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The Interaction between Competition and Democracy – Note by Norway

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1. Introduction

1. Democracy and competition in markets are deeply interconnected, both requiring constant nurturing and improvement to promote values like prosperity, equity, legitimacy, efficiency and participation in sustainable societies. Describing Norway as a case of the Scandinavian model, this contribution highlights defences and threats to competition within a mixed economic system combining aspects of both capitalism and socialism. Special emphasis is placed on the Norwegian Competition Authority's (the NCA) role in promoting competition, thereby indirectly safeguarding democratic values. Finally, it addresses the need for multilateral collaboration to ensure efficient markets at the national level, and underscores the significance of policies and priorities that can raise citizen trust in competition oversight.

2. The Scandinavian model

2. As an expression of the Scandinavian model, Norway has developed a comprehensive welfare state, centralized trade unions, and a system of regular consultation between government, unions, and employers. This approach has aimed to ensure wage equalization through coordinated bargaining, the provision of basic goods and services as a right of citizenship, and a strong commitment to full employment as a central economic objective. The model gradually emerged from the 1930s through a series of reforms, shaped by Norway's small, open economy and its exposure to international competition.¹ The government regulates natural resources and utilities to promote development and prevent rent-seeking, while public ownership in strategic sectors like energy, telecommunications, and transport continues to safeguard national interests. Trade protections and strategic management in agriculture and fisheries are intended to ensure food security and help maintain resilience in the face of global pressures.²

3. In 1993, Norway introduced a modern competition law, supported by broad political consensus, to cultivate a market economy that encourages innovation and entrepreneurship while curbing monopolistic practices. As in other European nations, competition law swiftly became integral to the regulatory framework governing business activities. The enforcement of this law aims to safeguard market efficiency and deter anti-competitive behaviours. As firms are monitored regardless of ownership, the law promotes conditions where state and private entities operate on a more equitable basis.

4. Norway's economy is sensitive to the unpredictable international economic and political landscape. Domestically, market concentration in certain sectors continues to impede the full welfare benefits of competition, and rising prices, along with uneven wealth distribution, have led to some dissatisfaction among consumers.³ The weakening of the

¹ Many authors have described the evolution of Norway's social democratic model, among them Moene and Wallerstein (1995), Moene (2005), Sejersted (2011) and Lie (2016).

² On the evolution of institutions in place to secure development from natural resource production and avoiding rent-seeking, see Lie (2010) and Harstad (2012) among others.

³ Recent surveys indicate that Norwegian consumers are increasingly dissatisfied with rising grocery prices. A 2024 report by Consumption Research Norway (SIFO) revealed that the food budget for a

Norwegian currency has contributed to higher costs for imports, as well as for business and leisure abroad. While several factors influence currency fluctuations, competition, productivity, and innovation remain essential components of long-term sustainable economic growth. These elements are also emphasized in the Draghi Report (2024),⁴ which highlights the importance of promoting competitiveness across Europe. To maintain public trust and ensure effective markets, competition law must continuously adapt to new strategies that firms may use to gain market power. In Norway, as elsewhere, strong competitiveness depends on a broad policy agenda and international collaboration for harmonized regulations and efficient monitoring of markets.

3. The inherent relationship between competition in markets and democracy

5. The concept of democracy goes beyond political structures and elections; it embodies core principles that shape society. In Norway, democracy ensures that citizens have a voice in decision-making, allowing the majority to amend situations where necessary. Democracy promotes equal participation in political processes, not by demanding equality in outcomes, but by ensuring that economic or social disparities do not prevent people from engaging meaningfully. Access to information and freedom of speech are vital for an informed and active citizenry, enabling people to hold power accountable and make decisions based on accurate information. Additionally, democracy requires equal treatment under the law, ensuring that no individual or group receives undue advantages. Essential components of this framework include inclusive representation and transparency, which help maintain trust between citizens and institutions.⁵

