Review of Socio-Economic Perspectives Vol. 5 Issue: 1/April 2020

DOI: 10.19275/RSEP074

MSMEs AND COMPETITION LAW IN INDIA: VICTIMS OR PERPETRATORS

Ashita Allamraju

Associate Professor, Bennett University, India ashita.allamraju@bennett.edu.in

Palakh Jain

Assistant Professor, Bennett University, India palakh.jain@bennett.edu.in

Chavi Asrani

Consultant, Indian Council of Research on International Relations, India chaviasrani@gmail.com

Abstract

SMEs contribute around 35-40% of the GDP of India and are key to employment generation, sustainable development and poverty reduction. This sector is largely unorganised and vulnerable to the dynamic external business environment. On one hand, small size of the SMEs makes them vulnerable to anti-competitive acts of bigger enterprises including abuse of dominant position and on the other hand, cooperation agreements amongst SMEs assist them to compete with large enterprises. Competition Act, 2002 deals with anti-competitive agreements and abuse of dominant position, amongst other things. The Competition Act of India is size and type neutral. This paper thus, looks at whether SMEs are perpetrators or victims of anti-competitive conduct. This study analyses the recent anti-trust cases in India which involved SMEs and develops a typology of anti-competitive conduct and abuse of dominance activities employed by large corporations against SMEs and also anti-competitive conduct that SMEs may engage in.

Keywords: SMEs, Competition Law, anti-competitive, large corporations

JEL Classification: K21, D22, D40

Citation: Allamraju. A., et.al. (2020). MSMEs and Competition Law in India: Victoms or Perpetrators, Review of Socio-Economic Perspectives, Vol 5(1), pp. 23-34, DOI: 10.19275/RSEP074.