



**H.F.R.I.**  
Hellenic Foundation for  
Research & Innovation

**Description of the funded research project**  
**1st Call for H.F.R.I. Research Projects to Support Faculty**  
**Members & Researchers and Procure High-Value**  
**Research Equipment**

**Title of the research project:** Optimal Design of Competition Policy Enforcement

**Principal Investigator:** Yannis Katsoulacos,  
Emeritus Professor of Economics, Athens  
University of Economics and Business

**Reader-friendly title:** Optimal Design of  
Competition Policy Enforcement

**Scientific Area:** Social Sciences

**Institution and Country:** Greece

**Host Institution:** Athens University of  
Economics and Business

**Collaborating Institution(s):**

**Budget:** 149.048,00 €

**Project webpage  
(if applicable):**

**Duration:** 36 Μήνες

## Research Project Synopsis

The central objective of this project is to extend the analyses on the optimal design of competition policy enforcement, through both theoretical and empirical research, in order: (i) to enhance understanding of the choice of different enforcement procedures and institutional structures, allowing for different objectives potentially pursued by Competition Authorities (CAs); thus, to allow a better appreciation of the reasons that these choices may be sub-optimal in their welfare impact; (ii) to test empirically for the first time the predictions of the theoretical models after constructing a unique dataset of decisions made by EU's DGCOMP (the European CA) and UK's CMA between 1992 – 2017; this allows the research team to undertake for the first time an international comparative analysis utilising other countries' datasets, that are available to the team members; (iii) to investigate and make policy recommendations regarding the design of alternative, welfare improving, enforcement procedures and structures.

## Project originality

In the present research project, we seek to extend the existing theoretical models in order to identify the fundamental role of the judicial review process in explaining CAs' choice of standards, its utilization of economic analysis, how these are affected by non-welfarist substantive standards set by Courts, how they depend on the type of conduct examined and the maturity of jurisdiction and how they affect the number of investigations undertaken.

Our intention is to test empirically for the first time the predictions of the theoretical models using a unique dataset, that we create, of decisions made by the EC and UK's CA. Using these unique datasets we construct indicators of the extent of economic analysis and of the type of legal standard adopted under various levels of conduct type aggregation and we investigate the impact on the probability of reversals of decisions made by the CA when these decisions are appealed. In addition, we undertake an international comparative study, using datasets of antitrust decisions by other countries.

## Expected results & Research Project Impact

Effective competition contributes to an economy's national competitiveness and it is a pre-requisite for growth. It brings benefits to consumers, yields greater efficiency, boosts productivity and fosters investment and innovation. For effective market competition it is necessary that Competition Policy is supported by a suitably designed modern institutional and legal framework that gives particular emphasis to the effective enforcement of Competition Law. The quality of enforcement is critical for creating the conditions for and for reaping the benefits of enhanced competition.

This project produces original new scientific knowledge through theoretical and empirical research with significant policy implications and hence economic and social impact. Specifically, it extends the theoretical literature of the choice of competition policy enforcement procedures (by explicitly modeling the presence of Appeal Courts and their choices of legal and substantive standards as well as the choices of CAs, by allowing for uncertainty by CAs and by extending the modeling of optimal institutional structures). The project also makes a very significant contribution to empirical research in the area (by constructing datasets of antitrust decisions and of indicators of the extent of economic analysis and of the type of legal standard adopted which are used in the empirical research and in the international comparative empirical analysis).

## The importance of this funding

Undoubtedly, knowledge has a principal role in the development of modern economies, which, recognizing the strategic importance of research, invest significant resources in the production and exploitation of new scientific and technological knowledge. However, crucial for the promotion of research and knowledge is the support and empowerment of the research community and, according to a common understanding, the provision of relevant resources.

In this context, the H.F.R.I. funding is essential for the completion of the scientific research that the team conducts as it provides the necessary resources for the completion of this difficult endeavor. The financial support allows the team members to focus on their research work by providing a stable operating framework for a considerable period of time. In addition, part of the funding is allocated for the acquisition of equipment as well as for the participation of team members in international conferences and for the organization of workshops on the enforcement of competition law.



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## COMMUNICATION

185 Syggrou Ave. & 2 Sardeon St. 2  
171 21, N. Smyrni, Greece  
+30 210 64 12 410, 420  
communication@elidek.gr  
[www.elidek.gr](http://www.elidek.gr)