## Press release: Professional court access scheme to be adopted nationally

Legal professionals will soon be able to enter the vast majority of courts and tribunals more easily as a successful pilot scheme is extended nationwide.

## News story: HMCTS refreshes court security awareness materials

HM Courts and Tribunals Service (HMCTS) has refreshed its court security materials in a wider effort to inform people about the requirements when entering court and tribunal buildings.

HMCTS security video

#### Court security awareness materials

The materials, which we developed in collaboration with security contractors, feature a mix of media including posters in courts, video and social media content.

<u>Security poster - a good search</u> (PDF, 105KB, 1 page)

<u>Security posters - prohibited items</u> (PDF, 421KB, 5 pages)

<u>Security posters - security officers</u> (PDF, 3.62MB, 4 pages)

They are aimed at all of those who use courts and tribunals including legal professionals, the judiciary and contracted security staff.

#### Who will be searched?

<u>Security checks apply to all users of courts and tribunals</u>, including those who work within them and users of the services.

There are a few exemptions, for example police officers wearing uniform and carrying a warrant card, or visiting judiciary who have registered at the court.

We are working on an <u>alternative access scheme for registered legal</u> <u>professionals</u>, national roll-out for which is already underway and will be completed in 2020.

## News story: Funding boost for councils looking after asylum seeking children

The Home Office has announced a funding boost of over £30 million for local authorities looking after unaccompanied asylum seeking children.

# Speech: Is competition enough? Competition for consumers, on behalf of consumers.

On 21 February, the CMA submitted far-reaching proposals to the Business Secretary to reform competition law and policy. These reforms respond — in a small way — to some very big events in economics, politics and public policy, both domestically and internationally. The reforms, and the case for them, can only be understood in the context of those events.

Here is some historical context. In a nutshell, a consensus was forged after the war. A second consensus developed after the collapse of Communism. And many argue, and I agree with them, that an effort is taking place now to forge a new consensus, triggered by globalisation and its consequences. It's worth taking a brief look at the substance of each.

The Bretton Woods Agreements established new institutions for economic cooperation, and a new international monetary system, based on fixed exchange rates and capital controls. For many countries, the changes to the international economic order were accompanied by domestic reforms that saw the state increase in size and play a more active role in trying to manage the economic cycle. Both in its international and domestic manifestations, this post-war consensus reflected a scepticism — borne in part by the experiences of the Great Depression — about the benefits unfettered markets.

Over time, it turned out to be deeply flawed.

Internationally, the Bretton Woods system, among other things, triggered frequent balance of payments crises. Domestically, governments' attempts at microeconomic management — through selective industrial policy — proved to be deeply misguided. And their attempts at macroeconomic management proved ineffective against the stagflation of the 1970s.

A new consensus began to emerge: first about monetary policy; then about the

reversal of the roles of macroeconomic and microeconomic policy; and finally, about much greater importance of the supply side. Few thought about it as an integrated framework for policy until the mid-1980s (the term Washington Consensus was first used in 1989 by the British economist John Williamson to describe "macroeconomic discipline, a market economy and openness to the world"). And it came to prevail only after the collapse of the Soviet Union at the end of that decade.

Its influence could be felt in every corner of economic and public policy. Internationally, currencies were floated, and capital controls were abandoned. Trade liberalisation was broadened and deepened and given multilateral impetus through the creation of the WTO. Domestically, top-down demand management was replaced with supply-side reform, and a commitment to sound money and competitive markets. Extensive state ownership gave way to privatisation within a framework of regulation. This new consensus was far more optimistic about the role of competitive markets in sustaining growth and prosperity.

And where markets required regulatory support, the consensus held that this should be provided not primarily by politicians, driven by the vicissitudes of the electoral cycle and the distortions in the market for votes, but by regulators, operating within a well-understood statutory framework, and supported by evidence and analytical rigour. This approach — of delegating a great deal of economic decision-making to technocrats — was pursued by many western governments.

In the UK, from the mid-1990s, it attracted cross-party support. And it was promoted enthusiastically around the world by international institutions like the IMF and OECD. But the wider public's consent for the new consensus was always likely to be conditional, both on their personal experiences of the outcomes and conditional on the extent to which the electorate could hold people responsible for those outcomes' shortcomings. And so it has proved.

