

- ▶ **Building a National Centre of Excellence on Competition Law and Policy**
  - **A Major Initiative to Support Capacity Building**



- ▶ **A presentation by Dhanendra Kumar**  
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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

# Scheme of Presentation

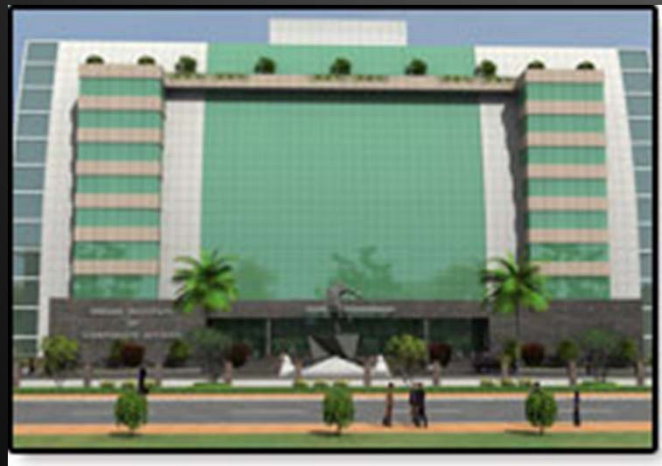
- ▶ Need for National Center of Excellence on Competition Law and Policy
- ▶ IICA: Role, Schools and Centers
- ▶ IICA School of Competition Law: Vision, Operational Strategy and Capacity Building Solutions
- ▶ Proposed National Competition Policy of India
- ▶ Challenges in implementing National Competition Policy
- ▶ IICA – potential to emerge as regional center of excellence and potential areas for collaboration

# Need of a National Centre for Excellence for Capacity Building

- ▶ Evolving competition regime of India
  - Competition Act passed in 2002
  - Key provisions on regulation of anti-competitive agreements, abuse of dominance notified in May 2009, provisions of mergers and acquisitions came into effect in June 2011
  - Government now considering National Competition Policy
- ▶ IICA–set up by Ministry of Corporate Affairs, Government of India in Sept. 2008 for capacity building and training in competition law and policy, corporate law, governance, finance, accounting and auditing, CSR etc. To act as a think tank, action research, service delivery and capacity building.
- ▶ School of Competition is the first of five schools, which is now operational
- ▶ Competition is a highly specialized and technical subject, issues and jurisprudence evolving rapidly, need to look at from the lens of national economy needs
- ▶ India a relatively late starter in competition, needs to catch up, and build up professional capacity rapidly



IICA Campus inaugurated  
by Prime Minister  
Dr Manmohan Singh  
(13 April 2012)



# Role of IICA

- ▶ To act as a one-stop-shop, provide a platform for value adding partnerships between Government and stake holders.
- ▶ To deliver opportunities for research, education and advocacy.
- ▶ A repository of data and knowledge.
- ▶ As think tank-to anticipate corporate needs, provide value added services.
- ▶ To help Ministry in its role as regulator, facilitator, developer and disseminator.



# Design of IICA

- ▶ Designed with an eye on the future needs, to provide a platform for dialogue and partnership between governments(including states), corporates, civil society, professionals, academicians, and global institutions, in an environment, where–
- ▶ Uncertainty, accelerating pace of change and possible non-availability of long term anchors and reference points.
- ▶ In-house availability of required skills (law, economics, public policy, accountancy, etc.
- ▶ Substantive result oriented partnerships to develop capacities for efficient and sustainable regulation and responsible business.

# IICA's Network of Schools and Centers

- ✓ **School of Competition Law**
- ✓ **School of Corporate Governance & Public Policy**
- ✓ **School of Corporate Law**
- ✓ **School of Finance**
- ✓ **School of Business Environment**

- ✓ **Center for Business Innovation**
- ✓ **Center for E-Governance**
- ✓ **Center for Institutional Partnerships**
- ✓ **Center for Responsible Corporate Governance**
- ✓ **Center for Corporate Law and Regulation**
- ✓ **Center for Small & Medium Enterprises**



# IICA-5 Schools

1. [School of Competition Law](#)–to build capacity in competition law and policy.
2. [School of Corporate Law](#)–to build capacity in statutory corporate, legal and regulatory framework, help in the work related to Company Regulations, company secretaries, chartered accountants (CAs), cost and work accountants (CWAs) etc.
3. [School of Finance](#)–study, research and capacity building in financial and regulatory issues.
4. [School of Business Environment](#)–economic trends, financing options, entrepreneurship
5. [School of Corporate Governance & Public Policy](#)–management expertise, inclusive and sustainable corporate operation



# Methodology

- ▶ Each school mandated to create its own curriculum, certification parameters, research orientation, subjects, source its own material, create and maintain partnerships.
- ▶ Training and capacity building for personnel of Central and State Governments, corporates, independent directors, etc.
- ▶ To set up state-of-the-art Knowledge Management systems for continuous collation and dissemination of knowledge to internal and external stake holders

# Synergies between Schools and Centers of IICA

- ▶ IICA has five schools and six centres, which will work collaboratively to deliver rigorous and comprehensive capacity building products
- ▶ These Schools and Centers will create a unique set of complementarities in terms of skills and programmes
- ▶ School of Competition Law will hugely benefit from the presence of in-house skills such as public policy, law, economics, business management, accountancy, company secretaries, CSR specialists etc.

