

Publications Digest 2015

RESEARCH REPORTS

Competition Policy and Law Studies

The studies given below being undertaken by CUTS Nairobi are part of the project 'Accelerating the Implementation of EAC Competition Policy and Law (ECOMP)'. These reports are the outcomes of a study carried by Research on Poverty Alleviation (REPOA) on Competition Law and Policy in Kenya, Rwanda, Tanzania and Uganda.

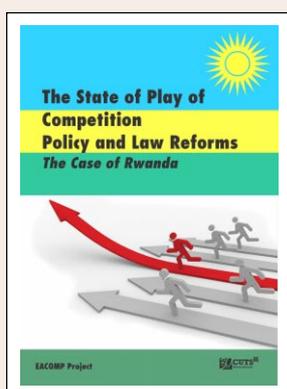
The State of Play of Competition Policy and Law Reforms

The Case of Kenya

Kenya's economy is one of the largest in the region, and the rest of Sub-Saharan Africa (SSA). Kenya lies on a total area of 582,650 sq. km with a gross domestic product (GDP) per capita of US\$1800 (WDI, 2012). The government began a large-scale programme of state intervention in the first ten years of Kenya's independence. The large injections of investment capital, which were aimed at diversification were combined with deliberate generation of demand to stimulate the economic reform process

This report explores the scenario of competition evolution and the environment and interface between sector regulation and competition. Besides, it also reveals the progress in operationalisation of the Kenyan Competition Act. The report also carries cases of anti-competitive practices in Kenya.

http://www.cuts-international.org/ARC/nairobi/EACCOMP/pdf/The_State_of_Play_of_Competition_Policy_and_Law_Reforms-The_Case_of_Kenya.pdf



The State of Play of Competition Policy and Law Reforms

The Case of Rwanda

Rwanda has achieved exceptionally fast development over the last 10 years and moved from a post-genocide emphasising on state-building, reconstruction and the provision of basic services to one of promoting economic growth and transformation. Rwanda has developed a liberalised economy, which together with sound governance, is the precondition for sustained economic growth. Lacking physical resources and given its challenging geographical position, Rwanda has recognised that it must develop a good environment for business. It has an open trade policy, a favourable investment climate, cheap and abundant labour, tax incentives to businesses, stable internal security, and comparatively low crime rates. The report sets out the state of play with respect to competition regimes in Rwanda and the subsequent implications for integration within the East African Community (EAC).

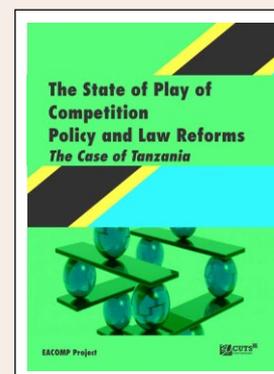
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The State of Play of Competition Policy and Law Reforms

The Case of Tanzania

The purpose of the study is to assess Competition Law and Policy in Tanzania, and look *inter alia*, at the progress made by the Tanzanian Government on competition reforms, sectoral regulation and competition interface in selected sectors and identify cross-sectional perceptions regarding competition concerns.

Further, the study also aims to explore the cooperation between different agencies implementing Competition Law and Policy, assess the implications of natural monopolies on Competition and some of the existing anti-competitive practices. The study is based on an extensive desk research covering a review of, *inter alia*, the legal and institutional framework aiming at fostering competition, including consumer protection and dispute settlement systems. The study further investigates the independence of the institutions tasked with fostering competition and protection of consumers.

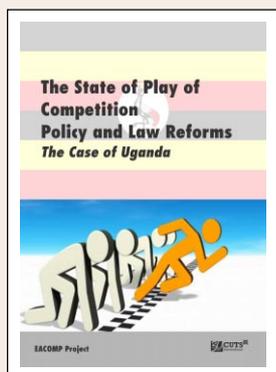


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The State of Play of Competition Policy and Law Reforms

The Case of Uganda

This study explores the state of competition in Uganda's market. Even though Uganda has no exclusive Competition Law and agency, it has a Competition Bill draft that proposes to establish a competition commission; sets offences and penalties for not complying with the provisions of the law; and outlines prohibited behaviour and practices.



