

CUTS IN ACTION

कट्स CUTS
1984 to 2003
Twenty Years of Social Change

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Twenty Years of Social Change – Some Reflections



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THE FUTURE OF
CONSUMER PROTECTION

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Greetings! Consumers International World Congress provides an invaluable opportunity to consumer organisations from across the world to share their experiences and learn from each other. This newsletter produced for

the 17th World Congress seeks to inform people about CUTS, and its progress since it was established in 1983.

This year CUTS completed two decades of its existence. We are now about a 100-strong team of committed people, spread over five centres in India and three overseas. People often wonder how we managed to expand not just in terms of reach to far-off lands, but also diversification — from one issue of common concern to another.

In 1991, we established the Centre for Human Development (CHD) in Chittorgarh, Rajasthan. Over the years, the Centre has worked on many an issue concerning the rural poor, besides fine-tuning its focus on women as the most deprived section of the society. In due course, this led to working in several new areas, including working for children and in association with them.

Our work on trade-related issues started around the same time, with the first achievement being the launch of the South Asia Watch on Trade, Economics & Environment (SAWTEE) in 1994. Subsequently, SAWTEE was moved to Kathmandu with an independent secretariat. In 1996, CUTS launched another specialised centre: CUTS Centre for International Trade, Economics & Environment (CITEE).

The time-wheel moved on and so did we. As a positive outcome of our interactions with people far and wide, especially with different African groups, the Africa Resource Centre (ARC) came into being. This resource centre was aimed at promoting South-South civil society cooperation. A full-fledged centre was

established in Lusaka in 2000—our first major venture outside India—to focus and expand our activities in Southern Africa. With the passage of time, a centre at Nairobi to promote work in Eastern Africa was conceived, which is a reality today.

Since the beginning of our work on trade and development issues, we have been closely associated with many Northern civil society groups. This led to establishment of the London Resource Centre in 2002 to promote better South-North dialogue.

In the meantime, we were also engaged in a path-breaking project to analyse competition regimes of seven developing countries in Asia and Africa. This led to setting up of a new wing, the CUTS Centre for Competition, Investment & Economic Regulation (C-CIER), to pursue similar projects and more.

Indeed, we have covered a long distance, working increasingly on issues, which relate to common person and what affects her at the national, regional and international levels. Over the next 20-plus years, we hope to consolidate our work and travel further. Our resolution was strengthened after UNCTAD Secretary-General Rubens Ricupero wrote to us recently: “UNCTAD’s long-standing relationship with CUTS is for me a great source of satisfaction.”

Ours is not just a process of analysing ground realities, but also transferring the knowledge to others, so that they too could add to efforts to empower consumers.

The future challenge is also about getting a better political buy in for some of our innovative ideas. Recognising and respecting the views of others has been our philosophy and continues to be so in future as well. No doubt, differences of opinion will crop up, but the real challenge would be to ensure that civil society organisations in developed countries work towards the same goal as the civil society organisations in developing countries.

Pradeep S. Mehta
Pradeep S. Mehta, Secretary General

Promoting a Healthy Competition Culture

CUTS has played an important role as a competition practitioner since its establishment in 1983. The organisation has been closely associated with competition issues through research and advocacy activities at local, national and global levels. It has done several research and advocacy projects in this area. Over the last three years, however, its work on competition issues scaled significant heights.

CUTS has been widely consulted by the High Level Committee on Competition Policy & Law (Raghavan Committee) during the process of drafting the Competition Bill of India that gave birth to the Competition Act, 2002. The Consumer Coordination Council, the apex body of the consumer organisations of India, nominated CUTS to represent consumer organisations before the Standing Committee of Parliament for submitting evidence/testimony on the new Competition Bill. These efforts bore fruit as many of the progressive features in the new competition law can be attributed to the interventions made by CUTS.

Similarly, CUTS was invited by the Ministry of Trade and Industry, Royal Government of Bhutan, to study its markets and suggest an appropriate consumer protection framework. A draft report was prepared and discussed in a seminar in Bhutan to finalise the plan of action and the draft consumer protection law. Finally, CUTS designed the Consumer Protection Programme and framed a hybrid consumer and competition law for Bhutan.

CUTS' 7-Up project, a recently concluded research and advocacy project on competition regimes in seven developing countries, including India, has generated much awareness and is stimulating debate on these issues. This project was supported by Department for International Development (DFID), UK. Through this project, CUTS has built up experience in effective project design and implementation.

