

EU citizens' perceptions about competition policy

Summary

Fieldwork: November 2009

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

This document does not represent the point of view of the European Commission. The interpretations and opinions contained in it are solely those of the authors.

Flash EB Series #264

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Survey conducted by The Gallup Organization,
Hungary upon the request of
Directorate General for Competition



Coordinated by Directorate General for
Communication

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THE GALLUP ORGANIZATION

Table of Contents

Introduction	4
1. Perceptions about competition policy	7
2. Information about competition policy	11
2.1 Have EU citizens recently heard about competition policy?.....	11
2.2 The need to be better informed about competition policy	11
3. Perceptions about a lack of competition in various sectors	13
3.1 Sectors characterised by a lack of competition.....	13
3.2 Main problems in sectors with a lack of competition.....	15

Introduction

The current Flash Eurobarometer *EU citizens' perceptions about competition policy* (N° 264) was requested by the European Commission's DG Competition. Its objective was to measure EU citizens' perceptions about EU competition policy and their views about a possible lack of competition in certain important sectors.

In detail, the survey examined EU citizens':

- perceptions about the advantages of competition between companies,
- positions about various aspects of competition policy,
- awareness about competition topics and the perceived need for information,
- views about a lack of competition in certain sectors (e.g. energy and transport), and
- opinions about the main problems in sectors thought to have a lack of competition.

The survey's fieldwork was carried out between 16 and 20 November 2009. Over 25,000 randomly selected citizens aged 15 years and over were interviewed in the 27 EU Member States. Interviews were predominantly carried out via fixed-line telephone, reaching ca. 1,000 EU citizens in each country (in Cyprus, Luxembourg and Malta the targeted size was 500). To correct for sampling disparities, a post-stratification weighting of the results was implemented, based on key socio-demographic variables.

Please note that due to rounding, the percentages shown in the charts and tables do not always exactly add up to the totals: a) mentioned in the text, and b) within some of the charts.

Main Findings

Perceptions about competition policy

- Citizens in all Member States were in agreement that competition between companies could lead to better prices and/or more choice for consumers: the level of agreement about the possibility of “better prices” ranged from 62% in Hungary to 92% in Ireland and Cyprus, and for “more choice” from 65% in Belgium to 92% in Ireland and Cyprus.
- A large majority of interviewees in almost all Member States also agreed that competition policy should prohibit agreements on prices between companies. In just five countries, more than a quarter of respondents doubted that price agreements should be prohibited: Malta (36%), Spain (29%), Ireland (27%), Luxembourg and Greece (both 26%).
- There was considerable variation in EU citizens' perceptions about competition policy across Member States. For almost all statements, the proportion of respondents who gave a “don't know” response or who did not consider themselves qualified to answer was the highest in Belgium. The proportion of respondents who did not reply was, however, also high in Bulgaria, Lithuania and Romania.
- Men, respondents aged between 25 and 54 and those with a higher level of education were most likely to agree that competition between companies delivered benefits. Women, the over 54 year-olds, those with the lowest level of education and non-working respondents, on the other hand, were consistently more likely to give a “don't know” or a “not qualified” response.

Information about competition policy

- In a majority of EU Member States, at least half of interviewees answered that they had heard or read about competition between companies via the media in the last year – Germany and Finland led the way: in these countries, 80%-81% of respondents had heard or read about the topic.
- Slightly more than 4 in 10 EU citizens selected “state aid control” as an area of competition policy about which they would like to be better informed. In most Member States, all other policy areas listed in the survey were selected by smaller proportions.
- The proportion of respondents who answered that they were already sufficiently informed about each of the areas of competition policy remained below 5% in almost all Member States.
- Bulgarian, Slovak, Polish and Estonian citizens most frequently answered that they were not interested in becoming more informed about competition policy (25%-27%). In Ireland, the UK and Malta, on the other hand, less than 1 in 20 respondents gave a similar answer (1%-4%).
- Respondents aged between 40 and 54, those with the highest level of education, employees and self-employed respondents were more likely than their counterparts to express a need for information about each of the competition policy areas listed in the survey.
- Respondents with the highest level of education, employees and the self-employed most frequently said they had read or heard about competition topics in the media during the last year (between 66% and 70%).

Sectors characterised by a lack of competition

- When EU citizens were asked in which sectors a lack of competition – in terms of prices and product choice – was causing the most problems for consumers, 44% chose the energy sector (gas and electricity). All other sectors were selected by half as many – or less – respondents.
- In 25 of the 27 Member States, the largest proportion of interviewees selected the energy sector as the one where consumers had the most problems because of a lack of competition. Nonetheless, a large variation was observed in the proportion of respondents that chose this sector: in Latvia and Malta, more than two-thirds of respondents listed the energy sector, while in Italy, just a fifth made that choice.
- The pharmaceutical product sector was seen to be suffering from a lack of competition by 25% of respondents, 21% mentioned “telecommunications and Internet”, 19% referred to transport services, 18% named financial services and 16% cited food distribution.
- The “telecommunications and Internet” sector was most frequently selected by young people as the one where a lack of competition was causing problems for consumers: 26% of 15-24 year-olds chose this sector, but this proportion decreased to 17% for over 54 year-olds.
- The main competition problem – according to EU citizens – across all sectors and across all countries – was that prices were too high: between 74% and 80% were of that opinion. Roughly half of respondents, or less, mentioned one of the other problems (e.g. difficulties in changing suppliers, unsatisfactory quality).
- Respondents with the lowest level of education were each time more likely than their more educated counterparts to identify (too) high prices as the main problem, while the latter were each time more likely to mention another type of problem.