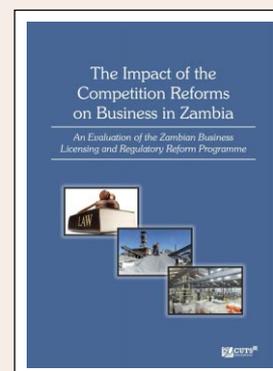
Further, the country also has relevant competition clauses entrenched in various sectoral laws, which cater for fair competition, promoting innovation, eliminating concentrated economic power, enhancing efficiency in trade and accelerating development. However, the study stresses the fact that Uganda would do well to expedite its competition law and usher in a competition regime to monitor market monopolisation by a few companies, which is reported to be leading to anti-competitive practices like price-fixing, market sharing and predatory pricing.

http://www.cuts-international.org/ARC/nairobi/EACCOMP/pdf/The_State_of_Play_of_Competition_Policy_and_Law_Reforms-The_Case_of_Uganda.pdf

The Impact of the Competition Reforms on Business in Zambia

An Evaluation of the Zambian Business Licensing and Regulatory Reform Programme

This study focusses on the impact that the repeal of the Competition and Fair Trading Act, 1994 (Cap 447) and subsequent enactment of the Competition and Consumer Protection Act, 2010 (CCPA) has had on the private sector and consumers. The study follows up on the earlier observations made by a Committee that was instituted to review how Zambia's licensing regime was impacting private sector growth. The Committee, which was convened under the ambit of the Business Licensing Reform Programme (BLRP) of the Private Sector Development Reform Programme (Phase II), recommended that the regulatory framework governing the business licensing regime required streamlining, if Zambia's business environment was to be competitive.

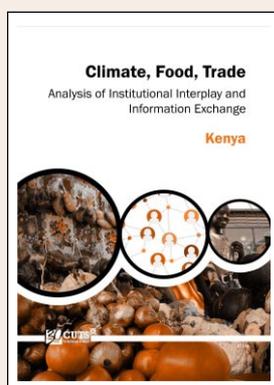


http://www.cuts-international.org/ARC/Lusaka/pdf/The_Impact_of_the_Competition_Reforms_on_Business_in_Zambia.pdf

Climate, Food, Trade

Analysis of Institutional Interplay and Information Exchange

Kenya



Under the project 'Promoting Agriculture, Climate, Trade Linkages in the East African Community (PACT EAC)' national studies were conducted in Burundi, Kenya, Rwanda, Uganda and Tanzania. The five country studies focussed on how climate change, food security, and trade issues interact and aimed at contributing to a more coherent and holistic response in the context of relevant international regimes, particularly those related to trade, agriculture and climate change. Against this background, a follow up study was conducted under the theme 'Food-Climate-Trade Linkages: Understanding and Improving Institutional Interplay in Murang'ia and Makueni counties in Kenya'.

The study analysed two types of linkages, namely, vertical and horizontal linkages. Vertical linkages refer to collaboration and interaction between county governments and the national government, in terms of policy and administrative frameworks as well as institutional mechanisms in place. In horizontal linkages, the study analysed how county institutions responsible for agriculture, environment and trade collaborate with each other in order to execute their respective mandates, as well as how stakeholders collaborate with the respective ministries and among each other within the respective counties.

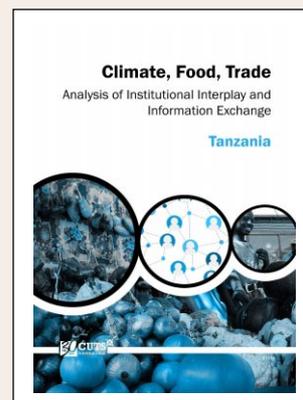
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Climate, Food, Trade

Analysis of Institutional Interplay and Information Exchange

Tanzania

As the link between Agriculture, Climate, and Trade (ACT) proves to be strong in Tanzania, different non state actors with close relationships with the government of Tanzania have continued initiating new activities that aim to facilitate smooth interplay between different institutions involved in ACT. This study therefore has attempted to identify, understand and suggest improvements of the institutional interplay from the local to the national-level for the holistic tackling of the three issues of climate change, food security and trade. To do so, the study focusses on institutional, legal, financial bottlenecks and skills gaps in planning, budgeting, and implementation of ACT-related plans. It also seeks to acknowledge and support the current efforts by the government and various stakeholders in mainstreaming the environment, climate change, food security, and trade initiatives in the planning and budgeting processes at different levels.