Again with the support of DFID, UK, CUTS has launched another project titled 'Investment for Development' that involves carrying out research and advocacy activities to help build enabling environment for attracting foreign direct

investment as well as promoting a domestic environment. Competition policy is a necessary ingredient of this project too.

Another related work in this field is a project on study of competition and consumer protection scenario in select African countries with local consumer organisations, to build their capacity and provide them with advocacy tools.

To consolidate its activities on competition and related issues, CUTS has recently launched a new centre called Centre for Competition, Investment & Economic Regulation (C-CIER) with an Advisory Committee under the chairmanship of Prof. Frederic Jenny, a renowned competition expert and Chair of the WTO Working Group on the Interaction between Trade and Competition Policy. The other members of the Advisory Committee are also internationally renowned experts in the field. Its aim is to build on the experience gained so far, and consolidate and scientifically take forward new activities on these issues.

International Networking

Recently, competition authorities of the world have come together to form the International Competition Network (ICN). One of the main objectives of the ICN is to build capacity of developing and transition economies in enforcing competition law and it has established a working group to pursue this objective, namely, Working Group on Capacity Building and Competition Policy Implementation (CBCPI) in which CUTS is a member. Being a non-governmental organisation, CUTS could not be a member of ICN as membership is open only to competition agencies. CUTS' activities, especially the 7-Up Project have been a major point of discussion in all ICN forums.

In the process, CUTS has developed an extensive network of competition experts, both academics and

practitioners and is in a position to pool in the top-ranking competition experts from different parts of the world. This resulted in the formation of International Network of Civil Society Organisations on Competition (INCSOC).

The need for such a network came out as one of the recommendations of the 7-Up project. It was articulated in different seminars/conferences organised as part of implementation of the project as well as other international level meetings where findings of the project were discussed. Incidentally, the concept of the network was floated by CUTS.

Several consumer organisations, other CSOs and competition experts showed overwhelming interest in the idea. As a result the INCSOC was formed and formally launched on February 19, 2003 at the final meeting of the 7-Up project at Geneva.

The goal of the network is "to promote and maintain healthy competition culture around the world by coalition building

among civil society and other interested organisations". The activities of the network will revolve around the objective of building capacity on competition issues, primarily of the civil society organisations, but secondarily of other stakeholder groups.

The network is working mainly through working groups. All working groups have a balance of representation from the North and the South, and among regions.

As of now, the network has three working groups; Working Group on Advocacy or WGA, Capacity Building Working Group or CBWG and the Working Group for the World Competition Report or WGCR. The WGA aims to undertake advocacy activities mainly at national level. The CBWG aims to build the capacities of CSOs and other stakeholders around the world. At the international level the WGA will work with the WGCR to prepare the World Competition Report by the year 2005, for the first time and once in two years thereafter.



Consumers-Producers Network on Standards and Market Access

The World Trade Organisation (WTO) came into existence in 1995, after the culmination of the Uruguay Round of multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT) framework.

In order to avoid inappropriate application of trade rules, GATT 1994 found it necessary to clarify that governments, while administering their domestic measures (applicable to imports) extend these rules to trade measures not originally (or inadequately) covered by GATT 1947. Thus, the Uruguay Round negotiations reached various agreements concerning rules to govern world trade. Two of them concern standards: sanitary and phytosanitary measures, and technical barriers to trade.

Ever since the establishment of the WTO, standards and technical regulations have become increasingly important determinants in the flow of international trade. While nobody is disputing a state's right to protect their national security, prevent deceptive practices and protect human health or safety, animal or plant life, or health and the environment, there is a growing concern that these standards cause unnecessary market access barriers. Strict monitoring of labelling requirement may restrict access even if production meets an equivalent standard.

Objectives



The Consumers-Producers Network has been set up to promote better understanding of trade relations between the developed and developing world, so as to lead to higher volumes by improving market access in respective countries, while taking into account consumer needs under the objective of promoting their right to choice at lower prices.

The overall objective is to set up a chain of consumer and producer organisations (and other relevant stakeholders), so as to raise the profile of countries as solid partners in trade (through regular interaction between and among consumers and producers) and to achieve higher volume of trade as a win-win situation, rather than a zero-sum game.