# School of Competition Law

- ▶ To come up first, among the five schools.
- ▶ Vision: To deliver rigorous research and capacity building solutions in the area of Competition law and policy to all stakeholders.
- ▶ Programmes to be undertaken
  - Regular teaching and training courses.
  - workshops, seminars and round tables with stakeholders on relevant themes.
  - develop capacity for stronger competition impact assessment in various economic sectors in the context of proposed National Competition Policy.

# Operational Strategy

- ▶ Developing a plan for next three years through
  - Consultations with with national stakeholders (government and private sector), and
  - international stakeholders (multilateral institutions, bilateral agencies etc)
  
- ▶ Operationalising the action plan through
  - Putting in place the best human capital to undertake programmes
  - Rope in national and international experts to develop courseware
  - Use best management systems and technology to deliver courses
  - Developing research programmes

# Capacity Building Solutions

- ▶ For whom (from India and abroad)
  - Competition authorities
  - Government officers
  - Private sector
- ▶ Design of programmes
  - Short-term courses: need/ topic specific
  - Long-term courses: to create trained pool of professionals
- ▶ Approach
  - Balanced focus on theoretical rigor and practical aspects
  - Comprehensiveness in terms of curriculum

# National Competition Policy

- Competition Policy – an overarching policy framework to infuse competition principles across Government measures, statutes etc.
  - More positive and proactive
  - Relatable more to Govt. Departments/ PSUs, encourages them to adopt competition principles, correct policies with anti-competitive outcomes.
  - Committee on National Competition Policy
  - Draft NCP sent to Government, now under consideration at highest level.

# Objectives of Draft NCP

- Promote competition – optimize efficiency – review government policies to check anti-competitive outcomes
- Promote economic democracy, restrict rent seeking practices, efficiency in public procurements
- Strive for development of markets, and a single national market as fragmented markets impede competition
- Ensure wider choices and better quality of goods and services
- Synergized relationship among sectoral regulators and/or CCI and prevent jurisdictional grid-locks
- Build strong competition culture amongst stakeholders – public officials, business, trade associations, consumers associations.

## Some Illustrative Examples of Policy/ Law Induced Competition Distortions

- ▶ The distortion in agricultural produced markets caused by the Agricultural Produce Marketing Committee (APMC) Act – causing huge inefficiency and high marketing costs, besides possibility of possible cartel-like behaviour by licensed traders.
- ▶ Lack of consistency with respect to competition principles amongst sector regulators vis-a-vis Competition Commission of India – affecting the state of competition.

▶ Contd...



## Some Illustrative Examples of Policy/ Law Induced Competition Distortions

- ▶ Section 104 of Indian Motor Vehicles Act– allows for temporary permit to private parties in respect of notified areas can be provided only if a State Transport Undertaking has not applied to ply their vehicles on the route.
- ▶ Impact on competition due to rules can be observed in allocation of airport slots – critical for an airline to achieve financial viability.
- ▶ Discriminatory application of taxes across states – may cause market distortions – identified as a major barrier in development of a single national market. Government is already making efforts to address this issues through its uniform code.

# Challenges in Implementing National Competition Policy

- ▶ Institutional structure to implement competition policy and professional support to ensure coordination between government agencies
- ▶ Need for capacity building of personnel in Central Ministries and State Governments, sub-state institutions and awareness generation
  - Specifically, training in identifying competition restraining policies, and conducting competition impact assessment comprehensively

# IICA: Potential to Emerge as Regional Center of Excellence

- ▶ A world-class institute to operate in the areas of competition policy and law, corporate social responsibility, finance, corporate laws, business environment.
- ▶ State-of-the-art infrastructure having all facilities for effective learning such as a well-stocked library, access of electronic resources, residential facilities, offices etc.
- ▶ Potential to emerge as a regional centre of excellence and can effectively serve the capacity building needs of Asia Pacific and African regions.
- ▶ Regular osmosis of Ideas – collaboration amongst UNCTAD, governments, competition authorities and IICA

# Areas for Collaboration

- ▶ Tailored and generic courses for staff of competition enforcement agencies, government officials, private sector executives, etc.
- ▶ These courses are envisaged for both Indian clientele as well as those from other developing countries.
- ▶ Research collaborations
  - Need of collaboration under RPP
- ▶ Fostering sharing of :
  - best practices relating to competition law enforcement
  - capacity building modules



# Thank you

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