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

- stage of economic transition
- respondent bias
- sector-specific regulations/law
- regulatory agency’s competition awareness
Before embarking on advocacy initiatives, it is important to assess the regulatory agency’s awareness of the benefits of competition.

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<th>Answers</th>
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<td>Transition economies (17 responses)</td>
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<td>Yes</td>
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<td>Yes but other objectives also exist</td>
<td>3</td>
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<tr>
<td>Depend on the sector</td>
<td>3</td>
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<tr>
<td>No</td>
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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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