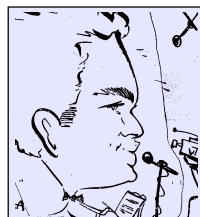


CUTS IN ACTION

कट्स CUTS
1984 to 2003
Twenty Years of Social Change

July-September 2002

A Better Deal for the Poor



I do not wish to become poor but will not like to see others as being poor.

A high growth rate, which we are witnessing at CUTS, helps to sustain the excitement and satisfaction of what one is doing. For me, of course, it's an adrenalin-pushing exercise, giving me a huge satisfaction of achieving my own mission: Making the World a Better Place to Live In.

We have followed a centrist philosophy, i.e. not rejecting globalisation or believing that free trade and unbridled openness is the way forward.

The Philosophy

Our philosophy has been: *Liberalisation Yes, But with Safety Nets*. Only doing what Amartya Sen has said: "Increase in people's capacities and freedoms". We believe that people matter and are at the core of all economic activity. Markets cannot function properly without State intervention and a watchful civil society. Thus institutions also matter, and new ways have to be found to strengthen them and cope with the pains of transition.

Poverty and helplessness have to be curbed, so that people are able to live with dignity. I do not wish to become poor but will not like to see others as being poor.

We will explore these paradigms and facts at our 20th anniversary conclave next year and look forward to an active participation by all.

Looking Back

Having founded CUTS over twenty years ago and maintaining a consistent growth, in terms of financial turnover, ideas, projects and people, has been an exhilarating and fulfilling experience for me personally. Now the challenge is to see where do we go in the next twenty years.

Over the last three years, the growth rate has been over 70 percent. This has

been maintained by an innovative strategy and hard work by a core, which put in work hours of more than eight days in a week. This has its downside too. People come and go due to various reasons, and many have also felt uncomfortable about the successes of CUTS. These are some crucial factors, which will need to be addressed within and among ourselves.

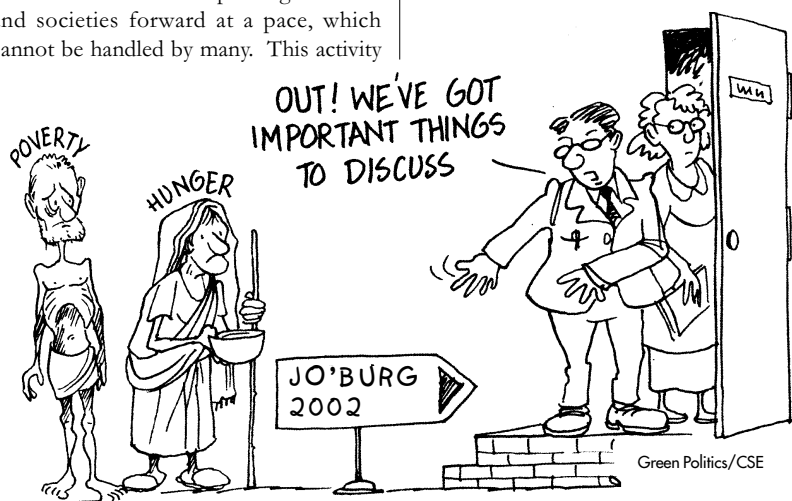
Going down the memory lane, when I look at the last ten years, we see a huge change in the world's political, social and economic systems, impacted and influenced by globalisation.

The WTO has been pushing countries and societies forward at a pace, which cannot be handled by many. This activity

A Vision for 2020

The WTO featured quite heavily at Johannesburg, when it was not a trade meeting. However, the rich countries argued that trade is one way forward for economic growth and sustainable development. Indeed it can be, but is dependent upon several factors.

In the demand side, their market access has to be shared by the rich by bringing down their own trade barriers. On the supply side, the poor countries need to improve the lot of their infrastructure and people,



area of work is becoming bigger in our work programme.

Ten years ago, I also participated in the Earth Summit as a part of the series of international summits organised by the United Nations. The summit was hugely successful and sceptics were thrown aside. Today, we see that the sceptics were right. At the decadal review of the Earth Summit, which took stock of what was agreed and what was actually done, held at Johannesburg, one saw how sceptics were right.

It is not enough to blame the rich for failing, but the poor countries too for not performing what they had agreed to do. In balance, we see the greed of the rich continues to dominate their policies and actions. This to me is like a zero-sum game.

if they have to cash in on economic growth.

Further, the international community has to engage in serious ways to address the growing inequality within and among countries. These will be some ideas, which will guide our work in future.

For a starter, we have launched a Jubilee 2010/2020 Campaign at Johannesburg, which seeks the breaking down of trade barriers in the area of textiles and clothing, and in agriculture over the next 10 and 20 years respectively. The poor need better opportunities, if we have to develop sustainably.

