

## *Competition: a commitment to European citizens*

### Opening Remarks - European Competition Day

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Ladies and Gentlemen,

Good morning.

It is with great pleasure that I welcome you to the **European Competition Day** whether you are joining us here today in Lisbon or attending the conference online.

We cannot all be together yet in this room as a result of the pandemic, but still, we are united by the **commitment to dedicate** a special day to competition policy and its role in the Single Market.

#### *Why a European Competition Day*

The European Competition Day has been celebrated since 2000.

The very first edition was right here in Lisbon, twenty-one years ago, almost day-by-day on June 9<sup>th</sup> 2000.

Its purpose was to inform European citizens that they are the **prime beneficiaries** of competition policy. I want to say that this is still very much the purpose, twenty-one years later. To inform citizens, and I will add, firms, that competition is beneficial to both. It is a task that needs to be done in a recurrent manner.

Very often, citizens hear about competition authorities because of merger decisions, or a large fine or state aid support. When in fact, competition policy has a wide-reaching impact in the lives of European firms and citizens. When they are choosing a pair of new sneakers online, or paying their communications bill, or buying a book.

In current times, I will argue that this positive impact is **even more** crucial. The European economic recovery is at its early stages. No doubt that the policies designed by political leaders to enable such a recovery will be anchored in EU values<sup>1</sup> such as human dignity, human rights, freedom,

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<sup>1</sup> Article 2 Treaty of EU

The Union is founded on the values of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in

rule of law and democracy. I want to argue that competition can, as a pillar of the Single Market, enhance such values.

Taking competition policy into account in the recovery agenda is a fantastic opportunity to make the economic rebound agile, inclusive and resilient for the future.

*Why is this?*

By avoiding and removing market distortions, competition creates resilient firms capable of competing within borders and abroad.

Competition **breeds initiative and innovation**. And innovation has been the main driver of the rise of living standards in the last decades.

Competition **energizes** the economy. And it can significantly contribute to make the European Union a place where entrepreneurs recognize **ideal conditions** to start or grow their business.

This is why our closing keynote speaker will be one European entrepreneur that has been successful in facing competition worldwide.

Competition is also an instrument in reducing **inequality** and promoting **inclusiveness**.

In other words, it makes products and services more accessible for all.

This is because it widens people's access to more choice, including good quality products at lower prices.

Competition dynamics creates **opportunities**, including **new jobs**. And this is critical at a time when the number of job seekers increased due to the pandemic and when workers will need to **adapt** and **retrain** for different jobs, post-pandemic.

In other words, competition **policy** enables **workers' mobility** toward sectors which are or will be growing.

Because of all of this and more, the contribution of competition policy to the European values is **more than what is typically acknowledged**.

### *Today's discussion*

This brings me to today's discussion, which will be centered around **three key topics**:

- (1) Digital markets,
- (2) The role of competition policy in recovering the economy, and
- (3) Competition as a catalyst for a more inclusive and social Europe.

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which pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail.

### *Panel I – Digital Markets: the Road Ahead*

The first panel will focus on discussing how to ensure that Europe is fit for the digital age.

We may have had a slow start in the 90s, but the fact is, digital technology has very much changed people's lives in the past two decades and has changed business models as well. Just last week, a massive internet outage reminded us again of how much our daily habits rely on technology. And this major transformation has been **accelerating** even further since last year.

Competition is **core to** ensure that the digital economy works for the “common good” – to paraphrase an expression from Nobel laureate Jean Tirole. The digital economy changes firms' incentives, how they compete, and it modifies market dynamics.

For the past few years now, we have discussed the natural-monopoly characteristics of digital platforms, such as the strong network effects that generate winner-takes-all outcomes in digital ecosystems.

We have learnt:

- (1) how digital platforms may become gatekeepers and **twist the market in their favor**;
- (2) how we, as consumers, are prone to **behavioral biases**;
- (3) how digital platforms **often know us better than we know ourselves**;
- (4) **how zero is illusive regarding the price paid by users**, given the value of the data they generate;
- (5) **how platforms levy and monetize their market power** on other sides of the market;
- (6) how algorithms can be designed to **nudge consumers** into doing something. And we have only seen glimpses of what algorithms can do.