Now — nearly 50 years after the collapse of the Bretton Woods system, and 30 years after the end of the Cold War — many argue that this consensus is beginning to fracture. The sound of something like a fracture can certainly be heard in the debate on Brexit. It can be heard in President Trump's repudiation of multilateralism; and in his "America First" approach to trade and foreign policy. It is evident in some of the demands of the 'gilets jaunes', and in the French government's support for so-called "European Champions". It is evident in German proposals for state-backed investment funds to foil foreign takeovers. It can be heard too in recent challenges to central bank independence (see, for instance, The Economist, The independence of central banks is under threat from politics, 13 April 2019).

And most pertinently for the CMA, it can be heard in the calls — loudest in the United States, but now spreading more widely — for a fundamental rethink of the principles and purpose of competition law and policy.

It is worth taking a moment to reflect about why the consensus is now under threat. After all, it has greatly contributed — and over several decades — to what is undoubtedly the most spectacular improvement in the material

condition of mankind (since 1990, the proportion of the world living in absolute poverty has fallen from one in three to one in ten (World Bank Development Indicators). The size of the global middle class has trebled from one billion to 3 billion over the same period, and is expected to reach over 5 billion by 2030, by which point two-thirds of the global middle class will reside in the Asia-Pacific region (Brookings Institute Global Economy and Development Working Paper 100, February 2017).

Nonetheless, as I shall try to explain, if the CMA does not seek to understand these trends, and adapt within its statutory framework, it may find itself cast not as part of the solution, but as part of the problem. The short answer to why the consensus is under threat is that it has generated a number of side-effects and unintended consequences. I will take a moment to reflect on just 3.

First, while globalisation has made almost everyone better off, its benefits have not been evenly distributed. Those on modest incomes in advanced economies have done relatively poorly. A lot of people have been missing out, particularly in the US (for instance, between 1979 and 2014, in the US, average real income of the top one per cent more than trebled, and income growth in the 81st-99th percentiles grew by 69 per cent. Over the same period, income growth in the middle three quintiles was 28 per cent, and growth in the lowest quintile was 26 per cent — Congressional Budget Office, The distribution of household income, 2014, March 2018).

In the UK, on most measures, the income distribution has not materially widened since the 1980s (the Gini coefficient of income inequality in the UK rose rapidly between 1979 and 1989, and has since remained broadly stable. Other measures, such as the ratio between the 90th and 10th percentile of the income distribution, and the 90th and median, have also been stable over the last 3 decades. The only significant change over the past 3 decades has been in the share of income going to the top one per cent, net of tax, which rose in in the UK through the 1990s and the first decade of the 21st century — IFS, Living Standards, Inequality and Poverty, June 2018 release).

Even so, the purchasing power of the average wage is at the same level now as it was 13 years ago (CPIH-adjusted average weekly earnings (including bonuses) stood at were £493 in February 2006. In February 2019, they stood at £494 (ONS Dataset EARNO1, 14 April 2019 release). Average incomes (including non-employment income, state benefits, tax credits and taxes) increased by 6.6 per cent in real terms between 2006-07 and 2017-18. IFS, Living Standards, Inequality and Poverty, June 2018).

Second, there is less certainty for many people about their future incomes and employment prospects. The well-documented rise in more flexible forms of working brings many wider benefits, economic and social, for millions of people. But not for all. And the rise of automation, advances in artificial intelligence and increased connectivity mean that the pace of change in the workplace will almost certainly continue to grow.

Third, globalisation has brought far more benefits to some parts of the

country than others.

The gap between the poorest and richest parts of the country over recent decades has widened — in wages (see, for instance, IFS, Living standards and poverty in the UK: 2017 "Average incomes in the south of England (excluding London) and Scotland have grown faster than in Britain as a whole over the last 40 years. This means the South East is now nearly twice as far above the national average as it was in the 1970s (13 per cent compared with 7 per cent)."), in health (see, for instance, Public Health England, Health Profile for England, 12 September 2018), and in educational attainment (Commission on Inequality in Education — Final Report, June 2017: "Comparing the performance of 11-year olds born in 2000 with those born in 1970 reveals that the geographic area a child comes from has become a more powerful predictive factor for those born in 2000").

