

CUTS IN ACTION

CUTS
International

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Reduce Regulatory Barriers to Boost Investment Flows



Mukund Goyal, a prominent businessman of Jaipur, visited our office the other day (see visitors column on back page). He exhorted us to do something about the country's corruption and regulatory barriers. We are working on both. In fact, regulatory barriers have a strong nexus with corruption.

A study conducted by the World Bank (WB) reveals that in India, entrepreneurs on average go through 11 steps to launch business, which takes 89 days on average, as against a regional average of 9 steps and 46 days! In a sample of 145 countries, India was placed at the 130th position in terms of the number of days it takes to get the procedural clearances. What a shame!

It was estimated by Transparency International (India), in 2000, that Rs 26,728 crore is wasted every year due to corruption, and it is the poor who suffer the most. We need a national campaign to make all programmes and procedures, established to tackle corruption, effective by various measures, such as privatisation of many services, incentives to the anti-corruption squads, whistleblower protection, etc.

What Mukund said also resonated at the *Pravasi Bharatiya Divas* (NRI conference) in Mumbai, early January. A 1500-strong delegation of NRIs spoke in one voice: "Investments can go up at least 10 times if only bureaucrats do their jobs and government policies do not end up purely on paper". They want a single window clearance system for investments in the country. In fact, CUTS has been lobbying the Government at the Centre to enact an enabling legislation for facilitating investment, which the states can then adopt suitably. Alas! We are told that, as investments are a state subject, the Centre cannot pass a Union law.

Mukund too wants a single-window clearance facility at the state level. This is something businesses have been demanding of every chief minister, but not much happens. The corrupt bureaucracy finds a hundred and one ways to say why it is not possible. Then there are the ubiquitous turf battles between different ministries, which do not wish to surrender their powers to someone outside their periphery.

We desperately need to reduce our bureaucracy, which is one of the millstones around our neck. The promises of the Government after the 5th Pay Commission to reduce our bloated bureaucracy have not

been kept, as assured. Further, the 10th Plan Approach Paper has proposed that no retired judge or civil servant be appointed to the posts which should be used to engage serving officers. But, this recommendation is flouted with impunity again and again. Retired judges and civil servants continue to be appointed to plum posts. This breeds corruption and goes against the whole spirit of good governance and reforms.

The overload in our courts causes a huge waste of resources. Some productivity norms for the judges (and all civil servants) are required, while the archaic system of holidays in courts should be dismantled. The Prime Minister, Manmohan Singh, too raised this matter. But who will bell the cat?

In any case, we need to get rid of Article 311 from the Constitution, which provides for unreal job security to government servants, whether they work or not. It is unjust too, as good civil servants are penalised for the sins of the poor performers.

Surely, there would be huge economic gains for the country from installing a lean and efficient government.

Pradeep S. Mehta

Pradeep S Mehta, Secretary General

Enhancing My Knowledge



Ever since I occupied the office of the Member, Monopolies and Restrictive Trade Practices (MRTP) Commission, Government of India, New Delhi, in 1994, I have been interacting with CUTS. I have prepared a few monographs for CUTS on topics focusing on competition and related subjects. Interaction-wise, it has been a fruitful period for me, enhancing my information and knowledge. The publications of CUTS have been of a high quality, with approbations from many competition authorities and international bodies involved with the subject.

CUTS is a tree yielding benefits for consumers and competition authorities round the world, as well as international institutions working on competition and its advocacy. It can take legitimate pride in having served, and desiring to serve, consumers with sincerity and diligence.

S Chakarvarthy
Former Member, MRTP Commission
India

Great Source of satisfaction!



United Nations Conference on Trade and Development's (UNCTAD's) longstanding relations with CUTS for me are a great source of satisfaction. In today's world, the policy-makers, in an isolated room, ignoring the concerns of world public opinion, cannot take major decisions. Civil society is seeking a voice in the policy-making process. This is a commendable endeavour, as decisions taken with the involvement of civil society are better grounded, more acceptable to Governments' constituencies, and, ultimately, more effective.

It is for these reasons that I warmly welcome the considerable efforts made by CUTS, in co-operation with UNCTAD and other organisations, to help disseminate information and exchange views with a wide range of partners in the development process. I wish CUTS great success in future.

