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Keynote address by Margrethe Vestager

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On fair markets and gender equality

It's always nice to be in Paris. This is a city with a magnificent history and culture. It's pretty good for shopping, too. Maybe some of you will find the time to get early gifts for the festive season with your families.

Should you go shopping, it's highly likely that you will use the inventions of Margaret Knight. She was a leading woman inventor in the US and in our history. And she knew a thing or two about competition, fairness and gender equality.

Miss Knight started inventing in 1850, at the age of twelve. Girls at that age worked in a factory. Ms Knight witnessed how a co-worker got injured by a machine in a cotton mill. So she designed a mechanism to stop the machine immediately if something got stuck in it.

She maintained her appetite for invention. As a young woman, she decided that paper bags work much better with a flat bottom. So she invented a machine to glue and fold paper to have that flat bottom. And those are the paper bags that we still shop with today.

But Ms Knight didn't live in a fair society. A man named Charles Annan spied on her when she was creating the prototype for her paper bag machine. And he stole the patent.

Ms Knight didn't surrender. She went to court to get the patent that rightfully belonged to her. In court, Mr Annan argued that the invention could not be hers, simply because no woman can think of something so smart. Ms Knight carefully gave the proof of her work. And the court gave her the patent. Ms Knight became very successful with it.

The rule of law is there to preserve fair opportunities in our markets. When fairness is at risk, we need authorities to stand up for what is right. Authorities that can weigh the evidence and restore fair markets.

That also drives competition enforcers today. When we do a competition case, we may think first of our rules, documents and economic data. But with our work, we stand up for very basic ideas. Fairness, openness, equal opportunities.

People are active on the market every day, so it matters that markets treat them fairly. Our competition enforcement protects consumer welfare. Ultimately, we make markets work for consumers and not the other way around. And we deliver the markets that make people confident that they live in a fair society.

Our work on competition enforcement easily becomes technical---food for thought for smart lawyers, eager economists. But it's absolutely vital to build a fair society.

A fair deal for consumers

To give consumers the best deal in the market, we need to know what they want.

That's why we run our market investigations--asking questions to market participants, doing surveys, getting the feedback from consumer organisations.



Often, we see that today's consumers don't just care about price. They also want privacy and security when they give their data to online platforms. New ways of making mobile payments. And chemicals that are safe for them and the environment.

So innovation isn't just the motor that fuels our economy. It's something that customers increasingly want and demand from the marketplace.

This focus on innovation has an impact on competition cases. We've moved beyond cartels of robber barons lurking in smoke-filled rooms to fix prices and share markets. We now also investigate cartels where companies cosy up to delay innovation.

Our competition rulebook can protect the innovation race and it's our responsibility to meet the challenge. In 2016 and 2017, the European Commission fined truck makers for running a cartel. They coordinated gross prices for their vehicles. But they also worked together to coordinate the introduction of trucks that complied with the newest and highest environmental standards, to the detriment of Europe's citizens.

We imposed the highest cartel fine in our history on these truck-makers – a total of over 3.1 billion euros.

Fair chances for innovations

Margaret Knight might have liked the work of competition agencies.

Because if we keep markets open, new Ms Knights can turn their ideas into market success stories.

Competition on innovation has also increasingly become a focus of our merger cases.

Just last week, we decided on the merger between Takeda and Shire, two pharma companies that develop biological treatments for inflammatory bowel disease.

Inflammatory bowel disease can devastate people's lives. Patients have very few options for treatments without side effects.

The drugs under development that Takeda bought from Shire were very similar to medicines that Takeda was selling. It was unlikely that after the merger, Takeda would continue to develop and make both drugs.

These patients, and their healthcare systems, needed a choice between treatments, even if they are similar. A similar but slightly different drug may work better for some patients. Or have fewer side effects. Less competition between drugs also means higher prices for healthcare systems.

