

The three pillars of effective European Union competition policy

Fiona Scott Morton

Executive summary

Competitiveness is a region's ability

to attract investment, create jobs and improve living standards. It is a key driver of economic growth and is essential for the success of the European Union. The Commission's new competitiveness strategy sets out a clear vision for the future of the EU and provides a roadmap for action.

Competition enforcement keeps

markets open and fair, ensuring that businesses can compete on a level playing field. This is essential for innovation and growth. The Commission's new competition strategy sets out a clear vision for the future of the EU and provides a roadmap for action.

Procompetitive industrial policy

helps to create a more competitive and resilient industrial base. This is essential for the success of the European Union. The Commission's new industrial strategy sets out a clear vision for the future of the EU and provides a roadmap for action.

Monopolised markets,

where a few large firms dominate the market, can lead to inefficiency and higher prices for consumers. The Commission's new competition strategy sets out a clear vision for the future of the EU and provides a roadmap for action.

When competition enforcement,

is used to address monopolised markets, it can help to improve competition and reduce prices for consumers. The Commission's new competition strategy sets out a clear vision for the future of the EU and provides a roadmap for action.



1 What is 'competitiveness'?

What is the relationship between competitiveness and productivity?

The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that these records are essential for ensuring transparency and accountability in the organization's operations.

Furthermore, the document outlines the various methods and tools used to collect and analyze data. This includes the use of surveys, interviews, and focus groups to gather qualitative information, as well as the use of statistical software and data visualization techniques to analyze quantitative data.

The document also highlights the need for regular communication and collaboration between different departments and teams. This is crucial for ensuring that everyone is on the same page and working towards the same goals.

In addition, the document discusses the importance of staying up-to-date on industry trends and developments. This allows the organization to anticipate potential challenges and opportunities and to adjust its strategy accordingly.

Finally, the document concludes by emphasizing the importance of continuous improvement. This involves regularly reviewing and evaluating the organization's performance and making adjustments as needed to ensure that it is always operating at the highest level of efficiency and effectiveness.



Merger laws do not prevent European firms from achieving scale

² See Article 101 TFEU, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0101&from.do=collection&directAccess=true&collection=EN](#).

³ See Article 102 TFEU, [https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0102&from.do=collection&directAccess=true&collection=EN](#).

⁴ Emanuel Macron, the President of France, is one example. See [the Capitol Forum, 'Despite a Weakened Macron, His Fight for European 'Champions' Vs. Competition Enforcement Isn't Going Anywhere, Experts Say', 23 July 2024, https://www.capitolforum.com/2024/07/23/despite-a-weakened-macron-his-fight-for-european-champions-vs-competition-enforcement-isnt-going-anywhere-experts-say/](#).

2.3 Challenges in competition enforcement

Competition enforcement faces several challenges, particularly in the context of digital markets and globalisation. One major challenge is the complexity of digital markets, where data-driven business models and network effects can create significant barriers to entry and reduce competition. Another challenge is the global nature of many digital services, which makes it difficult for national competition authorities to enforce rules effectively. Additionally, the rapid pace of technological innovation often outpaces the ability of regulators to develop and implement appropriate rules. Finally, the concentration of market power in a few large firms, often from different jurisdictions, poses a significant challenge for competition enforcement.

3 Procompetitive industrial policy

Procompetitive industrial policy aims to foster competition and innovation in various industries. This can be achieved through a variety of measures, including supporting small and medium-sized enterprises (SMEs), promoting research and development, and facilitating access to capital. A key element of such policy is the creation of a level playing field where all businesses can compete fairly. This often involves addressing structural issues, such as high barriers to entry or excessive regulation, that may hinder competition. Additionally, policies that encourage innovation and the development of new products and services can help to drive economic growth and create jobs. The goal is to create a dynamic and competitive industrial sector that can thrive in a global market.

3.1 Scale in the single market

Scale in the single market is a key factor in determining the competitive advantage of businesses. The large, integrated market of the European Union provides a significant scale advantage for businesses that can operate across multiple countries. This allows them to achieve economies of scale, reduce costs, and invest in research and development. The single market also facilitates the free movement of goods, services, and capital, which further enhances the scale advantage. Businesses that can effectively leverage the scale of the single market are better positioned to compete globally and drive innovation.

⁸ The EU Court of Justice ruled out the process used by the Commission in the Illumina-Grail merger. See judgement in C-611/22 P - Illumina v Commission, 3 September 2024, [https://eur-lex.europa.eu/legal-content/EN/TJ/?uri=CELEX:62022CJ0611&fromDoc=62022CJ0611-02-1&fromI=1&fromV=1](#).

...

3.2 Examples of pro-competitive industrial policy

...

a

⊗