This is to be expected in a dynamic economy with a flexible labour market. But people have become aware of this, and some feel left behind. These trends — and the associated public discontent — are not new. But for many years, even prior to the 2008 financial crisis, they passed largely unnoticed by the technocrats charged with harnessing the forces of capitalism, and by many of the politicians empowering them.

The widespread gains of globalisation and free markets were rightly encouraged by them. The localised pain and disruption often went unaddressed. The sense that the public had never had it so good was reflected in Mervyn King's remarks in 2005: "We have moved from the Great Inflation to the Great Stability".

Central banks and financial regulators had their "crisis moment" in 2008. That crisis shattered the complacency of the economic policy establishment, and precipitated major regulatory reform, domestically (for example, the Financial Services Act 2012 abolished the FSA. Its functions were divided between two new bodies: the FCA and the PRA) and internationally (The G20 Pittsburgh summit of April 2009 created the Financial Stability Board — consisting of representatives from finance ministries, central banks, regulatory and supervisory authorities in 25 major economies, and tasked it to work with the major international standard-setting bodies to reform international financial regulation and supervision. This work has encompassed reform of capital and liquidity requirements for banks; of the supervision and resolution of global systemically important financial institutions; and of the reporting, clearing and margining requirements for derivatives trading).

By contrast, my impression is that many competition authorities around the world have not yet heard the cracking sound. Or if they have, they are at the early stages of responding.

In the UK, for the most part, the last 20 years have seen incremental refinements to a legal framework that remains a creature of the consensus. This places competition at its heart, on the assumption not just that this will always benefit ordinary consumers, but that it is always the single best way of helping them. It is reflected in the CMA's objective: to promote

competition for the benefit of consumers. It is also reflected in the extensive procedural protections afforded to businesses on the receiving end of CMA intervention.

Protections are essential. But protections that prevent and delay remedies that are manifestly in the interests of ordinary people may carry a price, not just in the perpetuation of detriment, but in a loss of public confidence in the framework. At least 2 questions follow:

First, just how fragile is public confidence and trust in the benefits of market competition?

And second, if the public are losing confidence, are they right to be so concerned?

On the first question, the answer is that confidence and trust do appear to be fragile. Half of people think the way business works is bad for society (Edelman Trust Barometer 2019 — UK results, January 2019). They feel that prices, particularly for essential utilities and services, are higher than they should be. They feel vulnerable to being exploited, and having their choices manipulated, particularly online (Edelman Trust Barometer — Special Report: Brands and Social Media, January 2018. Two-thirds of UK respondents said their trust in social media had been damaged by concerns about identity theft/scams, cyberbullying/hate speech, fake news, clickbait or bots (average across all 5 concerns).

They think that the reward for being a loyal customer is even higher prices. And while they enjoy the apparently free products and services of the digital giants, some are starting to notice the hidden price, the intrusive harvesting of their personal data. Two-thirds of people in the UK do not trust social media companies to behave responsibly with the personal information they collect (Edelman Trust Barometer — Special Report: Brands and Social Media, January 2018).

On the second question — are consumers nonetheless well-served by the competition regime? Again, the answer is that it appears to fall short of what they are entitled to expect. First of all, if we choose to accept the orthodoxy — that the pursuit of competition, rather than the consumer interest — should be our lodestar, the supposedly robust and independent framework that we have at the moment appears to be deficient. The development of that framework appears to have coincided with a decline in the levels of competition in the economy.

Since the passage of the Competition Act in 1998 product market concentration has risen: the turnover share of the UK's 100 largest businesses has risen from 21 per cent to 28 per cent. And listed firms' average mark-ups have risen from 20 per cent to close to 60 per cent (Market Power and Monetary Policy, speech by Andy Haldane at Jackson Hole, 24 August 2018). The problem looks set to grow with the rise of the digital economy. The valuations of the tech giants imply their market shares are sustainable in the future. They imply that the platforms will be able to reap excess rents. The markets appear to have made a bet that the system will be ineffective in bringing

enough competition to those markets, to erode the rents.

Moreover, the theoretical foundation of the existing regime — that if we sort out competition, the consumer interest will take care of itself — clearly requires some practical qualification. The loyalty penalties paid by consumers in telecoms and financial services alone are estimated to be around £4bn a year (<u>Tackling the loyalty penalty</u> CMA response to a super-complaint made by Citizens Advice on 28 September 2018, para 7).