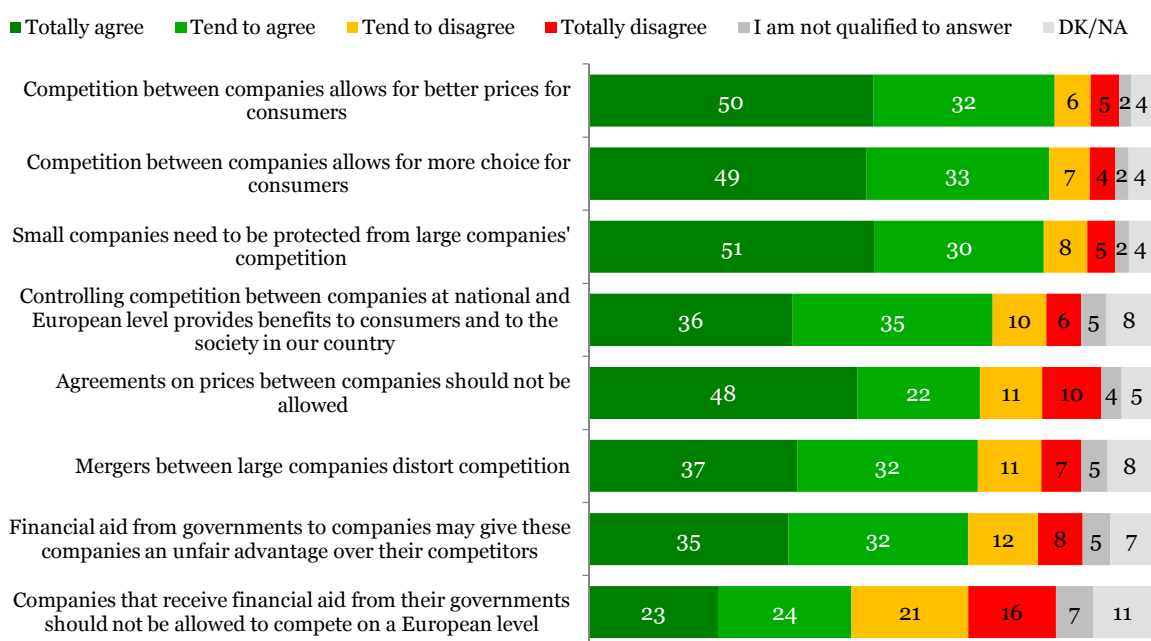
1. Perceptions about competition policy

More than 8 in 10 (82%) respondents agreed that competition between companies could lead to **better prices for consumers** and the same proportion (82%) thought that such competition would give **more choice** to consumers.

About 8 in 10 (81%) EU citizens agreed that **small companies needed to be protected** from large companies' competition. Seven in 10 respondents also thought that companies should not be allowed to make **agreements on prices between themselves**.

Roughly two-thirds (67%) of the respondents agreed that companies that received **financial aid from governments** might have an **unfair advantage** over their competitors.

Perceptions about competition between companies and competition policy



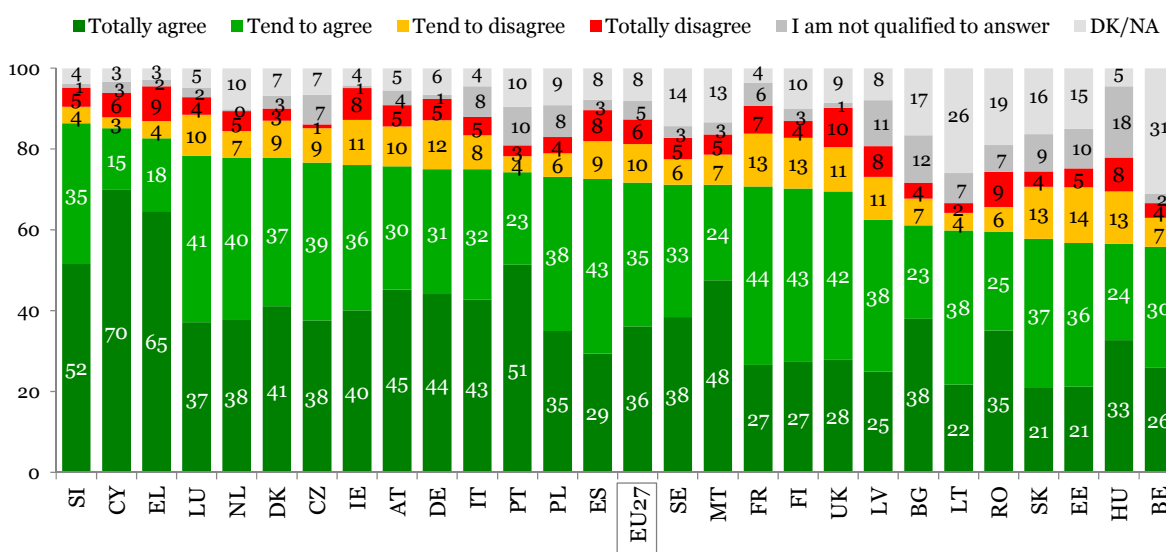
Q1. For each of the following statements, please tell me whether you totally agree, tend to agree, tend to disagree or totally disagree:
Base: all respondents, % EU27

Citizens in all Member States were in agreement that competition between companies could lead to better prices and/or more choice for consumers: the overall level of agreement (i.e. the sum of “totally agree” and “tend to agree” responses) about the possibility of “better prices” ranged from 62% in Hungary to 92% in Ireland and Cyprus, and for “more choice” from 65% in Belgium to 92% in Ireland and Cyprus.

