

A background image showing a group of people in a workshop setting, overlaid with a semi-transparent red filter. The text is centered over this image.

# Competition policy enforcement as a driver for growth

## workshop

February, 18 2014  
[www.bruegel.org](http://www.bruegel.org)

## Foreword

Europe is struggling to escape the economic crisis. Meanwhile, there is a dramatic drop in confidence in the European Union institutions. The next European Parliament could be much more skeptical than the current assembly towards the European Commission. There is pressure to cut further the EU budget. The Single Market is widely regarded as the best means to boost growth in Europe, but fragmentation still haunts the continent and the EU institutions are often blamed for not being up for the challenge.

In this context, competition policy is playing a key role. There is an ongoing 'clash' between those who believe that, because of the crisis, competition policy enforcement should be more lenient (to give business some flexibility) and those who believe that enforcement should be stronger (to exploit the benefits of competition as a driver for growth). Competition policy enforcement is the main area in which the European Commission can autonomously express its executive power, without being too constrained by national politics. An autonomy on occasion questioned by some.

The competition debate though goes beyond Europe. It encompasses many other similar economies that are struggling with similar problems (for example the US) and emerging economies such as China. It makes little sense to analyse the actions of a competition authority in isolation from competition and industrial policies in other jurisdictions and the actions of antitrust authorities around the world. A global market requires the analysis of competition policy enforcement to be done in a global context.

Many questions remain open: What is the role of competition policy in the context of economic crisis? Is competition policy the problem or the solution? Is there a risk that too much competition would drain resources desperately needed by industries in order to start growing again? Should merger control be relaxed to make it easier to build 'national' or 'European champions' better equipped to compete in global markets? Or should we let the market elect their champions? Should fines for antitrust abuse of cartels be reduced or increased? Are state subsidies justifiable during economic downturns, even if they introduce distortions? What are the potential drawbacks of direct industrial policy? Are there other, less distorting, industrial policy tools? Even if competition rules could help markets function well if taken in isolation, how does the picture change when global competitors are not subject to the same rules in their country of origin? Should we relax domestic competition rules to allow domestic players to keep up with Chinese state-owned enterprises, for example? What is the value of a global convergence on standards for antitrust assessment for consumers, business and the public interest?

This first annual Bruegel workshop on Competition Policy for Growth aspires to open a high-level discussion on these issues by bringing together distinguished speakers from the institutions, academia and business world. Three thematic panels are envisaged: enforcement in the 'knowledge economy', financial markets and network industries. A concluding round-table will focus on international convergence in competition policy enforcement. Speakers will address the question of how competition enforcement in different economic sectors can best contribute to economic growth.

*Mario Mariniello*



# The programme

9:00-9:15	Welcome by Guntram Wolff, Bruegel
	Introduction by Mario Mariniello, Bruegel
9:15-10:45	<b>Panel 1 – Fostering Growth Enforcing Competition Policy in the Knowledge Economy</b>
	Chair: Reinhilde Veugelers, Bruegel Paul Seabright, Toulouse School of Economics Massimo Motta, European Commission, DG COMP Mathew Heim, Qualcomm
10:45-11:00	Break
11:00-12:30	<b>Panel 2 – Fostering Growth Enforcing Competition Policy in Financial Markets</b>
	Chair: Alex Barker, Financial Times Gert-Jan Koopman, European Commission, DG COMP Patrick Legros, Université Libre de Bruxelles Jordi Gual, La Caixa
12:30-13:30	Lunch
13:30-14:15	<b>Keynote speech: Joaquín Almunia Vice President of the European Commission and Commissioner for Competition</b>
	Q&A Moderator, Guntram Wolff, Bruegel
14:15-15:45	<b>Panel 3 – Fostering Growth Enforcing Competition Policy in Network Industries</b>
	Chair: John Fingleton, Fingleton Associates Tommaso Valletti, Imperial College Linsey McCallum, European Commission, DG COMP Phillip Malloch, Teliasonera
15:45 – 16:15	Break
16:15-18:30	<b>Roundtable – Fostering Growth through International Convergence in Competition Policy Enforcement</b>
	Chair: Mario Mariniello, Bruegel Carles Esteva-Mosso, European Commission, DG COMP Bruce Lyons, ESRC Centre for Competition Policy Julia Holtz, Google John Davies, OECD Eduardo Perez Motta, Former President of Federal Competition Commission of Mexico Hassan Qaqaya, UNCTAD
18:30-18:40	Concluding remarks: Mario Mariniello, Bruegel
18:40-19:30	Reception