6. Unregulated capitalism, without proper enforcement of competition law, could undermine these democratic principles. When market forces operate unchecked, economic power may concentrate in the hands of a few, challenging the democratic principle of equal political voice. In Norway, as elsewhere, there is a risk that such concentration of economic power could lead to unequal access to opportunities, where dominant firms restrict market entry in a manner that stifle innovation and limit economic mobility. It is important to remain vigilant about the flow of information, as powerful corporations may seek to influence media or public discourse to protect their interests. Freedom of speech, which is well protected in Norway, can be compromised if corporate interests overshadow the voices of individuals and communities. In the absence of competitive markets, lobbying and rent-seeking behavior may distort policymaking in favor of wealthier interests. While democracy does not require absolute equality, it does require that the majority can address

typical family of four has surged by 33% over the past three years, significantly outpacing the price growth of other goods. This translates to an additional annual expense of over NOK 44,000 for the same consumption level (English [summary of news in research](#)). See also Section 4 in this contribution, on citizens' trust in oversight systems.

⁴ The "Draghi Report" is a publication by the EU Commission: [EU competitiveness: Looking ahead - European Commission \(europa.eu\)](#)

⁵ Numerous authors describe these values, including Nobel Laureate Amartya Sen (1999), who supports the idea that democracy goes beyond elections and encompasses broader principles like socioeconomic equality, access to information, and public participation in decision-making processes. See also for instance Habermas (1996) and Pateman (1970), as well as Müller (2016), who points at how democratic values might be threatened by the rise of populism in Europe.

and correct imbalances when necessary, ensuring that economic inequality does not translate into political inequality or lead to excessive market concentration.⁶

7. Citizens' trust in their system of governance and the integrity of market players underpins democracy's ability to foster competition in markets—and vice versa. Trust in governance and compliance with regulations allows citizens to believe that the rules are fair, the public interest is protected, and competition will benefit the many rather than a privileged few. Low trust in the control system, for example, may lead firms to exploit loopholes, engage in anti-competitive behaviour, or gain unfair advantages through undue influence on decision-makers. In environments with low trust in governance, firms may hesitate to invest in long-term innovation, fearing arbitrary regulatory changes or unequal treatment. When markets are perceived as unstable or unfair, start-ups may be discouraged, while established firms might focus on short-term profits, avoiding the risks associated with investing in new technologies or processes. This stifles the innovation that typically drives growth and productivity in well-regulated markets. Without trust in governance and the framework for business activity, lack of competition can foster inequality, corruption, and instability, weakening both market and democratic systems.⁷

4. Maintaining trust in Norway's market oversight systems

8. Norway has introduced a range of integrity measures in governance aimed at protecting policy-making and public administration from undue influence by market players. These include, but are not limited to: (i) transparency and anti-corruption policies well aligned with international best practices, including clear rules on conflicts of interest; (ii) independent regulatory bodies, such as the Norwegian Competition Authority (NCA hereafter), the Norwegian Financial Supervisory Authority (Finanstilsynet), the Norwegian Data Protection Authority (Datatilsynet), and the Office of the Auditor General of Norway (Riksrevisjonen), as well as automatic revenue control mechanisms as part of the tax system; (iii) a well-established practice of holding public hearings on new laws and important legal amendments; and (iv) safeguards in place to protect a free press and ensure independent media coverage. Such measures collectively strengthen Norway's governance system by ensuring that market forces operate transparently and in a manner consistent with democratic values, preventing undue influence and preserving the integrity of both competition and public administration.⁸

9. However, while Norway's governance framework is robust, there are some recognized risks and areas for improvement to ensure the values mentioned. Certain sectors in Norway continue to exhibit high levels of market concentration, with oligopolistic structures and barriers to entry. In sectors like grocery retail, telecommunications, and

⁶ There literature supporting these claims is broad and comprehensive, including important contributions by Acemoglu and Robinson (2012), Basu (2011), Krueger (1974), Rodrik (2011), Rose-Ackerman (2016), Stiglitz (2019, 2024), Tirole (2017) and Zingales (2012). With an emphasis on various aspects, history and facts, these authors advocate for policies that balance market liberalization with democratic accountability, while they also point at the need for barriers to rent-seeking by market players.

