

Competition Law, Development and Growth

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**Economic Development and Globalisation Division
Economic Governance and Planning Section**

Expert group meeting

Measuring economic governance in the context of national development planning

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Starting Points

Introduction

Adopting AT
Laws

Enforcing AT
Laws

Enforcement
Determinants?

AT Policy Goals

Efficient
Enforcement?

Conclusion

- Competition Laws as **tools for development** & growth
- Focus on using antitrust as part of a **development agenda**
- Balancing economic laws with necessary **industrial and trade policy**
- Redefining the goals of economic laws to address **needs of growth**
- Importance of **regional cooperation** to realize **alternative policies**

Development and Law

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- Importance of using laws to **achieve development**
- Why focus on development?
 - Main **goal** for developing / MENA countries
 - Rampant poverty, selective statism, crony capitalism, entrenched local elite
 - Laws in the South should be integrated in a broad encompassing **political agenda** aiming at development, growth and redistribution

Overview of Talk

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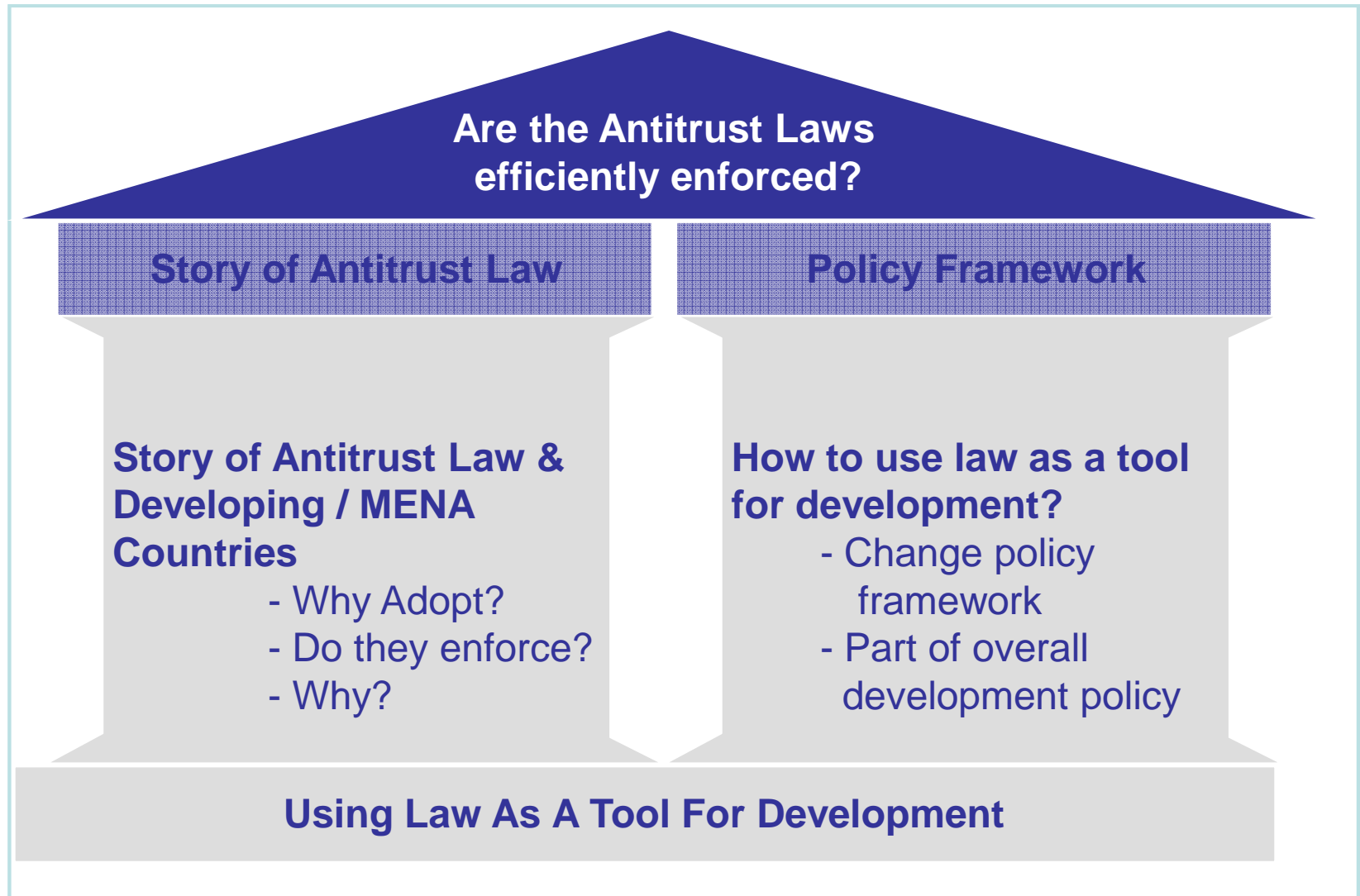
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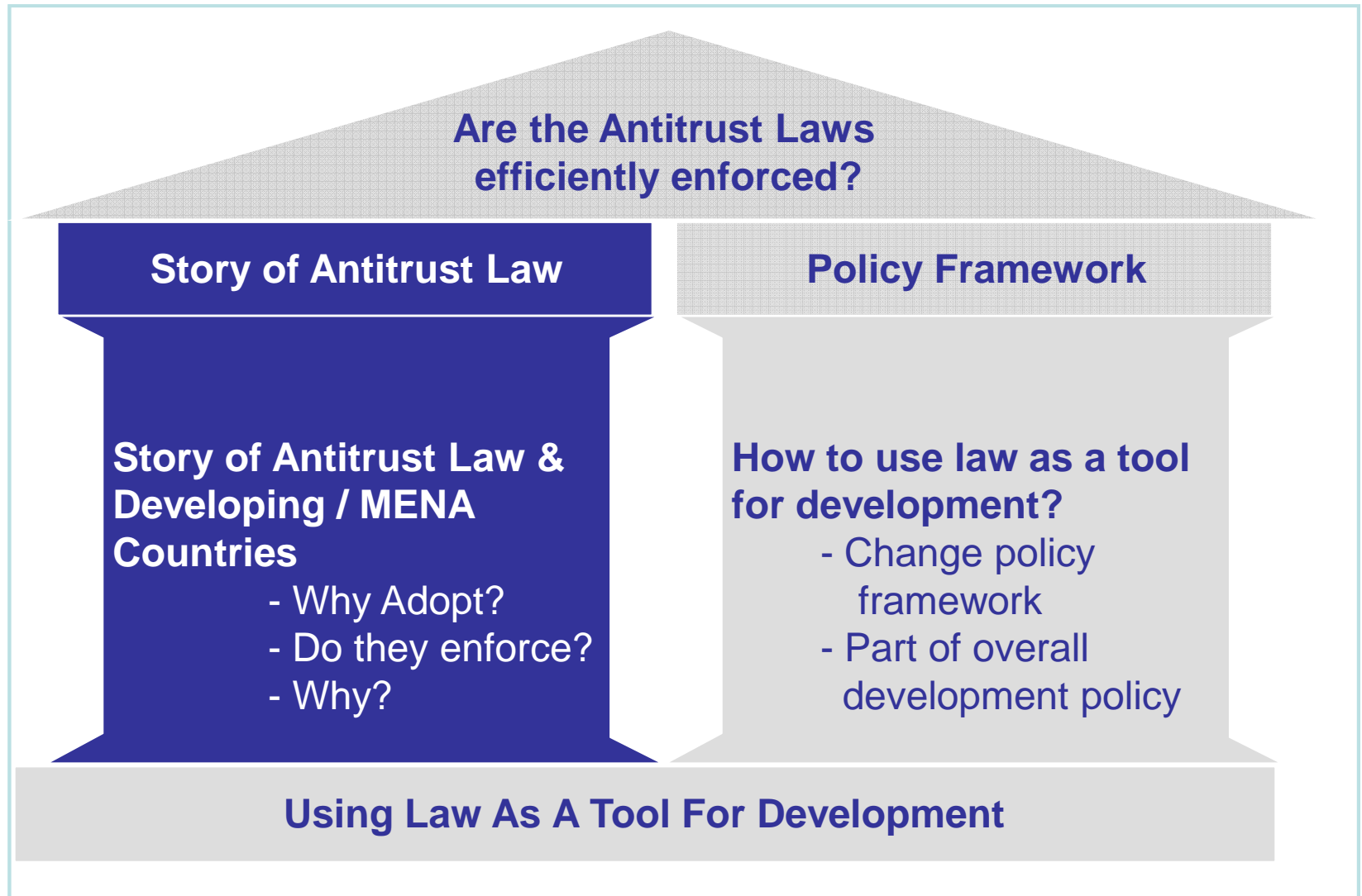
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Developing Countries and Antitrust

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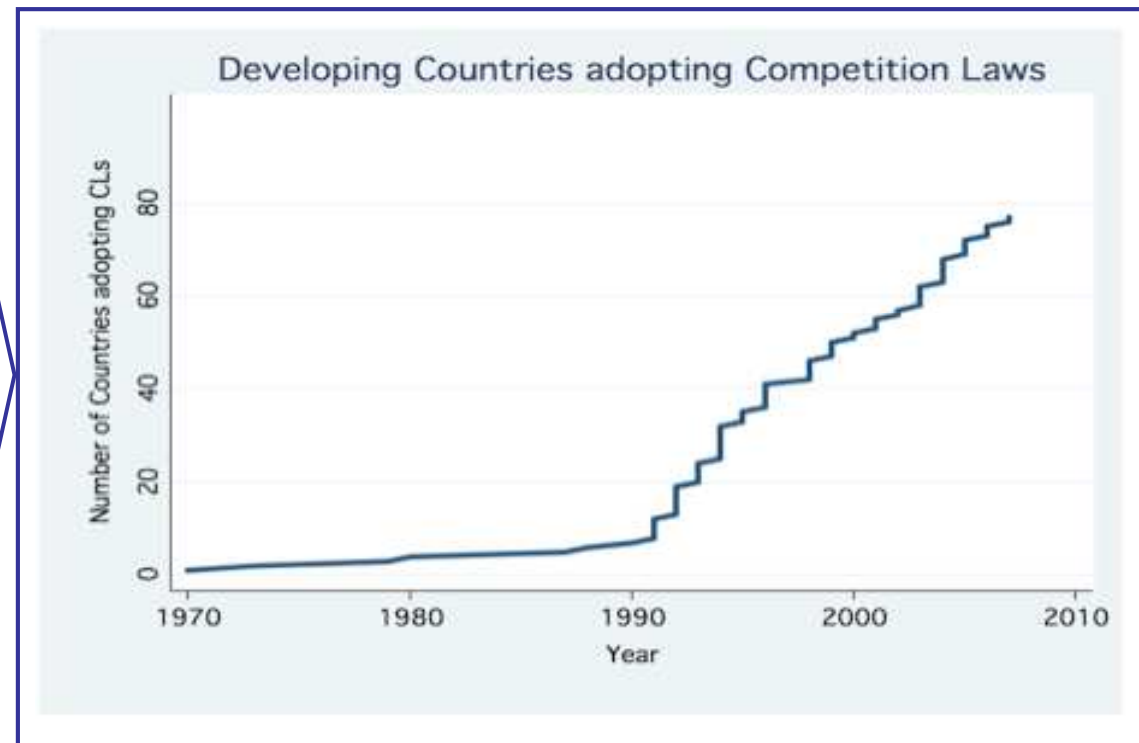
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Most developing countries adopted a competition law in the 1990s

From <10 in 1990 to >70 after 2000



Why Developing Countries Adopt Antitrust Law?