## Speakers' bios



### Guntram Wolff

Was appointed Director of Bruegel in June 2013. He joined Bruegel in April 2011 and was previously Deputy Director. His research focuses on the European Union economy and governance, on fiscal policy, and global finance. He is a member of the French Prime Minister's Conseil d'Analyse Economique.

He was at the European Commission prior to Bruegel, where he worked on the macroeconomics of the euro area and the reform of its governance. He has been an economist at the Deutsche Bundesbank, where he coordinated the research team on fiscal policy. He also worked as an adviser to the International Monetary Fund.

He currently teaches at Université libre de Bruxelles and serves on the advisory board of the European Studies center of Corvinus University Budapest. He holds a PhD from the University of Bonn, studied economics in Bonn, Toulouse, Pittsburgh and Passau and previously taught economics at the University of Pittsburgh. He has published numerous papers in leading academic journals. His columns and policy work are published and cited in leading international media.



### Mario Mariniello

Joined Bruegel in October 2012. From 2007 to 2012, he was a member of the Chief Economist Team at DG-Competition, European Commission. He holds a Ph.D. in Industrial Organization from the European University Institute of Fiesole (Florence) and a M.Sc. in Economics from CORIPE (Turin).

At the European Commission he developed the economic analysis of a number of topical Antitrust and Merger cases such as Qualcomm, Oneworld and Star Alliances, ebooks, KLM/Martinair, Newscorp/BSkyB, UPM/Mylykoski. He also participated to the drafting of new European Guidelines for the application of Art.101 TFEU to Horizontal Cooperation Agreements.

Mario's work at Bruegel focuses on European competition policy and regulation issues. His columns and policy works are published or quoted in leading international media.



### Prof. Dr. Reinhilde Veugelers

Is a full professor at KULeuven (BE). She has been a Senior Fellow at Bruegel since 2009. She is a CEPR Research Fellow and member of the Royal Flemish Academy of Belgium for Sciences. From 2004-2008, she was an advisor at the European Commission. She currently serves on the ERC Scientific Council and is a member of the Innovation4Growth Expert Group advising Commissioner for Research and Innovation, Maire Geoghegan-Quinn.

She was a visiting scholar at Northwestern University's Kellogg Graduate School of Management, Sloan School of Management, MIT, Stern Business School, NYU (US), UCL (BE), ECARES/ULBrussels, (BE) Paris I (FR), GSE-Barcelona (ES), UMaastrecht (NL).

Her research concentrates on industrial organisation, international economics and strategy, innovation and science. She has authored numerous well cited publications. Her research combines analytical frameworks, using micro-economics, game theory and economics of information models, with empirical, mostly econometric testing on large datasets. Recent topics include cooperative R&D, international technology transfers through MNEs, young innovative companies, innovation for climate change, industry science links and their impact on firm's innovative productivity, performance of technology transfer offices at universities, designing university spin-off contracts, explaining scientific productivity, researchers' international mobility.



### Paul Seabright

Teaches Economics at the Toulouse School of Economics (since 2000) and is Director (since September 2012) of the Institute for Advanced Study in Toulouse (IAST), and a member of the Institut d'Economie Industrielle.

He studied at the University of Oxford, as a Fellow of All Souls College, and then taught at the University of Cambridge as a Fellow of Churchill College. He has held part-time teaching positions at the College of Europe in Bruges and at the Ecole Polytechnique in Paris.

His current research lies in three areas of microeconomics: industrial organization and competition policy; the economics of networks and the digital society; and behavioural economics (especially the integration of evolutionary biology and anthropology with an understanding of the development of economic institutions in the very long run).

