

**Chapter 1 : Economic Growth and Productivity**

*Promoting Competition in a Global Context The Internet Corporation for Assigned Names and Numbers (ICANN) is a nonprofit entity that organizes Internet domain names. It is governed by a board of directors elected by various groups with commercial interests in the Internet.*

Likely Consequences and Benefits of Competition Healthy versus Unhealthy Competition Competition in the Transformative Classroom Some of us had positive experiences with competition as students while others had encounters that were painful or at best not enjoyable. As adults we reproduce our own views of competition formed as students and apply it to teaching our students and children. Consequently, we may be operating from unexamined assumptions; as a result it is possible that our students are paying a price for our lack of awareness. It may be instructive to consider the effects of competition as objectively as possible as we try to find an appropriate place for it in our classroom. In this chapter we examine the nature of competition and its role in teaching. Recall your experiences of competition as a student. What is your association with it now? How does your perception vary from that of others? How has your perception affected the way you use or plan to use competition in your classroom? The definition of human competition is a contest in which two or more people are engaged where typically only one or a few participants will win and others will not Webster, Competition exists when there is scarcity of a desired outcome. For example, in team athletics, two teams engage in a sport for the goal of winning. It is partly true that the world is competitive. It is difficult to entirely avoid competition in life; however, for the most part, competition is a self-imposed or at least self-selected condition. We can just as easily live an existence defined more by collaborative and self-referential goals than by competition with others. In a broad sense, educators collectively create a more or less competitive future by the way we encourage our students to think and treat one another. If we create a more cooperative environment in our schools we create the likelihood of a more cooperative future; if we create more competitive environments, we create a more competitive future. What would be the role of competition in your ideal world? Keep this in mind as you reflect on the role you want competition to take in the micro-world of your classroom.

The Effect of Situational Competition When we introduce the competitive element into a situation it creates a sense of external urgency and drama. For example, if the task were to assemble a model airplane, we could make it into a competition declaring the model making activity a race to see who could finish the task first. The sense of urgency for whoever cares about winning is elevated. An external drama is introduced. The purpose of the activity moves from the learning goals i. The process and the reflection on the task become less important than the product. We can see this change in focus occurring no matter what the teacher may say either to encourage or discourage it. Recall a situation in which there was a race to complete a task. Were more mistakes made? Was the quality of the performance better or worse? How do you explain your observations? Introduce competition to the context of a group effort and a shift in attitude will occur. When competitive goals are present, groups tend to place increased value on the outcome of the effort and tend to decrease their focus on the process. They will increase attention on what it takes to win and decrease attention on learning for its own sake. Suppose that we ask groups to work in teams to assemble model airplanes and set up a reward for the group who finishes first or creates the best product. If we substitute a competitive condition in place of a collaborative condition, group members will change the way they regard one another. Behaviors such as dialogue and reflection are useful in the collaborative condition. In the competitive condition they often slow the process and diffuse group focus. In a collaborative condition divergent ideas can usually be explored without penalty; when we introduce the element of competition, a disincentive to dialogue is created. No reflection is incorporated than is necessary to accomplish the task. In a collaborative setting there is no disincentive to involve the efforts of the less dominant or less skilled members of the group. In the competitive condition, however, some combination of personality dominance and individual level of competence will define the values of the process, inevitably marginalizing weaker and less skilled team members. Recall your own experience in group against group competition. What was the attitude of the others? Did everyone in the group enjoy the experience even on a winning team? If not, why not? A

