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Working Party No. 2 on Competition and Regulation

**Executive summary of the Roundtable on Assessing and Communicating the Benefits of
Competition Interventions**

Annex to the Summary Record of the 75th meeting of Working Party 2

12 June 2023

This Executive Summary by the OECD Secretariat contains the key findings from the Roundtable on Assessing and Communicating the Benefits of Competition Interventions held by Working Party 2 on 12 June 2023.

More documents related to this discussion can be found at
www.oecd.org/competition/assessing-and-communicating-the-benefits-of-competition-interventions.htm

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Executive summary of the Roundtable on Assessing and Communicating the Benefits of Competition Interventions

By the Secretariat¹

On 12 June 2023, Working Party No. 2 on Competition and Regulation held a roundtable to discuss how competition authorities assess and communicate the benefits of competition interventions. Considering the background note prepared by the OECD Secretariat, the written contributions, as well as the discussion by delegates and expert panellists, the following key points emerged:

1. Authorities communicate regularly with many different audiences to achieve a range of objectives.

Externally, authorities deal with businesses, trade associations, consumers, academics, politicians, lawmakers, the courts, media and regulators. Internally, authorities need to communicate with their board members and more generally their staff. For each audience, competition authorities tailor their message carefully. To do so, authorities set their communication objectives, which may include building reputation to gain public support and increase resources to pursue their mandate, advocating for competition, increasing compliance with competition law, and increasing legitimacy, for example when facing courts.

2. To achieve their communication goals, authorities use a range of tools to communicate the benefits of their interventions with stakeholders.

The discussion focussed on:

1. **Mission statements.** A mission statement helps communicate the vision for promoting competition in the markets and increases transparency and accountability. This is also important to guide authorities' own staff and to communicate with external stakeholders what the authority is trying to achieve.
2. **Public consultations.** Public consultations are used to gather information and feedback from various stakeholders during investigations and policy-making processes. These consultations involve seeking comments from interested parties, such as industry participants, consumers, and other relevant groups, to enhance decision-making transparency and credibility.
3. **Building relationships with media.** Several competition authorities said that building relationship with media is important to manage stakeholders' expectations, for example during the current cost of living crisis to clarify the role of the authority and its powers. Building relationship with journalists also helps authorities to more effectively engage with their audiences. For example, many authorities contact journalists before issuing press releases to explain their work.
4. **Videos and webcast debate series.** Competition authorities also recognise the importance of engaging with the general public to raise awareness about

¹ This executive summary does not necessarily represent the consensus view of the Working Party participants. It does however identify key points from the discussion at the Roundtable, including the views of the expert panellists and the participants' oral and written contributions.

competition topics and foster a culture of fair market practices. To achieve this, they employ various communication channels including videos and webcast debate series. By leveraging the power of visual media, authorities create informative and engaging videos that explain complex concepts in a simplified manner, making them accessible to a wider audience. Furthermore, webcast debate series allow authorities to host live discussions and panel debates, featuring experts and stakeholders, to delve deeper into competition issues and encourage public participation. This interactive format enables viewers to ask questions, share perspectives and gain an understanding of the subject matter. A video of such series was shown during the roundtable.

3. Several competition authorities also conduct surveys to evaluate the awareness of competition law and the level of satisfaction of the general public and businesses about their activity.

Survey results are often used as benchmark to assess the impact of communication campaigns. These surveys are typically designed to gauge the awareness and comprehension of stakeholders regarding the role, functions, and impact of competition authorities. Authorities can identify areas of misconceptions, knowledge gaps and tailor their communication accordingly to manage expectations. Feedback on accessibility of information and overall experience helps competition authorities enhance their operations and improve stakeholder management. Some authorities described their campaigns to increase awareness of competition law, such as roadshows and other local initiatives to meet small businesses and consumers.

4. Competition authorities also play an important role in advising lawmakers and other government departments on pro-competition reforms.

Leveraging their expertise and understanding of market dynamics, competition authorities provide valuable insights and recommendations aimed at fostering a competitive environment. To effectively do that, authorities need to leverage their reputation and credibility and establish themselves as trusted advisors in the legislative process. Effective communication is essential for conveying complex economic concepts and policy recommendations in a clear and accessible manner. Competition authorities articulate the benefits of pro-competitive reforms, highlighting their potential impact on consumers and the wider economy.

5. In recent years, there has been a notable increase in the number of competition authorities conducting ex-ante impact assessments.

These impact assessments provide a systematic framework for quantifying the consumer benefits generated by competition enforcement. Many authorities reported following a methodology similar to the one outlined in the 2014 OECD guide. This represents a substantial increase compared to the past, as back in 2014 only four competition authorities were conducting such assessment. Today, more than 15 competition authorities have adopted this approach, showing the importance of evaluating the impact of competition interventions.

6. While there has been a progress in conducting ex-ante impact assessments, the practice of conducting ex-post evaluation remains relatively limited.

Ex-post evaluation is a way to assess how competition authorities' interventions have actually played out in the market. It is a crucial process for these authorities because it allows them to gauge the effectiveness of their decisions. Ex-post evaluation helps authorities to test the economic theories and assumptions they based their decisions on, and to see if those match up with what happened in the real world. Through these evaluations,

competition authorities can learn from their experiences and make improvements for the future. Sometimes, competition authorities' decisions depend on certain factors, e.g., future entry of new competitors. By comparing those predictions to what is actually happening in the market, competition authorities can gain valuable insights and lessons to guide their future actions.

7. Impact assessments typically focus solely on quantifying certain direct effects, such as price changes.

They ignore other significant dimensions such as quality improvements and innovation resulting from competition interventions as well as deterrence effects. Enforcing competition law and communicating about it deters companies from engaging in anti-competitive practices. Deterrence effects are about the harm that could have happened if firms had not changed their behaviour as a result of the work of the competition authority. Academic research suggests that these deterrence effects can be significant, but they are particularly hard to measure accurately. Deterrence depends on many factors, such as the punishment (i.e., fines and penalties) or the perceived likelihood of getting caught. Other factors include the existence and effectiveness of the competition policy regime and how the competition authorities communicate their interventions. In fact, reputation plays a big role in deterrence, as it affects the perceived likelihood of being caught.

8. Authorities also discussed the accuracy of the assumptions regarding price savings and the potential need for updates.

This demonstrated a commitment to evidence-based decisions-making and continuous improvement. Authorities recognised that assumptions on price savings can have a significant impact on the assessment of competition interventions, and some pointed out that ex-post evaluation revealed that, while in some instances the assumed price savings may appear large, the actual price changes observed are often greater. This highlights the importance of regularly conducting ex-post evaluation.

9. Several competition authorities publish the methodology used in their impact assessments of their websites.

This contributes to enhance transparency and trust in their activity. By making their methodologies publicly available, authorities demonstrate a commitment to openness and accountability, as it allows stakeholders to gain insights into the analysis framework used by the authority. This transparency ensures consistency and rigor in the assessment process and promote best practices, ultimately enhancing the effectiveness of the authority.