



Qualitative Study



European
Commission

DG COMPETITION STAKEHOLDER STUDY

Stakeholder Report – Business Associations August 2010

Qualitative study – TNS Qual+

This survey was requested by Directorate General for Competition and coordinated by Directorate General Press and Communication

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1 Background and Research Method

1.1 Background and objectives

The objective of this qualitative study was to obtain feedback on the perception of the quality of DG Competition's activities from its most important stakeholders. In particular:

- The legal and economic soundness of its activities
- Aspects of integrity (such as transparency, compliance with procedural rights, etc.)
- The effectiveness of its actions on the markets and for citizens
- The quality of its communications

It is expected that the findings of the study will assist DG Competition in:

- Integrating better a wider institutional policy context into its daily activities
- Measuring its performance in a number of fields related to the quality and impact of its work, including the effectiveness of its advocacy and communication activities
- The management and prioritisation of its projects, contributing to a more dynamic communication and interaction with stakeholders allowing DG Competition's actions to achieve a greater impact

The focus of the study is on the perceived quality of DG Competition's actions; enforcement work (antitrust and cartel, merger and state aid control) and policy and advocacy activities. The study targeted DG Competition's professional stakeholders who are knowledgeable about its work, either by concrete involvement in case work as part of DG Competition's enforcement activities or indirectly, by having influenced or benefitted from policy work.

This report focuses on the views of Business associations. Further reports cover the views of:

- Lawyers
- Economic consultancies
- Member State ministries
- Consumer associations
- Companies

- National Competition Authorities

1.2 Methodology and sampling

The study consisted of in-depth interviews (IDIs) lasting 90 minutes. Interviews were conducted face to face wherever possible, at the respondent's place of work or another suitable location. Potential respondents were initially contacted by DG Competition and invited to participate in the study. Details of those organisations willing to take part were provided to TNS Qual+.

A list of umbrella Business Associations representing various EU-wide business sectors was selected based on DG Competition's frequent clients' list and the project team's own research (to ensure that SME relevant associations were included).

Potential target organisations were selected to provide, as far as possible, a balanced view on the quality of the work of DG Competition.

Interviews were conducted between December 2009 and February 2010.

This report is based on interviews with respondents from 6 Brussels-based business associations. It also takes into account the perspective of a law firm which represents a leading chamber of commerce for international companies.

The reader should note that this report is based on findings obtained through a qualitative research methodology. The interviews were structured around a consistent set of topics agreed with DG Competition but, within each topic area, they were open and discursive in nature. So, whilst we have striven to provide an indication of how widely the reported perceptions and views were held, such information should be treated with some caution. It is important to remember that the issues raised by each respondent will have been those that were of primary concern to them on the occasion of the interview and should not necessarily be taken as an indication that another issue was of no concern to them.

Verbatim quotations from respondents have been included in this report. They are written *in italics*. For anonymity's sake, they have not been attributed to particular individuals or Ministries.

A series of quantitative questions was included as part of the interview process, to provide an overall summary of respondent views on key aspects of DG Competition's performance. Not all respondents felt able to provide a rating for all the elements due to lack of immediate personal knowledge. The date on raw scores plus an overall mean based on the number of respondents rating each aspect are included within the report.

1.3 Respondent context

The majority of the respondents from the business associations were rarely involved in individual cases but more in contacting DG Competition about its policy work. In most instances they had very specific interests in competition policy and, in order to provide a context for the remainder of the report, we include below a brief summary of each organisation's area of interest:

- An industry federation interested in policy-making and consultations across all industries.
- A manufacturing association particularly concerned about high energy prices due to the Commission's decision regarding state aid.
- An insurance association primary focussing on the sector enquiry into business insurance and the block exemption regulation on co-insurance
- A large retail association primarily interested in payment cards and initial investigations by the Commission into food pricing
- A small retail association acting as complainant in consumer credit cards
- An association for Small and Medium Enterprises (SMEs) primarily interested in state aid issues

Since the respondents had such diverse interests it has not always been possible to group their views as consistently as in some of the other stakeholder reports. However, where possible, we have given an aggregate overview of the opinions of this stakeholder group. The reader should also note that, in many instances, the respondents were not able to comment in detail on all the questions and this is reflected in the views reported in each section.