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- **Pressure** by supranational bodies (WTO, UNCTAD, OECD, IMF, IDA):
 - Wave of neoliberal reforms part of Washington Consensus
 - Important to liberalize, privatize & develop
 - Interaction between trade and competition – restraints for trade
 - Movement to harmonize competition laws
- **Trade agreements**, esp. EU (race with US on IAT)
 - Association Agreements
 - Euro-Mediterranean Partnership Treaties
- **Conditionality** in loans & SAPs
 - Indonesia required by the IMF to adopt a competition law in return for rescue money

Challenges to Adopted Laws

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- Limited **resources** need not be wasted
 - Plenty of **reforms** needed
 - Corruption, government intervention and **crony capitalism**
 - Rent-seeking **incumbent elite** owners of the means of production
- Highly **concentrated** and cartelized markets
- Fear of lost **FDIs**
 - Antitrust is simply **superfluous!**

Types of Antitrust Laws Adopted by Developing Countries

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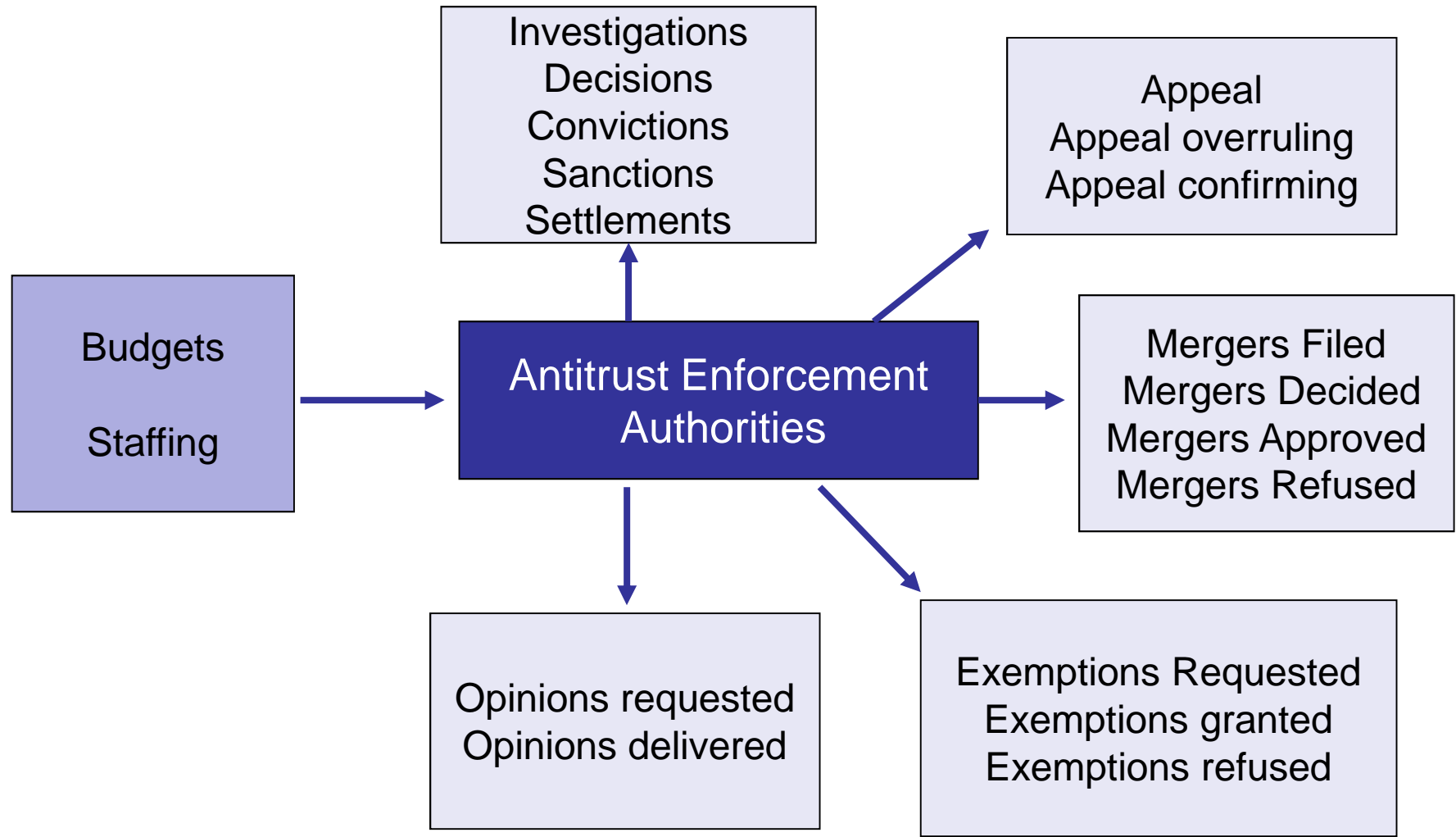
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- **Replica** of the Western models
- Close reading – obvious **copy-pasting**
- Typical story of **transplanted** laws
- **One-size** fit all models
- Arguably **not suitable** particular challenges & development status
- Do they **enforce** these adopted laws?

Do Developing Countries Enforce Antitrust Law?



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Research Methodology: Study Design

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- **Criteria to include countries:**
 1. Developing: What defines “developing”?
 - 2006 World Bank classification based on GDP/capita
 - Includes, low income, lower-middle and upper-middle income economies
 2. Adopted a competition law and set up enforcing agency by 2007
- **Satisfied by 77 countries**
- **Collected enforcement data from 50 of these countries**

Research Methodology: Method of Data Collection

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- **Competition authority questionnaire**
 - 64 countries contacted and 42 responded (over average 10 year data)
- **Published material**
 - Annual Reports
 - OECD, UNCTAD publications
 - Data for only 8 countries collected through published material
- **Field Research**

Research Methodology: Countries Included

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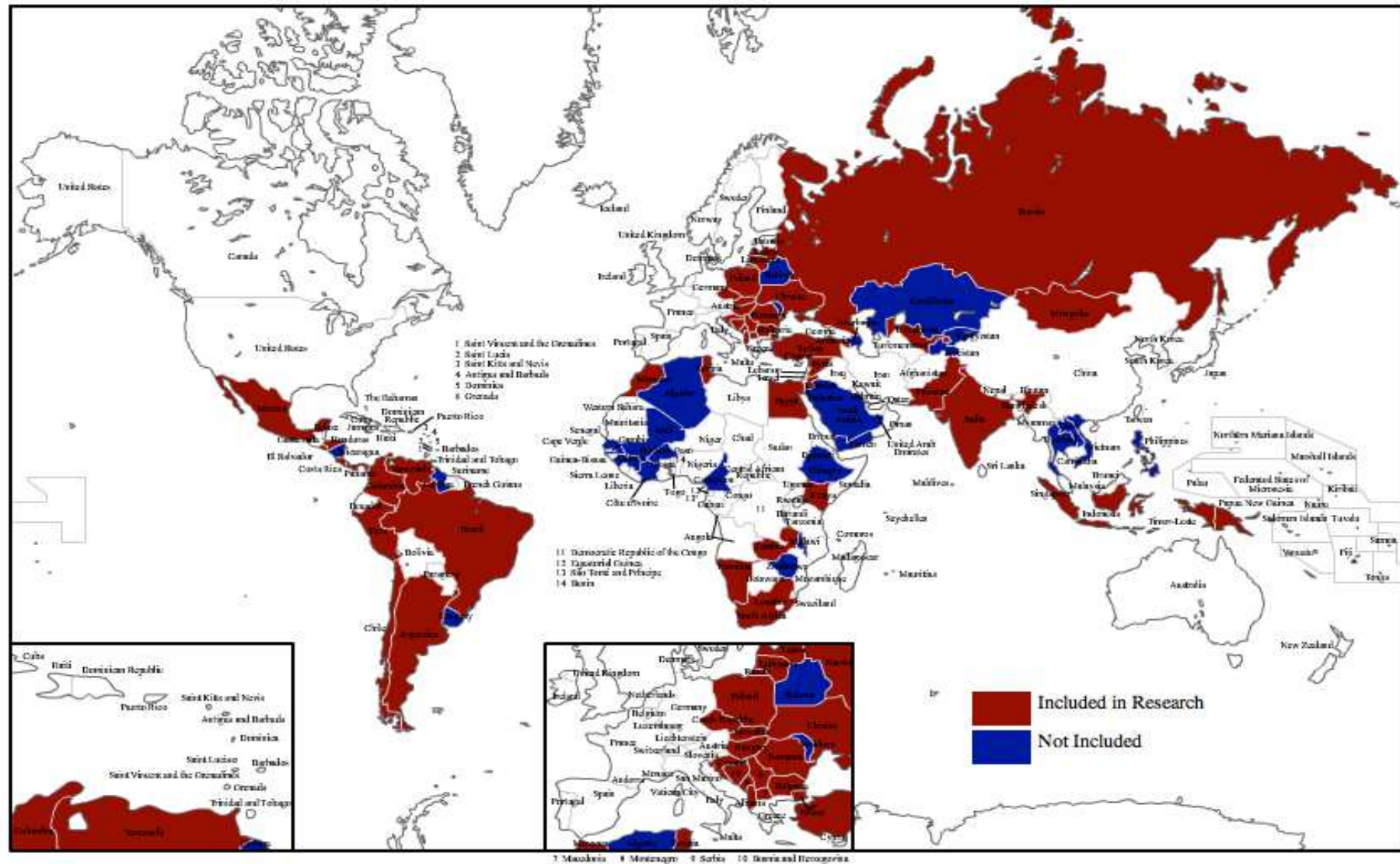
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Results: Do they Enforce?

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- Results show that **almost all countries do enforce their competition laws**
- **With varying intensities** across and within countries
- **Enforcement increases over time**
- **Only countries that have never enforced since adopting the law before 2007:**
 - India, Mauritius, Syria
- Many of the ready-made proxies and formal enforcement measurements are **not associated** with the data collected here
 - Mainly capture aspects of enforcement inputs
 - Challenges their ability to capture *all* antitrust enforcement as they often claim to do

