



circular

Course on Competition Policy and Law Launched

Course on competition economics for lawyers also on the anvil



CIRC has joined hands with the National Law University, Delhi (NLUD) to launch the country's first ever course on Competition Policy and Law, which is part of CIRC's agenda on providing research-based capacity building solutions on law and economics.

The announcement came at a function on 19th December at New Delhi where an MOU was signed between the two institutions (see picture).

"The objective of building capacity in the area should be aimed at the larger goal of inculcating a competition culture in the economy", said John Davis, Head of the OECD Competition Division, who was present on the occasion.



Prof. (Dr.) Ranbir Singh, VC, NLUD and Mr. Pradeep S Mehta after the signing of MoUs.

The course comprises a certificate course, of six months duration, which is a fundamental course on competition policy and law to cater to the needs of beginners. A diploma course on the subject, spread over twelve months, for advanced learners is as an add-on course to the certificate course.

The knowledge deficit in the sphere of competition policy and law and the utmost need of building a knowledge base in the area with a view to fostering competition, economic efficiency and consumer welfare led to the launch of the course.

Dhanendra Kumar, Chairman of the Committee on National Competition Policy and former Chairman, Competition Commission of India confessed that the level of awareness about competition law in the country is limited and enhancing the knowledge base in the field would pay off in the long run.

The courses will cater to a wide spectrum of stakeholders ranging from students to officials in the government, professionals in the fields of business management, economics, law, accountancy & audit, and corporate laws etc. They will help the people acquire analytical skills to comprehend issues relating to competition policy and law, and understand substantive issues related to the Indian Competition Act 2002 and other jurisdictions.

"There is an urgent need to fill the gap between the current knowledge and the knowledge required after the implementation of the Competition Act, 2002 and the proposed National Competition Policy," emphasised Pradeep S Mehta, Chairman, CIRC.

The time is ripe for students and professionals to undertake these courses in view of the fact that the field of competition law in India is still in its nascent stages and the enforcement of Competition Act in 2002 is creating a high demand for competition professionals. Moreover, the two courses would greatly enhance career opportunities for the participants.

"I am very happy for this association" said Ranbir Singh, VC, NLUD. "Legal education in India is much sought after and has gained tremendous popularity in the last two decades.

Cover Story

CIRC and NLUD launch India's first ever course on Competition Policy and Law

What's Inside

Events (p 2)

Seminars on "Regulating Online Markets in India".

Conference on Building "Friends of Competition" in India.

Research (p 4)

India Competition and Regulation Report (ICRRIII), 2011

The course on an important contemporary law, like the Competition Act will equip students and professionals alike to gain cutting-edge proficiencies and skills”.

A demand was also made that since competition law is an economic law, lawyers would also need training on economics to better appreciate the law. Mehta announced that CIRC and NLUD will also design and offer such tailor-made courses to lawyers and other non-economist professionals wanting to enhance their understanding of a competition regime.

The knowledge on the interface of law and economics would also help all non-economists: lawyers, financial analysts, chartered accountants etc to acquire skills, which would help them in understanding various civil laws, other than competition, to appreciate them.

Events

Seminar on “Regulating Online Markets in India”

CIRC organised a seminar on “Regulating Online Markets in India” at New Delhi on 11th November 2011. The seminar was organised to share the findings of a pioneering study conducted by CIRC on user perceptions about search engines and search results. While a lot of research has been done on user perception about search in Europe and the US, this is the first time a study of this nature brings in a data-driven India perspective about internet search.



Seminar on ‘Regulating Online Markets in India’

The study was conducted in the two metros of Delhi NCR and Mumbai, apart from Jaipur among 500 respondents, almost equitably divided among the three cities. The findings of the study revealed that paid advertising getting interspersed with natural search results is not quite what users want.

Speaking at the seminar, Mr A.K. Chauhan, Director-General of the Competition Commission of India (CCI), said: “The effects of the market conducts in the online space are yet to be understood on account of the complexities in the online ecosystem. The determination of the relevant market, both product and geographical, along with assessment of a dominant position, would require very sophisticated analysis. The findings of the pioneering survey will provide useful insights.”

Chairing the event, Pradeep S Mehta, Secretary General of CUTS International said: “The exponential growth in the online market space has thrown New and

complex regulatory challenges to the government in general and the CCI in particular.” Mehta highlighted the role of transparency and democracy in policies and conducts of dominant players in online markets. Continued growth, Mehta felt, of the online market, will depend on a reasoned regulatory response.