All but one of the associations interviewed have had direct contact with DG Competition. The exception is the manufacturing association whose contact has been with other DG's of the Commission, DG Enterprise in particular. Those who have had contact with DG Competition, have done so at a range of different levels, from the Commissioner to specific case teams.

2 Soundness of Legal and Economic Analysis

2.1 Clarity and comprehensibility of decisions

- Views on the clarity and comprehensibility of decisions were mixed with some feeling that political factors sometimes play a role -

In general the clarity of the arguments supporting Commission decisions is recognised and acknowledged. However, instances were cited by some respondents of apparent changes in position which, they felt, were not clearly explained.

Respondents from two of the business associations were critical of the way in which DG Competition appeared to change its position at a late stage of the process. The small retail association felt that DG Competition's initial legal and economic analysis in the MasterCard case (their only point of reference) was very sound. However, when DG Competition changed its conclusion on the case without explaining why or which economic model it had used, the association was less happy.

Similarly, the insurance association cited an example related to the business insurance sector enquiry where transparency requirements were introduced late in the process, without sufficient information being provided on the reason for their introduction.

"If you know the reasoning behind the proposal then you can argue your case but if you get a draft text and you don't know how or why... These things tend to creep up at the last minute. It's a bit surprising. They had done a really good consultation, repeatedly asking us, then something popped up very late in the process without any clear justification or policy intention."

The respondent from the insurance association also maintained that, although the clarity of DG Competition's legal analysis was good, there appeared to be a marked political agenda to the insurance sector enquiry and that some decisions had been made about what actions would be taken, before the investigation started.

2.2 Predictability of decisions

- Few felt able to comment but two associations found Commission decisions unpredictable since its views appeared to change late in the process -

Few of our respondents felt able to comment on the predictability of Commission decisions in the field of competition enforcement.

As noted above, the respondents from two business associations expressed concerns about apparent late changes of position on DG Competition's part. In these instances it was felt that the final decisions were unpredictable as a result of these changes.

One of the respondents suggested that more transparency in the process, including more involvement of interested / involved parties, in the early stages of enquiries would help improve predictability.

2.3 Predictability of fines imposed

- Most business associations have no views on the issue of fines -

All but one of our respondents had no experience of anti-trust cases involving fines and so were unable to comment on this point.

The remaining respondent described the issue of fines as a 'hot potato'. He considered that the high degree of discretion available to the Commission make fines difficult to predict.

"The basis of calculation is a bit shaky. Many people say the guidelines should be revised. The contents should not be shown in guidelines but in the legislation."

He felt that the discretion applied by the Commission opens them up to more criticism than is necessary.

2.3.1 Rating: legal soundness of decisions

Mean score = 4.8

Commission decisions were not legally sound						Commission decisions were very legally sound
1	2	3	4	5	6	7
-	-	-	1	3	-	-

2.4 Technical quality of economic analysis

- The technical quality of DG Competition's economic analysis is generally felt to be good although some feel it is not applied appropriately -

Views were again mixed with regard to the quality of the economic analysis of DG Competition. Whilst half the respondents feel that the technical quality of economic analysis is good, others express significant reservations.

Two business associations simply expressed the view that DG Competition's economic analysis is good and sufficient for the decisions being taken.

The majority of those with criticisms provided more detail to support their views.

The insurance association felt that DG Competition put too much emphasis on legal analysis and not enough on economic impact; for the block exemption regulation they felt there had been 'no economic analysis'.

"By the time the economic analysis is produced it may be too late. Sometimes it's done just to justify their position. I think the Chief Economist is looking more at the big cases. We have not seen them getting involved at all."

They felt that case teams should include people with both legal and economic backgrounds in order to ensure cooperation between DG Competition's legal and economic analysts.

