

ANTI-COMPETITIVE PRACTICES AND LIBERALISING MARKETS IN LATIN AMERICA AND THE CARIBBEAN.

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Abstract:

The last ten years have seen many Latin American and Caribbean nations enact or reform competition laws, and numerous other jurisdictions are considering following suit. The evidential base to guide such policymaking is, however, limited. In this paper we have assembled two databases, one concerning allegations of anti-competitive acts in newspaper articles and another concerning the relationship between competition-related factors and the effects of reforms to liberalise markets, that may go some way to remedying this deficiency. In so doing, we have noticed a number of matters that producers and consumers of research in this area should probably bear in mind.

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1. Introduction.

According to one recent count 11 nations in Latin America and the Caribbean (LAC) have enacted competition laws and another eight countries are either drafting such laws or are promoting a “competition culture” (UNCTAD 2005). In addition, competition law-related provisions are now being included in bilateral and intra-regional trade agreements between nations in the Americas (Silva 2004). Moreover, the Inter-American Development Bank (IDB) and the Organisation for Economic Co-Operation and Development (OECD) have sponsored annual meetings of the Latin American Competition Forum which, amongst other recent activities, included reviews of the competition enforcement agencies of Brazil, Chile, and Peru.² Finally, analysis of the published lists of capacity building projects on competition law and related matters reveals that LAC nations have been sizeable recipients of technical assistance in recent years.

This impressive set of initiatives on competition law contrasts starkly with the paucity of directly relevant information and studies to guide policymaking in this area of economic regulation. As noted above, only recently have we learned more about what certain competition agencies are up to in Latin America, including details of their case loads and the anti-competitive practices that they have attempted to tackle. Moreover, the relationship between competition law and its enforcement and the effects of state measures to liberalise markets in the region is relatively unexplored, which is disquietening given the apparent and growing disenchantment with such measures by many policymakers and analysts in the LAC region.

The principal goal of this paper is to add to the empirical record by assembling a database of allegations of anti-competitive acts in LAC and a database of studies that include findings, statements, and policy recommendations concerning the impact of competition-related factors on the effects of trade, investment, and regulatory reforms. The limitations of these databases are discussed here as are their implications for the design of future research. A number of pointers emerge for the consumers of such research, including public officials, civil society, the press, as well as scholars. Some of the findings presented here confirm “conventional wisdom,” others do not. Perhaps most surprising of all is that clear differences emerge in the findings of different types of studies of the impact of competition-related factors on liberalising reforms in LAC, highlighting the need for caution in basing policy recommendations on any one type of analysis.

The remainder of this paper is organised into the following sections. The next section describes the terminology used in this paper. Section three discusses the construction and contents of a database of 109 newspaper articles containing allegations on anti-competitive practices in the LAC countries. Similarly, the fourth section discusses a database of 121 studies of the impact of trade, investment, and regulatory reforms on these economies. The fifth section contains a comparison of the findings and scope of the two databases, and the differences between the two are suggestive of where further research may be needed. Concluding remarks are offered in section six. This paper, therefore, does not contain a distinct literature review section that is found in many studies. This is because the very goal of the third and fourth sections of this paper, in particular the fourth section, is to summarise what is known from a wide range of sources about anti-competitive practices in LAC and the relationship between those practices and the effects of certain economic reforms.³ By systematically comparing studies along a pre-defined set of criteria, however, we hope to have gone well beyond a traditional literature survey and to have highlighted a number of matters

² Mexico’s competition agency was reviewed at a meeting of the OECD’s Competition Committee in 2004.

³ See Castaneda (2003), De Leon (2001), and Owen (2003) for recent overviews of competition law and policy in the LAC region.

that are of interest to the producers as well as the consumers of research on competition law and related questions in Latin America and the Caribbean.

2. Terminology employed in this paper.

Outside of the community of scholars and officials interested in competition law and enforcement knowledge of the relationships between the various competition-related policy instruments is, on the basis of the materials reviewed for this study, not that strong. By competition policy we shall mean all of the state measures that influence the degree of inter-firm rivalry between incumbent firms and between the latter and potential entrants into a market or industry. Competition policy therefore includes, amongst others, policies that discriminate against foreign goods and services, against foreign firms more generally, as well as policies that erect barriers to entry or regulate the prices of incumbent firms. By competition law we mean those state measures that involve investigating, analysing, and potentially remedying the following *potentially anti-competitive* acts by firms: cartels⁴ (and more generally agreements between firms⁵ that can or do sell to the same set of customers), agreements between suppliers and purchasers⁶, mergers and acquisitions, and steps taken by a firm or group of firms to monopolise or dominate an industry.⁷ Competition law, therefore, is one element of competition policy, but the latter is much broader than the former.⁸

For the purposes of this paper trade reforms are taken to be those reforms which reduce discrimination against cross-border transactions in goods and services. Therefore cutting tariffs, quotas and the like are taken to be examples of such reforms. Investment reforms are said to be those reforms that improve (along some dimension) the treatment of foreign investors in physical, rather than financial, assets; or what is commonly known as foreign direct investment or as direct foreign investment. Concerning regulatory reforms we take this to include the following government initiatives: (i) abolition or relaxation of price controls, (ii) deregulation of policies that constrain the actions of or choices available to private sector firms (be they domestic or foreign), and (iii) privatisation and the awarding of concessions to the private sector to run previously state-operated assets.

The construction of the two databases in this study involved the use of search terms which correspond to the different elements of the definitions of the three reforms outlined above. More details on the construction of these two databases can be found in the two sections that follow and the contents of these databases are available from the authors upon request.

⁴ Price fixing, market allocation, setting sales quotas, and bid rigging are forms of cartelisation.

⁵ These are often known as agreements between “horizontal” competitors or simply “horizontal agreements.”

⁶ There are often known as “vertical agreements” between firms.

⁷ We shall say, therefore, that a firm has *allegedly* committed an anti-competitive act if it is *stated* that it has engaged in one of these four acts. This observation is relevant because in this study we shall be assembling information on what others have said about anti-competitive acts in the LAC region.

⁸ A competition law may also give the relevant implementing agency the rights to comment on, or otherwise influence, the formation and implementation of government laws and policies that have a bearing on the intensity of competition in national markets. When a competition agency engages in such activities it is said to be undertaking “competition advocacy,” and this activity can be thought of as a competition law-mandated means to influence national competition policies, highlighting another potential relationship between competition law and competition policy. For a recent analysis of an example of competition advocacy in Argentina, see Serebrisky (2003).

3. A database of newspaper articles containing allegations of anti-competitive practices.

3.1. Construction of the database.

Here the objective was to assemble the largest possible collection of newspaper articles that document or include allegations about anti-competitive acts by private firms in Latin America and the Caribbean. It was hoped that this database might shed some light on the prevalence of private anti-competitive acts in general and on which acts are more frequently alleged than others. At various points in the exposition in this section we highlight the limitations and caveats of our approach. The following account of the construction of this database has been written in such a way so as to allow our approach to be replicated.

