIJING HUMBOLDT FORUM 2021

Economics of Digital Platforms

Session organized by the ZEW – Leibniz Centre for European Economic Research

Online, 25 September 2021
14:00 – 17:20 Beijing Time / 8:00 – 11:20 European Central Time

Session Link (Zoom):
<https://zoom.com.cn/j/86556105342?pwd=R3FYJTJ5bVZFUVIRNWTWDJpNlVPZz09>

Session Abstract

Already today, digital platforms have a great economic and social significance and it can be assumed that this will increase even further. In this session we will bring together various aspects on the functioning and the performance of digital platforms, as well as agents' behaviour and potential regulations and policy interventions. Researchers from China and the West present their viewpoints.

International Chair

Prof. Dr. Irene BERTSCHEK, Head of Digital Economy Department at ZEW, Justus Liebig University Giessen

Irene Bertschek is head of the ZEW Research Department "Digital Economy" and professor of economics of digitalisation at Justus Liebig University Giessen. In May 2019, she was appointed as a member of the Commission of Experts for Research and Innovation (EFI), advising the Federal German government.

Domestic Chair

Prof. ZHAO Zhongxiu, Ph.D., is Professor and President of Shandong University of Finance and Economics, China (SDUFE). Dr. Zhao's prolific academic career has included contributions as co-author and editor for fourteen books, author of numerous academic articles, and a frequent participant in academic conferences. He has also utilized his academic expertise in frequent consulting positions for government agencies, international organizations, and both Chinese and international companies, including his position as Vice Chairman for the China Society of World Economics, Vice President for China Council of BRICS Think Tank Cooperation, Member of Advisory Committee for Trade Policy of Ministry of Commerce, PRC (MOFCOM), Member of Expert Committee of CCPIT. Professor Zhao is an active member of European Academy of Sciences and Arts.

1 Programme

14:00 – 14:05	Welcome – Director of ZEW	Thomas Kohl (ZEW)
14:05 – 14:10	Welcome – Domestic Chair	ZHAO Zhongxiu (SDUFE)
14:10 – 14:20	Introduction – International Chair	Irene BERTSCHEK (ZEW / University of Giessen)
14:20 – 14:35	Practical Relevance and Impact on Economic Policy	Peter JUNGEN
14:35 – 15:05 ¹	Digital Economy Driving World Economic Development	Qingxin LAN (UIBE)
15:05 – 15:35	Complex Pricing and Consumer-Side Atten- tion	Tobias WENZEL (ZEW)
15:35 – 15:50	Tea Break	
15:50 – 16:20	Development Trend, Prospect and Enlight- enment of digital Agriculture	Xiaohua YU (UIBE)
16:20 – 16:50	Data Neutrality and Market Competition	Soo Jin KIM (ShanghaiTech University)
16:50 – 17:20	The Global Evolution path of Electronic In- dustry, China's Status and Upgrading: Based on the global Value Chain perspective	Jun Yang (Beijing Normal University)
17:20	End of Session	

¹ The following slots include 20 min of presentation and 10 min of discussion.

2 Abstracts

Complex Pricing and Consumer-Side Attention

Tobias **Wenzel** (Centre for European Economic Research)

Abstract:

This paper analyzes a market in which two horizontally differentiated firms compete by setting menus of two-part tariffs, and in which some consumers are not informed about the linear per-unit price component. We consider two regulatory interventions that limit firms' ability to price discriminate: (i) diminishing the range of contracts via a reduction in the number of two-part tariffs offered (which prohibits inter-group price discrimination), and (ii) a reduction in tariff complexity via the abolishment of linear fees (which prohibits inter- and intra-group price discrimination). We characterize the effects of these interventions on firm profits and (informed and uninformed) consumer welfare, and identify conditions for the optimal policy. Our results provide insights for the evaluation of recent policy interventions (e.g., the regulation of roaming charges in the EU market).

Data Neutrality and Market Competition

Soo Jin **KIM** (ShanghaiTech University)

Abstract:

We introduce a new hypothetical regulation called data neutrality to examine how non-discriminatory and open access to a platform's data when implementing targeted advertising for consumers affects the relevant downstream market competition, the platform's incentives to produce data, and ultimately, consumer welfare. Under data neutrality, all firms that want to access a platform's data are treated equally in terms of data usage, regardless of whether the firm is affiliated with the platform. We first show that weak data neutrality that only requires the amount of data provision to be non-discriminatory may have de facto no impact on the market unless the external data price charged to the unaffiliated seller is also regulated, as in strong data neutrality. From a

welfare analysis, we find that data neutrality, whether it is weak or strong, does not necessarily make consumers better off because the platform optimally reduces the amount of data provision under the regulation, which leads to important policy implications.

3 Speakers

Prof. Xiaohua YU, Professor of Economics at the University of Göttingen, Germany, columnist for Caixin and Nanfang Metropolis Daily.

Tobias WENZEL (ZEW)

Tobias Wenzel is a researcher at ZEW in the department of Digital Economy and is responsible for the research area “Digital Platforms”. He is also a senior lecturer at the University of Sheffield (currently on leave).

Previously, he was a senior lecturer at the University and Bath as well as an assistant professor at the Düsseldorf Institute for Competition Economics (DICE) at Heinrich Heine University Düsseldorf. He holds a PhD from TU Dortmund University and a diploma in economics from the University of Mannheim. He conducts research in the area of applied microeconomics and industrial economics.

Prof. Qingxin LAN, Professor of the Institute of International Economics, University of International Business and Economics, doctoral supervisor, deputy dean of the Institute of Asian Economic Community, and director of the World Economic Research Office.

Soo Jin KIM (ShanghaiTech University)

Soo Jin Kim is an Assistant Professor at the School of Entrepreneurship and Management, ShanghaiTech University since July 2018. She holds a PhD in economics from Michigan State University and has published in Information Economics and Policy and Review of Network Economics among other outlets. She conducts research in the fields of Industrial Organization (Theory & Empirical), Applied Microeconomics, and Platform/Internet Economics.

Prof. Jun Yang, Professor of the School of International Business and Economics, University of International Business and Economics, and the Chinese Director of the Center for Economic and Trade Policy Research (CETPA), a joint between the University of International Business and Economics (UIBE) and the Australian Policy Research Center (CoPS).