Inclusive Growth and Competition Policy

John Fingleton

UNCTAD Ad Hoc Group of Experts Meeting
7 July 2014, Geneva

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD
2014 World Cup
Three questions

1. Why should competition policy care about inclusive growth?

2. What does competition policy have to say about inclusive growth?

3. What should competition policy do to be relevant to the inclusive growth agenda?
Q1: Why should competition policy care about inclusive growth

Inclusive growth is all the rage!
- OECD, WEF, etc

Unequal growth seen as
- politically unstable and indefensible
- undermining global trade and investment
"The political problem of mankind is to combine three things: economic efficiency, social justice and individual liberty."

J.M. Keynes
Q2 What does competition policy have to say about inclusive growth?

We know it contributes to growth

But we say little about distribution

- Often no efficiency equity trade-off
- When there is a trade-off?
- Crony capitalism and competition on the merits
"Crony capitalism is a term describing an economy in which success in business depends on close relationships between business people and government officials’’

Wikipedia
2014 World Cup

2014 WALL CHART

GROUP A

GROUP B

GROUP C

GROUP D

GROUP E

GROUP F

GROUP G

GROUP H
Q3 What should competition policy do to be relevant to inclusive growth agenda?

A. Engage in competition advocacy tackling links between politics and business
B. Focus on competition on the merits, and outcomes only where politically driven
C. Identify and advocate the positive effects of competition on inclusive growth
D. Be transparent about trade-offs. Support other government policies that address trade-offs
E. Engage with politicians and globalisation outside the narrow competition world
Three questions

1. Should competition policy care about inclusive growth?

2. Does competition policy have something to say about inclusive growth?

2. Can competition policy be relevant to the inclusive growth agenda?