So we only approved that merger after Takeda agreed to sell the treatments in Shire's research pipeline. This included the right to develop, produce and market the medicine. The buyer must be able and willing to make the drug a success in the market.

In an innovation economy, protecting competition is not just about products that are sold today. It's also about critical products that companies have in the pipeline, even in early development.

The OECD has picked up on this issue. In June, you had a discussion here on innovation and remedies that keep the drive to innovate alive. We shared our thinking with an extensive paper. And we believe that research pipelines are a vital part of the discussion.

Fair level playing field in subsidies

150 years ago, Margaret Knight could rely on a government institution to restore fairness. But we all know that sometimes, governments can cause unfairness just as companies do.

It's a natural reflex that States want to see their own companies prosper. Each government should ensure that their country is open for business with skilled workers, good infrastructure and a reliable public sector.

But it isn't fair if one company wins the global competition race just because it has a cosy connection with the government and tax payer's money.

In Europe, state aid control preserves a level playing field in competition. Our cases range from concessions at Charleroi airport, to the selective tax advantage of Apple.

But to ensure real fairness, we need to look further out, to the rest of the world. As markets become global, our multilateral trade system must have stronger discipline on subsidies.

That is why we have engaged in a dialogue with our counterparts in China where we exchange experiences with on how we do state aid control and how they try to implement their Fair Market Review System.

The EU wants to strike trade agreements with ambitious rules on subsidies, going beyond the WTO framework. Our recent trade deals with Japan and Mexico tackle subsidies for goods and services. They bind us together in giving transparency on subsidies. They prohibit the most harmful subsidies, such as unlimited State guarantees. They only allow for restructuring aid under strict conditions.

But we can only go so far with individual trade partners. What we need is strong global rules, for goods and services. Step-by-step, we are seeing change.

In May, we agreed to work together with the US and Japan to improve the WTO rules on subsidies. The EU firmly put this on the agenda for modernising the WTO.

We are glad that last June, OECD Ministers called for sound rules on subsidies and other government support that harms competition. I would like to thank the OECD Competition Committee for urging governments to guarantee equal treatment between state-owned and private companies.

All of us that work on promoting fair competition knows that part of the job is to explain and promote the benefits of open competition on a level playing field to other stakeholders in our home countries. So please take up the baton when you travel back from this meeting and promote the idea of greater international subsidy disciplines in the country you know best.

Competition and gender equality

All our work preserves Margaret Knight's legacy, to keep markets open and fair.

Of course, her fight for equality went beyond competition policy. Being a woman meant she had the cards stacked against her.

As competition enforcers, we can help to get the gender balance right.

Competition decisions need a strong foundation in law and economics. We need the best and brightest to do that work, by tapping all of our talent, men and women.

The European Commission takes that very seriously. Our decisions on trucks and bowel drugs, Charleroi airport and Apple's taxes all have something in common. Within our competition department, it was women in charge of running these cases.

The Commission is well underway to reach its targets for female representation in management. Women now make up 40% of middle management in DG Competition. The Commission's three Deputy Secretary Generals are female.

Our talent pool must remain wide open, from our newest recruits to our highest management.

This is not about changing the rules that guide competition policy. It's not about running our cases differently.

It's about a new mind-set. About openness when we hire staff, pick our leaders, invite people to speak at competition conferences.

So I'm very glad that gender equality is on the OECD agenda today.



Closing

We need organisations like the OECD to promote and achieve fairness and equality. In a globalised world, we protect these values by working together.

Globalisation is a bit like Ms Knight's cotton mill. If fairness gets stuck in the machinery, you don't close the mill and shut down trade and business. You look at the international rules that guarantee fair markets and make sure that they remain fit for purpose.

On her death, the obituary of Margaret Knight called her the lady Edison.

But for me today, she was something greater.

She was simply Margaret Knight---a female inventor who didn't surrender when fairness got lost. She stood up, looked at the rules in place and ensured that they restored fairness.

That should inspire all of us today.