⁷ Authors who in various ways explain these points, include Braithwaite (2008), Fukuyama (1995), Dixit (2004), Kaufmann (2004), and Rothstein (2011). See also Tyler (2006), who provide a sociological perspective, and relevant authors in law & economist, such as Posner (2014), Cooter and Ulen (2016).

⁸ The websites of the listed public institutions provide facts about their mandate.

energy, a few large firms hold significant market power, presenting potential risks for competition. Regulatory oversight remains essential to manage these dynamics and maintain competition where it is possible. Additionally, given the symbiotic relationship between well-functioning competition and democracy, it is particularly important to clearly distinguish between the state as an owner and the state as a legislator and regulator. The OECD's ownership principles emphasize this need: "There should be a clear separation between the state's ownership function and other state functions that may influence the market conditions for state-owned enterprises, particularly with regard to market regulation and policy-making."⁹ This separation is especially relevant in Norway, where the state plays a substantial role in the national economy as both an owner and a regulator.¹⁰

10. Recent findings from a government expert committee have highlighted the need to strengthen public procurement oversight, particularly by improving data availability and enhancing monitoring systems.¹¹ While financial transparency has been improved recently, the full implementation of ownership, shareholder, and beneficial ownership registries remains incomplete, as some components are not yet fully functional.¹² Additionally, as in other countries, concerns have been raised in Norway regarding the role of "commercial academics"—experts funded by private firms—whose neutrality in public debates may be questioned.¹³ In 2023, the Storting, Norway's parliament, considered a proposal for a lobbying register aimed at increasing transparency by documenting interactions between officials and market representatives. While the proposal was debated, it did not receive sufficient support for implementation.¹⁴

11. These transparency concerns also have implications for competition law enforcement, especially when it comes to market dynamics and the accessibility of legal expertise. Small and medium-sized enterprises (SMEs) may face particular challenges in accessing costly legal representation, a barrier that could put smaller firms at a disadvantage compared to larger, more resourceful companies. Similarly, some business leaders in SMEs may lack a full understanding of the complexities of competition law, which limits their ability to navigate regulatory frameworks effectively. Ensuring competition in such an

⁹ [OECD Guidelines](#) on Corporate Governance of State-Owned Enterprises, revised 2015, see Chapter II: The State's Role as an Owner.

¹⁰ As of 2023, the Norwegian government holds significant ownership stakes in various companies listed on the Oslo Stock Exchange, accounting for approximately 33% of the market's total value. The state's direct ownership primarily includes key sectors such as energy, telecommunications, and transport, with companies like Equinor and Telenor being notable examples. (Facts available at the Government website: [State ownership in numbers](#) and [What the State owns](#).)

¹¹ Government [website](#) (Norwegian only) on 'Høring NOU 2024: 9 Ny lov om offentlige anskaffelser'

¹² Evaluations by GRECO, the EU, and the OECD point to the importance of comprehensive transparency to prevent conflicts of interest in Norway, now being followed up on by the government.

¹³ For international debate on relevance for competition in markets, see Barrio et al. (2024). See also, Norwegian professor Cathrine Holst (2008) argues, the integrity of expert knowledge is essential to maintaining trust in democratic processes, and stronger measures may be necessary to ensure that expertise is not compromised by financial interests, particularly in legal and policy contexts. Transparency and accountability could be enhanced through greater disclosure requirements or other mechanisms that uphold the epistemic quality of expert contributions.