He is a Fellow of the Centre for Economic Policy Research, London, a Council Member of the European Economic Association, and a member of the Scientific Council of Bruegel. He is a member of the Economic Advisory Group on Competition Policy at DG-Competition, European Commission. Since 2005 he has been an almost annual visitor at the Santa Fe Institute in Santa Fe, New Mexico.



## Speakers' bios



**Massimo Motta**

Is Chief Competition Economist at DG-Competition, European Commission. He is ICREA Research Professor at Universitat Pompeu Fabra and Research Professor of the Barcelona Graduate School of Economics. He founded the GSE's Competition and Market Regulation Programme and still teaches it. Professor Motta is on leave from these institutions during his mandate as Chief Economist.

His main areas of research are industrial organisation and in particular competition policy, but he has also worked on international trade and multinational firms. His work, widely cited and influential, has been published in leading international economic journals. His book on Competition Policy: Theory and Practice (Cambridge University Press, 2004) is the standard international reference on the economics of antitrust.

He has extensive experience in teaching competition policy (to lawyers, economists, agency officials, and in both undergraduate and graduate courses) and in supervising doctoral dissertations.



**Mathew Heim**

Is Senior Director and Counsel in Qualcomm's Government Affairs team. His work focuses principally on antitrust, intellectual property rights and standardisation policy.

Prior to joining Qualcomm in 2009 he spent over a decade providing advice to companies on European or international political, legal and regulatory matters. He has advised on Article 101 and 102 investigations in sectors as diverse as mobile telephony, vitamins, bananas, soft drinks and sports media rights. In mergers, he advised on some contentious Phase I and Phase II cases in online advertising, technology hardware, business software, music and media, air travel, iron ore, shipbuilding and cruise lines. He has also advised on a number of high profile litigation situations relating to competition, free movement, trademark, import bans, marine and aviation casualties.

He was amongst the top 10 European public affairs competition advisers in the Global Competition Review survey and more recently Qualcomm's competition team won the ILO Global Counsel Competition Team of 2011. He writes and speaks on subjects related to European policy, law and politics from judicial architecture to fundamental rights. Awarded degrees from Bristol and Exeter before being called to the UK Bar, he is Co-Chair of the AmCham EU Competition Committee and member of the EU Committee of the Honourable Society of Lincoln's Inn.



**Alex Barker**

Is an EU correspondent for the Financial Times. He joined the Brussels bureau in 2011 after a four year stint as a political

correspondent in London, covering the 2008 financial crisis and the 2010 election. His Brussels responsibilities include competition, financial regulation, the single market and some aspects of the eurozone crisis. His assignments for the FT have taken him to New York, Washington and Ankara. He was educated at the University of Cambridge and Columbia University in New York.



**Gert Jan Koopman**

Is Deputy Director General for State Aid at the European Commission's DG COMP. He is responsible for the Commission's control of State Aid and the co-ordination of the 1000 State Aid cases managed by thirteen units in DG COMP. He has held this function since 1 November 2010.

Previously he was a Director at the European Commission's DG ECFIN which he joined on 1 May 2008. There he led the work on the structural reform agenda and provided economic advice to Commission services. Mr Koopman was also a member of the Commission's Impact Assessment Board which vets all Impact Assessments produced by Commission departments.

He joined DG ECFIN from DG ENTR where he was Director for "Industrial policy and economic reforms" from 1 January 2005. From 1995 to 2004, he advised Commissioner Neil Kinnock, initially as a Member of his Cabinet with responsibility for Transport and later as Head of Cabinet when Mr Kinnock was Vice-President for Administrative Reform.

He studied Economics, Latin and Greek at the University of Amsterdam and worked as a Researcher and Policy adviser for the University of Utrecht and the CPB Netherlands Bureau for Economic Policy Analysis before joining the European Commission's DG ECFIN in 1991.

## Speakers' bios



### Patrick Legros

Is Professor at Université libre de Bruxelles and member of the research centre ECARES. He is a micro-economist with special interests in industrial organization and competition policy, contract theory, matching theory and the link between organizational structures and market performance. Patrick holds a Doctorat de Troisième Cycle from the University of Paris and a Ph.D. in Social Sciences from the California Institute of Technology. He has taught at Cornell University and has been a visiting professor at MIT, Paris, Tinbergen Institute. He is the managing editor of the Journal of Industrial Economics and a member of EAGCP.