Potential Enforcement: Budget and Staffing in Selected Countries

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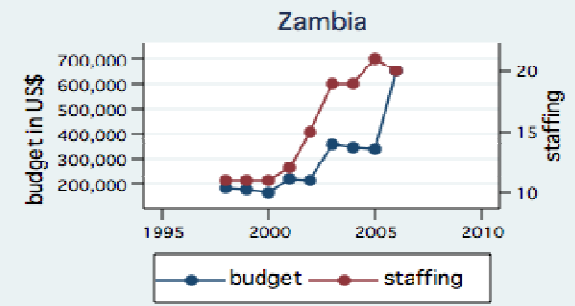
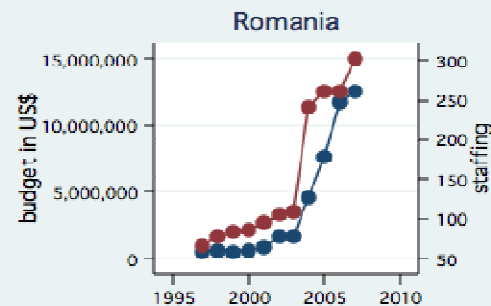
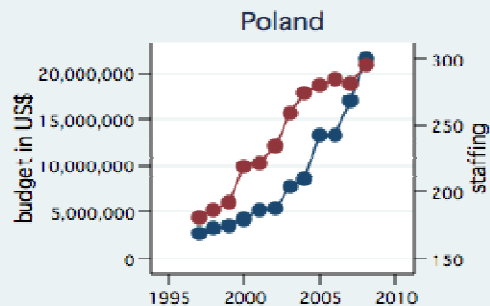
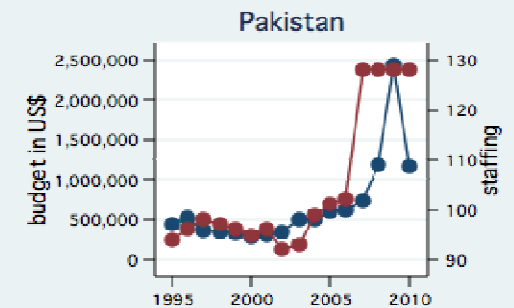
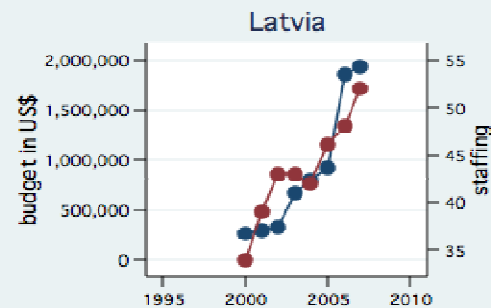
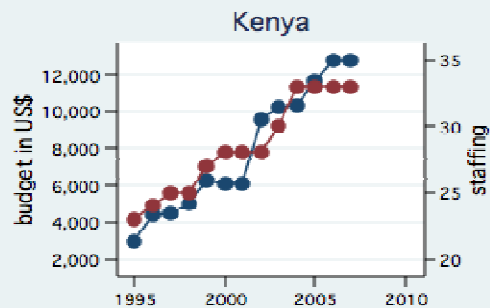
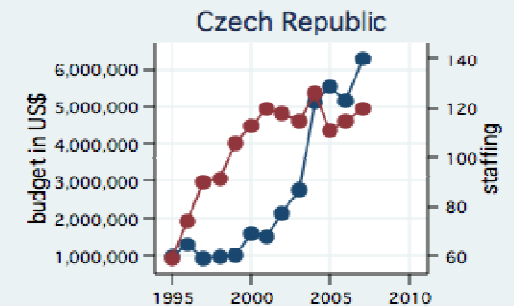
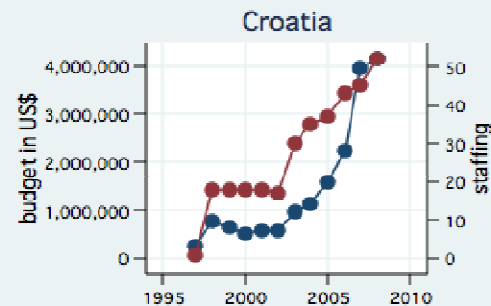
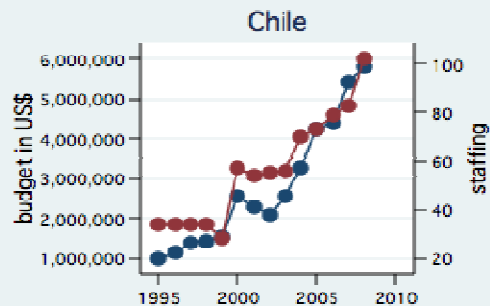
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Actual Enforcement: Output Activities in Selected Countries

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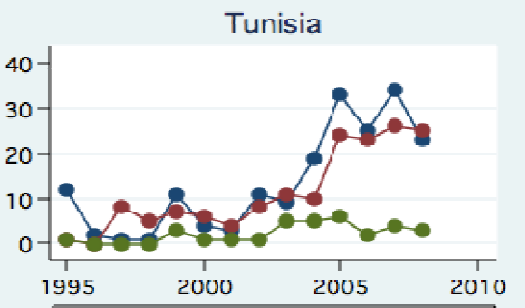
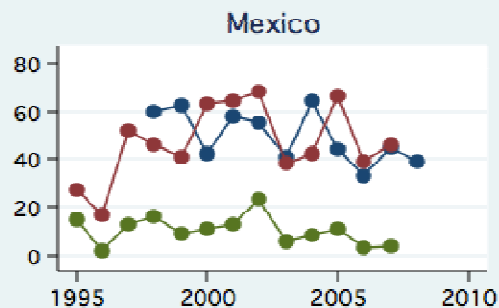
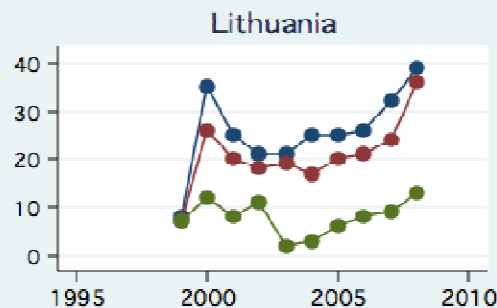
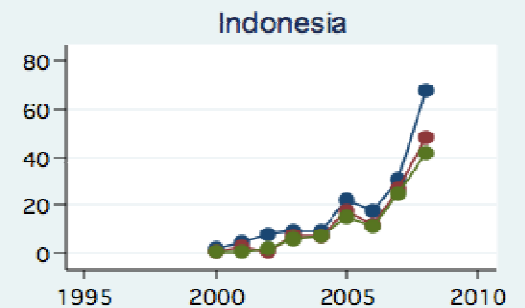
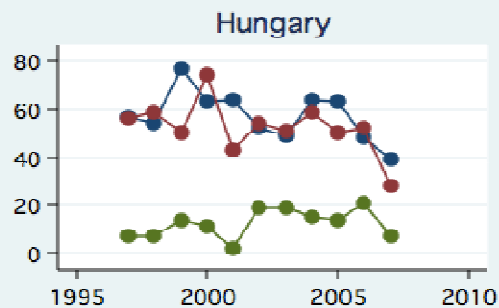
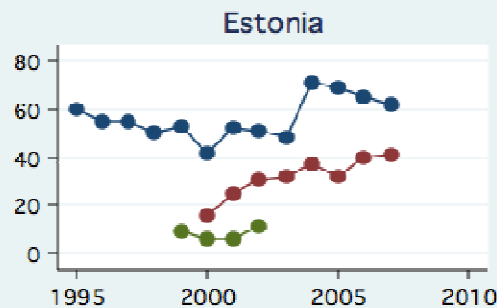
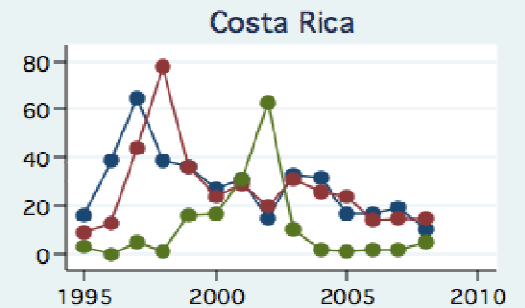
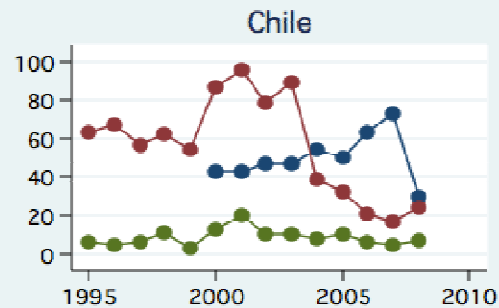
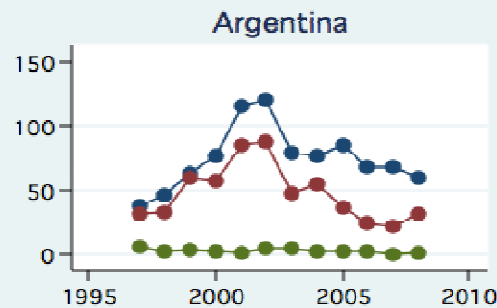
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● investigation ● decision ● conviction

Merger Enforcement in Selected Countries

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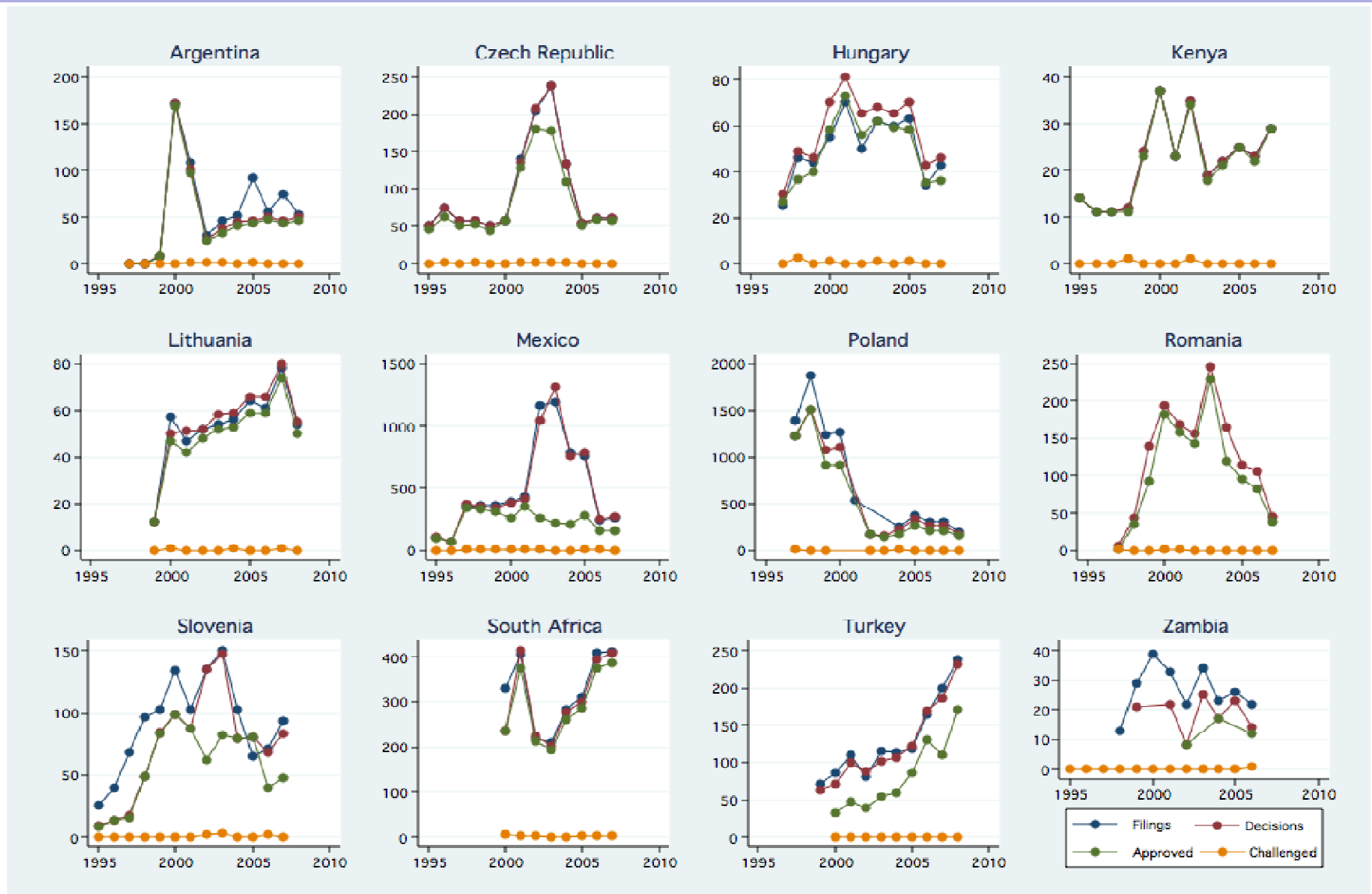
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Determinants of Antitrust Enforcement