In Slovenia, Cyprus and Greece, more than 8 in 10 respondents agreed that safeguarding competition between companies at national and European levels would benefit consumers and society (between 83% and 87%). The overall level of agreement, however, decreased to less than 60% in Belgium, Hungary, Estonia and Slovakia (between 56% and 58%).

Although limited variation was seen across Member States in the overall level of agreement for the above-mentioned statements, a large variation was observed in the proportion of respondents who expressed strong agreement. For example, the proportion of respondents who *totally agreed* that safeguarding competition between companies at national and European levels would benefit consumers and society ranged from 21% in Slovakia and Estonia to 70% in Cyprus.

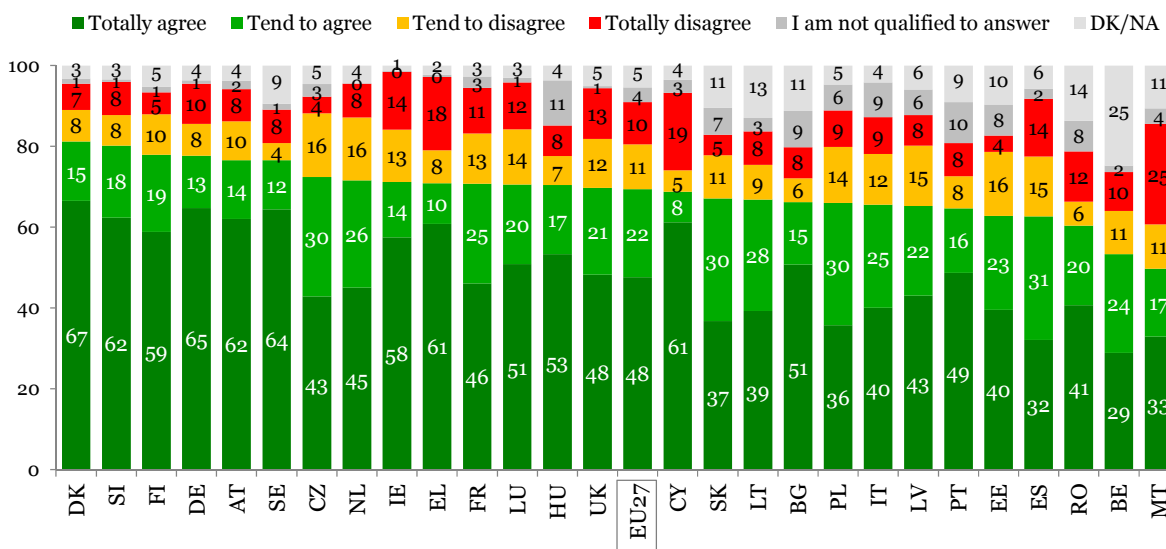
Controlling competition between companies at national and European level provides benefits to consumers and to the society in our country



Q1. For each of the following statements, please tell me whether you totally agree, tend to agree, tend to disagree or totally disagree:
Base: all respondents, % by country

A large majority of interviewees in almost all Member States also agreed that competition policy should give protection to small companies and should prohibit agreements on prices between companies. In just five countries, more than a quarter of respondents doubted that price agreements should be prohibited: Malta (36%), Spain (29%), Ireland (27%), Luxembourg and Greece (both 26%).

Agreements on prices between companies should not be allowed

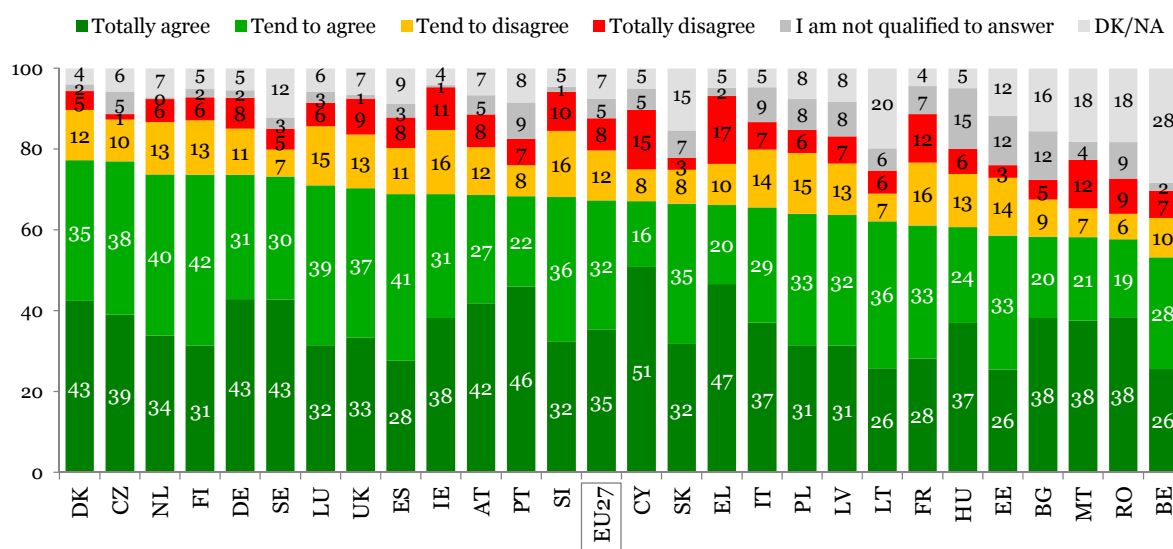


Q1. For each of the following statements, please tell me whether you totally agree, tend to agree, tend to disagree or totally disagree:
Base: all respondents, % by country

The overall level of agreement for the statement that mergers between large companies distorted competition ranged from about half of respondents in Romania (49%) to more than three-quarters in Austria, Sweden and Slovenia (between 76% and 80%).

