

A Study about Competition law

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Abstract

Competition is an instrument for establishing a integrity and free competition in the relations of economic activists, protecting their rights and the public sector, and creating a balance in the market. The existence of a integrity competition in the market of goods or services leads to efficiency, quality and price reduction, but such a The process requires the adoption of appropriate rules that will maintain or strengthen the competition in the market. As a general proposition competition law consists of rules that are intended to protect the process of competition in order to maximise consumer welfare. The competition law will compete with the relative adjustment of Economic the concept, goals, and basics of competition law.

Keywords: competition, competition law, Economic efficiency, consumer protection

Introduction:

Governments provide a huge part of goods and services, in fact, sellers are seeking maximum profits in selling goods and services. In recent years there has been a 'quiet revolution' in the adoption of competition law by countries around the world. Over half of countries now have a competition law, or are in an advanced stage of preparing to introduce one, and the number continues to increase. More competition is being made in the economic debate. There are always a lot of buyers and sellers in the market for similar products, since merchants and service providers are more profitable, and non-competition leads to monopoly and virtually total value and service is more than real value. Maintaining the rights of the public and private sector requires the establishment of laws and regulations. This research examines the fundamentals and objectives of competition law.

Concept of Competition Law:

Competition in the economy means overtaking and mitigating that in the market, an unlimited number of merchants can not sell or demand goods that are effective in market prices. Competition, in a large sense, means a struggle of conflicting interest. (Ely, R. T. 1901), Competition is the chief selective process in modern economic society, and through it we have the survival of the fit. (Ely, R. T. 1901) 'Competition its nature, its permanency, and means two or more parties acting independently to secure the business of a third party. Competition provides the best incentive for business efficiency; it encourages innovation and

guarantees consumers the best choice. Competition laws prohibit agreements, practices and conduct which have a damaging effect on competition, such as collusion between competitors or abuse of market power, both of which can lead to higher prices or lower output and restrict innovation and technical development. There are also mechanisms for blocking concentrations of companies by which competition would be distorted to an unacceptable degree. (Hans Wijers CEO AkzoNobel, 2008). Competition law as a set of rules governing the competition for economic agents to maintain a part of the market is an important part of economic rights (Alaaddini, Shiri, 2017). The law of competition consists of two distinguishable but related spheres, namely the legal rules: aimed, in the public interest, at the maintenance and promotion of competition in the national economy and the elimination of harmful restrictive trade practices; and concerned with the lawfulness of a company's competitive conduct a probe his or her Arivals in the market. An essential competition law concept is the so-called "relevant market": the market for a product or service and the geographic market in which the product or service is sold. When making a competition law assessment of a certain arrangement, the relevant market and the position of a company thereon should first be established. In most of these countries, competition law is a tool for Passing from the state economy to privatization, trade liberalization and substitution avoidance State monopoly with private monopolies. (Dabbah, 2007) Competition law is also slightly paradoxical. It advocates regulation of the market, while general economic theory usually speaks against governmental intervention. In fact, competition law is a branch of economic rights that regulates government economic behavior and is the most important means of social monitoring of the economy. (Ghamami, Seyyed Mohammad Mehdi, Ismaili, Mohsen: 2010)

Background Competition Law:

The emergence of competition law dates back to the late nineteenth century. At that time, the emergence and expansion of new industries such as railways, maritime transport, oil and steel industries caused problems with the monopoly of the market, as the US government realized the need for regulatory action in this regard, and in the first step in the year The Sherman Act of 1890, followed by many laws in this area, has become more evolving over time in America, more known as Anti-trust law. After the United States of America in Japan and later in European countries, the rules of competition law after World War II were taken into consideration and the country's efforts in this area led to the conclusion that the 1957 Rome Treaty established the European Economic Community (EEC), The principle of free trade competition should be emphasized. With the passage of time and the development of this field, most countries have come up with the idea of developing competing rules, as more than 106 countries have today adopted specific competition rules, of which 80 are WTO member countries. Currently, 26 countries in Africa, 18 Asian countries and 17 countries in Latin America have a special law of competition.

Competition Law Objectives:

Economic efficiency:

Efficiency means doing the job in the best possible way and the best result is without waste of time, energy and money. In economics too that does not mean the same thing, in order to be effective in obtaining the best product And production from the least available sources (Nakhai and Najarzadeh, 2003). In other words, Economic efficiency means producing with the least possible cost and maximizing the benefits It is possible to bring them from existing sources of consumerism. The economic efficiency consists of three components of innovative or dynamic efficiency, production efficiency and efficiency Assignment (Taylor, 2006.) Some see the promotion of social welfare, though increased

efficiency, as the primary goal of competition law and policy. (Richard A. Posner, 1979) Competition, though seen as a means of attaining efficiency and fairness, may not necessarily promote these objectives. A perfectly competitive market with many small firms may achieve equality of opportunity (fairness) but may not achieve efficiency, as the existence of too many firms means that they may not be able to achieve economies of scale. Obviously, competition policy must deal with trade-offs in its objectives and instruments. This concern has led to a shift from a structural to a behavioural approach in enforcing competition. After all, in a fiercely competitive market, even a duopoly can produce an outcome that a perfectly competitive market generates. Thus, it may not be necessary to have a highly-competitive market structure provided appropriate rules of the game can be designed and enforced so that the behaviour of the market players remains competitive.

consumer protection:

In recent years many competition authorities have stressed the central importance of consumer welfare when applying competition law. Consumer welfare is now well established as the standard the Commission applies when assessing mergers and infringements of the Treaty rules on cartels and monopolies. One of the other goals that are being pursued for competition is increasing Welfare, because welfare is a measure of the performance of each market. But in that the rules of competition law should be used to promote welfare, that is, the "welfare of the whole society" "Producer prosperity" or only "consumer welfare" is interpreted and applied. Also, the rights taking into account competition from consumer rights, they said they were finally. This result will be realized when the increase in the welfare of the producer compared with the amount of welfare Consumers are reduced, the competitive process should be beneficial to consumers (Stuyck, 2005). protect competition in the market as a means of enhancing consumer welfare and ensuring an efficient allocation of resources Consumer protection Several different objectives other than the maximisation of consumer welfare in the technical sense can be ascribed to competition law. The first is that its essential purpose should be to protect the interests of consumers, not by protecting the competitive process itself, but by taking direct action against off ending undertakings, for example by requiring dominant firms to reduce their prices. It is of course correct in principle that competition law should be regarded as having a 'consumer protection' function. (RICHARD WHISH BA BCL,2011) The goal of protecting consumer welfare explain one aspect of traditional enforcement practice. Cartels that protect firms against losses in downturns have been tolerated, while cartels that have tried to raise prices (or raise them too much) have been targeted, and not just by the FTC.¹ The FTC's efforts against resale price maintenance are also motivated by concerns about high consumer prices. (OECD,1999)

Preventing the Abuse of Market Power:

One of the major goals of ratification In the United States, control of monopoly firms was capable the rules of Sherman and Clayton. they set the prices for their products and, in this way, profits were high Get unfair from the people. Supporting free and fair competition in society requires legislation and regulations that firstly facilitates competition in the national economy of the country and, second, prevents the formation of new monopolies from the private sector. Therefore, in order to protect the whole society against monopoly practices And anti-competitive and supporting specific and specific sectors of the economy, competition law has been accepted. The Competition Law is a set of regulations designed to maximize social benefits and prevent anti-competitive practices in the economy. The duty of this law is to prevent acts that lead to disruption of competition.

Basis of Competition Law:

Due to the relationship of competition with the economy, competition law is associated with economic theories. In the Rhine, three theories have been raised in relation to competition law (Bagheri, Mahmoud, Fallahzadeh, Ali Mohammad: 2009)

The classic view: Classical views on competition law are one of the most ancient ideas in this connection. Classic theories of competition argue that specific agreements, procedures and practices contrary to free competition in the marketplace It may be considered an obstacle to the individual freedom of trade for the purpose of earning income and income. In Smith's view, the components of the competition can be summarized as follows: 1. Freedom of competition is the logical consequence of natural liberation. 2. Private interests, as the driving motive, give people the opportunity to reward them, and the final result is equality of supply and demand. 3. The competition of individuals in the use of any opportunity for private gain makes these heterogeneous interests in the best interests of society and society continue to survive. (Renani, Mohsen: 1987). Therefore, from the viewpoint of this view, economic relations based on the principle of market competition that promotes welfare freely and in pursuit of personal goals leads to wealth and prosperity, and, on the contrary, government control leads to the poverty and inefficiency of governments.

The neoclassical view: After John Stuart Mill, a kind of shift in economic theory emerges, this shift focuses more on a more accurate and theoretical model of competition. This model, which belongs to the neoclassicalists, is that production and distribution The goods and services in a free and competitive market bring social welfare to the maximum.

The Chicago Viewpoint: Some of the lawyers and economists who are mainly affiliated with the University of Chicago are considered the founders of this school. They believe that basically some acts and behaviors that are considered to be anti-competitive may encourage competition. In general, the approach of this school is that government intervention in market operations is more harmful than it is useful. The government's actions in the form of competition law must be limited to a series of specific cases that are enumerated. Many prohibited business practices should be removed from the ban. From the viewpoint of the sponsors of this school, although government intervention in the economy is in the form of competitive rights, but since this type of intervention is an exception. Therefore, Must be limited to limited items.

Infringing Competition Law:

Compromise:

Freedom of commercial competition, which has been accepted as a principle in competition law, occurs when individuals can freely and commercially operate in a healthy and fair environment. In such a market, consumers have the power to choose and pay They will also be provided. Contingency and collusion can damage the free and fluid flow of the market and disrupt its natural movement. Sometimes, the adoption of coordinated practices and practical procedures is one of the disadvantages of competition. Compromise as a generic term covers all of these actions.

Monopoly:

Normally, everyone tends to impose their will on the other in normal circumstances. In the past societies, anyone who was in a position of superiority such as power, wealth, support, and reputation could win his weakness. The same is happening in the market, leading to a monopoly on the market.

Hoarding:

Hoarding blows into the shape of the economy of society, and by raising the rate of goods, it puts people in a livelihood.

Integration:

Occasionally, in order to promote the level and absorption of superior technologies in different sectors of the economy, the merger of companies or firms is subject to certain regulations relating to them, but if during the merger or as a result of that the price of the goods increases unevenly or leads to intense focus on the market, or merger will lead to the creation of a firm or controlling firm in the market.

Conclusion:

Economists assume that society requires goods and services ('goods') to be happy, with most persons being better off the more goods they consume. Invariably, these goods must be produced utilizing scarce productive resources. The problem is that society desires unlimited supplies of goods but limited resources with which to produce them. exists to assist us in figuring out how best use allocate these scarce resources to maximize the benefits society enjoys from consuming goods needs competition but Infringing Competition by Compromise, Monopoly, Integration, Hoarding. In order to maintain competitive conditions, it should be appropriate competition laws to prevent market abuse. Competition law is a set of mandatory rules and regulations that have a general duty, aiming at maintaining a free competition in the market and preventing anti-competitive practices based on fair principles and reducing monopolies. Regarding the importance of regulating and regulating market relations, the purposeful rules of public law should be established with the nature of the economy in order to provide social goals and interests such as economic efficiency and the guarantee of free competition.

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