

UNIwersytet Szczeciński
WYDZIAŁ NAUK EKONOMICZNYCH
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Competiton, competitiveness and monopoly

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Competition - definitions

1. Rivalry between two or more businesses striving for the same customer or market
2. A method of free market performance without any state regulations with free market exchange
3. A dynamic process going towards market equilibrium
4. The process of creative destruction



Levels of competition

- Macro level
 - Between macro-regions, countries, regions
- Mezzo level
 - Between sectors and lines of economy
- Micro level
 - Between companies, households and products



Competitiveness - definitions

- Certain skill (ability) of competition, so activities and survivals in competitive surroundings
- Characteristic (position) of competitive subject, which level can be taken under evaluation, both with quantity and quality

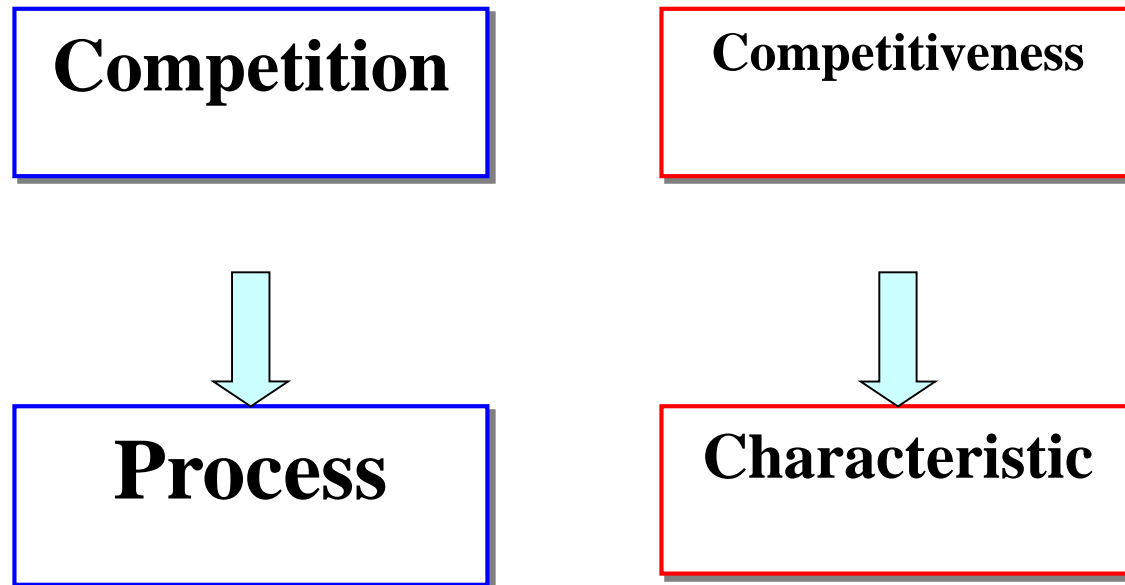


Level of competitiveness

- Macro level
 - international competitiveness of economies
- Mezzo level
 - Competitiveness of sectors and lines of economy
- Micro level
 - competitiveness of workers on the labour market, competitiveness of companies within activity domain



Competition and competitiveness





Monopoly and market concentration

- **Market concentration** is a function of the number of firms and their respective shares of the total production (alternatively, total capacity or total reserves) in a market.
- **Monopoly** - exists when one party controls the supply of a good or service



Market - definitions

- A process which is performed between two market side: sellers and buyers, its aim is to establish an equilibrium
- An arrangements thought which buyers and sellers meet or communicate for the purpose of trading goods or services

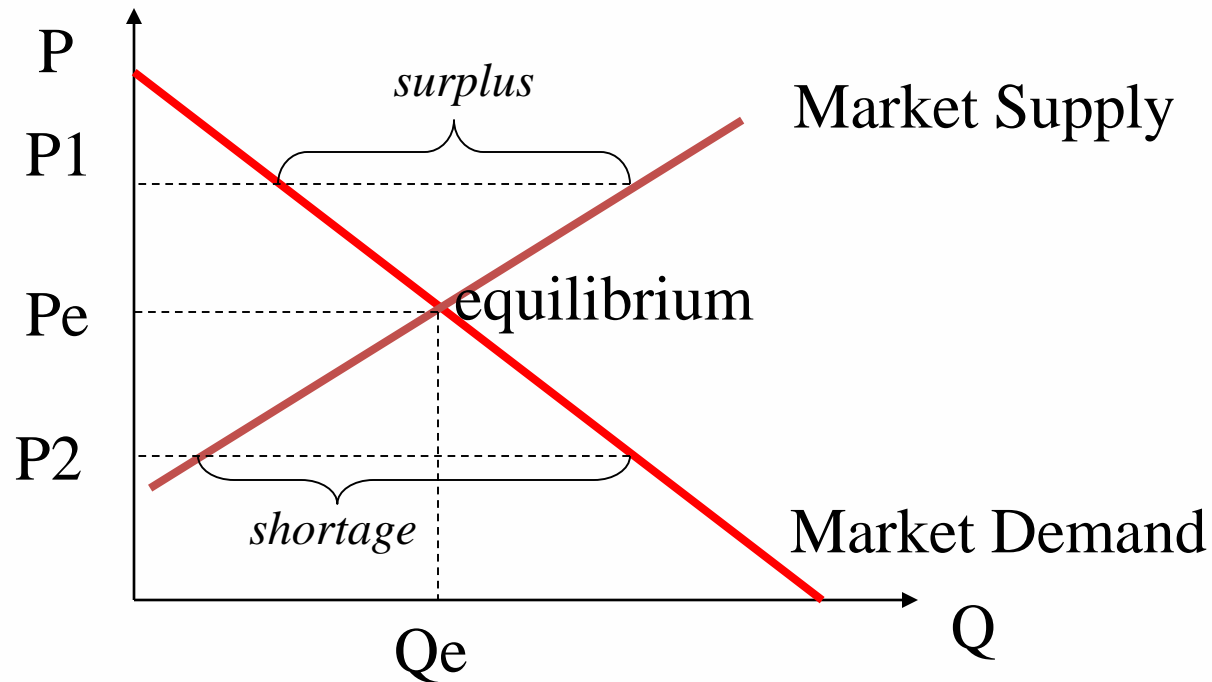


Demand and supply

- Demand:
 - The desire to possess a commodity or make use of a service, combined with the ability to purchase it
 - The amount of a commodity or service that people are ready to buy for a given price
- Supply
 - The quantity of a good sellers are willing and able to make available in the market over a given period at a certain price
 - The amount of a commodity available for meeting a demand or for purchase at a given price



Market equilibrium





Changes in market equilibrium

- Two kinds of factors:
 - Price factors
 - Non-price factors
- Market equilibrium changes according to factors influence



Basic problems of market performance

- Free or regulated market?
- Analysis in short or long run?
- Market efficiency or social efficiency?