

## ***Brazil: Developing countries: catching-up, keeping-up and going beyond UNCTAD's role to promote competition for development***

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Competition is fundamental to boost productivity and innovation, which in turn is the key driver for sustainable growth and development. A dynamic and competitive environment can result from a different set of competition policies, having an impact over market structure, business behaviour and economic performance.

One of the most notable changes in law and legal thinking in the past few decades has been the dissemination of antitrust legislation among developing economies, with the important support of international organizations such as UNCTAD. It is widely accepted that an open, privatized and deregulated economy needs an antitrust law and policy in order to guarantee more efficient and competitive markets. There is also an interest of leveling the playing field and guaranteeing equal treatment for foreign and national corporations. Developing countries, in an effort to be viewed as striving for development, issued antitrust laws incorporating for the most part what are said to be the three main elements of antitrust law: merger control, conspiracy provisions and abuse of dominance provisions.

During the last 30 years, the United Nations Conference on Trade and Development (UNCTAD) accumulated extensive knowledge and expertise in making competition law and policy work for development and economic growth. The Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, UNCTAD Model Law on Competition and important initiatives, such as the annual meeting of the Inter-governmental Group of Experts on Competition Law and Policy (IGE) and countries' peer reviews, have contributed to national, regional and global efforts to promote international trade and competition, especially in developing countries and economies in transition. UNCTAD has been successful in fostering cooperation, exchange of information and sharing of best practices on competition matters. But even more importantly, UNCTAD has a noteworthy mission in promoting capacity building and technical assistance among developing economies.

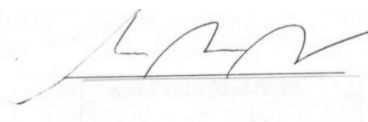
Brazil has benefited from a close relationship with UNCTAD since the issuance of its current antitrust law (1994), when the modern era of competition began in Brazil. A number of capacity building and technical assistance were held for Brazil, including recent training sessions with judges and public prosecutors. At the same time, through UNCTAD, Brazil has also been active as donor of the technical assistance to countries such as Mozambique and Angola, as well as shared experience among fellow countries in Latin America.

Significant challenges remain ahead. UNCTAD has the strength to channel the needs of developing countries, incorporating successful experiences from different jurisdictions while dealing with the heterogeneity typical of developing economies. It is important to use such advantage to go beyond the realm of the traditional toolbox of antitrust regimes. Some institutional reforms and arrangements - by setting more appropriate incentives to economic activity - are capable of jump-starting long-term growth to the extent they boost productivity and innovation. Therefore, measures aimed to reduce entry barriers, eliminate price controls and deregulate activities should take precedence over the classical antitrust agenda. Given the scarcity of resources and deficiencies of some countries, cost-benefit analysis would be highly beneficial when considering the adoption of different policies to promote competition.

Another current challenge is how to deal with the aftermath of the financial crisis. Discussions regarding protectionist trade measures, interventionist industrial policies, crisis cartels and national champions were back to the table. Some countries are now tempted to put competition principles on hold, disregarding the consequences for development in the long term. UNCTAD has widely advocated that the promotion of competition should remain as a policy tool, irrespective of a country's position in the business cycle. Nonetheless, considering recent developments and policy changes by developing countries, this is an area where countries need further input and support from UNCTAD.



Mariana Tavares de Araujo  
Secretary of Economic Law of the  
Ministry of Justice  
Brazil



Ana Paula Martinez  
Director of SDE's Antitrust Division and Deputy  
Secretary of Economic Law of the Secretariat of  
Economic Law (SDE) of the Ministry of Justice,  
Brazil

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<sup>6</sup> \* Mariana Tavares is the Secretary of Economic Law of the Ministry of Justice, Brazil. She received an LL.B. degree from the Catholic University of Rio de Janeiro and an LL.M. degree from Georgetown University Law Center. Ana Paula Martinez is the Director of SDE's Antitrust Division and Deputy Secretary of Economic Law of the Secretariat of Economic Law (SDE) of the Ministry of Justice, Brazil. She received an LL.B. degree from the University of São Paulo Law School and an LL.M. degree both from Harvard Law School and the University of São Paulo. She is currently a Ph.D. Candidate in Criminal Law. The views expressed in this article are those of the authors and do not necessarily represent the views of Brazil's Ministry of Justice