

Wide Perspectives and Ravines of Competition Policy

“The toppest brass
Sat down to meet
And pondered long;
Topographers
Lined paper black
But all forgot
The deep ravine
They had to cross!”
L.N.Tolstoy

Abstract

The goals of competition policy have been a subject of debate almost since its inception. On the formal plane the articulated goals of competition policy matter since they provide overall aim for different agencies to collaborate on and for their principals to evaluate their progress. It seems that competition agencies in developing countries are tasked with a wider range of goals than their counterparts in developed countries due to specific traits of their economic and institutional environment. Goal complementarity, path-dependence, comparative efficiency of other government agencies and market characteristics specific to developing countries might make antitrust instruments more effective and efficient in dealing with problems that are not strictly antitrust-related. However, no goals are 100% complementary, and can sometimes come into conflict. The mechanisms chosen to prioritize the goals can influence the outcome for competition and social and consumer welfare. The FAS Russia is a multifunctional authority with a growing set of goals, which means that its prioritization mechanisms need special attention and special provisions to make its decision process more transparent. Additionally, even if the goals are conventional, they can be misinterpreted in the course of implementing competition policy. The paper examines Russia’s recent National Plan on the Development of Competition in the Russian Federation for 2018-2020 and some of the goals postulated there to show how they correspond - or don’t - to the theory of industrial organization and the principles of law and economics. The main object of criticism is the goal of attaining no less than 3 competing entities in each industry, no less than one of which need to be private-owned. The paper shows how this goal can distort incentives and enforcement depending on the definition of industry and the specific measures chosen for its attainment. A similar analysis is done on the recent Report on regional development of competition in its section on cartels that shows how the indicators chosen by the FAS Russia to evaluate its cartel policy can shift the emphasis of enforcement, lead to enforcement errors and distort the incentives of the authority itself as well as economic entities.

Key words: goals of antitrust, goals of competition policy, industrial policy, cartel policy
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