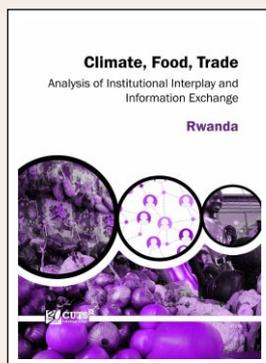
[http://www.cuts-international.org/ARC/Nairobi/pdf/](http://www.cuts-international.org/ARC/Nairobi/pdf/Climate_Food_Trade_Analysis_of_Institutional_Interplay_and_Information_Exchange_Tanzania.pdf)

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Climate, Food, Trade

Analysis of Institutional Interplay and Information Exchange

Rwanda



Rwanda has taken major steps in the decentralisation of powers, including transfer of funds from the central to local government to make sure local communities are empowered and participate in development initiatives. The planning process is all-inclusive and ensures close collaboration between central and local governments. However, gaps, shortcomings and weaknesses still exist within the institutional arrangements and across central government and district authorities. There are some areas that need more improvement to ensure effective coordination and institutional interplay for better implementation of policies in place.

This study on 'Food-Climate-Trade Linkages: Understanding and Improving Institutional Interplay' seeks to identify, understand, and improve the institutional interplay from the local to the national level for

the holistic tackling of the three issues of climate change, food security and trade.

[http://www.cuts-international.org/ARC/Nairobi/pdf/](http://www.cuts-international.org/ARC/Nairobi/pdf/Climate_Food_Trade_Analysis_of_Institutional_Interplay_and_Information_Exchange_Rwanda.pdf)

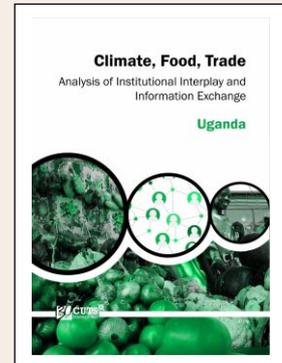
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Climate, Food, Trade

Analysis of Institutional Interplay and Information Exchange

Uganda

Uganda's economy is made up of three major sub sectors, i.e. agriculture, forestry and fisheries, which entirely depend on the weather for their production and productivity. Other sectors include livestock, manufacturing, and services sub sectors. Generally, the approach taken by the Government of Uganda has been to improve agriculture productivity by increasing efficiency and effectiveness of the agriculture sector. This has been done through the adoption of a number of programmes in the form of environment, trade, as well as gender related issues. There is a fundamental linkage between trade, agriculture, and climate change as was established in a previous research undertaken by CUTS International in Uganda, which *inter-alia* found that this required effective coordination of the relevant institutions dealing with the three issues. As a follow-up, this study therefore provides a detailed analysis of the institutional coordination for climate, trade, and agricultural policy at national and district levels.

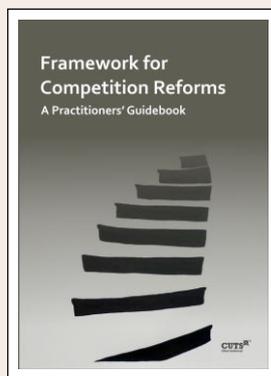


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[Climate_Food_Trade_Analysis_of_Institutional_Interplay_and_Information_Exchange_Uganda.pdf](#)

Framework for Competition Reforms

– A Practitioner's Guidebook



While a robust methodology is necessary, it has to be flexible enough to enable application in a developing/least developed country setting. This is the rationale behind this Framework for Competition Reforms Practitioner's Guidebook (FCR-PG). CUTS has used the experience of the 'Competition Reforms to Enhance Social Economic Welfare in Developing Countries (CREW)' project to develop this methodology. It explains the process for generating evidence and establish a linkage between competition and establish a reforms and welfare, especially relevant from a developing world context.

