

## A Flashback to India in the 80s

The early part of the decade of 80s witnessed hectic economic activities in various spheres and set the ground for large-scale economic reforms that were to come a decade later. However, questions such as whether consumer-citizens were participating in the growth process, whether the government was communicating policy changes to the consumer-citizens at large remained as important as ever.

One of the major reasons for consumer-citizens not getting engaged with the growth process and not being able to take full advantage of it was on account of lack of effective communication platforms and devices which can be accessed by the people at large. There were newspapers, radio and television but their reach was limited too. Making phone calls was a lifetime experience, there was no mobile phones or fax, and internet was unheard of.

## The Importance of Communication

The genesis of CUTS can be found in the importance of communication in influencing the political economy of growth and development. A group of like-minded people came up with an innovative idea of producing a monthly wall newspaper in Hindi called *Gram Gadar* (Village Revolution). Indeed, it was so because before its advent there was hardly any means through which poor villagers could access what the government was doing for improving their standards of living.



They were convinced about the importance of such a communication device for the development of villages that they serve and why that paper should be pasted on a wall in the village post office or at the common meeting place so they could also have better and much-needed access to development-related communication through *Gram Gadar*.

## The Need for an Institutional Voice

From the very beginning *Gram Gadar* covered news and critical analysis of developmental efforts made by the government. Today *Gram Gadar* reaches to more than 15,000 villages in Rajasthan and other Hindi-speaking parts of India and remains as relevant as it was 30 years ago because of ever-increasing developmental aspirations of the poor of India.

After 30 years many of those who were associated with the initial success of *Gram Gadar* are associated with various civil society movements at the grassroots; CUTS helped many of them to form community-based organisations; those networkers are the backbone of CUTS' work on governance issues at the local level. They have become *Uphokta Mitra* (Friends of Consumers) through sustained, hands-on training imparted and networking by CUTS. The model has been replicated in other parts of the country.

## What's in a Matchbox?

On a muggy evening in the city of Jaipur, a group of friends (innovators of *Gram Gadar*) were playing scrabble. And smoking too! One of them 'discovered' that the matchbox contained much less number of matchsticks than it was supposed to. They decided to check it further by buying a carton containing 12 matchboxes and, to their dismay, found that on an average in each box there was a shortage of 25 percent of matchsticks. They went to a police station to file a complaint; the police officer had never heard of such a complaint in his life and unceremoniously sent them off.

The innovators of *Gram Gadar* decided to provide an institutional voice to consumer grievances by forming a society. They calculated that just on account of matchsticks consumers in India were fleeced millions of rupees every year. Thinking about the plight of such consumers, CUTS was born not to cater only to the needs of rich consumers but to reach out to the unreachable.

## Two Significant Developments

In mid 80s two significant developments had taken place in the consumer movement. The first was the adoption of the United Nations Guidelines on Consumer Protection in 1985 and the second was the enactment of the Consumer Protection Act (COPRA) in 1986 in India. The enactment of COPRA gave a boost to the consumer movement in the country, because it recognised the power of a consumer organisation to bring forward complaints, whether individual or impacting a class of consumers. CUTS inaugurated this institutional approach to address consumer grievances by filing the first complaint at the National Consumer Disputes Redressal Commission and the State Commissions in West Bengal and Rajasthan.

CUTS was at the forefront of resolving individual consumer grievances including using tools, such as class action suit and public interest litigation. In the later part of 80s, CUTS crusaded against the Behala Oil Tragedy in the State of West Bengal and forceful sterilisation in the State of Rajasthan, both had resulted in large number of mortalities and morbidities of poor citizens.

CUTS initiated the formation of an informal All India Consumer Action Network (AICAN), which later metamorphosed into the Consumer Coordination Council of

India, a registered body. CUTS advocated with the government that there was a need for a platform at the federal as well as state level where consumer representatives and policy-makers can discuss, debate and take the motto “consumer interest is national interest” forward.

The Central Consumer Protection Council and State Consumer Protection Councils were formed for policy debate and advocacy. CUTS has served at the Central body and also the state body of Rajasthan and West Bengal at their inception.

