

CUTS Centre for Competition, Investment and Economic Regulation (CUTS CCIER)

Mini Retreat | 11 July 2004

Present: PSM, NN, MA, AP, SR2, NM, RS, BJ, NR & AN

Dist.: Above + RDM +BC

Purpose:

The mini retreat (MR) was organised with the objective of reviewing the overall activities of the centre in retrospect by;

- recapitulating past achievements of C-CIER,
- taking stock of current activities, and
- planning future projects.

It was also expected that through brainstorming, the MR would provide the right direction towards resolving problems pertaining to certain key issues viz. funding, human resources, infrastructure and network/outreach/publication.

(N.B.- to check the Agenda of the meeting, refer to annexure)

1. Business Plan

1.1 The meeting started at 9.45 a.m., with NM presenting C-CIER's draft Business plan, 2004-08. NM started with the classification of the functional areas of C-CIER's activities. And followed thereafter by elucidating about the past, current and future activities of the centre in each of the functional areas. Her presentation laid special emphasis on detailed discussion about the future (planned) activities of the group. The presentation was brief, precise and essentially followed the order set out by the draft business plan (BP), 2004-08 document.

1.2 The presentation was followed by detailed discussion among the participants. The following paragraphs try to summarise the discussions.

1.3 PSM was critical of the manner in which the BP was drafted and suggested a host of improvements in the light of the BP becoming a public document in future to showcase the activities of the centre to donors, government officials, and others interested.

1.3.1 The first paragraph of the BP (1.1) had to be rewritten, avoiding usage of symbols like T1, T2. In the paragraph 1.3, PSM suggested to rename the first (F1) functional area as

Competition Policy and Law. He also advised to integrate the functional area F3 into F5, and rename it as Investment and Corporate Social Responsibility (CSR). MA suggested the second functional area to be renamed as Sectoral Regulation instead of only Regulation. Therefore, the new set of C-CIER's functional areas are:-

- Competition Policy and Law
- Sectoral Regulation
- Consumer Protection
- Investment and CSR

Suggesting a major restructuring of the document, PSM opined that the first paragraph of section III should become the fourth paragraph (1.4) of the first section, detailing the working pattern of the centre. RS suggested this paragraph to carry the heading '*Modus Operandi*'. MA suggested that a paragraph in the first section (1.5) should be dedicated to list the various significant and eye-catching affiliations of C-CIER. These changes in the first (I) section meant that paragraph 1.4 would now become the last paragraph (1.6) in this section.

- 1.3.2 It was suggested by PSM to improve the paragraph (2.1.1), and highlight documents on competition and consumer protection scenarios of Zambia, Uganda, Kenya and Malawi that have been published by CUTS. MA proposed elaboration on the contribution of these documents to consumer organisations. He drew reference of the consumer association of Malawi (CAM), which had utilised CUTS's report on competition and consumer protection scenario to a great extent in the process of pressurising the government to implement the existing competition law properly in their country. PSM advised that the BP should apprise the reader of the series of 'Bill Blow Up's that CUTS has come up with, and added that a few lines on the same should feature in paragraph 2.1.2. This is significant, because the process of drafting Bill Blow Ups started with the one on Competition Bill of India, 2001. In the paragraph 2.1.4, PSM suggested that the reason behind CITEE currently implementing the IWOGDA-II, has to be reflected. He added that the rest of the paragraphs (2.1.5 to 2.1.8) in the section (II) needed to be redrafted. In view of the recent development regarding DFID's approval of the 7-Up2 adjunct project,

PSM stressed on organising the launch meeting of the said project in Dhaka, sometime in October 2004.

