

# “How does fair competition among Businesses Benefit Me and My Region?”

Student’s Name: Hayley-Shai Cereta Kassie

Date of Birth: December 4, 2006

Age: 13 years old

School: Montserrat Secondary School

Supervising Teacher: Mrs. J. Patterson

Parents/Guardians: Bridgette Budham ([BBudham@gmail.com](mailto:BBudham@gmail.com))

Our Caribbean is a collection of beautiful islands that have their individual sovereignty in most instances. As these Caribbean states move from a status of developing nations, they require certain tools and institutions. One such institution is CARICOM, which was formed on 1<sup>st</sup> August 1973 under the Treaty of Chaguaramas, and currently has 15 full member states and several associated members. This union of nations under the CARICOM umbrella allows for trading of goods, free movement of people and various other peripherals deemed suitable for a single market environment. If CARICOM is looked at as a mother birthed from the Treaty of Chaguaramas, then the CARICOM Competition Commission is the grandchild stemming from the same lineage. As we forge ahead in establishing a single market there needs to be an institution that concentrates on the competitive aspects of the players in that market. Competition amongst businesses can be very good for end users like myself, but there are some business practices that can go awry and negatively affect the end user.

For this essay, let us focus on "How fair competition among businesses benefits me and my region"; the negatives will only be scratched briefly. My island home of Montserrat, with a population of 4500 people, an average GDP of USD\$167M, and 39 square miles of fun and joy, has simple but relatable examples of the benefits of business competitiveness. On the island, a locally owned hardware store has been the dominant force. In around 2012, a member from MS Osborne (MSO) Hardware broke away from the company and formed NOEL. Both entities ramped up their competitive services, which led to us, the consumer, benefitting immensely. When NOEL built a modern facility, MSO followed suit and made theirs even better. Now the customers shop in air-conditioned comfort with friendlier staff providing a higher quality of goods. The competitive spirit between both parties continues today, and it has given the consumers of Montserrat better prices

for goods, better credit arrangements, improved shopping, technology, social media outreach programs, and for this Christmas, MSO erected a marvellous array of Christmas lights (see Figure 1 – MSO Light Display). This example on a microeconomic level clearly shows the benefits derived from fair competition among businesses.

Now let us examine it from a macroeconomic level, starting from my beloved island Montserrat again but stretching further afield to the region. Since my entry into this world, the name Cable & Wireless or Lime has been synonymous with the Caribbean and its telecommunications development. Research has shown that they once had a monopoly arrangement over most of the member states in CARICOM. In Montserrat, LIME, now branded as FLOW, was the only telecoms provider. During their reign, they provided landline services, mobile services and internet services at rates thought to be acceptable and affordable. In 2015, when Digicel entered the market, our eyes were opened. Under Flow we could only attain a 6Mbps broadband service for XCD\$299/month, while under DIGICEL's packages you could obtain 15Mbps for XCD\$99 or 25Mbps for XCD\$225. DIGICEL, which is the only other cable provider on the island, not only reduced the cost of most services, they also offered new ones. They also brought 3G and 4G mobile technology to the country, dragging FLOW along with them. These days this tug of war between FLOW & DIGICEL is replicated throughout the region. This "war" constitutes what is termed fair competition. It is fair because it is within the remit of CARICOM competition laws.

Fair competition throughout the member states allows consumers to remain the "kings/queens of the industry", setting the standards that are deemed palatable. Laws and institutions are needed to facilitate this drive. Unfortunately, not all CARICOM member states have the supporting legislation and or institutions required to enact the fair

competition policy (see Figure 2 – CARICOM Map). As mentioned previously when there is fair competition amongst businesses, the region benefits immensely.

Because of fair competition, we benefit from better prices. I benefit from lower prices at our local hardware store because of MSO & NOEL. The region's consumers benefit from lower prices from DIGICEL & FLOW as they continue to compete. We also benefit from a better quality of goods and innovation, whilst other countries across the world struggle. The Caribbean has been fortunate in rapidly advancing innovations such as 3G and 4G technology with great quality. It has aided in boosting the quality of life throughout the region and families are now better connected as they can communicate with each other using video calls.

Another key benefit derived from fair competition is more choices. In today's world, more than ever before through social media, consumers can let their voices be heard. This mammoth of information reaches the business operators and they in turn try to please their consumers by offering choices to suit their needs. Within the region, this is becoming more evident within the airline industry, with players such as LIAT trying to stay viable and Caribbean Airlines trying to ward off threats from North American carriers. Regional travellers now have more choices in making their trips to carnivals, or just visiting their Caribbean brothers and sisters (see attached video clip). The aforementioned benefits are good for me and the region, and it is through fair competition policies they are accessible.

Some business practices can, however, prove negative towards the consumer, these include, but are not limited to, the development of cartels and the mergers of companies that provide an unfair advantage over other players. Institutions such as the CARICOM Competition Commission are needed to monitor the region and protect its citizenry, but we the consumers also have a role to play. Our role is to educate ourselves and to support businesses that provide the best

Title: "How does fair competition among businesses benefit me and my region?"

---

practices to improve our region. All in all, this will work to provide us with greater benefits and make us, the consumer, remain "kings/queens of the industries".

#### Sources & Reference

Video Clip: Created by H. Kassie source footage was taken from [www.youtube.com](http://www.youtube.com)