Pradeep S. Mehta
Pradeep S. Mehta, Editor

CUTS on the March to 2007

As an annual feature, our Retreats help us to take stock of what we are doing; exchange ideas and information; present future plans; meet others working at different centres and build up solidarity. The one held this summer was a little different, as it was planned to envision work programme over the next five years, i.e. 2002-2007. The context of an uncertain domestic and international environment, which affects the grassroots level and hence our work portfolio, threw up new challenges. Further, the tensions of a high growth rate of nearly 60-70 percent and new initiatives over the last three years too impacted the deliberations hugely.

CUTS will be completing 20 years, and therefore there was a session on the same, which is being celebrated as a Partnership Conclave, with NCAER, TERI, CHETNA, Consumers International,

ICTSD among others. The *tamasha* (programme) will be held on 12-15 March 2003 at New Delhi, while each of the Centres will organise a local event on 10th March. The Conclave will have the theme "Governance and its Relationship with Poverty Reduction", looking at successes

the organisation, and concentrate on effective implementation of projects and value addition to various stakeholders. For example, considering CUTS' expertise in international trade issues, it was thought that CUTS could serve as a consultant to governments and private companies



of rights-based approaches taken by people, or government or international agencies, which have shown that it is possible to bring in the crucial change to make the world a better place to live in.

It was decided to focus on core competencies of every Centre as well as

on a host of WTO-related issues. There is a felt need to identify niches in various work areas, and be innovative in implementing research and advocacy projects. The organisation should ensure that there is product differentiation and the quality of output is maintained.

JUBILEE 2010/2020 DISMANTLING PROTECTIONISM

CUTS launched a new international campaign on Dismantling Protectionism at the decadal review of the Earth Summit held at Johannesburg, South Africa from August 24 to September 4. The campaign titled: Jubilee 2010/2020 inspired by the Jubilee 2000 Campaign on Debt Relief for the Poor Countries, seeks dismantling of trade barriers against labour-intensive goods manufactured by poor countries, so that they can exploit the world trading system and reduce poverty.

Alas! the Jo'burg Summit proved to be a disaster, as the expected commitments by rich did not materialise. However, we look at it as an event which helped to stop any backsliding from commitments made by countries 10 years ago at the hugely successful Earth Summit held at Rio de Janeiro, Brazil in June 1992.

At CUTS, we took the opportunity to showcase our work on investment, competition and sustainable consumption by organising three more events. This was done by an international team of CUTS comprising Pradeep S. Mehta, London-based Olivia Jensen, Nairobi-based Deborah Akoth, and Calcutta-based Arjun Dutta. All this required much hard work and lobbying in a situation, where the audience was divided across at least five big venues, some of which were 35 kms away from another.

Each of them also spoke at events organised by others: Pradeep spoke at an event on Environmental Goods and Services organised by IUCN and ICTSD. Arjun plugged a Type-2 initiative (government-non-government projects) on atmospheric issues. Olivia spoke at a meeting on investment organised by ICC, while Deborah spoke at an event on MEAs and Environmental Standards organised by INZET. www.cuts.org/Jubilee2010-2020.htm

Building Capacity

A seminar was organised on "Competition, Investment and Regulation: Role in Economic Growth" in association with National Centre for Human Settlements and Environment, on 10th August at Bhopal, Madhya Pradesh. The seminar was a part of the project 'Grassroots Reachout and Networking in India on Trade and Economics (GRANITE)' launched by CUTS to build capacities of the civil society on trade and economic issues.

The vision of the GRANITE Project is to build a strong India, where every Indian can walk with confidence and that no one is poor.

Reforming the Power Sector

Over 60 grassroot activists and elected officials of the village local government (*Panchayati Raj*) participated in the first of a series of focussed grassroot workshops on the power sector. It was held at Alwar on 19-20 August, with energy efficiency and non-conventional energy as the focus. The event, to tackle wasteful consumption in a grim scenario in Rajasthan, is being supported by the Friedrich Ebert Stiftung, New Delhi. www.cuts.org/cart-ISPSP.htm

7-Up Project Reviewed

The 'Phase-II Review Meeting' of CUTS' 7-Up Project, which is a comparative study of the competition regimes in seven developing countries, was organised on 5-6 July in Geneva, Switzerland, to deliberate upon the important cross-border competition issues that have emerged from the research work of the second phase and to plan for advocacy activities and the way ahead. www.cuts.org/citee.htm#events

World Population Day

Various socio-cultural awareness programmes were organised on 'World Population Day' on 11 July at Kodlai village of Banera *Panchayat Samiti*, Bhilwara, to create awareness among the rural folk about various issues like increasing population, decreasing resources; small family, happy family; child-mother health care; reproductive rights; child marriages; etc.