The searches of newspaper articles that formed the basis of this database were carried out between 1 October 2004 and 31 January 2005.⁹ The research tool employed was Lexis-Nexis Professional with its international news searching capability. This search engine has access to over 11,000 news publications in English and several other languages. News wire sources were included in our searches.

All available English-language news sources in Lexis-Nexis were used. No other language sources were used to assemble this database. As a result, access to news items related to anti-competitive allegations in non-English speaking countries was limited to press reports in the English-language newspapers (if the country had one), translations of foreign language services, or sometimes, English-language references in one country to anti-competitive practices taking place in another (for example, a magazine published in the United States of America referring to complaints made by Brazilian consumers about airline pricing in Brazil.)

A number of search techniques are available to the researcher using Lexis-Nexis. One can undertake a general search of individual countries under the heading “antitrust” and choose relevant articles from the results, or one can do the same for groups of countries. One can also use individual search terms matched against individual countries. For a number of reasons, it was this latter option that we chose. Individual searches - though more time-consuming - narrowed the number of results for each search and allowed for a more careful assessment of each press report.

A pre-specified list¹⁰ of *potentially* anti-competitive practices was applied individually to each country’s news sources in the Lexis-Nexis database. Newspaper articles matching the country and keyword combination would be displayed by Lexis-Nexis on the screen as a headline, with excerpts from the article shown below it. By reading the headlines and excerpts, relevant newspaper articles were extracted from the matching results and considered for inclusion in the database. Only those press reports that specifically included an allegation or description of a current or prior anti-competitive act by a private firm were included in the database. Individual assessment of newspaper articles proved to be essential as certain words describing anti-competitive acts have more than one meaning. For example, some references to “cartels” in newspaper articles concern narcotics and drug-related matters and have no bearing on competition law or policy. Moreover, the word “cartel” is often used to refer to more

⁹ Those researchers considering replicating our approach ought to bear in mind that the news sources in Lexis-Nexis are constantly updated –even retrospectively – and that articles will be available to future researchers that were unavailable at the time our research was undertaken.

¹⁰ This list includes Tying, Price fixing, Barriers to entry, Exclusivity, Right of first refusal, Shelf-space allocation, Market sharing, Misuse of market power, Exclusive dealing, Exclusionary practices, Refusal to supply, Resale price maintenance, Minimum prices, Abuse of dominance, Cartel, Monopolistic practices, Monopoly, Bid rigging, Price collusion, Anti-competitive merger, Vertical restraints, Anti-competitive, Predatory pricing, Bundling, and Parallel pricing.

generally to a conspiracy between parties that is unrelated to the anti-competitive acts of private firms.

Editorial-type newspaper columns or allegations by potential competitors *speculating* on the possible anti-competitive effect of *future* actions (for example, whether the merger of two large companies would constitute a possible future monopoly) were omitted. Moreover, *government-authorised* anti-competitive practices were excluded from the database.

We searched Lexis-Nexis for articles on anti-competitive acts in the developing countries of the LAC region. To that end, the World Bank's list of developing countries in Latin America and the Caribbean was used,¹¹ with the addition of several countries whose overall development status was ambiguous. One source of ambiguity concerned those countries that earn considerable income from a single sector, such as financial services (e.g. Bahamas and Cayman Islands). The latter countries were included in the searches of Lexis-Nexis for this database. In general, if there was doubt about the development status of the country it was included.¹²

Several small developing countries did not appear in the Lexis-Nexis' country list (for example, the Turks and Caicos Islands). In such cases, the above method of researching news articles by search-term was conducted, but with the refinement that the country name was added to the keywords used in a search, (for example, the first keyword employed might be "price fixing" and the second keyword used is "Turks and Caicos.") This separation of keywords is possible in Lexis-Nexis and allows for occasionally fruitful results. On the whole, however, the results for very small countries were meagre.

Departments or protectorates of large industrialised countries (French Guiana and the Virgin Islands being two examples) were also included because, even though these countries operate under the sovereignty or protection of larger nations, they are nonetheless separate economic entities and anti-competitive practices taking place in them could be relevant to this study. Small island nations partially owned or protected by other sovereign powers were classified as a single entity (e.g., Puerto Rico). Once again, the approach taken was to include rather than exclude any territories that might be ambiguous in this respect.¹³

It should be repeated that this database contains *allegations* of anti-competitive practices. Allegations need not be true, and may well be motivated by private gain. Moreover, not every relevant actor in a developing country may have access to media outlets willing to listen to and publish their views on anti-competitive practices. Furthermore, an allegation may not accurately identify the alleged anti-competitive act, especially if the agent making the allegation or the journalist reporting the allegation misrepresents the act so as to obtain some or more publicity. A related concern is an apparent lack of knowledge of the different types of anti-competitive acts on the part of journalists and those making allegations. We could not find any straightforward ways to correct for the potential biases created by these logical possibilities. At best, our database is a representative sample of the anti-competitive practices that are found in Latin America and the Caribbean region.

¹¹ The World Bank's classification of countries into the development status can be found at <http://www.worldbank.org/data/countryclass/classgroups.htm>

¹² Below (in our discussion of table 1) we report country-by-country on the number of newspaper articles that refer to anti-competitive practices and the number of allegations contained therein.

¹³ To summarise, we searched the Lexis-Nexis database for newspaper articles referring to private anti-competitive practices in all of the countries that the World Bank classifies as a developing country in Latin America and the Caribbean plus the following jurisdictions: the Bahamas, Turks and Caicos Islands, Virgin Islands, Guadeloupe, Aruba, the Cayman Islands, Martinique, and Puerto Rico.

3.2. Summary of the contents of this database.

Tables 1-5 summarise the main findings of this database. This database comprises 109 newspaper articles containing allegations of private anti-competitive acts in 20 Latin American and Caribbean economies (table 1). Eighty-four of those newspaper articles were published on or after 1 January 2000, suggesting that much of the information in this database is of recent vintage. The newspaper articles contain 171 distinct allegations of anti-competitive acts. In five jurisdictions 10 or more allegations were made; four of those jurisdictions being the larger economies in the region and all five's domestic commerce fell under some sort of competition statute. Allegations of anti-competitive practices were found in 42 lines of business (a category that corresponds approximately to a two-digit industrial classification) and, looking across the region, in 11 instances two or more allegations were made against firms in the same line of business in a given country. Even so, allegations of anti-competitive acts are not confined to a small range of sectors or industries, a fact which argues against sector-based regulatory measures to deter and punish such acts.

Table 2 reports on the identity of those making allegations of private anti-competitive acts, and compares the findings from our LAC database with those of a database comprising 55 developing countries that was constructed by us in an identical manner but for a different purpose.¹⁴ There are three distinct differences between these two databases; public officials or agencies in Latin America and the Caribbean make proportionally more allegations, as do rival firms in the same industry. In contrast, newspapers in LAC provide their own descriptions of anti-competitive practices less often than in the rest of the developing world. Suppliers, legislators, and civil society made few allegations in the newspaper articles in either database.

