

CUTS IN ACTION

April-June 2005

Cable TV Woes...Is there a Solution in Sight?



Sania Mirza has become an icon for the Indian sport, even as she lost early. The other day some of our colleagues in Jaipur switched on their television sets to watch Sania play the Wimbledon. However,

they were in for a shock. The channel (Star Sports), which is relaying live coverage of Wimbledon, was not available. Frustrating, as it was, they called their cable operator only to learn that the channel has been taken off-air by Bhaskar TV, the sole multi-system operator (MSO) in the Pink City. The reason – a dispute with the broadcaster over revenue sharing! It was quite frustrating, because in spite of paying full monthly charges, the subscribers were victims of the dispute between service providers.

The cable TV sector is a seller's market where you and I have no say in the types of channels we wish to watch or even in selection of the *cablewallab*. Thus, we pay for the channels we do not watch, and cannot access channels we would like to watch and pay for. As more channels are

turning pay, monthly cable TV bills for consumers have grown rapidly. Combined with the inability to choose between channels and operators, this has fuelled growing consumer dissatisfaction.

To address the various problems in the cable TV sector, the Government tried to introduce the Conditional Access System (CAS). CAS was perceived to be potentially beneficial to all stakeholders, as it would allow subscribers to pay for channels they watched and bring transparency in the system of subscriber information. Despite its various advantages, CAS failed to take-off completely largely because the rules were not specific and there was no regulatory body to ensure its smooth implementation.

After the CAS debacle, the Telecom Regulatory Authority of India (TRAI) was given the additional charge of regulating the broadcasting and cable services. But even TRAI has failed to deliver, save for making recommendations on how to move ahead in the sector.

TRAI passed an order freezing cable charges at levels prevailing on December 26, 2003. However, due to lack of enforcement at the ground level, this order has largely remained on paper, as there are

complaints of gross violation. A survey conducted by CUTS in Jaipur showed a hike in cable charges of upto Rs 100 despite TRAI's order. Moreover, this is no surprise to cable subscribers in the city as it reflects the monopoly power wielded by Bhaskar TV. CUTS approached TRAI with necessary evidence of the violation of TRAI's tariff order. But, surprisingly the regulator got back with a response asking what action can be taken against the cable operator and the MSO!

Given the ineffectiveness of TRAI and the continued sufferings of cable subscribers in Jaipur, CUTS has filed a public interest litigation (PIL) in the Rajasthan High Court pleading action and for the setting up of a local level regulator. The matter is still pending!

The need for having a local level enforcement agency has been acknowledged by TRAI. Even the Ministry of Information & Broadcasting seems to share the same view, learning from its bitter experience of introducing CAS. The solution now seems to be in sight ... setting up of a local level regulator.

Pradeep S. Mehta

Pradeep S Mehta, Secretary General

Amazing Vision and Approach



My interaction with CUTS dates back more than five years. I was approached by Pradeep S Mehta, Secretary-General, CUTS, to comment on the organisation's programme on trade liberalisation, with particular reference to agriculture. I was deeply impressed by the vision and approach. There are a very few non-government organisations (NGOs) which have recognised the value of systematic research in order to fulfil their advocacy role. CUTS is one of those few institutions. It has taken further strides in terms of strengthening its staff and achieving meaningful interaction with researchers.

With its past record, foresightful leadership and competent staff, I am sure CUTS will meet the challenges of the future and will set an example for other civil society institutions to follow.

Prof. V S Vyas

*Professor Emeritus, IDS, Jaipur, and
Member, Economic Advisory Council to the Prime
Minister of India (2000-2004)*

"Liberalisation yes, but with safety nets"



I came across CUTS when I met Pradeep S Mehta, way back in 1990, when I was working with the United Nations Centre on Transnational Corporations, in New York. Following the move to Geneva, when the Centre was merged with United Nations Conference on Trade and Development (UNCTAD), we have been in regular contact with each other.