Cost-Benefit Analysis of the Use of Competition If we compare the potential benefits of competition to the potential costs, we find there are a number of reasons to be cautious. While competition can instantly infuse fun and drama into the equation, there is a cost. Reflect on the costs and benefits of competition listed above. In your opinion, does one list outweigh the other? While the list of potential costs related to competition is more substantial than the list of potential benefits, the power of its effect makes its use very tempting. Little else gets a group of young people more energized than competition. However, like the use of any other extrinsically motivating practice, the short-term benefits mask the long-term detrimental effect. While it can be debated whether competition should be incorporated in schools at all, it is a prevalent practice and will likely continue. There are a few principles to consider when judging whether a competitive classroom situation is more beneficial or less. When we give students a meaningful reward for winning, the winning becomes important, and we make a statement that students should care at least as much about getting the reward as they do about the quality of their effort. Recall the discussion of motivation: The length of the contest increases its sense of prominence and decreases its sense of intensity and fun -- both undesirable effects. For example, if we keep track of the number of books each student has read over the course of the semester and post the tally on the classroom wall, the initial effect may be an increased motivation to read. We initially may assume the strategy is effective. However, as the contest goes on we notice that students are reading books just for the sake of winning the contest and will have an incentive to falsify the number of books they have read. Over time we will notice the competition is becoming less fun and increasingly burdensome. At the end of the year the competition will have produced one somewhat happy and very relieved student, many students who feel unhappy about losing, a good number who will feel a little unhappy but highly relieved that the chart is no longer being held over their heads to shame them. If students are encouraged to value the process, they will feel justified in staying focused on the learning outcome and feel assured that it is okay to put their attention into quality as the primary goal. The two first principles are prerequisite. The most healthy and beneficial competitions are: The winners and losers will be affected. Recall the last classroom competition that you observed. Given the list above, would you classify it as a healthy or unhealthy competition? What about a Little Competition for Meaningful Outcomes? Is It Sometimes Okay? The winners are happy and it seems to make the losers want to try harder so that they can be winners in the future. In fact, it may appear to have a desirable influence on students. Vockell points out that competition helps some students e. That is, they feel better about themselves because they came out ahead in relation to someone else. One of the problems with this source of satisfaction is that it leads quickly to the fear that in the future one may not come out on top "it engenders a fear of failure. In fact, self-esteem based on comparison is not true self esteem as discussed in Chapter 7. It is a fragile ego construction. The best it can lead to is a temporary experience of relief from feeling like a failure. It leads to an ultimate loss of intrinsic motivation as a result of competition for external reinforcement i. This incites the need to prove adequacy relative to others. While on the surface it may appear that students are motivated to perform it is rather evidence of motivation to avoid the pain of feeling inadequate and inferior. The development of this helpless pattern promotes a decrease in internal motivation, a decreased value for growth as a goal, and decreased resilience to challenging situations. Initially students may be energized by a competitive challenge out of fear of failure, or a desire to enhance their self image by a favorable comparison to others ; however, students will eventually put in less and less effort, quit when things get difficult, and lose interest in learning unless it includes the drama that the competitive element brings much the same way that a gambling addict needs to play for money to be able to take an interest in playing the game. Reflect on the most desirable state of mind to perform successfully in highly competitive situations. In situations in which the contest requires physical strength, fear and anger can sometimes create a desired effect. Most often, though, competitive performance requires the execution of skills and strategy. Take professional golf as an example. When high-performing players were asked to explain what they were thinking in a pressure situation, they reported they were making an effort to keep attention in the moment and resist the temptation toward external stimuli. They are not always successful in doing so. When a player fails to stay in the moment and shifts their awareness from a shot to their performance relative to others on the course, the common result is poor play. They know thinking in terms of comparison i.

Classroom Applications of Competition At what age level is competition appropriate? It is more appropriate at higher maturity levels, but little or none is appropriate for very young children. There is no real justification for using more than a minimal amount of competition in the K-3 classroom. At this age it has no value or necessity. Students at this age are old enough to separate themselves from outcomes within competitive tasks -- if we support them in doing so. A taste of healthy competition in schools can help the intermediate age student make sense of and navigate other competitive contexts. After seventh grade, students are mature enough to understand many of the natural tendencies, both healthy and unhealthy, that will surface from within during a competitive context. A reasonable amount of healthy competition, led by an adult who helps the students remain intentional and aware, can be justified from middle school onward.