Similarly, in all Member States, at least half of interviewees thought that companies that received financial aid from governments might have an unfair advantage over their competitors. Respondents in Slovenia, Ireland, Greece and France were the most likely to doubt whether state aid would give companies an unfair advantage compared to their competitors: more than a quarter of respondents disagreed with this statement (26%-28%).

Financial aid from governments to companies may give these companies an unfair advantage over their competitors



Q1. For each of the following statements, please tell me whether you totally agree, tend to agree, tend to disagree or totally disagree:

Base: all respondents, % by country

For almost all statements, the proportion of respondents who gave a “don’t know” response or who did not consider themselves qualified to answer was the highest in Belgium, followed by Bulgaria, Lithuania and Romania. For example, for the above-mentioned statement, 30% of Belgians, 28% of Bulgarians, 27% of Romanians and 26% of Lithuanians did not respond.

Socio-demographic considerations

Men, respondents aged between 25 and 54 and those with a higher level of education were most likely to agree that competition between companies delivered benefits. Nonetheless, these differences across socio-demographic groups were smaller than the ones observed when comparing opinions across Member States. For example, three-quarters of 25-54 year-olds agreed with the last-named statement, compared to 67% of over 54s and 70% of 15-24 year-olds. In other words, across all age groups, approximately 7 in 10 respondents shared that same opinion.

The above-mentioned respondents were also more likely to agree that mergers between large companies might distort competition, that price agreements between companies should be prohibited and that companies that received state aid might have an unfair advantage over their competitors.

The over 54 year-olds, those with the lowest level of education and non-working respondents were consistently more likely to give a “don’t know” or “not qualified” response. For example, 22% of non-working respondents did not say whether they agreed or disagreed that companies that received state aid should not be allowed to compete on a European level, compared to 12%-13% of working respondents.

Perceptions about competition between companies and competition policy

(% “totally agree” and “tend to agree”)

	Competition between companies allows for better prices for consumers	Competition between companies allows for more choice for consumers	Small companies need to be protected from large companies' competition	Controlling competition between companies at national and European level provides benefits to consumers and to society	Agreements on prices between companies should not be allowed	Mergers between large companies distort competition	Financial aid from governments to companies may give these companies an unfair advantage over their competitors	Companies that receive financial aid from their governments should not be allowed to compete on a European level
EU27	83	82	81	72	69	69	67	47
SEX								
Male	85	84	79	75	75	73	72	49
Female	81	80	82	69	64	66	63	44
AGE								
15 - 24	84	81	77	70	60	65	63	40
25 - 39	87	85	83	75	72	71	69	47
40 - 54	84	84	82	76	74	74	72	49
55 +	79	78	81	67	69	66	65	48
EDUCATION (end of)								
Until 15 years of age	76	76	81	64	61	61	59	46
16 - 20	83	83	84	73	71	70	68	50
20 +	86	85	78	76	77	75	73	45
Still in education	84	80	76	70	60	64	64	38
URBANISATION								
Metropolitan	84	84	80	74	73	72	67	47
Urban	83	82	81	72	69	69	68	48
Rural	83	81	81	71	69	69	67	45
OCCUPATION								
Self-employed	86	84	81	74	71	74	74	47
Employee	86	86	81	77	75	75	71	46
Manual worker	84	83	82	73	72	71	68	54
Not working	80	78	80	68	65	65	64	46

Q1. For each of the following statements, please tell me whether you totally agree, tend to agree, tend to disagree or totally disagree:

Base: all respondents, % “totally agree and tend to agree” by socio-demographics

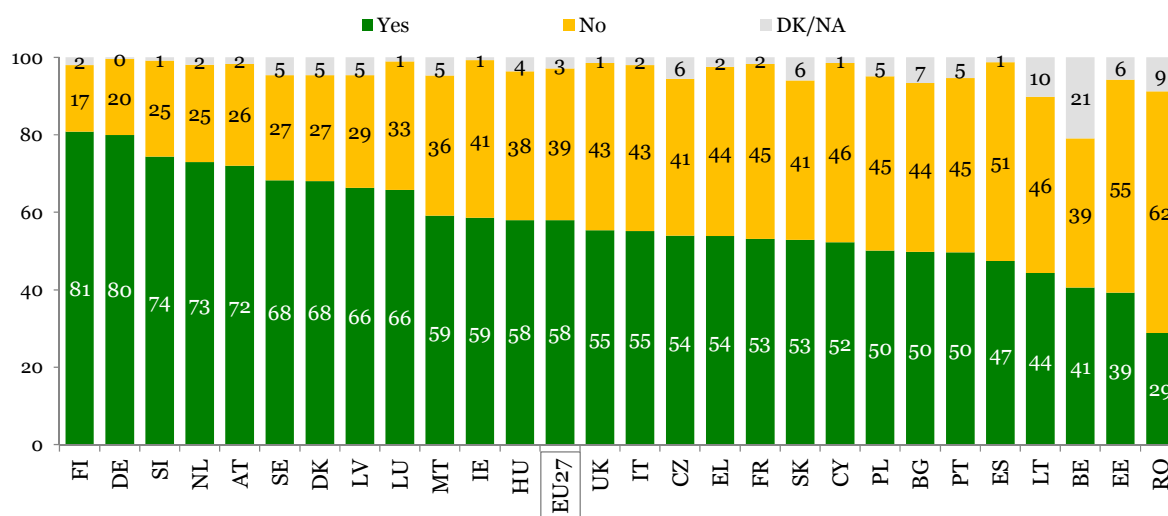
2. Information about competition policy

2.1 Have EU citizens recently heard about competition policy?

In a majority of EU Member States (22 out of 27), at least half of the interviewees had heard about competition between companies in the media in the last year – Germany and Finland led the way: in these countries, 80%-81% of respondents had heard or read about the topic.