### Jordi Gual

Is Chief Economist of the group "la Caixa" and Professor of Economics at IESE Business School.

He is also Research Fellow of the Centre for Economic Policy Research (CEPR, London). He is currently a member of the International Advisory Council of "la Caixa", the Oxera Economics Council and the board of the European Corporate Governance Institute (ECGI).

Between 2002 and 2005, Dr. Gual was part of the Economic Advisory Group on Competition Policy of the European Commission. He was also Economic Adviser to the Director-General for Economic and Financial Affairs of the European Commission between 1994 and 1996.

He holds a PhD in economics from the University of California at Berkeley, and has been Visiting Professor there, the Université Libre de Bruxelles and the Barcelona Graduate School of Economics. He is also a Fulbright Scholar and was the winner of the Grant for Research on European Integration of the European Commission.

His recent work includes *Banking Union: made of concrete or straw?* (2013); *European Integration at the Crossroads* (Bank of Spain, 2012); *Integration of European Banking: The Way Forward*, (CEPR, 2005); and *Building a Dynamic Europe: The Key Policy Debates*, (Cambridge University Press, 2004).



### Joaquín Almunia

Was appointed Commissioner for Competition and Vice-President of the European Commission in February 2010. Previously, he was Commissioner for Economic and Monetary Affairs between April 2004 and 2010.

Mr Almunia was elected member of the Spanish Parliament in 1979 and re-elected for the following 25 years, until he became European Commissioner. He was a member of the Spanish government from December 1982 until March 1991. In April 1994 he was elected as the Parliamentary leader of the Spanish Socialist Worker's Party (PSOE) from 1994 to 1997, when he was elected leader of the party, a position which he held until 2000.

In 2002 he founded and served as Director of the think tank "Laboratorio des Alternativas", and from 1991-1994 he was Director of the research programme on "Equality and redistribution of income" at the Fundación Argentaria. During this same period he served as Associate Professor at the University of Alcalá de Henares.

Mr Almunia graduated in Law and Economics from the University of Deusto, and completed studies at the École Pratique des Hautes Études in Paris. He is also an alumnus of the Kennedy School of Government at Harvard University.



### John Fingleton

Studied economics at Trinity College Dublin and Nuffield College Oxford.

He worked as an academic the London School of Economics, at Trinity College Dublin, Université Libre de Bruxelles and the University of Chicago.

From 2000 to 2005, he ran the Irish Competition Authority and sat on Ireland's National Competitiveness Council.

From 2005 to 2012, he was Chief Executive at the UK Office of Fair Trading, where he oversaw a range of consumer and competition enforcement activity and market investigation. From 2009 to 2012, he was Chair of the Steering Group of the International Competition Network. He sits on the board of a number of journals.

As CEO of Fingleton Associates, he now provides strategic insight and advice on competition and regulation. Clients are typically CEOs of companies in regulated sectors that are confronting issues from regulators or incumbent competitors, or companies considering mergers that are likely to face scrutiny from competition authorities. He also advises disruptive new entrants on effectively dealing with anachronistic regulation.

## Speakers' bios



### Tommaso Valletti

Has a magna cum laude degree in engineering from Turin and holds an MSc and PhD in economics from the London School of Economics. He is Professor of Economics at Imperial College Business School, and also Professor of Economics at the University of Rome "Tor Vergata". He previously taught at the London School of Economics, Telecom ParisTech/ Ecole Polytechnique, and Turin.

His main research interests are industrial economics, regulation, and telecommunications economics. He is the Editor of Information Economics & Policy, Associate Editor of the Journal of Industrial Economics and of *Economica*. He has published numerous articles in prestigious journals.