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Economic Growth and Productivity Competition promotes productivity and economic growth There is broad empirical evidence supporting the proposition that competition is beneficial for the economy. Economists agree that competition policy has an important role to play in improving the productivity and therefore the growth prospects of an economy. At the most general level, these are the messages about the importance of competition to productivity and growth: Competitive and dynamic markets have increased productivity and promoted economic growth across the globe. Competition policy has an important role to play in improving the productivity, and therefore the growth prospects, of an economy. Where competition is strong, productivity is strong. In order to increase productivity, a business must become more efficient, control its costs, and develop new products that consumers want. In competitive markets, if firms do not improve their productivity they will lose customers to other firms and new entrants. Competition is a key driver of increased productivity by promoting efficiency, removing barriers to entry and exit, and encouraging innovation. Effective competition provides significant benefits for consumers through lower prices and better quality goods and services. Competition contributes to increased productivity through: Pressure on firms to control costs. In a competitive environment, firms must constantly strive to lower their production costs so that they can charge competitive prices, and they must also improve their goods and services so that they correspond to consumer demands. Easy market entry and exit. Entry and exit of firms reallocates resources from less to more efficient firms. Overall productivity increases when an entrant is more efficient than the average incumbent and when an exiting firm is less efficient than the average incumbent. Entry “ and the threat of entry “incentivizes firms to continuously improve in order not to lose market share to or be forced out of the market by new entrants. Innovation acts as a strong driver of economic growth through the introduction of new or substantially improved products or services and the development of new and improved processes that lower the cost and increase the efficiency of production. Incentives to innovate are affected by the degree and type of competition in a market. Pressure to Improve Infrastructure. Competition puts pressure on communities to keep local producers competitive by improving roads, bridges, docks, airports, and communications, as well as improving educational opportunities. Competition also can contribute to increased productivity by creating the possibility of benchmarking. The productivity of a monopolist cannot be measured against rivals in the same geographic market, but a dose of competition quickly will expose inferior performance. A monopolist may be content with mediocre productivity but a firm battling in a competitive market cannot afford to fall behind, especially if the investment community is benchmarking it against its rivals. References and links to studies that support the link between competition and productivity and economic growth: This paper estimates the impact of competition policy on total factor productivity growth for 22 industries in twelve OECD countries over to , finding a positive and significant effect of competition policy on productivity growth. A synthesis of the theoretical and empirical debates on competition and growth is available in Philippe Aghion and Rachel Griffith, *Competition and Growth: Reconciling Theory and Evidence*, MIT Press, cites recent empirical studies point to a positive effect of competition on productivity growth, direct discussion of how the benefits of tougher competition can be achieved while at the same time mitigating the negative effects competition and imitation may have on some sectors or industries. See also Aghion P, Howitt P. Competition and productivity growth in South Africa. *Economics of Transition* 16 4: At the sector level, the results are equally impressive. For example, in the electricity sector, average real prices Australia-wide fell by 19 per cent, real port charges fell by up to 50 per cent, average telecommunications charges have fell by more than 20 per cent in real terms, etc. *Wealth, Poverty, and the Threat to Global Stability* , at When government policies limit competition. Economic growth slows and nations remain poor. Competition and competition policy can contribute to growth, an improved innovation climate and increased quality and efficiency within the public sector. This link is examined in the context of the Nordic countries, in

a report which includes a comparison between competition policy, legal instruments, and implementation of competition rules. In countries where there is more dynamism in markets, measured by the presence of more fast growing and shrinking firms, productivity growth is significantly higher. See, for example, Bravo-Viosca, A. Van Reenen, John Does competition raise productivity through improving management quality? *International Journal of Industrial Organization*, 29 3. ISSN A study of approximately mid-sized enterprises in the US, Europe, and Asia concluded that competition contributes to better managed firms. *Management Practices and Productivity: For studies that indicate the benefits of competition policy in a wider context, see: The European Commission, European Competitiveness Report COM final* , estimates that if trade between Member States in the European Union were to be eliminated for example, as a result of market sharing agreements or because of State erected barriers , average productivity would fall by 13 per cent. In addition to stating the research findings in each of these markets, the report draws interesting country comparisons of policy frameworks and market structures. The report concludes with policy recommendations for each country and a general discussion of the impact of competition on economic performance in markets. See also Michael E. Porter, *The Competitive Advantage of Nations* , at Firms that do not have to compete at home rarely succeed abroad. This study indicates that very large benefits from competition policy can be observed in transition economies that provide a natural laboratory to consider the effect of competition. Competition encourages innovative activities and increases productivity; dynamic long-run gains from competition are likely to dominate the short-run efficiency gains since firms will continue to innovate.

