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

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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)*
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

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