Respondents with the highest level of education, employees and the self-employed most frequently answered that they had read or heard about competition topics in the media in the last year (between 66% and 70% – compared to 44% of the least educated respondents and 50% of manual workers).

Have respondents heard or read about competition in the media in the last year?

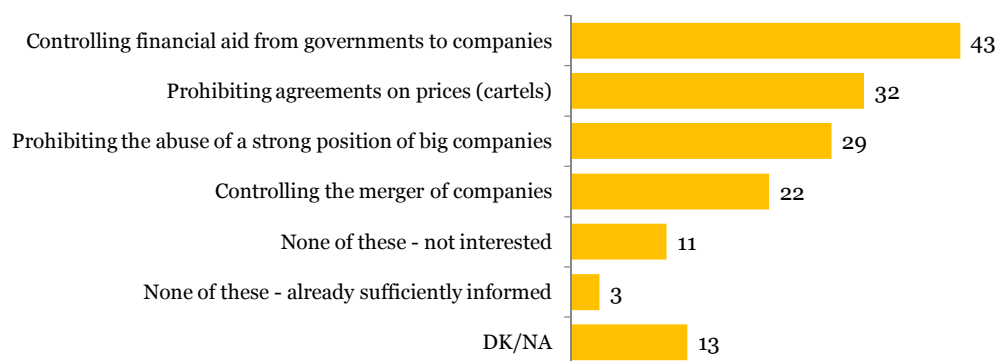


Q2. Concerning the issues that we just discussed, have you heard or read in the media (TV, radio, Internet, press, etc.) about competition in the last year?
Base: all respondents, % by country

2.2 The need to be better informed about competition policy

Slightly more than 4 in 10 (43%) EU citizens selected **state aid control** as an area of competition policy about which they would like to be better informed. A considerable number of respondents also expressed the need for information about the **prohibition of agreements among cartel members** to fix prices (32%) or about **big companies abusing their strong position** (29%). Finally, 22% of interviewees would like to learn more about how **mergers between companies** were controlled in competition policy.

Areas of competition policy where respondents feel the need to be better informed

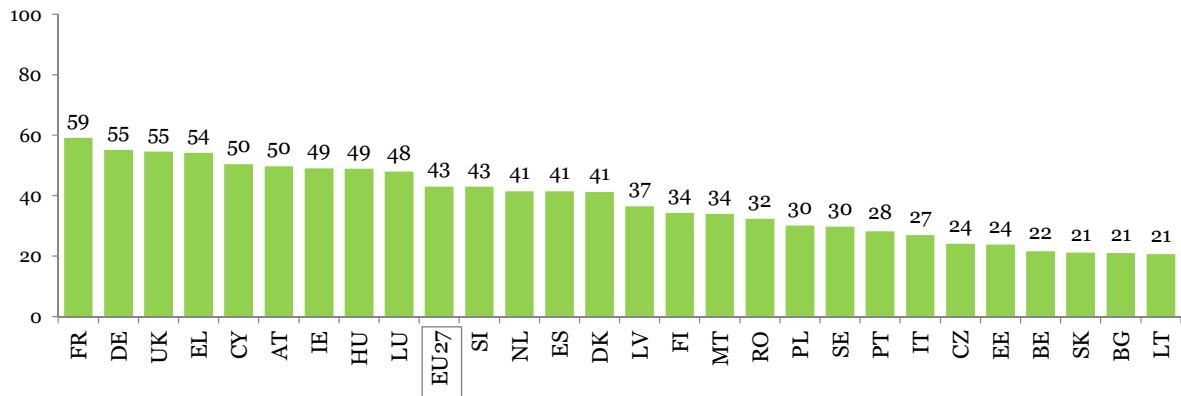


Q6. On which field of competition policy do you feel the need to be better informed?
Base: all respondents, % EU27

The proportion of respondents who would like to learn more about the control of financial aid from governments to companies ranged from about a fifth in Lithuania, Bulgaria, Slovakia and Belgium (21%-22%) to a majority in Greece, the UK, Germany and France (between 54% and 59%). In most Member States, compared to “state aid control”, all other policy areas listed in the survey were selected by smaller proportions of respondents.

Respondents feel the need to be better informed about:

Controlling financial aid from governments to companies



Q6. On which field of competition policy do you feel the need to be better informed?

Base: all respondents, % by country

The proportion of respondents who felt they were already sufficiently informed about each of the areas of competition policy remained below 5% in almost all Member States. Bulgarian, Slovak, Polish and Estonian citizens, most frequently answered that they were not interested in becoming more informed about competition policy (25%-27%).

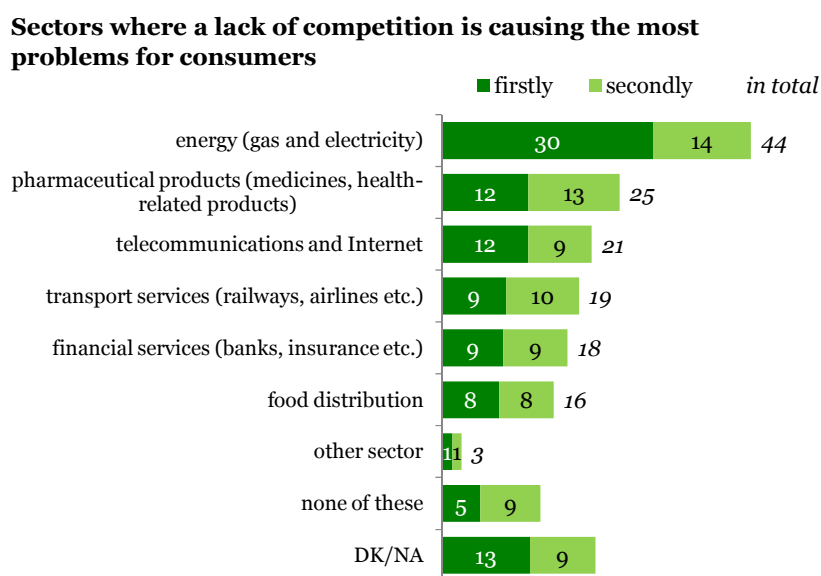
Respondents aged between 40 and 54, those with the highest level of education, employees and self-employed respondents were more likely than their counterparts to express a need for information about each of the competition policy areas listed in the survey. For example, almost half of the most educated respondents felt the need to be more informed about how competition policy could control financial aid from governments to companies, compared to just above a third of respondents with the lowest level of education.

