

# *Competition, Growth and Poverty Reduction*

- Why is DFID interested?
- UN Millennium Development goals – halving absolute poverty by 2015
- Relevance of ‘competition policy’
- Reducing poverty complex, but economic growth needed
- Higher growth results in more rapid poverty reduction

# *Growth and the competitive environment*

- Competitive environment directly linked to enterprise productivity, enhancing prospects for growth and poverty reduction
- Market economy the key
- Sound competition policy, including competition law, needed to keep markets effective
- Role of competition culture

# *Is the world interested?*



- A quiet revolution
- Competition policy and competition law
- Hong Kong
- Singapore

# *Competition policy and development*



- Role of markets
- Making markets work better
  - markets can fail
  - need for competition law
  - efficiency
  - fairness

# *What competition problems?*

- Domestic cartels and abuse of dominance
- International cartels
- Sector regulation

## *What is the evidence?*

- DFID's analytical framework for pro-poor growth
- Economic theory
- Reasons for limited empirical research

## *National and international views*

- Wide support for linking competition policy with development
  - WTO Working Group
  - OECD
  - UNCTAD
- National assessments
  - Australia, Japan, Korea, Peru

## *Any Exceptions?*



- Small open economies?
- Lack of resources?
- Post-conflict situations?
- Regional cooperation?

# *Conclusions*

- Competition in markets enhances growth and poverty reduction
- Anti-competitive practices widespread - competition law needed
- Broad and strong endorsement on role of competition law
- National studies suggest competition law can contribute significantly to development
- More empirical work needed