# REBALANCING EUROPE

## A new economic agenda for tackling monopoly power

APRIL 2024

# INTRODUCTION

## In June, millions of Europeans will be called upon to vote in elections that will determine the course and character of European democracy for years to come.

2024 is no ordinary year. Europeans face a constellation of crises that threaten the very peace and harmony our Union was established to defend. War rages on our Eastern border, climate change is disrupting the natural world on which we depend, tech monopolies are destabilising our democracies, and inflation is driving citizens into distress and increasingly into the streets.

These crises are fertile soil for demagogues that question the fundamental ideals of European democracy. They exploit the disinformation and manipulation machines built by tech monopolies to reach people with false stories about who, and what, is to blame for their troubles.

The signatories of this manifesto have a different vision. We believe European democracy can be protected and strengthened by tackling a critical task that has so far been overlooked: tackling the extreme concentrations of economic power and control that have caused or aggravated nearly every crisis Europe now faces.[1]

For too long, the EU hesitated as a handful of powerful corporations gained strangleholds over the very heart of our economic life: our core communications and commercial technologies, essential goods, and critical supply chains. Hundreds of major corporate mergers went unchallenged, leading to serious and growing corporate concentration.[2]

This concentration has severely weakened Europe's power to provide for its citizens and defend their rights and freedoms. It has made us dependent on unaccountable, even hostile, corporate and state actors. Many of our critical industries – such as finance, energy, transportation, and pharmaceuticals – are controlled by a few giants.[3] This harms Europe's entrepreneurs, small businesses, workers and consumers; the EU now struggles to innovate, prosper, and deliver for its citizens.

Change is coming. Both the European Parliament and Commission have started to target monopolistic abuse by corporations that dominate the digital marketplace and public square, most notably through

[1] See, e.g. Jan Eeckhout, 'The Profit Paradox | Princeton University Press', 6 January 2021.

[2] Brianna Rock, 'Merger Intervention Rates in the EU', 17 January 2024, https://hertieschool-f4e6.kxcdn.com/fileadmin/2_Research/2_Research_directory/Research_Centres/Centre_for_Digital_Governance/5_Papers/Student_publications/Student_working_paper_series/2024_Rock_Merger_intervention_rates_in_the_EU__final_.pdf.

[3] Research by the European Commission and others shows that in recent decades Europe has experienced both rising average levels of industry concentration and growth in the share of high-concentration industries in the economy, with the technology and communications sectors chief among these. See, for instance, Gabor Koltay and Szabolcs Lorincz, 'Industry Concentration and Competition Policy', Competition policy brief, Issue 2021/02, November 2021, https://competition-policy.ec.europa.eu/system/files/2021-12/Competition%20Policy%20Brief%202-2021_Industry%20concentration%20and%20competition%20policy.pdf.

the landmark Digital Markets Act. Meanwhile, recent EU initiatives to strengthen supply chain resilience and industrial capacity, including the Chips Act, promise to reduce Europe's dependence on manufacturing chokepoints.

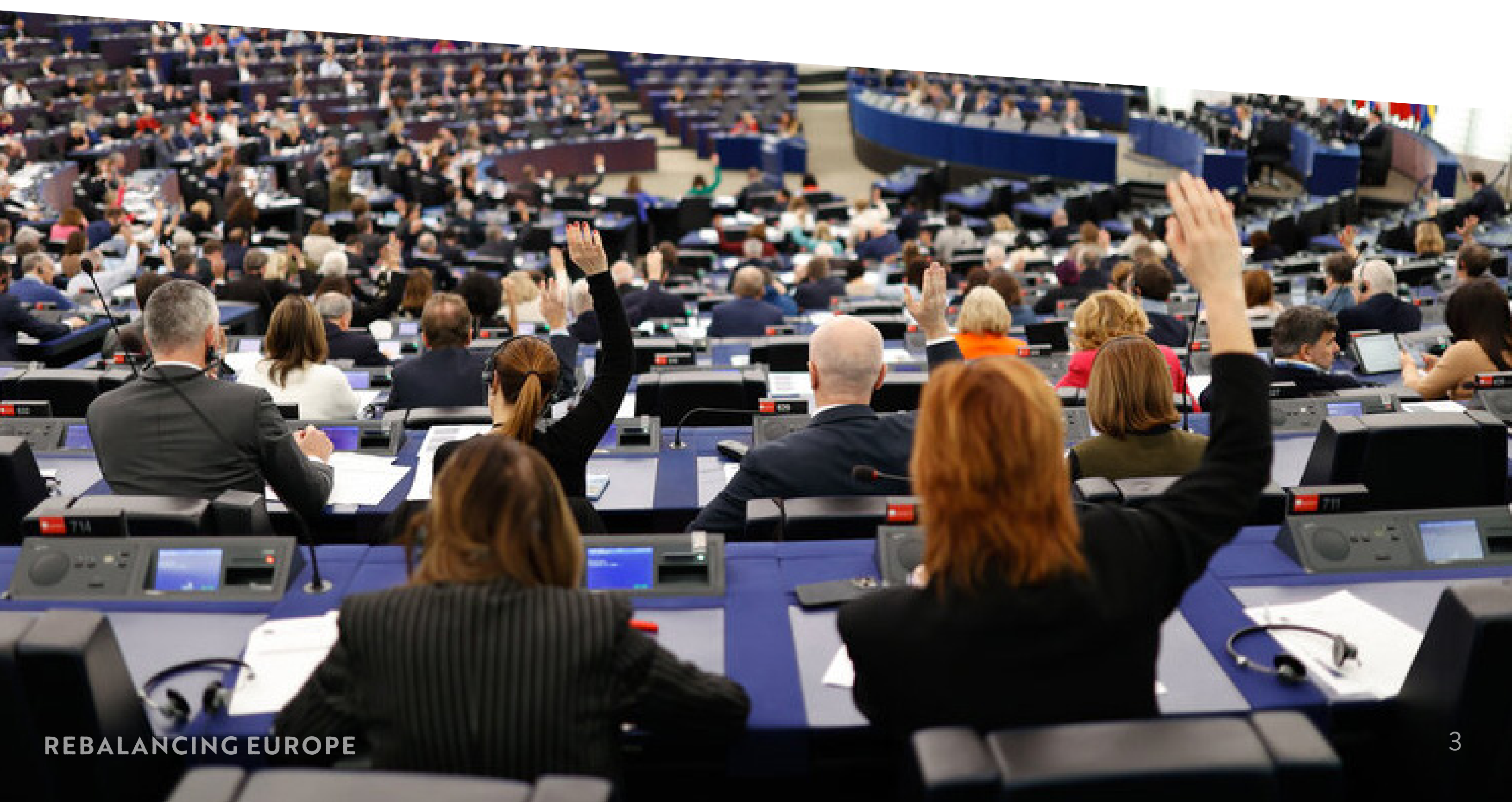
But these recent measures don't go far enough. A more ambitious and joined-up approach to tackling monopoly power is now needed. In artificial intelligence, for example, Europe's regulatory approach risks being outrun by incumbent tech giants that are rapidly moving to consolidate their power over the emerging technology. Meanwhile, Big Tech's destructive business models continue to decimate the free press and freedom of expression.