## Not Just a Customer

Consumers are everywhere. In taking part in the growth of the consumer movement in India CUTS realised that it was mostly confined to a customer-centric approach. What about those who were not a part of the market economy? What about those who were suffering from government failures? These questions were confronting CUTS. However, the organisation was being confronted with a much bigger question while advocating for policy changes. Through policy advocacy it was trying to address some of the developmental challenges facing India, particularly from the point of view of rural consumers.

CUTS realised the need for doing developmental work at the grassroots and drawing lessons from there to highlight the problems faced by common Indian consumers in their totality in respect of accessing basic needs such as food, healthcare, education, in terms of their right to make choice, right to be heard, right to representation, right to a healthy environment, etc. Therefore, in 1991 CUTS started hands-on work at the grassroots in South-eastern districts of Rajasthan.

Pradeep S Mehta, Yashwant Sinha, N. K. Singh, B. L. Mungekar and Sunil Mitra on the occasion of 30th Anniversary



In doing all this, CUTS realised that a strong consumer movement can help create a better enabling environment for a country's overall development. It advocated for the adoption of an Indian eco-labelling scheme to empower consumers to influence production patterns through the power of exercising choice. The Indian Ecomark was established in 1991 and CUTS has remained at the forefront of its implementation.

## A Southern Voice

CUTS became a member of the International Organisation of Consumer Unions (later renamed as Consumers International) and took part in its World Congress held in Hong

Kong in 1991. Discussions surrounding the Uruguay Round of the then General Agreement on Tariffs and Trade were its peak and at that meeting there was a debate on the impact of various provisions of the Dunkel Draft on consumers. CUTS took part in that debate and realised its limitations.

Besides the Hong Kong Congress of Consumers International, CUTS took part in the Earth Summit in Rio de Janeiro in 1992. While taking part in various debates organised by international NGOs, CUTS realised how such organisations approach issues, analyse them and

influence positions at various levels.

By early 90s, India embarked on a path of large-scale economic reforms having profound impact on the lives of its consumers and the economy at large. Because of its articulation of Southern voices CUTS was invited to become a member, and later a convener, of the Global Policy and Campaigns Committee on Trade & Economic Issues of Consumers International. It helped CUTS in taking part in various debates on international trade and related issues, in networking with like-minded organisations and, most importantly, helped in looking at issues more objectively: “liberalisation yes, but with safety nets”.

Enrolling Children into School



## A Collective Voice

In taking part in international debates on trade and economic issues, CUTS realised that its voice was not being effectively heard because of its lack of analytical power and, more importantly, lack of support from similar voices. CUTS understood the need for placing a collective voice at the international fora on trade and economic issues and that should come from like-minded NGOs based in the developing world. South-South cooperation among NGOs was felt.

Given the complexity of issues, CUTS decided to form an informal coalition called South Asia Watch on Trade, Economics & Environment (SAWTEE) to do policy research, exchange information on related developments and most importantly, to place a collective voice at the international level. SAWTEE was formed in 1994 and CUTS hosted its secretariat. Other than networking and policy research, from its very beginning SAWTEE's activities reached out to the global trade and economic community through the use of various dissemination tools.

Not only that many government officials took part in SAWTEE's programmes they used that platform to vent their concerns about imbalances in the global economic system. CUTS was invited by the Government of India to become a member of its Advisory Committee on International Trade – the only NGO in that body. CUTS took part in all the biennial WTO Ministerial Conferences, since the first one was held in Singapore 1996 and helped southern countries to raise their voice against imbalances through its incisive analyses, supported by a collective voice.

CUTS also helped establish the International Centre for Trade & Sustainable Development in Geneva in 1996, as one of the five founding NGOs. CUTS was at the forefront of the campaign against the Multilateral Agreement on Investment (MAI) initiative of the Organisation for Economic Cooperation and Development (OECD) and lead it from the front with informed research. The Government of India took note as well and commissioned a study to CUTS to analyse the impact of OECD MAI on the Indian economy. The recommendation of that study still remains a major source for the Government of India in formulating its position on international investment issues.

## Afro-Asian Civil Society Cooperation

International networking has helped CUTS in getting closer to NGOs from various parts of the world. CUTS realised that while there was much similarity in developmental and governance issues in poor countries in Asia and Africa, there was no platform to debate, discuss and learn from each others' experiences.