**Chapter 3 : Six Principles of Effective Global Talent Management**

*various domestic competition laws is to promote competition, with the belief that doing so will increase economic efficiency and consumer welfare (Cini and McGowan , ; Damro , 5). Competition law and policy have become more salient in the last twenty years around the world.*

Following talent management best practices can only take you so far. Top-performing companies subscribe to a set of principles that are consistent with their strategy and culture. Image courtesy of Siemens. One of the biggest challenges facing companies all over the world is building and sustaining a strong talent pipeline. Not only do businesses need to adjust to shifting demographics and work force preferences, but they must also build new capabilities and revitalize their organizations – all while investing in new technologies, globalizing their operations and contending with new competitors. What do companies operating in numerous markets need to do to attract and develop the very best employees so they can be competitive globally? To learn how leading multinational companies are facing up to the talent test, we examined both qualitative and quantitative data at leading companies from a wide range of industries all over the world. The research looked at 33 multinational corporations, headquartered in 11 countries, and examined 18 companies in depth. We selected the case companies based on their superior business performance and reputations as employers, as defined through Fortune listings and equivalent rankings e. The case study interviews were semi-structured, covering questions about the business context, talent management practices and HR function. We interviewed HR professionals and managers and also a sample of executives and line managers in an effort to understand the ways companies source, attract, select, develop, promote and move high-potential employees through the organization. A second stage of research consisted of a Web-based survey of 20 companies. The survey contained items on six key talent management practice areas staffing, training and development, appraisal, rewards, employee relations, and leadership and succession and the HR delivery mechanisms including the use and effectiveness of outsourcing, shared services, Web-based HR, off-shoring and on-shoring. The range of talent management issues facing multinational companies today is extremely broad. Companies must recruit and select talented people, develop them, manage their performance, compensate and reward them and try to retain the strongest performers. Among the companies we studied, there were two distinct views on how best to evaluate and manage talent. Although the practice of sorting employees based on their performance and potential has generated criticism, 3 many companies in our study placed heavy emphasis on high-potential employees. Novartis, the Swiss pharmaceutical company, for example, looks at whether someone displays the key values and behaviors the company wants in its future leaders. The percentage of employees included in the high-potential group also differs across companies. Other companies are more selective. The Leading Question What steps can global companies take to ensure that they recruit, develop and deploy the right people? Align talent management practices with your strategy and values. Make sure your talent management practices are consistent with one another. However, I can assure you that my definition will make it possible for any individual employed by Shell at any level to have the potential to be considered talent. Depending on the specific talent pool such as senior executive, technical expert and early career high-potential , there will usually be different career paths and development strategies. A hybrid approach allows for differentiation, and it skirts the controversial issue of whether some employee groups are intrinsically more valuable than others. Research Updates from Get semi-monthly updates on how global companies are managing in a changing world. Their responses helped us to formulate six core principles. We recognize that adopting a set of principles rather than best practices challenges current thinking. The principles, on the other hand, have broad application. Alignment With Strategy Corporate strategy is the natural starting point for thinking about talent management. In a similar vein, a recent survey of chief human resource officers of large multinationals highlighted another approach to aligning talent management with the business strategy. One HR director wrote: We have integrated our talent management processes with the business planning process. As each major business area discusses and sets their three-year business goals, they will also be setting their three-year human capital goals and embedding those human capital goals within their business plan. Achievement of

