

# CBCPI – Subgroup 4

- Objective: improving the effectiveness of competition advocacy **with a particular emphasis** on the regulated sectors in transition and developing economies
- Phase 1 – Questionnaire (33 responses)
  - level of competition
  - presence of state-owned enterprises
  - level of influence over regulatory agencies
  - general advocacy activities
  - case studies

# Advocacy x Enforcement

- In regulated sectors of developing and transition economies, should competition advocacy take priority over competition law enforcement ?
  - opportunity to influence economic reform
  - enforcement challenges for young agencies

# Assessment of Advocacy Effectiveness

- In general, effectiveness is difficult to measure
- Easier to identify in the context of legislative drafting process
  - short term: specialists' perceptions
  - longer term: quality, price, investment, etc.
  - How to isolate a competition agency's influence?

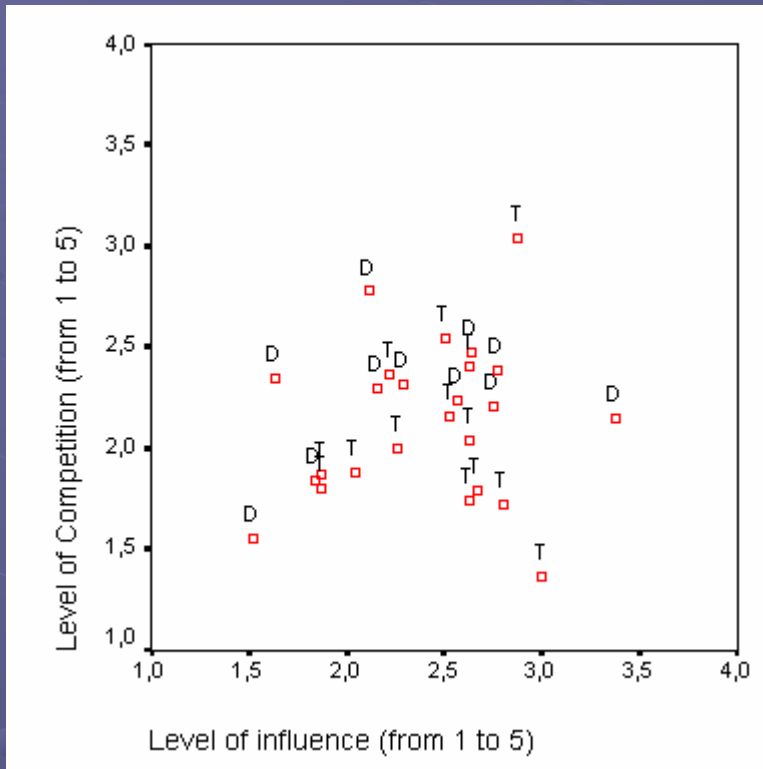
# Advocacy and State-owned Enterprises

- Is competition advocacy more difficult in sectors where state-owned enterprises dominate?
- Does that mean that advocacy efforts must be stronger when the presence of state-owned enterprises is higher?

# Level of Influence x Competition

- Few agencies have the jurisdiction to make binding recommendations.
- Can binding recommendations be considered advocacy?
- Is the level of influence over regulatory agencies correlated with the level of competition ? What is the relationship with agency maturity?

# Level of Influence x Competition



LOW INFLUENCE HIGH COMPETITION (EFFICIENCY)	HIGH INFLUENCE HIGH COMPETITION
LOW INFLUENCE LOW COMPETITION	HIGH INFLUENCE LOW COMPETITION (INEFFICIENCY)

- stage of economic transition
- respondent bias
- sector-specific regulations/law
- regulatory agency's competition awareness

# Regulatory Agencies' Awareness

- Before embarking on advocacy initiatives, it is important to assess the regulatory agency's awareness of the benefits of competition

Answers	Number of responses			
	Transition economies (17 responses)		Developed economies (11 responses)	
Yes	7	41%	6	55%
Improving	2	12%	0	0%
Yes but other objectives also exist	3	18%	2	18%
Depend on the sector	3	18%	3	27%
No	2	12%	0	0%

Very high awareness in the telecommunications sector.

# Advocacy Initiatives

- Participation in public hearings
- Regular meetings with regulators
- Staff exchange
- Participation in symposiums
- Joint workshops with regulators
- Annual reports
- Speeches and articles in the media



# Techniques for Success

- Engaging in dialogue and coordination
- Developing formal procedures for consultation
- Assigning an important role for the media
- Using sound technical arguments
- Taking into account guidance from other jurisdictions
- Considering specific sector sensitivities
- Being forward looking
- Prioritizing resources by sector: economic importance / level of competition / barriers to entry / public interest

# Future Work

- In-depth examination of case studies
  - create a comprehensive database of advocacy activities that competition authorities can consult;
  - measure the benefits of advocacy initiatives through qualitative and quantitative analyses of the case studies.

# Thank You

- KFTC
- The 33 Respondents
- Members of Subgroup 4

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