Specific objectives are as follows:

- Assist producers and producer organisations to understand the standard-setting process;
- Provide advance information to producers about standards that are

likely to affect them before these standards are imposed and producers are suddenly cut-off from the market;

- Develop a method for connecting developing-country producers to the standard-setting bodies in developed countries and *vice-versa* on a permanent basis, *i.e.* identify ways, in which producers can be consulted in standard-setting process;
- Evaluate existing standards — identify legitimate standards that can be met with technical assistance and distinguish those from protectionist standards;
- Create a mechanism to link introduction of new standards, which are necessary with technical assistance;
- Facilitate the interaction between consumers and producers, so that producers can meet the needs and provide the assurance that consumers need;
- Channel good intentions of consumers in relation to the livelihoods of producers into an effective strategy that will improve and sustain the livelihoods over the long-term; and
- Prevent the misuse of “consumer interest” as an excuse for protectionism.

Rationale and Activities

Among others, there are several examples of regulations governing pesticide residue levels in commodities like grapes, gherkins, honey, meat and meat products, tea and spices. Exporters, especially from developing countries, are required to comply with different such regulations. Furthermore, it has been observed that different countries follow different regulations on the use of pesticides. As a result, residues of pesticides of all the countries have to be tested before any product can be exported to any of these countries, which put a heavy burden on the producers.

On the other hand, in developing countries, standards is an emerging issue. There is a growing demand from several quarters to initiate the process of SPS checks of imported food products. Although this is necessary for protecting consumer health and safety, unless there is proper understanding between consumers, producers and other stakeholders, the system may be used to

the detriment of both producers and consumers.

These examples challenge a fundamental fact, *i.e.* access to markets can help raise incomes for some of the poorest of the poor in developing countries, and also that better access to developing country markets may help poor consumers. Indeed, apart from measures due to application of standards, there are other barriers, like inadequate information about market opportunity, inadequate access to technologies and business skills, administrative hurdles to export, transport and other communications infrastructure.

At the same time, these are inevitable because of growing consumer power, both in the developed and developing countries, but of course, in varying degrees. Whether a producer likes it or not, the fact is that consumers are playing a bigger role in forcing their policy-makers to take their views into account while drafting a legislation (on food and related issues), or putting food (or clothing or other consumer items) on supermarket shelves. Furthermore, consumer power is making itself felt in areas beyond food production. And, this has implications for producers, who wish to get better market access in foreign countries.

In short, standards are extremely important to protect the health and safety of consumers. However, both consumers and producers have an interest in preventing arbitrary, protectionist standards imposed as a result of pressure from some producers in the importing country. This can threaten the livelihoods of producers by preventing or restricting their access to markets and raise prices and restrict choices for consumers.

Thus, this programme will build upon the objective of increased dialogue, information exchange and networking between and among consumers and producers in developed and developing countries.

Among the activities, there will be research comprising of literature survey and field research on standards that restrict market access and documentation of the same, dissemination of the same among the relevant stakeholders through outreach seminars and advocacy dialogues, wider outreach through the use of media, electronic means (including web site), targeted missions with government officials (policy-makers) and parliamentarians (law-makers).

Consumer Protection in the Era of Globalisation: The Emerging Challenges

“Consumers by definition, include us all. They are the largest economic group in the economy, affecting and affected by almost every public and private decision. Two-thirds of all spending in the economy is by consumers. But they are the only important group in the economy, who are not effectively organised, whose views are often not heard...”

*President John F. Kennedy
Special Message Promoting
the Consumer Interest (March 1962)*

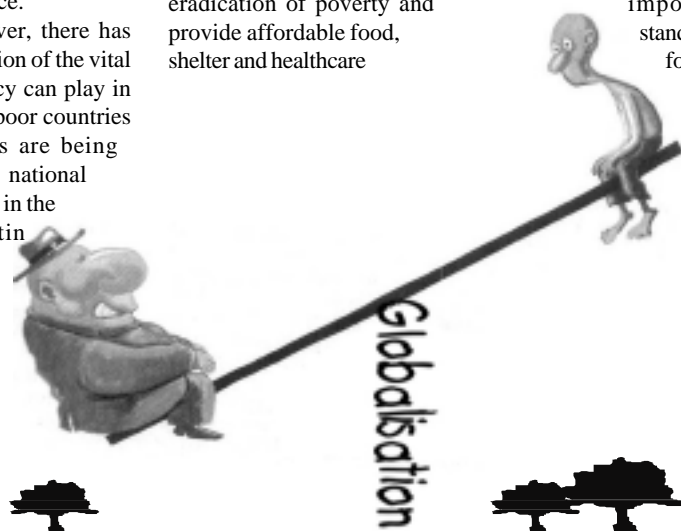
In March 2003, the consumer movement celebrated the 41st anniversary of the seminal speech given by President John F. Kennedy to the US Congress concerning consumer interests. In a simple yet powerful way, Kennedy spelled out the basic problem confronting consumers, *i.e.* the fundamental imbalance of power in the marketplace between consumer interests and those of producers. Over the last 40 years, virtually all developed economies have implemented policies to redress this power imbalance.

