

PREFACE

A dynamic and competitive environment, underpinned by sound competition law and policy, is an essential characteristic of a successful market economy. Many developing and transition economies that have undertaken significant market-oriented reforms, such as trade liberalization, privatization, and deregulation, are now also recognizing the need to implement rules safeguarding effective competition. Since 1990 more than 35 developing and transition market economies have enacted or substantially revised competition laws.

The benefits that flow from competition include increased economic efficiency, innovation, and consumer welfare. Effective enforcement of competition law and active competition advocacy can also be powerful catalysts for successful economic restructuring. This in turn fosters flexibility and mobility of resources, which in the current global business environment are critical elements for the competitiveness of firms and industries across nations. Although the field of competition law and policy is evolving rapidly and includes many different viewpoints on specific issues, recognition is growing that effective competition law is important in shaping business culture and that its proper implementation needs to allow for the education of businesspeople, government officials, the judiciary, and the interested public.

To satisfy the growing demand for information on current approaches and practices in

competition law and policy, the project Framework for the Design and Implementation of Competition Law and Policy was initiated by the Business Environment Group in the World Bank's Private Sector Development Department, with the subsequent participation of the Directorate for Financial, Fiscal, and Enterprise Affairs of the Organisation for Economic Co-operation and Development, under the auspices of its Centre for Co-operation with Non-Members.

This book highlights the main issues that arise in the design and implementation of competition law and policy. It was written to assist countries in developing an approach that suits their own needs and conditions and to help them design and implement sound and consistent competition laws and policies.

The report is the result of the collective effort and close cooperation of leading experts and practitioners in the field, although some members of the project team were more closely involved than others in writing specific portions of this document. Initial drafts were widely circulated among team members, who actively exchanged their ideas and comments. In a number of cases significant modifications were made to incorporate the team's observations.

The project owes much of its success to the active participation of team members who are also full-time officials of competition agencies. Their contributions, as well as the generosity

of the respective competition offices in granting the staff members time away from their regular responsibilities, are gratefully acknowledged.

Finally, it should be noted that the views expressed in this volume are those of the team and individual participants and do not necessarily represent the official views of any particular institution.

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