The SME association's main concern is the economic analysis applied in state aid. The association feels that state aid was an area where the introduction of the Chief Economist and his team was most beneficial. However, the respondent expressed the view that, even with greater economic analysis, there is still some inconsistency in DG Competition's approach.

"The economics team is sometimes too ideological. The former Chief Economist was in line with markets but had no clue about market failures. He didn't like that so didn't touch it. The new one is more of a classical liberal economist; open market, competition, sometimes with less understanding of how economies or markets with few players work. The problem for us is that the current Chief Economist is just concerned with opening up markets, sometimes too simplistically, viewed from our SME point of view."

The small retail association expressed concerns about the decision in the MasterCard case and the economic analysis on which it was based. Despite the association raising questions about the basis for the economic analysis, it is felt that DG Competition did not give a satisfactory explanation for its apparent change of mind. It is reported that the people with whom the issue was raised at DG Competition admitted that they did not understand the economic model used and that it was probably not the most suitable model but that 'it was the one being used'.

2.5 Understanding of the markets

- There were very mixed views on DG Competition's market understanding, some expressing the opinion that poor understanding had led to unfair decisions -**

Views on DG Competition's understanding of markets were relatively polarised. A third of respondents felt that its understanding of markets was sufficient to ensure that good decisions were taken. The remaining two thirds of respondents were more critical. In most instances respondents were basing their views on DG Competition's actions in specific markets.

Both the large and small retailers associations expressed favourable views of DG Competition's market knowledge. In the case of the small retailers this view is primarily based on the 'excellent' sector enquiry into retail banking in 2005.

The large retailers association's view was based on the MasterCard and Visa cases where it was felt DG Competition's market knowledge had been 'reasonably good', partly thanks to the previous sector analysis of financial services. Despite this the respondent still felt that there were occasions when DG Competition's market knowledge was 'not perfect'.

"Their questions [in the meeting] clearly indicated they didn't understand. There again, why would they understand? I find it difficult to understand after two years working in the industry."

Overall, he feels that DG Competition understood the market well enough to judge the competition issues, even if its level of understanding is lower than industry practitioners.

The remaining business associations were generally critical of DG Competition's market and sector understanding. Two associations in particular raised concerns over the impact of DG Competition's perceived lack of market understanding.

- The manufacturing association has been closely involved in the case of illegal state aid for industries which are major consumers of electricity. Its main complaint related to DG Competition's apparent lack of understanding of how the market functions. In part, it is believed, this lack of understanding could have been addressed if DG Competition had listened to arguments from DG Enterprise during the case. On the other hand, the respondent feels that DG Competition allowed itself to be too influenced by DG Environment.
- The insurance association received feedback from its members that DG Competition had difficulty understanding the market. The members were not entirely satisfied with the way their input was

reflected in the final report of the sector enquiry. In some aspects the description of the market was felt to be inaccurate.

“It was good that they looked into our sector. The report was some 250 pages and some parts were either misleading or not reflecting the reality of the market; a problem of definitions based on old information.”

The association had the impression that DG Competition had relied more on national authorities for market information than on the industry.

2.5.1 Rating: market knowledge

Mean score = 5.0

DG CoMP do not know the markets at all						DG COMP know the markets very well
1	2	3	4	5	6	7
-	-	-	-	5	-	-

2.6 Focus of enforcement activities

- General satisfaction was expressed with DG Competition's choice of sectors but some associations would welcome reviews of specific sub-sectors -

The views of respondents on DG Competition’s choice of sectors on which to focus its enforcement activities were broadly positive. Their views were heavily influenced by the way in which DG Competition’s activities had influenced the sectors in which they worked. Three respondents were happy with DG Competition’s focus, although two identified possible additional areas of focus. The remainder felt unable to express a strong opinion.

The industry federation, which watches over a broad range of industry sectors, considered that DG Competition is targeting the right industries and sectors, those which affect consumers the most.