Bill Blow-up and its Reach

Swati Mathur of CUTS narrated an interesting experience she had while pursuing her MBA course. The Competition Bill was proposed in the

Parliament to replace the MRTP Act, 1969, when she was in the second year of her MBA programme.

Since it was a new topic, no reading material was available on it. Fortunately, one day, the students got a photocopied paper from their professor mentioning the highlights and the lowlights of the Bill. The paper was so lucid and cogent that the students didn't have to look for any more material on it. The paper helped the students to successfully write a brief note on TRIPs (Trade Related Intellectual Property Rights) and the connection between intellectual property rights and competition during their examination.

On her first day at CUTS, while she was going through some project reports of CUTS, she came across a document that looked familiar. It dawned on her that it was the same paper on Competition Bill given to the MBA students by their professor without mentioning the author or the name of CUTS!

WSSD Round Table in Africa

Rajiv Dayal Mathur participated in the '5th World Summit on Sustainable Development (WSSD) Round Table on Trade and Investment for Sustainable Development: Essential Principles and Practices in the Building of Economic Community of West African States' at Abuja, South Africa on 18-19 July.

The Summit was convened by the UNDP in partnership with the Government of Nigeria and the International Centre for Trade and Sustainable Development (ICTSD).

The purpose was to enable stakeholders from major groups of the international community to exchange views, build consensus and explore the potential for forming partnerships in preparation for the WSSD in Johannesburg.

Meet on Farmers' Rights

Mita Dutta and Bipul Chatterjee participated in the 'Second Regional Consultative Meeting of Farmers Rights' organised by South Asia Watch on Trade, Economics and Environment (SAWTEE) at Kathmandu. The meeting took stock of the progress of the ongoing project to assess the impact of liberalisation on Farmers Rights to livelihood. Discussions were held on several relevant issues like TBT, SPS, Agreement of Agriculture, the New Farmers Rights Act of India, etc. A debate also evolved on the issue of regional database on bio-diversity.

**Petition to Ban Jeeps**

The State Human Rights Commission (SHRC) of Rajasthan has directed the Transport Department to constitute special



vigilance squads to check the plying of unauthorised vehicles, especially jeeps, perceived to be the main reason behind the increasing number of road accidents.

The directive came in the wake of a petition filed by CUTS demanding a ban on jeeps as means of public transport in view of accidents occurring due to overloading.

Conserving Water and Power

CUTS has come up with the idea of adopting modern systems of irrigation to make Rajasthan Government's ambitious drive on water and power conservation (*Bijli Bachao, Pani Bachao*) more effective. The consumer body has sought the government's cooperation in generating awareness among the villagers about efficient irrigation with less use of water and power. CUTS suggested that the modern systems of irrigation like sprinkler and drip irrigation would save about 85 percent water than is required in open field irrigation. These methods would also save around 50 percent consumption of electricity.

SNIPPETS**UNCTAD – 'IGE' Meet**

Ralf van de Beek attended the 'UNCTAD Intergovernmental Group of Experts (IGE) Meeting on Competition Policy and Law' at Palais des Nations, Geneva, from 3-5 July on behalf of CUTS.

The delegates of various countries had different views regarding the interface between competition authorities and sector regulators and merger control. India stressed upon the economic rationale for regulation, i.e., natural monopolies.

South Asia Civil Society Consultation

Sanchita Chatterjee represented CUTS in a conference on 'South Asia Civil Society Consultation on the 2002 Commonwealth Finance Ministers Meeting' in London organised by the Commonwealth Foundation, *Sarvodaya Shramadana* Movement, Commonwealth Secretariat and HM Treasury, UK, on 12-13 July in Sri Lanka. The theme of the conference was 'Delivering the Monterrey Consensus' on 22-23 July.

Sanchita also attended the Second National Reference Group (NRG) meeting under the Investment for Development (IFD) Project held in Bangladesh Enterprise Institute on 8th August.

Quoting Consumer Forums as "Court"

CUTS' request to the President of the State Consumer Disputes Redressal Commission to direct all State and District consumer redressal agencies to refrain from using the term "Court" for themselves was accepted by the National Commission and it directed all the forums to look into the matter seriously and not to violate the rules again.

Strengthening the Lok Ayukta

Deepak Saxena and K.C. Sharma of CUTS met Ashok Gehlot, the Chief Minister (CM) of Rajasthan, and gave him memoranda of 20 networking organisations with signatures of around 470 people for strengthening the *Lok Ayukta*.

Workshop of Media Representatives

A one-day workshop of media representatives was organised on 2nd July at Chittorgarh on 'Rural Girl-child Empowerment Programme' of CUTS, aided by Save the Children, UK.

Good News!

CUTS has been registered under the Investor Education and Protection Fund by the Ministry of Finance & Company Affairs, Department of Company Affairs, Government of India.