What is interesting about CUTS is its approach to liberalisation, which perhaps can best be captured in what appears to be its motto: "Liberalisation yes, but with safety nets". It is a pragmatic approach that helps developing countries to attract foreign direct investment (FDI) and benefit from it.

CUTS is a unique civil society organisation, combining research and advocacy. This is the kind of work that is increasingly needed by the international community. In this respect, it is very helpful that CUTS has not only its own Centre in Jaipur, India, but also in Lusaka, Zambia; Nairobi, Kenya; and London, UK. This helps CUTS to expand continuously its output and accumulate a variety of views from all over the world. UNCTAD will certainly continue to work with CUTS, as working with civil society is an important part of our approach.

Karl Sauvant

*Director, Division on Investment, Technology and Enterprise
Development, UNCTAD, Switzerland*

Capacity Building Venture

CUTS Africa Resource Centre (CUTS-ARC), jointly with Participatory Ecological Land Use Management (PELUM) Association organised a workshop to facilitate the launch of the partnership project entitled, 'Information-based Advocacy, Networking, and Capacity Building on NEPAD in Zambia,' at Lusaka, Zambia, on June 8-9, 2005. The project is supported by the Canadian International Development Agency (CIDA), and is being implemented to increase the awareness and involvement of stakeholders on New Economic Partnership on Africa's Development (NEPAD) activities in Zambia.

The project envisages drafting of a National Advocacy Document that would assist in providing a framework for action plan on NEPAD implementation in Zambia.

(cuts-international.org/news-cuts2005.htm#zambia9jun05)



Mass Awareness on Drugs

CUTS has undertaken a project on 'Consumer Awareness on Rational Use of Drugs' with the support of World Health Organisation (WHO), and the office of the Drug Controller General of India. The project aims to build awareness among consumers (patients) on the rational use of drugs. It is being implemented in nine states in India and co-ordinated at the national level by CUTS Calcutta Resource Centre (CUTS-CRC). CUTS Centre for Consumer Action, Research & Training (CUTS-CART) is responsible for implementing this project in Rajasthan.

Under the project, a Training of Trainers (ToT) was organised at Jaipur, Rajasthan, on June 25, 2005. The training was imparted on various technical aspects of the subject. (cuts-international.org/eventsreport2005.htm#drugs25jun05)

Augmenting Farmers' Capacities

CUTS-CRC organised a one-and half-day need assessment workshop at Kolkata, West Bengal, on June 3-4, 2005. The workshop was organised as part of the project on Farmers' Rights to livelihood to assess the needs for further work and intervention regarding the typical needs of mountain farmers.

The second phase of the project has been taken up as part of a pan-South-Asian initiative to augment the capacities of farmers, especially mountain farmers on the various complex trade issues that pose, or are likely to pose, a threat to their livelihoods and traditional ways of farming.

(cuts-international.org/eventsreport2005.htm#need3jun05)

Trade for Human Development

CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE), in association with United Nations Development Programme (UNDP), is preparing a report on 'International Trade and Human Poverty in Asia,' which will be launched during the fourth quarter of this year. With the objective of further soliciting stakeholder's views and perceptions, the Second Stakeholder Consultation was held at New Delhi, India, on June 1-3, 2005. Representatives were invited from 14 countries in the Asia-Pacific region.

The Consultation provided significant inputs for the forthcoming Regional Human Development Report (R-HDR), which is essentially an advocacy document. A draft report of the field survey was presented and discussed at the second stakeholder consultation. (cuts-international.org/eventsreport2005.htm#human1jun05)

Promoting SAARC

CUTS-CITEE, in partnership with Friedrich Ebert Stiftung (FES), India, organised a regional seminar entitled: 'Economic Cooperation in South Asia' at Colombo, Sri Lanka, on May 7-9, 2005. Apart from India, over 50 representatives from the neighbouring countries in the region namely, Bangladesh, Nepal, Pakistan and Sri Lanka participated in the deliberations.