Two associations welcomed DG Competition's enquiries into their sectors:

- The insurance association considered that it was ‘normal’ that DG Competition had examined their industry, in view of the size and importance of the sector. They welcomed the fact that they had looked at retail banking and business insurance.
- The small retailers association welcomed DG Competition’s investigation into retail cards.

However, both associations also made suggestions of other areas which would merit enquiries:

- The insurance association wondered why DG Competition had not yet looked at retail insurance.
- The small retailers association pointed out that, so far, DG Competition had only covered consumer cards and would like to see a similar enquiry into business cards.

None of the other respondents raised specific issues.

2.6.1 Rating: quality of economic analysis

Mean score = 4.2

DG COMP's economic analysis is very poor						DG COMP's economic analysis is very good
1	2	3	4	5	6	7
1	-	-	1	2	1	-

3 Integrity

3.1 Transparency - listening and informing in a timely manner

- The short notice given by DG Competition makes it difficult for associations to provide input in time -

A majority of the respondents discussed their dealings with DG Competition's staff, expressing primarily positive views. Only half the respondents felt able to comment on the 'timeliness' element of this question and, of these, the majority were somewhat critical of DG Competition's performance.

The main issue raised by business associations in this area was the relatively short notice they are sometimes given by DG Competition when it makes requests for information. Both the retailers associations interviewed were unhappy that they only received 'a few days notice' about the Visa hearing, giving them insufficient time to prepare a response.

"The document was sent to the defendant in April. We, the complainant, only received it in November and had less than 3 weeks to prepare everything for our defence. They said the defendant took a long time preparing a non-confidential version of the document but nevertheless that was unfair. We had been working on the case for 12 years, then only got 9 days for a reply, and that was in mid-August."

However, the large retailers association acknowledged the fact that this tight timing enabled the case to progress before the end of the Commissioner's mandate and this was viewed positively.

A similar situation was described by one of the other associations:

"We had to present eight position papers, which is a lot on one single issue. That was good but it was challenging for us. Sometimes we had just two or three days to respond."

Although the insurance association was in general satisfied with the information about timing received from DG Competition, they reported one instance about which they were unhappy:

"We called them to know when they were going to publish a report. They said in a month but it was published the next day. They contacted us 2 days later to say it had been published."

The respondent from the small retailer association reported that his association had put forward a number of suggestions relating to the issue of payment systems and had also raised some queries. He expressed

frustration that these 'relatively modest' points had not been addressed 'some years' after they were originally raised

A number of respondents commented on their experiences dealing with DG Competition's staff. These views were generally positive about the professionalism of the individuals involved. Beyond this, however, views were more varied, as illustrated in the following quotes:

"I wouldn't expect them to be open and accessible; I would expect them not to be. I think I would have an issue if they were. They are dealing with areas that are commercially sensitive."

"[My] close contacts [are] very open and accessible. We go to meetings, taking DG Competition staff with us, even to visit national organisations; they explain in their language what they are doing, what the options are."

One respondent described an evolution in his dealings with a case team.

"They were quite unfriendly, just sitting there at the meetings we requested, saying absolutely nothing. But with time they became more open-minded. I think it was due to a change in personnel."

One respondent expressed the view that there is a lack of consistency in how state aid for SMEs is viewed. National competition authorities (NCAs) say that the Commission doesn't allow them to give state aid to SMEs but the SME association does not believe this is the case. Rather, they believe that Member State authorities are not using the possibilities made available by DG Competition to assist SMEs.

A number of respondents discussed the way in which DG Competition interacted with other DGs. They recognised that there can be occasions when DG Competition's agenda can be opposed to the agendas of other DGs. In essence, the respondents felt that DG Competition needed to retain a careful balance between retaining its independence and taking into account the valid points of view of other DGs such as DG Enterprise, DG JLS and DG Markt.

3.1.1 Rating: informing in a timely manner

Mean score = 4.8

DG COMP has not at all informed me in a timely manner						DG COMP has informed me in a very timely manner
1	2	3	4	5	6	7
-	-	-	2	1	1	-

3.2 Transparency - stakeholder consultation on new rules

- Consultation is generally felt to be good, although some feel they are given insufficient notice, while others believe it is difficult to get DG Competition to take their views into account -

Almost all of the respondents felt that they were appropriately consulted by DG Competition about new rules and other issues. However, a number expressed reservations about the time DG Competition allows for stakeholders to prepare submissions and the extent to which the views put forward are taken into account.