these goals will be tracked through our management processes. For example, Oracle, the hardware and software systems company, found that its objective goal-setting and performance appraisal process was no longer adequate. Management wanted to add some nonfinancial and behavior-based measures to encourage people to focus on team targets, leadership goals and governance. Our study shows that consistency is crucial. For example, if an organization invests significantly in developing and training high-potential individuals, it should emphasize employee retention, competitive compensation and career management. It also should empower employees to contribute to the organization and reward them for initiative. Such combinations of practices will lead to a whole that is more than the sum of its parts. There should also be continuity over time. The division recruits 10 to 12 graduates per year, assigns the new hires to a learning campus a network for top new graduates within the division and assesses them at the development center. Later, the designated employees go through a leadership quality analysis and review procedure, including feedback and performance appraisal, and become part of the mentoring program led by top managers. BAE Systems, the defense and security company, places a similar emphasis on consistency. From the time prospective managers arrive at the company, or upon their designation as a member of the leadership cadre, they are continuously tracked for development purposes. Drawing upon data from degree appraisals, behavioral performance feedback and executive evaluations of their input to the business planning process, managers participate in leadership development programs that target the specific needs revealed by the leadership assessments. The emphasis on consistency is also paramount at IBM, which works hard to assure that its people management systems are consistent across its subsidiaries. To achieve this alignment, IBM combines qualitative and quantitative data collected quarterly to ensure that its practices are consistently introduced and implemented. The company also conducts an HR customer satisfaction survey twice a year to learn how employees are responding to the programs and to detect areas of employee dissatisfaction. Cultural Embeddedness Many successful companies consider their corporate culture as a source of sustainable competitive advantage. They make deliberate efforts to integrate their stated core values and business principles into talent management processes such as hiring methods, leadership development activities, performance management systems, and compensation and benefits programs. Image courtesy of Flickr user Marco Raaphorst. IKEA, the Sweden-based furniture retailer, for example, selects applicants using tools that focus on values and cultural fit. Later, when employees apply internally for leadership positions, the main focus is once again on values in an effort to ensure consistency. IBM likewise subscribes to a strong values-based approach to HR. Not only does IBM hire and promote based on values; it regularly engages employees to ensure that employee values are consistent throughout the company. The jam sessions provide time to debate and consider the fundamentals of the values in an effort to make sure that they are not perceived as being imposed from the top. We found that a strong emphasis on cultural fit and values was common among successful global companies. Standardized induction programs, often accompanied by individualized coaching or mentoring activities, were widely used among the companies that we studied. We found that leading companies used training and development not only to improve employee skills and knowledge but also to manage and reinforce culture. By encouraging young designers and managers to challenge their superiors and share their ideas more freely, it hopes to make the transition. In addition to inculcating core values into young leaders, successful companies often make focused efforts to adapt their talent management practices to the needs of a changing work force. As the number of employees seeking balance between their personal and professional lives has increased, more companies have begun to offer flexible working arrangements in an effort to attract the best talent and retain high-potential employees. Internal surveys show that team productivity, job satisfaction and personal motivation among women have improved substantially. Although the number of companies offering such programs is still relatively small, the ranks are growing. They assess high-potential employees not only according to what they achieve but also on how they reflect or exemplify shared values. BT, the British telecommunications giant, has implemented a performance management system that looks at employees on two dimensions: Other companies, too, are realizing the importance of balancing financial success with goals such as sustainability, compliance or social responsibility. Management Involvement Successful companies know that the talent management process needs to have broad ownership – not just by HR, but by managers

at all levels, including the CEO. Senior leaders need to be actively involved in the talent management process and make recruitment, succession planning, leadership development and retention of key employees their top priorities. They must be willing to devote a significant amount of their time to these activities. In a recent survey of chief human resource officers at U. Creating this type of mindset around leadership and talent is the biggest challenge I face. It means getting them to play a key role in the recruitment of talent and then making them accountable for developing the skills and knowledge of their employees. Unilever, for example, believes in recruiting only the very best people. To make this happen, top-level managers must make time for interviews, even in the face of all their other responsibilities. Line managers can contribute by acting as coaches or mentors, providing job-shadowing opportunities and encouraging talented employees to move around within the organization for career development. The responsibility for talent development extends beyond managers. Employees need to play an active part themselves by seeking out challenging assignments, cross-functional projects and new positions. However, our survey finds that job rotations across functions or business units are not very common. Although HR managers in our survey saw value in job rotations and new assignments for career development, many companies lack the ability to implement them. A possible explanation is the tendency of managers to focus on the interests of their own units rather than the whole organization; 16 this narrowness may hinder talent mobility and undermine the effectiveness of job rotation as a career development tool.