In recent years, however, there has been an increasing recognition of the vital role, which consumer policy can play in economic development in poor countries as well. Consumer rights are being increasingly recognised in national constitutions. For example, in the last 10 years, seven Latin American countries have recognised these rights in their constitutions, while 14 Latin American countries have adopted consumer protection legislation. Many African nations have also adopted consumer protection laws. However, the consumer movement is still struggling to reach its goal with severely limited resources. In South Asia, consumer protection and participation in policymaking has increased dramatically in recent years.

At the international level, the best attempt at such a framework is that found in the United Nations Guidelines for Consumer Protection, adopted by the United Nations General Assembly in 1985. The guidelines establish a framework for consumer policy and consumer protection, based on an international consensus as to the best practice in consumer policy. Under the UN guidelines, national governments, businesses and consumers themselves are given certain responsibilities for ensuring consumer rights and every country is encouraged to have a minimum of consumer protection measures.

Globalisation and Its Challenges

The world is passing through a phase of globalisation, characterised by increasing wealth developing alongside massive poverty. Each day, more than \$1.5tr is exchanged in the world's currency markets, and nearly a fifth of the goods and services produced each year are traded. Global markets, global technology, global ideas and solidarity have the potential to make possible eradication of poverty and provide affordable food, shelter and healthcare



to all consumers.

However, increasing global wealth has not reached consumers in the Least Developed Countries (LDCs), whose overall economic welfare and purchasing power has been deteriorating. Poverty, and the exclusion, which this enforces from access to the means of meeting the most basic of needs, is endemic: majority of their consumers live on incomes of less than \$1 a day. Lack of access to basic healthcare and sanitation manifests in high infant mortality rate—out of every 1,000 births, 164 children die before the age of five—in contrast to 94 in developing countries as a whole and only seven in the developed world. About half of adults in the LDCs are illiterate, compared to one-third in developing countries and just one percent in developed countries.

In this context, it would be useful to look at some of the aspects of globalisation that have significant implications for development. All these provide opportunities for human progress and, at the same time, pose significant challenges.

Economic Integration

Globalisation is being driven by market expansion — opening national borders to trade and capital. International standards and norms are becoming increasingly important. Maintaining global standards has become obligatory even for a small producer in a remote village to survive in his trade.

Even if they are not interested in markets beyond their national borders, producers across the borders may not spare them from competition. This requires improvement in quality and efficiency.

Recently, however, as a consequence of greater global concentration of ownership, there has been a sharp increase in the extent of global cartel activities. The recent international enforcement action has resulted in millions dollars fines against vitamin companies, food additive makers and steel manufacturers. The consumers, directly or indirectly, bear the cost of this unlawful conduct in higher prices and reduced choices. It is a serious consumer issue.

In 1980, the UN Centre for Transnational Corporations (UNCTC) published a study of the world food and beverage industries, identifying 180 companies that dominated highly segmented markets at that time. Today, at least half of these companies retain roughly the same market power — and the UNCTC is extinct. In the early 1980s, the top 20 pharmaceutical companies held about five percent of the world prescription drug market; today, top 10 companies control 40 percent of the market. Sixty-five agrochemical companies were competitors in the world market at

the beginning of the 1980s. Today, nine companies account for approximately 90 percent of global pesticide sales. Thus, ensuring competition and consumer welfare in the age of globalisation has become a real challenge.

Technological Changes

Technology continues to advance at a remarkable pace. The potential for economic expansion is greatly increased, but at least in the short run, the trends in technical change tend to increase labour demand for people with higher education and skills. The effects on income inequality are already visible even in developing countries. But the technology also has the capacity, if put to such use, to directly improve the well-being of the very poor. But everything depends on the way the opportunity is used.

A peculiarity with technology is that it monotonically increases with time: empires may rise and fall, cultures may flourish and decline, societies may progress and deteriorate, but scientific and technological knowledge inexorably moves forward. Also technology is infectious and no society can remain immune from its contagion. But history has also shown that those, who could take the advantage of technology, progressed and the rest fell by the wayside.