There is price discrimination against the vulnerable in energy, insurance and other essential services. The rise of the digital economy has brought huge benefits to millions of people. But it has also rendered previously confident and capable consumers vulnerable to getting bad deals and poor service. This is not just people who are vulnerable on well-understood indicators: those who might be old, or on low incomes. It includes millions — perhaps even the majority — of the population, many of them 'time poor'. They — us — are the "new vulnerable". We are all vulnerable now.

Whether it is a lack of competition that is letting consumers down, or shortcomings in the theory that competition always benefits consumers, is an academic question of complete irrelevance to the long-suffering public. They just go by their experiences. They see higher prices and unfair practices, and often by the same unassailable and unaccountable big businesses. Adam Smith's invisible hand appears rather idle. Schumpeter's gale of creative destruction threatens to blow away their old jobs. But it has failed to shake up their bank, their insurer or their energy provider.

Still, for anyone trying to evaluate what reforms are required, this question does matter.

The evidence indicates both that competition policy is lacking in vigour, and that it is too narrowly focused on process, rather than practical outcomes for millions of consumers. And these problems look set to persist and grow. Just as the pace of change in markets in accelerating, the competition framework is taking ever longer to get results. In the time it takes to reach a decision and go through the appeals process, market may move on. The detriment will be developing somewhere else.

The CMA's <u>Phenytoin</u> decision has been going through an appeal process for over 2 years, and is far from resolved. In a world of digital markets, that's akin to Jarndyce and Jarndyce.

So far, I have set out what many have called a crisis of capitalism. Or as Jamie Dimon put it recently, a fraying of the American Dream (JPMorgan, Chairman & CEO Letter to Shareholders, April 2019: "The American Dream is alive — but fraying for many").

And there is certainly a crisis of confidence in the institutions charged with harnessing the forces of capitalism for the public good. The CMA is firmly in the frame here. We are one of those institutions. But what should be the policy response? There is a wide range of views. Here, in a nutshell, are a couple of them:

First, and at one end of the spectrum, there are the Panglossians, who argue that this so-called crisis of capitalism is merely the residual fallout from the financial crash a decade ago. With patience, normal service will resume. A tweak here or there is all that is necessary in the meantime. And anything more radical would increase uncertainty further. It would damage the stability required to secure business investment and international confidence in markets. And innovation would be the casualty.

I heard this a lot from senior figures in the financial community in the early years after the crash. But as I have already pointed out, much of the discontent was evident well before the events of 2008-9. In any case, there are fewer takers for this view these days. The electoral gains made by populist-nationalist parties across the West have shaken this complacency. At the other end of the spectrum in Western politics are the progressive radicals. They say nothing less than the restoration of direct intervention — a return to the earlier, post-war consensus — is essential.

There is a range here, from those who, in certain well-defined circumstances, would set aside competition rules to promote "national champions" capable of competing on the international stage, to those — on the right and left — who advocate either re-nationalisation, protectionism, or both (The Peterson Institute for International Economics describes the economic policy of the Hungarian Government under President Orbán as: "first, reduce the fiscal deficit to below 3 per cent of GDP through nationalizing the second pillar of the pension system and levying higher taxes on the banking, telecom, insurance, and retail sectors. Second, nationalize some strategic assets, primarily in the energy sector. Third, increase the role of the state in banking through nationalizing some banking sector assets and restructuring the state-owned development bank and postal services to deliver credit. Fourth, create monopolies in certain sectors, for example the production of tobacco and alcohol products. And fifth, reduce mortgage and small business lending rates through government subsidies". Both of the parties in Italy's governing coalition — The League and the Five Star Movement — are critical of the EU's pursuit of free trade agreements. Luigi Di Maio, the leader of the Five Star Movement, said in July 2018 that "If so much as one Italian official... continues to defend treaties like CETA (the EU-Canada free trade agreement) they will be removed").

So where does the CMA sit?

Some will argue that this is none of our business. That it's beyond our pay grade. They argue that to engage with this debate — even as it pertains to the competition framework — would be to exceed our remit. We should stick strictly to doing what legislators have asked of us, until the storm blows over. But this apparently cautious approach carries its own risks.

If we don't contribute to finding the solution to the demise of trust in markets, we increase the danger of being cast — by populists on the left and right alike — as part of the problem. This will put at risk the foundation of an independent competition regime, and many of the welfare gains derived from it. And presage a return to the days when competition policy was subordinated to daily politics.

