

CUTS IN ACTION

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The One Lakh Car – A Dream or a Nightmare?



The latest sms story doing the rounds is about the house cleaning lady, who calls from her mobile to say that she is stuck in a traffic jam, and will be late. She is not walking to the house but driving in her new car, the Nano.

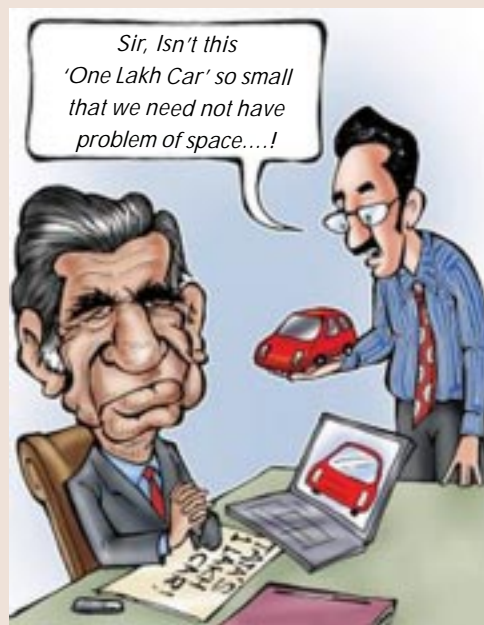
The new cheap car costing around Rs one lakh launched on January 10, 2008 by Tata Motors has been hailed as the world's first cheapest car; an engineering marvel and so on...worthy of applause, indeed.

But, what about the downsides? The car would create a new paradigm in low-cost personal transport, and move two wheeler owners to graduate to a car. However, it is not as if cars are not available for Rs one lakh even today. I am speaking about 2nd hand cars, which one can buy for prices around this amount. But this is not happening, because the operational costs of owning and running a car are always much more higher than a 2-wheeler, which our middle class cannot afford. As it is the attention to shift to better public transport systems is just not enough to reduce the traffic congestion.

Our drivers are ill-equipped to drive in a proper manner, and there is hardly any effort to educate them. The two wheelers are the worst of the lot, and there does not seem to be much hope with the population of two wheelers going up exponentially. The advent of Nano or its clones (which are bound to come forth) will only worsen the situation. The experience with the soap-box Maruti vans and cars as taxis is ominous, as the low cost Nano will certainly be a favoured choice of taxi owners in times to come.

It is argued that the new Nano will be the best in terms of pollution. It's fine that the per capita pollution will be low, but what about total pollution. For example, Americans believe that their cars are one of the least polluting ones, but their sheer numbers (3 cars per family) makes the US one of the biggest carbon emitters in the world.

These are the few questions which need to be answered: Are not we going to create more vehicular pressures on all our cities? Is not the mushrooming of cars going to add to the traffic woes on our already crowded roads and streets? What will it do to our energy requirements?



The Financial Express

Even before its launch there has been speculation among the people that it may prove to be a major threat to the environment. Much has been said about it.

In China, the situation worsened enough that Xu Zongheng, mayor of Shenzhen, in 2006 urged 10 million residents not to buy any more cars. Xu's eccentric appeal reflects the huge pressure that China's larger cities are facing as a result of the explosion in car ownership among the country's escalating middle class.

A similar move is in the offing in India as well, but is another case of the left hand not knowing what the right hand is doing. If the Secretary in the Ministry of Urban Development, M Ramachandaran is to be believed, he has directed the Chief Secretaries of all the states to promote non-vehicular transport like bicycle to ensure safe passage for the pedestrians and contain carbon emission. While pointing out the main focus of the National Urban Transport Policy, he asked for the promotion of environment-friendly vehicles.