Rubens Ricupero
Former Secretary-General, UNCTAD

EVENTS

Strive against Social Crimes

The right approach to fight against social crimes like adulteration, counterfeiting and spurious products is to inform and empower consumers at large – the recommendation came out of the panel discussion organised by CUTS Calcutta Resource Centre (CUTS-CRC) to celebrate the World Consumer Rights Day at Kolkata, West Bengal, on March 30, 2005. Distinguished journalist Jayanta Basu moderated the discussion. Mala Banerjee, President, Federation of Consumer Association, West Bengal; K K Sengupta, eminent consumer activist; and R K Adhikari, Deputy Commissioner, Enforcement Branch, Kolkata Police, were among the main speakers.

(cuts-international.org/Reportworldconsrights30march05.htm)

Nurturing Stakeholders

CUTS Centre for Competition, Investment & Economic Regulation (CUTS-CCIER) has recently undertaken a project entitled 'Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa', popularly referred to as 7Up3 project, with support from the Norwegian Agency for Development Co-operation (NORAD), Norway, and the Department for International Development (DFID), UK. The project is being executed in seven countries of the region: Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda. The launch meeting of the 7Up3 Project was held at Entebbe, Uganda, on March 22-23, 2005.

Delegates from several countries of Africa and other parts of the world attended the meeting. Apart from the project partners representing leading civil society organisations (CSOs), universities, research institutions and consumer associations from the seven project countries, the meeting also drew experts on competition and representatives of competition authorities.

(cuts-international.org/Reportcapacity22march05.htm)

Development Strategies

CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE), in association with Institute of

Pro-poor Trade Policies

CUTS-CITEE organised the launch meeting of the project: Linkages between Trade, Development & Poverty Reduction, at Jaipur, Rajasthan, India, on March 18-19, 2005. Ministry of Foreign Affairs, The Netherlands and DFID, UK, are supporting this project.

This project, to be implemented in 16 countries across Asia, Africa and Europe, aims to discover more about how trade policies affect the livelihood of the poor. This will be carried through perception survey of stakeholders. In addition, it aims to use these findings to advocate for pro-poor trade policies in these regions and at the international level.

(cuts-international.org/news-cuts2005.htm#more18mar05) & (cuts-international.org/news-cuts2005.htm#trade19mar05)



(L to R): Doan Hong Quang, Vietnam; Victoria Kisarale, Uganda, and Sue Mbaya, South Africa, sharing their regional experiences on linkages between trade, development and poverty reduction.

Policy Studies (IPS), and South Asia Watch on Trade, Economics & Environment (SAWTEE), organised the launch meeting of the Project: WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations, at Colombo, Sri Lanka, on March 9-10, 2005. The Project is being supported by NOVIB (Oxfam, The Netherlands).

The project involves research organisations from five South Asian countries, viz Bangladesh, India, Nepal, Pakistan and Sri Lanka, carrying research on five issues as mentioned in the July Framework Agreement of WTO under the Doha Round. The five issues are agriculture, non-agricultural market access, development dimensions, services, and trade facilitation. (cuts-international.org/Description.htm)

Long Term Capacity of CSOs'

CUTS-CITEE, in association with CUTS Centre for Consumer Action, Research and Training (CART), organised the launch meeting-cum-first training seminar under the Grassroots Reachout & Networking in India on Trade & Economics (GRANITE) project at Jaipur, Rajasthan, from February 24-27, 2005. It is being supported by NOVIB (Oxfam, The Netherlands), and NORAD. The project endeavours towards

"Creating long-term capacity of grassroots CSOs and local media in India on globalisation and the WTO and their relationship with economic development and governance in India.

The project will be implemented over a two-year period in eight states, viz Andhra Pradesh, Karnataka, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. (cuts-international.org/report-granite.htm)

Exploring IBSA Initiative

CUTS-CITEE, in association with the South African Institute of International Affairs (SAIIA), organised the launch meeting of the project "South-South Trade & Investment Co-operation: Exploring IBSA Initiative" at Johannesburg, South Africa on February 15-16, 2005.