The CMA — any more than any other regulator — should not try to be the whole answer to the growing discontent about capitalism. The actions of the regulators alone cannot repair the fractures in the consensus. Competition policy may not, in many areas, even be a major part of the solution. But competition authorities should not stand aside.

If they are to secure legitimacy in this febrile environment, they should do one of two things. Either they should ask for the tools to address public concerns about markets, or they should have the courage to tell politicians that it is their responsibility, and say so publicly, and if appropriate — given their remit — advocate how.

Furthermore, although it is not the CMA's job to criticise the government's chosen approach, it is reasonable — and necessary — for it to explain the consequences of that approach for consumers. Though it is not widely appreciated, both Parliament and the government have already asked us to do this. And they keep on asking. For nearly 20 years, the CMA and its predecessor have had a statutory responsibility to make proposals, including legislative proposals.

The responsibility also includes the provision of advice to Ministers and public authorities on matters falling within the CMA's remit (Under section 7(1) of the Enterprise Act 2002, the CMA has responsibility for making proposals, or giving information and advice, 'on matters relating to any of its functions to any minister of the Crown or other public authority (including proposals, information or advice as to any aspect of the law or a proposed change in the law).'').

That responsibility was broadened in 2015, to include published recommendations on proposed legislation (The Small Business, Enterprise and Employment Act 2015 added new subsections to Section 7 of the Enterprise Act, specifying that the CMA may make a "proposal in the form of a recommendation to a minister of the Crown about the potential effect of a proposal for Westminster legislation on competition within any market or markets in the United Kingdom for goods or services" and that it "must publish such a recommendation in such manner as the CMA considers appropriate for bringing the subject matter of the recommendation to the attention of those likely to be affected by it").

It has been further bolstered by the government's Strategic Steer, which asked the CMA to "actively challenge central and local government" and "raise objections at the highest levels if Ministers or Civil Servants are failing to use competition effectively" (the Steer has existed since the CMA's creation in April 2014, and has been updated once, in December 2015. A draft update to the December 2015 steer was consulted on as part of the Consumer Green Paper (Modernising Consumer Markets) published in April 2018).

And most recently, the Chancellor asked in the Spring Statement that the CMA carry out a review of the impact of regulation on competition. The CMA already does much behind the scenes to influence government policy. But I was struck, when I took up this role, by how little it says in public. And consequently, how little awareness there is in Whitehall, and more widely,

about this aspect of its work. In the current environment it should be doing and saying a lot more. Reform will be needed. And the legal framework needs to adapt, too.

Competition needs to be promoted not as an end in itself, but rather as a tool to serve the interests of the millions of consumers that are its intended beneficiaries. And it is with this in mind that, in February, the CMA submitted wide-ranging proposals to the government for reform of competition and consumer law. At the heart of the proposed reforms are new duties on the CMA, both to ensure that the economic interests of consumers are paramount and to act swiftly consistently with proper protection of parties' procedural rights. These duties reflect what I have already described.

That competition is not an end in itself. It's millions of people — the end users of the competition regime — that count. And they expect us to do our job quickly. For the CMA credibly to meet these new duties — particularly in new and fast-moving markets — changes will be required to its tools and powers. Without these powers, the CMA may well fall short of the duties and responsibilities placed on it. Just as bad, it will fail to meet Parliament's, and the public's, expectations. My letter set out to government what might be necessary. Proposals are made on every major aspect of our work. I will draw attention to just a few of the most significant.

First, changes are proposed to the framework that allows the CMA to order legally binding remedies in markets where competition is compromised. This should be a powerful tool. Other competition authorities think so. Some are looking to emulate it. But it has some significant weaknesses. It now needs to be made fit for the future.

The central problems are that it is slow — it can take over 3 years before the CMA is in a position to order remedies, even in cases where the failure to act urgently can cause lasting harm. It lacks the consumer focus that would be needed under a new duty — the CMA can only address consumer detriment if it can show it is caused by an adverse effect on competition. And it lacks teeth — the sanction for breaking undertakings provided to the CMA, or even the CMA's own remedies, are both weak. I have made proposals to address these shortcomings. In short, if the CMA identifies — during its markets work — a practice that is harming consumers, it should be able to order it to stop, pending an investigation, under threat of a fine for those who might flout its order.

