

Survey of Public Attitudes to Price Fixing in the UK, Germany, Italy and the USA

July 2015

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KEYWORDS: Cartels; Price Fixing; Public Attitudes; Public Survey

BACKGROUND

- Public attitudes are important to individuals' willingness to recognise, report and desist from engaging in cartel activities. They are also essential to the long-term success and legitimacy of competition authorities and their enforcement powers.
- Different jurisdictions have varying historical levels of enforcement against cartels and whereas some employ sanctions against individuals and businesses (criminal or otherwise), others only engage businesses. Many jurisdictions have either recently adopted sanctions against individuals or are considering doing so. There is also a strong drive to promote private claims for damages.
- This project is a follow up to the 2007 CCP Cartel Survey study that focused on the UK. Its findings informed changes in policy in the UK and Australia and are available in working paper form here: A Stephan 'Survey of Public Attitudes to Price-Fixing and Cartel Enforcement in Britain' (2007) [CCP Working Paper 07-12](#).

METHODOLOGY

- Four surveys were carried out online in the UK, Germany, Italy and the US. They were administered by YouGov Plc.
- The sample sizes were: 2,509 (UK); 2,648 (Germany); 2,521 (Italy); and 2,913 (USA). These samples were drawn from existing panels based on their demographic characteristics so as to be representative of the general public in each of the four countries. The results were adjusted using weights to compensate for underrepresented demographic groups.
- The survey design and piloting was carried out in the Centre for Competition Policy and the German and Italian questionnaires were translated by Antje Kreutzmann-Gallasch and Francesca Vantaggito.

KEY FINDINGS

- Despite differences in attitudes to government intervention in markets and the trustworthiness of businesses, there is a presumption of open and competitive markets among respondents in all four jurisdictions. When they buy a product or service, a clear majority expect competitors to have set their prices independently of each other.
- A strong majority across the four countries also recognise that price fixing is harmful and should be punished.
- There is strong support for employing a variety of sanctions against both businesses and individuals engaged in cartel activity, including fines that at least equal the illegal profits earned
- Attitudes in the UK have hardened since 2007.
- With the exception of Germany, there is a significant amount of confusion about whether price fixing is actually illegal.

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- The study shows some support for the use of criminal sanctions, but only around a third of respondents in each jurisdiction support the imprisonment of individuals involved in cartel activity.
- Support for the use of leniency, direct settlement and rewards for good compliance is divided in each of the four countries.
- Public attitudes across the four jurisdictions are surprisingly similar despite significant differences in culture, history and enforcement. This may suggest cartel enforcement has not thus far had a strong influence on popular perceptions.

POLICY ISSUES

- The survey shows strong popular support for prohibiting cartel behaviour and for punishing both individuals and businesses responsible.
- Popular support for cartel enforcement is broadly similar across the three EU Member States included in the study.
- Support for leniency and other enforcement tools is weaker, suggesting that competition authorities may have to do more to justify their use in the future.
- The confusion as to whether price fixing is illegal and the finding that public enforcement alone may not be making a significant impact on popular perceptions, suggest competition authorities should engage in more advocacy, public awareness and compliance activities.

THE CCP

The Centre for Competition Policy (CCP), at the University of East Anglia, undertakes competition policy research, incorporating economic, legal, management and political science perspectives, that has real-world policy relevance without compromising academic rigour.

FOR MORE INFORMATION

The full working paper 15-8 and more information about CCP and its research is available from our website: www.competitionpolicy.ac.uk

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