He is Academic Director of the Centre for Regulation in Europe ([www.cerre.eu](http://www.cerre.eu)) in Brussels. He is a Fellow of CEPR. He is a member of the panel of academic advisors to Ofcom, the UK communications regulator. He is also a member of the panel of academic advisors of the UK Competition Commission. He was a board director of Consip, the Italian Public Procurement Agency, in 2002-2005. He has advised numerous bodies, including the European Commission, OECD, and the World Bank on topics such as network interconnection, mobile telephony markets, and spectrum auctions.



### Linsey McCallum

Has been Director for Information, Telecommunications and Media in DG Competition since 1 July 2013, having been Acting Director since April 2011. She is responsible for the application of EU merger, antitrust and state aid law in these sectors.

She has worked for the Commission for 20 years, largely focused on competition policy, and has held a number of posts in DG Competition. These include Head of Unit for Transport, Post and Other Services between 2005 and 2011; policy assistant to the Director General with special responsibility for advising on merger and anti-trust cases and policy and working on the modernisation of EU antitrust policy leading to the adoption of Regulation 1/2003. She served as a member of the private office of Vice-President Neil Kinnock between 1999 and 2002.

Linsey McCallum joined the Commission in 1993 from private practice to work as a trade negotiator during the GATT/WTO Uruguay Round. She is a lawyer and studied at Glasgow University and the College of Europe in Bruges.



### Phillip Malloch

Began his career in the telecoms sector working for O2 and subsequently Telefonica before joining TeliaSonera in 2007. Phillip is currently Vice-President of European Affairs and Head of the Brussels representation for TeliaSonera, one of the world's leading telecoms operators. He is also a member of the Executive Board of the European Telecommunications Network Operators (ETNO) Association and a member of the Chief Regulatory Officers Group (Europe) at GSMA, the mobile industries trade body.



### John Davies

Is Head of the Competition Division at OECD. He is an economist specialising in the areas of competition policy and economic regulation, holding degrees in Economics from Cambridge and Oxford. He worked as a consulting economist from 1994 to 2003 for various firms advising clients in the private and public sectors on mergers, abuse of monopoly, network regulation, privatisation and optimal tariff-setting.

In 2003 he became Deputy Chief Economist of the UK Competition Commission, becoming Chief Economist in 2005, a period in which it took on new responsibilities under the 2002 Enterprise Act undertaking major investigations involving significant economic analysis.

In 2009 he took up a two-year post to establish the new Competition Commission of Mauritius as its first Executive Director. He was responsible for all aspects of running the institution, initiating, carrying out and reporting on competition investigations. He led the new institution through its first year of work, investigating sectors including meat imports, insurance, travel agents, banks and telecoms.

In May 2011, he became Head of the Competition Division of the OECD in Paris. It supports the work of the Competition Committee through analytical work for discussion as well as advisory and assistant work to member countries and 'outreach' work to non-member countries. The division supports an annual 'global forum' for competition officials from around 100 jurisdictions.



## Speakers' bios



### Carles Esteve Mosso

Is Director for Policy and Strategy at DG COMP of the European Commission. He is in charge of the development of policy, strategy and legislative instruments in the fields of antitrust, mergers and state aid. His responsibilities include the coordination of the European Competition Network and the international dimension of competition policy.

He previously held a number of management positions in DG Competition including Head of the Private Enforcement Unit, in charge of developing initiatives to facilitate the compensation of damages deriving from the infringement of competition law rules. Before he had been Head of the Merger Control Unit in charge of the investigation and assessment of mergers in telecoms, media and IT related industries and Head of Unit for Merger Control Policy and Scrutiny.

Between 1999 and 2004, he was a Member of the Cabinet of the European Commissioner for Competition Policy, Mario Monti, advising the Commissioner on the enforcement of merger control, antitrust and cartel policy. He was also in charge of the process of modernisation and reform of antitrust and merger rules.

Before joining Mr. Monti's cabinet, he had worked in several areas within DG Competition, including the Merger Task Force and the antitrust unit in charge of the financial sector. Previously he worked in legal private practice. He is a member of the Barcelona Bar.



