

8. REASONS FOR CARTEL CONDUCT AS A CRIMINAL OFFENCE

8.1 REASONS FOR CARTEL CONDUCT AS A CRIMINAL OFFENCE – PRICE FIXING

Question

Why do you think that an **agreement between competitors on prices** should be a criminal offence?

Strongly disagree Disagree Neither disagree nor agree Agree Strongly agree

Because consumers may have to pay more

Because the conduct involves deceiving consumers

Because the conduct may harm or be unfair to other competitors

Because the conduct is dishonest

Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it

Because the conduct will harm competition or the free market

Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future

Because the conduct should be seen as the same as theft

Comments (optional):

Figure 8.1A Reasons for cartel conduct as a criminal offence – Price fixing¹

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Because consumers may have to pay more	2.1	1.8	4.1	41.6	50.4
Because the conduct involves deceiving consumers	2.2	0.2	1.4	31.6	64.6
Because the conduct may harm or be unfair to other competitors	2.0	4.1	6.1	44.4	43.4
Because the conduct is dishonest	2.2	0.5	4.7	29.2	63.5
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it	2.6	0.6	4.3	39.9	52.6
Because the conduct will harm competition or the free market	2.5	0.6	4.7	37.2	55.0
Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future	1.7	1.7	4.5	32.5	59.7
Because the conduct should be seen as the same as theft	2.8	2.8	9.2	37.2	48.0

¹ n=952 (representing respondents who responded 'Yes' to 'Do you think that an agreement between competitors on prices should be against the law?', Question D1).

Figure 8.1B Reasons for cartel conduct as a criminal offence – Price fixing (most common response)²

	MOST COMMON RESPONSE
Because consumers may have to pay more	Strongly agree
Because the conduct involves deceiving consumers	Strongly agree
Because the conduct may harm or be unfair to other competitors	Agree
Because the conduct is dishonest	Strongly agree
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it	Strongly agree
Because the conduct will harm competition or the free market	Strongly agree
Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future	Strongly agree
Because the conduct should be seen as the same as theft	Strongly agree

Comments

High proportions of respondents agreed or strongly agreed with all of the reasons offered for why an agreement between competitors on prices should be a criminal offence. The most common response for all reasons was ‘Strongly agree’ (except ‘Because the conduct may harm or be unfair to other competitors’ to which the most common response was ‘Agree’). The highest levels of strong agreement related to the reasons – ‘Because the conduct involves deceiving consumers’ and ‘Because the conduct is dishonest’ (64.6% and 63.5% respectively).

² n=952 (representing respondents who responded ‘Yes’ to ‘Do you think that an agreement between competitors on prices should be against the law?’, Question D1, and ‘Yes’ to ‘Do you think than an agreement between competitors on prices should be a criminal offence?’, Question D1A).

8.2 REASONS FOR CARTEL CONDUCT AS A CRIMINAL OFFENCE – MARKET ALLOCATION

Question

D2B. Why do you think that an **agreement between competitors to allocate customers** should be a criminal offence?

Strongly disagree Disagree Neither disagree nor agree Agree Strongly agree

Because consumers may have to pay more

Because the conduct involves deceiving consumers

Because the conduct may harm or be unfair to other competitors

Because the conduct is dishonest

Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it

Because the conduct will harm competition or the free market

Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future

Because the conduct should be seen as the same as theft

Comments (optional):

Figure 8.2A Reasons for cartel conduct as a criminal offence – Market allocation³

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Because consumers may have to pay more	0.3	2.4	4.1	45.4	47.9
Because the conduct involves deceiving consumers	0.3	1.8	5.2	38.6	54.1
Because the conduct may harm or be unfair to other competitors	1.6	0.7	10.6	44.2	42.9
Because the conduct is dishonest	0.3	0.8	4.4	32.8	61.6
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it	0.3	0.0	5.9	45.8	48.0
Because the conduct will harm competition or the free market	0.8	0.4	5.0	43.7	50.0
Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future	0.3	1.5	5.0	39.6	53.6
Because the conduct should be seen as the same as theft	0.3	2.8	11.3	40.2	45.5

³ n=898 (representing respondents who responded 'Yes' to 'Do you think that an agreement between competitors to allocate customers should be against the law?', Question D2, and 'Yes' to 'Do you think that an agreement between competitors to allocate customers should be a criminal offence?', Question D2A).