Europe's concentration problem is not just limited to technology. European farmers face a two way squeeze, from agricultural monopolies and giant supermarkets on one side, to unconstrained competition from abroad on the other. The pharmaceutical industry wields its patent monopolies to price gouge, putting public health systems under strain and life-saving treatments out of reach. And all of this, while often relying on taxpayer-funded research to develop its products.

Meanwhile, measures being taken to diversify regional and domestic supply chains have overlooked the need to instil democratic oversight. And Europe is still too dependent on concentrated global supply chains for essential goods and materials at a time of accelerating geopolitical conflict.

What is required is a return to the original vision that built Europe: one in which power is widely and fairly distributed, and powerful corporations are not allowed to subvert the public interest. The next European Commission must develop a coherent plan to deliver on this vision and restore freedom, opportunity, and prosperity to all its citizens by reining in and dispersing concentrated economic power.

This manifesto sets out a roadmap for reimagining the mission, structure, and powers of the European Commission and European Parliament to achieve these vital ends.



# SIX POLICY PRIORITIES

**1**

Replace the EU's outdated approach to competition policy with a more flexible paradigm that incorporates a greater variety of economic and non-economic objectives and a wider set of stakeholders. This new paradigm should promote specific political economic outcomes including a robust democracy, a safe, open and interoperable digital ecosystem, an innovative and resilient economy, and a free and pluralistic media.

**2**

Introduce a cross-Commission mandate to use all available means to tackle concentration of economic power and control in the EU, as well as Europe's dangerous dependence on concentrated supply chains abroad. This should include greater coordination and coherence of competition, trade, industrial, data protection, digital, labour, consumer protection and tax policies and enforcement.

**3**

Grant the Commission new powers to investigate monopolistic control and conduct across entire industries and not just specific companies, including the ability to swiftly impose remedies and sanctions where necessary. This should broadly mirror existing market investigation regimes in the United Kingdom and Germany, as well as the "New Competition Tool" previously proposed by the Commission.

**4**

Deploy more bright-line rules and structural remedies in competition investigations, including ordering corporate divestments, prohibiting anti-competitive mergers, and banning outright exploitative corporate behaviours and the business models that support them. Where necessary this should include updating relevant legislation and guidelines, including Regulation 2003/1 and the EU Merger Regulation.

**5**

Maximise the potential of industrial policy and state aid to create a more diverse and balanced economy, while preventing them from being used to facilitate greater economic concentration and the emergence of national or European "champions". Where state aid is granted to dominant corporations, this should be accompanied by clawback provisions and strict limitations on executive pay, share buybacks, dividends and acquisitions. Subsidies that fund the extraction, production and consumption of fossil fuels should be banned outright.

**6**

Empower citizens and civil society to participate in both the development and enforcement of competition policy, including merger and antitrust investigations, proceedings before EU courts, enforcement of related legislation including the Digital Markets Act, and initiatives to reform or update competition law. This should include making it easier for civil society and consumer representatives to receive "interested third party" status in competition proceedings.

# THE MONOPOLY THREAT

Europeans often take pride in having a more balanced and egalitarian economy than other parts of the world. Yet these achievements are now under threat from high and growing levels of economic concentration.[4] This concentration is destabilising our societies and economies, undermining the liberty and prosperity of our citizens, and putting the long-term health of our planet at risk.