Presenting the findings of the study, Dr Navneet Sharma, Director, CUTS Institute for Regulation and Competition, said: “the unattended issues emanating from the online markets, which affect consumers and SMEs alike, required primary research. This survey is a product of this demand.” The survey revealed that more than two-thirds of the respondents were active internet users and while the preference of web browsers was almost equally split among Microsoft Internet Explorer, Google Chrome and Mozilla Firefox, all respondents preferred Google as their search engine. This highlights the level of faith users have in Google’s brand and search technology. 31% of respondents were unaware that search engines also promote their own content alongside other websites and services. Almost half of them did not prefer search engines doing so.

64% of respondents were aware that search engines capture user data from their searches, while 29% felt it was wrong, and wanted to switch search engines upon knowing this. Almost one-third of the respondents clicked on the top ads, which accrue revenues for the search engine. A negligible 1% clicked on the side ad bar on the search results page. (In our experiment, top ads appeared on 90% of search result pages). More than two-thirds of respondents felt that natural search results are more useful than ads.

Speaking at the event, Founder and CEO of One News Page, Dr Marc Pinter-Krainer, shared his experiences about the evolution and monetisation of search results over the past 10 years. Corroborating the findings of the study, Dr Pinter-Krainer said: “Over the past 10 years, a significant rift has formed between what consumers perceive about what they see in search results and what is actually displayed to them. Particularly on Google, relevant organic search results are being increasingly replaced by advertisements and Google’s own services often without the user realising it. There is an urgent need for greater transparency.”

Director-General (Policy) and Chief Economist of Nasscom, Anupam Khanna, underlined the importance of networks in online markets. “The purpose of regulation in a multi-sided market requires thorough considerations on parameters such as market failures, consumer protection, tax and fiscal reasons etc.” Khanna said.

The deliberations at the seminar underscored the need for enhancing awareness on the science of search monetization, and for more transparency in search results, from a consumer trust perspective.

On similar lines, another seminar on “SME Vulnerability & Resilience in the Online Economy”, was organised by CIRC in Mumbai on November 10, 2011. The fundamental sentiment expressed by speakers was that Small and Medium Enterprises (SMEs) require a whole lot of transparency in the online domain in order to grow their business predictively without any unforeseen pitfalls.



Seminar on 'SME Vulnerability & Resilience in the Online Economy'

Speaking at the event, Mahendra Swarup, Chairman of the Initiative for a Competitive Online Marketplace (Icomp) India chapter, and President of the Indian Venture Capitalist Association (IVCA), said: "Since internet usage is driving both small and big businesses in India today, it is imperative for users to know what they are clicking on and why. Transparency and justifiable perceptions are important components of a healthy growth of internet in India. The CIRC initiative achieves a major objective in this direction."

A case in point was highlighted by Dr Marc Pinter-Krainer, CEO of UK based new aggregation portal, OneNewsPage. Demonstrating the adverse effects, caused by an erroneous penalisation of his portal by Google, Pinter-Krainer cautioned internet businesses in India against staying oblivious to the reality of non-transparent policies of bigger players.

Tejas Karia, Partner at Amarchand Mangaldas, a leading law firm, outlined the legal and policy framework surrounding the online markets. He specifically highlighted "how after the enactment of IT Act, 2000, online market place has grown and has assumed a prominent place in commercial and social spheres."

R Chandrasekhar of Consim Info, publishers of Bharatmatrimony.com, shared his first-hand experiences on how the regulatory burden affects a new enterprise and can lessen competitiveness significantly. He stressed on the futility of government regulations that are formulated without giving proper consideration to specific SME concerns.

Bringing the SME perspective from experience, Sandipan Chattopadhyay, CTO of JustDial.com, underlined how SMEs are sometimes forced to make peace by unfair means due to lack of transparency in regulatory and policy process.

The seminar was attended by senior industry professionals and representatives of consumer organisations and government.

Conference on Building "Friends of Competition" in India

CUTS Institute for Regulation and Competition (CIRC) and Indian Institute of Corporate Affairs (IICA) under the Ministry of Corporate Affairs jointly organised a conference on Building "Friends of Competition" in India. The conference underlined the need for greater awareness generation in the field of competition policy and law. Towards this end, some important steps which the deliberations at the conference Highlighted were

The need to work with multiple actors such as universities, research and capacity building institutions, civil society organisations etc. It recognised six key constituencies which need to be focused as friends of competition: academia and think-tank, consumer societies, businesses, legal societies, media, and parliamentarians. The discussion also emphasised on the importance of inclusion of state and sub state level agencies in the awareness generation process.