CUTS decided to carry out a campaign against linkages of trade with non-trade issues, such as labour, human rights, environment etc. at the WTO. A statement named Third World Intellectuals and NGOs Statement Against Linkages was prepared and widely circulated among the global trade and development community. CUTS received support in its endeavour to place development at the heart of the debate on international trade. This issue is coming up again in a new avatar of “carbon tax” as a part of the debate on trade and climate change. Many in the consumer movement in the North started accepting CUTS' position and got converted. Most importantly, CUTS received an over-whelming support from African NGOs.

An important lesson was drawn from the campaign: there was a lack of collective voice in Africa to articulate civil society's concerns on trade and economic issues, and there was hardly any organisation in the African region which could take lead in getting those voices together and placing them at appropriate levels.

The first African Centre of CUTS was opened in Lusaka, Zambia in 2000 and a second one in Nairobi, Kenya in 2002. The third African Centre was launched by the Ghanaian Minister Hanna S Tetteh at Accra, Ghana in August 2013. By establishing its third Centre, CUTS will further strengthen its approach of promoting South-South cooperation on trade and development, and strengthen long-term capacity of both non-state and state actors in the region to address socio-economic and developmental challenges in the region.

## New Generation Consumer Issues

Analysing the privatisation experience of various sectors and countries CUTS realised that consumers are, more often than not, at the receiving end and there was a need for a functional competition policy for effective regulation. Secondly, through its work on trade issues it realised that international trade could be a more effective means for development if other flanking policies are given due importance; competition and regulation being the most important of them. Through its work on competition policy





and regulatory reforms CUTS could establish that consumer welfare is as important as an objective of economic reforms as enhancement of economic efficiency.

From mid 90s CUTS started advocating for dismantling of the then Indian competition law, as it was not in tune with facing new challenges, and enact a modern competition law. Its work on competition and regulatory issues in India was noticed by various governments and regulatory bodies in other countries. Applying its experience of working on institutional and governance issues for developing a functional competition and regulatory regime in India, CUTS replicated the model in various countries of Africa and Asia.

The multi-country 7Up model was the most popular activity. The model's critical difference between similar projects was that CUTS approach was bottom up with an emphasis on creating local ownership and capacities, and comparing it with other countries. Many southern governments also appointed CUTS as their advisers in this area.

While working in those countries on competition and regulatory issues CUTS realised that there was a significant difference between countries in the Greater Mekong region and others. CUTS decided to work on trade and regulatory issues in the Greater Mekong region in a more focused manner by setting up a centre in Hanoi.

Through its work on the political economy of economic governance in India and other countries CUTS understands that governance is at the core of economic development and enhancement of consumer interest. This reflection is manifested in CUTS' work on governance issues at the grassroots, particularly in the state of Rajasthan. It is empowering citizens to make use of tools such as the RTI Act to extract maximum benefits from governmental welfare schemes such as the NREGA of India. The expertise built up by CUTS on social accountability is now being used by the World Bank and others to build capacities of NGOs in other countries of Asia and Africa.

### Consolidation of Southern Voices

Since early 90s CUTS has been working on global issues and challenges through their manifestation in the fields of trade and economic regulation and its work at the grassroots. Its position and advocacy was based on analyses of ground realities. This has been accomplished through various means such as representation at the Informal NGO Advisory Body to the WTO Director General, UNCTAD's Inter-Governmental Group of Experts on Competition Policy.

Since the early part of this decade there was a perceptible demand on the part of many southern governments to CUTS to get into the centre of the debate by providing a more continuous and institutional mechanism for southern voices on diverse issues in the realm of trade and economic regulation. This recognition led Hewlett Foundation to come forward with the proposal to CUTS to establish its centre in Geneva.

Through its work in and out Geneva, CUTS is bridging the gap between the core and the periphery. It has facilitated informal fora of Geneva-based government officials of many southern countries to discuss and place collective voices of their concerns.

### CUTS@25

Trade and regulation being two of the three pillars of capturing CUTS huge spectrum of work, the third pillar is on governance, as better governance matters hugely in the achievements of other reform initiatives. CUTS 20<sup>th</sup> Anniversary celebrations in 2003 had the theme of: "Governance and its Relationship with Poverty Reduction".