This concentration of economic power is at the heart of a series of unprecedented and interlocking crises facing Europe, including the undermining of democracy and public debate by a handful of tech giants, the threat to security and resilience posed by highly concentrated supply chains, and the central role played by large corporations in degrading our environment and undercutting efforts to fight climate change. It is consolidating wealth in a few hands, disempowering workers, and suffocating farmers, small businesses and entrepreneurs.

## GROWING CONSOLIDATION OF POWER AND CAPACITY

A central threat is the power and control held by a few U.S. tech giants over critical technology and communications platforms, including social media, digital advertising, and cloud computing. Our failure to rein in these tech platforms has severely weakened the ability of Europeans to create, access, share and make use of reliable and high-quality information, and has seriously undermined the financial sustainability of the free press.[5] Instead, citizens are subjected to rising levels of disinformation[6], propaganda[7], and extreme and incendiary content, fuelling polarisation and undermining the institutions and public trust[8] necessary for the effective functioning of democracy.

The extreme concentration of industrial capacity over the last 20 years, meanwhile, poses a variety of immediate threats to the wellbeing and security of Europeans as a whole. Since the outbreak of the Covid-19 pandemic in 2020, Europe has come to learn the extent to which its most vital sources of supply for critical goods including drugs, medical equipment, chemicals, semiconductors, automobile components, and raw materials are concentrated overseas.[9] Similarly, Russia's invasion of Ukraine provided a harsh reminder of the continent's

[4] OECD, 'Inequality: A Hidden Cost of Market Power', 23 October 2017, https://www.oecd.org/competition/inequality-a-hidden-cost-of-market-power.htm.

[5] Phillip Longman, 'Democracy, Journalism, and Monopoly: How to Fund Independent News Media in the 21st Century', Open Markets Institute, November 2023, https://static1.squarespace.com/static/5efcb64b1cf16e4c487b2f61/t/654c515ce3db0f13bb36ccae/1699500381206/OMI+-+How+to+Fund+Independent+News++Media+in+the+21st+Century+-+1123+-+WEB+UPDATE.pdf.

[6] EDMO, 'Disinformation Narratives during the 2023 Elections in Europe', November 2023, https://edmo.eu/wp-content/uploads/2023/10/EDMO-TF-Elections-disinformation-narratives-2023.pdf.

[7] John Irish, 'European Powers Warn of Spike in Russian Propaganda before EU Elections', *Reuters*, 12 February 2024, sec. Europe, https://www.reuters.com/world/europe/european-powers-warn-spike-russian-propaganda-before-eu-elections-2024-02-12/.

[8] Osman Sabri Kiratli, 'Social Media Effects on Public Trust in the European Union', *Public Opinion Quarterly* 87, no. 3 (1 September 2023): 749–63, https://doi.org/10.1093/poq/nfad029.

[9] 'Updated In-Depth Review of Europe's Strategic Dependencies', Text, European Commission - European Commission, accessed 21 March 2024, https://ec.europa.eu/commission/presscorner/detail/en/ip_22_1124.

precarious dependence on fragile and concentrated sources of energy.[10]

In an increasingly unpredictable world, characterised by rising geopolitical instability and climate disruption, this extreme concentration of capacity poses a variety of existential threats. These include the collapse of essential infrastructure and industrial systems, exploitation of these dependencies by foreign actors in ways that increase the risk of conflict, large spikes in inflation that disproportionately harm the most vulnerable, and a hollowing out of local industries and capabilities that is contributing to rising political anger.

## CLIMATE CHANGE AND THE CRISIS OF DEMOCRATIC LEGITIMACY

Concentration of market power makes it harder to address the climate crisis. For starters, the race towards consolidation and scale in technology is consuming massive and growing quantities of energy and water. More fundamentally, monopoly power can insulate incumbents from the need to develop less wasteful production techniques, allowing them to degrade our environment further.[11]

Meanwhile, an ongoing wave of mergers in environmentally critical industries including agriculture, energy and shipping is making this dynamic far worse.[12] And fossil fuel giants use their outsized influence to aggressively stifle political efforts to combat climate change.[13]

Most worryingly, this growing consolidation is weakening Europe's democracy. At both the national and EU level, dominant corporations convert their economic power into political power in ways that distort and subvert democratic processes. Through their aggressive lobbying – which includes not only direct advocacy but also a dense network of "enablers" including law firms, consultants, trade associations, and industry-funded think-tanks and NGOs – dominant corporations protect their narrow interests at the expense of inclusive and effective policymaking and enforcement.[14]

This capture of Europe's democratic institutions by a few powerful private actors is fuelling discontent with democracy and the sense that we are no longer "all in it together". Less than half of EU citizens express satisfaction with how democracy works in their country,[15] while four-fifths are concerned

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[10] Szymon Kardaś, 'Conscious Uncoupling: Europeans' Russian Gas Challenge in 2023', ECFR, 13 February 2023, https://ecfr.eu/article/conscious-uncoupling-europeans-russian-gas-challenge-in-2023/.

[11] Simon Holmes and Michelle Meagher, 'A Sustainable Future Parts I to III 1', European Competition Law Review, 3 May 2022, https://www.balancedeconomy.net/wp-content/uploads/2023/06/A-sustainable-future_Parts-I-to-III-1.pdf.