The seminar focused on South Asia's position on global economic issues, its relations with other regional groupings and its response to global economic developments. (cuts-international.org/eventsreport2005.htm#er7-9may05)

Autonomy with Accountability

Independent regulatory bodies have been established (and are being established) in India to perform functions that were hitherto being executed by the Line Ministry/department in order to bring transparency; and facilitate their participation/consultation in the overall decision-making process.

A retreat (first in a series of three) was organised by CUTS in New Delhi, on May 7, 2005, with the participation of a heterogeneous group of opinion leaders to stimulate debate and gather views to strike the right balance between autonomy and accountability to enhance the effectiveness of regulatory regimes. (cuts-international.org/eventsreport2005.htm#er7may05)

Children at Bay from Abuse

CUTS Centre for Human Development (CUTS-CHD), jointly with 'Save the Children' (UK), Jaipur, organised a seminar on 'Advocacy & Networking for Violence against Girl Child' in Chittorgarh, Rajasthan, on April 21, 2005. The main objective of the seminar was to establish a network of different stakeholders working on child rights in six districts under Udaipur division, through interaction and information sharing (children's groups, NGOs, donor agencies, government departments etc). The seminar also aimed to develop strategies to establish linkages between children's groups and government programmes; and to advocate for implementation of 'State Child Policy' in Rajasthan. (cuts-international.org/ReportViolence21apr05.htm)

Training on Competition Law

The Vietnam Competition Administration Department (VCAD) of the Ministry of Trade (MoT) organised a seminar inviting comments on the detailed regulations for implementing the Competition Law 2004 of Vietnam, with assistance from CUTS, in Ho Chi Minh City, on April 25-26, 2005.

International experts from Australia, Korea and India provided valuable comments on the 'implementation regulations' of the Competition Law 2004 of Vietnam. Dinh Thi My Loan, Head of VCAD, expressed eagerness for further assistance from CUTS for implementing the competition legislation in the country.

(cuts-international.org/7up2.htm)

Local Problems Need Local Solutions

Responding to the demand of CUTS for the need to enact a State Competition and Regulation Act, the State Government of Rajasthan, India, constituted a Committee to examine the proposal to establish a State Competition and Regulatory Agency (SCoRA), for regulating the services sector in the state.

A workshop was jointly organised by CUTS and the Department of Food and Civil Supplies, Government of Rajasthan, on April 30, 2005, as recommended by this Committee to consult various stakeholders about this proposal. An attempt was made to construct a rough blueprint for the SCoRA.

(cuts-international.org/Report_StateCompetitionRegulatoryAct.htm)



Dynamic World Economy

Mehta represented CUTS in the Evian Group I China roundtable meeting on 'A Global Economic Order for the XXI Century: Coherence, Dynamism and Dialogue' hosted in Beijing, China on June 16-17, 2005.

The main objective behind organising such meeting was to reflect Evian Group's energetic endeavour in pursuing both a robust institution and a dynamic world economy, as well as its firm commitment to make the global business playing field level, especially for new entrants and developing economies.

Cable TV Regulatory Regime



The Ministry of Information and Broadcasting (MoI&B) organised a meeting with selected consumer organisations in New Delhi, on May 26, 2005,

as a part of its consultation with various quarters: broadcasters, multi-system operators, cable operators and state governments to discuss the TRAI's recommendations on broadcasting and distribution of TV channels.

Manish Agarwal of CUTS Centre for Competition, Investment and Economic Regulation (C-CIER), urged the need for a proper regulatory regime in the cable TV sector, before the Government sets out to implement the CAS in the country.

Liberalised Economy

Current liberalised regime is successful in only bringing some boom in the financial sectors – this conclusion came out in the two-day workshop on the Liberalised Economy and Human Rights organised by the Mahanirban Calcutta Research Group, at Kolkata, West Bengal, on April 9-10, 2005. Mita Dutta, Dalia Dey, Tathagata Lahiri and Debottam Chakraborty participated from CUTS Calcutta Resource Centre (CUTS-CRC). Many eminent personalities from different academic institutes and NGOs expressed their views.