Pradeep S. Mehta

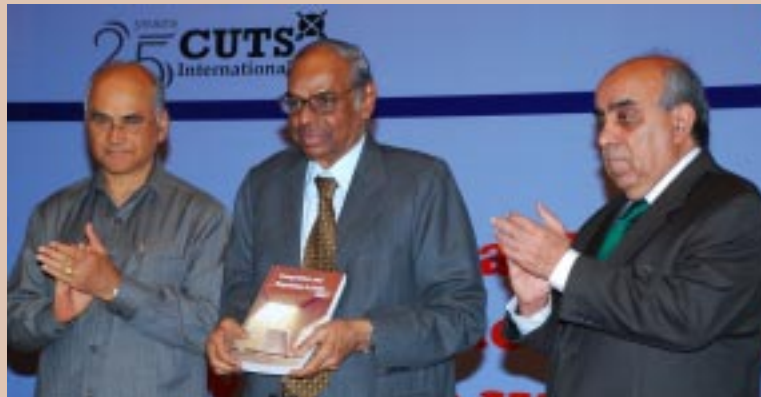
Pradeep S Mehta, Secretary General

Political Economy of Regulation in India

CUTS Institute for Regulation and Competition (CIRC) organised a panel discussion on 'The Political Economy of Regulation in India – What Do We Need to Do', in Mumbai, on October 16, 2007 with the objective of evolving a consensus on the implementation of an effective regulatory regime in India.

The panel discussion was chaired by Dr C Rangarajan, Chairman, Prime Minister's Economic Advisory Council, and moderated by Pradeep S Mehta, Secretary General, CUTS International. It comprised of distinguished panellists such as Dr Rakesh Mohan, Deputy Governor, Reserve Bank of India (RBI); G N Bajpai, former Chairman of Securities and Exchange Board of India (SEBI); Arvind Mayaram, Joint Secretary, Department of Economic Affairs; and Arun Nanda, Executive Director, Mahindra and Mahindra.

The said discussion also set the stage for the release of a Report under a project implemented by CUTS



Dr C Rangarajan releasing the Report, 'Competition and Regulation in India, 2007'

International, entitled, 'Competition and Regulation in India, 2007', by Dr C Rangarajan. The Report takes stock of how competition and regulation prevails across the sectors in the country and comes out with recommendations as to what still needs to be done.

<http://www.circ.in/pdf/PanelDiscussion.pdf>

Study on Trade in Services

CUTS Africa Resource Centre (CUTS ARC), Nairobi, organised a national consultation workshop on 'Trade in Services' in Nairobi, on November 30, 2007. This workshop was based on the study done by Dr Mosses Sichei, an expert in trade in services. The topic of the study was 'Multi-country Study on Trade in Services and Domestic Regulation: Background Paper for Kenya'.

Two sectoral studies on health and Information and Communication Technology (ICT) were also presented.

Role of Supermarkets

CUTS London Resource Centre (CUTS LRC), with the support of the Department for International Development (DFID), organised the second debate in the series entitled 'Are Supermarkets Responsible Superpowers?', under the project, 'Soho to Soweto', in London, on November 28, 2007.

The objective of the debate was to explore the role UK supermarkets play in supporting the livelihoods in developing countries and assess where and how they can do more.

http://www.cuts-london.org/events/soho_to_soweto.html

Protection via Policy

CUTS International and Consumers Federation of Australia jointly

organised a half-day seminar on 'Enhancing Consumer Protection via Competition Policy', under the banner of the International Network of Civil Society Organisations on Competition (INCSOC), as a fringe event on sidelines of 18th Consumer International World Congress in Sydney, on October 29, 2007.

The seminar initiated a discussion on the best way in which competition policy can be used for consumer protection. The sessions included: Competition: Why Every Consumer Should Care?; Competition and Consumer Protection; and Competition and Regulation: Making Regulated Industries Work for Consumers.

<http://www.incsoc.net/past-event.htm>

CUTS' Stall on RTI

In order to propagate the application of Right to Information (RTI) Act among the rural masses CUTS Centre for Consumer Action, Research & Training (CUTS CART) in active partnership with CUTS Centre for Human Development (CUTS CHD) and with the support from Partnership for Transparency Fund (PTF), US put up a stall on the 'RTI Advisory and Facilitation Stall', at the Pushkar Fair Exhibition, in Ajmer, during November 19-24, 2007.

The purpose of putting up the stall was to advise and guide people

on the RTI Act and encourage them to file complaints against the concerned departments and officials for their non-performance with regard to various schemes and programmes.

<http://www.cuts-international.org/pdf/RTI-PushkarReportFinal.pdf>

From Gender Perspective

CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), in collaboration with Network for Entrepreneurship and Economic Development (NEED) organised a workshop on 'Gender and Trade: How to Engender the National Foreign Trade Policy of India?' in Lucknow, on November 30, 2007.

The workshop deliberated the National Foreign Trade Policy of India, 2004-09 from the gender perspective in order to better understand the human development aspects of international trade.

