

CUTS IN ACTION

 कट्स CUTS
1984 to 2003
Twenty Years of Social Change

April-June 2004

Seed Patenting will Terminate Traditional Farming



Greetings! In this column I was usually writing about what we have been doing in the quarter under reporting. In the last issue, I thought that it would be useful if I wrote at a greater length about the issues that we

are engaged in, which deserve a closer look. Thus, in the last issue I wrote about road safety and what little is being done in our country to prevent the mayhem on our roads. Along with automobiles, roads are otherwise expanding at a breakneck speed.

Continuing with this tradition, I address you on another major issue that we are engaged in: food security. And how it is being imperilled by the patenting regime, which we are now bringing forth into our country following our commitments under the WTO TRIPs agreement. Our Patent Act is under an amendment, which will allow full product patenting, including seeds, from 2005.

Agriculture is the mainstay for developing countries, and crucial for their billions. Seed patenting has become a monopoly of powerful organisations in the North. Just six corporations controlled 98 percent of the global market for patented

genetically modified (GM) crops, 70 percent of the global pesticide market, and 30 percent of the global seed market. As if this was not enough, these six giants further owned 60 to 80 percent patents granted on wheat, rice, maize and soya bean, apart from others. These staples supply most of the calories for the poor.

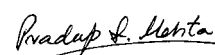
The last few decades have seen farmers in developing countries cultivate many varieties of the world's staple food crops. But, on the other hand, corporate houses are assuming control over agriculture, courtesy TRIPs and other patents on life. In the South, where a vast majority of the population is dependent on agriculture for a livelihood, the impact will be worse.

TRIPs is an accord that the poor world has been forced to accept. It will mainly enrich the US agribusinesses. Their 'Terminator Technology', wherein plants will produce sterile seeds, will prevent farmers from saving and replanting their seed, thus forcing them to buy new seeds every year. In 1999, due to the mounting disapproval and hostility towards the terminator seeds, both Monsanto (now Pharmacia) and Syngenta, two agribusiness giants, had to give an assurance not to commercialise genetic seed sterilisation technology.

Furthermore, an unnatural differentiation has also been made between plants and animals, and microorganisms. This has allowed worldwide patenting of genes and microorganisms, together with modified plants and animals. This is commercial exploitation at its height, as it distorts patent law, and confers monopoly rights over life forms and life itself. Some scientists are of the opinion that patents on transgenic processes should not be permitted.

Big agribusinesses raise fingers at farmers for growing unlicensed GM crops. They demand large sums of money as compensation or threaten legal action. Their inspectors take crop samples, and then demand payment! Pure harassment! Since these agribusinesses have powerful connections with politicians in the US, no regulatory or balanced mechanism has been put in place to deal with such transgression.

With the arrival of patents and Terminator Technology, it will remain a dream for farmers to procure and use seeds by re-sowing or informal exchange with other farmers. The matter of food security will become grave.



Pradeep S. Mehta, Secretary General

Leading Advocate



I first met Pradeep at a Conference at Columbia University, just prior to the ill-fated Seattle WTO ministerial, and learnt a great deal about CUTS and its activities through the various publications he gave me. Since the issues that CUTS had been addressing were close to my own heart, I quickly

developed deep interest in its activities.

In a very short period, CUTS has turned into a leading advocate of developing country interests at WTO. There are few WTO related events of importance to developing countries on the international stage that do not have CUTS presence these days. CUTS has done a remarkably great job of articulating the poor countries' interests and concerns on the subject of a link between trade and labour and trade and environmental standards.

My heartiest congratulations to them!

Arvind Panagariya
Professor of Economics
Columbia University, USA

When CUTS Speaks, the World Listens



My first interaction with CUTS dates back to its founding year, 1984, when I first met Pradeep Mehta. Upon knowing about CUTS and its activities, I was impressed with the organisation. It had a positive impact on me.