**Balance of Global and Local Needs** For organizations operating in multiple countries, cultures and institutional environments, talent management is complicated. Companies need to figure out how to respond to local demands while maintaining a coherent HR strategy and management approach. For example, Oracle emphasized global integration, with a high degree of centralization and little local discretion. Matsushita, meanwhile, focused on responsiveness to local conditions and allowed local operations to be highly autonomous. Our study suggests that many companies are moving toward greater integration and global standards while simultaneously continuing to experience pressure to adapt and make decisions at local levels. At the same time, it has to comply with local institutional demands and build local talent pools. Clearly, the challenge for most companies is to be both global and local at the same time. Companies need a global template for talent management to ensure consistency but need to allow local subsidiaries to adapt that template to their specific circumstances. Image courtesy of Shell. Most companies in our sample have introduced global performance standards, supported by global leadership competency profiles and standardized performance appraisal tools and processes. At IBM, for example, foreign subsidiaries have no choice about whether to use the performance management system; it is used worldwide with only minor adaptations. But subsidiaries may develop other policies and practices to address local conditions and cultural norms. This requires more integration across business units. Shell, on the other hand, has come to embrace HR policy replication across divisions over innovation. Companies that find a balance between global standardization and integration and local implementation have the best of both worlds.

**Chapter 4 : Competition (economics) - Wikipedia**

*Minhas, The Global Diffusion of Competition Laws: A Spatial Analysis, Paper presented at the 6th Meeting of the UNCTAD Research Partnership Platform on Competition and Consumer Protection, Geneva (July ) (on file with the authors).*

It is a pleasure to be here to speak with you about an issue of great importance to both our countries: Today I would like to discuss two of the policy tools that the United States uses to promote economic growth through innovation: Promoting innovation is an important societal goal, one that both our countries recognize. In considering that topic today, I would like to begin by discussing the differences between invention, innovation, and competition, and how these concepts can best be fit together to promote economic growth. When we talk about innovation and its importance to economic growth, what do we mean? Initially our thoughts turn to the invention or creation of newer, better, and cheaper goods and services. China has a very long history of invention that includes things many of us take for granted in our daily lives, such as decimal mathematics, paper money, gunpowder and rockets, and even the game of chess. We communicate information faster and more reliably thanks to the mobile phone and e-mail, we live longer thanks to advances in pharmaceuticals and medical technology, and we can enjoy music and films in our homes, our cars, or as we walk on the street through CD and DVD technology. All of these products have been drivers of the so-called "new economy. David Ross have identified four other stages of this process called innovation: Entrepreneurship is the stage in which one decides to commercialize an invention, organizes the process and gets initial financial support. Investment is the stage during which capital funds are risked. Development is the stage in which the invention is perfected for commercial marketing. Finally, diffusion is the stage where other competitors follow the pioneering firm into that commercial market. Although there is certainly more to learn about the innovative process, we do know quite a lot about innovation already. We know that successful innovation can be an uncertain process, with many "failures" before a particular invention results in successful innovation. We know that the later stages of innovation can be expensive and that while much innovation is privately funded, public funding of innovative effort can play an important role in some industries. And we also know that the welfare of a society is improved when public policy encourages not only the initial spark of creativity, but also the entire dynamic process of developing improved goods and services or developing more cost-effective methods of producing and delivering these goods and services. I do not believe that the answer has anything to do with the nature of the population itself. Rather, what distinguishes societies as innovators is likely to be the presence of effective systems to harness the inventive spirit into innovation and economic growth. In the United States, innovation has been a key driver of our economy, and two of the many factors on which we rely to promote that innovation are the creation and enforcement of private intellectual property rights and the nurturing of a competitive open market economy. I will start by explaining the difficulties that businesses face when intellectual property rights do not exist, then explain how protecting intellectual property rights can solve the problem. In a market economy, competition pushes firms to be the first to introduce new products at a price and level of quality consumers want. Where there is no intellectual property right or other barrier to making a product, competing firms may quickly drive the price of an existing product down to something close to the cost of production. This can present a problem in industries where the cost of producing a new product is very high, because the inventor firm may never be able to recoup its research and development costs. The result can be lessened incentives for investment, and stifled technological growth. As China becomes a leading player in a number of sectors of the world economy, China has a similar stake in protecting intellectual property rights to that of countries such as the United States that seek to promote technological innovation. Let me pause here to give an example of this problem. Let us suppose that you wish to design a software program that instantly translates English technical documents into Chinese characters. Assume that you will need to hire twenty computer programmers and two translators for six months of work, and you have to invest, say, one million Yuan. But the day after you begin selling your program for Yuan per copy, your competitors flood the market with exact copies for only 8 Yuan apiece. Each time you make an