Presenters included Anil Singh, Chief Executive Officer, NEED; R S Ratna, Director, Regional & Multilateral Trade Relations, Department of Commerce; R M Nair, General Manager, Small Industries Development Bank of India (SIDBI); Dr Pam Rajput, Executive Director, Women's Resource and Advocacy Centre; and Rebecca Band, CUTS CITEE.

Evolution of Competition

Pradeep S Mehta as the luncheon speaker attended the International Finance Corporation's (IFC's) Meeting on 'Results Measurement for Advisory Services' in New Delhi, on December 11-12, 2007.

He spoke on the evolution of competition scenario – from the Monopolies and Restrictive Trade Practices Act to the Competition Amendment Act, 2007 – in India covering the phases of trials and tribulations, the pressing needs and the interventions, along with some valuable recommendations for a better regulatory regime in the country.

More on: http://www.pradeepsmehta.com/pdf/IFC_speech_PSM.pdf

Building Capacity of Key Actors

Alice Pham, Le Quyen and Thanh Mai of CUTS Hanoi Resource Centre (CUTS HRC) attended a workshop entitled, 'Competition Policy and Law in Vietnam: Building the Implementation Capacity of Key Actors', organised by the Vietnam Competition Administration Department (VCAD), in collaboration with *l'Association pour le Développement des Echanges en Technologie Economique et Financière* (ADETEF), France, and the Vietnam Competition Council (VCC) in Hanoi, on November 12, 2007.

Alice Pham made a presentation on 'Building a Healthy Competition Culture – Experiences from Select Asian Countries'.

Generating Genuine Demand

George Cheriyan of CUTS CART attended a two-day workshop on 'Generating Genuine Demand with Social Accountability Mechanisms', organised by the Communication for Governance & Accountability Program (CommGAP) of the World Bank in Paris, during November 01-02, 2007. He presented a paper on 'Analysing the Public Sphere/Political Context: Learning from India'.

Debate on WTO's Role

Pranav Kumar of CUTS CITEE attended the WTO's Public Forum on 'How Can Services Trade Contribute to Harnessing Economic Growth for Sustainable Economic Development', organised by the European Services Forum, in Geneva, on October 04-05, 2007.

The meeting aimed at stimulating a frank debate on the role the WTO can play in using trade as an engine of development, and on how it can contribute to a better distribution of the benefits of trade in today's globalised economy.

http://www.wto.org/english/forums_e/public_forum2007_e/topics_e.htm



SHORT CUTS

- Rahul Ranjan of CIRC attended a half-day meeting with the Consumer Advocacy Group (CAG), organised by the Telecom Regulatory Authority of India (TRAI), in New Delhi, on September 08, 2007.
- Ramrao Mundhe of CUTS Centre for Competition, Investment & Economic Regulation (CUTS C-CIER) participated in a conference on 'Urban Infrastructure & JNNURM: Progress So Far and the Way Forward' organised by Indian Infrastructure magazine, with the support of the Ministry of Urban Development, Government of India, in New Delhi, on December 11-12, 2007.
- Gideon Rabinowitz and Rebecca Band of CUTS attended the Global Aid for Trade Review at the World Trade Organisation (WTO), in Geneva, during November 19-21, 2007.
- Rajesh Kumar and Deepak Saxena of CUTS participated in a one-day 'Feeder Reforms Programme in Rajasthan: Role of Consumers', in Banswara, Rajasthan, on November 20, 2007.
- Musamai Masheta of CUTS ARC, Lusaka, attended the Advanced Trade Analysis course organised by Trade and Industrial Policy Strategies (TIPS) of South Africa, in Pretoria, during October 02-04, 2007.
- Dr Keya Ghosh of CUTS Calcutta Resource Centre (CUTS CRC) attended the 2nd South Asian Civil Society Organisation (CSO) Meet on Promotion of Corporate Social Responsibility (CSR), in Dhaka, during November 11-14, 2007.
- Rijit Sengupta of CUTS C-CIER presented a paper on 'Competition Reforms – An Essential Element to Evolving a Sound Business Environment in Eastern and Southern Africa' at the Donor Committee for Enterprise Development (DCED) Africa Regional Consultative Conference in Accra, during November 05-07, 2007.
- Amit Chowdhury of CUTS CHD attended a meeting on 'Watershed Development and Tribal Development Programme in Rajasthan', organised by the National Bank for Agriculture and Rural Development (NABARD), in Udaipur, on October 24, 2007.