Information Revolution and E-commerce

Now is the age of information, when it is knowledge—how to deploy labour, land and capital most profitably—that determines socio-economic power and progress. If information is so important then information technology will be equally important. Thus, Internet is transforming life everywhere. It is erasing boundaries between countries and, as a consequence, jurisdiction, which is one of the cornerstones of modern law, is being rendered suddenly meaningless. E-commerce transactions have blurred the distinction between domestic and foreign business as also between on-shore and off-shore transactions, just as it would be difficult to identify the location of service provider and service consumer.

Electronic commerce is emerging as a new channel for doing business in the new century. It is tying individuals, firms and countries closer together. The total e-commerce exchanges are on way to reach \$7tr in 2004. But all these are produced by less than five percent of the world's population. Under these conditions, e-commerce is rapidly becoming another barrier for those who are not connected.

It is quite difficult to understand many of the issues concerning e-commerce and their implications for competition and

consumer welfare. Such expertise is not easily available even with the developed country governments. Consequently, whatever regulatory framework has been developed for this sector has been moulded by the industry that it is supposed to regulate! One can imagine what this means for the developing countries.

Consumers and Biotechnology

A relatively new consumer concern is the area of biotechnology. So far, the discussions relating to the use of gene technology in food production have mainly focused on the risk posed by consuming the products, and this is still an important issue as the experts are still at variance on the safety of food produced using gene technology. However, of late, the potential long-term effects on the environment and biodiversity have become important issues.

Enhancing consumer participation in policy-making processes is a manifestation of good governance and democracy. Furthermore, consumer organisations can act as watchdogs and monitor the activities of both governments and industry.

GM Foods has been promoted on the presumption that they are benign. Thus, it has frequently been asserted that genetic modification is no more than a speeded up and more precise version of “conventional” selective breeding techniques applied for centuries in farming and animal husbandry. But the scientific basis for this assertion is not apparent. Humankind has never before possessed the ability to introduce genetic material from different species.

Consumers are far from convinced by the scientifically dubious “doctrine of substantial equivalence”. According to this doctrine, even if a food contains alien genetic matter, provided some analysis is undertaken, which shows that two foods are much the same, there is deemed to be no problem.

Making Globalisation Work for the Poor

There is widespread apprehension that the ongoing process of globalisation is bound to aggravate global inequality and will have serious negative impact on the poor. Since the retreat of globalisation after the First World War can in part be attributed to the inequities it generated, some expect that the same might happen under the current globalisation drive too. But, it should be noted that the present

spate of globalisation is quite different from the earlier one. The present one is more pervasive in nature and is not confined to economic arena as in the earlier case, but encompasses the social and cultural arenas due to the revolution in information and communication technology. Therefore, it will be more difficult to retreat from the globalisation as technology is something that always triumphs.

It also does not follow that the developing countries will be better off if they close themselves off from the process of globalisation. Joan Robinson said that there is only one thing that is worse than being exploited by capitalists, and that is not being exploited by them. The same goes for participation in globalisation. Therefore, the only option open to the developing countries is to explore how to check the adverse effects of globalisation. The approach can be summed up with the old Chinese proverb, “It is better to light a candle than to curse the darkness.”

It may also be noted that there are better options than to allow the poor to become victims of the blind forces of globalisation. Once it is recognised that the efficiency of many markets is not solely determined by the transactions of buyers and sellers in those markets, but by a host of other factors, including the actions taken by the governments, then the role of government appears to be very important. Then what is required is not deregulation or the naïve stripping away of regulation, but regulatory redesigning.

Measures, such as social safety nets, guaranteed employment schemes and training provisions to cushion poor people in low-income countries against being battered by the twin forces of globalisation and the digital divide, should be built into the system of international relations.

Enhancing consumer participation in policy-making processes is a manifestation of good governance and democracy. Furthermore, consumer organisations can act as watchdogs and monitor the activities of both governments and industry. Corporations spend billions of dollars on lobbying to obtain market access and policies conducive to profitable operations.

Government policy must also have regard for the broader interests of its populace. Therefore, consumer involvement in the process of planning, implementing and assessment of policies, legislation and services helps ensure proper focus. Consumer policy can significantly contribute to good governance and democracy through encouraging successful market operation, competition, sustainable production and consumption.

Promoting South-South Cooperation

In its sustained effort towards promoting South-South Cooperation, CUTS reached a milestone when it became international in a physical sense with the setting up of an Africa Resource Centre in Lusaka, Zambia (CUTS-ARC). The objective of launching ARC is to promote South-South civil society cooperation on trade and development, and create long-term capacity for civil society representatives to address the issues of equity and accountability. The Centre has been entrusted with the responsibility of consolidating and expanding the activities of the organisation on South-South civil society cooperation in the areas of trade, economics and environment.

