competition policy as an instrument for integration has resulted in some rules in the EU that compromise the market efficiency approach for the sake of longer-term market integration and efficiency.

- **Economic efficiency, producer and consumer welfare**

U.S.: The interpretation of efficiency in the U.S. appears to depend largely on assessing benefits obtained by consumers. In other words, the consideration of economic efficiency is narrowly focussed to imply consumer welfare or "consumer surplus".

EU: Although efficiency considerations take a back seat to integration, EU competition legislation provides for well-articulated considerations of both consumer and producer interests. For example, the 1990 *Merger Regulation* includes considerations of consumers' advantages or interests as well as the market position of firms.

Japan: What economic efficiency emphasizes in Japan has been a matter of considerable debate. Depending on circumstances, the networks such as the *keiretsu* setup can reduce transactions cost and enhance efficiency. We will return to this point below in sub-section 7.3.

- **Corporate governance: relationship-based networks**

- **Relationships.** European competition policy deals with a heterogeneous market of both individualistic actors, and those, as in Germany, who also factor broader relationships into their corporate decisions. The competition policy that has developed seeks to channel both the profit maximization motive, and the motive that seeks relationships, into a uniquely European competition policy that assists in relationship-building between Member State markets.

Japanese anti-monopoly law has developed to deal with a communitarian market based on long-term relationships. Many Japanese industrial practices and relationships with government seem to Europeans to be somewhat extreme examples of nonetheless familiar practices, rather than the U.S. perception that they are designed perfidiously to deny foreigners access to markets in Japan.