On the basis of the data presented in table 2 the state takes the lead in making public claims about anti-competitive conduct in LAC and accounts for just under half of the sources for such claims. The prominence of state-made allegations may well reflect a deliberate desire of government officials to raise the profile of anti-competitive acts and the powers available to tackle them. Perhaps the goal of officials here is to deter private firms from engaging in such acts in the first place, a strategy that may be particularly in deterring those firms that are keen to avoid harming their public reputations. The high proportion of newspaper articles in LAC containing allegations made by competitors is interesting given the scepticism attached to similar claims by rival firms in certain jurisdictions with long-established competition law enforcement regimes. The United States antitrust authorities have on many occasions cautioned against taking the claims of self-interested rival firms at face value, perhaps fearing that the application of competition law could be biased towards "protecting competitors" rather than the process of competition. Customers and often arms-length suppliers tend to be more reliable sources of information, or so it is said. In Latin America and the Caribbean, however, it seems that the latter groups are not prepared to make their concerns public, if they make their concerns known at all.

Foreign firms and their alleged anti-competitive acts receive considerable attention in discussions in numerous fora on national and international initiatives on competition law and enforcement. Many officials from developing countries have asserted that multinational corporations take advantage of their countries' reforms to enter national markets and subsequently engage in anti-competitive acts. To what extent does our database of newspaper articles on the LAC region bear out this concern? Is there a discrepancy between what officials say in international fora and what their country's journalists are writing about anti-

¹⁴ See Clarke, Evenett, and Lucenti (2005) for details about the latter database. The 55 country database includes developing countries from all continents, except Africa. (A comparable exercise for Sub-Saharan Africa was conducted in 2004, see Evenett and Jenny, 2004.)

competitive practices at home? Table 3 provides some answers to these questions. Of the newspaper articles in our database, 43 percent contain specific allegations of anti-competitive acts against named foreign firms or their subsidiaries. That is, 57 percent of the newspaper articles do not specifically identify a foreign firm as the perpetrator of anti-competitive acts, suggesting that domestic firms *could* well be responsible for over half of the alleged acts that we have documented.¹⁵ It is also worth bearing in mind, however, that 13 percent of the articles in our database contain specific allegations by foreign firms against their domestic rivals. Interestingly, the percentage of articles naming foreign firms as perpetrators of anti-competitive acts has fallen in recent years; before 2001 such allegations could be found in 58 percent of all articles, since 1 January 2001 that percentage has fallen to 31 percent.¹⁶

Table 3 also reveals that foreign firms tend to be accused of anti-competitive practices in the LAC region more often than in our broader database containing newspaper articles from 55 developing countries. Moreover, outside of LAC foreign allegations against domestic rivals appear to growing in prevalence after 2000. All of these findings should be interpreted with care. It appears that foreign multinational companies have never been identified as solely responsible for anti-competitive acts in Latin America and the Caribbean. Domestic or national firms are alleged to have committed such acts, providing another reason as to why competition law enforcement should not *de facto* or *de jure* discriminate between firms on the basis of their perceived nationality. Moreover, the lower proportion of specific allegations made against foreign firms and against the domestic rivals by foreign firms since 2000 suggests the foreign entry into Latin American and Caribbean markets is seen as less of a threat than before. Another interpretation is that foreign firms and their domestic rivals still see each other as antagonistically as before but tend not to vent their frustrations in the press as often.

The type of anti-competitive act alleged is of interest, possibly for those setting enforcement priorities at competition agencies. Table 5 reports that 18 different types of anti-competitive act were alleged in newspaper articles in the LAC database. Just under 40 percent of the 171 allegations refer to some type of cartelisation. Once allegations by horizontal competitors are stripped out, this percentage exceeds 50 percent. (Interestingly, domestic firms tend to accuse foreign firms of cartelisation much more often than the latter accuse the former of the same act.) Relatively imprecise allegations of monopolistic practices account for 17 percent of all allegations. Specific accusations of abuses of a dominant position are made in 11.7 percent of cases. Very few allegations were made concerning anti-competitive mergers and acquisitions. An important caveat here is that many journalists' knowledge of the different types of anti-competitive practices may be incomplete, with some practices (such as cartels) being better known than others (such as abuses of a dominant position.) This concern need not be confined to journalists and could apply to those making the allegations as well. Even so, the high proportion of allegations of cartelisation is noteworthy and should probably be taken into account when developing both national competition law enforcement priorities and technical assistance programmes.

¹⁵ In principle, a foreign firm could be responsible for an alleged act without being named. The probability that a foreign firm is in fact named in an allegation may be a function of two opposing influences. On the one hand, foreign firms often make for easy targets in nationalistic newspapers, so increasing the likelihood that a foreign firm is named. On the other hand, a person or entity making an allegation may want to send a less-than-blunt message to a foreign firm that is thought to be engaged in anti-competitive practices, and therefore may not name that firm. The nature of a nation's libel laws may well influence the likelihood that a firm—be it foreign or domestic—is actually identified in a newspaper article containing allegations of anti-competitive practices.

¹⁶ It is worth noting that these percentages do not reveal the total harm done by domestic and by foreign anti-competitive acts. Moreover, the reported percentages need not approximate the propensity for foreign or domestic firms to engage in anti-competitive acts.

Are certain sectors of the LAC economies more susceptible to anti-competitive acts than others? Table 6 sheds some light on this question as it reports the lines of business where allegations were made in two or more jurisdictions. The telecoms sector, air transport sector, and tobacco industry stand out in this respect in that allegations of anti-competitive acts were made in five or more jurisdictions in each of these sectors. Surprisingly cement and beer distribution, two sectors that are said to be frequently affected by anti-competitive practices in developing countries, receive less prominence in this database. Finally, it is worth pointing out that only 75 of the 171 allegations made in this database relate to lines of business reported in table 6. That is, there are a large number of allegations that refer to one line of business in only one jurisdiction; again, pointing to the pitfalls of making general claims that anti-competitive acts only affect certain, readily identifiable sectors in Latin America and the Caribbean.

4. A database of academic articles on trade, investment, and regulatory reforms.

4.1. Construction of the database.

This database comprises those research studies, survey articles, and policy advice papers (written since 1990) that include statements, findings, and policy recommendations concerning the effect of competition-related factors¹⁷ (or the lack thereof) on three types of economic reforms in Latin America and the Caribbean. The three types of reform being trade liberalisation, liberalisation of policies towards foreign direct investors, and regulatory reforms.

