



INTERNATIONAL JOURNAL FOR CORPORATE AND COMPETITION LAW [IJCCL]

2024 || ISSN. 3049-3560 (Online) || Volume 1 Issue 1



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COMPETITION LAW IN EMERGING ECONOMIES

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INTRODUCTION

Competition law, sometimes known as antitrust law, is a subset of the law with an emphasis on promoting healthy market competition and discouraging anti-competitive behavior that might harm consumers and slow economic growth. The essential principles and objectives of competition law remain the same, despite the fact that the specifics of each country's laws, particularly in growing economies, may vary.

In order to promote innovation, attract investment, foster a competitive economy, and protect consumers from monopolistic practices in emerging economies, competition law is crucial. These countries are conscious of the need for fair playing conditions in fostering economic development and preventing the abuse of market power.

It's important to keep in mind that the complexities of competition law may vary substantially in developing economies depending on the country. Therefore, it is essential to refer to the particular laws and regulations of a nation in order to fully understand its framework for competition law.

CONCEPT

The economics branch of competition law focuses largely on market analysis with the objective of ensuring that there is provider competition on any given market and that this competition benefits the consumer, hence promoting economic growth and development. To identify markets and assess whether competition is just and equitable in those markets is the daily role of competition law. It also requires analysing the potential effects of the company's choices on customers and competitors. These are the key issues with the economy.

Economists study how markets operate, how goods and services are provided to consumers, and how supply and demand are controlled to preserve market equilibrium. They are also interested in how customers act in various situations, such as when there are many or few competitors on the market, when firms merge, when they modify their

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goods or services, or when they completely withdraw from it. monitoring the business's operations and behaviour. Understanding economics would provide clarity and openness on how the market operates and what efforts should be taken to avoid market regulation through just and acceptable laws. Such issues have remedies provided by economists.

The competition authorities should undertake an economics analysis since it is an essential tool for identifying the proper market borders and for evaluating market power, both of which are essential elements in which rivals may effectively compete. To practice law successfully, lawyers need to be well-versed in economics, understand market dynamics, and be aware of how diverse firms behave.

In accordance with Articles 38 and 39 of the Indian Constitution, the State is responsible for protecting and defending its citizens in order to maintain social order and justice on a social, economic, and political level. Thus, in order to promote the equitable distribution of income and economic power, the parliament approved the MRTP Act in 1969 and the Competition Act the following year. The act's introduction was meant to get the country ready for globalization by boosting the economy, lowering regulations, and returning liberalization.

Any agreement that violates Section 3 of the Competition Act or has a significant likelihood of doing so is one that either has an Appreciable Adverse Effect (AAE) on competition in India. Although the Act does not define AAE directly, Section 19(3) of the Competition Act outlines the following standards that the Competition Commission of India (CCI) employs to determine whether a contract qualifies as an AAE competition for the purposes of Section 3:

- creating barriers to prevent new rivals from entering the market.
- taking current competitors off the market.
- The elimination of competition is accomplished by erecting obstacles to market access.
- consumer advantages are being accumulated.
- the growth of technological, scientific, and economic capabilities through methods of producing or distributing goods or services.
- promoting the production or distribution of products and services in order to further economic, scientific, and technological development.

It's crucial to emphasize that while Section 4 of the Competition Act tackles abuse of

dominant position, it does not ban the simple possession of dominance that may be obtained via superior economic performance, the enterprise's economic strength consisting of competitive advantages, or inventions. To investigate abuse of power in greater depth, the CCI should make use of economic principles. The test for spotting abuse of a dominant position consists of the three phases listed below:

- the pertinent market, please.
- Discover who is in a leading position in the relevant market.
- to demonstrate the exploitation of a position of dominance.

One of the specializations in economics and competition law is the two-sided market. In such a scenario, the businesses operate platforms that are connected to both clientele groups, enable client engagement, and subsequently profit from this. This type of market and platform have increased in importance in the competition law due to the positive uses of the internet and other aspects. The usage of technology is expanding, and as economic activity increases, the internet platform will become the main source of value in commerce. Thus, the bulk of internet platforms will be two-sided markets with consumers on one side and retailers on the other.

The following methods can be applied to gauge the amount of market competition:

- identifying and pinpointing the key market.
- calculating and quantifying market power.
- identifying and assessing barriers to access.
- researching pricing patterns.
- investigating the effects of competition.
- assessing market damages or economic damage.
- measuring effectiveness.

There are certain items on the market for which the minimal effective scale or range of production does not deprive the market of numerous rivals in order to enhance efficiency. Competitors steal business from one another whenever they engage in competition. Certain commercial practices, such as vertical and horizontal mergers, have been seen to always be anticompetitive. Despite the fact that it could be boosting in some situations.

CONCLUSION

Since its examination, economic theory and competition law have merged. Understanding economic market behaviour, perfect and imperfect competition, producer and consumer rights, the rise and fall of consumer demand, the negative impact of various factors on the price of a product, consumer behaviour, etc., plays a key role in competition law. Understanding the fundamentals of economics is crucial for regulating competition law.