Seventh United Nations Conference to review the UN Set on Competition Policy

# MAKING MARKETS WORK FOR PEOPLE AS A POST-MILLENNIUM DEVELOPMENT GOAL

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD

# outline

- 1 Sustainable and inclusive growth and development –
  - why prioritize sustainable development goals (SDGs)
- 2 Where do competition law+markets come in?
  - Market access for people without power
    - It should be an SDG
- 3 Integrating antitrust and the SDGs
   exemptions, fairness, public interest
- 4 Conclusion

More than a billion people still live in extreme poverty. Nearly 1/3 children in developing countries are underweight or stunted.



Malnourishment causes severe physical/cognitive damage; impacts productive work force for generations WORLD BANK

# **WORLD BANK** A New Vision for Sustainable **Development**

... A new post-2015 development agenda is being designed. Today's global realities ... require that the proposed agenda be more ambitious and interconnected than its predecessor, with a more comprehensive vision of development ...

The proposed SDGs encourage every country to end poverty and enhance social and economic development ... These goals will not be achieved with a business-as-usual approach.

# II. What can market policy do?

- Are markets with competition law a solution or a problem?
- 1. Oxfam plus: Markets are the problem
  - "Working for the Few: Political capture and economic inequality" 2014 – markets serve elites
- 2. Moving past Oxfam
  - Two ways markets are a solution
  - When antitrust might be a problem and step aside (exemptions)

# The use of markets to accomplish the SDGs

- 1 The fruits of the market (+ antitrust as needed)
  - Lowering prices, increasing output, variety, innovation (for rich and poor; priorities)
- 2. The right to be part of the market
  - Right of participation free of unnecessary, exclusionary barriers and restraints, public and private
  - Right of access for freedom, dignity, autonomy, selfsufficiency
    - Freedom to help one's self and family by own good works
  - Where Amartya Sen, Friedrich Hayek, Hernando de Soto converge

#### The right to engage in the market; what it means for competition law

#### For developing countries

- and others with systemic deep poverty, entrenched skewed inequality, lack of mobility and lack of resources and institutions to satisfy basic human needs and pull people up the opportunity ladder:
- This means: competition law
  - is not or is not always aggregate wealth law
  - It is outsider law markets for the people
    - Policing abusive restraints that fence out outsiders
- Access to markets stands alongside food, nourishment ... as an Inclusive Growth and Development goal and tool

#### III. Integrating antitrust and the SDGs

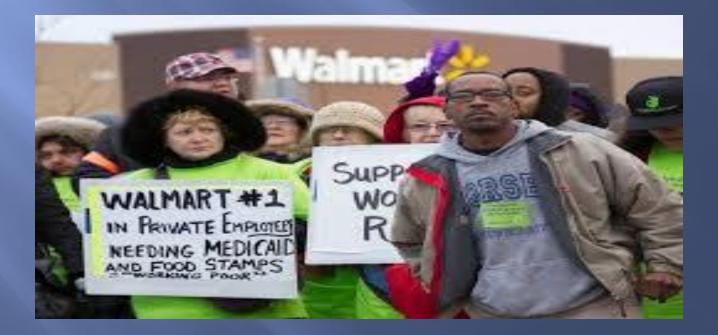
 Once it is understood that markets have great value to sustainable inclusive development

- the question of integration with (other) SDGs takes a different dimension
- 1. Exemptions
  - No exemption for economic progress it is built in
  - The Chicken for Tomorrow and animal welfare
- 2. Fairness
  - Fair competition
  - Fair bargaining

## Integrating SDGs

#### 3. Public interest

- Jobs and small business
  - South Africa the market friendly way



# 4. Agriculture

Do we need exemptions? EU guidelines
 78% of world's poor live in rural areas

 most are dependent on agriculture; child labor rampant
 Think positively: How can markets/antitrust help?



# Agriculture – Think positively

#### Improve market access

- IFAD: Promoting Market Access for the Rural Poor in Order to Achieve the Millennium Development Goals (2003)
- Antitrust challenges
  - 1. attacking international input cartels
  - 2. protecting from monopsonistic strategies
    - contracts that keep out competitors; oppressive terms; abuse of patent rights; cf. charges against Monsanto
  - 3. protecting against monopsonistic mergers
  - 4. confronting the not-our-problem problem

# CONCLUSION

- MARKETS EMPOWER PEOPLE
- MAKING MARKETS WORK FOR PEOPLE
   WITHOUT POWER DESERVES TO BE A SDG
- BUT A GREAT MASS OF PEOPLE NEED TO BE CONVINCED THAT MARKETS CAN WORK FOR THE PEOPLE AND NOT FOR AN ELITE EXPLOITING FEW
- COMPETITION AUTHORITIES CAN BE PART OF THE SOLUTION