Seizing Ecolabelling Opportunities

Simi T. Balakrishnan of CUTS CITEE participated and presented a paper on 'Indian Textiles – Trade, Environment, Policies, Ecolabels' in the start-up workshop of the project entitled, 'Enabling Developing Countries to Seize Ecolabelling Opportunities' organised by InWent in Bonn, Germany, during December 03-05, 2007.



This four-year project is being implemented by United Nations Environment Programme (UNEP), in association with local national partners and co-funded by the European Commission (EC) Programme on Environment in Developing Countries and the Federal Ministry for the Economic Cooperation and Development (BMZ) of Germany. Target countries are Brazil, China, India, Kenya, Mexico and South Africa.

VISITORS

Name	Comments
Ahmed Farouk Ghoneim Deputy Director, Faculty of Economics & Political Science, Cairo University	I have known CUTS since 2001. Over time, I have been in touch with some of its publications and employees where I was impressed by the quality of the publications. They are unique publications (not heavily research-oriented and just scratching the surface). They do an excellent job in striking the balance with enhanced research findings and easy language that can be digested by different stakeholders. My impression has always been that it is an international organisation (with some publications focused on India and South Asia), similar to an extent to International Centre for Trade and Sustainable Development (ICTSD). However, I had the pleasure to participate in a seminar for Indian Government officials in Jaipur based on invitation from CUTS. My view on the role of CUTS changed. It is also playing an important role domestically which is highly appreciated. I am not aware of any NGO like CUTS that has done this excellent job in its outreach and quality both domestically and internationally. Once again, I thank CUTS for inviting me and wish them all the best.
Gail Cockburn Counsellor & Head of Development Cooperation, Canadian International Development Agency (CIDA)	I have visited our CFLI projects in Jaipur and Jodhpur. I am impressed by the work and connections with other groups and by the forward thinking of the CUTS Staff. Much admired.

FORUM

Agenda Towards Economic Freedom

Sir,

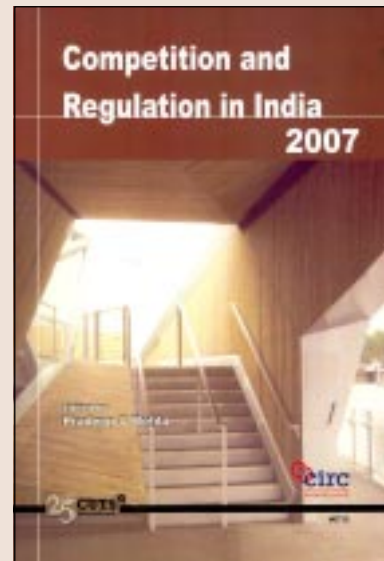
Thanks for sending a copy of the research report entitled 'Competition and Regulation in India, 2007'. This Report reminds the government of its commitments in the area of competition and regulation and highlights aspects that remain unaddressed. One of the most significant sections of the Report is entitled 'How does competition policy ensure pro-poor development?' This is arguably one of the most pressing issues that we face, domestically and internationally. The Report aptly summarises that competition law and policy is not a luxury of the developed world, but an indispensable tool for developing countries in their fight against poverty.

The Report outlines the *prima facie* agenda towards economic freedom which includes adopting a National Competition Policy by March 2008, establishing and operationalising a Competition Policy Council by July 2008 and other steps including implementing regulatory reforms and competition rules.

I am sure that this Report will prove to be a useful document for both the polity and bureaucracy of the country. This work of scholarship needs to be applauded.

Sunil Arora

*Principal Secretary to Chief Minister
Government of Rajasthan*



Quality of Content

Sir,

I happened to read the editorial, 'Etiquettes: Where Do We Stand?' published in 'CUTS In Action' (July-September 2007). The standard of content really shows the quality of work that CUTS has been doing. In this short piece, you have covered a serious, thought-provoking issue with lots of information in an easy-to-understand style. I am sure it will benefit one and all by helping inculcate moral values in us that we lack.

I appreciate your sincere efforts and the hard in making CUTS an international organisation totally devoted to the cause of consumer protection, human development and other scores of activities beneficial to the human beings at large. Accept my sincere gratitude and lots of good wishes for the prosperity of 'CUTS'.

Tekchand

*Deputy General Manager Procurement
Saipem Triune Engineering Pvt. Ltd.*