### Bruce Lyons

Is Professor of Economics and Deputy Director of the ESRC Centre for Competition Policy (CCP). He is a long-serving member of the Economic Advisory Group on Competition Policy (EAGCP) to DG Competition. He was formerly Editor of *Journal of Industrial Economics*, Associate Editor of *Economica*, and a part-time Member of the UK Competition Commission (2002-11). He has written papers on merger control and his current research is focused on the economics of market structure and the economic analysis of competition policy, including the design of institutions and remedies (including the implications of behavioural economics). He also has a research interest in state aid policy.



### Julia Holtz

Is Competition Director at Google. She started working as Google's first competition lawyer in January 2007. She led the competition aspects of the DoubleClick acquisition in Europe, Brazil and Australia, Google's involvement in the browser case, and now the complaints brought in Brussels. She is also a non-governmental advisor to the ICN for the United Kingdom, in the steering committee of the European Forum on Competition Litigation, and teaches a merger control workshop at the College of Europe in Bruges. Prior to joining Google, Julia worked as a senior associate in the European Competition and Regulation Group at Clifford Chance in Brussels, dealing mostly with mergers and abuse of dominance cases in the IT sector. Julia qualified in Germany in 2001, holds a law degree from the University of Passau, and a degree of the University of Aix-Marseille in French and cultural studies.



### Eduardo Pérez Motta

Is a Partner at Agon. Eduardo was President of the Federal Competition Commission from 2004 to 2013. In 2012, he was elected president of the International Competition Network that groups together over 130 competition agencies worldwide. Between 2001 and 2004, he was Mexico's Ambassador to the WTO, and previously he was head of the negotiation of the free trade agreement between Mexico and the European Union. He has also been chief of staff to the Minister of Trade and Industry, Director General of Industrial Policy and chief of staff of the Vice Minister for Revenue at the Finance Ministry.

He holds a BS in economics from the Instituto Tecnológico Autónomo de México and has undertaken doctoral studies at UCLA.

He is also a member of the editorial board of *Competition Policy International* and of the American Antitrust Institute's advisory board.



## Speakers' bios



### Hassan Qaqaya

Is the Head of United Nations Competition law and Consumer Policies programme. He has been with UNCTAD since 1981, first in the division on Money, Finance and Development, Globalization division and later in the Division on International trade in Goods and Services. He was the Chief of UNCTAD's Competition law and policy advisory services for 15 years. He has advised developing countries on the formulation and enforcement of national Consumer protection and competition laws, setting up competition and Consumer protection agencies, institutional building, application guidelines and training of trainers for case handlers and adjudicators. In this capacity he worked over the last thirty two years in Africa, Asia, the Middle East and Latin America.

He has written extensively on competition law and Consumer Policies, particularly on the development dimension of consumer protection and competition laws. For over a decade he was the team leader of the advisory services and capacity building work programme which UNCTAD extended to developing countries during the WTO negotiations on Singapore issues.

## List of participants

Serafino Abate	CERRE
Joaquin Almunia	European Commission
Adam A. Ambroziak	Ministry of Foreign Affairs
Amelia Andersdotter	European Parliament
Javier Arias	BBVA
Alex Barker	Financial Times
Michiel Bijlsma	Bruegel & CPB
Mårten Blix	Sweden
Sébastien Broos	Université de Liège
Cristina Caffarra	Charles River Associates
Michele Checci	Permanent Representation of Italy to the EU
Lorenzo Ciari	EBRD
Patrice Cochelin	Standard and Poor's
Lewis Crofts	Mlex Market Intelligence
John Davies	OECD
Miguel de la Mano	European Commission, DG MARKT
Stephen Dickinson	Bank of England
Adriaan Dierx	European Commission
Aurélie Doutriaux	Orange
Benoit Durand	RBB
Carles Esteva Mosso	European Commission, DG COMP
Yue Feng	The Mission of China to the European Union
John Fingleton	CEO, Fingleton Associates
Yun Chee Foo	Thomson Reuters
Franco Garbelotto	Unioncamere del Veneto
Eliana Garces-Tolon	European Commission
Nikolas Gervais	EDF
Jordi Gual	La Caixa
Zoltan Gyevai	Figyel
Siobhan Hall	Platts
Mathew Heim	Qualcomm
Nicolas Hirst	European Voice
Julia Holtz	Google
Renaud Honoré	Les Echos
Fabienne Ilzkovitz	European Commission
Alexander Italianer	European Commission, DG COMP
Griet Jans	Belgian Competition Authority
Gert-Jan Koopman	European Commission, DG COMP
Wolfgang Kopf	Deutsche Telekom
Kai-Uwe Kuhn	Charles River Associates
Evelina Kurgonaite	PaRR - Policy and Regulatory Report
Patrick Legros	ULB and ECARES