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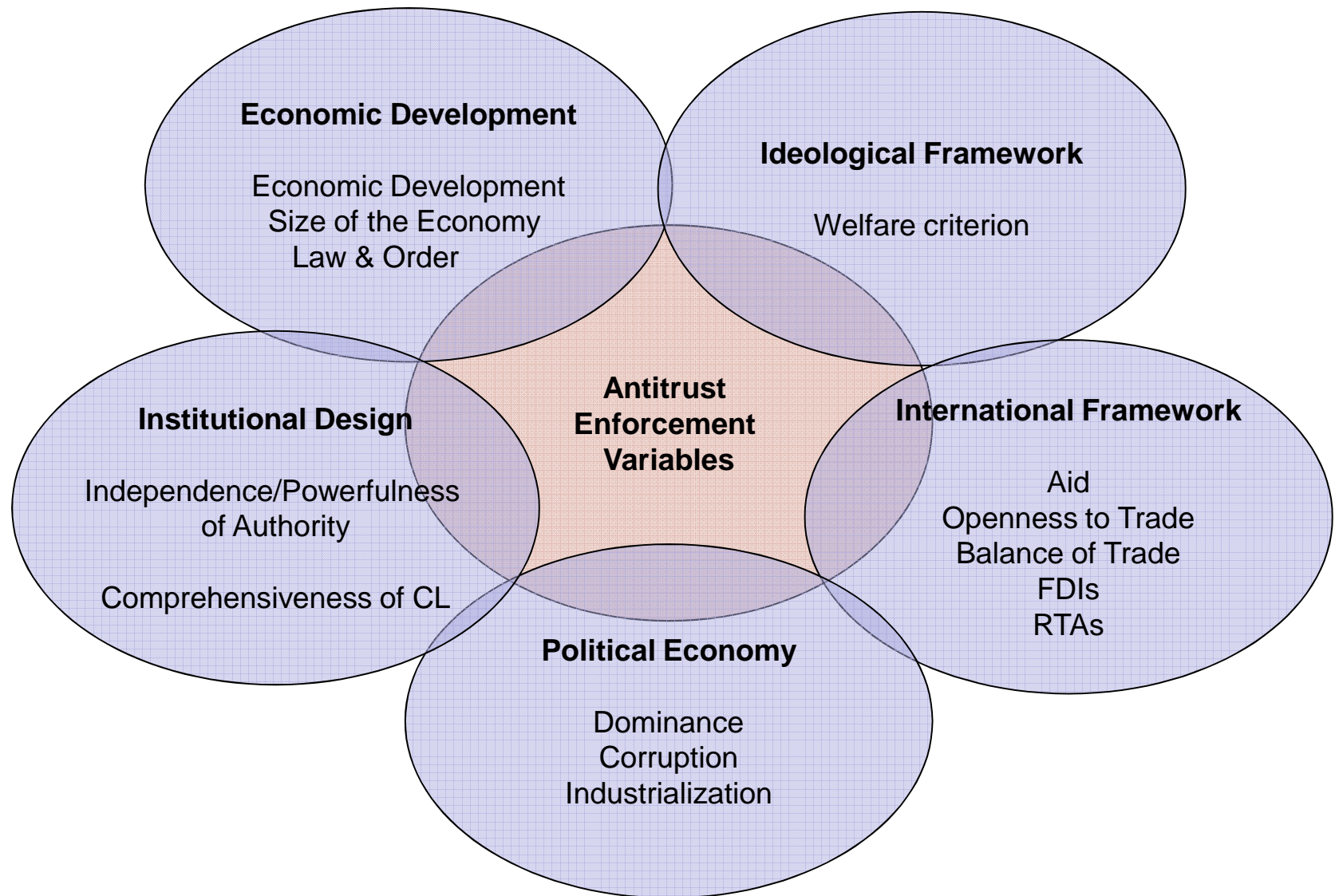
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- Investigate **why different enforcement dimensions vary**
 - What are necessary **prerequisites** for enforcement
- Chose 5 **paradigms** / frameworks to assess enforcement variation
- The different surrounding environment factors **affect the various aspects of enforcement differently**
- Knowing the determinants of enforcement can allow for a more **informed policy**
 - Allow **predictions** about future activities
 - Provide **certainty** of understanding

Paradigms to Assess Enforcement Variation



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Empirical Methodology

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- Discrete variables - **Poisson regression**
 - To account for over-dispersion in data
 - Use extension of the Poisson: **Negative Binomial Model** with country random effects

$$E(y_i | \mathbf{X}_i) = e^{(x_i \beta)} \quad (1)$$

- Continuous variables - **Random effects generalized least squares model** (GLS)

$$y_{it}^j = \alpha^j + \sum_k \mathbf{X}_{it-1}^{kj} \beta^{kj} + u_{it}^j \quad (2)$$

$$u_{it}^j = \lambda_t^j + \mu_i^j + \varepsilon_{it}^j \quad (3)$$

Empirical Methodology

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- Control for **year fixed effects**
- All independent variables are **lagged** to partly address the problem of **endogeneity** & allow for this year's factors to affect next year's enforcement
- Use robust standard errors to account for **heteroskedasticity** and **autocorrelation**
- All independent variables are tested for **multi-collinearity**
- Problem of direction of **causality** - at worst associations
- Alternative models are used to test **robustness** of results - fixed effects and population average models

Effects of Surrounding Environment on Intensity of Enforcement

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Expected Results

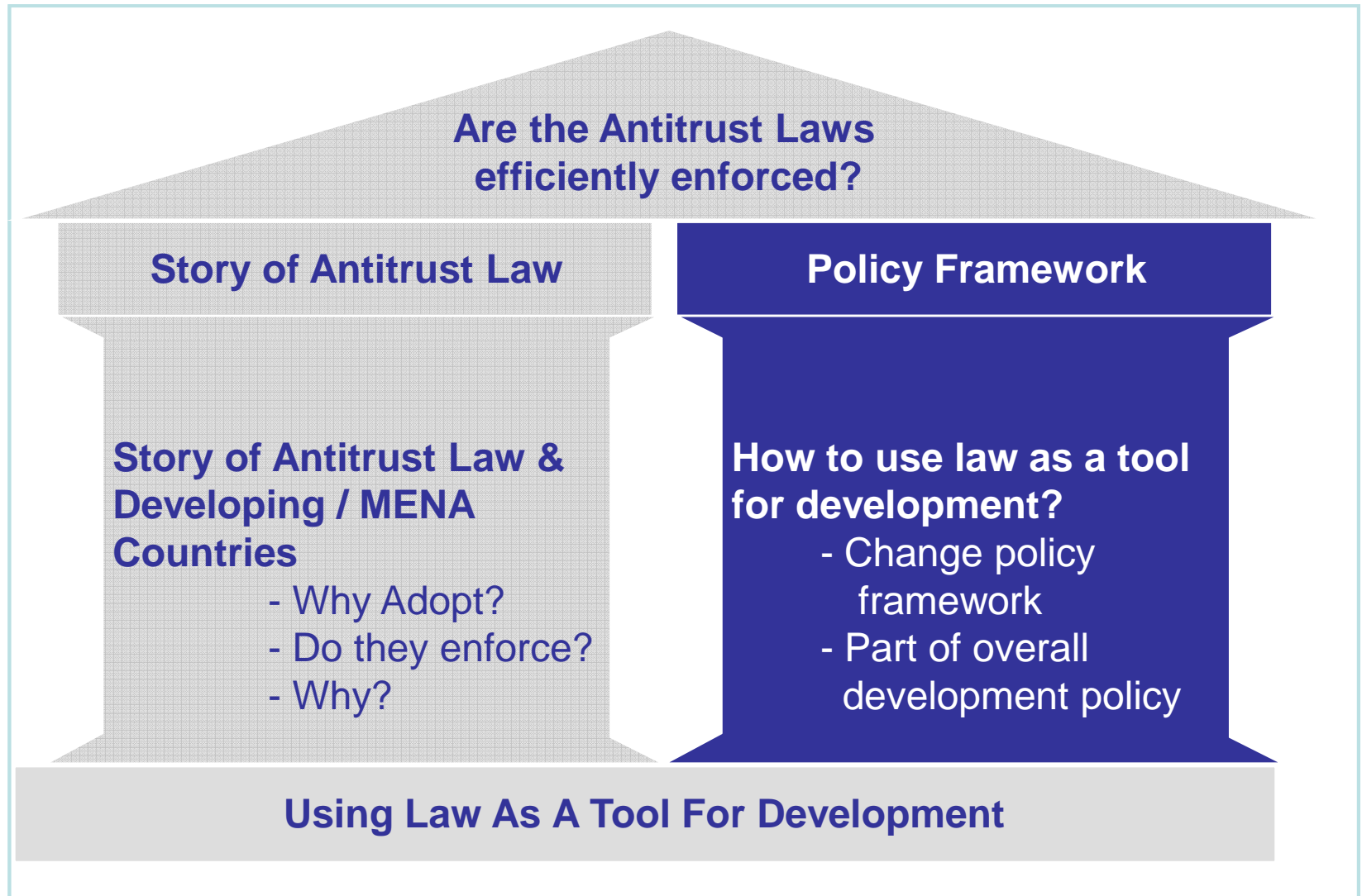
- **Economic development & size of economy** positively related to enforcement intensity
- High **corruption** leads to low enforcement
- **Agency independence & RTA membership** positive impact on enforcement intensity
- **Industrialization** is contrary to competition enforcement

Myth Busters

- **Trade** found to be a compliment to enforcement
- **Net exporters** found to spent more on enforcement
- Countries with higher **concentration** levels spend more on enforcement
- **Comprehensiveness of competition law** not significantly related to any enforcement variables

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Possible Goals of Antitrust Enforcement

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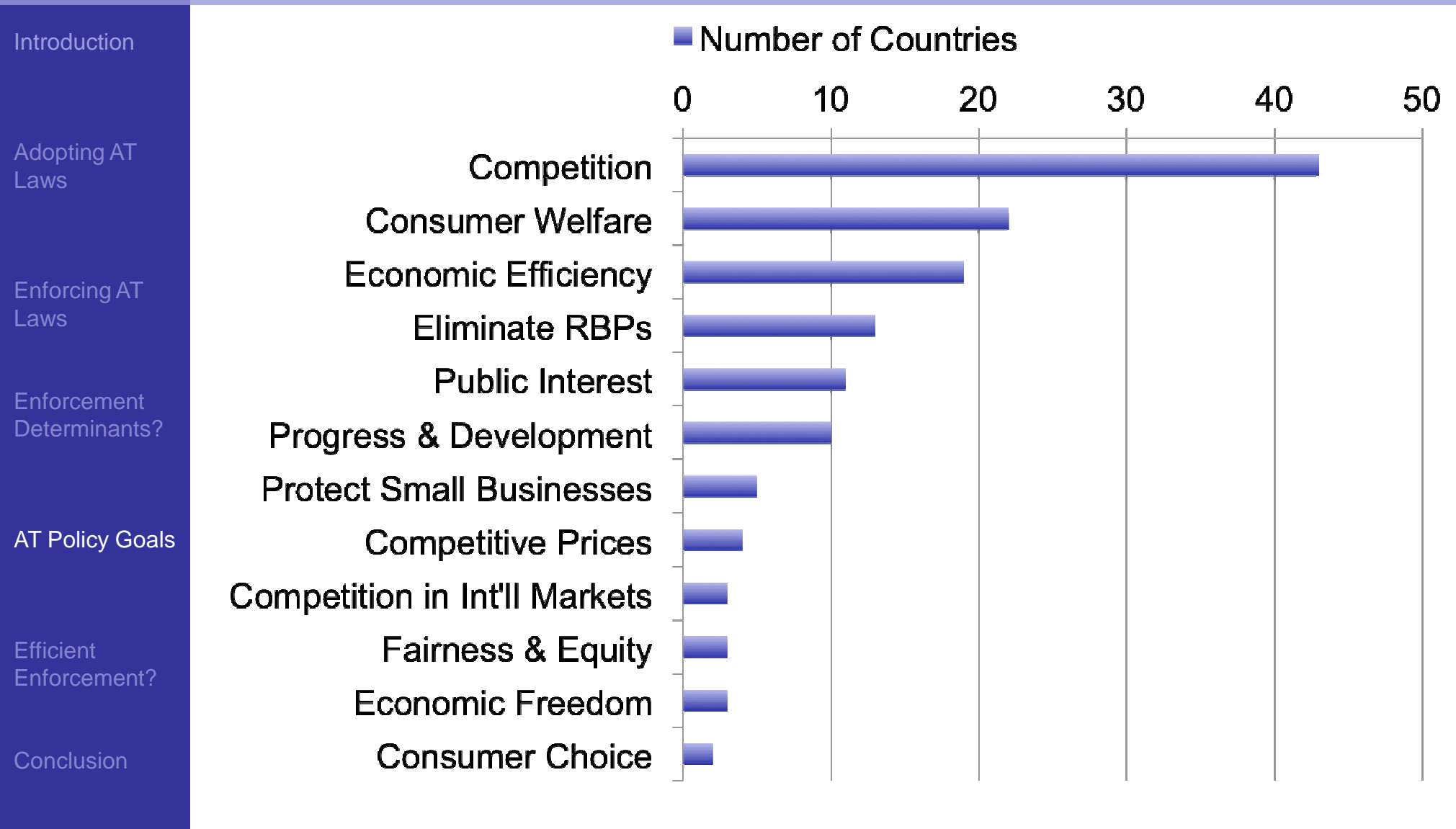
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- Efficiency-based goals
 - Allocative efficiency (Consumer welfare)
 - Producer efficiency (Producer welfare)
 - Economic efficiency (Total welfare)
 - Dynamic efficiency (Innovation / Growth)
- Non-efficiency-based goals
 - Protecting small businesses
 - International competitiveness / national champions
 - Reducing Poverty
 - Fairness, Equality & Justice