Figure 8.2B Reasons for cartel conduct as a criminal offence – Market allocation (most common response)⁴

	MOST COMMON RESPONSE
Because consumers may have to pay more	Strongly agree
Because the conduct involves deceiving consumers	Strongly agree
Because the conduct may harm or be unfair to other competitors	Agree
Because the conduct is dishonest	Strongly agree
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it	Strongly agree
Because the conduct will harm competition or the free market	Strongly agree
Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future	Strongly agree
Because the conduct should be seen as the same as theft	Strongly agree

Comments

High proportions of respondents agreed or strongly agreed with all of the reasons offered for why an agreement between competitors to allocate customers should be a criminal offence. The most common response for all reasons was ‘Strongly agree’ (except ‘Because the conduct may harm or be unfair to other competitors’ to which the most common response was ‘Agree’). The highest levels of strong agreement related to the reasons – ‘Because the conduct involves deceiving consumers’ and ‘Because the conduct is dishonest’ (54.1% and 61.6% respectively).

⁴ n=898 (representing respondents who responded ‘Yes’ to ‘Do you think that an agreement between competitors to allocate customers should be against the law?’, Question D2, and ‘Yes’ to ‘Do you think that an agreement between competitors to allocate customers should be a criminal offence?’, Question D2A).

8.3 REASONS FOR CARTEL CONDUCT AS A CRIMINAL OFFENCE – OUTPUT RESTRICTION

Question

D3B. Why do you think that an **agreement between competitors to reduce production levels** should be a criminal offence?

Strongly disagree Disagree Neither disagree nor agree Agree Strongly agree

Because consumers may have to pay more

Because the conduct involves deceiving consumers

Because the conduct may harm or be unfair to other competitors

Because the conduct is dishonest

Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it

Because the conduct will harm competition or the free market

Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future

Because the conduct should be seen as the same as theft

Figure 8.3A Reasons for cartel conduct as a criminal offence – Output restriction⁵

	Strongly disagree	Disagree	Neither disagree nor agree	Agree	Strongly agree
Because consumers may have to pay more	0.5	0.4	3.1	36.4	59.7
Because the conduct involves deceiving consumers	0.5	0.0	2.1	31.2	66.2
Because the conduct may harm or be unfair to other competitors	0.8	4.0	11.6	41.3	42.2
Because the conduct is dishonest	0.5	0.0	3.4	27.4	68.7
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it	0.5	0.4	4.2	35.7	59.2
Because the conduct will harm competition or the free market	0.8	2.4	9.1	39.4	48.3
Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future	0.8	1.6	4.5	34.1	58.9
Because the conduct should be seen as the same as theft	0.5	1.6	7.9	35.0	55.0

⁵ n=920 (representing respondents who responded 'Yes' to 'Do you think that an agreement between competitors to reduce production levels should be against the law?', Question D3, and 'Yes' to 'Do you think that an agreement between competitors to reduce production levels should be a criminal offence?', Question D3A).