Bruce Lyons	ESRC Centre for Competition Policy
Cecilio Madero Villarejo	European Commission , DG COMP
Phillip Malloch	Teliasonera
Joao Marinho	Hitachi
Mario Mariniello	Bruegel
Carlos Martinez Mongay	European Commission, Cabinet of Vice President Almunia
Linsey McCallum	European Commission, DG COMP
Nicola Minasi	Permanent Representation of Italy to the EU
Massimo Motta	European Commission, DG COMP
Matthew Newman	Mlex Market Intelligence
Pia Nieminen	Permanent Representation of Finland to the EU
Sylwia Ojdym	The Polish Office of Competition and consumer Protection
Penelope Papandropoulos	European Commission, DG COMP
Jaymeen Patel	Apple
Eduardo Perez Motta	Former President of Federal Competition Commission of Mexico
Giorgio Perini	Permanent Representation of Italy to the EU
Marco Peronaci	Permanent Representation of Italy to the EU
Delphine Prioux	EDF
Hassan Qaqaya	DITC / UNCTAD
Miguel Rato	Shearman & Sterling LLP
Jeremy Rollinson	Nokia
Jean-Louis Sangare	Min. Higher Education & Research (FR)
Geza Sapi	European Commission, DG COMP
Audrey Scozzaro Ferrazzini	Qualcomm
Paul Seabright	Toulouse School of Economics
Jurga Stanciute	European Commission
Jacques Steenbergen	Belgian Competition Authority
Oliver Stehmann	European Commission, DG COMP
Kenta Suzuki	The Mission of Japan to the European Union
Tommaso Valletti	Imperial College
Reinhilde Veugelers	Bruegel & KUL
Andreas von Bonin	Freshfields Bruckhaus Deringer
Eleonora Wäktare	PaRR - Policy and Regulatory Report
Alexis Walckiers	Belgian Competition Authority
Johanneke Weitjens	ING
Aoife White	Bloomberg
Kamil Wierus	Narodowy Bank Polski
Annemiek Wilpshaar	European Commission, Cabinet of Vice President Almunia
Guntram Wolff	Bruegel
Judit Zegnal	Bruxinfo

## Bruegel's research on competition policy

### RESEARCH

Bruegel's publications are available on [www.bruegel.org/publications](http://www.bruegel.org/publications)

#### COMMITMENTS OR PROHIBITION? THE EU ANTITRUST DILEMMA

by *Mario Mariniello* on 31st January 2014



The issue: Excluding cartels, most investigations into suspected infringements of European Union competition law are resolved with 'commitment decisions'. The European Commission drops the case in exchange for a commitment from the company under investigation to implement measures to stop the presumed anti-competitive behaviour. Commitment decisions are considered speedier than formal sanctions (prohibition decisions) in restoring normal competitive market conditions. They have a cost, however: commitments are voluntary and are unlikely to be subject to judicial review. This reduces the European Commission's incentive to build a robust case. Because commitment decisions do not establish any legal precedent, they provide for little guidance on the interpretation of the law.

Policy challenge: The European Commission relies increasingly on commitment decisions. More transparency on the substance of allegations, and the establishment of a higher number of legal precedents, are however necessary. This applies in particular to cases that tackle antitrust issues in new areas, such as markets for digital goods, in which companies might find it difficult to assess if a certain beh

#### THE DRAGON AWAKES: IS CHINESE COMPETITION POLICY A CAUSE FOR CONCERN?

by *Mario Mariniello* on 31st January 2014



China's Anti-Monopoly Law, adopted in 2007, is largely compatible with antitrust law in the European Union, the United States and other jurisdictions. Enforcement activity by the Chinese authorities is also approaching the level seen in the EU. The Chinese law, however, leaves significant room for the use of competition policy to further industrial policy objectives.