Goals Identified in Developing Countries Antitrust Laws



Goals that *should* guide Antitrust Enforcement in developing countries?

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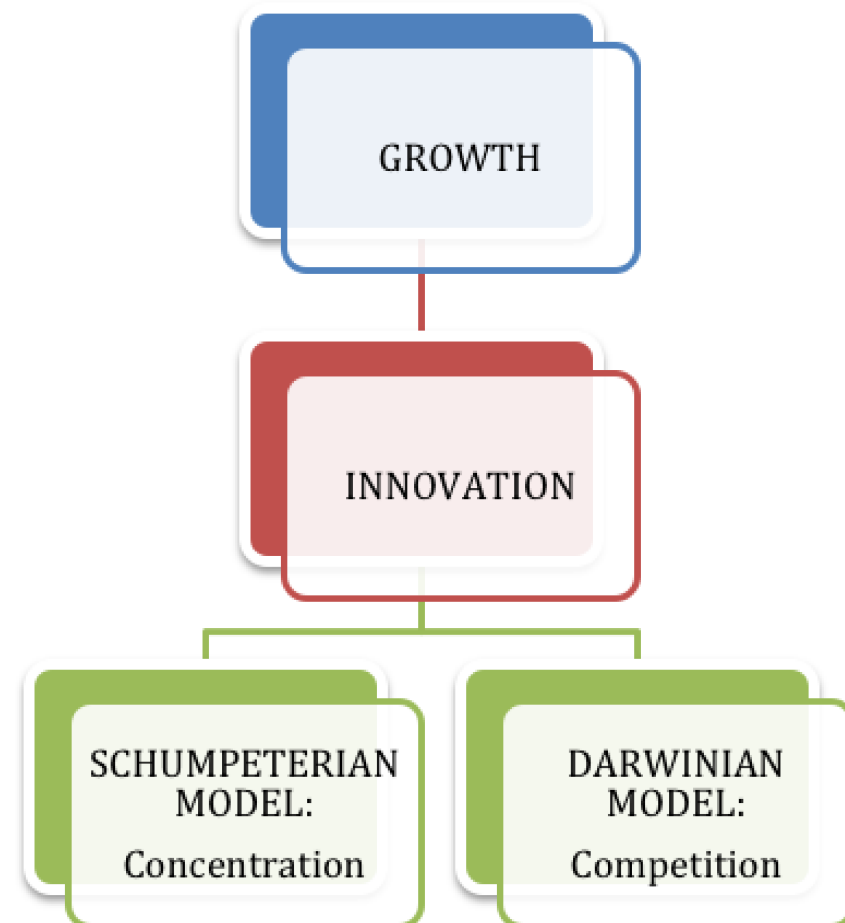
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- Break from mainstream antitrust policy
- Resurrect heterodox ideas
- Following what Fox called Spence Consensus: **Growth and Distribution**
- Amsden and Singh: **Industrialization and Growth**
- Porter and Brodley: **Growth and Innovation**
- Chosen goal (efficiency standard): **Growth and Redistribution as part of a broader development agenda**
 - Through state-guided dynamic growth instead of mainstream static efficiency free market approach

How to encourage innovation & growth: Competition or Concentration?

- Question at the **center** of much theoretical and empirical work
- Leading industrial organization and growth theory models in early 1990s predicted a **negative** relationship
 - Followed Joseph Schumpeter's theory
- Contrasted with studies showing that competition **encourages** innovation & growth
 - Darwinian competition arguments



Innovation and Growth as Yardstick for Efficiency

- Innovation & growth as policy aims for antitrust enforcement
- A yardstick for enforcement efficiency examination



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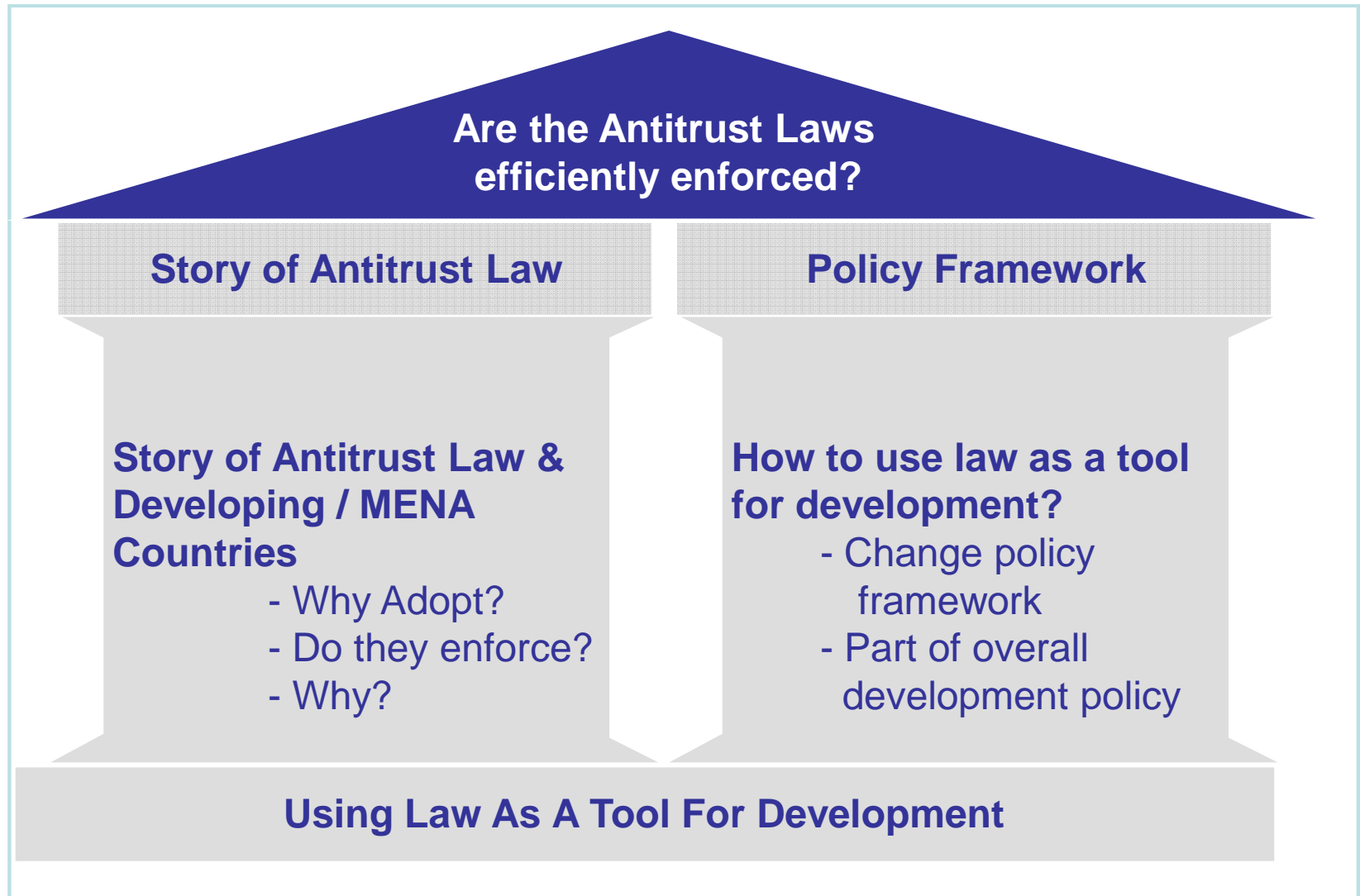
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Is Antitrust Enforcement Efficient?

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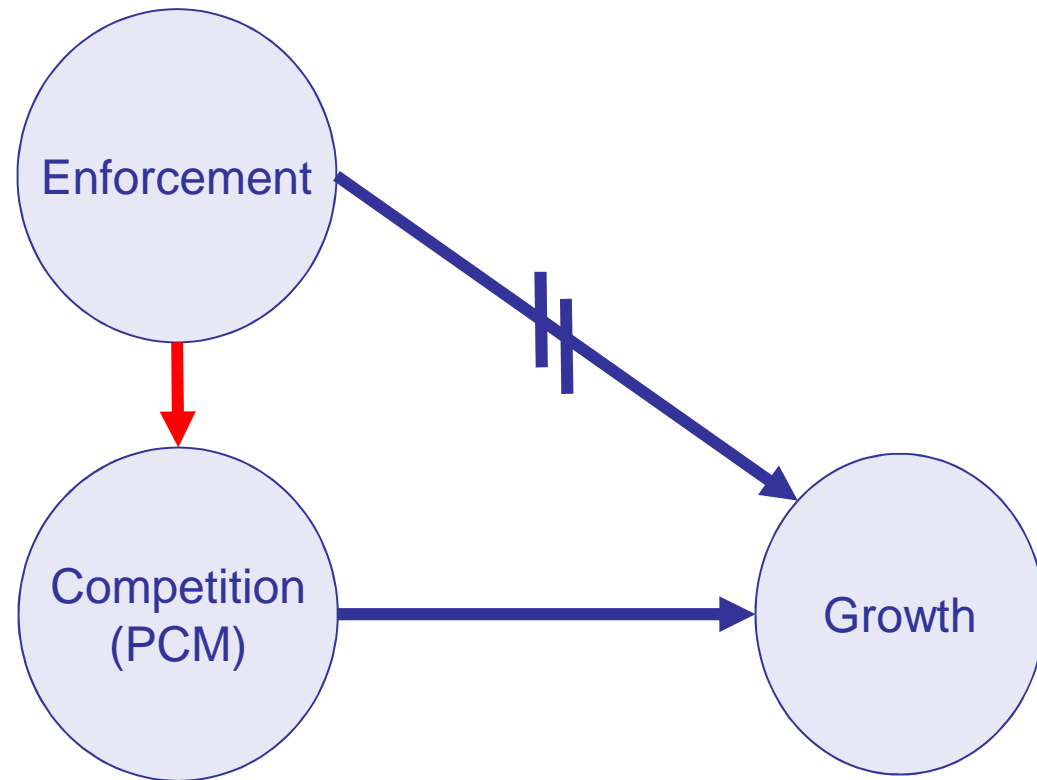
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- Effect of antitrust **enforcement** on **growth** in developing countries
- Measured using effect of **competition** on **growth**
 - Add empirical dimension to debate on Schumpeter vs. Darwin
- Then effect of **enforcement** on **competition**