Various tools that were applied in the CREW project to establish this linkage, have been presented in this guidebook. It is expected that this guidebook, (which is a mix of relevant tools, methods, empirical evidence and existing literature) will help proponents of competition reforms understand and plan the process of competition reforms in important sectors, especially those which impact a large number of citizens, particularly the poor.

http://www.cuts-ccier.org/CREW/pdf/FCR_Practitioners_Guidebook.pdf

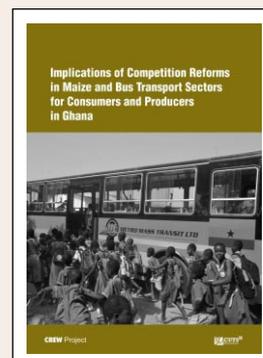
The Diagnostic Country Reports (DCRs) are the output of Phase I, i.e. Diagnostic Phase, of the CREW project. The reports underscore the implications of competition reforms in the project sectors (staple food and bus transport) on consumer and producer welfare.

Implications of Competition Reforms in Maize and Bus Transport Sectors for Consumers and Producers in Ghana

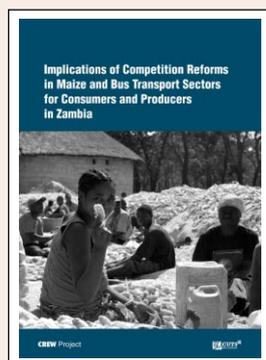
This Diagnostic Country Report for Ghana is under CREW project implemented by CUTS Centre for Competition, Investment & Economic Regulation (C-CIER) with support from DFID (UK), BMZ through GIZ (Germany).

Presently, Ghana does not have a competition regime (policy and/or law) in place, although a few efforts at developing competition legislation have been made over the years. The Ministry of Trade and Industry oversees all trade dealings and practices, including unfair practices. Two draft Bills had been prepared earlier: the Trade Practices Draft Bill, drafted in 1993, and the Draft Competition and Fair Trade Practices Bill in 2004. However, none of them could be developed into an Act of the Parliament.

http://www.cuts-ccier.org/CREW/pdf/Diagnostic_Country_Report-Ghana.pdf



Implications of Competition Reforms in Maize and Bus Transport Sectors for Consumers and Producers in Zambia



Competition enforcement is weak across many of the developing countries usually due to a host of different reasons. Among them is the fact that there are no measurable welfare gains from such enforcement that have been documented for use in advocacy to encourage policy makers. With scarce resources, policy makers worldwide are faced with the challenge of deciding where to allocate the resources in a manner that will maximise the net welfare gains of the population. To aid in this process of allocating resources in an optimal manner, this research will demonstrate the gains of

competitive markets to consumers and producers and fill the gap in knowledge that exists. There is generally a dearth as to the gains of competition reforms, especially on the consumers and producers in the staple food sector.

http://www.cuts-ccier.org/CREW/pdf/Diagnostic_Country_Report-Zambia.pdf

Making Competition Reforms Work for People *Evidence from Select Developing Countries & Sectors*

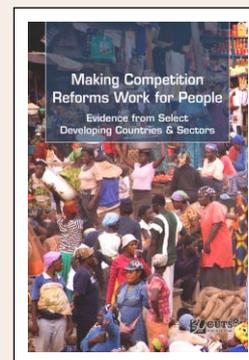
Realising the need for competition reforms across many developing countries continues to be paramount to ensure fair competition in key markets for citizen's welfare. Developing and Least Developed Countries are often faced with resource constraints. So, while competition reform is recognised as an important component of economic governance, legacy problems often result in sub optimal outcomes.

CUTS International has been implementing CREW project to address this challenge and devise a strategy for greater attention to be given to competition reforms by developing country policymakers and stakeholders.

CREW Project Phase II has been implemented in four countries: Ghana, India, The Philippines and Zambia, and across two common sectors: Staple Food and Bus Transport.

