

# CUTS LATEST PUBLICATIONS

## CONSUMER PROTECTION



## Consumers Demand Action Against Abusive Monopolies

Consumers gain when they have options to choose between efficient producers that can enter and survive in market-based on merit. In contrast, they lose when entry or survival of efficient producers in the market is made difficult or impossible by the activity of incumbent monopolists. Monopoly power some market players to dominate in order to harm that causes consumer welfare.

There is an ongoing debate in the competition community about the priority that should be given to curbing exclusionary practices by dominant firms. Some argue that dominance in the market is transitory in nature, which encourages new entry and enhances consumer welfare by funding large scale innovation. Others argue that market power is rarely transitory and its abuse can retard the development of efficient and innovatory firms, and hence undermine consumer welfare.

This Briefing presents the consumer's view to curb dominance of firms and suggests future approaches for a more equitable market place.

*This INCSOC Briefing can be accessed at:  
<http://www.incsoc.net/pdf/Action-on-abuse-of-dominance.pdf>*

**CUTS**  
International

**Consumer Unity & Trust Society**

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# Trade Openness: The Only Path to Sustainable Growth

TRADE AND DEVELOPMENT

(TDP No 1/2008)



On the basis of an empirical study of rates of economic growth as well as that of exports and imports it can be said that trade openness is a necessary condition for sustained and rapid economic growth. Trade openness is however not a sufficient condition; other favourable accompanying factors are required for sustained and rapid growth. Therefore, a country making a choice between protectionism and open economic policies is likely to achieve rapid sustained economic growth in an open economy but never in a closed economy.

Given the fact that trade openness is only a necessary condition, it is possible that countries which are open might also be associated with stagnation or decline in incomes.

This Briefing Paper argues that trade openness is the lone path to sustainable growth if it is supplemented with other accompanying factors.

*This Briefing Paper can be accessed at:  
<http://www.cuts-citee.org/pdf/BP08-DI-1.pdf>*

# Up-scaling Aid for Trade – A Kenya Perspective

TRADE AND DEVELOPMENT

(TDP No 2/2008)



The World Trade Organisation's (WTO's) Aid for Trade (AfT) agenda has thrown a spotlight on the trade capacity constraints facing the poorest countries and challenged donors to respond. The recent trends show that financing gaps are most pressing in public spending and development assistance to the agriculture, road infrastructure, micro and small enterprises (MSEs) and manufacturing sectors in Kenya.

The AfT agenda therefore provides an opportunity for the government to better articulate its trade related needs and for the development community to take renewed attention of these sectors by up-scaling overall aid levels in order to protect social sector spending.

This Briefing Paper intends to contribute to the literature emerging on how to take forward the AfT agenda in Kenya, a country which has been putting increasing attention on trade related issues in recent years. It argues that the productive sector and infrastructure are key pillars of Kenya's Economic Recovery Strategy, the successor to its Poverty Reduction Strategy Paper (PRSP) and the main plan directing development efforts.

*This Briefing Paper can be accessed at:  
<http://www.cuts-citee.org/pdf/BP08-DI-2.pdf>*

# Evolution of Service Sector in Zambia towards Greater Trade Orientation: An Overview

## TRADE AND DEVELOPMENT



The service sector constitutes a significant share of gross domestic product (GDP) in most of the developing countries in South Asia, Africa and the Caribbean region since these countries have an important stake in the Doha Round of negotiation on services liberalisation. Among the many issues being negotiated “Domestic Regulation” has become very important for developing and least developed countries (LDCs) while undertaking liberalisation of their service sectors.

The Doha Round points out national policy objectives to be a valid concern as long as these are not used to restrict trade. It strives to facilitate trade in services and yet focuses on achieving a level playing field between domestic and foreign service providers. However, the stress is on regulatory measures which can be applied to limit anticompetitive practices that may arise from market dominance by a few firms (domestic as well as foreign).

This Briefing Paper analyses that regulation can enhance consumer welfare by ensuring quality and appropriateness of services in the midst of a wide range of providers under progressive liberalisation on services.

*This Briefing Paper can be accessed at:  
<http://www.cuts-citee.org/pdf/BP08-DI-3.pdf>*

## The Banana War at the GATT/WTO

### TRADE AND DEVELOPMENT



Agriculture has always been a primary source of economic differences between the European Union (EU) and the United States (US). The series of disputes at the General Agreement on Tariffs and Trade (GATT) and WTO, popularly referred to as the banana trade disputes.

This dispute has stretched the legal basis for a secure and predictable Multilateral Trading System (MTS) a number of times. There was a time when the banana dispute appeared to have snowballed into not only a major spat between the two biggest trading partners in the WTO, but also a potential threat to the credibility and viability of the MTS.

This Trade Law Brief investigates the complexities of issues involved in the banana dispute and examines the vulnerability of those with less economic might when they face more powerful nations in trade disputes mediated through the WTO.

*This Trade Law Brief can be accessed at:  
<http://www.cuts-citee.org/pdf/TLB08-01.pdf>*