[12] Karl Plume, 'Bunge Shareholders Approve Merger with Viterra, Closing Expected in Mid-2024', *Reuters*, 6 October 2023, sec. Deals, https://www.reuters.com/markets/deals/bunge-shareholders-approve-merger-with-viterra-closing-expected-mid-2024-2023-10-05/.

[13] 'Fossil Fuel Lobbyists Attend UN Climate Talks More than 7000 Times', Corporate Europe Observatory, 21 November 2023, https://corporateeurope.org/en/2023/11/fossil-fuel-lobbyists-attend-un-climate-talks-more-7000-times.

[14] Corporate Europe Observatory and Lobbycontrol, 'The Lobby Network - Big Tech's Web of Influence in the EU', 31 August 2021, https://corporateeurope.org/sites/default/files/2021-08/The%20lobby%20network%20-%20Big%20Tech%27s%20web%20of%20influence%20in%20the%20EU.pdf.

[15] 'Flash Eurobarometer 522 - Democracy', Eurobarometer, March 2023, https://europa.eu/eurobarometer/surveys/detail/2966.

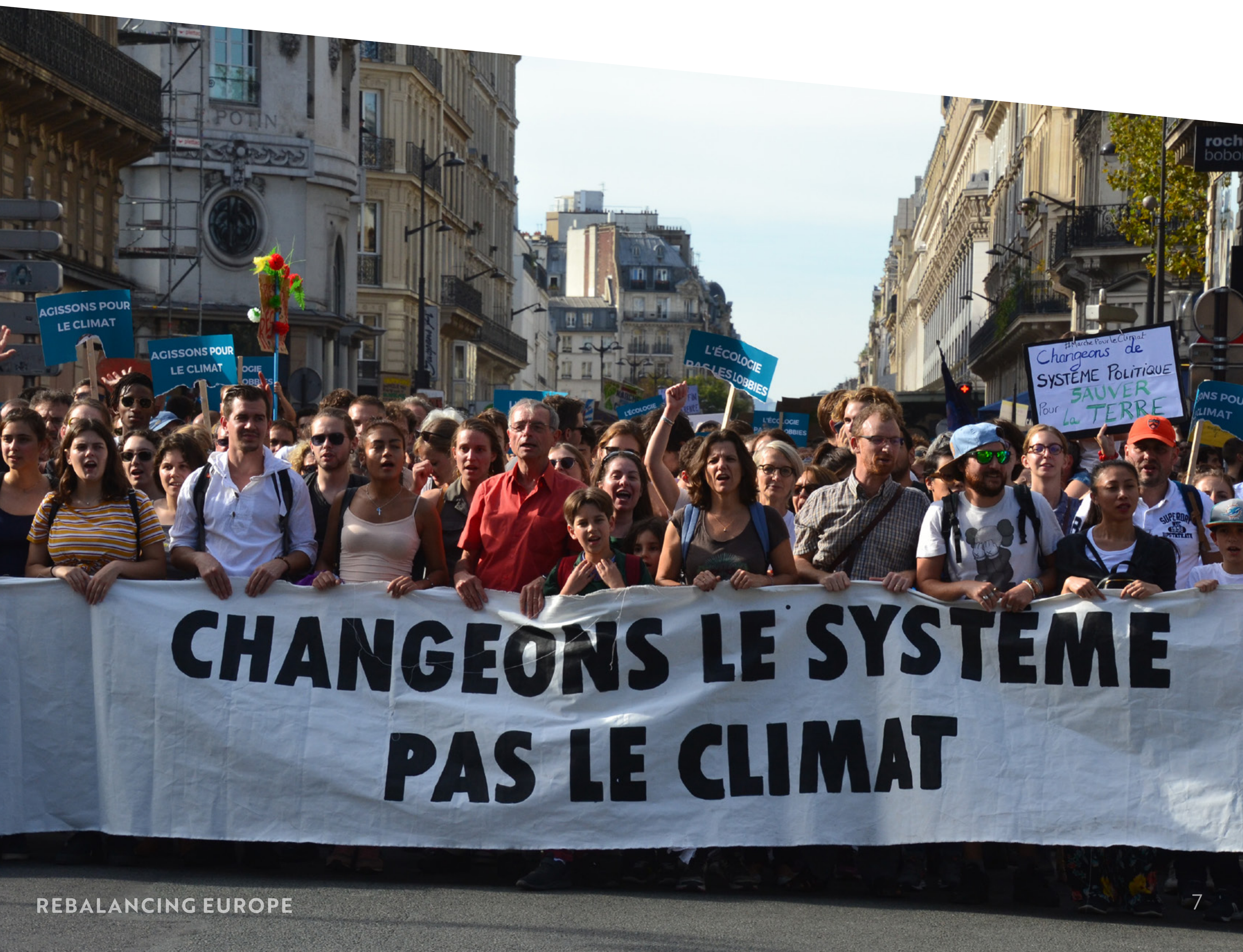
about inequality.[16] Few believe that elected officials care about the interests of ordinary citizens[17], while a majority are troubled by the influence of business lobbyists over EU policymaking.[18]

There are many reasons for Europeans' deepening disenchantment with their political and economic institutions. But it is hard to see a path towards real change that does not involve breaking the hold of dominant corporations over those same institutions.