ICN Conference at Naples

Nitya Nanda attended the first annual conference of the International Competition Network held at Naples, Italy on 28-29 September where representatives from competition authorities of about 60 jurisdictions around the world were present. The conference was also attended by some 60 competition professionals representing law firms, industry, academia, NGOs etc.

The conference witnessed a new understanding between the two giants: USA and EU on simultaneous review of mergers, so that companies merging do not have to face uncertainties in one jurisdiction after getting cleared in another. It augurs well for developing countries, as it has the potential of their active role in such future cooperation arrangements.

VISITORS

A Wonderful Experience!

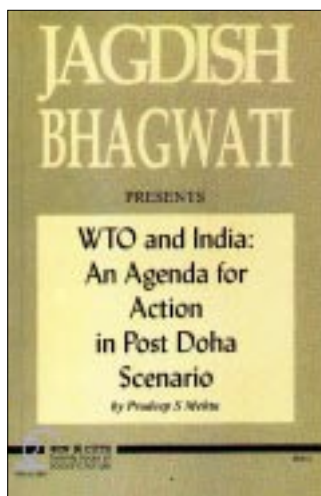


Nixon Omandi Olare of Consumer Information Network, Mombasa, Kenya, attended a six weeks training programme at CUTS Chittorgarh Centre. Before leaving, he shared some of

his experiences with us, "Valuable lessons were learned during this training programme. More importantly, methodology of grass roots mobilisation, animators' identification and training, etc was learned. The entire training has been a very important opportunity for learning and interacting with people tackling issues directly affecting the rural people. The field staff at Chittorgarh was able to translate to me some of the most sincerely expressed needs of the rural people in English. The sequential methodology of operation learned during this training is practically lacking in our organisation in Kenya and we will be pleased to have a similar approach for programme implementation."

PUBLICATIONS

New Release



WTO and India: An agenda for Action in Post Doha Scenario

With the Doha dust settled, it is a good time to reflect on what has been achieved and how it was achieved. It is also a high time to draw lessons from the past experiences since we must get down to the business of developing positions on the negotiations to which we have committed ourselves along with other WTO members in Doha.

This book divided in three parts, covers the pre and post Doha analysis, the international agenda for India, and most crucially the domestic agenda.

One of the most distinct features of this book is that it does not leave any issue untouched. The book provides a real objective assessment of all the four issues: Competition, Investment, Trade facilitation and Government Procurement. ISBN 81-87222-60-3 (Rs.200/\$20)

Newsletters

ECONOMIQUITY

The 5th Ministerial Conference is scheduled at Cancun, Mexico in September 2003. At Doha, the Members came up with a very tight negotiating timetable to complete the new trade round by 1st January 2005. This timetable is already showing itself to be utterly unrealistic. It is extremely frustrating for developing countries, who wanted to see genuine progress made at the WTO. Developed countries are failing to deliver on their commitments made at Doha.

To know this and much more about the Jubilee 2010 movement, which is targeted towards dismantling rich-country protectionism on labour-intensive goods where poor countries have marked production advantages, you must read the latest issue of our quarterly newsletter. The current issue also carries an Insert on the "Oxfam Trade campaign". Subscribe now! (Rs.50/\$15 p.a.)

REGU^{LETTER}

This newsletter talks about latest regulatory news on pharmaceuticals, airlines, utilities, financial sector, etc. besides a brief on the project progress. The cover story speaks about multi-sector regulators and their importance in regulating competition.

The current issue (June 2002) also carries an article on the "Competition Law in Pakistan" in addition to several interesting stories like class action on credit cards in the US; consolidation in certain sectors like breweries and advertising difference in the opinion of the US courts on the process of unbundling and the corporate frauds which are bringing down the markets. (Rs.50/\$15 p.a.)

Name	Comments
Biranchi Upadhyaya, Country Representative, Oxfam (GB) in India	It was a nice opportunity to visit CUTS and get an exposure to the range of work it does. The team is excellent, spirited and we all enjoyed listening to the brilliant presentations. Good team work!
Mandeep Kaur and Miriam Caravella, Public Affairs Section, American Embassy	...Very interesting programme (Power Sector Reforms in Rajasthan) – Hope to work together in the future.
Dee Bennett, Linda Dethman and Indira Unninnayar, Academy for Educational Development, Washington DC	Look forward to working with the CUTS team in the future.
Ellen Dragotto, USAID	Great to meet you. Look forward to working with you in the future.

CUTS is celebrating its 20th Anniversary at a Partnership Conclave with the Theme: "Governance and its Relationship with Poverty Reduction" during 12-15 March, 2003 at New Delhi, India.

For more details, please see: www.cuts.org/CUTS-Anniversary.htm