

Second, the connection between competitive efficiency and jobs is as follows. Competition among firms leads to an efficient use of resources. Companies are led to use management and production techniques that result in (a) lower costs, and (b) new products and varieties. Firms beat not only domestic but also international competition on account of their comparative price and quality advantages. The price and quality edge allows efficient firms to win orders and clients globally.

To hold on to and sharpen their price and quality advantages, firms engage in research and development to raise the productivity of their workers. Efficient firms can increase their market penetration and achieve higher sales and profitability. Competitive companies help policymakers meet the objective of expansion of business opportunities. Competition among efficient firms for skilled, knowledgeable and high productivity workers results in higher incomes. The objective of supporting and creating higher quality jobs is advanced by efficient companies.

In sum, the Anglo-American approach, by emphasizing efficient outcomes in a dynamic economy, promotes not only consumer welfare but also business opportunities and can support high productivity jobs. Business opportunities in the Anglo-American system expand as new entrants challenge incumbents by waging price and quality competition. Competition policy under the Anglo-American regime ensures that bigness and the restrictive business practices of corporations do not come in the way of the creation of businesses, high real-wage jobs and higher living levels.

7.3.2 Communitarian corporate governance

The EU-Japanese corporate governance approach promotes the development of efficient relationships by placing producers at the centre of competition policy concerns. How does the EU-Japan approach achieve its objectives?

Participants in the EU and Japanese markets, whether private or public, have an understanding of each other.