[16] 'Special Eurobarometer 529 - Fairness, Inequality and Inter-Generational Mobility', Eurobarometer, February 2023, https://europa.eu/eurobarometer/surveys/detail/2652.

[17] Richard Wike Huang Jacob Poushter, Laura Silver, Kat Devlin, Janell Fetterolf, Alexandra Castillo and Christine, 'European Public Opinion Three Decades After the Fall of Communism', Pew Research Center's Global Attitudes Project (blog), 15 October 2019, https://www.pewresearch.org/global/2019/10/15/european-public-opinion-three-decades-after-the-fall-of-communism/.

[18] 'EU Citizens Opinion Survey on Transparency, Ethics, and Lobbying in the EU', ALTER Citizens Project, 2013, https://www.access-info.org/wp-content/uploads/Infographics_EU_citizens_Opinion_Poll_summary_ENGLISH_ONLINE.pdf.



## THE GLOBAL FIGHTBACK AGAINST MONOPOLY POWER

Europe isn't alone in dealing with the consequences of concentrated economic power. Across the world, corporate concentration has been rising for decades, unchecked by governments too slow to react to the threat.[19] A major reason for this trend towards consolidation is a set of harmful ideological assumptions which, while originating in the U.S., gained influence further afield. According to this ideology, rising concentration and monopoly power are justified so long as they lead to short-term efficiency gains and lower prices for consumers.

While failing even on its own narrow terms[20], this so-called "consumer welfare" or "Chicago School" philosophy led to drastic under-enforcement of competition policy. Powerful corporations were allowed to grow ever-more dominant through monopolistic conduct and anti-competitive acquisitions, with little resistance from competition authorities. In the EU for example, just 1.6% of mergers were prevented between 1991 and 2004, and even fewer (0.7%) were vetoed from 2005 to 2023.[21] In the technology sector in particular, the rise of supposedly "free" digital platforms blindsided policymakers to the many other harms associated with Big Tech's monopoly power, from large-scale violations of citizens' privacy to manipulation of public debate.

A fightback is now underway as governments, having learned from their mistakes, seek to move beyond this broken ideology and free their societies from the grip of monopoly power. In the United States, the Biden administration has placed promoting competition and tackling monopoly power at the heart of its economic agenda. This includes a sweeping 2021 Executive Order calling for a "whole-of-government" competition policy, new Merger Guidelines which move explicitly beyond a consumer-centric lens, and a much more robust enforcement posture. Outside of the U.S., countries including Australia, Canada, Germany, South Korea and the UK are strengthening their competition laws and enforcement practices to take on the monopoly threat.

The EU has been making its own important strides forward. Having learned from the largely unsatisfactory experience of applying its existing antitrust laws to the tech giants, it has reinforced its enforcement powers through the introduction of the Digital Markets Act. It is making more effective use of its merger control regime by preventing harmful takeovers in the technology and pharmaceutical sectors, among others. And it is finally demonstrating a willingness to address the structural roots of monopoly power, most notably through its landmark antitrust investigation into Google's AdTech dominance.

In order to protect and build on this progress, Europe now urgently needs a new guiding vision that empowers it to tackle concentrated economic power in a way that meets the needs of its people, the planet and the international system.

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[19] Matej Bajgar et al., 'Industry Concentration in Europe and North America', *Industrial and Corporate Change*, 13 January 2023, dtac059, https://doi.org/10.1093/icc/dtac059.

[20] John Kwoka, 'Mergers, Merger Control, and Remedies', MIT Press, 19 December 2014, https://mitpress.mit.edu/9780262536776/mergers-merger-control-and-remedies/.

[21] Rock, 'Merger Intervention Rates in the EU'.

# OUR VISION

By taking on concentrated economic power, we can build a different future for Europe. In our vision, Europeans would enjoy an open, sustainable and inclusive economy in which wealth and power are distributed widely, and no single corporation or cartel has the ability to coerce or exploit consumers, workers, businesses and the communities that depend on it. The interests of powerful corporations would no longer trump those of the wider public, and citizens would feel a genuine sense of control over their lives.

## A BALANCED AND INCLUSIVE ECONOMY

In this democratised and decentralised European economy, incumbent corporations would face constant challenges from rivals and innovative new entrants, preventing them from ever entrenching their power. Where larger players nonetheless emerged, they would be subject to strict regulatory responsibilities reflecting their systemic role in the economy and society. Internationally, Europe would secure its goods and services from a wide range of suppliers and countries. It would ensure those actors upheld the highest standards with regards to human rights, labour protections, and environmental sustainability, while not using restrictive trade agreements to limit governments' freedom to protect the public interest.

European entrepreneurs and innovators would be liberated to pursue their ideas without the threat of being crushed by incumbents, and small businesses would be free to trade and expand without being subject to the whims of exploitative gatekeepers. Workers and creators would enjoy genuine autonomy, higher wages and fair working conditions in a diverse and democratic labour market characterised by an abundance of employers and strong protections for collective bargaining. Meanwhile, consumers would benefit from more choice, better goods and services, stronger privacy, a cleaner environment, and lower prices than they do today.