William Harrington, Acting Minister, Commerce, Trade and Industry, Zambia, inaugurated the Centre on 20th February 2001, while some high-profile personalities, like Ashok K. Attri, the Indian High Commissioner, Nicholas Kwendakwema, Chairman, Zambia Competition Commission, and George Lipimile, Executive Director, Zambia Competition Commission, attended the ceremony.

ARC is a dream-come-true for the organisation, as it is a giant leap towards the development of a closer and more intense relationship between the two developing regions, namely Africa and South Asia. CUTS has always advocated a well-organised and a well-developed regional coordination system for all organisations working on similar social and economic issues. ARC will endeavour to work out such a system for these two developing regions.

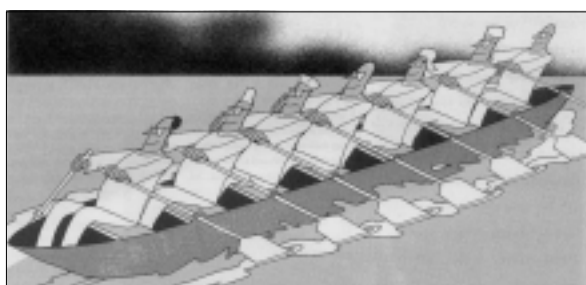
To begin with, ARC is implementing a programme on "Fostering Equity and Accountability in the Trading System". The activities thereof seek to transfer the skills and knowledge gained through the existing work programme of CUTS-Centre for International Trade, Economics and Environment (CUTS-CITEE), Jaipur, India, on capacity building and networking in India and South Asia, and at the international level to eastern and southern African countries through training and networking, advocacy and dialogues, and information dissemination and outreach.

The four existing projects of ARC are based on the above work programme. Currently, ARC is implementing two capacity-building projects on international trade and also on consumer protection in Eastern and Southern Africa and two national projects — on competition policy and foreign direct investment. As part of

the FEATS Project, the centre produces quarterly policy briefs, quarterly newsletters, bi-monthly electronic bulletins, organises training workshops and offers internships and exchange visits.

Capacity Building

CUTS-ARC has been engaged in capacity building of members of consumer and civil society organisations in the region, as also that of its own staff members, during the reporting period. The capacity building activities of the centre have been carried out through (a) organising training workshops, (b) enabling civil society representatives to participate in meetings



and workshops, and (c) providing resource support to consumer organisations in preparing research reports on consumer protection, and through various reader-friendly publications.

Training Workshops

Under the FEATS Project, the Centre organised three regional training workshops in 2002, one of which was part of the 2001 work programme. The focused training workshops were organised in such a way that they would enhance capacity of functionaries of civil society organisations in analysing and influencing national, regional and international trade arrangements for the benefit of various stakeholders.

The regional workshops were organised on the following themes:

- WTO Doha Ministerial Conference and the New Trade Round: A Civil Society Perspective, March 25-26, 2002, Lusaka, Zambia;
- Interface Between Trade and Regional Partnership Arrangements: WTO, Cotonou, AGOA and NEPAD: Are they Conflicting or Complementary?, October 28-30, 2002, Harare, Zimbabwe; and
- Strategies for Consumer and Civil Society Organisations in Influencing Economic Policymaking, December 20-21, 2002, Kampala, Uganda.

Exposure Visit

Again, as part of the CUTS-ARC efforts in capacity building of the African consumer organisations in understanding and also influencing the policy decisions on trade at national and international level, an exposure-cum-lobby visit of representatives from seven consumer organisations of Southern and Eastern African countries to Geneva was organised during February 16-20, 2003. The delegates spent one day in participating in pre-arranged planned discussion sessions with experts of the WTO and half-a-day at the United Nations Conference on Trade and Development (UNCTAD) secretariats on various topics relevant to trade and development in Southern Africa.

As part of the hands-on training on lobbying, the delegates interacted with the Ambassadors of Hungary and China to the WTO and trade negotiators of the United Kingdom and Canada. The delegates also took part in an international symposium on competition policy and pro-poor development, organised by CUTS.

Networking

The Centre has been engaged in establishing civil society co-operation in the areas of trade, economic policies and environment in Africa ever since its inception. This is in line with CUTS-ARC effort to form national, regional and international coordination system and alliance-building among organisations working on similar social and economic issues. The primary responsibility of the CUTS-ARC is to function as a resource centre to the Africa-based NGOs, consumer organisations, government and regulatory agencies.

