

1. Introduction

This Paper addresses two questions:

1. What are the philosophical underpinnings of differing national competition policies in the United States, Japan and the European Union (the Triad economies)?
2. What explains the philosophical differences among the national competition approaches in the Triad economies?

In the policy community, there is a lively debate regarding the possibility of convergence of national competition systems and about the establishment of associated international institutions. Suggestions for convergence range from "complete" convergence to "soft" harmonization.² Suggestions for the internationalization of competition policy range from enhanced cooperation between national competition authorities to a supra-national institution.

This Paper situates these debates from the perspective of philosophical approaches to competition. Across national jurisdictions, approaches to competition have both common elements and differences. Moreover, national competition laws may have similar wording, yet the interpretation in the case law across countries may differ or agree on substantive matters. Views toward competition are shaped by underlying but changing philosophies linked to specific social, cultural, political and economic circumstances.

Traditionally, competition policy has been viewed as the legal framework to regulate and maintain competition in a domestic market. Competition policy, as an instrument of domestic policy, can prod corporations and consumers over time to achieve efficiency and welfare-enhancing market outcomes. Consequently, competition policy can contribute to the maintenance of a well-tuned domestic economy.

²Under soft harmonization, national competition regimes are aligned to some internationally agreed guidelines. The language and particular details of national competition legislation may differ, but the overall thrust of the competition policy conforms to the internationally agreed guidelines. Under hard or complete harmonization, identical regimes prevail across countries.