



Celebrating 30 years of hard work to make the world a better place to live in!



*Consumer sovereignty in the framework of social justice, economic
equality and environmental balance, within and across borders*



Sothi Rachagan at Kuala Lumpur on December 18, 2012



L-R: TCA Srinivasa Raghavan, Pradeep S Mehta, Montek Singh Ahluwalia, Kirit Parikh and Surjit Bhalla at New Delhi on June 04, 2013



L-R: M L Mehta, V S Vyas, Nandan Nilekani, Ashok Gehlot and Pradeep S Mehta at Jaipur on January 24, 2013



Pradeep S Mehta, Frederic Jenny, Pascal Lamy and Supachai Panitchpakdi at Geneva on July 09, 2013

Background

Established in 1983-84 as a rural development communication initiative, Consumer Unity & Trust Society (CUTS) is now at the cutting edge of the consumer movement in India as well as across the globe and has become a leading Southern voice on trade, regulation and governance. Today, CUTS International, with a staff of around 150, operates out of three programme centres in Jaipur, one each in Chittorgarh and Calcutta, an advocacy centre in New Delhi, India; and five overseas resource centres in Lusaka, Zambia; Nairobi, Kenya; Accra, Ghana; Hanoi, Vietnam, and Geneva, Switzerland.

Context

CUTS has entered into its 30th year – a cause for celebration. To mark its 30th Anniversary, CUTS International organised a series of lectures around the world, including India, of eminent scholars and practitioners on topics of interest and in line with CUTS' work agenda. Earlier in 2003, when celebrating its 20th Anniversary, CUTS Partnership Conclave took a close look at why and how governance matters in poverty reduction. Its 25th Anniversary in 2008 on 'Global Partnership for Development – Where do we stand and where to go?' looked at issues relating to development of global partnerships as many of the emerging challenges were, and still are, of the nature of global public goods. This helped the organisation in its strategic planning for the next 25 years.

The lecture series examined whether the resources are adequate in meeting contemporary and emerging development challenges; is political will lacking and why it may be so and what are the macro-micro gaps and how these may be bridged. These were analysed in the context of the fact that the rest of this decade will experience a number of international events to shape and reshape the future direction of global development discourse. While that will be state-led, the lecture series not only provided a much-needed platform to both state and non-state actors to express their views and concerns on contemporary development discourse but also, and more importantly, to strengthen the state and civil society relationship through historical evidence, and not just views or rhetoric.

The aim of the lecture series was to shape CUTS' future interventions which would help promoting inclusive growth. The lectures are grouped in four sets dealing with governance and reforms, regulatory issues, trade and development; and regional integration.

Messages

Governance & Reforms



Inclusive growth is a multi-dimensional concept and giving it a single definition would not be easy...the concept of inclusive growth has now evolved into the concept of inclusive and sustainable growth, but there is first the need to grapple with growth *per se*, without ignoring the sustainability dimension...the issue of inclusive growth has graduated from being inter-state to intra-state with animated discussions on the urban-rural divide, jobless growth, inequality across socio economic groups, etc.

Montek Singh Ahluwalia

Deputy Chairman, Planning Commission of India (2004-May 2014)



Indian Constitution created a 'Union of States' and not a 'Federation of States.' This is now being differently interpreted as states are asserting themselves making the Central Government cede more and more powers. Further, the Planning Commission, instead of engaging in perspective planning is micro-managing the state's finances...for unity of purpose at the state level, a more liberal approach by the Government of India and co-operative federalism is the way forward.

Yashwant Sinha

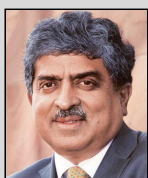
MP & Chairman, Parliamentary Standing Committee on Finance (2010-March 2014)



Centralised state, after many failures, has lost a great deal of legitimacy. However, decentralisation has also evinced much scepticism and voices of potential pitfalls. He defined decentralisation as devolution of political decision making to local level small scale entities at village or municipal levels below provincial or even district levels...There are similar dilemmas between local and supra-local knowledge; capture versus exit by the local elite; intra-regional versus inter regional disparity in access to benefits, etc.

Pranab Bardhan

Professor of Economics, University of California, Berkeley



The *Aadhaar*-based direct cash transfer scheme may have generated criticism for glitches in its implementation, but its benefits are multiple and far-reaching...on the transformatory potential of *Aadhaar*...it would not only be a first identity card for many people in rural areas but would also work as a proof of identity for a host of services, which can be electronically verified within seconds, saving people time and money, and avoiding inconvenience.

Nandan Nilekani

Chairman, Unique Identification Authority of India (2009-March 2014)



By 2030, China's economy and by 2060, India's economy could be much larger than the economy of US, if one goes by current projections. The rate of change that has been predicted, if it does come around, it would be quite dramatic in the next 20 years. These changes do indicate that changes at the level of global governance have to happen.

