

# **The Role of Competition Policy in Promoting Sustainable & Inclusive Growth & Development**

**Pradeep S Mehta, CUTS International**

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# Outline

- What this presentation does not delve into?
- Sustainable Development Goals (SDGs) – a new beginning!
- Linking Competition Reforms with Sustainable Development – where's the best fit?
- Direct/Obvious links – Key Qs
- Indirect/Less-obvious links – Key Qs
- Some evidences – it can happen!
- Concluding Points

# 0. What this presentation does not delve into?

- Does not talk about technicalities of competition law enforcement, but focusses on a wider concept of competition policy reforms instead
- Does not attempt to empirically link competition law with elements of sustainable development – raises certain policy oriented issues for a high-level discourse
- Does not intend to be a tutorial on Sustainable Development Goals – but present a view how some ‘goals’ could be achieved using competition reforms as a means

# 1. Sustainable Dev Goals (SDGs) – a new beginning!



Rio+20 outcome document, “The Future we want”, mandated an Open Working Group to develop *Sustainable Development Goals* (SDGs)

<b>Goal 1</b> End Poverty	<b>Goal 2</b> To end hunger	<b>Goal 3</b> Well-being	<b>Goal 4</b> Quality Education
<b>Goal 5</b> Gender Equality	<b>Goal 6</b> Water & sanitation for all	<b>Goal 7</b> Affordable and sustainable energy	<b>Goal 8</b> Decent work for all
<b>Goal 9</b> Technology for the benefit of all	<b>Goal 10</b> Reduce inequality	<b>Goal 11</b> Safe cities and communities	<b>Goal 12</b> Responsible consumption for all
<b>Goal 13</b> Stop climate change	<b>Goal 14</b> Protect the ocean	<b>Goal 15</b> Take care of the earth	<b>Goal 16</b> Live in peace
	<b>Goal 17</b> Mechanisms & partnerships to reach the goals		

## 2. Linking Competition Reforms with Sustainable Development – where's the best fit?

Can **Competition Reforms** contribute towards achievement of any of the **17 SDGs**?

**Direct/Strong Link** – Clear, hence straight-forward

**Indirect/Weak Link** – Less obvious, so not much explored



## 2.1 Direct or Strong Link

### 2.1.1 Straight-forward linkages between Comp. Reforms & SDGs

GOAL 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

GOAL 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

## 2.1 Direct or Strong Link

### 2.1.2 Achieving Sustainable Development & Inclusive Growth through Competition Reforms

- In what ways can pro-competitive policies reach out to benefit the **poorer segment of society**?
- What experience exists to demonstrate how competition in specific markets has contributed to **improved employment**?
- How have strategies to promote competition taken into consideration, the need for promoting **innovation** and foster **industrialisation**?
- In what ways can a level-playing field contribute towards **infrastructure development**?



## 2.1 Direct or Strong Link

### 2.1.3 Linking Competition Reforms with innovation, job creation, industrialisation, infra development and economic growth

- “Markets work for the poor because poor people rely on formal and informal markets to sell their labour and products, to finance investment, and to insure against risks. ***Well-functioning markets*** are important in ***generating growth and expanding opportunities for poor people***”, (WDR 2001)
- Competition drives firms to innovate. ***Innovation increases*** dynamic efficiency through ***technological improvements*** of production processes, or the creation of ***new products and services*** (Blundell et.al, 1999)



## 2.1 Direct or Strong Link

### 2.1.3 Linking Competition Reforms with innovation, job creation, industrialisation, infra development and economic growth

- Competition encourages *entrepreneurial culture* which promotes *economic growth* (Wong, Ho, & Autio, 2005). Studies by Krizner (1973), Leff (1979), Holcombe (1998); Rodrick et al (2003), Audretsch *et al* (2006); Acs *et al* (2008); Gries *et al* (2010), Naudé (2010, 2011) etc. claim that entrepreneurial ability contributes to economic growth and innovation
- Pro-competitive policies promote a *level playing field* and motivate firms *competing* to provide infrastructure services (*through public procurement*) to cut costs and improvise – leading to better outcomes

## 2.2 Indirect Link

### 2.2.1 Less obvious linkages between Comp. Reforms & SDGs

GOAL 3: Ensure **healthy lives** and promote well-being for all at all ages

GOAL 4: Ensure inclusive and equitable **quality education** and promote lifelong learning opportunities for all

GOAL 5: Achieve gender equality and **empower all women** and girls

GOAL 6: Ensure availability and sustainable **management of water and sanitation** for all

GOAL 7: Ensure **access** to affordable, reliable, sustainable and modern **energy** for all

## 2.2 Indirect Link

### 2.2.2 Achieving Sustainable Development & Inclusive Growth through Competition Reforms

- How can competition reforms be used to improve **access to essential services** like health, energy, water and education?
- Are there ways in which competition and regulatory reforms can promote **women's empowerment**?

### 3. Some evidences how Comp & Regulatory Reforms CAN contribute to achievement of SDGs (CREW project)

- Greater *import competition in Rice* will help ordinary Filipino consumers *spend less* on buying rice and *not hurt* the farmers
- Pro-competitive policies in *seed sector* in Bihar (India) has helped farmers access good quality seeds at low cost, boosting wheat production
- Liberalisation of *maize trade* in **Ghana** led to emergence of women traders (Market Queens), who control maize trade and contributes to women's upliftment – though some abusive practices are alleged

### 3. Some evidences how Comp & Regulatory Reforms CAN contribute to achievement of SDGs (CREW project)

- Pro-competitive reforms in ***public transport*** in many countries have resulted in ***youth employment*** – more needs to be done
- Lack of ***institutional guidance on pro-competitive public procurement*** process, stifles competition and possible improvements in transport infrastructure and services
- ***Reforms in public transport*** have given little attention to need for ***women's safety & comfort***

## 4. Concluding Points

- Competition reforms should be designed to **strengthen its (obvious) links** with economic growth, industrialisation and job creation
- Practitioners and scholars should also **consider the less obvious** links of competition reforms with access to essential services, women's empowerment, etc.
- SDGs should be used as an opportunity to demonstrate how **competition reforms can lead to tangible and measurable impacts** – the **CREW approach**
- The challenge is to preserve and perhaps even **escalate the importance of competition & regulatory reforms** in the post-2015 (SDG) landscape – the challenge

## 4. Concluding Points

- Identify **benefits** of an effective competition regime for sustainable development (social, economic, environmental)
- **Expand the frontiers** on competition and regulatory reforms – making it less abstract
- Facilitate greater **policy-level attention** and **stakeholder support** to competition & regulatory reforms in the post-2015 scenario

### CHALLENGE BEFORE THE COMPETITION COMMUNITY

**Identifying the relevance of Competition & Regulatory Reforms in meeting the Sustainable Development Goals (SDGs)**



**Thank You**

**[psm@cuts.org](mailto:psm@cuts.org)**

**[www.cuts-ccier.org](http://www.cuts-ccier.org)**