



9th CUTS 30th Anniversary Lecture on
Capacity-Building in New Competition Systems
and
Emerging Powers and Global Governance

Date: September 23, 2014

Venue: George Washington Law School, Washington DC

CUTS 30th Anniversary Lectures

To mark its 30th Anniversary, CUTS International is organising a series of lectures around the world, including India, with eminent friends on topics of interest to go with CUTS' work agenda. The aim of the Lecture series is to address CUTS' future interventions, which would help in promoting inclusive growth from the perspective of their impact on consumer welfare in the light of contemporary policy discourse on trade, regulation and governance.

In this series, the 9th Thought Leadership Lecture was delivered by Bill Kovacic, Professor George Washington University and Rakesh Mohan, Executive Director, International Monetary Fund (IMF) on topics, '*Capacity-Building in New Competition Systems*' and '*Emerging Powers and Global Governance*' respectively. Nirupama Menon Rao, India's Ambassador to USA chaired the lecture while Swaminathan S. A. Aiyar, Consulting Editor of The Times of India Group and Edward Luce, Chief US Commentator, Financial Times commented.

Welcome Remarks

Pradeep S Mehta, Secretary General, CUTS while welcoming the distinguished guests/speakers at the event stated that lecture series are being organised around the world by CUTS as it is an international NGO pursuing economic equality and social justice within and across borders. The twin purpose of this series is to acquaint people about its work and for it to draw fresh ideas for its own work agenda for the next 20 years. Its work is around three verticals: trade, regulation and governance, which it is pursuing in the developing world through its own presence in Asia and Africa.

Indian and Chinese Economy to Surpass US

Rakesh Mohan, Executive Director, IMF while delivering the lecture opined that by 2030, China's economy and by 2060, India's economy could be much larger than the economy of US, if one goes by current projections. The rate of change that has been predicted, if it does come around, it would be quite dramatic in the next 20 years. These

changes do indicate that changes at the level of global governance to have to happen, for example the emergence of G-20 countries, which is more participatory.

He said that the key issue to ponder over is what will happen in the future, given the big changes that are taking place with the emergence of different institutions in the world and whether the governance in multilateral institutions were to change with more even representation with economic weight or they will remain US/EU dominated.

He further stated the question that arises is that in some ways if you have one top dog who governs, might lead to more stability as compared to 4-5 top dogs trying to compete with one another on how to govern global situation, which goes beyond just economics. But, during the next 5-10 years we are going to see changes that we have not seen since a long time.

Capacity-Building in New Competition Systems

Bill Kovacic, Professor, George Washington University, spoke about the need for capacity building in the new competition systems. Referring to CUTS' micro economic research projects across the world such as the 7Up project, he acknowledged its contribution in adoption of competition policies by focussing on the local conditions inside emerging market environments.

He emphasised on the importance of creating the right team and getting the right people to head a competition agency, who have some experience of having worked in the private sector in order to understand how they function, without this important understanding the agency would be in some sort of a deficit. Thus, recruitment of the right people and the right level is one of the key ingredients to ensure success of the institution.

India to Ensure Inclusive Growth

Nirupama Menon Rao, India's Ambassador to USA briefly spoke about the commitment of the Indian government towards ensuring inclusive growth and to ensure that fruits of growth and progress are shared with large sections of the population, which is the mantra of the day.

Rao reflected on various steps being taken by the Indian government, such as Food Security Initiative, Rural Employment Guarantee Scheme, which provides right-based employment to the people and Right to Information Act, which creates legal obligation on the government to share information on how it work with the people and so on.

She acknowledged the important contribution being made by CUTS in order to inform policymakers at the highest level in government and that it has truly conveyed the message of South-South cooperation with its presence in many countries and that it should continue to grow to promote equity and social justice across borders.

Transition from MRTPC to Competition Act

Swaminathan S Anklesaria Aiyar briefly spoke about the transition from the days between Monopolies and Restrictive Trade Practices Commission (MRTPC) to the present Competition Act in India. He did mention that there was a time during the MRTPC era, government control was the key and being big was bad. One of the key changes in the present Competition Act, being big is not bad but its abuse is bad.

Towards the end, reacting to the issue of change in global economic calculus, he did mention that it is difficult to discount US but the powers of EU/US are diminishing relatively. He emphasised that the original idea that the dominant force is going to be EU or US in the world is getting diluted and we are moving towards a multi-polar world.

The Formative Years of CUTS' Existence

Edward Luce, Chief US Commentator, FT drew the attention of the audience towards the formative years when CUTS came into existence, which was an era of licence raj, 1991 crisis, etc., thus the emergence of CUTS as a unique pro-market organisation, was a breath of fresh air. He emphasised that the change in global economic geometry is more of a problem for US, as compared to China and/or India, as because it is becoming increasingly irrelevant.

Question and Answer Session

At the end of the lecture, the audience was given an opportunity to raise questions or make contributions. There was a lively Q&A session, when numerous micro and macro issues were raised by the over 100 participants in the hall. Marking an end to the session, Pradeep S Mehta in his summarisation highlighted the importance of donor co-ordination on the vast issues that CUTS and other organisations are working on, which is important. He referred to the Paris Declaration, which is a soft law and requires the donor to co-ordinate, which is being ignored.

Udai S Mehta, Associate Director, CUTS proposed a vote of thanks at the end and handed out mementos to all dignitaries.