The papers and studies were sourced from the following websites and electronic databases:

- a) Research institutions, universities, or online journal databases: Business Source Premier, Econpapers.repec.org, SSRN.com, Google Scholar, JSTOR.org, Highbeam.com, NERA Economic Consulting, the Brookings Institution, Public Services International Research Unit (PSIRU), and competition policy-related research centres at the University of Manchester.
- b) International organisations: World Bank, International Monetary Fund, Inter-American Development Bank, Economic Commission of Latin America and the Caribbean, and the Organisation for Economic Co-Operation and Development.
- c) Non-governmental organisation: Consumers International.

In compiling the database, the following search terms were used to identify candidate papers for inclusion in the database.

- a) Competition and: privatisation/privatization; privatisation/privatization and reform; price reform; price floors; trade reform; regulatory reform; investment reform; market liberalisation/liberalization; energy liberalisation/liberalization; water liberalisation/liberalization; utilities' liberalisation/liberalization; power liberalisation/liberalization;
- b) Competition policy and: privatisation/privatization; price reform; regulatory reform; trade reform; investment reform; monopoly; cartels; corruption.
- c) Investment reform and: firms' incentives.
- d) Regulatory reform and: privatisation/privatization; firms' incentives,
- e) Survey and: reform; privatisation/privatization.

¹⁷ Such as anti-competitive acts, the degree of inter-firm rivalry, competition law, and competition policy.

f) Trade reform and: firms' incentives.

Due to the large volume of candidate papers, our approach was at first to consider the abstract of the paper. If, in our opinion, a paper included information on the matters under consideration here, then the paper was added to the database and the abstract or relevant portions of the paper would be reproduced. Secondly, the literature reviews of each paper were evaluated. If a paper's literature review indicated other relevant studies, the latter were documented as secondary sources in the database. Importantly, if the contents of a secondary source were not subsequently reviewed, then the interpretation of the secondary source used in this database is that of the authors of the primary source that initially referred to it.

Both published and unpublished papers were considered for inclusion in the database. Working papers that were not duplicates of other entries in the database were included in the database. In addition, only those papers written in English were included. Moreover, only those papers that referred to the experience of at least one Latin American or Caribbean developing country were included in the database.¹⁸

The papers in this database were then divided up into the following four categories:

- a) Econometric or empirical analyses: These papers involve the application of mathematical and statistical techniques to the study of problems, the analysis of data, and the development and testing of theories and hypotheses.
- b) Case studies: Detailed examination of industries in a particular country or a particular industry across countries.
- c) Survey articles: Broad examination of several industries across several countries or of a group of related studies.
- d) Policy advice papers: Advisory papers, not based on own independent research, which advocate a particular policy prescription or prescriptions.

This categorisation permitted an examination of whether research findings and policy recommendations tended to differ systematically across the four types of paper.

4.2. Summary of the contents of this database.

Tables 6-15 summarise the main features and findings of this database of analyses of reform episodes in Latin America and the Caribbean. Of the 121 studies in the database, 65 are case studies and a further 30 are policy advice papers. Our extensive searches found only 11 articles that contained econometric analyses of reform episodes where competition-related variables were included or where policy recommendations concerning competition-related matters were made (see table 6). Just under a third of the articles in the database were known to be published in academic journals, a similar fraction were available on the websites of leading international organisations, and 41 articles were available on the webpages of research institutes or universities.

Table 7 reports on the number of studies of different types of reform in the database. Analyses of privatisation stand out, accounting for 94 of the 124 reform episodes studied. Despite thorough searches of all of the well-known journals and websites that contain articles on international trade, only 16 studies of trade reforms in LAC were found that address

¹⁸ Again, the list of developing countries in the LAC region was taken from World Bank sources (see footnote 11 above.) In fact, relatively more studies of the reform experiences of the larger developing countries in the ALC region were found. The following reasons probably account for this outcome: the restriction to searches for papers written in English, the likelihood that academic and policy research interest is greater in nations with larger populations, greater availability of information from national sources in these countries, and greater funds available to undertake research in these countries.

competition-related matters. Worse still, only five studies of foreign investment reforms in LAC were found. This highlights just how little attention has been given by certain research communities and by experts at the international organisations to the possible relationships between firm strategies, anti-competitive practices, and the effect of opening economies to international commerce. Perhaps the long-standing theoretical contention that open borders can act as an effective substitute for national competition law by disciplining the exercise of market power has lead many researchers not to consider the other possibilities that might arise in during actual reform episodes.

Tables 8-10 provide further information on the scope of this database. Studies of the water sector and telecommunications industry alone account for 54 of the 121 papers in this database. Studies of multiple industries are quite common, accounting for just under a quarter of the entries in this database. The case studies are skewed towards the water sector. Only three of the 11 econometric studies examined two specific sectors (telecommunications and banking and finance), the rest involve cross-industry empirical analyses of the impact of reforms. Over a third of the policy advice papers refer exclusively to the telecommunications sector. If our exhaustive searches have yielded a representative sample of the studies of trade, investment, and regulatory reforms in Latin America and the Caribbean, then the above considerations highlight the narrow scope of available research on the impact of competition factors on reforms that seek to liberalise markets.¹⁹

The 121 studies in this database make 192 references to specific reform episodes in LAC countries (see table 9). The larger economies in the region are well represented (Argentina, Brazil, Chile, and Mexico). In contrast the Caribbean is barely represented.

The studies differ markedly in their overall assessment of the effects of trade, investment, and regulatory reforms. (This is to be contrasted with these studies' findings of the impact of competition-related factors on the effects of reform, a point we shall turn to later.) Of the 97 findings of the impact of reforms, over half (56) were negative. By overwhelming margins the case studies and policy advice papers have concluded that these reforms' effects had an adverse effect on some desirable measure of performance. The survey articles are split down the middle on this matter. The outliers here are the econometric studies, where the effects of reforms are never found to be negative. While there is much to be said for econometric methodologies, given the overwhelmingly negative findings on the effects of reforms in case studies, the question arises as to whether the former have overlooked, or failed to incorporate, a factor documented in the latter?

Anti-competitive acts by private firms are mentioned in a number of studies in this database, and the key findings in this regard can be found by examining tables 9, 11, 12, and 13. A total of 56 distinct allegations of private anti-competitive acts were found in the database (see table 12.) Such acts were said to take place in 12 countries (see table 9) and in 12 industries (see table 11). A disproportionately large number of allegations were made in Argentina and in the water sector. Eighty-two percent of the studies in the water sector contained at least one allegation that an anti-competitive act took place. The comparable percentages for the electricity and telecommunications sectors are 42 and 29 percent, respectively (see table 11). In total, anti-competitive acts were said to have had no less than 17 different types of adverse effects (see table 13).