Since my association with them, CUTS has developed from a local organisation to an international body addressing myriad issues relating to consumer affairs. CUTS, in all these years, has emerged as a leading consumer organisation. On the international front, it has become a reputed consumer advocacy group. CUTS has been effective in bringing consumer issues to the forefront. When CUTS speaks, the world listens.

The advocacy efforts made by CUTS are good and effective. CUTS can progress ahead with a new strong force.

Mala Banerjee
President, Federation of Consumer Association, West Bengal,
and Former Chairperson, Consumer Coordination Council,
India

Recognise Differences

“The differences within developing countries on trade and trade policy matters need to be recognised fully while forming coalitions at the international levels in order to take forward their interests in a cogent manner.” This was one of the key recommendations at the **Afro-Asian Civil Society Seminar on Trade**, organised by CUTS Centre for International Trade, Economics & Environment (CITEE) in New Delhi from April 13-16, 2004.

More than 100 participants from 40 countries discussed and debated key issues in the international trading system. The draft Afro-Asian Civil Society Statement on Trade, to be adopted, was also debated. The recommendations will be taken forward to at various forums, especially to UNCTAD XI to be held in São Paulo, Brazil, in June 2004.

The distinguished speakers, among others, were: K A Azad Rana, Deputy Director General, WTO; Lakshmi Puri, Director, UNCTAD; and S N Menon, Special Secretary, Department of Commerce, Government of India.

(cuts-international.org/news-cuts1.htm#press2004-05)



L to R: Peter Draper (SAIIA), Pradeep S. Mehta (CUTS) and Rajeev Mitter (Ministry of Commerce, India).

WTO: Cancún and Beyond

In association with the Rajasthan Institute of Public Administration, CUTS organised a public lecture on “WTO: Cancún and Beyond” at Jaipur on April 9, 2004. K A Azad Rana, Deputy Director-General, WTO put forward the main elements of the Doha Ministerial Declaration; its underlying principles and objectives; and elaborated upon the “development related issues” in the Declaration.

(cuts-international.org/keynote.doc)

Anaemia: the Major Cause

CUTS Centre for Human Development (CUTS-CHD) organised a conference on “safe motherhood” at Chittorgarh on April 12, 2004. While addressing the conference, R S Gathala, District Collector, Chittorgarh, said that anaemia is one of the major causes of the increasing maternal mortality rate in developing countries.

District Coordinator, United Nations Population Fund (UNFPA), Sudhir Tailang, cautioned that the prime concern should be prevention of death of women during pregnancy, delivery and post-delivery period.

The unavailability of balanced nutrition to pregnant women and the community initiatives required to tackle the problem were some of the issues discussed.

(cuts-international.org/cutsinmedia2004.htm#CIM18_2004)

Road Safety is no Accident

World Health Day 2004 focuses on road traffic injuries and measures to prevent them. This year the slogan for the day was “Road Safety is No Accident.” With road safety being the theme of the World Health Day, CUTS International held panel discussions on road safety at both Jaipur and Calcutta on April 7, 2004. The discussions yielded concrete

recommendations to feed into policy and also ways of bringing together NGO’s, experts on road safety issues, the public, schools and the media.

CUTS-CART, jointly with the M N Tandon Memorial Charitable Trust (Sahayta), observed the World Health Day with a seminar in Jaipur. Maya Tandon of Sahayta spoke on the multidisciplinary approach of the WHO to deal effectively with road accidents.

On the occasion, at Calcutta, Prabhat Rohatgi, a noted consumer activist, released the book “Is it Really Safe?”, a compilation of 21 articles on different consumer safety issues. The newsletter “Beware”, a CUTS initiative to disseminate information and empower people on different consumer safety issues was also released.

(cuts-international.org/news-cuts1.htm#press2004-11)

Better Market Access

CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE) organised a brainstorming meeting of the projects “Achieving Better Market Access” (ABMA) and “International Working Group on the Doha Agenda” (IWOGDA) in Jaipur on June 28-29, 2004.