Three of the respondents expressed concerns either about the amount of notice they receive of consultations or the time they are given to respond to specific calls for input.

"I believe the rules say they should give us at least one month, up to 2 or 3 months. Even one month is not enough and sometimes they give us less. I had to prepare a position paper, learn about the issues, consult my members, who in turn have to consult their members."

Two respondents also expressed reservations about the extent to which submissions made by stakeholders influenced the final policy.

"If you just send your comments and those comments don't support DG Competition's own interests, they will not take them into account. You need to go there and explain and, very importantly, offer them alternatives. If you just say, 'this is not possible,' they will ignore it. The other thing is to get our national members to go and convince their governments. If DG Competition hear the argument five times from different Member States, who are very crucial to them, they will listen more than one out of a thousand consultations."

One of the two respondents who criticised DG Competition in this area acknowledged that there had been an improvement in recent years. However, he also highlighted what he saw as a notable exception; the consultation about rules applying to actions for damages for breach of anti-trust rules.

Two other issues were raised in this area, in each case, by a single respondent:

- One reported hearing 'rumours' of an impact assessment about better regulations and rules and suggested that DG Competition should be more transparent about its consultation agenda, communicating more clearly to try and avoid such rumours.
- The respondent from the insurance association believed that DG Competition had been surprised not to receive more responses from

smaller, regional companies in the relevant enquiry. However, the respondent believed that he had made it clear to the enquiry team that small local insurance companies, with limited legal and linguistic skills, would refer to their national association who, in turn, refer to the European association. He felt that, in such cases, it was important that DG Competition should not conclude that local operators are not interested.

3.2.1 Rating: stakeholder consultation on new rules

Mean score = 5.5

DG COMP has not involved me at all in the creation of new rules						DG COMP has involved me very much in the creation of new rules
1	2	3	4	5	6	7
-	-	-	1	1	1	1

3.3 Observance of procedural rules

- Most are happy that rules are observed although some minor issues were raised, including insufficient notification -

The majority of respondents expressed views in relation to this question and most were positive, although only two felt able to comment from personal experience, the others were basing their comments on views expressed by members of their associations or other third parties.

Almost all the respondents expressed positive views about DG Competition’s observance of procedural rules although most also qualified their comments with some small criticisms, especially around the amount of notice they are given regarding hearings (see section 4.1 above).

In addition, the respondent from one of the business associations raised the following points:

- Regarding confidentiality of information; the respondent felt that, on occasion, this ‘left something to be desired’.
- He sees DG Competition as extremely bureaucratic but acknowledges that, to avoid misuse of regulations, a degree of bureaucracy is justified.

- He commented favourably on the progress made in procedural reforms under the last commissioner, such as quicker notification procedures.
- The same respondent expressed the view that, if staff are running out of time on a case, they simply introduce new questions to gain time, something he feels is inappropriate.

Finally, one respondent was impressed with the speed with which he received approval to attend a hearing. He was only informed about the date three days before; as an 'industry party' he had to apply to the hearing officer and was pleasantly surprised to receive approval by fax the same day.

3.4 Burden on businesses

- Sector enquiries are particularly demanding but some associations see it as their role to assist DG Competition whenever possible, in spite of complaints from their member companies -

All of the business associations expressed the view that DG Competition places a significant burden on businesses (and on business associations) with its requests for information during sector enquiries. However, views were mixed on the extent to which this burden is appropriate. Roughly half the respondents felt that DG Competition was too demanding whilst the remainder understood and recognised the need for so much information to be sought.

Two of the associations specifically acknowledged that a major part of their role was to provide and facilitate the provision of sector information to DG Competition. One respondent described the way in which, during a sector enquiry, the members of his association had complained about the burden placed on them. However, the respondent understood DG Competition's need to ask detailed questions to develop an in-depth understanding of the issues.

