

Collusion commerce

Monopolies days are numbered

IN any way of seeing, economics is about choices. But monopolies make such choices impossible. Call it the sole provider problem. The government's move to end monopolies is therefore a welcome step. But the road to a market without them isn't going to be an easy one. Breaking up monopolies is easy, but righting all the wrongs of the monopolies will be a challenge. Consider a sole provider problem. Puspakom, a vehicle inspection centre and the sole company appointed by the government in 1994 to conduct mandatory inspections of commercial and private vehicles, has received a bank of complaints. Nothing less than a day is needed to get your vehicle inspected. Not many are happy with Puspakom's services. Lazy or busy vehicle owners are only too happy to pay runners to do the job for them. Where there are runners, corruption isn't too far away. Being the sole provider, Puspakom chooses to be complaint-deaf. The Transport Ministry was no better. The problems don't end with the termination of Puspakom's monopoly, though.

But monopolies are more than Puspakom and Touch 'n-Go, two of the dominant and domineering companies named thus far. It is also about a few extremely powerful companies colluding to enrich themselves at the expense of consumers.

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We are glad Prime Minister Datuk Seri Anwar Ibrahim has acknowledged this by ordering ministries to review all monopolies under their purview with a view to injecting competition and equity into commerce. Noble move. Nobler still will be for the government to go after monopolies in industries that have a direct impact on the cost of living, an issue that con-

tinues to burden most Malaysians. Last August, the Malaysia Competition Commission (MyCC) gave a glimpse of such a monopoly when it disclosed that five feedmillers had entered into an anticompetitive agreement that had the potential to strangle competition. One of the reasons why egg and chicken prices were unmanageably high in the recent past. Penalties are heavy — up to 10 per cent of worldwide turnover — yet these dominant five see it as chicken feed, pun intended. MyCC may want to think about a 50 per cent penalty.

The government must also do another thing: strengthen MyCC. For every muscle a monopoly has, MyCC must have at least two. With more muscle, MyCC can "spot an emerging monopoly and nip it in the bud", says AIMST University Vice-Chancellor Professor Datuk Dr John Antony Xavier. Like in the United States, Malaysia's MyCC must be an antitrust agency and the Department of Justice rolled into one, he opines. He is right. If Anwar's government is after the noble aim of injecting competition and equity into commerce, it must dress MyCC in anti-monopoly war gear. The competition commission's bark must be as venomous as its bite. Monopoly is a triple tragedy. It is bad for commerce, the country and consumers. We must not allow one company or a colluding few to decide when eggs show up on the shelves or at what prices. This is not commerce as we know it. It is extortion. As Stacy Mitchell, author of *Big-Box Swindle*, wrote in *The Nation*, an American daily, the extreme financial might of companies and the extreme wealth it generates are dangerous for any economy. We are glad Anwar is all out to end the twin evils. Our hope is that his ministers share his zeal.