3. Perceptions about a lack of competition in various sectors

3.1 Sectors characterised by a lack of competition

When EU citizens were asked in which sectors a lack of competition – in terms of prices and product choice – was causing the most problems for consumers, 44% chose the energy sector (gas and electricity). In half of the Member States, a majority of respondents nominated this sector (between 51% and 69%).

The pharmaceutical product sector was seen to be suffering from a lack of competition by 25% of respondents, 21% mentioned “telecommunications and Internet”, 19% referred to transport services, 18% cited financial services and 16% named food distribution.



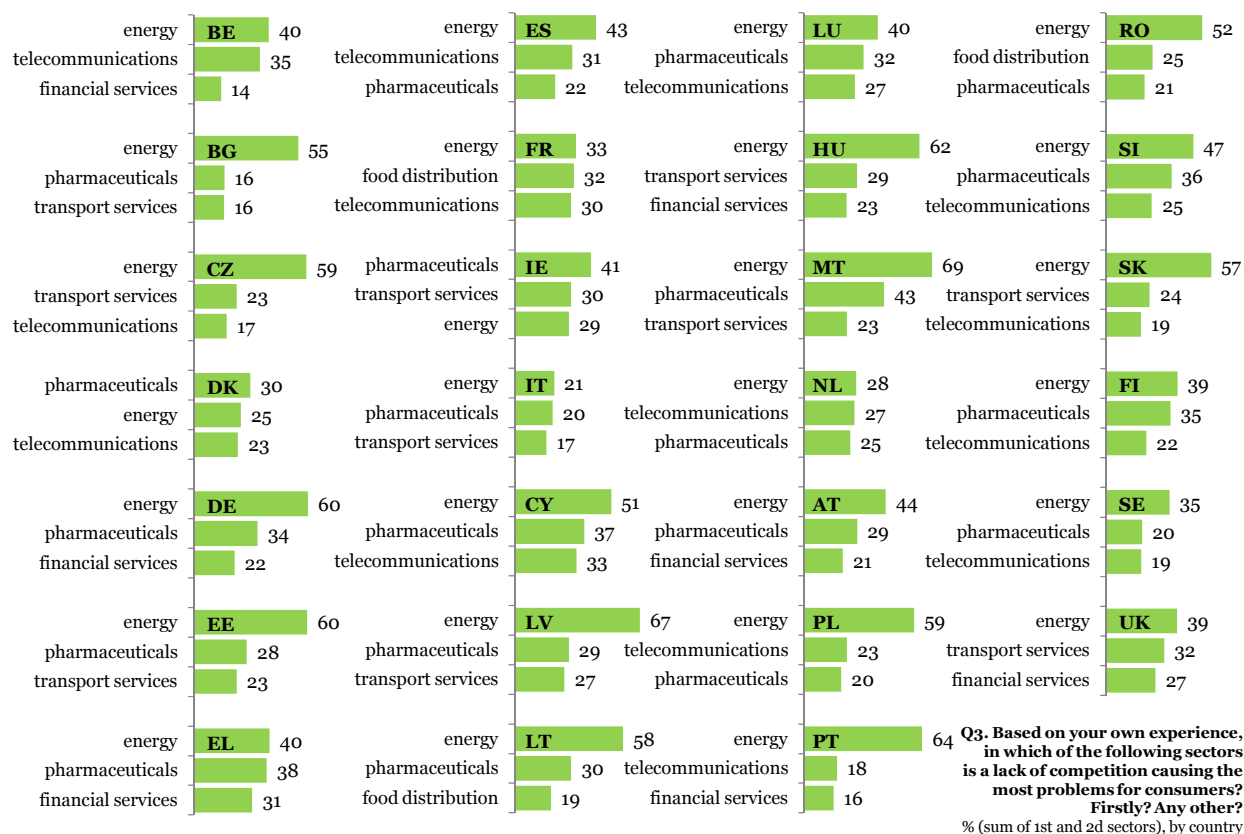
Q3. Based on your own experience, in which of the following sectors is a lack of competition, in prices and product choice, causing the most problems for consumers? Firstly? Any other?
Base: all respondents, % EU27

In all Member States (except Ireland and Denmark), the largest proportion of interviewees selected the **energy sector** as the one where consumers had the most problems because of a lack of competition. Nonetheless, a large variation was observed in the proportion of respondents who selected this answer. In Latvia and Malta, more than two-thirds of respondents listed this sector (67%-69%), while in Italy, not more than a fifth did so (21%).

In Ireland and Denmark, the largest proportion of respondents selected the **pharmaceutical product sector** as the one where a lack of competition was causing problems in terms of pricing and product choice for consumers (41% and 30%, respectively). The pharmaceutical product sector also appeared in the top three in 19 other Member States.