To celebrate its 25<sup>th</sup> Anniversary in 2008, CUTS decided to draw attention of the international community to the 8th Millennium Development Goal – Global Partnership for Development – which was otherwise low in priority in addressing the global challenge of halving poverty by 2015.

### CUTS@30

CUTS has now entered its 30<sup>th</sup> year. A series of public lectures are being delivered by eminent friends around the world in cities, where CUTS is well known, on contemporary issues related to its work agenda.

The aim of the lecture series is to address CUTS' future interventions to promote inclusive growth from the point of view of their impact on consumer welfare in the light of contemporary policy discourse on trade, regulation and governance.

The lectures have been successfully organised in Kuala Lumpur, Jaipur, New Delhi, Geneva, London, New York, Washington DC, Nairobi, Accra, Islamabad, Kolkata and more are on the anvil in Mumbai, Bangkok, Canberra and Lusaka.

### In Lieu of a Conclusion

In historical context, 30 years is too short a period to make a discernible mark. CUTS has started making its footprints in the realm of economic governance with "consumer welfare" as its *raison de'etre*.

In about quarter of a century CUTS has helped the consumer-citizens of the world to demand their rights and fulfil their responsibilities. CUTS will continue its crusade to establish that consumer interest is synonymous to not just national interest but in the interest of global public goods too.

CUTS understands that as against political and social institutions economic institutions are relatively quick to change. It will continue to challenge the functioning of economic institutions and through that work challenge political and social institutions, so as to make this world a better place to live in.

In the future CUTS will refine its strengths to scale up its work seeking high impact, simultaneously enabling civil society groups to be effective advocates in the areas of trade, regulation and governance, and assisting governments. That is how CUTS has envisioned its journey for the next 20 years, i.e. a time frame of 50 years since CUTS began in 1983-84. The future leaders of CUTS will take forward their vision to 2084, when it completes a century.



*CUTS is working both as a grassroot voluntary organisation and also as a professional organisation doing advocacy work at the national and international level. In the years ahead, it has to retain vitality of the field organisation and also*

*further develop its growing expertise as a professional consumer advocacy organisation at the national and international level. We are living in rapidly changing times where attitudes, work processes and technologies are all in a melting pot. CUTS has to develop and nurture its personnel further for facing future challenges with courage and confidence and for taking the organisation to new heights.*

**M L Mehta**  
Former Chief Secretary  
Government of Rajasthan



*Finding the balance between needs and challenges has always been key to the success of CUTS, an international NGO with offices in six countries and activities all around the world. Two decades ago, no one would have imagined CUTS where it is now. But thanks to continuous high quality research and effective networking and advocacy, CUTS has grown into a highly respected and internationally recognised outfit. The WTO too has benefited from CUTS' knowledge of the trade challenges and limited capacity of developing countries.*

**Pascal Lamy**  
Former Director General, WTO



*CUTS has been sending my organisation various publications about subjects that I started to understand. I became courageous to comment on policies of WTO, globalisation, TRIPs and its impact on consumers. CUTS is one organisation that always wakes me up to see new things in international perspective. Besides deepening what CUTS has done, it should also strengthen the capacity of other consumer organisations. And the most important thing is how CUTS could use its research and advocacy for the benefit of India and other developing countries in general.*

**Indah Suksmaningsih**  
Former Executive Director, Institute for Global Justice, Indonesia



*The short term pain that we have to bear in our bid to overcome the challenges of regional integration would lead to long term gain for everyone...We welcome the opening of the CUTS Centre in Accra and look forward to its active participation in providing research support to Ghana and the West African region on critical economic policy issues.*

**Hanna S Tetteh**  
Ghanaian Minister for Foreign Affairs and Regional Integration



*I can confirm that many delegations from developing countries and least developed countries (LDCs) found CUTS an invaluable partner with their publications especially with regard to competition issues and regulation. The work done by CUTS in many countries is very much appreciated not only by recipient countries but even by cooperating partners, who have funded a number of projects that CUTS has identified. In Zambia, CUTS has carried out a number of projects, together with the Zambian government, especially in the area of competition as well as media training.*

**Love Mtesa**  
Former Zambian Ambassador to the WTO

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# Walk the Talk A Brief History of CUTS



Senior Management Retreat, 2013