This chapter describes how competition law addresses oligopoly, tacit collusion and collective dominance. This chapter is concerned with the related topics of oligopoly, tacit collusion and collective dominance. Oligopoly exists where a few firms between them supply all or most of the goods or services on a market without any of them having a clear ascendancy over the others. This chapter begins with discussion of the theory of oligopolistic interdependence and of the possible ways of dealing with the ‘oligopoly problem’. It then considers the extent to which Articles 101 and 102 can be used to address that problem. The chapter also discusses UK law and, in particular, the possible use of market investigations to address market failure that may arise in oligopolies.
14. Horizontal agreements (2): oligopoly, tacit collusion and collective dominance