- The ‘ABMA’ is looking at improvement of the market access for the developing countries.
- The ‘IWOGDA II’ project is analysing two complex topics in the WTO context: transparency in government procurement, and trade facilitation.

The projects are to assist least developed and developing countries to evolve appropriate positions at the WTO, by building the capacity of negotiators and other stakeholders. The meeting assembled experts from Africa, South America, Asia, and Europe. (cuts-international.org/iwogda-II.htm)

Multilateralism at Crossroads

The World Trade Organisation hosted a public symposium, at Geneva, from May 25-27, 2004 on the challenges the WTO and its Members are facing in ensuring a successful completion of the Doha Development Agenda. The main theme of the symposium was “Multilateralism at Crossroads”. CUTS organised two panel discussions on the second day of the Symposium:

Participants in the first panel discussion on South-South Cooperation said that 43 percent of South trade is with developing countries, accounting for 11 percent of the global trade, and growing at 10 percent per year.

In the second panel discussion, participants stressed for a multilateral competition framework to be jointly hosted by WTO and UNCTAD. This framework would be required to protect developing countries interests against cross-border anti-competitive practices.

(cuts-international.org/news-cuts1.htm#press2004-14)

Accelerate Focus on Competition Law & Policy

To accelerate and consolidate the process towards a formal competition law and policy in three developing countries in the Mekong Basin region, viz. Cambodia, Lao PDR and Vietnam, CUTS Centre for Competition, Investment & Economic Regulation (C-CIER) has proposed various research-based advocacy and capacity building activities.

Supported by the State Secretariat for Economic Affairs (SECO) and the Swiss Competition Commission (COMCO), Switzerland, the project was kick-started with a meeting at Hanoi, Vietnam

on April 23-24, 2004. It focused on the need for competition law and policy, shaping the competition regime to fit the needs of the economy, the international dimensions and the developing countries’ experience.

(cuts-international.org/7-up-markII.htm)



UNCTAD Repositioned

“Developing countries may decide to focus on trade among themselves, rather than with their richer counterparts, if developed countries don’t break down trade barriers,” said Prime Minister Thaksin Shinawatra of Thailand, while speaking at the inaugural session of the 11th Session of the United Nations Conference on Trade and Development (UNCTAD XI). The Conference, held every four years, reoriented the debate on linkages between trade and development and repositioned UNCTAD in the present context.



Mehta shared the findings of the multi-country project: “Investment for Development” carried out by CUTS in seven developing countries. The study came out with three critical factors, which stand in the way of harnessing fruits from FDI. They are: lack of market openness, poor marketing network, and inequality in the international trading system.

SA Launching a Consumer Law

Mehta was invited by the Department of Trade and Industry (DTI) to serve on their International Advisory Panel to develop a Consumer Policy and Law in South Africa. He also took part in the first brainstorming workshop held on May 7-8, 2004, at Johannesburg.

Among the few things, which emerged quite effectively, is the issue of technical assistance, which South Africa could seek from other developing countries, such as India, as well as the development of the institutions, including the consumer movement.

Enhancing Fair Competition

Mehta took part in the third Annual Conference of International Competition Network (ICN) held at Seoul on April 21-22, 2004, to enhance fair competition among countries.

The event, which had a gathering of over 300 economic policy makers and regulatory experts, basically emphasised on a global antitrust policy, with discussions on topics such as the effective management of fair trade laws, helping developing countries set up corporate regulatory systems etc.

Considering the availability of various members, the occasion was used to hold a meeting of the advisory committee of the C-CIER. Chairman, Frederic Jenny and others: Philippe Brusick, Allan Asher, Rob Anderson, Simon Evenett and Menzi Similane participated. Their approval to expand the advisory board to include regulatory experts was also sought in view of the plans of C-CIER to expand its activities in regulatory reforms.

Southern Agenda on Investment

F S Chirwa, consultant, CUTS-Africa Resource Centre, attended a regional conference in Stellenbosch, on May 24-25, 2004. Trade Law Centre of Southern Africa (TRALAC) hosted the conference, in association with the International Institute for Sustainable Development (IISD), with the theme “Southern Agenda on Investment”.