The data presented in this Policy Contribution indicates that Chinese merger control might have asymmetrically targeted foreignw companies, while favouring domestic companies.

However, there are no indications that antitrust control has been used to favour domestic players.

A strategy to achieve convergence in global antitrust enforcement should include support for Chinese competition authorities to develop the institutional tools they already have, and to improve merger control by promoting the adoption of a consumer-oriented test and enforcing M&A notification rules.

## DO EUROPEAN UNION FINES DETER PRICE-FIXING?

by Mario Mariniello on 22nd May 2013



The issue: Anti-cartel enforcement is the least controversial of competition policy themes. Agreements to restrict competition such as price fixing or market sharing have obvious negative effects on welfare. Within the European Union, however, industry representatives have increasingly voiced concern that the European Commission applies a too-strict fining policy to enforce anti-cartel law, particularly since the introduction of new guidelines on fines in 2006. Fines are said to be too high, disproportionate and liable to introduce distortions into the market, ultimately leading to higher prices for consumers. It is often argued that more lenient approaches should be followed in crisis times.

Policy challenge: High fines for cartel activity could entail costs for society and might be difficult to implement. Nevertheless, there is no case for reducing current levels of EU anti-cartel fines. Fine levels already take the economic crisis into account, and the net present value of fines might prove to be too low to discourage collusion. We estimate that fines might even be not high enough to offset the additional profits yielded by collusion. Fines should be complemented with other measures to increase deterrence, in particular personal sanctions targeting company officers who are responsible for leading the company to commit infringements. In the short term, pressure on decision makers could be increased by reducing the expected duration of investigations.

## STANDARD-SETTING ABUSE: THE CASE FOR ANTITRUST CONTROL

by Mario Mariniello on 6th February 2013



Standards reduce production costs and increase the value of products to consumers; ultimately they significantly contribute to economic development. Standards however entail risks of anti-competitive abuse. After the adoption of a standard, the elimination of competition between technologies can lead to consumer harm. Fair, reasonable, nondiscriminatory (FRAND) commitments made by patent holders have been used to mitigate that risk. The European Commission recognises the importance of standards, but European Union competition policy is still seeking to identify well-targeted and efficient enforcement rules.

## INNOVATION IN EU MERGER CONTROL: WALKING THE TALK

by Reinhilde Veugelers on 29th February 2012



European Union policymakers have in principle put innovation at the heart of competitiveness, in particular in the Europe 2020 strategy. But in merger control, assessments of the innovation effects of mergers are inadequate, even though mergers and acquisitions can have a significant impact on the development of the structure of an industry, and on its capability to innovate.

EU merger control rules include scope for assessing the innovation effects of mergers, but in practice, the European Commission's directorate-general for competition (DG COMP) is not 'walking the talk'. Innovation effects are only assessed when claimed by parties to a merger, and this happens rarely. Where innovation effects have been claimed, they have not been decisive in any case, meaning DG COMP has not considered them important enough to influence its decision.

A framework should be put in place that makes the reporting of efficiency-related information by the merging parties mandatory, so that innovation effects can be properly assessed for all mergers. In addition, models can be used to make an assessment of the longer-term innovation effects of a merger, and to help inform decision-making.

## RETHINKING INDUSTRIAL POLICY

by Philippe Aghion, Julian Boulanger and Elie Cohen on 16th June 2011



Industrial policy has a bad name: 'picking winners' and thus distorting competition, while exposing government to capture by vested interests. But there are reasons for a rethink. First, climate change: without government intervention to jump-start massive private investment in clean technologies, governments, by default, encourage investment in dirtier technologies. Second, a new post-crisis realism: laissez-faire complacency by many governments has led to mis-investment in the non-tradable sector at the expense of growth-rich tradables. Third, China – and some other emerging economies – are big deployers of growth-enhancing sectoral policies. The challenge for Europe is how it can design and govern sectoral policies that are competition-friendly and thus growth-enhancing.



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