Figure 8.3B Reasons for cartel conduct as a criminal offence – Output restriction (most common response)⁶

	MOST COMMON RESPONSE
Because consumers may have to pay more	Strongly agree
Because the conduct involves deceiving consumers	Strongly agree
Because the conduct may harm or be unfair to other competitors	Strongly Agree
Because the conduct is dishonest	Strongly agree
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it	Strongly agree
Because the conduct will harm competition or the free market	Strongly agree
Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future	Strongly agree
Because the conduct should be seen as the same as theft	Strongly agree

Comments

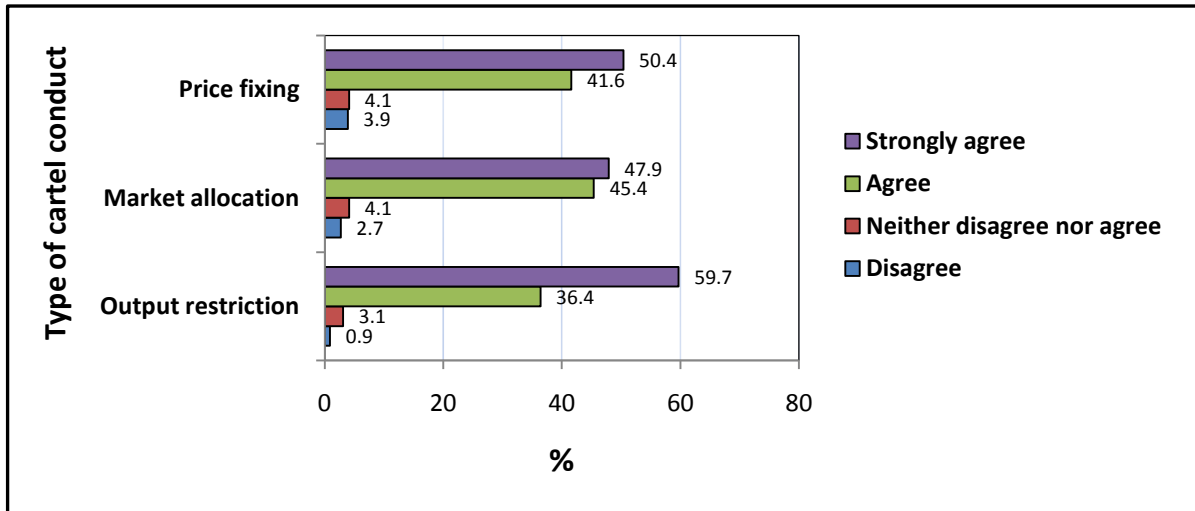
High proportions of respondents agreed or strongly agreed with all of the reasons offered for why an agreement between competitors to reduce production levels should be a criminal offence. The most common response for all reasons was 'Strongly agree'. The highest levels of strong agreement related to the reasons – 'Because the conduct involves deceiving consumers' and 'Because the conduct is dishonest' (66.2% and 68.7% respectively).

⁶ n=920 (representing respondents who responded 'Yes' to 'Do you think that an agreement between competitors to reduce production levels should be against the law?', Question D3, and 'Yes' to 'Do you think that an agreement between competitors to reduce production levels should be a criminal offence?', Question D3A).

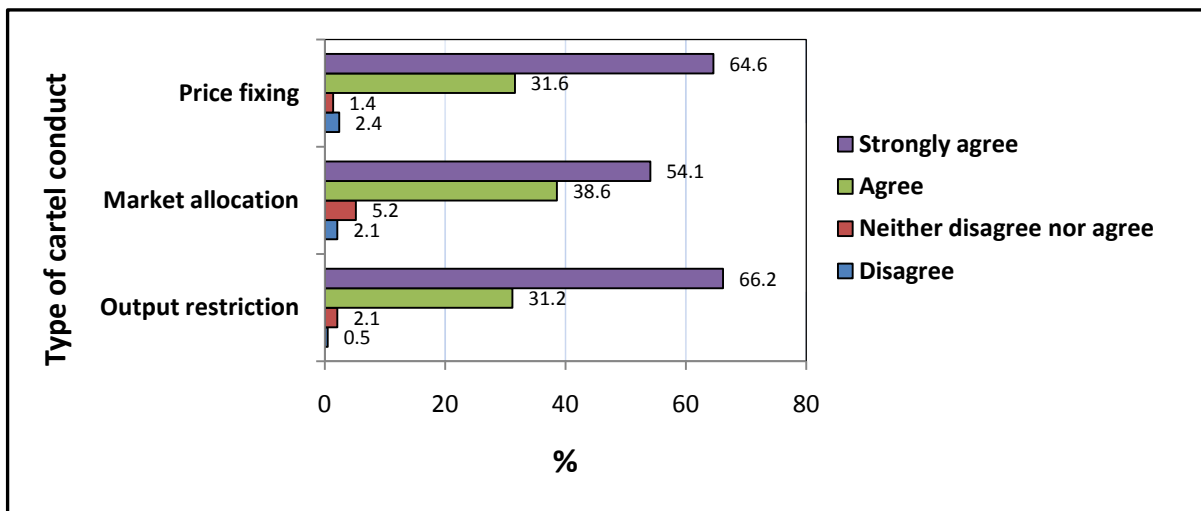
8.4 REASONS FOR CARTEL CONDUCT AS A CRIMINAL OFFENCE – COMPARISON BETWEEN TYPES OF CARTEL CONDUCT