Similarly, the discussion at the conference also brought out the need for capacity building in the area of competition policy and law. In order to achieve this objective, it was considered important to accord top priority to building of human capital in the area as this affects all other activities. Need for capacity building of various stakeholders, especially of, competition authority and media was also highlighted as a significant area of focus. Learning approach from international best practices and contextualising as per Indian economy's specific demands was stressed upon as the strategy to be adopted in this regard.



M. Veerappa Moily, Minister for Corporate Affairs, addressing the gathering at the conference.

Five key challenges to effective enforcement of competition law were recognised: "awareness amongst businesses, strategic work focus, interface between regulators and CCI, robust data for economic analysis, capacity and institution building. The deliberations laid emphasis on the importance of the evolution of a National Competition Policy, which is now in the process of being finalised for the Indian economy. The policy would serve as an overarching framework to develop coherence between policies which have an interface with competition policy. The need to build a facilitative governance culture which will lead to more voluntary compliance by enterprises in the economy was stressed upon as an area which demands attention.

The conference provided a timely and well needed platform for various stakeholders to come and share their views in light of the process of framing of National Competition Policy and amendments to the Competition Act. During various sessions, eminent subject-experts from India and other countries who spoke included: Pradeep S Mehta, Chairman, CUTS Institute for Regulation and Competition, William Kovacic, Professor, George Washington University, Ashok Chawla, Chairman, Competition Commission of India, Allan Fels, Dean, Australia and New Zealand School of Government and a former competition regulator from Australia, Dhanendra Kumar, Chairman of the National Competition Policy Committee, Justice SN Dhingra, Member of

The CCI, Peter Varghese, Australian High Commissioner, Yashwant Bhave, Chairman of AERA, AK Chauhan, Director General of CCI, Bhaskar Chatterjee, Director General, IICA, Mahendra Swarup, President of Indian Venture Capital Association, Sandeep Varma, Director, Ministry of Defence, etc.

The conference marked the first step in building networks to facilitate exchange of ideas, views and experience amongst government, competition authority, civil society organisations and academicians. It highlighted the need to go for a piecemeal approach and pluck the low hanging fruits and then follow a comprehensive strategy to infuse competition. Competition should be the default mode and departure from competition should be exception justified on reasonable grounds to serve public justice.

Research

India Competition and Regulation Report (ICRRIII), 2011

Two decades of economic reforms towards ensuring a competitive economy have got a further impetus with the Government of India making 'competition' a serious policy issue through the inclusion of 'competition policy' in Eleventh and Draft Twelfth five year plans. Considering the need to do a periodic assessment of competition and regulation scenario in the country, a project entitled, 'Competition and Regulation in India: Evaluation of Status & Perceptions and Associated Advocacy' was undertaken by CUTS C-CIER in partnership with Norwegian School of Management (BI).

The project is being implemented by CIRC. The outcome of the project will be a research report entitled 'India Competition and Regulation Report (ICRRIII), 2011'.

A primary stakeholder/consumer Perception Survey was undertaken under the project to assess the perception and to get feedback from stakeholders on the following four broad issues:

- Awareness/knowledge regarding competition and regulatory Issues
- Assessment of the quality of regulation
- Assessment of the level of competition and nature of practices that prevail in the economy
- Opinion about the nature and impact of government policies/ measures

CIRC conducted this survey in association with select regional survey partner organisations by administering structured questionnaires in a stratified random sampling mode. The survey covered 11 states and more than 900 respondents from the country representing the varied geographical regions of India viz. Andhra Pradesh, Karnataka, Tamil Nadu, Bihar, Orissa, West Bengal, NCR of Delhi, Uttar Pradesh, Maharashtra, Gujarat, and Madhya Pradesh. The questionnaires had sectoral questions pertaining to six emerging sectors i.e. Microfinance, Natural Gas, Retail, Real Estate (residential), Road Transport (passenger transport) and Telecommunications.

CUTS and CIRC will be jointly releasing the report in India by April 2012.



Policy Souvenir on PPPs

In his 2011-12 Budget speech, Pranab Mukherjee announced Central Government's intent to come out with a comprehensive policy for developing Public Private Partnership (PPPs). In this context CIRC will be coming out with a Policy Souvenir on 'Mainstreaming Public Private Partnership in India' through which it envisages: a) providing inputs for the National PPP policy in the form of policy choices facing regulatory and operational dilemmas; and b) generating resources for development of short and long term professional courses on PPPs suiting different stakeholders.

Deadlines

Contribution of Articles: February 29, 2012

Contribution of Advertisements: February 29, 2012



CUTS Institute for Regulation & Competition

R-75, Greater Kailash - I, New Delhi 110 048, India

Tel: +91-11-2646 3021, Telefax: +91-11-4053 5921

Web: www.circ.in, Em: circ@circ.in