This southern Africa regional conference was necessitated by the on-going efforts by IISD in designing the first model agreement for investment. The Southern Agenda on Investment (SAI) is based on the belief that foreign direct investment (FDI) can play a key role in turning unsustainable practices and processes into sustainable ones in energy, industry, and resource management.

WHO’s Concern on Drug Prices

Dalia Dey of CUTS-Calcutta Resource Centre (CRC) attended the pre-survey Workshop on Medicine Prices jointly organised by World Health Organisation (WHO) & Health Action International (HAI) at the Administrative Staff College of India, Hyderabad from April 14-16, 2004.



Reflecting concerns with the impact of high and rising prices of medicines, the WHO and HAI have jointly developed a methodology for simple and reliable measurement of the retail price of selected medicines. This has been published as a manual ‘Medicine Prices – A New Approach to Measurement’. The aim of the workshop was to provide survey managers a practical introduction to measuring medicine prices in the recommended manner.

Curb Wastage to Contribute 8.9% to National Income

Mehta attended the pre-Budget Consultation Meeting for Economists with Finance Minister, P. Chidambaram, at New Delhi, on June 5, 2004 and made a presentation entitled “Curb Wastage to Contribute 8.9 percent to National Income”, which was well captured by the media.

He suggested the government must ensure a proper project management system to ensure timely implementation of works, which would also deliver the crucial multiplier effect on the economy.

He also said that Competition Act 2002 should be implemented effectively to ensure significant gains to the national income. He added that a study in Australia has shown an annual addition of 5.5 percent to the GDP when competition policy measures were adopted effectively over a period of time.

SNIPPETS

- Nitya Nanda of CUTS attended the conference on “*Competition Policy, Competitiveness and Investment in a Global Economy: The Asian Experience*”, organised by the World Bank and the European Commission, at Colombo, Sri Lanka, from May 19-21, 2004. He made a presentation on “Competition Policy, Growth and Poverty Reduction in Developing Countries”. Earlier, Mehta made the same presentation at a similar workshop at Dar as Salaam on May 10-12, 2004.
- Emily Woodrooffe of CUTS-London Resource Centre (LRC) attended the UK Trade Network meeting on May 10, 2004 and also attended the WTO Symposium at Geneva on May 25, 2004.
- Mehta, invited as a Speaker and Discussant, attended the two-day international conference organised by Australia South Asia Research Centre (ASARC) to celebrate the 10th anniversary of its foundation on April 27-28, 2004 at Australian National University (ANU) at Canberra, and spoke on ‘RTAs and South Asia: options in the wake of Cancun Fiasco’.
- Pranav Kumar of CUTS International was invited by Institute of Cost and Works Accountants of India to speak on “WTO: Emerging Issues” in a one-day seminar on “Global Economy – Management Accountants’ Vision”, held at Jaipur on April 24, 2004.
- Dalia Dey of CUTS-Calcutta Resource Centre (CRC) attended the awareness programme on Hallmarking of Gold Jewellery, organised by the Bureau of Indian Standards (BIS), Eastern Region, on April 7, 2004. The purpose of the meeting was to give information about the hallmarking schemes introduced by BIS to different consumer organisations so that they could spread this information among consumers.

— VISITORS —

Name	Comments
Kipkorir Aly Azad Rana Deputy Director-General WTO, Geneva, Switzerland	Your contribution to the development aspects of the multilateral trading system is recognised and appreciated. Keep up the good work!
Shishir Priyadarshi Counsellor Development Division WTO, Geneva	My very best wishes to Pradeep and the organisation he has created. May it grow from strength to strength and continue the work on increasing benefits to developing countries.
Brian Heidel Programme Director Save the Children, UK	Excellent initiatives. Thanks for the informative briefing about your work. I wish you the best of success in the future and look forward to our continued collaboration.
Meenakshi Save the Children, UK Jaipur	It's very nice to come back and hear from CUTS' colleagues. I wish you all the best. Look forward to more interesting work.
Basudeb Guha-Khasnobis UNU-WIDER	I have known CUTS for several years now, having done some research papers on child labour and tariff-escalation in the late 1990s. I am visiting you after a lapse of about five years and am truly impressed in the way the organisation has grown and matured to possibly one of the leading NGOs. It will be a pleasure for me to establish a connection between CUTS and UNU-WIDER, by persuading some of its researchers to participate in our conferences and projects.