This report presents cross-country experience from the staple food and bus transport sectors respectively, together with associated emerging lessons. Illustrates an emerging pathway, which is the medium through which competition reforms could lead to consumer and producer welfare. Besides, it presents some illustrations to highlight how competition and regulatory reforms in the sectors have had implications on women's social and economic empowerment.

http://www.cuts-ccier.org/CREW/pdf/Making_Competition_Reforms_Work_for_People-Evidence_from_Select_Developing_Countries_and_Sectors.pdf



FOCUS GROUP DISCUSSION REPORT

(GHANA AND SENEGAL)

Integrating Consumers' Voice in the Sub Regional Economic Integration Process (IVORI)

CUTS Accra, Ghana on February 20 and March 05, 2015 organised a focussed group dialogue, which brought together the representatives from the ministries, private sector, consumer organisations, advocacy groups, trade unions and groups to deliberate on the how best the voices of consumers in the sub-regional bloc could be integrating in the regional integration process. The same discussion was also held in Dakar on February 16, 2016. Trade experts from the field presented briefing notes and findings from the field on the importance of having the voices of consumers in the on-going debates on the benefits of regional integration and what it means for the West African region during the event. Each presentation from the trade and regional integration experts echoed the fact that a functional regional trade agreement will benefit consumers through lower prices and expanded range of goods and services as a result of trade creation from reduction in tariffs and non-tariff barriers.

http://www.cuts-international.org/ARC/Accra/IVORI/pdf/Report-Integration_of_the_Consumers_%20Voices_in_the_Subregional_Economic_Integration_Process.pdf

Will the Deregulation of the Petroleum Sector Result in Competition?

The Government of Ghana has implemented the price deregulation of petroleum products since June 16, 2015, with the Oil Marketing Companies (OMCs) determining prices rather than the National Petroleum Authority (NPA). This is anticipated to result in effective competition in the petroleum sector, increasing consumer welfare by offering consumers lower prices of petroleum products. However, in the absence of functional competition policy and law in Ghana, it raises concerns over anti-competitive practices, such as collusion and cartelisation. In order to promote healthy competition, the Ghana Chamber of Bulk Oil Distributors (CBOD) introduced a new petroleum pricing formula, providing information on price trends to consumers. This calls for consumers to strengthen their knowledge on the prices of petroleum products and make educated and quality decisions in order to maximise their welfare.



http://www.cuts-international.org/ARC/Accra/pdf/Will_the_Deregulation_of_the_Petroleum_Sector_Result_in_Competition.pdf



PAY UP! International Tax Issues in Africa

Governments use domestic resources to meet set development goals. As countries continue to lose tariff revenues due to global and regional trade liberalisation agreements; and offer tax concessions to foreign investors, it is imperative that citizens hold their authorities accountable for wastage and unfairness in tax administration as well as question certain tax concession deals.

This Briefing Paper presents tax issues in Africa including tax evasion, illicit financial outflows and tax competition and what can be done to stop tax money from disappearing into thin air. The fact that developing countries, particularly African countries, continue to lose some sources of taxation provokes one to raise questions on why these countries choose to engage in tax competition and why some of the existing loopholes are tolerated. This Paper is intended to brief the reader on various issues around international taxes in Africa and offer plausible recommendations.

http://www.cuts-international.org/ARC/Nairobi/pdf/PAY_UP_International_Tax_Issues_in_Africa.pdf

Need to Address Policy-induced Competition Concerns in Key Sectors of Tanzania

This Policy Brief is extracted from a study carried out by REPOA, Tanzania on 'The State of Competition Law and Policy in Tanzania'. The purpose of the study has been to assess the current state of the national competition regime in the country specifically the progress made by the Tanzanian government on competition reforms, sectoral regulation and competition interface in selected sectors and identify cross sectional perceptions regarding competition concerns. Furthermore, the study aimed to explore the cooperation between different agencies implementing the competition law, assess the implications of natural monopolies on competition and some of the existing anti-competitive practices.



http://www.cuts-international.org/ARC/Nairobi/EACCOMP/pdf/Need_to_Address_Policy_induced_Competition_Concerns_in_Key_Sectors_of_Tanzania.pdf

Greater Visibility on Competition Issues Needed for a Vibrant ‘Culture of Competition’ in Kenya

One of the East African Community’s (EAC) strategies to achieve the Community’s mission of improving the quality of life of the people of East Africa is through promotion of fair markets to help achieve economic development. Following the entry into the common market the need to ensure that markets are competitive for the mutual benefit of the region’s producers and consumers became paramount and this was evident by the fact that Heads of States enacted the EAC Competition Act in 2006. However, since the enactment of the EAC competition law progress in its operationalisation has been rather slow. Implementation and in some cases enactment of national competition laws has been successful to varying degrees in the five member states. This Brief presents an overview of the state of competition in Kenya, to help inform stakeholders about the need for competitive markets in the country and indeed within the Community.



