

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

### **Mini Retreat | 29 July 2011**

*Present:* PSM, BC, GCJ, RSG, USM, KS, SCV, FA, MKD, NN2, AS7, GS3, MK4, SJ8, NS, SK, SHS, SS, IJ, Aradhana Agrawal & Yadhuvendra Mathur

*Purpose:* To stocktake the progress of CCIER's activities in the last one year and develop a roadmap to carry forward the activities of the Centre according to strategic plan period (2010-15) – deriving elements from the CUTS Vision 2034. The output from this exercise would be included in Strategic Business Plan of CCIER for the period 2010-2015, and identification of key enabling factors to achieve the milestones indicated in the strategic plan.

#### **1. Welcome and Overview**

1.1 RSG welcomed all to the meeting and explained the importance of this annual ceremony. He stated that idea behind the retreat is to look back at the last one-year's activities to look forward. It is an exercise to assess whether we have been able to walk on the path traced in the strategic business plan and use the learning during this process to find our way forward.

#### **2. History & Philosophy of CUTS & CUTS CCIER**

2.1 PSM began by highlighting the larger vision of CUTS which is to make the world a better place to live in and that's what guides its work. With this he welcomed Yadhuvendra Mathur, Senior Civil Servant, Government of Rajasthan and Aradhna Agarwal an economist who has been working on issues in the area of investment and regulatory reforms for a long time.

2.2 He underlined that CUTS International is an organisation working on research, advocacy, networking on public policy issues globally, here public policy means much more than trade and economy issues. He also narrated the famous 'matchbox story' as one of the triggers that led to the establishment of CUTS as a consumer organisation in 1983. Matchbox was chosen for this campaign (and was also possibly a reason for its success) because it is a commodity which is widely used by all. The case got wide publicity especially in Rajasthan and thus began the journey of CUTS with the goal of consumer protection.

2.3 He also mentioned about 'Gram Gadar', a wall newspaper which continues to be published even today. The understanding behind this is that poverty in this country is a major issue and therefore major part of CUTS work tries to address that how can we empower the common consumer with knowledge and information to take appropriate actions to address issues that impact poverty.

2.4 CUTS has also launched several campaigns and took several issues which impact common people at large like doctor's strike, shortage of coins in the market etc. Coming from 1983 to 2010 it was a great leap when *Financial Express* published a story about 'Desi NGOs go multinational'.<sup>1</sup> Where they have traced the CUTS journey to grown up to becoming international NGOs and marked its presence globally.

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<sup>1</sup> <http://www.financialexpress.com/news/desi-ngos-go-multinational/655157/0>

2.5 PSM tracing the history of competition policy in India highlighted that in the year 2002 after great efforts made by CUTS, a new Competition Act was adopted by the Parliament which was amended in the year 2007. CUTS is now also working closely with the government to develop the blue-print of the national competition policy.

2.6 One of the guiding spirit in our philosophy has been ‘liberalisation yes, but with safety nets’. One cannot leave everything to market forces, and need a sound regulatory framework to see that market reforms lead to positive impacts on the economy and citizens.

2.7 CUTS follow a few important values, viz: having a centric approach (neither right wing nor left wing). The other is that outcomes are more important than outputs. The ultimate aim is facilitating positive changes. One should always try to relate his work with the objectives of the organisation at large.

## 2.8 **Floor Interventions:**

**Yadhuvendra Mathur** A problem with public policy presently is that its formulation is not guided by much analysis of economic policy. A libertarian approach could be used in developing public policies, thereby enhancing choices for the consumer (except incase of defense, currency and matters pertaining to bodily injury). Mathur also suggested CUTS employees to read writings of libertarian.

**PSM** – Consumer choices has also have to bear in mind the environmental cost as sustainable consumption is again a very important issue.

**Yadhuvendra Mathur** – There are debates and dilemma on the interface between regulators and competition authorities and the conflict that will occur between them. There is no robust regulatory regime in place which can address consumer interests and competition policy alone may not be able to deliver it or may be competition law will follow a good regulatory law.

**PSM** – CUTS is closely involved in this debate. The issue of interface is becoming very important, not only between competition and sectoral law but also intra sector regulators. Even in the competition policy statement CUTS has strongly recommended mandatory consultation with regulators – following the EU model.

## 3. **CUTS Vision 2034 – BC**

3.1 BC began his presentation by explaining that the vision document articulates the vision of CUTS for the next 25 years, and shared an outline of the presentation. The vision of the CUTS as a whole is ‘Consumer Sovereignty’ which means that consumer is a king whereas the mission of CUTS ‘Consumer sovereignty in the framework of social justice and economic equality, within and across borders’ means that CUTS is striving for a society which is non-discriminatory in spite of disparities.

3.2 An inclusive growth agenda tries to address economic inequality – which aims to have lasting (sustainable) impacts on the economy and peoples’ lives. Recently, CCIER has also started working on issues related to CSR (being increasingly referred to as *Business Responsibilities*) which is going to be an extremely exciting area of future work.

3.3 We do invest lot of our time and effort in producing good outputs but our focus as an organisation is on outputs that can lead to good outcomes. We always try to focus on niche areas. BC underlined that in accordance with the *modus operandi* of the organisation, CUTS CCIER's work combines the components - research, advocacy, networking and capacity building.

3.4 BC emphasised on the need to draw a clear pathway to achieve the Vision 2034, and aim to achieve incremental changes over the course (of implementing this vision) in the sphere of public policy issues affecting consumers. The focus needs to be on four issues where there is scope for improvement - human resource management & planning, financial management & planning, general administration, and management of documentary & intellectual resources.