The meeting was attended by representatives from the Indian and Brazilian missions, and a number of business, media and research organisations. It laid a platform for engaging non-state actors in the India, Brazil and South Africa (IBSA) initiative, a timely and much needed extension of ambitious co-operation process initiated by these countries. (cuts-international.org/Report-IBSA.htm)

Voter Awareness Campaign

To generate awareness among the voters in the villages of Chittorgarh and Bhilwara districts, a 16-day pre-election voter awareness campaign was run by CUTS Centre for Human Development (CUTS-CHD) from January 10-25, 2005, just before the *Panchayati Raj Institutions'* (PRIs) elections in the state. It was all a part of the PRI strengthening *Panchayati Raj Support and Mobilisation Programme* (PRISMO), funded by Swiss Agency for Development and Co-operation (SDC).

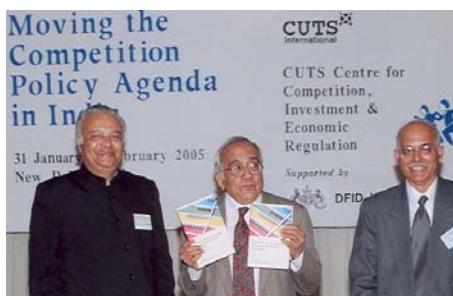
The campaign followed a diversified approach, including activities ranging from meetings to street plays and puppet shows. A team of highly qualified animators was responsible for the success of the campaign.

(cuts-international.org/Camp-on-Voter-Aware.htm)

Competition Policy Agenda for India

CUTS-CCIER, Jaipur, organised a two-day international conference, "Moving the Competition Policy Agenda in India", at New Delhi, on January 31 and February 1, 2005.

The conference was organised to release the report entitled: 'Towards a Functional Competition Policy for India' and facilitate deliberations on its findings and recommendations. The Project report comprises of 22 chapters covering systemic as well as sectoral issues and endeavours to assist the Government of India to come up with a Competition Policy that is 'implementable'. (cuts-international.org/movingcomp-policy.htm)



Prof Kirit Parikh, Member, Planning Commission releasing the FunComp report, He is flanked by CUTS Secretary General, Mehta on his right, and V K. Dhall, Member, Competition Commission of India (CCI) on his left.

REPRESENTATION

MEA-WTO Interface

Pramod Dev M of CUTS-CITEE, attended the First Meeting of the Expert Group (EG) on Interrelationship Between Multilateral Environmental Agreement (MEA) and the World Trade Organisation (WTO), organised by the Madras School of Economics, Chennai, on March 15, 2005.

The objective of the formation of the EG was to use it as a resource base on the issues arising from the MEA-WTO interface. The EG will be approached with specific questions/issues whenever they arise. But there will be rolling research activities on the themes relating to the MEA and the WTO that each can suggest. The real objective is to concentrate on Para 31 of the Doha Declaration.

Empowering Consultants

Dr Prasad P Ranade, Director (Research) at CITEE, participated in the Conclave on India-Africa Project Partnership 2005, organised by the Confederation of Indian Industry, Exim Bank of India, Government of India (GoI) and the African Development Bank, at New Delhi, on March 2-4, 2005.

The primary objective of the Conclave was to enable Indian technical consultants and industry and project exporters to participate in the wide range of developmental activities and projects that are in the offing in several African countries, which are also recipients of significant funding from multilateral/regional funding agencies and the GoI.

Biggest Global Mobilisation



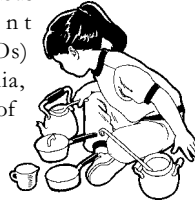
Vladimire Chilinya of CUTS Africa Resource Centre (ARC) participated in a consultative meeting on the launch of the Global Week of Action, organised by the Organisation Development and Community Management Trust (ODCMT), Zambia, Africa, on March 22, 2005.

The purpose of this meeting is to analyse how CSOs could work together during the Global Week of Action, from April 10-16, 2005. The idea is for all the organisation networks and movements to take action in their own national and regional campaigns to challenge the free trade myth and put forward alternatives, by delivering the biggest global mobilisation ever seen.

Child Rights Advocacy

Shashi Prabha of CUTS-CHD attended a 13-day programme hosted in various states of North America, including Washington DC, organised by Child Welfare League of America (CWLA) under the Indo-US

Exchange Programme, from March 1-13, 2005. A team comprising of ten representatives of various non-government organisations (NGOs) from Northern India, working in the area of child rights, constituted the delegation.