http://www.cuts-international.org/ARC/Nairobi/EACCOMP/pdf/Greater_Visibility_on_Competition_Issues_Needed_for_a_Vibrant_Culture_of_Competition_in%20Kenya.pdf

Greater_Visibility_on_Competition_Issues_Needed_for_a_Vibrant_Culture_of_Competition_in%20Kenya.pdf



Absence of Competition Law Enforcement Impacts Key Sectors in Rwanda

This Policy Brief presents an overview of the state of the national competition regime in Rwanda based on qualitative and quantitative research done by Rwanda Consumer Rights Organisation (ADECOR). The research was carried out in order to assess challenges in the implementation of the competition regime in the country, document anti-competitive practices, and assess consumer perceptions and awareness on competition issues. From this assessment, the implications of anticompetitive practices on Rwanda’s economy and its wider integration into the East African

Community (EAC) were assessed. Finally, policy recommendations on promoting an enabling environment to support the effective implementation of the competition legislations at national and regional level are provided.

http://www.cuts-international.org/ARC/Nairobi/EACCOMP/pdf/Absence_of_Competition_Law_Enforcement_Impacts_Key_Sectors_in_Rwanda.pdf

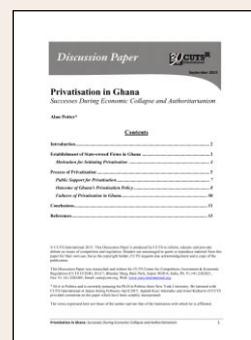
Absence_of_Competition_Law_Enforcement_Impacts_Key_Sectors_in_Rwanda.pdf

DISCUSSION PAPER

Privatization in Ghana

Successes during Economic Collapse and Authoritarianism

The goal of this Discussion Paper is to empirically analyse the case of privatisation in Ghana to determine what factors led to successes and what policies led to failures. It outlines the establishment of state-owned firms in Ghana, motivation and process of privatisation with a particular emphasis on initiation of the policy in late 1980’s. The Paper looks at the performance record of privatisation in Ghana in terms of its effect on firm performance, workers, broader economy and general public. The report analyses and argue with complete economic collapse which preceded the initiation of privatisation allowed technocrats to dominate the implementation of the policy in ways that would not have been possible under better conditions. Because of this, privatisation was less affected by political and vested interests than it would have been otherwise.



http://www.cuts-ccier.org/pdf/Privatisation_in_Ghana-Alan_Potter.pdf

Pugmarks of CUTS in Africa

This Brochure of CUTS Africa Resource Centres provides an overview of the roles and functions of all the Africa Resource Centres (Accra, Nairobi and Lusaka in Ghana, Kenya and Zambia respectively). It reveals the functioning of the various programme areas of all the three Centres and provides glimpses of the various ongoing and completed projects of CUTS. Besides, it highlights the major accomplishments of the Africa Centres and lists its major publications.

http://www.cuts-international.org/ARC/pdf/Pugmarks-CUTS_in_Africa.pdf



NEWSLETTER/E-NEWSLETTERS



Tradequity

A quarterly newsletter, which covers news and analysis on Economics and Development; Trade; Regional Affairs and Environment and Consumer issues relevant to key stakeholders and scholars of African countries.

www.cuts-international.org/ARC/Tradequity.html

CUTS Africa in Action

CUTS Africa (Lusaka, Nairobi and Accra) produces a quarterly report summarising major activities undertaken during the period. This document provides a quick overview of the various events organised and forthcoming events, ongoing projects and new initiatives, important publications and CUTS' African media news and their corresponding outputs/outcomes.

www.cuts-international.org/ARC/Lusaka/CUTS_Africa_in_Action.html



Consumer Watch

This quarterly e-newsletter is a joint initiative of CUTS Lusaka, Zambia and Zambia Consumer Association (ZACA) published with the objective of enhancing consumer welfare through sensitisation, information dissemination and capacity building of consumers, business entities and the government.

www.cuts-international.org/ARC//Lusaka/Consumer_Watch.html