Of the 56 allegations of private anti-competitive acts in this database, 29 specifically mention foreign firms or their subsidiaries as the culprits (see table 12). Allegations against foreign firms occur more frequently in Argentina and Chile than elsewhere (see table 9). Two thirds

¹⁹ To be fair it may be the case that deregulation and privatisation initiatives in LAC were directed towards a small number of sectors. However, this can hardly be said of trade and investment reforms which were far more wide-ranging in nature.

of the allegations against foreign firms involve relatively vague descriptions of the alleged act, such as the abuse of market power; that is, these descriptions do not correspond to the set of specific anti-competitive acts employed by the competition law enforcement community and associated private practitioners and researchers. It would appear that knowledge of the different types of anti-competitive acts has not filtered through yet to the authors of papers on liberalising reforms in LAC. Separately, it is worth noting that only one of the 56 allegations refers to cartelisation, whereas eight refer to abuse of a dominant position.

Turning to the effect of competition-related factors on the impact of reforms, we have distinguished between the findings that are said to directly follow from the evidence presented in a study and the policy recommendations made in a study. The former often relates to a research finding about current or past experience with a reform or reforms, whereas the latter are normative suggestions for state action or inaction. The 121 studies contained 48 findings on the effects of competition-related factors on trade, investment, and regulatory reforms, and these are summarised in table 14. Competition between firms was found to enhance the benefits of reform in 28 cases, by far the most prevalent finding. A lack of implementation or enforcement of competition policy (note, not competition law) was the next most common finding, occurring six times. On five occasions the benefits of reform were found to be lower because of anti-competitive acts. Generally, then, the attention given in these studies to the effects of anti-competitive practices and to competition law and its enforcement is, at best, very limited. In particular, no econometric study contained a finding on the impact of these two factors.²⁰

The competition-related policy recommendations of the studies in this database are summarised in table 15. Of the 67 policy recommendations in these studies, 30 called for promoting competition in markets. Another 14 advocated promoting competition policy. Only three policy recommendations specifically advocated promoting or enforcing competition law, and two additional recommendations were made to strengthen a competition agency. Different recommendations concerning the sequencing of reforms occur 13 times in the database. Overall, though, each type of study in the database gives prominence to recommendations to promote competitive markets and competition policies. The paucity of policy recommendations concerning competition law may reflect (i) the paucity of research findings concerning the effects of anti-competitive acts, (ii) insufficient consideration of the pros and cons of the enforcement of competition law, or (iii) a conscious preference for other policy recommendations. Consumers of research papers on reform episodes may want to bear this in mind, and producers of analyses may want to fill in the evident gap in our knowledge on the relationship between anti-competitive acts, competition law and its enforcement, and measures to liberalise markets.

5. Comparisons between the two databases.

The two databases described in the last two sections contain potentially interesting similarities and differences. The country coverage of both databases is skewed towards the same large developing economies in the LAC region. It is also striking how often the entries in both databases (whether newspaper studies, academic studies, or papers from the international

²⁰ We also examined the competition-related independent variables used in the econometric analyses of reform episodes. We note that in seven instances the econometric studies included in their base specifications measures of the intensity of inter-firm rivalry and interaction terms between the presence of sectoral regulation, the degree of sectoral competition, and indicators of privatisation. In only two of the seven cases were the estimated competition-related variables statistically significant. More information on the econometric studies in this database is available from the authors upon request.

organisations) do not employ the widely-accepted descriptions of anti-competitive acts used in the competition law community, preferring instead to employ more generic terms.

The two databases differ markedly in the sectoral coverage, with the newspaper database having a broader reach than that of the database of studies. Likewise, allegations made against foreign firms tend to be more concentrated in the latter database than in the newspaper database. The preponderance of cartel allegations in the newspaper database found no counterpart in the database on studies, which could reflect deficiencies in the latter or perhaps, more neutrally, the fact that reform episodes tend not to prompt attempts to cartelise markets. In addition, the tendency for specific allegations of anti-competitive acts against foreign firms, and by those firms against domestic rivals, to fall since 2000 has no counterpart in the database on studies, and could well be an interesting topic for further research.

6. Concluding remarks.

In many countries in Latin America and the Caribbean the principles of competition law and its enforcement are relatively new phenomena. The evidential base about this particular law, and about the firm strategies and practices that such laws seek to influence, that is available to guide policymaking is slim. One goal of this paper has been to assemble two large databases that may go some way to remedy this deficiency. The databases concern both the prevalence of anti-competitive acts in LAC countries and the impact of competition-related variables on the effects of trade, investment, and regulatory reforms. At best, our databases are representative samples of different types of available information on the extent and effects of anti-competitive acts in these countries. We are well aware of the limitations of these databases and have highlighted a number of them in this paper.

Analysis of these databases revealed seven findings concerning the prevalence and effects of anti-competitive acts in Latin America and the Caribbean. First, a wide range of industries or sectors are said to have been affected by anti-competitive acts. Second, that anti-competitive acts are said to have numerous adverse effects on many parties in the region and those effects are certainly not limited to price increases.

Third, 43 percent of allegations of anti-competitive acts in Latin American and Caribbean newspapers specifically name multinational corporations or their subsidiaries as the culprits. Moreover, this proportion has fallen in recent years (since 1 January 2001) to 31 percent. These findings suggest that it is most unlikely that foreign firms are solely responsible for engaging in anti-competitive acts in the Latin American and Caribbean region. Fourth, the number of allegations by foreign firms against domestic firms suggests that many multinational companies are aware of the adverse impact that domestic anti-competitive acts can have on access to this region's markets.

Fifth, while forms of cartelisation figure prominently in database of newspaper articles, accounting for at least 40 percent of allegations of anti-competitive conduct, they figure far less prominently in studies on the effects of reforms to liberalise markets in LAC. Allegations concerning abuse of a dominant position and anti-competitive mergers and acquisitions occur considerably less often than one might think (on the basis of the attention given to both in certain international fora.) Sixth, civil society, legislators, and customers have played at most a minor role in bringing to public attention anti-competitive acts. It would appear, then, that the development of a so-called competition culture has a long way to go in Latin America and the Caribbean.²¹

²¹ This suggestion should not be read to imply that "competition cultures" are necessarily well developed in developed and industrialised countries outside of LAC.

Seventh, the evidence—such as it is—concerning the effects of inter-firm rivalry, lack of such rivalry, and competition policy on the impact of reforms is more prevalent for regulatory reforms (including privatisations) than for trade and investment reforms. Worse still, even though the studies in our second database identified a large number of anti-competitive acts, few of them went on to analyse the impact of such acts on the effects of reforms. This fact alone probably accounts for the paucity of recommendations in these studies that governments seeking to maximise the benefits of trade, investment, and regulatory reform should tackle anti-competitive corporate practices. It would be a mistake, therefore, for readers of the literature on reform episodes in Latin America and the Caribbean to infer that the paucity of policy recommendations to enact or enforce competition laws implied that the effects of these laws have been extensively analysed in the first place!

Scholars and readers of scholarly studies may be interested in the differences in findings and policy recommendations across the types of studies. Indeed, these differences may account for the perception that different schools of thought appear to talk past each other during discussions on the efficacy of pro-market or so-called neo-liberal reforms in Latin America and the Caribbean. Econometric studies which are typically undertaken by economists, many of whom work in the international organisations, almost always find positive effects from trade, investment, and regulatory reforms; whereas authors of case studies, survey articles, and even policy advice papers overwhelmingly come to the opposite conclusion. This leads us to ask what is it about the econometric analyses that are so unconvincing? Do non-economists²² see limitations to the econometric analyses that economists do not? Or, are there factors identified in the case studies that tend not to be included in econometric analyses?