Figure 8.4 Reasons for cartel conduct as a criminal offence – Comparison between types of cartel conduct⁷

Because consumers may have to pay more:

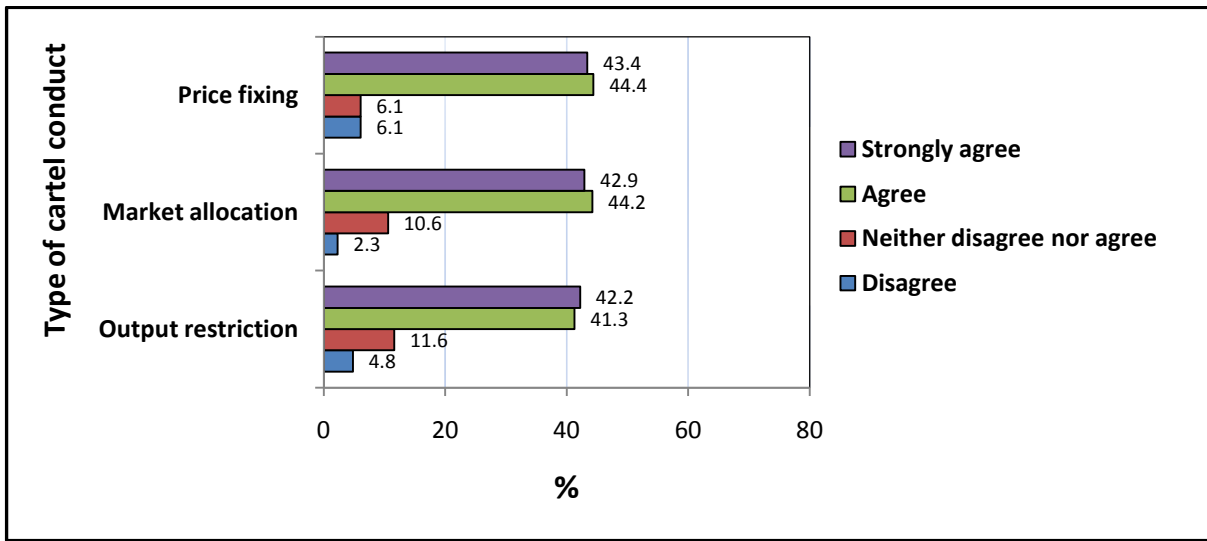


Because the conduct involves deceiving customers:

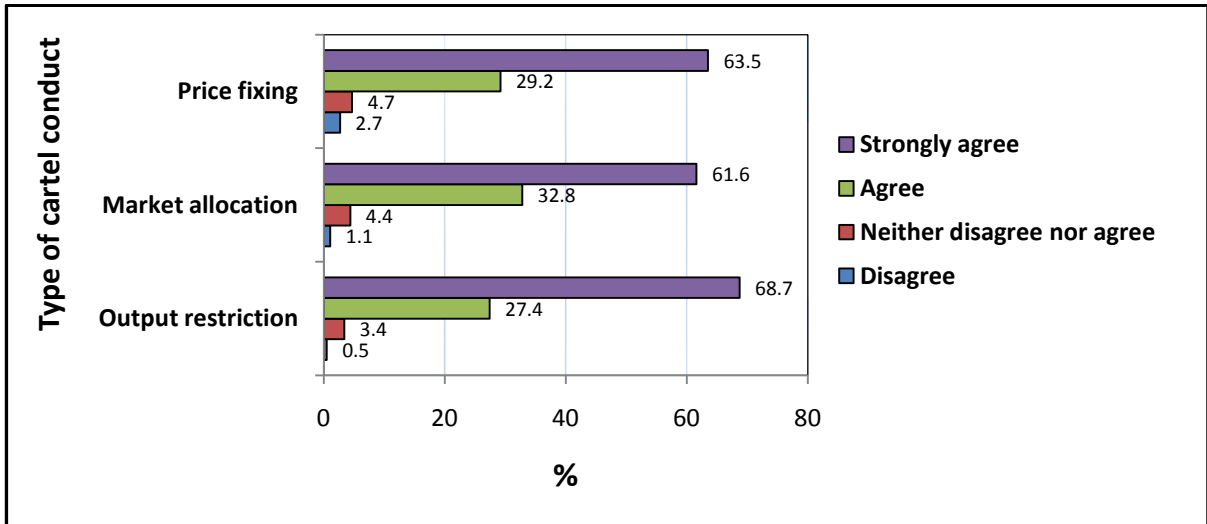


⁷ For purposes of brevity the proportions for ‘strongly disagree’ and ‘disagree’ were combined (presented as ‘disagree’ in these figures) as overall levels of disagreement were very low. For price fixing, n= 952 (representing respondents who responded ‘Yes’ to ‘Do you think that an agreement between competitors on prices should be against the law?’, Question D1, and ‘Yes’ to ‘Do you think than an agreement between competitors on prices should be a criminal offence?’, Question D1A); market sharing, n= 898 (representing respondents who responded ‘Yes’ to ‘Do you think that an agreement between competitors to allocate customers should be against the law?’, Question D2 and ‘Yes’ to ‘Do you think that an agreement between competitors to allocate customers should be a criminal offence?’, Question D2A); output restriction, n=920 (representing respondents who responded ‘Yes’ to ‘Do you think that an agreement between competitors to reduce production levels should be against the law?’, Question D3, and ‘Yes’ to ‘Do you think that an agreement between competitors to reduce production levels should be a criminal offence?’, Question D3A).

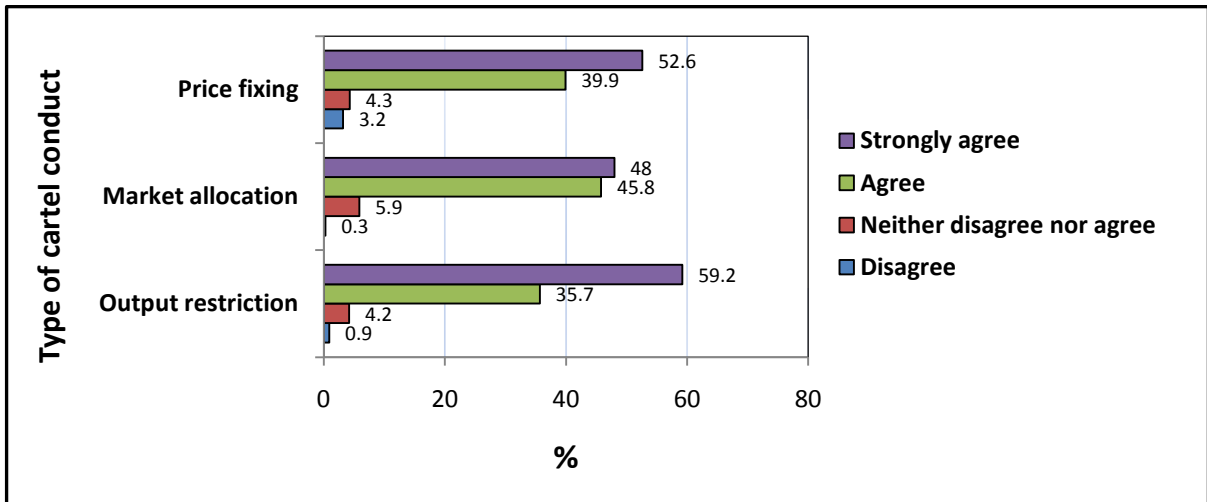
Because the conduct may harm of be unfair to other competitors:



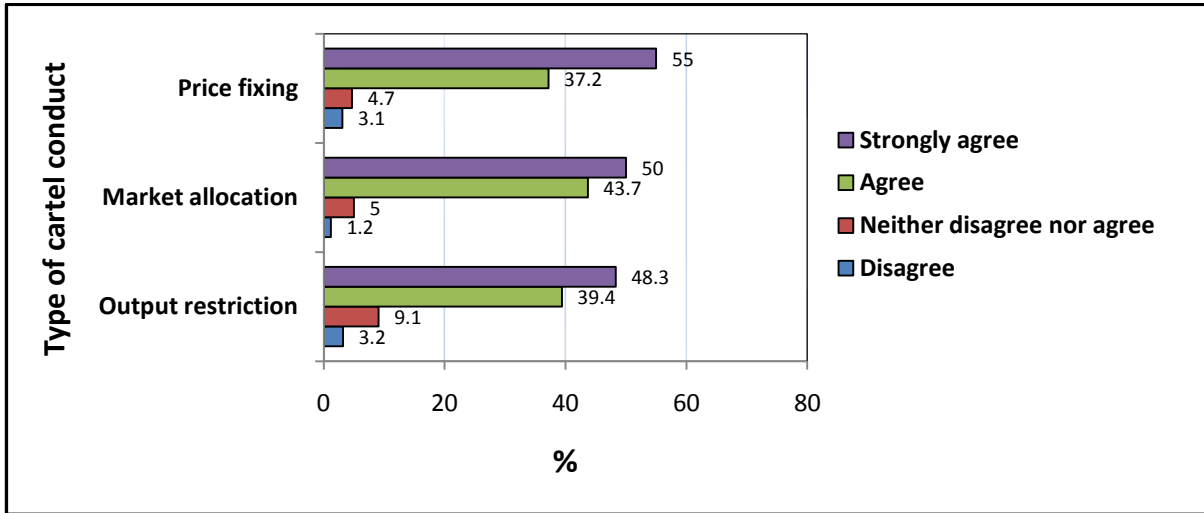
Because the conduct is dishonest:



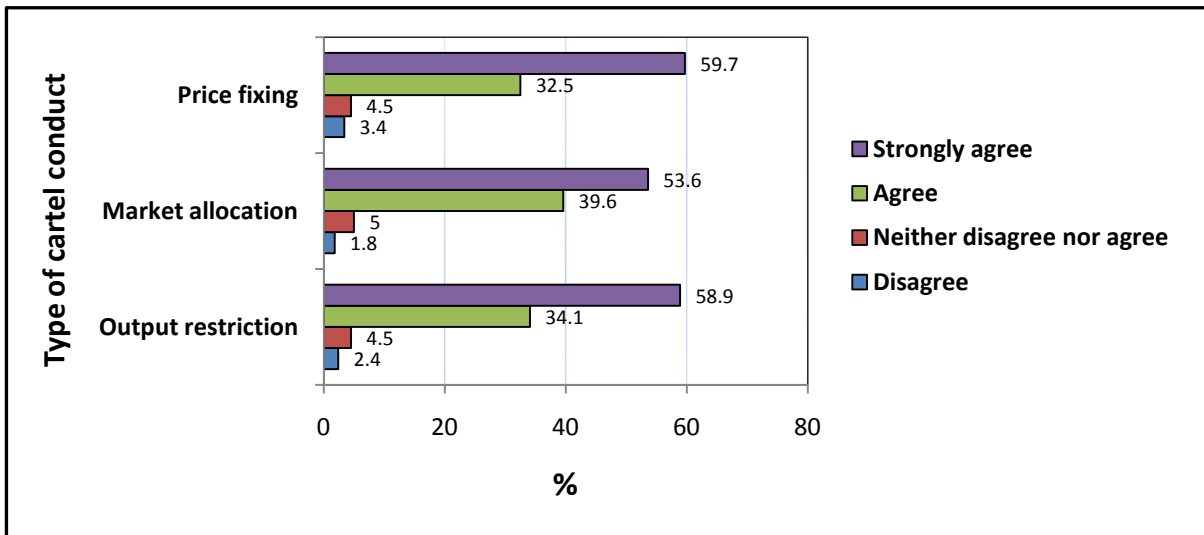
Because making the conduct a criminal offence will mean that the companies or people involved can be punished for it:



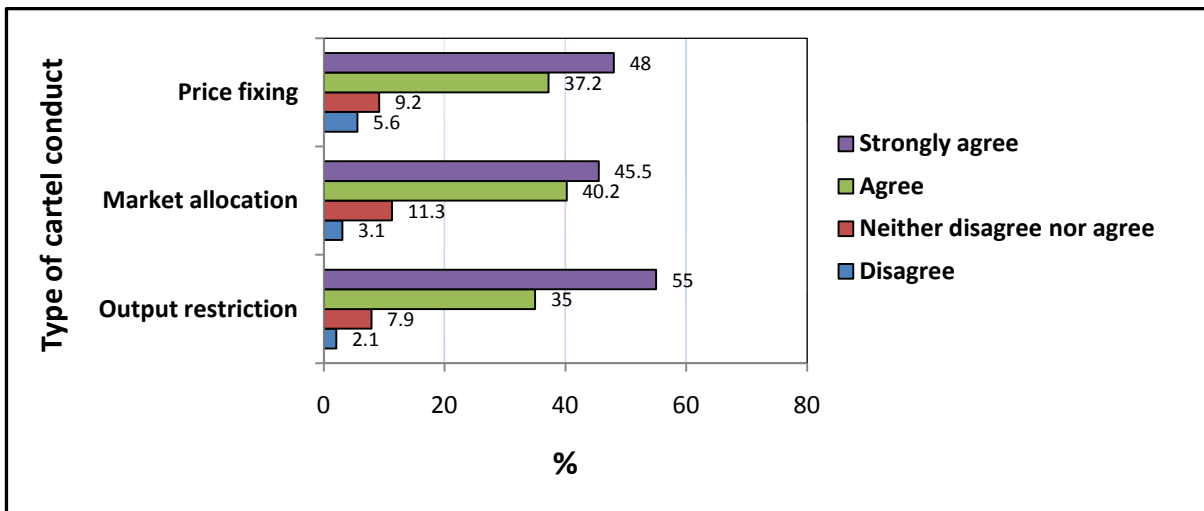
Because the conduct will harm competition or the free market:



Because making it a criminal offence will deter companies or people from engaging in this sort of conduct in the future:



Because the conduct should be seen as the same as theft:



Comments

There were high levels of agreement with all the reasons presented, irrespective of the type of cartel conduct. Worthy of note were strong levels of agreement across the types of conduct for the following reasons: 'Because the conduct is dishonest' (where there was over 60% in strong agreement) and 'Because the conduct involves deceiving customers' (where there was over 54% in strong agreement).