Effect of Competition on Growth

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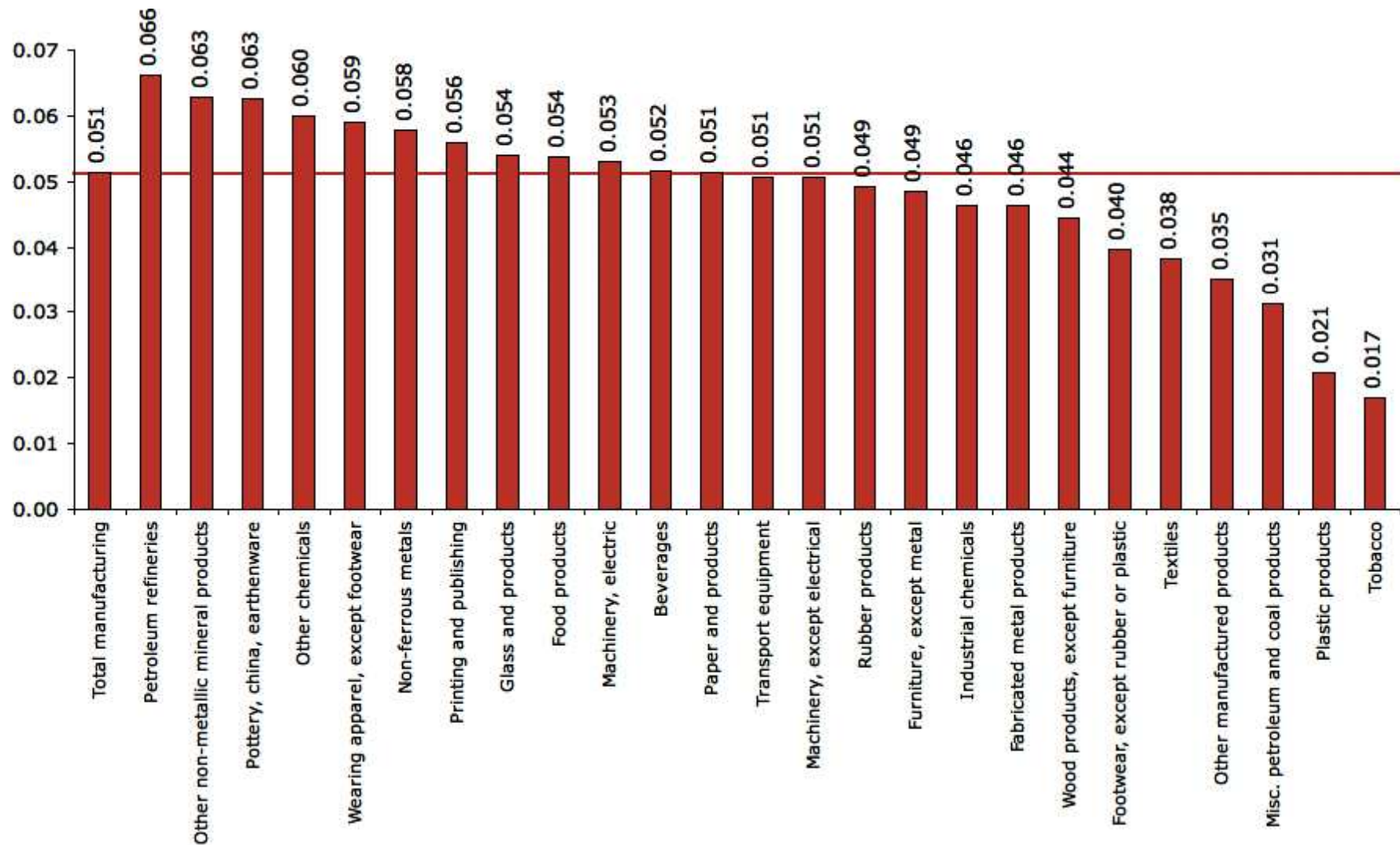
Conclusion

- Measuring Competition: $PCM = \frac{ValueAdded - TotalWages}{Output}$
(proxy of Lerner Index,
measure of surplus value or rents)
- Measuring Growth: $\Delta LP_{growth} = \ln\left(\frac{ValueAdded}{Employees}\right)_t - \ln\left(\frac{ValueAdded}{Employees}\right)_{t-1}$
- Data to calculate competition and growth:
 - **UNIDO's** INDSTAT4 2011 ISIC Rev.3 database containing 3-digit time series data for the period 1990 to 2008 for 127 countries and 24 industries - collected for 69 developing countries and for 20 developed countries
 - UNIDO's INDSTAT3 2006 Rev.2 dataset containing 3-digit level data for the period 1963-2006 for 180 countries and 28 industries - collected for 47 developing countries

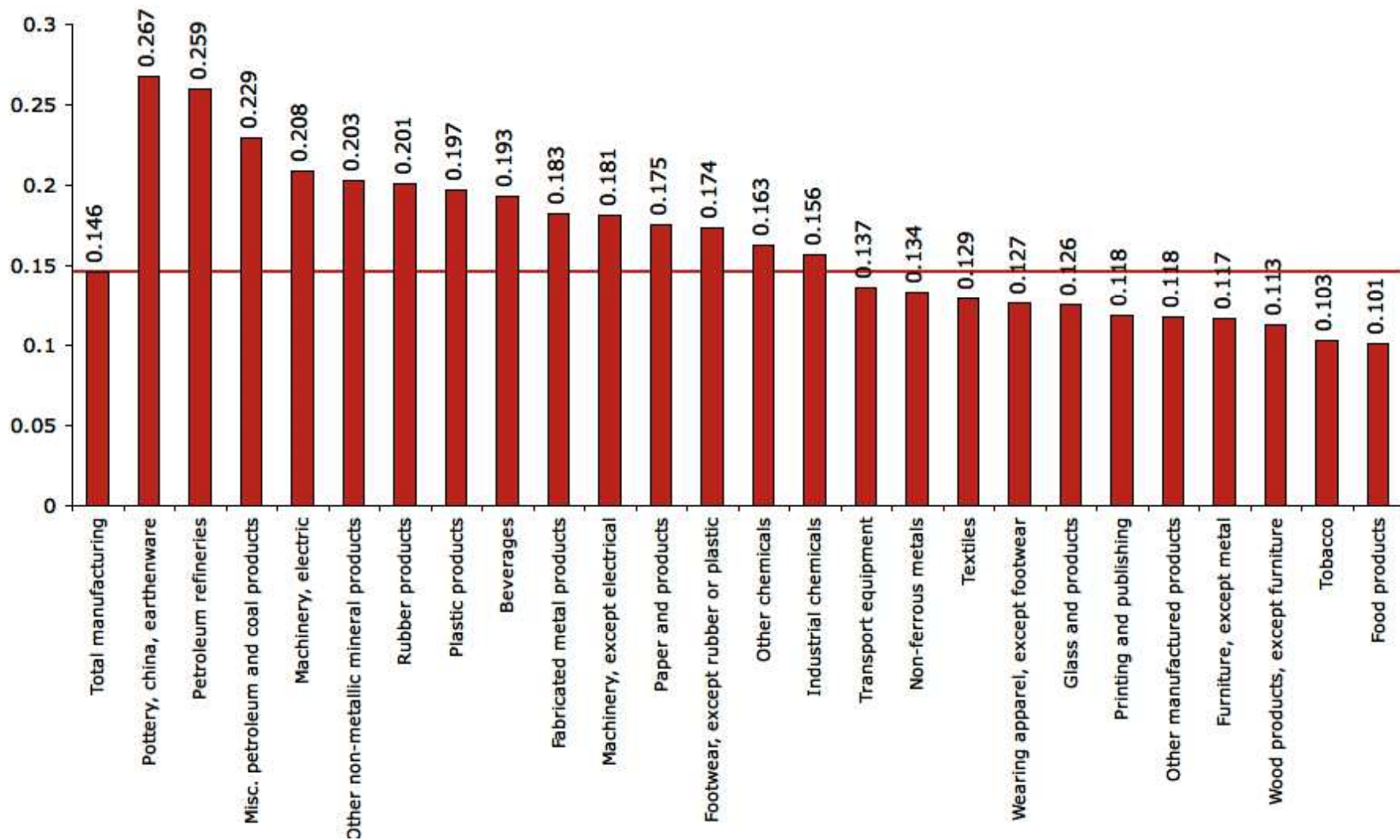
Data: Industries

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	Beverages	Rubber products
	Tobacco	Plastic products
Enforcing AT Laws	Textiles	Pottery, china, earthenware
	Wearing apparel, except footwear	Glass and products
Enforcement Determinants?	Leather products	Other non-metallic mineral products
	Footwear, except rubber or plastic	Iron and steel
	Wood products, except furniture	Non-ferrous metals
AT Policy Goals	Furniture, except metal	Fabricated metal products
	Paper and products	Machinery, except electrical
Efficient Enforcement?	Printing and publishing	Machinery, electric
	Industrial chemicals	Transport equipment
Conclusion	Other chemicals	Professional & scientific equipment
	Petroleum refineries	Other manufactured products

Egyptian Manufacturing Industries (1964-1996): Average Labor Productivity Growth Rates



Egyptian Manufacturing Industries (1964-1996): Average Price Cost Margin



Egyptian Manufacturing Industries (1964-1996): Two-way interaction between Margins and Productivity Growth