¹⁴ [Stortinget website](#); Norwegian only: Representantforslag om innføring av lobbyregister for Stortinget. Dokument 8:223 S (2022-2023), Innst. 501 S (2022-2023)

environment requires robust enforcement and continued efforts to improve transparency and accessibility in legal and regulatory systems.¹⁵

12. Beyond a continued need for guidance to enhance the general understanding of the law, the concern reflects the mentioned importance of trust in government institutions. SMEs, like individual citizens, rely on trust in governance and the fairness of the marketplace to have confidence that the system works in their favour. According to the OECD 2021 report '[Drivers of Trust in Norway](#)', levels of public trust in Norway are among the highest in OECD countries as "77% of the population reported trusting the government, compared to an OECD average of 47%", results explained by "a strong sense of community, high rates of political participation, low polarisation and high satisfaction with democracy". However, a 2024 report on trust across OECD countries, finds that Norway is one of three countries where trust has declined the most.¹⁶ While the reasons are not clear, it becomes important to monitor whether this trend is affecting public trust in competition law enforcement and perceptions of fairness in the marketplace. Trust is not to be taken for granted, and the government continues its commitment to improving the state administrative system, as it has done consistently over the past century.

5. Norwegian competition law enforcement's democratic anchorage

13. The NCA is firmly anchored in the principles of democracy, both in its structure and operations. Its enforcement of competition law is not only grounded in technical expertise and regulatory frameworks but is also embedded in the broader context of Norwegian administrative law, which ensures that its decisions and operations are subject to democratic oversight, transparency, and accountability.

14. The Competition Act, under which the Authority operates, is a product of democratic processes, having been debated, shaped, and passed by the Norwegian Parliament, the Storting. This democratic foundation ensures that the legal underpinning governing competition law enforcement reflects the will of the people and the broader societal interest. Furthermore, the Storting retains the authority to modify or amend the Competition Act and the structure of the Authority itself through a simple majority vote, underscoring the Authority's accountability to the democratic system. This dynamic allows competition law to remain responsive to societal changes and evolving market conditions, enabling lawmakers to address new challenges or strengthen protections when necessary.

15. The Authority's adherence to administrative law also means that citizens and businesses are afforded mechanisms for redress and appeals, as its decisions can be appealed to the Norwegian Competition Tribunal. This guarantees that the Authority operates within a framework of legal checks and balances, ensuring that its enforcement actions are grounded in law and open to scrutiny. Through this alignment with democratic principles, the Authority promotes market fairness while respecting citizens' rights to transparent, accountable governance.

16. The combination of parliamentary oversight, legal accountability, and adaptability of competition law reinforces the Authority's role in fostering competitive markets that

¹⁵ The challenges faced by SMEs in relation to competition law are documented in several NCA surveys. The results are presented in Norwegian, but the surveys are briefly described in NCA's OECD contribution from 2023: [Assessing-and-Communicating-the-Benefits-of-Competition-Interventions—Note-by.pdf](#)

¹⁶ OECD Survey on Drivers of Trust in Public Institutions 2024 Results - '[Country Notes: Norway](#)'

benefit the entire population. This democratic anchorage ensures that the Authority's work is not merely a technical exercise in market regulation, but a reflection of Norway's commitment to the rule of law, transparency, and the protection of public interest.

17. The independence of the NCA is fundamental to its ability to operate effectively within the democratic system. This independence allows the Authority to fulfill its mandate of protecting competition in a focused and impartial manner. While the Authority operates under the general management of the Ministry of Trade, Industry, and Fisheries, the Ministry serves as a supervisory body and does not interfere in the Authority's enforcement of the Competition Act. This clear separation ensures that the Authority's actions are guided by legal principles and evidence, free from undue influence.

18. With independence, however, comes significant responsibility. To maintain high standards of enforcement, the Authority must possess both the competence and the resources necessary to fulfil its mandate. This requires the Authority to have a well-trained staff, the flexibility to adapt its operations to the complexities of modern market dynamics, and a sufficient budget. Balancing independence with accountability enables the Authority to uphold democratic values while promoting competition in the marketplace, aligned with the legal framework and societal expectations.

