

Benefits of Competition on Consumers & Producers in Developing countries

[CREW International Conference & Project Partners' Meeting]

Date: 18-20 November 2014

Bangkok, Thailand

1. Background

1.1 Developing and least developed countries are often faced with resource constraints and hard-pressed on making difficult decisions in allocating resources across various public policy areas. These choices are sometimes dependent on markets and resources available to meet the citizens' demands.

1.2 The right of consumers to basic needs is paramount for a decent quality of life, which comprises food, clothing, shelter, energy, transportation, water, sanitation, etc. Provision of these basic requirements and utilities is often a main concern of the State. Many developing countries have witnessed unprecedented economic transformation over the last two decades, when the private sector has started playing a much larger role in the provision of these basic necessities. In order to facilitate this process and develop these markets that were erstwhile under government control, various policies, programmes and other interventions have been made from time to time. Some of these interventions have been made to make it easier for the private sector to enter a certain market, while others to ensure that a level-playing field emerges. The objectives of such interventions have varied from those which aimed to facilitate private sector development and stimulate entrepreneurship, to those which were aimed to preserve consumer interests. Such actions have also tried to enhance fair competition among the players in the market to benefit consumers.

1.3 The subject of competition policy and law has become an increasingly important topic in the public policy domain across the developing world today. The purpose of an effective competition regime is to promote competition and benefit producers in some cases; and the consumers in others. However, there is little understanding among developing country policymakers and other stakeholders on the benefits of effective competition reforms. That is the reason, competition reforms still remains an issue that is seldom considered or discussed in the process of economic planning in the developing 'south'. It is important that the power of competition reforms (which has been well-argued and studies by scholars and practitioners

across the globe) is communicated to these stakeholders to make the case for greater attention and support to this important area of public policy.

2. About the CREW project

2.1 Given the above, CUTS is implementing a project (referred to as the CREW project, www.cuts-ccier.org/CREW), in two of these sectors – *staple food* and *bus transport*, to demonstrate implications of competition reforms (or the lack of it) on consumers and producers. It is expected to lead to better appreciation of competition reforms among policymakers and other key stakeholders. CUTS and its partners in the project countries (Ghana, India, The Philippines and Zambia), have identified specific policies/reforms/government interventions aimed to infuse competition in the market (and those which stifled competition), in order to assess their impacts on the consumers and the producers. The project is being supported by DfID (UK) & BMZ (Germany) through GIZ (Germany).

3. Project Highlights & Purpose of Event

3.1 In the process of implementing this project, CUTS partners in the four countries are developing a body of evidence to illustrate implications of certain market-oriented policies/reforms/government actions on consumers and producers in the staple food and the bus transport markets. Such evidence would be compiled in country specific Diagnostic Country Reports (DCRs).

3.2 CUTS is also developing a methodology based on the experience of implementing the first phase of this project, that can help government agencies, development partners and other actors to design competition reforms in key sectors of the economy. This toolkit is being developed such that it can be applied to other developing countries and sectors as well.

3.3 CUTS has also started the process of engaging with government departments/agencies in these sectors and others to ensure that there is uptake of the findings and the recommendations.

3.4 CUTS plans to organise an international conference (*Project Partners' Meeting*) in the month of November 2014 (date and venue to be decided soon), for its partners to showcase their findings from the above research, and receive feedback from scholars, policymakers and practitioners on the same. Subsequently, these partners would start engaging with the

respective government agencies (in their countries) to ensure that some of these findings/recommendations are taken on board to review nature of these two markets in the project countries. CUTS would also share the toolkit with the international development community through this event, so that its utility can be reviewed and the same can be propagated for usage elsewhere.

4. Draft Programme

This conference would be held over **TWO & HALF days**, and the proceedings would be divided into:

- (A) International Conference (One and half Days)
- (B) 3rd PAC¹ meeting (Half Day)
- (C) CREW partners' Meeting (Half Day)

Day One

(A) INTERNATIONAL CONFERENCE

Opening Session (1 hour): According greater attention to competition reforms in Developing Countries

CUTS, DFID (UK), GIZ (Germany), Host Country Government, Keynote Speaker(s)

Session 1 (3.5 hours): Evidence from CREW Diagnostic Research

- Presentation of DCRs by country partners/researchers (4 persons)
- Q&A Session

Session 2 (2 hours): Panel Discussion – using the evidence in advocacy (4-5 persons)

Discussants (PAC members, international scholars and DC practitioners) will make their comments on the DCRs and how to utilise them in undertaking Advocacy

¹ Only for members of the Project Advisory Committee (PAC) and some invited members

Day Two

(Pre-Lunch)

(A) INTERNATIONAL CONFERENCE (contd.)

Session 3 (3 hours): Experience of other countries and use of the CREW experience (4-5 speakers)

- Presentation (by CUTS) of the CREW toolkit
- Presentation by other country experts, practitioners², government representatives

Session 4 (1 hour): Concluding Remarks

- CUTS, PAC Members, Guest Speaker

(Post-Lunch)

(B) CREW PAC MEETING

(Only for CREW partner organisations, researchers & PAC members)

- Review of progress of the CREW project – activities, outputs and outcomes
- Views on the CREW Toolkit and its popularisation
- Outreach and Popularisation of CREW toolkit

Day Three

(C) CREW PARTNERS' MEETING

(Only for CREW partner organisations, researchers & PAC members)

- Comments received on DCR
- Plans for the next phase (advocacy)
- Project management related matters

End of Conference with Networking Lunch

² IFC/World Bank, OECD, etc.