The “**telecommunications and Internet**” sector appeared in the top three of the most mentioned sectors in 14 Member States without ever being selected by the largest proportion of respondents; 35% of Belgians and 33% of Cypriots selected this sector. Similar results were obtained for **transport**, which appeared among the most mentioned sectors in 10 countries, and for **financial products**, which appeared in the top three in seven countries. Finally, **food distribution** appeared among the most mentioned sectors in just three countries: Romania (25%), Lithuania (30%) and France (32%).

Sectors where a lack of competition is causing the most problems for consumers (most mentioned sectors)



The “telecommunications and Internet” sector was most frequently selected by young people as one where a lack of competition was causing problems for consumers: 26% of 15-24 year-olds chose this sector (*either as a first or second selection*), but this proportion decreased to 17% for over 54 year-olds.

Other differences across age groups were noted: the energy sector was most frequently selected by 25-54 year-olds (48% vs. 36%-41% of other age groups), the financial services sector by 40-54 year-olds (21% vs. 15%-17% of other age groups), the transport sector by 15-39 year olds (25%-26% vs. 13%-19% of older respondents) and the pharmaceutical product sector by those respondents aged 40 and over (27%-28% vs. 21%-23% of younger respondents).

The over 54 year-olds, respondents with the lowest levels of education and non-working respondents were most likely to give a “don’t know” response when asked to list a first or second sector with competition problems (between 26% and 33%).

Five percent of EU citizens said there was **not a lack of competition in the listed sectors** or that, based on their own experiences, **a lack of competition was not causing any problems** for consumers. Another 9% listed just one sector as problematic but said that there were no problems in any of the other sectors listed in the survey. In Italy, the Netherlands and Denmark, more than a fifth of respondents gave similar responses – i.e. that there were no problems at all, or the problems occurred in just one sector (30%, 25% and 21%, respectively).

3.2 Main problems in sectors with a lack of competition

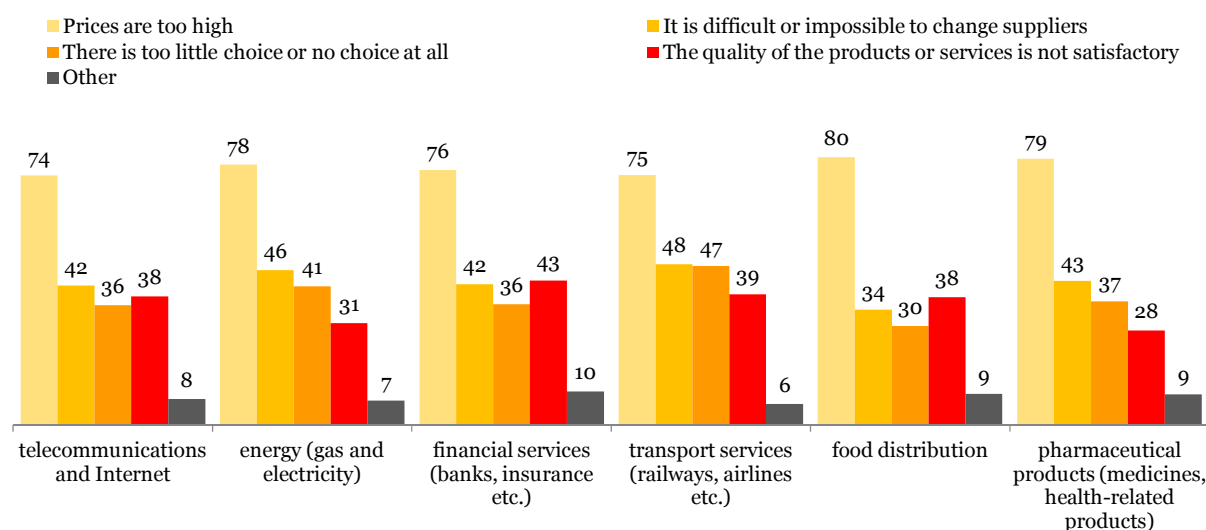
Across all sectors, respondents – who had experienced a lack of competition in that sector – were most likely to identify **prices that were too high**: between 74% and 80% mentioned that problem. Roughly half of respondents, or less, mentioned another problem.

For each sector listed (except for food distribution), more than 40% of respondents – who identified the sector as one with a lack of competition – answered that the main issue was that it was **difficult or impossible to change supplier**: between 42% and 48% mentioned that problem.

For the food distribution sector, 38% of respondents identified **unsatisfactory quality of products or services** as the main competition problem – a figure similar to results for the “telecommunications and Internet” (38%), transport services (39%) and financial services (43%) sectors.

Almost half (47%) of respondents who thought there was a lack of competition in the transport services sector selected “**too little choice or no choice at all**” as the main problem. The corresponding proportions for other sectors with a lack of competition were lower and ranged from 30% to 41%.

Main problems in sectors with a lack of competition



Q4. You just said that in the following sector companies are not sufficiently competing with each other [insert first answer of Q3]. What is the main problem in that sector?
Q5. You just said that in the following sector companies are not sufficiently competing with each other [insert second answer of Q3]. What is the main problem?