- 1.3.3 Section 2.2 shall now be called Sectoral Regulation. An extra paragraph has to be inserted in this section, which as suggested by PSM should carry our work in the telecom sector (including recommendations to TRAI, survey of local call charges and cable TV)
- 1.3.4 The section on CSR will have to be merged with the one on Investment. Contesting the impression conveyed by the paragraph 2.3.1, PSM reminded the group of the work that have been done by CUTS relating to CSR including various publications and deliberations at conferences. He mentioned about the work on UN Code of Conduct for TNCs, OECD guidelines for MNEs to name a few. He expected this paragraph to display these activities.
- 1.3.5 Commenting on the section on Consumer Protection, PSM asked the group to proceed towards publishing the study on framing consumer protection programme in Bhutan as a good role model and to push it into the agenda of 7-Up2.
- 1.3.6 PSM pointed out that the section on future planning should start with item no. 3.1.1, which talks about 7-Up3. He also asked NN to state the objectives of 7-Up3 clearly, and rewrite its 'structure of analysis' properly. Recapitulating the current funding scene of the project PSM opined that our hopes now rested with NORAD, IDRC and DFID. He asked RS to check websites of Asia Foundation, Rockefeller Brothers Foundation, Africa Capacity Building Foundation for funding possibilities. He expects the 7-Up3 to see some light by mid 2005.
- 1.3.7 Speaking about the 7-Up4 project PSM wanted to add Singapore and Hong Kong to the list of project countries. According to the opinion floated by MA, the project should also look at Myanmar and China. PSM asked the team to envision the project with Bangladesh as the anchor. He added that the possibility of a tripartite arrangement between ADB/World Bank (being approached as prospective funders), CUTS and national governments in the project (7-Up4) countries should also be explored. He wanted the C-CIER team to start thinking of 7-Up5 and 7-Up6. In the former, Central and East Asian countries would be taken, while the latter will take a look at West African countries. In this regard PSM informed the group of the Indian Technical and Economic

Co-operation (of the MEA), which assists in bilateral activities. PSM suggested that the launch of the 7-Up6 could coincide with the event on MDGs being planned by CUTS in Delhi, on the occasion of the silver jubilee of the organisation. An important aspect that PSM wanted the institute to take up for debate and research in the global stage was Trilateral Co-operation, i.e., co-operation between a Northern Donor, a Southern (T. A.) provider and a Southern Recipient. He asked BJ to start working on a paper in this regard.

1.3.8 PSM was in favour of defining '7-Up spin offs' precisely in the business plan as being downstream activities of the 7-Up project dealing with various emerging research topics. He added that the item (3.1.3) should be split up into research and capacity building segments. He suggested that the areas enumerated in the 'structure of analysis' of the project were all within the mandate of IDRC's funding. He was very keen that the centre should approach IDRC to fund a project on analysing competition policy and sectoral regulation overlaps in some developing countries, especially those where CUTS have some working experiences. PSM strongly recommended that CUTS should come out with a briefing paper on the above subject, which is going to be highlighted soon in the global economic development debate. NN suggested that in addition to the 3 areas of research C-CIER should also try to take up some study pertaining to Competition and Efficiency (in post M&A situation of firms). A suggestion made by MA was to include some study on regulatory failures. Adding to the point on the demand for capacity building in Africa, PSM clarified that the opportunity existed for capacity building both in the national and regional levels in African countries. RS suggested that CUTS should organise a 'Donors Meeting' to showcase CUTS' strength in the area of competition policy and law. PSM agreed to the idea, and said that such an event should be organised in London, sometime in December, 2004. He added that he would discuss this idea with Roger Nellist, when he meets him later this month in London.

1.3.9 In the section on 'Regulation', MA suggested renaming the first project 3.2.1 as 'Comparative study of Sectoral Regulation in Developing countries' and listed out the project countries. AP added that Zambia should also be included in the study. MA reminded the group that we should start looking for alternative sources of funding for this project, and not depend entirely on GDN. PSM asked RS to enquire about the status of

our proposal with GDN. He added that the proposal should also be forwarded to the Advisory Board of C-CIER, for comments and also asking them to identify possible funders for the study. MA reminded that the proposal on ‘Regulation and Consumer protection in the Indian Telecom sector’ should feature in this section of the BP. On this point, PSM opined that TRAI should also be involved in the project, in order to provide greater credibility to the effort. He pointed out that experts are expecting the Indian telecom sector to undergo further consolidation in the near future, which necessitated the creation of a watchdog (provided with requisite resources) to watch out for anti-competitive practices. With this background, there was a need he felt for some kind of a cess to be levied on telephone bills to create a consumer welfare fund in the sector. He drew analogy from the Consumer Welfare Fund created under the provisions of the C. P. Act to support his argument. He added that this fund shall not go to the consolidate fund of India, and shall be maintained as a separate entity.