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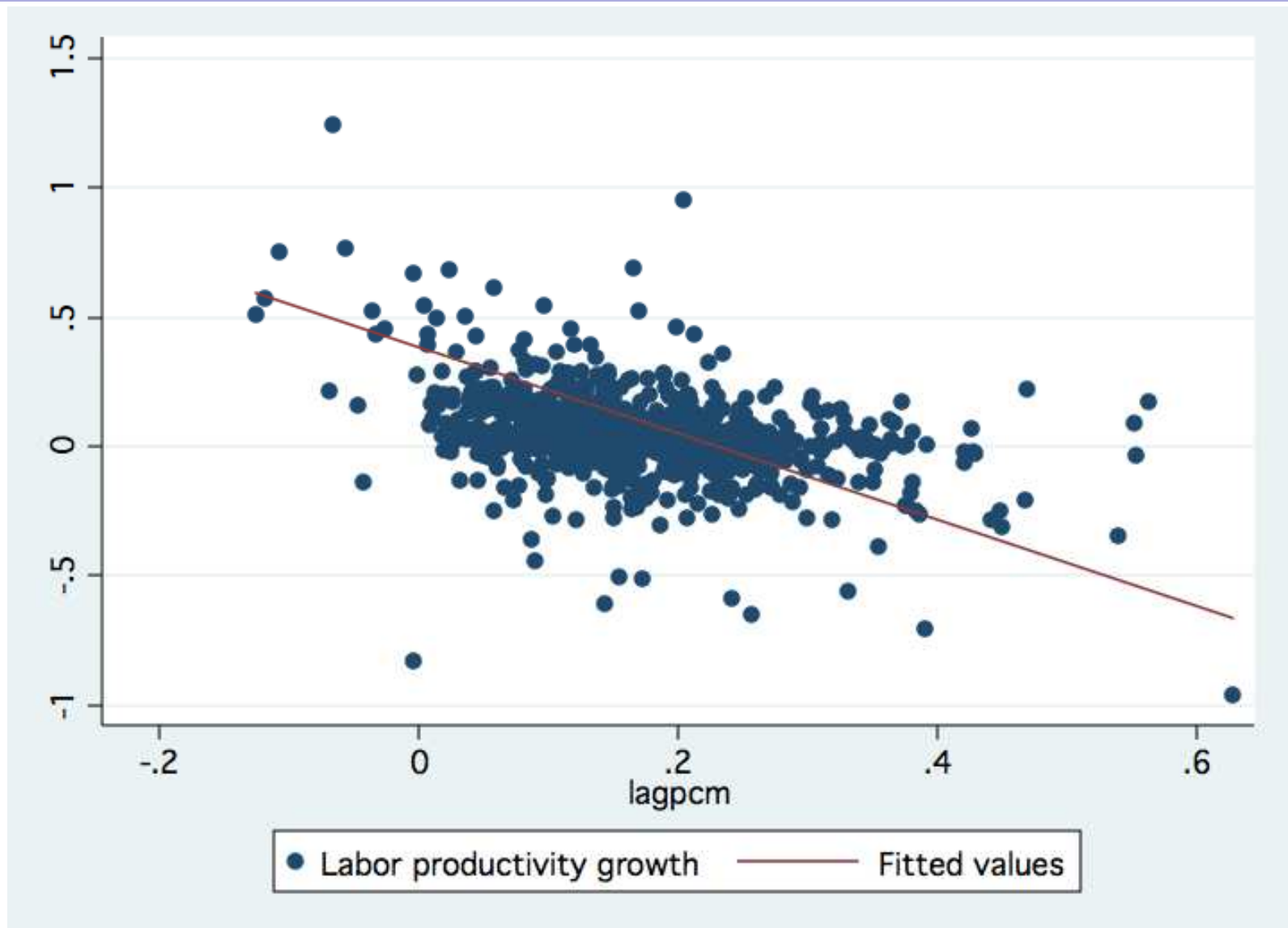
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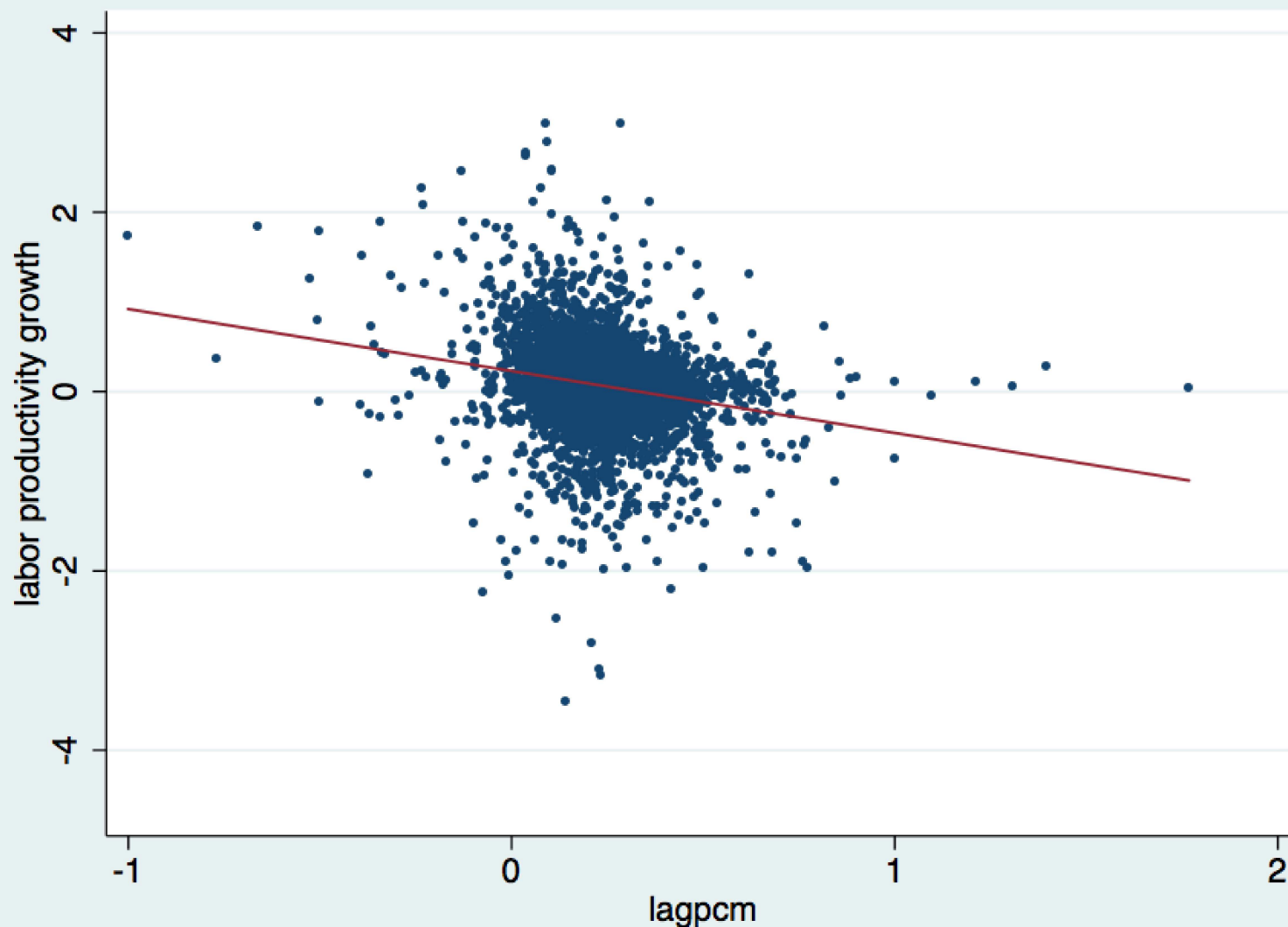
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Effect of Competition on Growth: Two-way interaction between Margins and Productivity Growth in 69 Developing Countries (1990 – 2008)



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Effect of Competition on Growth

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- Empirical methodology to test the effect of competition on growth:

$$LPgrowth_{jit} = \alpha + \beta PCM_{jit-1} + I_j + I_i + I_t + \varepsilon_{jit}$$

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- To **test for inverted U-shaped graph** add a quadratic term (the square of PCM) to the right hand side of the equation
- Use country, industry and time **fixed effects** to control for unobserved factors that may be correlated with growth
- To partially address **endogeneity** problem lag PCM by one year
- Use **robust errors**, errors **clustered** at the country and then at country *and* industry - this is robust to **heteroskedasticity**
- Results might suffer from **reverse causality** - Aghion found using instruments the growth is affected by the margins to a large extent and not the other way round
- If competition spurs innovation and growth, the β coefficients should be negative

Margins and Growth in 69 Developing Countries testing for Non-Linear Relationships (UNIDO's INDSTAT4 2011, 1990-2008)

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Dependent Variable: Labor Productivity Growth				
	[1]	[2]	[3]	[4]
Price Cost Margin $t-1$	-1.120 (0.189)***	-1.145 (0.189)***	-1.310 (0.213)***	-1.310 (0.248)***
(Price Cost Margin $t-1$) ²	0.484 (0.227)**	0.517 (0.226)**	0.523 (0.256)**	0.523 (0.299)*
Constant	0.075*** [0.006]	0.114*** [0.018]	0.245*** [0.044]	0.244*** [0.046]
Country fixed effects	Yes	Yes	Yes	Yes
Year fixed effects	No	Yes	Yes	Yes
Industry fixed effects	No	No	Yes	Yes
Observations	6,799	6,799	6,799	6,799
R-squared	0.11	0.15	0.16	0.16

Notes: Significance levels: * $p < 0.1$; ** $p < 0.05$; *** $p < 0.01$.

Errors in brackets are clustered at the country level, except for column [4] where the errors are clustered at both the country and industry levels.

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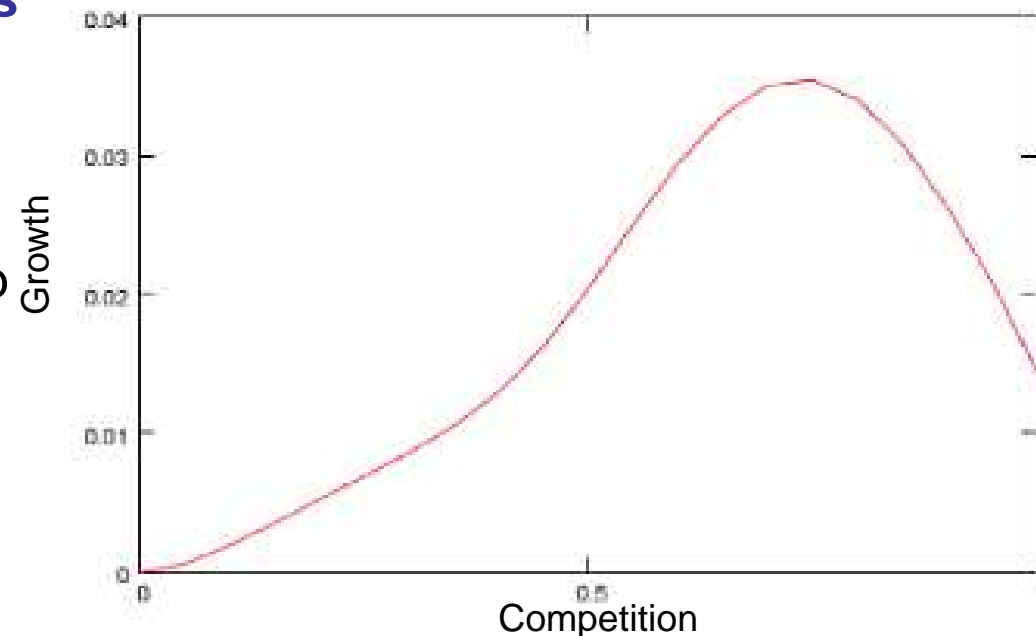
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- In all developing countries studied **competition furthers growth**
- **Inverted-U** shaped relationship
- Supports **Darwinian** claim up to a certain point when **Schumpeter's** arguments prevail
- Initially, competition is important in breaking up **entrenched local elite's power** over means of production



**Need state-guided market
place to assure balance**

Results

- **Problematic** to directly interpret the coefficients from regression Table
- Given that the values of the margins are **logged** while the **nominal** values of the labor productivity growth rates are used
- Use alternative methodology to quantify the impact of margins on labor productivity growth, namely calculating the **marginal effects or partial effects**
- When the mean margin of 0.22 increases by **10%**, labor productivity growth decreases by **2.29%** per year
- The magnitude is extremely **large**

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Results

- If e.g. Egypt would introduce **reforms** that would decrease the margins by 10%, we can expect to see an increase in growth from the mean of **4.8% to 6.4%**
- This is a large increase in growth that would be very welcome for a country that is struggling in every way to increase **its growth trajectory**

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Effect of Antitrust Enforcement on Competition

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Conclusion

- Measuring Antitrust Enforcement using **my database** for 40 developing countries:
- Created **dummy (binary)** variables for:
 - Adopting a competition law
 - Setting up an antitrust authority
 - Initiating the first investigation
 - Imposing the first sanction
 - Starting of their merger review
 - Refusing the first filed merger

Effect of Enforcement on Competition

- Empirical Methodology:

$$PCM_{jit} = \alpha + \beta ATV_{jit-1} + I_j + I_i + I_t + \varepsilon_{jit}$$

- **Results:**

- **No significant relationship** is found between furthering competition and any of the antitrust variables, except for **imposing sanctions**
- Only enforcing sanctions sends a **clear message** that antitrust is being enforced
- **Only this activity is efficient** in increasing competition levels and thus innovation and growth
- Reaffirms **a need to change enforcement policy** goals as current enforcement fails to achieve desired outcome

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Conclusion & Policy Recommendations

Introduction

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Conclusion

- Using competition law to aim for **growth and development** instead of static goals
- Competition important for growth, but **not in absolute terms**
- Some sectors need **higher** levels of **concentration**
- Importance of **lowering corruption, agency independence**
- Much to gain from **regional cooperation**:
 - UNCTAD competition & consumer protection program
 - GCC initiative to develop “Standard GCC Competition & Anti-Monopoly Law”
 - IMF & OECD include laundry list of recommendations
- Need to channel enforcement to **encourage competition**
- **Political** decision to appropriate law for economic development ends

The slide features a decorative design with a vertical dark blue bar on the left and a horizontal light purple bar at the top. The text "Thank You!" is centered in the white space.