## A HEALTHY DEMOCRACY AND STABLE GLOBAL ORDER

With the monopoly threat neutralised, Europe's governments would be much better equipped to respond to the needs and interests of their citizens. Our democratic institutions would be empowered to address the great challenges of our era, from fighting climate change and tackling inequality to ensuring advanced technologies promote the public interest. And with the grip of the tech giants on 21st century communications broken, a decentralised and well-regulated digital realm would foster the high-quality journalism, well-informed citizenry and constructive public debate so urgently needed in our divided societies.

By breaking its dependence on supply chokepoints and working with allies to spread wealth and industrial capacity more widely, Europe would benefit from both a more secure position internationally and greater prosperity and resilience at home. Conversely, taming the power of Europe's own monopolies, whether in agriculture, chemicals, or pharmaceuticals, would also improve the lives of people across the world.

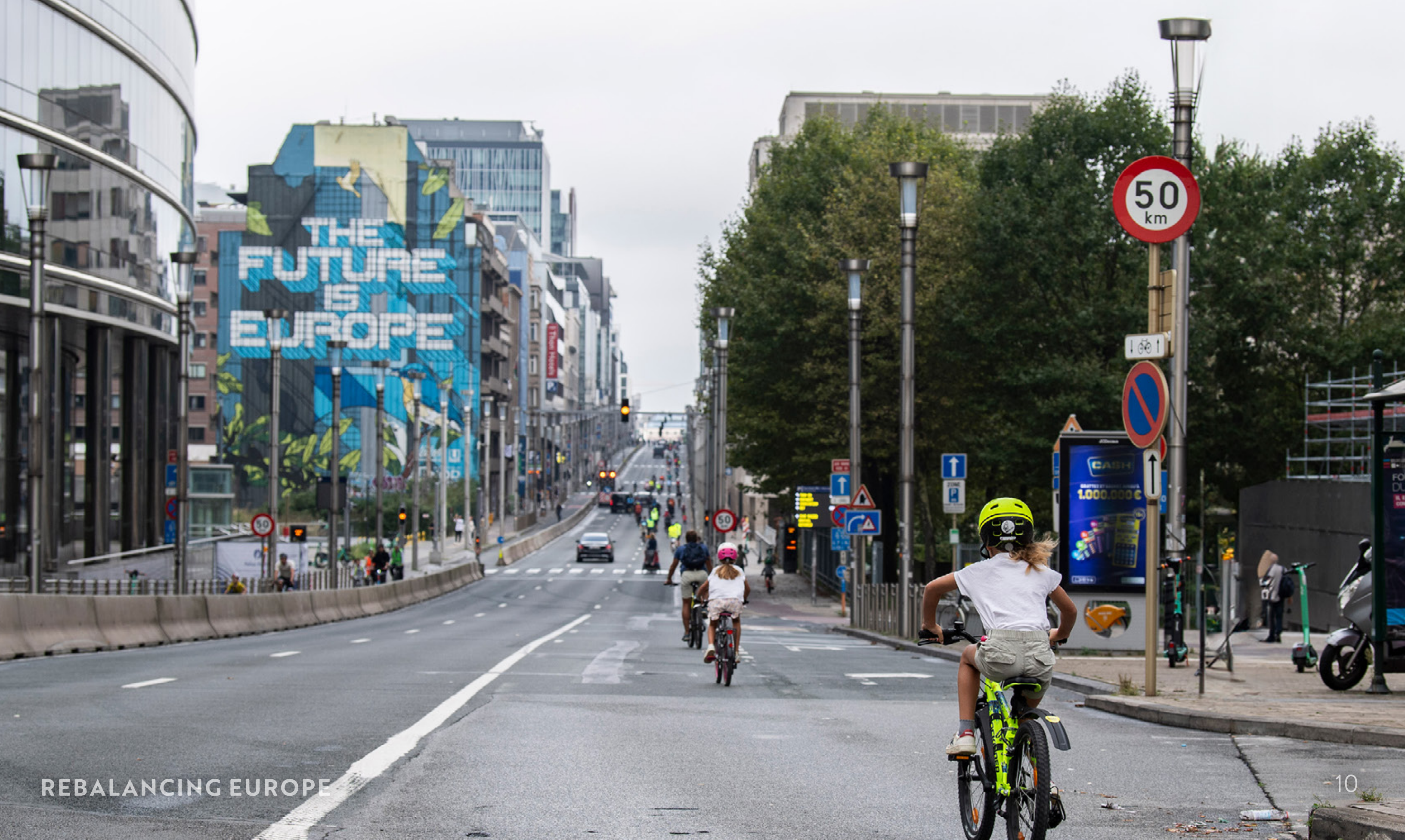
Economic opportunity would be more widely distributed, with not only Europe and the United States but also countries in the Global South benefiting from greater diversity in production and trade. Resolving these imbalances would not only limit Europe's exposure to external shocks, but also provide a powerful vehicle for ensuring that respect for the environment, workers and human rights are core features of the global economy.

# COMPETITIVENESS: FOR WHOSE BENEFIT?

An alternative and increasingly influential vision for Europe's future rests on a narrowly defined vision of "competitiveness" which foresees creating "European champions" able to compete on the global stage. Those advocating for this vision argue that competition enforcement, regulation, tax and other "burdens" have stifled the rise of such champions. Their solution to this apparent problem is to slash regulation while using subsidies and other public measures to help already powerful corporations grow even stronger.