ARC has established links with most of the civil society organisations working on trade and development issues in Eastern and Southern Africa. The Centre gives priority to do collaborative work with like-minded organisations with the objective of skill-sharing and to achieve its objective of South-South civil society cooperation on trade and development matters. It has also established links with consumer organisations and other civil society groups in COMESA and SADC countries.

In Zambia, ARC is a member of National Trade Network of Zambia and it works closely with the Competition Commission, Consumer Association, Zambian Ministry of Trade, Zambia Investment Centre and other inter-governmental agencies.

CUTS@Cancun

CUTS has been represented in all WTO Ministerial Conferences, including the fifth WTO Ministerial Conference, held at Cancun, Mexico from September 10 to 14, 2003. However, unlike in the previous ministerials, this time CUTS was represented by its various centres — the Centre for International Trade, Economics & Environment (CITEE), Africa Resource Centre (ARC), Calcutta Resource Centre (CRC) and the London Resource Centre (LRC).

As part of our ongoing advocacy and networking efforts, we organised three parallel events, produced a special issue of newsletter *Economiquity* – focussing on mobility of labour, and published 12 issue papers, covering the major part of the Doha Work Programme. Besides, the CUTS-Africa Resource Centre also published a special issue of newsletter *Tradequity*.

The first side event was on standards and market access, titled “Northern Consumers - Southern Producers: The Need for an Alliance”. It was held as part of the Cancun Trade and Development Symposium, hosted by the International Centre for Trade and Sustainable Development (ICTSD), on September 11-12, 2003.

The session was organised in collaboration with the Federation of Indian Chamber of Commerce and Industry (FICCI), Consumers Association (UK), Research Information System (RIS, India) and International Lawyers and Economists Against Poverty (ILEAP, Canada). The prime objective of organising such a session was to explore the ways and means, through which an alliance between Northern Consumers and Southern Producers could be facilitated on a sustainable basis.

At the same meeting, we released one of our recently published books, *Bridging the Differences - Analyses of Five Issues of the WTO Agenda*. The book was released by Dr. A.C. Muthaiah, President of FICCI. This book is a product of the project, EU-India Network on Trade and Development (EINTAD), launched about a year back at Brussels. CUTS and University of Sussex are the lead partners in this project, implemented with financial support from the European

Commission (EC). The CUTS-Sussex University study has been jointly edited by Prof. L. Alan Winters of the University of Sussex and Pradeep S. Mehta, Secretary-General of CUTS, India.

The five issues discussed threadbare in the book are Investment, Competition Policy, Anti-dumping, Textiles & Clothing and Movement of Natural Persons. Each of these papers has been co-authored by eminent researchers from Europe and India.

The second side event was a fringe meeting of the International Network of Civil Society Organisations on



A.C. Muthaiah, President, FICCI releasing the book “Bridging the Differences - Analyses of Five Issues of the WTO Agenda” at Cancun

Competition (INCSOC), organised in collaboration with the Consumers Association (UK). The title of the session was “Role of civil society in promoting a healthy competition culture”.

INCSOC has been floated by several civil society organisations as a coalition to promote a healthy competition culture in the world. The concept came out of the extensive work on competition policy issues by CUTS, which conceived the idea as a result of a project on comparison of competition regimes in developing countries, popularly called the “7-Up Project”.

The third parallel event was a panel discussion on mobility of labour, organised in collaboration with the North-South Institute, Canada. Temporary movement of natural persons (TMNP), *i.e.* Mode 4 of the General Agreement on Trade in Services (GATS), is one of the major areas of our work on trade and development. At present, only a little over one percent of the total services trade come under Mode 4, whereas, in

sharp contrast, Mode 3—commercial presence—accounts for more-than-half of the world trade in services.

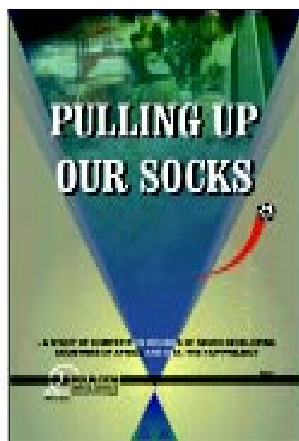
In our EINTAD project, one of the studies undertaken was on mobility of labour, examining the case of movement of doctors from India to the UK. The study, jointly done by Christine Breining of University of Zurich (Switzerland), Rajesh Chadha of National Council of Applied Economic Research (India) and L. Alan Winters of University of Sussex (UK) observed that the neglect of TMNP as a route to market liberalisation almost certainly stems from the extreme political sensitivity of migration within developed countries, coupled with the current tendency to equate temporary mobility with migration in both popular perception and bureaucratic treatment.