— FORUM —

CUTS—a wonderful organisation

I was thrilled to run through the pages of the publication "20 Years of CUTS" – each of which is enlightening and interesting. Each page has a message by which one should not get put off, when s/he follows a well thought out goal. If the organisation grows, the person associated with it is bound to grow. The organisation and its people deserve full credit and praise. "20 Years of CUTS" bears an imprint of all that CUTS has done and what others, with name and fame, have to say about it.

Please accept my compliments and congratulations!

J.C. Srivastava

Regional Advisor Indian Merchants' Chambers, New Delhi, India

Request for Supply of CUTS-CITEE Reports & Periodical Publications

The State Bank of Pakistan (SBP) has a research library at Karachi, with a rich collection and being the central library of the central bank, it caters to information needs of local bankers, research scholars, academicians, students etc., besides the SBP researchers, statisticians and executives.

We understand that 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.

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

Thanking you,

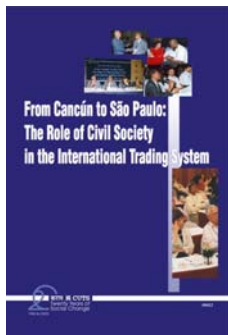
Bashir Ahmed Zia

*Chief Librarian, SBP, Chundrigar Road
Karachi, Pakistan.*

— PUBLICATION —

From Cancún to São Paulo:

The Role of Civil Society in the International Trading System



CUTS Centre for International Trade, Economics and Environment (CITEE) organised an **Afro-Asian Seminar** – *From Cancún to São Paulo: The Role of Civil Society in the International Trading System*, in New Delhi on April 13-15, 2004. It was designed to optimise cross-fertilisation of ideas and experiences, linking macro aspects with micro issues. This publication attempts to place this tenet on the proscenium of the international trading system, i.e. before the trade community at large. It not only includes the papers and proceedings of the Seminar but also provides a roadmap to the civil society and others to look into the linkages between the international trading system and national development strategies, with development and poverty reduction as the ultimate goal.

(Price: Rs. 350/US\$50)

— MOVING ON —

A rich learning experience

The short duration of more than one-and-a-half year that I have spent at CUTS has been a rich learning experience. In the early days of my career, being a part of the HR department of CUTS, which itself is in its initial stages, has helped me to understand the processes and issues right from inception. I shall always cherish the time that I have spent here. My colleagues have been very supportive and helpful. One thing about CUTS that I admired the most was the importance of 'quality' in every work, which I would like to imbibe in myself. I wish the organisation more growth, success and recognition.



Mukta Shrimali

Encouraging young talent

I must confess that in my over two-year stint at CUTS, I thoroughly enjoyed my work and learned immensely. I am grateful to Mr. Mehta for his constant encouragement and help, which he extended to me. He recognised the little talent in me and guided me to become more productive and efficient. However, the best thing, which I liked in CUTS, is its distinct work culture, which encourages young talent. I do not have much experience, but I am saying this with firm belief that in no other organisation the head of the organisation interacts so freely with his junior colleagues. This is the most remarkable quality, which I found in him. In future, if I ever get a chance to come back to CUTS, I would happily do so and consider myself most fortunate.



Anju Jetbani

CUTS-CCIER Moves to New Location

CUTS Centre for Competition Investment & Economic Regulation (C-CIER) has moved to a new building adjacent to the CUTS office.

With a spanking new office space, the Centre is now equipped to take on expansion of research areas and new projects that are on its agenda this year.