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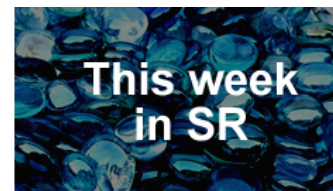
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The dictionary definition of a bundle is 'a collection of things or quantity of material tied or wrapped up together'. To an economist, the practice of bundling covers a much wider range of phenomena and, more importantly, it can often be used for nefarious purposes.

Bundling is all around you: the laptop/PC you are reading this piece on came bundled together with Windows, which, in turn, came bundled with the pathetic Bing search engine, the Edge browser, etc. The mobile phone you are using was probably bundled together with a service contract, specifying tariffs for data usage, etc.

The set menu, popular with many restaurants, is another example of bundling: customers are offered some choice of dishes within a fixed number of courses and are not allowed to swap items from the à la carte menu. 'Premium' bank accounts often come bundled together with a variety of goods and services, such as breakdown cover, travel insurance, etc. Examples of bundling are legion. I shall focus on three examples that may have escaped the attention of the general public and that, in my opinion, deserve closer scrutiny.

In July 2004, Microsoft paid to the European Commission a fine of €497m as it had been found guilty of anticompetitive practices. Specifically, by bundling its own video player with its Windows operating system, it was deemed to have stifled competition. Interestingly, at the time, EU law did not contain any specific reference to the anticompetitive effects of bundling, a serious omission later rectified by the European Court. The Microsoft fine pales into quasi-insignificance compared to the fines imposed on Google in July 2018 and March 2019 (€4.34bn and €1.49bn, respectively). The latter is particularly relevant because it refers to a subtle example of – you may have guessed it –



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**CARTOONS** ([BobSmith647a.html](#))  
**Bob Smith**  
*Fawlty Towers* reboot points the way.

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**Dr Mary Brown**  
 Living with anxiety

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**(Cafe597A.html)Hamish Mackay**  
 Redundancies at DC Thomson, media awards, and more

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**Manfredi La Manna**  
 The world of nefarious bundling

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**Stuart Hannabuss**  
 Muriel Spark: by birth and formation

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**Philip Welsby**  
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**SR Forum**  
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**SR Forum**  
 The humans had a good time too

bundling.

When you search on Google for an item to buy, you may have noticed that the Google search engine displays at the top of the page a gallery of nice photos of the item in question, not because they are the most popular or the cheapest, but because they are part of Google Shopping, a service that Google bundles together with its search engine, whether you like or not.

The European Court's judgement on the Google Shopping case, based on Article 102 of the Treaty on the Functioning of the European Union (TFEU), is a legal milestone, as it enshrines the principle of considering practices as anticompetitive based on their potential effects and places the burden of proof on firms with dominant positions. One fears that Article 102 will be burnt on the great bonfire of EU red tape planned by our Middle-England Savonarola – Jacob Rees-Mogg. The government website ominously warns readers (in big bold letters) that the TFEU 'is a Treaty originating from the EU'.

Readers of an earlier piece on open access (**23 November 2022** (<https://www.scottishreview.net/ManfredilaManna638a.html>)) may remember the role played by a dominant for-profit academic publisher (Elsevier, owned by RELX) in preventing the free flow of peer-reviewed knowledge by erecting paywalls round articles that are written, refereed and edited for free by scholars. As you would expect from a rapacious oligopolist, RELX deploys an extremely pernicious form of bundling, exploiting to the full its market power (**16 November 2022** (<https://www.scottishreview.net/ManfredilaManna637a.html>)).

University and research libraries worldwide cannot subscribe to individual Elsevier journals, choosing the titles best suited to their students and faculty. Instead, they have to accept what Elsevier sarcastically calls 'the Big Deal', a bundle comprising all 2,500+ journals published by them. What is the market price of this collection of journals, you may well ask. The answer is that RELX does not disclose it, for the simple reason that such a price does not exist.

Instead, RELX sells its collection on an individual basis, charging each library the highest price it thinks they can afford. This is what economists call extreme price discrimination. Are you curious to know what the library at my own university pays Elsevier for the privilege of acquiring the Big Deal? No can do, I am afraid. Like every other library in the world, the buyers of Elsevier bundles are contractually prevented from disclosing the purchase price. This bundling ploy may explain how RELX's profit rate (in excess of 30%) is so astronomically high (especially in its zero-risk market).

What is more difficult to explain is why antitrust agencies in the EU and the UK appear to be totally blind to this egregious display of anticompetitive practice.

My final example of nefarious bundling refers to a topical issue that no commentator or critic has ever examined as a case of bundling: the refusal by the Church of England (not to mention the Catholic Church and other religious sects) to marry same-sex couples. The scriptural gymnastics required to justify or criticise the decision could be easily avoided by a very simple act of unbundling.

Under current legislation, a church wedding bundles together two very different services: the legal contract, sanctioned by the state, between the two marrying parties and the religious contract, entered into by the very same



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**11 JANUARY 2023** ([index110123.htm](#))

parties with the Church (whether Anglican or Catholic). I see no reason why these two contracts should be bundled together, whereas I can list a couple of arguments for their de-coupling. À la carte marriage arrangements, for example, would enable religious couples who wish to have divine blessings but no legally binding contractual ties to do so.

Church wedding fees would be more transparent. As soon as a church wedding is seen as an optional add-on (with a price tag attached) to the civil marriage contract, this may lead to a decreased demand for religious ceremonies, prompting cash-strapped churches to increase their market share by welcoming same-sex couples. Market-induced tolerance, one might say.

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