improvement, the same unauthorized copying occurs. And even worse, some of these unauthorized copies have defects, but they have your name on them, and customers call to blame you for any problems that occur. How will you ever pay back your million-Yuan investment? Even if you cut your price to 8 Yuan, you will need to sell more than , copies just to break even. Clear and enforceable intellectual property rights can be a solution to this problem. If a firm bringing a new product to market can protect its invention via intellectual property rights, it will have the incentive to invest. Does this mean that firms with patents or copyrights will charge excessive fees and destroy their competitors? A new invention always competes with all that has gone before. If the firm with the new patent sets its prices too high, consumers will simply buy the old product instead. The competitors also have their own incentives to create new, different and better inventions, either by making improvements or by creating an entirely new, pioneering product. This process of "inventing around" a patent happens constantly. This system of intellectual property rights creates a beneficial business cycle: A competitive market also enhances the innovative efforts of our society. By rewarding innovative efforts with the opportunity to increase earnings, competition encourages individuals and firms to capture sales by being the first to market a new better, or cheaper product or service. We rely on our antitrust laws to protect this valuable competition because such protection maintains opportunities for innovation by those competing in the market. But we do not use our antitrust laws to constrain the legitimate use of intellectual property rights. It would make no sense for an intellectual property system to grant property rights in order to promote innovation and then for the antitrust system to take those property rights away. As antitrust enforcers, we only intervene when rights holders attempt to harm competition in ways their rights alone would not permit. US Intellectual Property Rights I will turn now to the topic of the United States intellectual property law system and how that system acts as an engine of innovation and economic growth. As I mentioned, the American intellectual property system rests on two fundamental foundations: This does not mean exclusive focus on private profit without attention to public benefit. But it does mean faith that individual initiative and the freedom to compete and win are the best avenues to increase public welfare. The American system is not uniquely American, but is really a model based on economics and human nature. If there is one theme I would like you to take away from this discussion, it is that the intellectual property rights I am about to describe are simply a way of using human nature, such as the desire of inventors to seek financial rewards, as an engine for the public good. I am always a bit embarrassed to mention history before a Chinese audience; after all, China was a great civilization thousands of years before my ancestors even thought about sailing to the New World. But we do have a history, and it is an important one in the area of intellectual property rights. The United States arrived at the beginnings of its intellectual property system through the experiences of Great Britain. In Britain, patents and copyrights dated back hundreds of years. Their purpose was to trade some type of state-enforced monopoly for a benefit to the sovereign. In the case of patents, this benefit might be a political favor, a large payment, or the development of a weapon of war for the King. By the time the United States Constitution was drafted in , American leaders had observed the abuses of the British patent and copyright system and were skeptical of placing unlimited rights in the hands of private inventors and the government. To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. To understand how remarkable this sentence is, you need to understand what was meant by the word "Progress" in This was the "Age of the Enlightenment," a time when political philosophers believed that reason and science could transform whole societies for the better. So when the Founders established the goal of these rights as "Progress of Science and the useful Arts," they were focused not on a private benefit to individual inventors and authors, but on the benefits to society as a whole. The United States recognizes four primary forms of IP rights. What you will notice about each right is that it is a powerful private right, but at the same time it preserves rights for the public good. Each of these rights permits the owner to prohibit others from using or making copies of the thing governed by the right. The first right is patent, which applies to new and useful processes, machines, and other items of invention. Patents are created by the Patent Act, 10 a federal government law, and they last for 20 years. The second right is copyright, created by the federal Copyright Act, 11 which covers "works of authorship" such as books, music, and some aspects of computer software. A trademark does not have a specific term or expiration date but it