Amongst those who feel that DG Competition places too great a burden on businesses there were a number of specific criticisms made (each by only one or two respondents):

- The sheer volume of information requested is too great
- The data is requested in formats that do not correspond with the way companies keep data; the format required by DG Competition requires a lot of additional work
- In sector enquiries, where the companies involved 'are not accused of doing anything wrong,' the huge burden on commercial organisations is felt to be particularly inappropriate
- There is little or no evidence that DG Competition uses (or understands) the key points made in extensive submissions
- The approach adopted by DG Competition during the pharmaceutical sector enquiry was criticised for what were

perceived to be inappropriate elements; particularly the use of 'dawn raids' and the fact that the outcome appeared to be 'predetermined'.

4 Economic Effectiveness

4.1 Effectiveness of detection policy

None of the business associations felt able to comment on this issue.

4.2 Impact on the markets

- The majority see DG Competition's actions having little or no impact on markets, with one seeing its actions being extremely damaging -

All but one of the respondents felt that DG Competition's actions had not made a significant positive impact on the markets. Most felt that DG Competition's actions were either insufficient in terms of their impact or were circumvented by the affected parties. At the most extreme, it was felt DG Competition's actions had indirectly damaged industry.

Two business associations discussed the impact of the MasterCard case on the market, feeling that it had been negligible. There were a number of reasons why they felt this was the case:

- DG Competition had focussed on cross-border exchange rates but the more important issue of interchange rates within countries could not be covered since this is within the remit of the Member States
- The banks and credit card companies were felt to have circumvented the decision

"So the excellent decision had almost no impact, in terms of better prices for the retailers. The procedures are so heavy. They won another year's grace at least. DG Competition has to respect the infringement procedure, so it's not the case team's fault."

The manufacturing association is convinced that Commission's decisions on state aid have resulted in the demise of the industry sector it represents, with some companies having already gone into liquidation and the prospect of the majority of others closing 'within months'.

The respondent from the SME association highlighted two asymmetries which it was felt existed within state aid and meant that market impact was reduced in the SME sector:

- The more favourable treatment perceived to be given to large companies as opposed to small ones
- The 'preferential' treatment given to larger member states as opposed to small ones

The respondent also pointed out that if the procedure for applying for state aid is too complicated then SME's 'won't bother'. He quoted, as an

example, the situation regarding loan guarantees, which need to be notified to and cleared by the Commission and co-financed by the European Investment Fund. This procedure is felt to be too complicated and too costly.

4.2.1 Rating: impact on the markets

Mean score = 3.4

Not at all effective at creating better working competition in the markets						Very effective at creating better working competition in the markets
1	2	3	4	5	6	7
1	1	-	2	-	1	-

4.3 Timeliness of decisions

- Most feel DG Competition performs reasonably well but improving timeliness would also be welcomed -

Almost all the business associations commented on this subject and all but one expressed reasonably favourable views of DG Competition’s performance in this area.

Although most felt that DG Competition made real efforts to deliver final Commission decisions as quickly as it could, the view was expressed that it could still be quicker.

“They should definitely be quicker. Everybody says that. They should take their time to make a correct decision but should be able to streamline their internal process. My feeling is that DG Competition is very bureaucratic.”

However, the insurance association, for example expressed satisfaction with DG Competition’s efficiency on preparing the block exemption regulation and working under tight timing constraints.

There were no other specific points made in regard to this aspect.

4.3.1 Rating: timeliness of decisions

Mean score = 4.8

Commission decisions are not made in a timely manner						Commission decisions are made in a very timely manner
1	2	3	4	5	6	7
-	-	-	3	-	-	1

4.4 Ability to enforce decisions

- Most feel that DG Competition’s enforcement is good but there is felt to be room for more ‘sympathy’ for businesses with compliance programmes in place -

Just over half the respondents felt able to provide a response to this question. Those expressing an opinion were evenly split between those giving a positive view and those who were more critical.