- 1.3.10 Following the earlier decision, PSM asked the group to conceptualise a detailed study, as a sequel to the IFD project integrating the salient features of the projects 3.3.1 and 3.5.1. He asked NN to come out with a paper on Investment and CSR in 3-4 emerging markets, emphasising that FCO would be interested in such an endeavour. He added that the recommendations emerging from the IFD project would guide NN in developing the paper. On the BP, he asked NN to rework the section on Investment and CSR. PSM asked NM to find out the kind of work UNCTAD has in mind for CUTS. PSM will also write to Deepali Fernandes.
- 1.3.11 About the section on Consumer Protection PSM remarked that NN should identify countries under the project (3.4.1) and prepare concept notes. He also asked NN to raise the issue with UNDP at the head office and talk to Hafeez Pasha. PSM would talk to Phillip Brusick (UNCTAD) to explore possibilities of funding studies in this area. The issue to be highlighted in such studies is the need for hybrid laws (covering both consumer protection and competition) in small economies, and hybrid agencies to implement the law. PSM advised SR2 to write a paper based on the model law in Bhutan, and use the same as an advocacy document for 7-Up2.

2. Issues for discussion

- 2.1 It was observed by PSM, that the agenda of the Mini Retreat should be kept flexible to aid the manner in which discussions had proceeded thus far. The group felt that the issue of funding had been dealt with in details on a project basis, and it was time to proceed to address the other identified issues.
- 2.2 The next item on the platter was Infrastructure. NN initiated the discussions by commenting on the library of the centre, which had to be organised. PSM asked him to sit with RDM and SNB to formulate a working plan for organising the library. The competition database was the next item for discussion, and PSM asked AP to regularly test the effectiveness of the database in retrieving information. BJ was asked to scrap old files that were not relevant anymore, and keep updating the database. Considering that we often have to make international calls, AP thought that we should explore the option of Internet phones, which is equally efficient, and much less expensive. She also suggested that the website of the centre needed immediate up-gradation. PSM informed that CUTS is going to recruit a person for this work soon. PSM ordered the group to maintain proper sanitary condition in the toilets.
- 2.3 NN started by saying that the centre needed someone to operate statistical packages to aid in the survey work that C-CIER takes up at times. PSM suggested that we should sub-contract such activities, considering that we don't engage often in them. Both NN and MA felt that the future manpower need of the centre has to be assessed in light of the future projects, and arrangements have to be made accordingly. This included the appointment of interns.
- 2.4 PSM tried to remind the group of the ideal ways of networking, and expected the group to act accordingly. On the topic of publications and their marketing, PSM agreed with the idea that CUTS needed to appoint a marketing manager for its publications. NN was of the opinion that in order to ensure that our publications reach far and wide across to the readers, CUTS needed to tie up with some publication house. He was especially keen on the report of the 7-Up project 'Pulling up our socks'. PSM said that he would correspond with Cameron May (London) for this purpose. AP suggested publishing the 7-Up2 report in French also, in view of the interest of the French donors in the Mekong region. A general view expressed by the group was that possibilities of raising money through publications and the website needed to be explored.

3. Miscellaneous section, BP

3.1 The discussion reverted back to the remaining 2 topics (3.6.2 & 3.6.3) in the BP, 2004-08. AP suggested that every year the annual conference of INCSOC should have a thematic deliberation. Her idea for the forthcoming meeting was to distribute 'the world competition report' in it. PSM informed the group that the 'India Chapter' being currently readied by Anchal (intern at C-CIER) would be circulated to the members of INCSOC to serve as a guide and help country representative organisations to prepare their respective country papers. PSM reported that the prospect of the CCRP was very high. The 'scoping study' has been appreciated widely, and should have no problem in getting funded. PSM was also scheduled to meet the Chief Minister of Rajasthan and examine her receptivity to support CUTS in developing the CCRP campus.

Agenda

Session I: Overview

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| 0930-0940 | Fun Game |
| 0940-1000 | Presentation on Business Plan, 2004-2008 |
| 1000-1030 | Discussion on Business Plan |

Session II: Critical Issues

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| 1030-1100 | Funding |
| 1100-1130 | Infrastructure |
| 1130-1200 | Human Resource |
| 1200-1230 | Outreach/Networking/Publication |
| 1230-1300 | Lunch |

Session III: Wrap-up

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| 1300-1305 | Fun-Game |
| 1305-1500 | Summarisation and 'SLOT' Analysis |