lasts only as long as its owner maintains the quality or source-identifying nature of the mark. And finally, trade secret applies to any business information that derives value from being secret. For example, patents are extremely powerful rights, but they become completely public at the end of their year term. With copyrights, an owner can only prevent actual copying of the expressive elements of a work, so that the public remains free to copy facts or to independently create anything so long as no copying occurs. In addition, a copyright owner cannot prevent "fair use," which is a term of art meaning copying performed as part of some minimal, usually non-commercial use such as teaching and scholarship. And trademark rights will be lost if the mark ceases to indicate a particular source of a product. The United States believes, and we believe our economic success has proved, that creating a strong private market is the most efficient way to drive economic growth. Private and individual decisions simply tend to be quicker, more varied, and more directly responsive to consumer demands than are government decisions. The potential cost savings to the government and society, if more decisions can be left to individuals in the marketplace, is huge. While the US generally trusts markets, we admit that sometimes markets fail. This is to be expected, since no system is perfect. The solution is not to abandon the incentive system; instead, we simply address specific failures. We have responded with a command: Another complement to the market is the use of a reward, in which the government pays private individuals to create useful inventions, and then permits the public to use the inventions for free. We use such rewards occasionally in the form of government grants, again usually in high-risk areas such as medical research. Finally there is the option of coercion, in which the government uses penalties to deter undesirable outcomes. We use this approach to some degree as part of our antitrust laws, which I will discuss next. The Role of Competition in Promoting Innovation As antitrust enforcers, we do not object if a firm comes to dominate a market purely by competition, including successful innovation. Therefore, strong laws to protect competition are a necessary complement to vigorous enforcement of intellectual property rights. But antitrust law and intellectual property are not opponents, but instead serve the same goals. Both seek to promote innovation and competition -- intellectual property law by promoting them affirmatively, antitrust law by prohibiting anticompetitive acts. An equally important point is that because United States antitrust laws are concerned with consumer welfare, our antitrust laws protect competition, not competitors. The Justice Department does not use our antitrust laws as a method to determine the proper scope or duration of intellectual property rights or to mend any existing imperfections in intellectual property laws. Rather, such responsibilities fall to those in charge of administering or creating and amending our intellectual property laws, primarily our Patent and Trademark Office, our Copyright Office, and our elected officials sitting in the House of Representatives and the Senate. Our sister agency, the FTC, has recently issued a report discussing ways in which the system might be improved. In addition, problems of marking the exact boundaries of intellectual property may create analytical difficulties for antitrust enforcers. I may know exactly where the walls of my factory begin and end, but may be less sure about the precise limits the intellectual property protection accorded the technology that I use in my factory.

### Chapter 5 : MYP Global Contexts by John Harvey on Prezi

*In order to have a more global context, we examined the health care systems of Canada, the United States of America, Germany and various developing countries. The data collection was achieved through secondary sources such as the Canadian Health Coalition, the National Coalition on Health Care and the World Health Organization Regional Office.*

### Chapter 6 : US Submissions to OECD and Other International Competition Fora | Federal Trade Commission

*Today I would like to discuss two of the policy tools that the United States uses to promote economic growth through innovation: private intellectual property rights and market-based competition. Promoting innovation is an important societal goal, one that both our countries recognize.*

### Chapter 7 : Chapter Competition in the Classroom

*Competition promotes productivity and economic growth There is broad empirical evidence supporting the proposition that competition is beneficial for the economy. Economists agree that competition policy has an important role to play in improving the productivity and therefore the growth prospects of an economy.*