Two business associations raised particular points in addressing this question:

- The respondent from the industry federation expressed the view that DG Competition is good at enforcing compliance but felt there should be more emphasis on ‘encouragement’ rather than enforcement. DG Competition was criticised for not taking companies’ compliance programmes into account. The apparent argument that a company behaving in an anti-competitive manner must have an ineffective programme is felt to be somewhat ‘narrow-minded’.
- The SME association noted that DG Competition had made significant moves in improving enforcement in state aid over the past five years.

“Until then nobody cared if illegal state aid was paid back or not; nobody checked. So nobody cared if they got a negative decision. The enforcement unit is now doing a good job.”

4.5 Deterrent effect of fines

- Most were unable to express a view; one felt fines were a deterrent but that other sanctions should also be available -

Most respondents had not been involved in cases where fines were imposed, so they were unable to express a point of view.

However, the respondent from the industry federation expressed the view that there should be other types of sanction available in addition to fines.

"Fines are very scary and make a lot of noise. But infringements still happen, so perhaps fines are not sufficient. I approve of disqualification of directors. Why not a combination of both?"

The industry federation understood that in the MasterCard case the potential fine for non-compliance is about 3% of global turnover. The company ceased its illegal activities, and the introduction of other new fees that it had planned, so the respondent's conclusion was that the threat of significant fines is a huge deterrent.

4.6 Response to the financial and economic crisis

- There is general praise for DG Competition's handling of the crisis but there will continue to be scrutiny of the exit strategy -

All but one of the business associations commented on DG Competition's handling of the crisis and the consistent view was that it had reacted well. However, two respondents made the point that DG Competition's work in their sectors had been adversely affected due to redeployment of resources to address the issues that arose out of the crisis and a number are waiting to see how DG Competition handles its exit strategy.

A number of respondents made specific comments about aspects of the way in which DG Competition responded to the crisis:

- Two respondents referred to the impact that DG Competition's response to the crisis had on progress in some other cases. They felt that it had been appropriate for staff to be redeployed but were pleased that staff were now returning to their previous teams.
- Two respondents referred specifically to the fact that DG Competition had worked extremely efficiently and quickly and that its approach had been 'measured but quick'.

"Within a few weeks, by mid-December, they had adopted the temporary framework for state aid and it was cleared before the end of December. Fantastic."

Half the respondents also mentioned the issue of exit strategies, following the more 'liberal' decisions that were taken during the crisis. In this instance core views were again fairly consistent. All the respondents felt that DG Competition was taking an appropriate stance in monitoring progress in the economy and in specific sectors, in order to gauge when it would be appropriate to 'harden' its stance. However, a number made it clear that this was an area where they would continue to watch DG Competition's performance very carefully.

"They had to open their rules, now they have to return to the former situation. That is the main challenge for the new Commissioner."

5 External communication

5.1 Clarity and comprehensibility of external communications

- DG Competition's communications are well perceived by the majority of respondents -

Overall the respondents from the business associations had a positive view of the clarity and comprehensibility of DG Competition's external communications.

Three of the respondents expressed specific praise for aspects of DG Competition's external communications:

- The large retailers association felt the previous Commissioner had been a very effective communicator

"Competition cases are unintelligible to people that don't have a law degree. The Commissioner and a few others have been very good, making simple some of the messages and raising the profile of the Commission. In terms of clarity, timeliness and channels the Commissioner has been quite a performer."

- The small retailers association appreciates being able to see press conferences and other speeches on the website

"Everyone can ask questions. I had several questions for one of the directors. I got an answer within a few days. The communications are good."

- The insurance association praised DG Competition's extensive communications about the block exemption regulation.

"They made a lot of noise, really creating awareness in the insurance sector about the regulation, the fact that there might be some concerns, and reminding insurers they have to comply with anti-trust regulations."

However, there were a small number of criticisms, each from a single respondent:

- The respondent from the SME association pointed out that communication about state aid was not as readily accessible as that about other instruments.

