

Regulation of Professional Services

John Fingleton

Chairman, Irish Competition Authority

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Strategy

- Use advocacy more than enforcement
 - Professions heavily regulated
 - Complex issues
 - Potential for change politically
- Advocacy
 - Lawyers, Engineers, Architects, Medical Professions
- Enforcement
 - Pharmacists, Opticians, Accountants, Vets

Interim Findings

	Eng	Arc	Opt	Med	Den	Vet	Sol	Bar
Entry								
Structure								
Conduct								

Types of Restrictions

- Entry Restrictions
- Conduct Restrictions
- Structural Restrictions

Entry restrictions

- Pharmacy
 - De-regulated in 2002
 - Large chains, new pharmacies
 - Government Review
- Derogation from recognition directive
- Professional training
 - Admission, numbers of places
 - Allocation of talent

Conduct restrictions

- Advertising
 - Evidence suggests liberalisation beneficial
- Fee Scales
 - Formal and informal
 - Problem: Consumers like certainty
- Boycott Rules
 - Professionals often required to consider interests of competing professionals

Structural Restrictions

- Ownership and organisational form
 - Prohibitions on corporate ownership
 - Multi-disciplinary practices
 - Restrictions not clearly linked to consumer benefits
- Demarcation Restrictions
 - Dental technicians, nurses, conveyancing, sale of readymade spectacles, veterinary nurses.

Regulatory Issues

- Demand for Regulation
- Justification for Regulation
- Regulation and the Single Market
- Regulatory bodies

Demand for Regulation

- Originates largely from professions not consumers
- Pharmacy
 - Seeking new regulation of chains after legal action forced removal of location restrictions
 - Advocacy important

Justification for Regulation

- Proportionality
- Good example: architects and engineers
 - Standards regulated, open entry
 - Market corrects information asymmetry
 - No 'race to the bottom'
- Regulatory Impact Assessment

Regulation and the Single Market

- Uniform regulation of generic professions?
 - Construction, medical services not state specific
 - Requires standardisation of standards
- Rules on recognition of qualifications needed.

Regulatory bodies

- Inherent conflict of interest with self regulation
 - Does *Wouters* allow competition law to be applied?
- Independent bodies avoid conflict of interest
 - Danger of regulatory capture
 - Competition law may not apply