All this may bring forth new ways of colluding, of abusing market power and may structurally change business incentives. The past year has been fruitful with developments aimed at addressing these challenges, such as the European Commission's Digital Markets Act.

The first panel will precisely discuss the steps ahead.

### *Panel II – Recovering the economy: the role of competition policy*

The second panel in today's conference will discuss the **role of competition policy in recovering the economy**.

Since the start of the pandemic, we have witnessed a plunge in GDP that reminds us of war time or the Great Depression<sup>2</sup>.

At any rate, this is unprecedented since the founding of the EU. Worldwide, governments have committed more than **13 trillion Euros to economic recovery**<sup>3</sup>. The EU instrument itself represents **1.8 trillion Euros**<sup>4</sup>.

In any case, **recovering** is a challenge for today and the years to come. Everyone is called to play a part, including through competition policy.

I will mention three competition principles or policies that can be **embedded** in recovery strategies:

- (1) ensure competitive neutrality in public financial support to firms;
- (2) remove, across sectors, unnecessary barriers to entry and expansion, so as to unleash the full potential for recovery and growth;
- (3) combat bid-rigging and ensure competitive and efficient public tenders, given the sizeable public spending and investment ahead.

Our panelists will further discuss these matters with examples that place competition **at the core** of economic recovery.

### *Panel III – Effective competition as a catalyst for a more inclusive and social Europe*

The third and final panel in today's conference will focus on competition as a **catalyst** for a more inclusive and social Europe.

Supporting inclusiveness and fair play in labor markets is particularly important in the current economic turmoil.

Labor markets are, as we are well aware, **essential** to the competitiveness of the EU economy. And competition can indeed contribute to keeping labor markets **dynamic and open** so as to bring opportunities to everyone.

Topics such as **barriers** to professional mobility, collective bargaining and **no-poach agreements** between firms are just a few where the interplay between competition and labor markets arises.

This and more will be discussed by our third panel. May I say this an important area for the AdC.

In a joint project with the OECD, we put forward recommendations and proposals for legal amendments aimed at eliminating unnecessary barriers to corporate and professional initiative.

The Portuguese Competition Authority's enforcement has also targeted anticompetitive behavior in labor markets.

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<sup>2</sup> <https://www.worldbank.org/en/news/press-release/2020/06/08/covid-19-to-plunge-global-economy-into-worst-recession-since-world-war-ii>

<sup>3</sup> <https://www.imf.org/en/Publications/FM/Issues/2021/03/29/fiscal-monitor-april-2021>

<sup>4</sup> [https://ec.europa.eu/info/strategy/recovery-plan-europe\\_en](https://ec.europa.eu/info/strategy/recovery-plan-europe_en)

We **have acted on no-poach agreements** – where companies agree not to hire workers from each other – both through enforcement and advocacy. Indeed, we launched a dialogue with stakeholders **regarding best practices to prevent anticompetitive agreements** in labor markets.

We are emphasizing this area now, again, because in times of economic crisis and when some firms are downsizing, professionals must be able to create and seize opportunities to change jobs and careers, and so be reintegrated in the labor market.

In other words, this is the right time to get rid of unnecessary barriers in that field.

### *Final remarks*

These three topics draw a roadmap of key contributions that competition policy has to offer:

- in advancing European values;
- in prompting recovery and prosperity;
- in promoting inclusiveness and fair play in labor markets;
- in fostering digital transformation that works for all and not just a few.

Dear friends, make no mistake.

Today, just like when the Treaties were drafted, competition is a **cornerstone** in creating a fairer and prosperous society for all.

It is in the **power of all of us** here today to **make a difference** for the better.

Depending where you sit, you can either **implement** that difference, or **demand** that difference.

A final work of thanks.

First and foremost, to my peers at national competition authorities and at the European Commission for keeping competition enforcement **alive and kicking** during the past year and a half, despite unprecedented challenges.

I want to extend those thanks to the wider competition community, including judges in courts, practitioners in firms, decision-makers in parliament and governments, for collectively helping shape Europe to be more competitive and a welcoming hub for innovation.

And finally, I want to thank both Minister Siza Vieira and Executive Vice President Vestager for their resolute involvement in such crucial matters.

**Every day**, not just today, **is a good day** to implement competition policy.

I wish you all a fruitful discussion.

Thank you.