"In anti-trust you look at the statements if you want to see what is happening to one of your competitors. That's more difficult for state aid. The cases are between the Commission and the national governments. It is difficult for a company to see what is going on."

The company involved is informed by the relevant local agency but competitors hear nothing."

- One respondent described the website as 'not very easy' to use. Comparing various DG's sites, he expressed the view that the DG Competition's site was 'better' than DG Employment's but 'not as good' as DG Markt's.
- The respondent from one business association thought that web streaming on the Internet was a minority tool and was not reaching a sufficiently wide audience.
- One respondent felt that, although press releases had improved in their readability, including more concrete examples would make them easier to understand. However, he also accepted that the language used needs to be relatively technical for it to be sound and understandable for stakeholders.

5.2 Timeliness of communication

There were no issues raised about the timeliness of DG Competition's communications.

5.3 Choice of communication and media channels

- DG Competition's choice of channels is felt to be appropriate for the majority of its key audiences -

Most felt that DG Competition made good use of an appropriate mix of channels for its communications but the view was expressed that more direct access for journalists might be appropriate.

As has already been noted in section 6.1 respondents were aware of the range of channels which DG Competition employs. Most felt that the current mix catered well for its main target audiences. However, a minority expressed the view that DG Competition's current communications do not make use of the appropriate channels to access the general public, suggesting greater use of mass print media in particular (see section 6.4).

Two of the respondents mentioned the way in which DG Competition has made good use of their organisations to disseminate messages to their members. However, one of them pointed out how important it is that he receives accurate information from DG Competition. He gave the example of a document which had been promised by DG Competition 'in a month' and then arrived the next day. This was embarrassing for the association.

One respondent referred to his understanding that DG Competition's officials are not allowed to speak directly to journalists, everything having

to be channelled through the spokesperson. His view was that this was unnecessarily restrictive and left DG Competition exposed to the risk that its Spokesperson, who is not believed to be a competition specialist, may not always be accurate in his messages.

5.4 Targeting of communications

- Communications are felt to be appropriately targeted but there is more opportunity to communicate with the general public -

Most feel that DG Competition is providing suitably targeted communications to its key stakeholder audiences but that it is not providing suitable communications for the general public.

Views on the extent to which DG Competition should be targeting communications to the general public varied. Three respondents expressed views, each from a different perspective:

- One felt that, since the general public has limited interest in competition issues, DG Competition's targeting of communications is adequate at present.
- A second respondent thought the language DG Competition currently uses is suitably targeted at the interested parties. As a result, he felt that a member of the general public interested in a particular area would be able to find something useful on the website.
- The third respondent (who was from the UK) felt that there should be more coverage of competition issues in the general press.

"There are newspapers in between the FT and the Sun who should be interested."

5.5 Promotion of competition culture

- DG Competition and, in particular, the previous Commissioner were praised for promoting competition culture but some feel still more could be done -

All the respondents expressed views on this issue and all but one of them indicated that they felt DG Competition was doing a good job in this area.

Three respondents made specific reference to the positive way in which they felt the previous Commissioner had put competition policy at the top of the political agenda. It was felt that she had succeeded in making competition culture more accessible and she was praised for the consistent line she took and the clarity of her overall objectives.

"[She was] very good at communicating the effects of decisions on ordinary people, rather than the legal jargon; good at communicating in a language people can understand."

The view was expressed by one respondent that other senior staff at DG Competition should be communicating about competition culture in similar ways.

A number of respondents also identified ways in which they felt competition culture should be promoted more widely:

- One would like to see DG Competition promoting more 'balanced' competition; talking more about smaller companies and smaller countries.
- Another would like to see more being done at the national level (both with companies and competition authorities), citing as an example of the type of imitative he would like to see the handbook explaining state aid to SMEs.

5.5.1 Rating: promotion of competition culture

Mean score = 5.4

DG COMP's activities promoting competition culture are very poor quality						DG COMP's activities promoting competition culture are very good quality
1	2	3	4	5	6	7
-	-	-	1	1	3	-