Rakesh Mohan

Executive Director, International Monetary Fund



Economic governance cannot be seen in isolation and would need to go hand in glove with political governance. There is a need to refurbish the Planning Commission of India so that it becomes a true national level institution, such as the RBI to deal with evolving economic governance challenges. Another possibility is to build autonomous regulatory authorities that have legal powers to make policy decisions. For this to happen, a statesman in the country is needed to take lead.

Rajiv Lall

Executive Chairman, IDFC Ltd.

Regulatory Issues



Focus should be on economics of consumer financial services that permit the providers to treat consumers with disdain. Other issues that need to be addressed are lack of coherence in regulation of such services; and the misguided tendency to present financial literacy as a substitute for regulation. We need to go back to the basics to analyse purposes for which consumers access financial services and the problems faced by them. The current institutional structure for financial services regulation itself needs to be reformed.

Sothi Rachagan

Vice Chancellor, Perdana University of Malaysia



Today, there is proliferation of competition rules and the number of countries using them. However, while framing rules for competition, the economic rules need to be compatible and, therefore, there must be some balance between economic regulation, enabling state and the need to enhance competition. Similarly, sectoral policies are emerging that need regulatory bodies which have to coexist with national competition policies.

Supachai Panitchpakdi
Secretary General, UNCTAD (2005-2013)



There is need for capacity building in the new competition systems by sketching six types of knowledge that make the difference between an ineffective institution and a less effective one: concepts of competition law and economics; local economy and business; skills; agency administration; agency leadership; and competition system life cycle phenomena. I acknowledge CUTS' contribution in adoption of competition policies by focussing on the local conditions inside emerging market environments.

Bill Kovacic
Professor, George Washington University



Nations succeed when they develop inclusive political and economic institutions that unleash the potential of each citizen to innovate and develop and they fail when institutions extract resources from the many by the few. People fail because children do not have enough to eat; corrupt leaders and national legislators build perverse state barriers through self-interest or lack of concern; and the developed nations exploit the vulnerable populations. The ninth MDG helps nations achieve inclusive economic institutions.

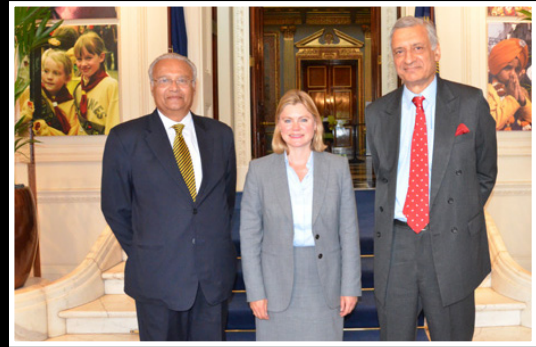
Eleanor Fox
*Walter J. Derenberg Professor of Trade Regulation,
New York University*

Trade & Development



There are parallels between the evolution of CUTS and the growth of the multilateral trading system over the last 30 years in their quest to develop truly global organisations that are open to organic growth reflecting the ever-changing global economy. The rise of the emerging countries and the attendant shifting balance of economic and political power and maturing of global trade; how today trade is less about products and services and more about trade along value chains which span not just across countries but also continents; how Doha presented an opportunity to address barriers to trade; how WTO's dispute settlement system brought about time efficiency and quality judgements and finally how the negotiating dynamics have witnessed a huge change.

Pascal Lamy
Director General, WTO (2005-2013)



L-R: Pradeep S Mehta, Justine Greening and Kamallesh Sharma at London on July 15, 2013



L-R: Pradeep S Mehta, Salman Khurshid, Abhishek Manu Singhvi, Ajay Chhibber and Rajiv Kumar at New Delhi on August 13, 2013



Hanna S Tetteh, Ghanaian Foreign Minister unveiling the plaque of CUTS new office at Accra on August 26, 2013



L-R: Pradeep S Mehta, Richard Sezibera and Mukhisa Kituyi at Nairobi, on August 19, 2013



There are challenges from outside the trading system such as the link between trade and exchange rates, climate change and inequality of trade and wages. Failure to complete the Doha Round and consequent loss of legitimacy, mega-regional negotiations (TPP and TAP) and the need to bring in the new hegemonic trade power of China fully into the system are the main challenges. While the march of globalisation demonstrates the triumph of the global trade regime, the difficulties it now faces shows that the triumph is a troubled one needing a greater degree of global governance.

Martin Wolf
Chief Economics Commentator, Financial Times



Trade is the most important driver of growth and, therefore, keeps development at the heart of its approach to international trade, not by sheltering poor countries from competition but by opening markets to them. The main reasons for many developing countries not trading enough include: lack of access to markets; lack of enabling environment, particularly poor infrastructure and weak regulatory system; and not being able to be part of global value chains that can create more and better jobs.