The involvement of children in the avenue of child rights advocacy through *Bal Panchayat* (a local self-governance body of children), an initiative of CHD, was very much appreciated.

Renewable Energy Summit

Santanu Banerjee of CUTS-CRC attended a seminar on 'Renewable Energy Summit', with the theme 'Mainstreaming Renewable Summit', organised by the Bengal Chamber of Commerce and Industry, along with an NGO, Energy Forum, on February 25, 2005.

The meeting examined the potential for various forms of renewable energy in India, like wind, solar, biomass, mini-hydro,

etc. The Summit brought forth the statistics that India has the potential for about 45000MW of power through renewable means, of which only 3500MW has been installed.

Global Forum on Competition

Manish Agarwal of CUTS-CCIER participated as a member of the Consumers International delegation in the 5th Global Forum on Competition, hosted by the Organisation for Economic Cooperation and Development (OECD), in Paris, on February 17-18, 2005.

The theme of the Forum was Competition Issues in Regulated Sectors, including interface with Competition Authorities. Agarwal spoke about the cable TV sector in India, where there are natural monopolies at the consumers' end and informed about the efforts being made by the Telecom Regulatory Authority of India (TRAI) to promote alternate delivery platforms to ensure competition. In a contribution to the Forum, he presented the interface problems in India as well as the recommendations that have emerged during the national consultation rounds to resolve them.

SNIPPETS

- Shailly Gupta of CITEE attended a workshop on "Case Writing" hosted by Centre for Public Policy, Indian Institute of Management (IIM) Bangalore, on February 28 and March 1, 2005. The purpose of the workshop was pedagogy development in public policy and management.
- Debottam Chakraborty participated on behalf of CUTS-CRC in the screening of the film, "Under This Sun", by Nilanjan Bhattacharya, at the Max Mueller Bhavan, Calcutta, on February 24, 2005. The film is an attempt to capture the magnitude of India's biological wealth, the depth of related folk knowledge and the reasons for their rapid decline.
- Nitya Nanda and Alice Pham of CUTS-CCIER attended the National Reference Group meetings in Lao People's Democratic Republic on February 22, 2005, and Vietnam on March 4, 2005. The objective was to discuss the situation of Competition Policy and Law under the 7up2 project.
- Mita Dutta of CUTS-CRC presented a paper on the 'Consumer Movement and Accomplishments' in a meeting organised by the Rotary Club, Belur, at Kolkata on February 12, 2005. She highlighted various aspects of the consumer movement in India, and the milestones, in the backdrop of the international movement.
- George Cheriyan and R K Sharma of CUTS-CART attended the seminar on "Globalisation: Opportunities and Threats for the Economy of Rajasthan", organised by Yagyavalkya Institute of Technology (YIT), at Jaipur, Rajasthan, on February 5, 2005. The purpose of the seminar was to deliberate on various issues, aspects and impacts of globalisation to evolve a comprehensive strategy which may redress the problems confronting our industry and trade and avail the opportunities arising from globalisation.
- Bipul Chatterjee, Director, CUTS-CITEE, participated in Oxfam International's regional consultation on "Agriculture and Trade" in Bangladesh, Dhaka, from January 16-21, 2005. He made a presentation on 'domestic subsidies'.
- Gideon Rabinowitz of CUTS London Resource Centre (CUTS-LRC) attended the British Overseas NGOs for Development (BOND) Southern Advocacy Group Meeting – Advocacy through networks and coalitions – at London, on January 17, 2005.

— VISITORS —

Name	Comments
Mukund Goyal, Businessman, Jaipur	I am very impressed with the CUTS' activities. I would like if CUTS can do something about country's corruption and reducing regulatory barriers.
Laveesh Bhandari, Indicus Analytic, New Delhi	It was a great experience to see such a well-structured and maintained office with a large group of highly dedicated individuals.
Partha Mukhopadhyay, Vice President, IDFC, New Delhi	CUTS is just amazing in its range of activities and the energy of its staff.
Vijay Kelkar, Former Adviser to the Minister of Finance, New Delhi	It was wonderful to meet the young colleagues of CUTS. My best wishes to CUTS.
Marcos Jank, President, ICONE, The Institute for International Trade Negotiations, Sao Paulo, Brazil	It was a real pleasure receiving our friends from CUTS in Sao Paulo during UNCTAD XI. Now we are starting a very interesting joint project on IBSA strategies, a second on IBSA agricultural views, and I hope many others in the future.