This would be the wrong approach. When citing a need to promote European "competitiveness", we must first ask ourselves: who is competing, to what purpose, and what will be the consequences for the economy and society at large? Europe needs a diverse, dynamic, resilient, and democratic economy in which small and large businesses alike can thrive, and competition is fair and on the merits. Abandoning these objectives in the hope of capturing a few more percentage points of global market share would not only be wrong, but also highly unlikely to succeed.

We must reject this alternative vision of a top-heavy economy in which a few giant firms are handed taxpayer subsidies, tax cuts, or lax regulation and enforcement, supposedly to help them compete globally. This approach will only reinforce monopoly power, which not only damages fair competition in markets and reduces economic dynamism, but will also harm our workers, small businesses and consumers, while boosting inequality, reducing prosperity, and undermining democracy. In short, Europe's path to success on the global stage lies in promoting openness, fair competition, and a level playing field at home, not in abandoning them.



# A ROADMAP FOR A FAIR, OPEN AND RESILIENT EUROPEAN ECONOMY

## I. COMPETITION POLICY THAT PUTS CITIZENS FIRST

Despite its reputation as a bold enforcer, the European Commission's current approach to competition policy remains too narrow. Its outdated approach places a disproportionate emphasis on short-term efficiency and limited effects on consumers, at the expense of other important stakeholders and policy objectives, including workers, small businesses, sustainability, resilience, privacy, media plurality and democratic integrity. Meanwhile, competition policy and enforcement are often detached from the real challenges European citizens face in their daily lives, despite their massive potential to address them.

**Recommendation 1:**
Replace the EU's outdated approach to competition policy with a more flexible paradigm that incorporates a greater variety of economic and non-economic objectives and a wider set of stakeholders. This new paradigm should promote specific political economic outcomes including a robust democracy, a safe, open and interoperable digital ecosystem, an innovative and resilient economy, and a free and pluralistic media.

**Recommendation 2:**
Unleash the potential of competition policy to improve the everyday lives of European citizens, from driving up wages and conditions for workers and stopping "greedflation", to strengthening online safety and privacy and supporting small businesses and entrepreneurs.

## II. A HOLISTIC APPROACH TO REINING IN MONOPOLY POWER

EU competition policy is too siloed. Many other areas of EU law and policymaking have a legitimate role to play when it comes to tackling concentration and promoting a fair and open economy. Yet currently there is far too little cooperation and coordination between the Directorate-General for Competition (DG COMP) and other relevant Commission DGs and agencies, including DG Trade, DG GROW, DG JUST, DG ENV, DG CLIMA and the European Data Protection Board. This limits DG COMP's ability to achieve its objectives and prevents other DGs from benefiting from its significant powers and expertise.

The lack of a holistic approach to tackling excessive market power also creates tensions between the EU's domestic policymaking and its trade agenda.[22] This has limited both the EU's own ability and that of its trade partners to act[23]. Moving forward, the EU should prioritise coordinated action across its

[22] Luca Bertuzzi, 'How Trade Commitments Narrowed EU Rules to Access AI's Source Codes', www.euractiv.com, 3 May 2023, https://www.euractiv.com/section/artificial-intelligence/news/how-trade-commitments-narrowed-eu-rules-to-access-ais-source-codes/.

[23] Kristina Irion, 'Algorithms Off-Limits? If Digital Trade Law Restricts Access to Source Code of Software Then Accountability Will Suffer', 31 May 2022, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4147375. Deborah James, 'The European Union's Digital Trade Rules: Undermining European Policy to Rein in Big Tech', *Center for Economic and Policy Research* (blog), 27 March 2023, https://cepr.net/report/the-european-unions-digital-trade-rules-undermining-european-policy-to-rein-in-big-tech/.

departments and in its approach towards internal and external markets.

### Recommendation 3:

Introduce a cross-Commission mandate to use all available means to tackle concentration of economic power and control in the EU, as well as Europe's dangerous dependence on concentrated supply chains abroad. This should include greater coordination and coherence of competition, trade, industrial, data protection, digital, labour, environmental, consumer protection and tax policies and enforcement.

### Recommendation 4:

Where a certain degree of scale is desirable, ensure that large providers of essential infrastructure and services are regulated as utilities subject to public control and accountability. The regulatory responsibilities of these systemic providers should include strict requirements on non-discrimination, fair pricing, sustainability and resilience.

### Recommendation 5:

Maximise the potential of industrial policy and state aid to create a more diverse, sustainable and balanced economy, while preventing them from being used to facilitate greater economic concentration and the emergence of national or European "champions". Where state aid is granted to dominant corporations, this should be accompanied by clawback provisions and strict limitations on executive pay, share buybacks, dividends and acquisitions. Subsidies that fund the extraction, production and consumption of fossil fuels should be banned outright.

### Recommendation 6:

Ensure that European defence spending, at both the member state and EU level, does not undermine security and resilience by creating dangerous new concentrations of capacity. More broadly, define European security to encompass not just protection from military aggression, but bold measures to address industrial concentration both domestically and globally, and renewed efforts to tackle the existential threat of climate change.