19. Norwegian competition law and its enforcement framework are currently under review as part of ongoing efforts to enhance competition in markets. In September 2024, the Ministry appointed an expert committee to evaluate the effectiveness of the existing Competition Act and consider whether amendments and improvements are necessary. Norwegian competition law is largely harmonized with EU competition law, but can still make further national improvements where relevant. The expert committee is expected to deliver its report by December 2025.

20. Additionally, in September 2024, the Ministry proposed to the Storting an amendment to the competition act that will grant the NCA a market investigation tool. This tool enables the Authority to intervene in markets with structural or behavioural remedies without the need for a merger notification or proof of a breach of competition law. While the proposal has already undergone a public hearing and debate, some concerns have been raised, particularly from private sector stakeholders who view the tool as potentially intrusive and not fully aligned with democratic principles. Nevertheless, there is growing recognition that high market concentration in certain sectors and the broad influence of digital markets present new forms of significant risks. The expertise of a regulatory body like the Competition Authority might be essential in finding effective solutions.

21. Legitimacy remains a central concern with respect to market investigation. The potential benefits of intervening must outweigh the concerns raised for the tool to be applied in markets where competition is limited. Importantly, any interventions would still need to comply with the protections offered under Norwegian administrative law, ensuring that affected firms have opportunities to present facts and voice their concerns through public hearings. Furthermore, the system's democratic anchorage remains intact, as any rules or amendments, including this proposal, can be modified by a simple majority vote in parliament.

6. The Norwegian Competition Authority's role in promoting democratic values through enforcement

22. Considering the points discussed, the NCA plays a central role in promoting and safeguarding democratic values through its regulatory work, even though democracy is not on the agenda of its day-to-day activities. A well-functioning market prevents any single

firm or entity from dominating the economy, aligning with the principles of fairness, transparency, and equality that underpin democratic governance. The Authority's core activities—merger control, cartel investigations, actions against abuse of dominant positions, and advocacy—directly contribute to maintaining this balance, enhancing public trust, and ensuring that markets serve the broader public interest. However, challenges exist in each of these areas, and if not addressed, they could undermine the trust-based relationships essential for a thriving democracy.

6.1. Effective merger control to prevent excessive market concentration

23. Through merger control, the NCA ensures that corporate mergers do not cause a significant impediment to effective competition, which could hinder competition and stifle innovation.

24. Through the general turnover-based notification rules, the Authority processes more than 100 merger notifications annually, resolving around 95% in Phase 1, and intervening in 1-2 mergers, either by blocking them or allowing them on conditions. By preventing dominant firms from using mergers to eliminate competitors, the Authority contributes to foster a market environment where new and smaller players can compete, promoting economic diversity and preventing monopolistic structures. Indirectly, such aims may promote the democratic principle of equal opportunity.

25. Moreover, the Norwegian merger control benefits from the so-called *call-in option*, which means the Authority has the discretion to 'call in' mergers for review even if they do not meet the financial thresholds for mandatory notification, provided the transaction may significantly impede effective competition.¹⁷ For sectors and industries that already have a structure and degree of concentration that justify enhanced monitoring, the NCA has the power to impose disclosure requirements on individual firms. Typically, such firms will have a particularly strong market position or be operating in a market with a highly oligopolistic market structure. Disclosure requirements require the firms in question to inform the NCA of any mergers or acquisitions they are involved in, even if the deals do not exceed the turnover thresholds for mandatory notification.¹⁸ Upon such information, the NCA may decide to use the call-in option and require notification of a given transaction within a three months deadline. This call-in provision allows for a needed enforcement flexibility with respect to smaller mergers that might otherwise evade scrutiny but still pose risks to competition, particularly in concentrated markets.

26. However, despite a modern competition law, merger control alone cannot prevent all harmful acquisitions. Some harmful concentrations may still "go under the radar" of merger control. Authorities must prove potential damage to competition, while counterparts need only raise doubts about these arguments.¹⁹ Step-by-step acquisitions, for example, used as a business strategy for market dominance, can too easily succeed.

¹⁷ Regulated by Section 18 of the Norwegian Competition Act.