Regulatory Framework Conclave

A conclave was organised on April 26, 2005 as a follow-up to the Confederation of Indian Industry's (CII's) ongoing interactions with the Planning Commission of India on regulatory framework for the infrastructure sector in the country. Manish Agarwal and Vinayak R Pandey of CUTS-CCIER participated in the conclave where five sector specific parallel sessions on electricity, telecommunications, ports, roads and highways and civil aviation were

Mehta on WB's Trade Policy Evaluation Advisory Panel



The World Bank's (WB) Operations Evaluation Department (OED) has established a High Level External Panel for the

Trade Assistance Evaluation. The five-member panel, which includes CUTS Secretary General Pradeep S Mehta, was selected on the basis of: outstanding professional credentials; leadership role among key stakeholder groups; breadth of interests and expertise in key areas; and understanding the WB's role and operations.

The Panel is required to advise the OED on the design, conduct and outputs of the evaluation of the Bank's lending and non-lending activities in the area of trade policy. It will have a life of about one year, while members will share their personal views on the reports, and are required to maintain confidentiality until the OED has submitted its report to the WB.

He attended the first meeting of the External Advisory Panel at Washington DC, on June 29-30, 2005.

held. CUTS' contribution to the enriching discourse was acknowledged by the organisers, who also expressed interest to invite a representative from the organisation to the 'core group' on infrastructure regulation being established by the CII.

Trade Facilitation Measures

Pranav Kumar of CUTS-CITEE participated in the Asia-Pacific Research and Training Network on Trade (ARTNeT) – Trade Facilitation Research Team meeting, held at Bangkok, Thailand, on May 25, 2005. The main purpose of this one-day meeting was to review the progress made so far by the team members, and to discuss the methodologies to be used to assess the need for and cost of implementation of selected trade facilitation measures being discussed at the World Trade Organisation (WTO). Pranav spoke on the findings and experiences of the CUTS' project: International Working Group on the Doha Agenda-II (IWOGDA).

SHORT CUTS

- George Cheriyan of CUTS-CART attended the regional workshop on 'Children and Food Security' and a training workshop on 'Rights to Seeds' organised by the Consumers International, Asia-Pacific Regional Office in Kuala Lumpur, Malaysia, on June 22 and 23, 2005 respectively.
- Tamara Lordkipanidze of CUTS London Resource Centre (CUTS-LRC) attended the sustainable development conference on 'Measurement and Policies' organised by the Norwegian Ministry of Finance in cooperation with Organisation for Economic Cooperation and Development (OECD), at Oslo, on June 20-22, 2005.
- Mita Dutta of CUTS-CRC participated in the Road Safety NGO workshop jointly organised by Global Road Safety Partnership and World Health Organisation (WHO) at Bangalore, on June 18-19, 2005. The workshop was held to discuss the road safety scenario of the country.
- Rajeev D Mathur of CUTS was invited to present a paper at the Organisation for Economic Cooperation and Development (OECD) workshop on 'Multilateral Environmental Agreements and Private Investment: Encouraging Business Contribution to Multilateral Environment Agreements (MEA) implementation' in Helsinki, on June 16-17, 2005.
- Mehta participated in the International Symposium: Preference Erosion: Impacts and Policy Responses organised by The World Bank, in cooperation with OECD and the World Trade Organisation (WTO), at Geneva, on June 13-14, 2005.
- Mehta held the flag of the country flying high at the 4th ICN Annual Conference held in Bonn, Germany from June 5-8, 2005. The participation of Mehta in the conference was unique on two counts: one, he was the only NGO representative there; and second, he represented India at the meeting, in the absence of the competition authority (Competition Commission of India).
- Mehta along with Nitya Nanda and Manish Agarwal participated in a one-day 'Competition Advocacy Seminar' organised by the CCI in New Delhi, on April 16, 2005. The seminar was organised by the CCI for the business community under its mandate to undertake 'Competition advocacy, public awareness and training on competition issues.'