The CUTS-Africa Resource Centre was one of the co-organisers of the symposium on “Post-Doha Marginalisation of LDC Concerns”. The other collaborators of this symposium were Centre for Policy Dialogue (Dhaka), International Centre for Trade and Sustainable Development (Geneva) and South Asia Watch on Trade, Economics & Environment

(SAWTEE), Kathmandu. The issues discussed at this session were, *inter alia*, Special & Differential Treatment, WTO accession problems of small economies, market access and trade-related technical assistance.

Our Calcutta Resource Centre has been involved with the Farmers’ Rights Project. The project is being implemented by SAWTEE, one of the partner organisations of CUTS. Under this project, a panel discussion, entitled “The TRIPs Review: A Roadmap for Protecting Farmers’ Rights” was organised on the fringes of the fifth Ministerial Conference of the WTO.

At this meet, like-minded international civil society organisations from Asia, Africa, Latin America, Europe and North America formed an alliance, called Farmers’ Rights Advocacy Network (FRANK), to play a vital role in launching effective advocacy programmes across the globe and pressurise the agencies concerned to address the farmers’ concerns, both in letter and spirit.



Pulling up Our Socks

This report is the compilation and synthesis of the research results of the 7-Up Project, which is a comparative study of the competition regimes of seven developing countries of the Commonwealth, namely, India, Kenya, Pakistan, South Africa, Sri Lanka, Tanzania and Zambia, implemented by CUTS, with the support of the DFID, UK.

The report compares the institutional framework in the project countries and analyses important issues like legal provisions, autonomy of the institutions, financial and human resources, etc. It concludes with suggestions and recommendations for strengthening the competition regimes in these countries.

(Price: Rs.500/\$50 + Packing/Postage Charges)

Putting our Fears on the Table Analyses of the proposals on investment and competition agreements at the WTO

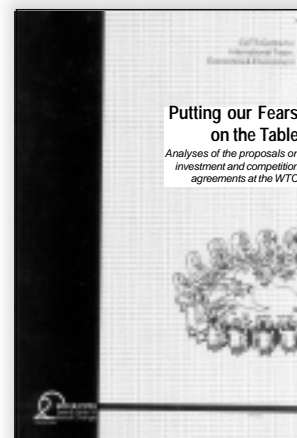
“Let them put their fears on the table and that should guide the negotiations.” The UNCTAD Secretary General, Rubens Ricuperro, made this comment just after the Doha ministerial meeting of the WTO held in November 2001.

He was referring to India’s stand at Doha on the ‘Singapore issues’ and arguing that it was pointless in just opposing the ‘new’ issues at the WTO without putting forward constructive arguments.

“Putting our Fears on the Table” is the title of a recently published report of the CUTS Centre for International Trade, Economics & Environment. It provides analyses of the proposals on investment and competition agreements at the WTO, especially in the areas taken up and/or proposed at Doha for possible future negotiations.

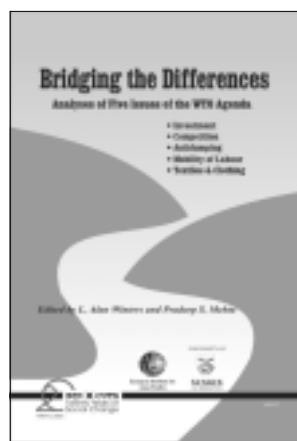
This volume is a product of comprehensive research and dialogue of leading international experts, practitioners and other stakeholders. It will really help developing countries to comprehend and deal with the issues in the WTO context.

(Price: Rs.300 for India/\$25 for OECD Countries/\$15 for Others + Packing/Postage Charges)



Bridging the Differences

Analyses of Five Issues of the WTO Agenda



This book is a product of the project, EU-India Network on Trade and Development (EINTAD), launched about a year back at Brussels. CUTS and University of Sussex are the lead partners in this project, implemented with financial support from the European Commission (EC). The CUTS-Sussex University study has been jointly edited by Prof. L. Alan Winters of the University of Sussex and Pradeep S. Mehta, Secretary-General of CUTS, India.

The five issues discussed in the book are Investment, Competition Policy, Anti-dumping, Textiles & Clothing and Movement of Natural Persons. Each of these papers has been co-authored by eminent researchers from Europe and India.

(Price: Rs.350/\$50 + Packing/Postage Charges)