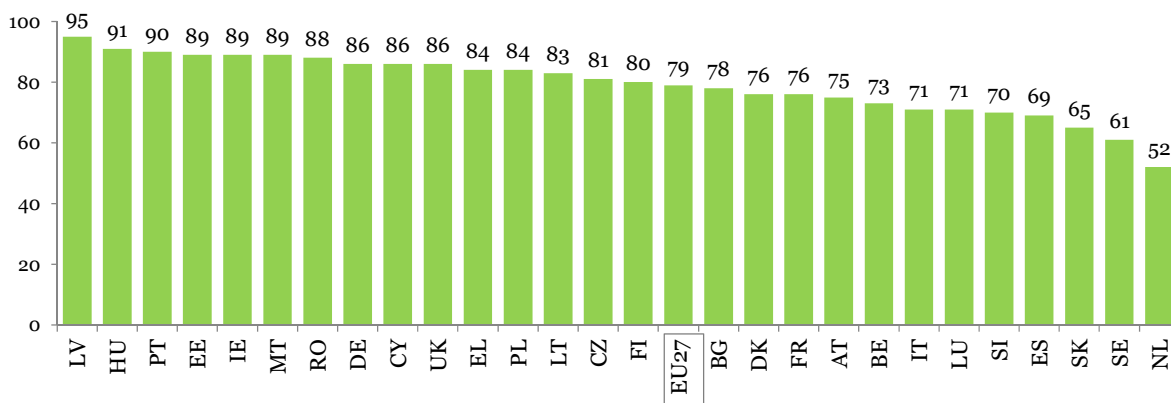
Base: all respondents, % EU27 by sectors

Across all sectors, and across all countries, respondents – who had experienced a lack of competition in a specific sector – were most likely to identify prices that were too high as their main concern. Differences were, nevertheless, seen in the proportions of respondents in each country who selected this response.

For example, in more than half of the Member States (15 out of 27), at least 8 in 10 respondents – who had experienced a lack of competition in the pharmaceutical product sector (medicines, health-related products) – identified high prices as the main problem. The Netherlands stood out from the pack with just 52% of respondents who selected this response.

Main problems in the pharmaceutical product sector:

Prices are too high



Q4. You just said that in the following sector companies are not sufficiently competing with each other [insert first answer of Q3]. What is the main problem in that sector?

Q5. You just said that in the following sector companies are not sufficiently competing with each other [insert second answer of Q3]. What is the main problem?

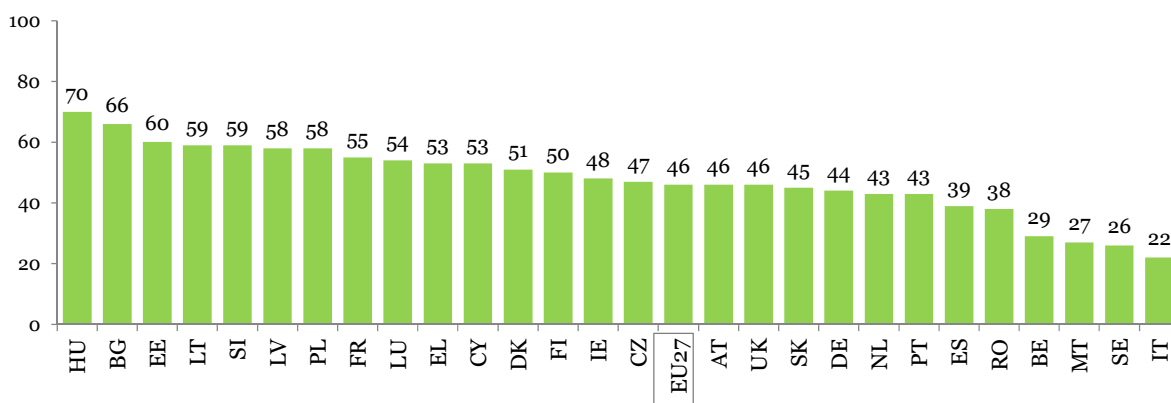
Base: all respondents, % by country

A large variation across countries was also observed for the other response options. For example, while just 15% of Lithuanians said the main problem in the transport sector was the unsatisfactory quality of products and services, this proportion was more than four times higher in Hungary (65%).

Similarly, the proportion of respondents that saw the main problem as being the difficulty or impossibility of changing supplier in the energy sector ranged from less than 3 in 10 respondents in Italy, Sweden, Malta and Belgium (between 22% and 29%) to two-thirds or more in Bulgaria and Hungary (66% and 70%, respectively).

Main problems in the energy sector (gas and electricity):

It is difficult or impossible to change suppliers



Q4. You just said that in the following sector companies are not sufficiently competing with each other [insert first answer of Q3]. What is the main problem in that sector?

Q5. You just said that in the following sector companies are not sufficiently competing with each other [insert second answer of Q3]. What is the main problem?

Base: all respondents, % by country

A more detailed look at the proportion of respondents who mentioned other problems than the ones listed showed that, for each of the sectors, Danish respondents were the most likely to say that some “other” issue was the main problem. For example, 20% of Danes selected this response when answering about the food distribution sector and 32% did so for the financial services sector.

Across all sectors and **socio-demographic groups**, respondents – who had experienced a lack of competition in a specific sector – were most likely to identify the main problem as being prices that were too high. Differences were, nevertheless, seen in the proportions of respondents in each socio-demographic segment who selected this problem.

For example, among respondents who thought there was a lack of competition in the food distribution sector, an analysis of the respondents' occupational status showed that manual workers were the most likely to say that prices were too high (88%) and the self-employed were the least likely to do so (74%).

The data did not reveal many consistent patterns when comparing the answers of the different socio-demographic groups for each sector. Nonetheless, it did appear that respondents with the lowest level of education were each time more likely than those with a higher level to identify (too) high prices as the main problem, while the latter were each time more likely to mention any other type of problem.

For example, 85% of the least-educated respondents mentioned high prices in the energy sector, compared to 74% of respondents with the highest level of education. However, about a third of the latter found it difficult to change suppliers (53% vs. 40% of those with the lowest level of education), just under half said there was not enough choice (47% vs. 31%) and just over half were not satisfied with the quality of products and services (34% vs. 27%).