Justine Greening
Secretary of State for International Development, Government of the UK



The multilateral trading system is dead and the Doha Round is in trouble largely because of lack of US leadership. The multilateral negotiations are crippled and they received another blow by the formation of the regional and bilateral deals (TPP and TAP) with issues unrelated to trade. What is needed is retention of the multilateral trade negotiations aspect of the WTO to prevent international trade from degenerating into a chaotic, hegemonic, power-led kind of a system.

Jagdish Bhagwati
Professor, Columbia University



India needs to address Pakistan's concerns with regard to tariffs and non-tariff barriers, especially in the textiles and agriculture sector, and only market access is provided let us call it a level playing field again. Pakistan exports products of these sectors. A large section of Pakistani businesses remain apprehensive about opening up Pakistani markets to India.

Khurram Dastagir Khan
Minister of State for Commerce and Textile Industry, Pakistan (2008-December 2013)



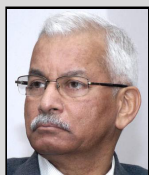
Discussions are very important for bilateral relations and the stability of those relations for the future. I congratulate SDPI and CUTS International because apart from academic rigour what is most important is the commitment and public advocacy which these institutions have shown in full measure.

TCA Raghavan
India's High Commissioner to Pakistan



Domestic industry policy and trade liberalisation are two sides of the reform coin. These are, often, technical economic discussions. Reform is a permanent challenge, the ingredients for successful reform remain the same: recognising the need to adapt; policy that is anchored in clear evidence, and a political leadership willing to make the case for change. Australia's ability to trade with and invest in India, would inevitably be driven in part by decisions of the Indian government on economic reform and financial opening.

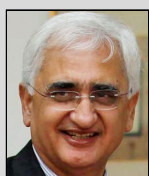
Peter Varghese
Secretary, Department of Foreign Affairs, Australia



India needs to mainstream its foreign trade policy with the governance system of the country so as to enhance its competitiveness in a holistic and dynamic manner. Exports should no longer be considered as a function of surplus generated over and above domestic consumption. Further, States need to get mainstreamed into the export objectives by looking at incentivisation, promotion and encouragement in the context of their contribution to exports. It should be an intrinsic part of a vibrant economy.

Rajeev Kher
Commerce Secretary, Government of India

Regional Integration



India needs to have a cognitive and accommodative conversation with China. There should be an integrated approach towards engaging Asian countries to face the various economic, political and social challenges. The conversation should be accommodative from time to time with domestic need. India and China would work together one day but not today, as it's too early.

Salman Khurshid
Minister for External Affairs, India (October 2012-May 2014)



Regional integration is one critical factor in efforts to achieve sustainable development in East Africa. This sustainability does not mean the maintenance of *status quo* but should look at the long term development needs of the region. We must integrate to expand our markets and productive capacities. In East Africa, the Customs Union and Common Market have shown promise and now we look forward to a Monetary Union Protocol and an eventual Political Federation.

Richard Sezibera
Secretary General, East African Community



The bid to overcome the challenges of regional integration would lead to long term gain for everyone. We welcome the opening of the CUTS Centre in Accra and look forward to its active participation in providing research support to Ghana and the West African region on critical economic policy issues. CUTS has developed a successful methodology of connecting grassroots to the policymakers especially through applied research, advocacy and networking.

Hanna S Tetteh
Minister of Foreign Affairs and Regional Integration, Ghana



Regional integration is an important factor in fostering competitiveness and ultimately efficiency among small and medium businesses. It is important that Zambian products must be of high quality because they will have to compete against similar products from the rest of the region. Aggressive marketing and proper branding and packaging are also key ingredients. Zambia's external trade was being hampered by trade barriers and anticompetitive practices by other countries/firms within the region.

Caleb Fundanga
Governor, Bank of Zambia (1998-March 2002)

This book can be accessed at:
www.cuts-international.org/30thAnniversaryLectures/pdf/Better_Governance_for_Inclusive_Growth.pdf



First Public Policy Centre in Jaipur

Jaipur (Rajasthan) would be getting the state's first Public Policy Centre in Jagatpura area by the end of the year 2017. The state-of-the-art centre would cater to the need of state's national and international affairs of non-political class.

The nine-storey building will house amenities including exhibition area, seminar facilities, auditorium, library, business lounge, health and fitness centre, swimming pool, guest rooms, dining area and a business centre in an environmental and physically-challenged-friendly building.

Keeping in mind that public policy is a dynamic and vast area, CIPPoC has drawn a mix of stalwarts to steer the activities of the centre. This includes former Finance Secretary of India, Ashok Jha as the Chairman, renowned economist Bibek Debroy as the Vice Chairman and Secretary General of Jaipur-based CUTS International, Pradeep S Mehta as the Secretary of the Governing Council. The Centre would function on membership basis.



For more details, please visit: www.cippolc.in