Second, there are proposals that strengthen the CMA's enforcement of consumer protection law. I think the public would be shocked by the weakness of the sanctions in this area. When companies break consumer law, when they rip consumers off with unfair trading practices, or exploit them through unfair contract terms, the CMA has to apply to the courts to request them to order the practices to stop (the term "rip off" was used in Parliamentary debates 202 times in the 1980s, 205 times in the 1990s, 201 times in the 2000s, and 352 times in the 2010s to date).

The companies concerned don't get fined. They are no worse off for having

broken the law. If there's no penalty, the business case for compliance within companies is weak. Just as it does when it takes on firms engaged in anti-competitive practice, the CMA should be able to decide itself if a firm is breaking consumer law and order it to stop. And it should be able to fine firms that flout consumer law.

Third, there is not enough in the existing framework to promote personal responsibility for complying with competition and consumer protection law. Individuals are far less likely to break the law if they may be held liable for it. And the public rightly expects personal responsibility for very serious wrong-doing in firms.

Accordingly, the proposals include measures to increase board-level responsibility for complying with the law, so that competition and consumer protection are in the minds of company directors. And it is proposed that, for serious breaches of consumer protection law, director disqualification should be a possibility. Just as it is for competition law offences.

The frontiers of the CMA's work would be extended in certain areas by these proposals. But I have made suggestions in other areas for them to be rolled back. These include removing the CMA's responsibility in respect of regulatory appeals, which may be better heard by the courts. They also include transferring primary responsibility for the prosecution of criminal cartels, which may sit more naturally with a law enforcement agency that routinely brings criminal prosecutions.

Both changes would better enable the CMA to focus on protecting the interests of consumers. Taken together, the proposals that the CMA has made to government would mark a decisive shift in favour of the consumer, and against those businesses that exploit consumers, and flout competition and consumer law. And — alongside some of the proposals from the Furman Review of digital competition — they would better equip the CMA to manage the challenges thrown up by the growth of the digital economy.

A number of objections have been raised to the proposals. Some have said they are anti-business. That they will add to the regulatory burden. I disagree. The existing framework is not just letting consumers down. It is letting down those businesses — the vast majority — that compete fairly and play by the rules.

Stronger and swifter enforcement of competition and consumer law will give a stronger competitive advantage to those firms over the minority — the most unscrupulous — that abuse their dominance, rip off their customers, or treat the CMA's sanction as a cost of doing business. And the improvements to the CMA's "markets" powers stand to benefit small firms in particular. They will enable earlier action on barriers to entry. And they will encourage the development of new markets in ways that sustain, rather than close down, competition.

The CMA is also developing proposals that will make it easier for small businesses to take action when they lose out from anti-competitive behaviour. Empowering small firms to represent their own interests will further

rebalance the system in favour of the vast majority that do the right thing.

More vigorous competition will, in turn, help to improve the UK's long-run economic performance. The empirical evidence is strong that increased competition during the 1980s — through the abandonment of protectionism and selective industrial policy — led to better economic performance, and labour productivity, too. There is no reason why it cannot do so again.

Others object that the broader duties and powers being proposed will give the CMA too much discretion to intervene. And that businesses will be faced with greater uncertainty as a consequence. The CMA's decisions are — and would continue to be — evidence-based. Any discretion afforded by the proposals to address a wider range of consumer harm would not be used arbitrarily. But as in all areas of regulation, the CMA's decisions require judgement. This is particularly true in its markets and mergers work. Here, the CMA must try and estimate how markets will develop, with and without intervention. It can make a well-informed estimate.

But, as in economic forecasting, given the uncertainties, exhaustive work beyond a point may yield very little indeed. Historically there has been a particular concern to avoid 'false positives' — intervention by the CMA which should not have occurred. But perhaps this has come at a cost, in terms of a failure to intervene when it should have. That balance may shift, in the light of the proposals, in favour of the consumer. Perhaps it needs to shift. Because — for reasons I hope I have made clear — neither Parliament nor the public appear to be satisfied with the current level of enforcement.

Some have argued that the proposals are too radical. For them, the starting point tends to be that carrying on roughly as we are is both politically sustainable and economically beneficial. I have tried to set out today why it is not. Why doing nothing is not an option. Indeed, by comparison with ideas being put forward in other (respectable) quarters, the proposals are restrained.