If the advantage of econometric studies is that—when properly executed—they may reveal information about underlying structural parameters that could have important policy implications, then why do so many writers on trade, investment, and regulatory reforms reject large sample approaches and focus on single industry case studies? One explanation may lie in the fact that econometric analyses are constrained by data availability and limitations. It is worth noting in this regard that not one of the econometric analyses in our second database²³ included a variable that proxies for the prevalence of anti-competitive practices, which is unfortunate given the substantial interest among policymakers in competition law and its enforcement. It would be, therefore, of considerable interest to examine whether econometric studies that did include high-quality proxies for the prevalence of anti-competitive acts, or allegations of those acts, came to the different findings and policy recommendations than those econometric studies that did not.

A final comment is in order concerning the detail with which anti-competitive acts are characterised in the two databases constructed for this paper. We were quite surprised at how often newspaper articles and authors of papers on reform resorted to imprecise characterisations of anti-competitive practices. This suggests that knowledge of the different types of anti-competitive practices, let alone their effects, is quite weak in two communities that are likely to influence how policymakers perceive the importance of anti-competitive practices and the state measures that could tackle them. The comments in the last two paragraphs may go some way to explain the lack of support for competition laws, which in some cases verges on outright opposition, in certain circles of academics, officials from leading international organisations, and the media.

²² Or, for that matter, economists who write case studies and the like.

²³ Incidentally, this is not a feature unique to analyses of reform episodes in Latin America and the Caribbean. In other research we have examined 49 econometric studies of reform episodes which discussed, or took account of, competition-related factors. Not one of these studies included a measure or proxy for anti-competitive acts by incumbent firms.

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Table 1: Number of allegations of anti-competitive acts, by country.

Country.	Number of...			Lines of business where there is more than one allegation of anti-competitive acts in a given country.
	Distinct allegations of anti-competitive acts. ²⁴	Newspaper articles.	Lines of business involved. ²⁵	
1. Argentina.	13	11	8	Gas, Supermarkets.
2. Aruba.	1	1	1	
3. Barbados.	2	1	1	
4. Belize.	1	1	1	
5. Brazil.	42	27	15	Fuel distribution, Information technology, Pharmaceuticals, Steel, Telecoms, Transport – air.
6. Cayman Islands.	2	1	1	
7. Chile.	15	10	8	Telecoms.
8. Colombia.	7	4	4	
9. Costa Rica.	5	4	2	Telecoms.
10. Dominican Republic.	2	1	1	

²⁴ A newspaper article can contain allegations of more than one anti-competitive act.

²⁵ As is well known, the allocation of a certain firm's activities to a given industry is uncomplicated. The classification of each line of business adopted here is meant to include similar commercial activities. Telecoms, for example, included news articles concerning a variety of telecommunication-related activities ranging from selling mobile phones to providing household internet access.

	Number of...			
11. El Salvador.	6	5	4	Transport - Air.
12. Guatemala.	7	4	4	
13. Honduras.	5	3	3	
14. Jamaica.	3	1	1	
15. Martinique.	1	1	1	
16. Mexico.	38	21	17	Retail, Telecoms, Fuel distribution.
17. Nicaragua.	2	1	1	
18. Peru.	1	1	1	
19. Puerto Rico.	11	6	5	Medical services.
20. Venezuela.	7	5	4	Beverages (mainly soda).
Total	171	109	42	11

* Newspaper articles occasionally contain multiple allegations of anticompetitive practices. In case where these alleged practices were either not attributed to particular firms or were contained within one overall complaint they were treated as one allegation in all of the summary tables for this database. A column on allegations is included here to allow a comparison between the number of allegations, the number of articles in which these allegations were contained, and the number of industries these allegations ranged across.

Table 2: Who makes allegations of anti-competitive acts?

Sample.	Number of newspaper articles containing allegations of anticompetitive acts made by...									Total
	Purchasers	Suppliers	Self-Confession	Government or official bodies	Legislators	Civil Society	Competitors	News article describes act	Unspecified	
Latin America & Caribbean nations.	10	2	0	52	5	2	30	4	4	109
	9.2%	1.8%	0.0%	47.7%	4.6%	1.8%	27.5%	3.7%	3.7%	100%
Database for 55 developing countries.	31	10	1	135	14	12	62	26	17	308
	10.1%	3.2%	0.3%	43.8%	4.5%	3.9%	20.1%	8.4%	5.5%	100%

Table 3: Newspaper articles containing of allegations of anti-competitive practices against foreign firms operating in LAC.

Sample.		Number of newspaper articles that explicitly mention a foreign firm or its subsidiaries.				Number of newspaper articles where a foreign firm is not mentioned.	Totals.
		Total.	Where the foreign firm is accused.	Where foreign firm accused domestic rivals.	Lines of business where foreign firm is accused of anti-competitive acts.		
Latin America & Caribbean.		56 (a)	47	15	27	53 (b)	(a) + (b) = 109
Database for 55 developing countries.		110 (c)	78	29	43	198 (d)	(c) + (d) = 308
Latin America & Caribbean.	Pre-2001.	31 (e)	27	7	12	15 (f)	(e) + (f) + (g) + (h) = 109
	2001 and after.	25 (g)	20	8	14	38 (h)	
Database for 55 developing countries.	Pre-2001.	48 (i)	34	10	25	61 (j)	(i) + (j) + (k) + (l) = 308
	2001 and after.	62 (k)	44	44	31	137 (l)	

Table 4: Number of allegations of private anti-competitive acts in LAC reported by newspaper articles, by act.

Anti-competitive practice.	Entire LAC sample.		Entire sample, except allegations by horizontal competitors.		Number of anticompetitive practices before 2001.		Number of anticompetitive practices since 1 January 2001.		Domestic rivals specifically accuse foreign firms or their subsidiaries.		Number of anticompetitive practices in which foreign firms or subsidiaries were mentioned.		Number of anticompetitive practices in which foreign firms specifically accused domestic rivals.	
*Price fixing.	34	19.9%	34	27.9%	16	24.6%	18	15.9%	15	21.7%	18	21.7%	0	0.0%
Monopolistic practices.	29	17.0%	20	16.4%	13	20.0%	16	14.2%	5	7.2%	8	9.6%	5	18.5%
*Horizontal agreements, principally cartels.	22	12.9%	19	15.6%	4	6.2%	18	15.9%	10	14.5%	10	12.0%	1	3.7%
Abuse of a dominant position.	20	11.7%	13	10.7%	7	10.8%	13	11.5%	8	11.6%	9	10.8%	3	11.1%
Barriers to entry.	15	8.8%	6	4.9%	6	9.2%	9	8.0%	6	8.7%	8	9.6%	6	22.2%
Exclusive arrangements.	13	7.6%	7	5.7%	4	6.2%	9	8.0%	5	7.2%	7	8.4%	3	11.1%
Predatory pricing.	11	6.4%	2	1.6%	5	7.7%	6	5.3%	6	8.7%	7	8.4%	3	11.1%
*Bid rigging.	10	5.8%	8	6.6%	3	4.6%	7	6.2%	7	10.1%	7	8.4%	1	3.7%

