Indian Economy · GS - II

Discuss the role of the Competition Commission of India in containing the abuse of dominant position by the Multi-National Corporations in India. Refer to the recent decisions.

EXAM YEAR	PAPER	SUBJECT
2023	GS - II	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Competition law does not punish size or dominance per se; it prevents dominant firms from exploiting market power through exclusionary or unfair practices, thereby protecting competition, consumers and innovation.

Model Answer

Introduction

The Competition Commission of India (CCI), established under the Competition Act, 2002, seeks to ensure fair competition and prevent practices that adversely affect competition. Its role is particularly important in regulating powerful multinational corporations (MNCs).

Body

Role of CCI

Preventing abuse of dominance: Section 4 prohibits practices such as unfair or discriminatory conditions, predatory pricing, denial of market access and leveraging dominance in one market to enter another.

Investigations: The CCI can order investigations into alleged anti-competitive conduct and impose penalties where violations are established.

Consumer protection: By preventing exclusionary practices, it promotes competitive prices, quality and consumer choice.

Digital markets: The CCI has increasingly scrutinised technology companies whose network effects, data advantages and platform control can create substantial market power.

Recent Decisions

The **Google Android matter** demonstrated CCI's willingness to scrutinise practices of global technology companies involving app ecosystems, licensing conditions and market dominance. The CCI also examined Google's conduct concerning online advertising and imposed a penalty for abuse of dominant position.

Such cases illustrate that MNCs are subject to Indian competition law despite their global scale.

Limitations

Digital markets evolve rapidly, investigations can be complex and penalties alone may not adequately address structural advantages arising from data and network effects.

Conclusion

CCI acts as an important institutional check against the misuse of market power. Its effectiveness will depend on **timely enforcement, economic expertise and regulation capable of addressing emerging digital-market practices without discouraging innovation.**

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