

Round Table on Competition Policy and Poverty Reduction

Thursday, 4 July 2024 (10:00 - 12:00)
Palais des Nations, Room XIX

The debate on poverty reduction has been going on for decades among governments, international organizations etc. The notion that poverty is a world phenomenon is true to some extent but there are parts of the world where poverty is a real challenge, affecting large populations in low and middle/low-income countries. According to the World Bank, 700 million people, that is 9.2% of the world's population and are living on less than \$2.15 a day.¹ Extreme poverty is largely concentrated in sub-Saharan Africa which constitutes over half of the world population. 24% of the world's population, which equates to 1.9 billion people, live in fragile circumstances, characterized by impoverished conditions and dire standards of living.

Noting that efforts to reduce poverty levels for decades have been frustrated by the effects of COVID-19 pandemic and the cost-of-living crisis resulted in three years of retrogressive growth from 2020 to 2022. The situation has been worsened by ongoing political instability caused by conflicts in different parts of the world. Data from the United Nations Development Programme (UNDP) Global Multidimensional Poverty Index² 2022 shows that 1.2 billion people in 111 developing countries live in acute multidimensional poverty. Poverty levels increased during the crisis period and recovery has not yet been realized for low-income countries of the world.

This situation is likely to frustrate the attainment of Sustainable Development Goals (SDGs) and the 2030 agenda as more than half of the world's poor are projected to live below the extreme poverty line. According to the UNDP Global Multidimensional Poverty Index (MPI), poverty is measured by not income only, but adding, health (nutrition, child mortality), education (years of schooling, school attendance), standard of living (cooking fuel, sanitation, drinking water, electricity, assets, housing).³

Competition in the market has a direct relationship to poverty reduction. When competition leads to lower prices for the necessities of life, the greatest benefits may accrue to the least well off, as their access to goods and services improves and, potentially, resources are freed up for discretionary spending that can allow them to improve their lives. By focusing on anticompetitive conduct that increases costs to disadvantaged individuals, competition agencies may directly improve the lives of their

¹ <https://www.worldbank.org/en/topic/poverty/overview>

² <https://hdr.undp.org/system/files/documents/hdp-document/2022mpireportenpdf.pdf>

³ <https://hdr.undp.org/content/2022-global-multidimensional-poverty-index-mpi#/indicies/MPI>

countries' poorest citizens. Further, by addressing governmentally imposed measures that prevent the benefits of competition from reaching the poor, they allow the potential of free markets to enable the poor to lift themselves from poverty.

The lower prices that can result from increased competitive pressures expand markets and make goods and services more affordable, especially to the poor population. Therefore, an inclusive growth strategy aimed at alleviating poverty should include an appropriate competition policy component. Indeed, using research and advocacy tools, the competition agencies can identify barriers to competition and seek to persuade legislatures and regulatory bodies to adopt measures that yield important economic and social benefits.

Most jurisdictions have policies to combat malnourishment, poor health, and illiteracy. While the bulk of the responsibility will fall on government programs that directly confront these problems, competition law has an important role to play. Competition law enforcement may focus on ensuring access to goods and services that have the most direct impact on the nutritional, health, and educational needs of the poorest in developing countries. Challenges to anticompetitive conduct in those sectors can bring disproportionate benefits to low-income sectors of society.

The Round Table will examine how competition policy and law are linked to poverty reduction and how the role enforcement agencies can play in alleviating poverty amongst other actors involved in the same effort. The Round table panel will also address these issues through sharing of research findings and enforcement experiences which brings to the light the correlation between competition policy and law enforcement and efforts on uplifting the livelihoods of the poor populations especially in developing countries.

Issues to consider for discussions:

- (i) How can competition policy and law be pro-poor geared towards application of competition law principles which empower and uplift populations from poverty?
- (ii) What would be the benefits of policy coordination between competition policy and related government regulated sectors, such as investment, trade including standards setting, consumer protection and intellectual property?
- (iii) What are the experiences of developing countries in alleviating poverty through competition law enforcement efforts?

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WORK PROGRAMME

10:00 - 10:10 **Presentation by the UN Trade and Development (UNCTAD) secretariat**

10:10 - 11:00 **Speakers**

- Prof. Eleanor Fox, Walter J Derenberg, Professor of Trade and Regulation Emerita, New York University School of Law (video address)
- Ms. Doris Tshepe, Commissioner, Competition Commission of South Africa
- Prof. Dina Waked, Professor, Sciences Po Law School, France
- Dr. Adano W. Roba, Acting Director General, Competition Authority of Kenya
- Prof. Tina Soreide, Director General, Competition Authority, Norway
- Mr. Mohd Hishamudin, Chairman, Malaysia Competition Commission
- Prof. Katalin Cseres, Associate Professor of Law, University of Amsterdam

11:00 - 12:00 **Interactive debate**

Delegates wishing to speak during the session are invited to inform the UN Trade and Development secretariat accordingly by contacting Ms. Elizabeth Gachuri (elizabeth.gachuri@un.org) and Mr. Yves Kenfack (yves.kenfack@un.org).