Anti-competitive practice.	Entire LAC sample.		Entire sample, except allegations by horizontal competitors.		Number of anticompetitive practices before 2001.		Number of anticompetitive practices since 1 January 2001.		Domestic rivals specifically accuse foreign firms or their subsidiaries.		Number of anticompetitive practices in which foreign firms or subsidiaries were mentioned.		Number of anticompetitive practices in which foreign firms specifically accused domestic rivals.	
Denial of infrastructure.	9	5.3%	5	4.1%	3	4.6%	6	5.3%	2	2.9%	4	4.8%	4	14.8%
Tying.	2	1.2%	2	1.6%	1	1.5%	2	1.8%	1	1.4%	1	1.2%	1	3.7%
Vertical agreements.	2	1.2%	2	1.6%	2	3.1%	1	0.9%	1	1.4%	1	1.2%	0	0.0%
Collusion.	1	0.6%	1	0.8%	0	0.0%	1	0.9%	0	0.0%	0	0.0%	0	0.0%
Anti-competitive merger or acquisition.	1	0.6%	1	0.8%	0	0.0%	2	1.8%	1	1.4%	1	1.2%	0	0.0%
Discrimination between purchasers.	1	0.6%	1	0.8%	1	1.5%	0	0.0%	1	1.4%	1	1.2%	0	0.0%
Ban on franchising.	1	0.6%	1	0.8%	0	0.0%	1	0.9%	1	1.4%	1	1.2%	0	0.0%
Total	171	100%	122	100%	65	100%	109	100%	69	100%	83	100%	27	100%
Total cartel-related allegations.	66	38.6%	61	50.1%	23	35.4%	43	38.0%	32	46.3%	35	42.1%	2	7.4%

Table 5: Are some lines of business in LAC more susceptible to allegations of anti-competitive practices?

Lines of business where allegations were made in more than one country.	Number of allegations.	Number of countries where allegations were made.	Names of countries where allegations were made.
Telecoms.	22	13	Argentina, Barbados, Brazil, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Jamaica, Martinique, Mexico, Nicaragua, Venezuela.
Transport – Air.	13	10	Argentina, Aruba, Belize, Brazil, Cayman Islands, Colombia, El Salvador, Guatemala, Honduras, Mexico.
Tobacco.	5	5	Argentina, Costa Rica, El Salvador, Guatemala, Venezuela
Fuel Distribution.	6	4	Brazil, Chile, El Salvador, Mexico.
Beverages (mainly soda).	4	3	Colombia, Mexico, Venezuela.
Banking.	3	3	Argentina, Chile, Mexico.
Broadcast Media.	3	3	Chile, Mexico, Puerto Rico.
Steel.	5	2	Brazil, Chile.
Supermarkets.	4	2	Argentina, Puerto Rico.
Beer distribution.	2	2	Brazil, Mexico.
Cement.	2	2	Brazil, Venezuela.
Electricity.	2	2	Argentina, Brazil.
Retail.	2	2	Brazil, Mexico.
Transport – Rail.	2	2	Brazil, Colombia.
Total.	75	18	

Table 6: Contents of the database on studies of reform episodes.

Category.		Number of such studies in the database.
Type of study.	Case studies.	65
	Econometric and other empirical studies.	11
	Survey articles.	15
	Policy advice papers.	30
	<i>Total.</i>	<i>121</i>
Publication format.	Studies available on the webpages of research institutions or universities.	41
	Studies available on the webpages of international organisations.	36
	Studies published by Consumers International (an NGO).	2
	Studies known to be published in academic journals.	38
	Studies known to be published in books.	4
	<i>Total.</i>	<i>121</i>

Table 7: Types of reforms analysed in the database of studies.

Reform analysed (as characterised in the study in question).		Number of times a given reform is analysed in the database of studies.	Percentage of total number of reform episodes studied.
Trade reform.	Trade liberalisation (general).	14	11.3%
	Reducing trade barriers (general).	1	0.8%
	Lowering of tariffs.	1	0.8%
	<i>Sub-total</i>	<i>16</i>	<i>12.9%</i>
Investment reform.	Liberalisation (general).	5	4.0%
	<i>Sub-total</i>	<i>5</i>	<i>4.0%</i>
Regulatory reform.	Privatisation (general).	75	60.5%
	Privatisation through the awarding of concession agreements.	19	15.3%
	Deregulation.	5	4.0%
	Liberalisation (general).	3	2.4%
	Restructuring (general).	1	0.8%
	<i>Sub-total</i>	<i>103</i>	<i>83.1%</i>
Total		124²⁶	100%.

²⁶Total differs from total number of cases as one article may mention more than one type of reform.

Table 8: Industry coverage of the studies in the database, by type of study.

Industry analysed.	Number of...				Total.
	Case studies.	Econometric studies.	Survey articles.	Policy advice papers.	
Water.	27	0	0	3	30
Multiple (several industries analysed in same study.)	4	8	8	8	28
Telecommunications.	7	2	4	11	24
Electricity.	8	0	2	2	12
Utilities (general).	2	0	1	3	6
Steel.	4	0	0	0	4
Rail services.	3	0	0	0	3
Food/Foodstuffs/Agricultural goods.	2	0	0	0	2
Postal services.	1	0	0	0	1
Petroleum.	0	0	1	0	1
Brewing.	0	0	1	0	1
Forestry.	1	0	0	0	1
Shipping.	1	0	0	0	1
Credit Cards.	1	0	0	0	1
Port services.	1	0	0	0	1
Internet Services.	1	0	0	0	1
Maritime Transport.	1	0	0	0	1
Gas.	1	0	0	0	1
Banking/Financial Sector.	0	1	0	0	1
Water and Sewage/Sanitation.	1	0	0	0	1
Total.	66	11	17	27	121

Table 9: Country coverage of studies in the database.

Country.	Number of studies in the database...			Lines of business said to be affected by anti-competitive acts.
	...that refer to a given country.	...in which at least one allegation of anti-competitive practice is said to have occurred in a given country.	...in which at least one allegation of anti-competitive practice by a foreign firm is said to have occurred in a given country.	
Argentina.	22	10	7	5
Belize.	1	1	1	1
Bolivia.	4	2	2	1
Brazil.	16	7	3	4
Chile.	13	7	5	3
Colombia.	6	2	2	1
Dominican Republic.	2	2	0	1
Ecuador.	3	1	1	1
El Salvador.	1	0	0	0
Jamaica.	2	0	0	0
Mexico.	16	6	0	3
Panama.	1	1	0	1
Peru.	1	1	0	0
Puerto Rico.	1	0	1	1
Uruguay.	3	3	3	2
Total²⁷.	192	43	25	12

Table 10: Findings on the effect of the three types of reform studied, by type of study.