¹⁸ Firms with a duty to inform the NCA about all their mergers and acquisitions can do so by simple means, normally a short email to the Authority. Upon such very simple information, the NCA considers whether more information is necessary to assess the impact in the given market.

¹⁹ Point made by Valletti (2024).

6.2. Sanctions against collusive practices to deter malpractice

27. The Authority's enforcement of the prohibition of anti-competitive cooperation deter breach of competition law. Cartels undermine democratic values by allowing firms to collude, leading to artificially soaring prices or restricted output, which harms consumers and erodes public trust in free markets. By detecting and dismantling cartels and imposing fines on those involved, the Authority promotes accountability and compliance with competition law that has been passed as a result of a democratic process. In recent years, the NCA has imposed substantial fines for competition law infringements, including a recent case against the three largest grocery chains for illegal cooperation in monitoring each other's prices, a case that is expected to be appealed.

28. However, the time and resources required for cases against large firms mean that years can pass from the detection of a problem to the cessation of the anti-competitive practice. In this regard, the ability to impose interim measures is a powerful tool to avoid irreparable harm to competition, especially in fast moving markets. However, even instructing firms to halt harmful practices requires substantial evidence, and despite the seemingly straightforward legal wording, enforcement rarely provides swift solutions. Consumers, who are also voters, may lose trust in the government's ability to ensure efficient markets if what they consider unfair and harmful practice is not swiftly terminated.

29. For cartel enforcement to effectively deter anti-competitive behavior and reassure citizens that markets are not manipulated by a few powerful actors, the tools available to competition authorities require continual improvement. Firms may attempt to consolidate market power in innovative ways, which can sometimes challenge the capacity of existing enforcement mechanisms to respond effectively. Therefore, competition law enforcement must evolve to meet these challenges and ensure that markets remain fair and competitive.

6.3. Acting against abuse of dominance to ensure equal opportunities in markets

30. In cases where firms abuse a dominant market position, the Authority may intervene and improve competition in the affected market. Such abuse can take the form of predatory pricing, exclusionary practices, or other anticompetitive methods that marginalize smaller competitors and limit consumer choice. By acting against these abuses, the Authority protects the democratic principle of fairness and ensures that market power does not become concentrated in the hands of a few. For enforcement to contribute to a more equitable market structure, where firms succeed based on merit rather than dominance, governments must ensure that competition laws are designed for efficient enforcement. This will help firms and consumers alike experience the tangible effects of a fair and competitive marketplace.

6.4. Advocacy to increase the demand for fair and competitive markets

31. The Authority's advocacy efforts play a vital role in promoting democratic values in the marketplace and broader society. By raising awareness about the benefits of competition for consumers, businesses, and the economy, the Authority ensures that citizens, policymakers, and businesses understand the importance of a competitive marketplace. The Authority's communication division is central to this effort, helping secure trust in the Authority's work by delivering clear and targeted messaging. Engaging with powerful market players who may challenge its reputation, the Authority relies on effective communication to balance these narratives and promote a broader understanding of the values linked to competition. Tailored strategies are employed to reach a diverse range of stakeholders—including students, journalists, citizens, business organizations,

labour unions, public administrators, and elected officials—ensuring that trust in the relationship between competition and democracy is maintained.

32. Furthermore, for the Authority to act as both a watchdog and the leading resource on competition matters, it requires the capacity to engage in public consultations on relevant law proposals, speak out against regulations that harm competition, and monitor market activities such as price signalling or anti-competitive acquisitions that might otherwise escape notice. These activities promote a culture of accountability and compliance, and reinforces the democratic principle that governance should serve the interests of society as a whole, and not primarily the most powerful actors.

7. Multilateral cooperation for efficient control of competition in national markets

33. While competition control is primarily a matter of national regulation, international regulation and cooperation are necessary in order to secure the benefits of competition at the national level. Many markets, particularly in for example finance, various sorts of online sales, big data-driven businesses, pharmaceuticals and healthcare, transportation and logistics, as well as energy, operate on a global scale, making it difficult to enforce competition laws effectively without cross-border collaboration. National regulators often face international firms with significant resources, which reinforces the need for coordinated efforts.

