



5TH DECEMBER WORLD COMPETITION DAY 2ND Call from CUTS International

“Cartels and its harmful effects on the Consumers”

“People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in conspiracy against the public or in some contrivance to raise prices”

Adam Smith, The Wealth of Nations (1776)

CUTS urges countries and competition agencies worldwide to gear up for observing 05th December, once again this year as the **World Competition Day**. The 1st call for WCD focussed on ‘International Air transport Cartels and its Impact on Developing Countries’¹. This is an occasion to propagate the benefits of competitive markets and harmful effects of anticompetitive behaviour to citizens, nationally. The suggested theme for this year is “**Cartels and its harmful effects on the Consumers**”. Of course, countries and competition agencies can choose their own themes. CUTS would be grateful to be kept informed of your respective countries’/agencies’ activities in this occasion.

CUTS reckon that an agenda to discipline cartels would provide multiple benefits both to the agency/government and consumers. Cartels steal billions of dollars from businesses, taxpayers and ultimately from consumers. Consumers benefit from competition through lower prices and better choice and quality products and services. When competitors agree to forego competition and collude, consumers lose those benefits. The competitive process only works when competitors set prices independently. However, the culture of competition is quite weak in many countries and consumers have limited understanding about the harmful effects of cartels. There have been instances where individuals and businesses that are aware of cartel activities have been reluctant or unwilling to alert the competition authority or to cooperate in investigations

It is important for the agencies to engage in education and outreach programmes to raise awareness about the harmful effects of cartels, and to generate leads about cartel activities which may be a source for the initiation of investigation. It would also be beneficial to generate awareness about tools such as leniency programmes, whistle-blower protection, etc so as to encourage stakeholders to act as informers and provide information about Cartels. Thus, one of the aims of the present **Call** is to educate and create awareness among the stakeholders about the harmful effects of cartels and the need to support Competition Agencies to crack them down.

CUTS suggest the following tools/methods for WCD, 2011 which could be adopted by Competition Agencies for the purpose of disseminating information related to Cartels to their national stakeholders on 5th December, 2011:

- Organising seminars/roadshows
- Preparing advocacy material, such as pamphlets, posters, etc
- Publishing newspaper articles/press releases
- Undertaking SMS campaign
- Any other methods

Interested countries/competition agencies are encouraged to contact cuts@cuts.org/ c-cier@cuts.org for assistance, etc

¹Please visit the following weblink for information on the 1st Call for WCD - http://incsoc.net/World_Competition_Day.htm