### Recommendation 7:

Increase alignment between competition and data protection enforcement, including by placing more emphasis on the market power bestowed by data in merger and antitrust investigations, and using robust data protection enforcement to prevent powerful firms from illegally leveraging their data dominance across different markets and business lines. This should include putting pressure on Member States to investigate corporate misuse of personal data, including where necessary by launching infringement proceedings.

## III. BETTER ENFORCEMENT OF EXISTING LAWS

The EU already possesses a formidable regulatory toolkit when it comes to taking on monopoly power. This has been significantly expanded in recent years, most notably through the introduction of the Digital Markets Act. But these powers have often been hamstrung by lack of speed, insufficient resources, and a reluctance to use the most powerful measures available. This historic underenforcement of competition law is a major cause of the increases in corporate concentration seen across Europe in recent decades.

### Recommendation 8:

Deploy more bright-line rules and structural remedies in competition investigations, including ordering corporate divestments, prohibiting anti-competitive mergers, and banning outright exploitative corporate behaviours and the business models that support them. Where necessary this should include updating relevant legislation and guidelines, including Regulation 2003/1 and the EU Merger Regulation.

**Recommendation 9:**
Move faster to tackle monopolistic abuse by making greater use of interim measures in antitrust investigations, particularly in fast-moving markets where traditional enforcement is too slow to prevent harm from occurring.

**Recommendation 10:**
Significantly increase DG COMP's operating budget to close the significant resource gap between the Commission and corporations it supervises. This should include the introduction of a substantial annual levy on dominant tech platforms designated as gatekeepers under the Digital Markets Act, mirroring the "supervisory fees" collected under the Digital Services Act. Among other things, these additional resources should be used to ensure that the Commission has the advanced capabilities needed to respond to complex and rapidly evolving technologies.

## IV. EXPANDING THE POLICY TOOLKIT

While faster and tougher enforcement of existing rules is needed, there are also gaps in the Commission's arsenal which limit its ability to comprehensively tackle monopoly power.

**Recommendation 11:**
Grant the Commission new powers to investigate monopolistic control and conduct across entire industries and not just specific companies, including the ability to swiftly impose remedies where necessary. This should be based on existing market investigation regimes in the United Kingdom and Germany, as well as the "New Competition Tool" previously proposed by the Commission.

**Recommendation 12:**
Establish a "European Sovereignty Fund" to provide EU-wide funding for advanced technologies and critical infrastructure, with an overarching objective of promoting a level playing field and improving resilience. Access to this funding should be subject to strict conditions and contingent on furthering the EU's overarching social objectives – including increasing sustainability, protecting human and workers' rights, and promoting the ethical use of technology.

**Recommendation 13:**
Update the EU Merger Regulation and related notices and guidelines in a number of key areas, including: reversing the burden of proof in investigations of acquisitions by dominant corporations[24]; introducing a new and explicit emphasis on the harms corporate mergers can inflict on workers and collective bargaining; and expanding the Commission's powers to investigate anti-competitive partnerships and investments involving dominant corporations that currently fall outside of the EUMR's scope.

## V. DEMOCRATISING COMPETITION POLICY

There is an urgent need to democratise the design

[24] As proposed in the report Directorate-General for Competition (European Commission) et al., *Competition Policy for the Digital Era* (Publications Office of the European Union, 2019), https://data.europa.eu/doi/10.2763/407537.

and enforcement of EU competition policy. Despite its significant impact on the lives of the EU's 450 million citizens, competition policy remains insulated from societal needs and democratic accountability, and is disproportionately influenced by powerful corporate interests. This not only reduces the legitimacy of its decisions, but limits enforcers' ability to draw on the experience and expertise of those outside a narrow technocratic bubble.

**Recommendation 14:**
Empower citizens and civil society to participate in both the development and enforcement of competition policy, including merger and antitrust investigations, proceedings before EU courts, enforcement of related legislation including the Digital Markets Act, and initiatives to reform or update competition law. This should include making it easier for civil society and consumer representatives to receive "interested third party" status in competition proceedings.

**Recommendation 15:**
Establish an advisory board at DG COMP consisting of representatives of civil society and consumer organisations, and a separate board representing start-ups and SMEs, to counteract the influence of large companies. These boards would advise the Commission on competition policy strategy and enforcement and meet at least twice per year.

**Recommendation 16:**
Enable collective legal action against violations of EU competition law, by expanding the scope of the Collective Redress Directive.

**Recommendation 17:**
Aggressively enforce, and where necessary strengthen, rules governing the ability of individuals to move between the European Commission and the private sector, where there are potential conflicts of interest. This should include greater transparency and accountability in relation to relevant staff hires and departures.

**Recommendation 18:**
Provide greater transparency on industry engagement with competition investigations and processes, including information on meetings and submissions involving businesses and their advisers that take place in the course of those investigations.

## SIGNATORIES

OPEN MARKETS

SOMO

FOXGLOVE

LOBBY CONTROL

Balanced Economy Project

rebalance now

THE good LOBBY

Irish Council for Civil Liberties

## SUPPORTERS

ARTICLE 19

ALGORITHM WATCH

digitalcourage

CAMP

WEED
World Economy · Ecology · Development
Weltwirtschaft · Ökologie · Entwicklung

aktion agrar
Landwende jetzt!