— PUBLICATIONS —

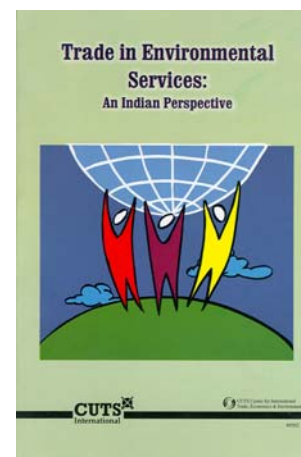
Trade in Environmental Services

An Indian Perspective

The Ministry of Environment and Forests (MoEF), Government of India, commissioned the study 'Trade in Environmental Services' to CUTS. It deals with opportunities for trade in environmental services. Historically, these opportunities were limited as this sector is prone to natural monopolies. Until recently, governments were reluctant to allow private ownership of natural monopolies that provide essential services, for fear that they would exploit consumers.

The situation in India is changing as a consequence of pressure to achieve environmental objectives in an economically efficient way. New ways have been found to create markets for environmental services.

This study analyses the impact of liberalisation on the Indian environmental industry. It also discusses the modes of supply for environmental services and certain barriers that restrict supply to foreign markets. Finally, it presents an analysis of commitments made by a number of WTO members, and based on that it suggests a negotiating strategy for India on environmental services.



— MOVING ON —



Quality-oriented Work

Thank you so much for this opportunity. It was a good learning experience. I appreciate the quality-oriented work here, which makes CUTS stand apart from other organisations.

I am thankful to my colleagues, who have been very supportive and helpful throughout, and I wish CUTS all the best in all its future endeavours.

Shweta Agarwal

Glimpses of Ongoing and Future Projects of CUTS

Centre for International Trade, Economics & Environment (CITEE)

CUTS CITEE bid for a research programme consortia of DFID, UK, on "improving institutions for pro-poor growth". CITEE will look into the impact of trade-related institutions on pro-poor growth in Bangladesh, India and Pakistan. This is a five-year project, which will start from September 2005.

Centre for Competition, Investment & Economic Regulation (CCIER)

CUTS CCIER has recently undertaken a project entitled 'Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa', popularly referred to as 7Up3 project with support from NORAD, Norway, and DFID, UK. The project is being executed in seven countries of the region: Botswana, Ethiopia, Malawi, Mauritius, Mozambique, Namibia and Uganda. One of the main objectives of the 7Up3 project is to develop the capacity of stakeholders, including the policy makers, regulators, CSOs, (especially consumer associations and groups), academicians and the media through a participatory research-based advocacy process to understand and appreciate prevailing competition concerns from the national, regional and international perspectives and enable them to respond appropriately.

Calcutta Resource Centre (CRC)

The main objective of the Project entitled "Farmers Right to Livelihoods in the Himalayan Mountainous Region of India" is to build stakeholders' capacity for devising mechanisms to protect farmers' rights to livelihoods.

Consumer Action, Research & Training (CART)

CUTS-CART has launched a two-year project entitled 'GRANITE', supported by NORAD, Norway and Novib (Oxfam, The Netherlands). The project commenced on January 1, 2005 and will continue for two years. The main aim of the project is to conduct capacity building and awareness generation activities in eight states and to find out the impact of globalisation and WTO at the grassroots.

London Resource Centre (LRC)

Capacity building and advocacy of east and southern Africa CSOs on trade policy and poverty reduction at national and international levels.

Centre for Human Development (CHD)

Panchayati Raj Institutions Support and Mobilisation (PRISMO) is a project dealing with the issue of empowering decentralised governance and providing them with supportive training so as to facilitate their functioning and make it more efficient. Also, to empower women participants in the *Panchayati Raj Institutions* (PRIs) and assist them to come forward and justify the duties entrusted to them. Under this, a *Panchayati Raj* Resource Centre is being run by the CHD to disseminate the information related to PRIs.