Effects of reforms were found to be...	Number of studies with a given finding.				Total number of studies with a given finding.
	Case studies.	Econometric studies.	Survey articles.	Policy advice papers.	
Positive.	10	5	11	2	28
Negative.	38	0	13	5	56
Mixed effect (depends on dependant variable.)	2	3	1	0	6
Uncertain or no effect.	3	2	1	1	7
Total²⁸.	53	10	26	8	97

²⁷Excludes studies that refer to the entire Latin America and Caribbean region and not to any particular country or countries. There are 29 such studies in this database. Allegations of anti-competitive practices are found in 3 cases covering 2 lines of business and no allegations are made against foreign firms in these studies.

²⁸Excludes studies where no statement is made with regard to reforms.

Table 11: Allegations of anti-competitive practices in the database of studies, by industry.

Industry.	Total number of times a given industry is studied (1).	Total number of studies in which at least one anti-competitive practice is alleged to have occurred in a given industry (2).	Ratio of (2) to (1).
Water and Sewage/Sanitation.	1	1	1.00
Gas.	1	1	1.00
Internet services.	1	1	1.00
Credit cards.	1	1	1.00
Postal services.	1	1	1.00
Water.	30	25	0.83
Food & Agricultural goods.	2	1	0.50
Electricity.	12	5	0.42
Rail services.	3	1	0.33
Telecommunications.	24	7	0.29
Utilities (general).	6	1	0.17
Multiple (several industries analysed in same study.)	28	1	0.04
Banking/Financial Sector.	1	0	0.00
Maritime transport.	1	0	0.00
Port services.	1	0	0.00
Shipping.	1	0	0.00
Forestry.	1	0	0.00
Brewing.	1	0	0.00
Petroleum.	1	0	0.00
Steel.	4	0	0.00
Total.	121	46	0.38

Table 12: Allegations of anti-competitive practices in the database, by alleged act.

Anti-competitive practice.	Total number of allegations of such an anti-competitive practice in the database.	Allegation specifically naming foreign firms or other subsidiaries.
Abuse of market power.	33	19
Abuse of dominance.	8	4
Exclusive agreements.	4	2
Anti-competitive vertical agreements.	3	2
Erecting barriers to entry.	2	0
Cross-subsidisation.	2	1
Refusal to supply.	2	1
Predatory pricing.	1	0
Horizontal agreements, principally cartels.	1	0
Collusion.	0	0
Bid rigging.	0	0
Price fixing.	0	0
Tying.	0	0
Total²⁹.	56	29

²⁹One case may report more than one anti-competitive action and would thus exceed number found by industry in Table 5.

Table 13: Findings on the effects of anti-competitive acts.

Effect of anti-competitive practice.	Number of times mentioned in the database.	Percentage of the total number of effects of anti-competitive acts in the database.
Excessive price increases.	19	22.9%
Poor service.	12	14.5%
Legal wrangling.	8	9.6%
Lack of competition in the market.	7	8.4%
Under-investment.	6	7.2%
Adverse consumer welfare consequences.	6	7.2%
Consumer complaints.	3	3.6%
Adverse distributional consequences.	3	3.6%
Termination of contracts.	3	3.6%
Regulatory capture.	3	3.6%
Excess management remuneration	2	2.4%
Renegotiation of contracts.	2	2.4%
Lack of transparency.	2	2.4%
Diversion of financial resources.	1	1.2%
Inflated interest rates.	1	1.2%
Adverse consequences for the environment.	1	1.2%
Re-nationalisation.	1	1.2%
Worker complaints.	1	1.2%
Lack of supply.	1	1.2%
Greater concentration of assets/ownership.	1	1.2%
Total.	83	100.0%

Table 14: Findings on the effects of inter-firm rivalry, anti-competitive acts, and active competition policy on the impact of trade, investment, and regulatory reform, by type of study.

Impact of reform was found to be...	Number of studies with a given finding.				Total number of studies with a given finding.
	Case studies.	Econometric studies.	Survey articles.	Policy advice papers.	
...more beneficial because of intensity of firm competition.	8	5	13	2	28
...less beneficial because of intensity of firm competition.	0	0	0	0	0
...less beneficial because of lack of intensity of firm competition.	1	0	0	0	1
...indeterminate or mixed effect of market/sectoral competition.	0	4	0	0	4
<i>Sub-total.</i>	9	9	13	2	33
...less beneficial because of anti-competitive acts by firms.	3	0	0	2	5
...more beneficial because of implementation or enforcement of competition policy.	1	0	1	0	2
...less beneficial because of a lack of implementation or enforcement of competition policy.	1	0	4	1	6
...less beneficial because of weak or insufficient capacity at competition agency.	1	0	0	0	1
...less beneficial because of institutionally created barriers to competition.	1	0	0	0	1
<i>Sub-total.</i>	7	0	5	3	15
Total number of findings.	16	9	18	5	48
Total number of such studies.	65	11	15	30	121
Average number of findings per study.	0.25	0.82	1.2³⁰	0.17	0.70

³⁰ Please note that a study may contain more than one finding that is relevant to this table.

Table 15: Policy recommendations advanced, by type of study.

Policy recommendation made.	Number of studies advancing a given policy recommendation.				Total.
	Case studies.	Econometric studies.	Survey articles.	Policy advice papers.	
Promote competitive markets.	11	4	10	5	30
Promote competition policy.	5	1	4	4	14
Sequence privatisation/liberalisation reforms then competition reforms.	1	0	2	0	3
Promote or enforce competition laws or rules.	1	0	0	2	3
Promote competitive markets and privatisation/liberalisation simultaneously.	1	2	0	0	3
Strengthen regulation to ensure competition.	0	0	1	1	2
Promote regulatory policy and competition simultaneously.	1	0	1	0	2
Strengthen competition authority.	1	0	0	1	2
Promote regulatory policy and privatisation/liberalisation simultaneously.	1	0	1	0	2
"Sociological obstacles" need to be considered when implementing competition policy.	0	0	1	0	1
Sequence adoption of privatisation/liberalisation then regulatory policy.	1	0	0	0	1
Promote natural monopolies and greater concentration of ownership.	1	0	0	0	1
Sequence competition reforms then privatisation/liberalisation	0	0	0	1	1
Sequence adoption of regulatory policy then privatisation/liberalisation.	1	0	0	0	1
Tackle anti-competitive practices.	1	0	0	0	1
Total.	26	7	20	14	67
Total number of such studies.	65	11	15	30	121
Average number of findings per study.	0.4	0.64	1.33	0.47	0.55