They are not of the new-Brandeis school, that seek to import explicit social objectives into the competition framework, and put them at the heart of politically-charged debates. Nor do they rip up the "rules of the game", by changing the tests for competition infringements or merger control. They are, in my view, the minimum necessary to secure the future of an independent competition regime, and to ensure that competition policy does its part in preserving the best of the consensus.

#### 2 further points:

First, in answering the various criticisms that have been made of the proposals, it is worth remembering that — in all areas of policy, and certainly competition policy — vested interests tend to cluster around the status quo. They tend to be well-resourced and well-connected. But those who stand to benefit from change — in this case millions of consumers — tend to be dispersed or disengaged, and little heard. It is the job of policymakers, periodically, to dislodge these vested interests.

And it's the job of regulators, in my view — especially those with specific statutory responsibilities — to advise governments on how to do so. It's tough enough for legislators and ministers as it is. Finding that regulators fall silent at the first sound of gunfire, or worse, get captured, can only give ministers an impossible job. That is why the CMA is speaking up.

These proposals will now be further developed and refined. But they are just the first step. The task of rebuilding public trust and confidence requires much more. It requires the CMA to be a more visible and vocal consumer champion, independent of vested interests in the private sector, and of political pressures. From what I have seen so far, that will require a cultural shift.

20 years of incremental change, accumulating case law, and a strong working relationship with the legal community, have made the CMA fluent in the rarefied language of competition law and policy. Competition authorities, and other regulators, now need to learn how to talk more, and more openly, to politicians, and even the wider public. Part of that — as I have already said — will involve staking out the bounds of where our responsibility ends and where government's begins.

Much of what comes to our attention is best remedied by government. Part of it involves "thinking out loud" about the problems facing markets, to meet a democratic demand for accountability, to signal our intent, and to build public confidence in our work. And part of it involves making greater use of our existing powers to advise and make public recommendations to government on legislation and policy. On both points, the CMA is now on the case.

The fight for competition — and for the millions of consumers that benefit from it — against vested interests is a constant struggle. But in a climate where the consensus is under threat, where competition from abroad, and discontent at home, is leading some politicians to turn the clock back on industrial policy — and others to retreat into protectionism — this job will be ever more important.

# News story: Crackdown on illegal angling in North East over Bank Holiday

During the Bank Holiday weekend, from 4 to 6 May, Environment Agency Fisheries Enforcement Officers checked 363 anglers at separate locations in Durham, Teesside, Tyneside and Northumberland using local knowledge and intelligence to target offending.

Over the three days 17 people were reported for various fisheries offences,

most of which were for fishing without a licence.

As well as the rod licence offences the officers discovered two illegal crayfish traps, which were seized.

David Shears, Senior Fisheries Enforcement Officer at the Environment Agency, said:

Despite the unseasonal low temperatures there were still anglers and offenders active though low river conditions reduced salmon angling activity. Officers dealt with the illegal crayfish traps and are working with the fishery to prevent further offences.

We use intelligence gathered previously to indicate the locations where anglers are likely to be fishing illegally, and we concentrated our efforts towards those areas. We shall continue to target those waters where evasion and illegal activity is high and those caught may be prosecuted.

Money from rod licences goes back into the freshwater and migratory fisheries. People who fish without a rod licence are having a direct effect on the work we can deliver.

He added that the current coarse fishing close season on rivers, some canals and some stillwaters started on 15 March and finishes on 15 June. There is no close season on most canals and most stillwaters.

Mr Shears said:

The close season in our rivers is important to allow the fish time to breed and spawn and so maintain a healthy stock of fish. Without it, our fisheries would be put at risk.

People caught fishing without a licence can be fined up to £2,500. Children under 13 do not need a licence. Licences for children aged between 13 and 16 are free, but a junior licence is required.

Anyone who suspects illegal fishing to be taking place should report the matter to the Environment Agency's incident hotline, on 0800 807060.

For more information and to buy a rod licence go to <a href="https://www.gov.uk/buy-a-uk-fishing-rod-licence">www.gov.uk/buy-a-uk-fishing-rod-licence</a>. To check your flood risk and to sign up to receive flood warnings on your phone, go to <a href="https://www.gov.uk/flood">www.gov.uk/flood</a>.