Thank You!

Results: Enforcement Inputs/Potential

	Budgets					Staffing				
	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]
Log of GDP per Capita	0.571*** [0.178]	0.573*** [0.183]	0.411** [0.208]	0.274 [0.210]	0.216 [0.229]	-0.446*** [0.134]	-0.470*** [0.140]	-0.456*** [0.166]	-0.634*** [0.148]	-0.661*** [0.169]
Log of GDP	0.557*** [0.142]	0.551*** [0.147]	0.684*** [0.173]	0.693*** [0.150]	0.733*** [0.148]	0.479*** [0.114]	0.491*** [0.119]	0.430*** [0.159]	0.619*** [0.128]	0.546*** [0.144]
Law and Order	-0.01 [0.049]	-0.011 [0.049]	-0.03 [0.050]	-0.002 [0.073]	0.002 [0.084]	0.009 [0.032]	0.006 [0.032]	-0.011 [0.031]	-0.023 [0.041]	-0.038 [0.038]
Consumer Welfare		-0.247 [0.400]	-0.291 [0.470]	-0.49 [0.358]	-0.337 [0.290]		-0.514 [0.315]	-0.483 [0.400]	-0.657** [0.302]	-0.582* [0.298]
Log of Aid			-0.059 [0.048]	-0.046 [0.053]	-0.026 [0.050]			-0.038 [0.028]	-0.044 [0.029]	-0.042 [0.028]
Imports as a % of GDP			0.015** [0.006]	0.003 [0.009]	0.011 [0.007]			0.006* [0.003]	0.009* [0.005]	0.006 [0.005]
Net Trade			0.003 [0.003]	0.008** [0.004]	0.009** [0.003]			0.005* [0.003]	0.005 [0.004]	0.003 [0.004]
Log of net of FDIs			0.025 [0.028]	0.068 [0.046]	0.081 [0.051]			0.009 [0.019]	-0.008 [0.026]	-0.009 [0.025]
RTA membership			-0.138 [0.460]	0.013 [0.368]	-0.289 [0.322]			0.388 [0.388]	0.448 [0.302]	0.144 [0.327]
Dominance				-0.138* [0.077]	-0.058 [0.080]				-0.011 [0.050]	-0.002 [0.054]
Corruption				-0.105* [0.060]	-0.137* [0.072]				0.074** [0.034]	0.074** [0.036]
Industrialization as a % of GDP				-0.019 [0.015]	-0.016 [0.018]				-0.017* [0.010]	-0.026** [0.010]
Agency Independence					0.735* [0.386]					0.623 [0.459]
Comprehensiveness of Competition Law					0.07 [0.061]					0.151*** [0.051]

Results: Enforcement Outputs

	Sanctions					Investigations					Decisions					Convictions				
	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]
Log of GDP per Capita	0.774 [0.515]	0.417 [0.345]	-0.135 [0.559]	-0.491 [0.879]	-0.037 [0.871]	0.038	0.056	0.009	-0.238	-0.046	0.306*** [0.103]	0.320*** [0.109]	0.468*** [0.145]	0.656*** [0.171]	0.554*** [0.211]	-0.065 [0.175]	-0.07 [0.177]	-0.343 [0.222]	-0.465 [0.316]	-0.266 [0.391]
Log of GDP	1.284*** [0.330]	1.417*** [0.198]	1.648*** [0.343]	1.966*** [0.534]	1.796*** [0.619]	0.164** [0.078]	0.161** [0.078]	0.113 [0.139]	0.154 [0.190]	-0.062 [0.212]	0.024 [0.074]	0.022 [0.074]	-0.193* [0.113]	-0.538*** [0.146]	-0.464** [0.161]	0.296*** [0.101]	0.294*** [0.102]	0.323* [0.174]	0.460* [0.246]	0.392 [0.270]
Law and Order	-0.297 [0.292]	0.012 [0.249]	-0.321 [0.311]	-0.395 [0.409]	-0.538 [0.444]	-0.056 [0.066]	-0.059 [0.066]	-0.036 [0.061]	0.054 [0.074]	0.038 [0.079]	-0.032 [0.063]	-0.033 [0.064]	-0.082 [0.058]	-0.034 [0.072]	0.057 [0.085]	0.181** [0.079]	0.183** [0.080]	0.103 [0.083]	0.037 [0.106]	0.022 [0.123]
Consumer Welfare		1.341*** [0.379]	1.096** [0.476]	0.638 [0.693]	0.456 [0.643]		0.112 [0.202]	-0.152 [0.217]	-0.888*** [0.302]	-0.823*** [0.317]		0.067 [0.180]	-0.043 [0.205]	-0.121 [0.283]	-0.214 [0.298]		-0.098 [0.262]	-0.329 [0.339]	-1.094** [0.485]	-0.917* [0.488]
Log of Aid			0.176 [0.228]	0.456* [0.252]	0.298 [0.266]			-0.06 [0.060]	-0.087 [0.063]	-0.015 [0.073]			-0.016 [0.056]	0.016 [0.067]	0.042 [0.075]			-0.021 [0.086]	-0.182 [0.127]	-0.1 [0.166]
Imports as a % of GDP			0.038** [0.016]	0.047* [0.025]	0.043 [0.028]			-0.008 [0.007]	-0.008 [0.009]	-0.012 [0.009]			-0.022*** [0.007]	-0.031*** [0.009]	-0.027*** [0.009]			-0.011 [0.009]	-0.011 [0.011]	-0.006 [0.012]
Net Trade			0.024 [0.048]	0.054 [0.070]	0.064 [0.068]			0.005 [0.006]	0.005 [0.005]	0.005 [0.006]			-0.007 [0.006]	-0.009 [0.008]	0.003 [0.009]			0.001 [0.008]	0.013 [0.011]	0.029** [0.013]
Log of net of FDIs			-0.048 [0.245]	-0.126 [0.267]	0.114 [0.285]			0.071* [0.042]	0.043 [0.044]	0.045 [0.044]			0.017 [0.043]	0.026 [0.049]	0.04 [0.051]			0.022 [0.057]	0.001 [0.080]	0.035 [0.093]
RTA membership			0.47 [0.561]	-0.254 [0.703]	0.019 [0.856]			1.166*** [0.206]	0.970*** [0.283]	0.626* [0.322]			1.157*** [0.190]	1.293*** [0.266]	1.043*** [0.292]			1.125*** [0.341]	0.526 [0.464]	0.346 [0.549]
Dominance				0.185 [0.426]	0.308 [0.417]				-0.037 [0.106]	-0.007 [0.106]				0.058 [0.108]	0.046 [0.107]				0.044 [0.143]	-0.005 [0.150]
Corruption				0.626 [0.577]	0.044 [0.580]				0.150** [0.063]	0.129* [0.070]				-0.103 [0.070]	-0.031 [0.075]				0.084 [0.082]	0.14 [0.097]
Industrialization as a % of GDP				-0.108 [0.068]	-0.06 [0.060]				-0.048*** [0.017]	-0.047** [0.020]				0.028 [0.018]	0.024 [0.018]				-0.034 [0.023]	-0.022 [0.024]
Agency Independence					1.664*** [0.644]					0.013 [0.486]					-0.192 [0.376]					0.04 [0.636]
Comprehensiveness of Competition Law					-0.197* [0.119]					0.083 [0.059]					0.011 [0.043]					-0.031 [0.097]

Results: Merger Enforcement

	Mergers Filed					Mergers Decided					Mergers Approved				
	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]	[1]	[2]	[3]	[4]	[5]
Log of GDP per Capita	0.04 [0.168]	0.1 [0.173]	-0.018 [0.207]	0.028 [0.260]	0.148 [0.224]	-0.099 [0.178]	-0.071 [0.185]	-0.05 [0.211]	0.463 [0.320]	0.325 [0.277]	-0.355* [0.182]	-0.274 [0.196]	-0.55** [0.236]	-0.199 [0.366]	-0.132 [0.339]
Log of GDP	-0.4*** [0.123]	-0.4*** [0.128]	-0.32** [0.163]	0.245 [0.251]	-0.32 [0.227]	-0.123 [0.106]	-0.137 [0.110]	-0.35** [0.171]	-0.67** [0.319]	-0.520* [0.286]	0.13 [0.106]	0.086 [0.114]	0.314* [0.177]	0.251 [0.322]	0.084 [0.306]
Law and Order	-0.082 [0.076]	-0.106 [0.075]	-0.075 [0.077]	-0.015 [0.099]	0.061 [0.074]	-0.065 [0.082]	-0.076 [0.085]	-0.108 [0.087]	-0.118 [0.112]	-0.014 [0.107]	-0.162* [0.088]	-0.197** [0.093]	-0.183* [0.101]	-0.131 [0.121]	-0.047 [0.096]
Consumer Welfare		0.43 [0.290]	0.739** [0.349]	-0.638 [0.515]	0.825** [0.410]		0.138 [0.256]	-0.056 [0.297]	-0.636 [0.451]	-0.28 [0.443]		0.321 [0.273]	0.028 [0.317]	-0.215 [0.438]	-0.244 [0.447]
Log of Aid			-0.078 [0.079]	-0.079 [0.090]	-0.047 [0.062]			-0.057 [0.079]	-0.06 [0.088]	-0.018 [0.072]			0.024 [0.087]	-0.042 [0.094]	-0.022 [0.081]
Imports as a % of GDP			0.012 [0.007]	0.014 [0.011]	-0.014 [0.010]			0.014* [0.008]	0.001 [0.012]	-0.015 [0.013]			0.03*** [0.009]	0.03*** [0.011]	0.01 [0.012]
Net Trade			-0.014 [0.011]	-0.003 [0.010]	-0.007 [0.005]			-0.03*** [0.009]	-0.017* [0.010]	-0.008 [0.008]			-0.015 [0.010]	-0.014 [0.011]	-0.012* [0.007]
Log of net of FDI's			-0.032 [0.045]	-0.03 [0.064]	-0.027 [0.039]			0.04 [0.051]	0.051 [0.054]	0.037 [0.045]			0.034 [0.052]	0.022 [0.053]	0.026 [0.049]
RTA membership			-0.178 [0.365]	-0.882* [0.461]	0.155 [0.461]			-0.296 [0.393]	-1.330** [0.597]	-0.935* [0.558]			-0.168 [0.331]	-0.887* [0.482]	-0.424 [0.591]
Dominance				0.154 [0.157]	0.103 [0.079]				-0.056 [0.123]	-0.005 [0.090]				-0.151 [0.130]	-0.087 [0.097]
Corruption				0.29*** [0.094]	0.099* [0.057]				0.017 [0.088]	0.019 [0.078]				0.204** [0.089]	0.124* [0.072]
Industrialization as a % of GDP				-0.07*** [0.023]	-0.09*** [0.018]				-0.07*** [0.026]	-0.08*** [0.023]				-0.07*** [0.026]	-0.08*** [0.023]
Agency Independence					4.14*** [0.581]					2.79*** [0.516]					2.58*** [0.455]
Comprehensiveness of Competition Law					-0.043 [0.079]					-0.025 [0.143]					-0.046 [0.136]