34. At the national level, authorities face the challenge of market power exerted by large multinational firms. These firms often have significant resources to invest in legal battles, making it critical for competition authorities to collaborate to ensure consistent and efficient enforcement. By coordinating legal application, making efficient use of resources, and adopting new digital solutions, authorities can enhance the combined effectiveness of competition law enforcement. International cooperation also helps governments resist pressure from powerful corporations that seek to influence regulations, potentially eroding the conditions necessary for well-functioning markets with effective competition.

35. National systems expected to protect competition and democratic values must address emerging challenges in a coherent manner. This is why many systems that support governance and market integrity—such as public procurement, whistleblower protections, anti-corruption measures, tax law, and competition law—have been developed through international cooperation, particularly among OECD members. This collaboration is critical for maintaining fair markets and supporting democratic governance. The NCA participates in various international cooperation initiatives, including those with the EU/ECN network, the OECD, the UN, and the International Competition Network (ICN). Bilateral cooperation and the close ties with our Nordic counterparts directly support the Authority's efforts.

36. The interdependence between democracy and competition is vital to the international agenda. Margrethe Vestager, European Union's Executive Vice President for Competition, who will leave office in fall 2024, has been a leading advocate for using competition policy to strengthen democracy, drive development, and reduce inequality. Her work emphasizes that fair competition is crucial for fostering innovation, protecting consumers, and preventing the concentration of power in both economic and political spheres. In her 2018 speech, *Competition for a Fairer Society*, Vestager stated: "We all have a responsibility to help build a fairer society: Politicians, law enforcers, businesses

and citizens. From my point of view, enforcing strong competition rules by the book is indeed part of that responsibility."²⁰

37. Democratic systems empower governments to enforce competition laws that safeguard the public interest, and therefore, the role of democracy is essential for securing the welfare benefits of competition in markets —nationally and across borders.

8. Concluding comments on priorities and policies to enhance citizen trust in competition regulation

38. In Norway, effective competition law enforcement builds trust in markets. Merger control and sanctions against collusion and abuse of dominance can deter illegal practices and assure consumers, small businesses, and voters that competition is protected. When enforcement works, it leads to lower prices, opportunities for small firms, and innovation.

39. Norwegian competition law has evolved with changing market dynamics and will continue to do so. Market power remains a significant profit driver, and resistance from those benefiting from it should not be underestimated. Authorities need tools to ensure market mechanisms work effectively, even when there are no proven competition law violations. Administrative safeguards, combined with specialized expertise, may offer more tailored solutions than those achievable through broader political action. Where malpractice occurs, there should be mechanisms in place for swift and effective resolution, with sanctions structured to directly impact the incentives for compliance.

40. Transparency in enforcement and advocacy also plays a central role in clarifying competition law and enhancing public knowledge about such regulation. In Norway, where political perspectives on competition differ, it is essential to foster a clear understanding of how competition drives productivity. International initiatives, like those led by the OECD, provide valuable insights for aligning competition and industry policies. Preserving enforcement independence and a focused mandate ensures that competition law is not diluted by other policy goals.

41. Advocacy efforts should highlight competition's role in maintaining market trust, using clear language accessible to all, especially SMEs. Transparency in lobbying helps prevent undue regulatory influence on regulatory decisions and addressing potential conflicts of interest among paid consultants and academics is essential for maintaining integrity.

42. Finally, building broad political support requires clear communication on the value of competition law enforcement. Demonstrating how merger control prevents market power concentration underscores the importance of competition law for maintaining low prices, high quality, and productivity – to the benefit of consumers who are also voters.

²⁰ Speech by Commissioner Margrethe Vestager, AmCham EU 35th Competition Policy Conference, Brussels, 22 November 2018.

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