— VISITORS —

Name	Comments
D N Gupta, IAS Fellow, Institute of Social Sciences (ISS), New Delhi	CUTS is doing wonderful work on the WTO. It has been fruitful talking with the researchers of CUTS. I wish them all the success. They can contribute to India's interest in a big way, at the international level.

— MOVING ON —

A Great Learning Experience!



Ayesha Patel

Having just completed my BA in English Literature with Spanish, short-stay at CUTS has been my first 'real' experience. By that I mean, despite working and living in an unaccustomed environment, every minute has been wonderful in CUTS. I have thoroughly enjoyed working in CUTS and the knowledge I have acquired has been very beneficial. Although I will continue on my project from London, I wish I could have stayed at CUTS longer. My studies in France call me away, and I have to start my MA at SOAS in International Studies and Diplomacy in September. It's been a joy working for a good cause and with such nice people. I wish the organisation all the best.

A Professional Environment!

I joined CUTS on February 17, 2005 and had to depart due to marriage and leave Jaipur. Since then it has been a continuous learning process for me working at CUTS-CART and communicating with the other centres of the organisation. One can really learn to be organised and disciplined here. Everything in CUTS is well organised and systematic. The professional environment of the office helps inculcate the right attitude and discipline so essential for young professionals. One can realise her/his responsibility towards the contribution to the mission of the organisation by the recognition given to one's abilities and the way employees' contribution is essential. I wish all the best to everyone at CUTS for their future endeavours and believe that by their mutual efforts the organisation would attain new heights.



Sonal Jain

— FORUM —

The State Bank of Pakistan (SBP) has a research library at Karachi, with a rich collection of books, technical reports, research journals, etc. on subjects of banking, finance, and economics.

We understand that the CUTS-CITEE publishes a number of research reports and newsletters/bulletins to disseminate the information on various aspects of international trade, economics and environment. Such publications are certainly useful sources for the researchers to carry out the research work.

We shall be highly grateful if you please place the name of SBP library on your mailing list for distribution of all the CUTS-CITEE publications on a complimentary basis.

*Bashir Ahmed Zia, Chief Librarian
State Bank of Pakistan, Economic Policy Library
Karachi*

Glimpses of Ongoing and Future Projects of CUTS

Centre for International Trade, Economics & Environment (CITEE)



CUTS-CITEE has initiated a project on 'Regional Economic Cooperation in South Asia' in collaboration with Friedrich Ebert Stiftung (FES), India. The aim of the project is to seek ways to facilitate a cross-fertilisation of experiences and lessons learnt on economic (trade and investment) cooperation among South Asian countries with an effort to draw a roadmap for enhanced regional cooperation among South Asian countries.

Centre for Competition, Investment & Economic Regulation (C-CIER)



Responding to the need for a 'platform' to generate and share substantial knowledge for better implementation of competition and regulatory policies in the developing world, CUTS-CIER has conceptualised organising a biennial forum on the 'Competition, Regulation and Development Research Forum' with the first one scheduled in 2006. The Forum will provide those involved with competition and regulatory issues in the developing world an opportunity to meet and present important new research.

Centre for Consumer Action, Research & Training (CART)



As part of commencing the activities of the Phase-II of CUTS-FES project on 'Involvement of Consumers in Power Sector Reforms,' daylong orientation workshops will be organised in 12 identified circles of Rajasthan, from June 18, 2005 to May 20, 2006. The major objective of the programme is to facilitate an active involvement of the consumers in the power sector reforms.

London Resource Centre (LRC)

CUTS LRC is assisting C-CIER in implementing 7Up2 and 7Up3 projects for promoting effective markets through competition policy and law.



Calcutta Resource Centre (CRC)

CUTS-CRC has undertaken a project on 'Consumer Awareness on Rational Use of Drugs' with the support of World Health Organisation (WHO), and the office of the Drug Controller General of India. The project aims to build awareness among consumers (patients) on the rational use of drugs. It is being implemented in nine states in India and is coordinated at the national level by the Centre.