### 3.5 **Floor Interventions:**

**PSM** – Inclusivity is one of a very critical value. Two other critical values are transparency and accountability. We maintain and are committed to high level of transparency and accountable to donors and taxpayers from where money comes in. We are probably the only NGO in the world who puts all our projects at a glance and financials on to the website.

**RSG** – CUTS is a 'listening organisation'. When we are doing work in a realm of public policy it is important that we give an audience to what people have to say.

**Yadhuvendra Mathur** – Suggested that we should never go past a word which we don't understand. So the whole construct of scientology is on the use of words. We need to be crystal clear on each and every word of Vision 2034 in order to achieve it. Agreement on the word is most important in order to understand concepts clearly. He also raised an issue related to difference between strategic planning and planning.

**SCV** – Noted that it is inevitable to have different interpretations of a word according to one's own understanding. Therefore, in order to understand the organisational interpretation of its philosophy we should engage ourselves in the discussion related to such interpretations to arrive at a common conclusion.

**SHS** – Every word can have three kinds of interpretation – figurative, literal and contextual. Therefore, we need to use every word judiciously.

**PSM** – The difference between strategic planning and planning is that word strategy is used in order to lay stress that it is dynamic.

**RSG** – We should articulate and settle the institutional understanding of the definition of some of the 'terms' that we use for better clarity (organisational lexicon).

## 4. CUTS CCIER Strategic Business Plan 2010-2015 (Structural and Functional Aspects) – NN2

4.1 NN2 presented the structural and functional aspects of SBP 2010-2015 and highlighted that although CUTS has started its journey as a consumer protection organisation but over the years it has flowered itself into many programmatic areas which leads to other functions and activities besides traditional consumer protection. CCIER focus on four programmatic areas,

i.e. Competition Law and Policy, Economic Regulation, Consumer Protection and Investment Climate.

4.2 NN2 while explaining the structure and functions of CCIER noted the approach and *modus operandi* of the Centre and mentioned several affiliations and initiatives of CUTS. She concluded the presentation by highlighting the SLOT analysis in which she enlisted several strengths, limitations, opportunities and threats of the Centre.

#### 4.3 Floor Interventions:

**Yadhuvendra Mathur** – Suggested that the participatory research in the *modus operandi* of SBP should be replaced by as a contributory research. Participatory research means whosoever generates the data analyses the information and draws conclusion

**PSM** – Participatory research is a concept developed by Rajesh Tondon which means working with beneficiaries and suggested a refinement of the word. Mentioning about the organogram and personnel profile PSM stated that as an organisation we follow horizontal hierarchy and an open door policy at all the levels.

4.4 The following remarks were made on the issues of threats and limitations by PSM:

- Frequent changes in bureaucracy - One critical function in terms of advocacy which relates to threat of frequent change in bureaucracy is that CUTS is also building consensus on reforms.
- Donor dependency & influence - Addressing the limitations PSM noted that even donors are dependent on us, it is a mutual obligation. We always try to balance donor's interest with our interest and objectives. That is the reason that globally the term donor has been replaced with the term development partner.
- Human resources constraints - PSM also noted that human resource constraint is a global phenomenon.
- Limited engagement in areas other than competition policy - On limited areas PSM stated that it is not actually a limitation as we have carved out niche areas and quite ahead in those areas.
- Low level of control over of field-work and primary data collection - PSM noted that organisation is facing this limitation due to lack of funding and time.
- Non-cooperation or conflicts with other organisations – Unavoidable and as we follow the value of inclusive approach, therefore in several places we may not agree but allow people to participate and share their dissenting views.
- Conflict & regime change – Whatever work we have done has already got some immersion and we try to revisit the same later.

#### 4.5 Floor Discussion

**Yadhuvendra Mathur** – Strengths and limitations are could be ranked.

**PSM** – We are a research and advocacy organisation. We do not have any intention to becoming a research organisation. For us the goal is making the change happen therefore we focus more on that how our outputs can bring change and lead to good outcomes.

**Yadhuvendra Mathur** spoke about the purpose of the retreat, which is to look at one’s limitations and threats that, one has faced and understand (learn better) of how to deal with.

**NS** – Suggested to replace the philosophy of research, advocacy and network (RAN) as research, advocacy, implementation and network (RAIN). He suggested rewording working in niche areas as ability to identify and tap niche areas.

**SHS** – Brand equity of CUTS should also be included in strengths.

**SK** – Noted challenges like ‘donor dependence’ and stressed on the need for a proper strategy on fund raising. There should be proper planning to become less dependent on donors (gradually) in the future.

**5. CUTS CCIER SBP 2010-2015 (Programmatic Aspects and Finance)**

5.1 This session had a brief presentation by RSG about the centre’s programmatic aspects and finances. This session helped to review the progress of the centre vis-à-vis the SBP for the current year and gave an insight into future projects. One of the key observation was the financial projection of the centre has registered a consistent growth since 2004.

5.2 Major part of the interaction during this session focused on challenges that the centre faces and how they can be addressed, the same have been recorded below:

Challenges	How to address it?
Personnel related	<ul style="list-style-type: none"> <li>- Dynamic process</li> <li>- Outsource work to qualified personnel</li> <li>- Network to keep access to desired talent</li> <li>- Personnel plan</li> <li>- Individual career progression plans within the org</li> <li>- HR retention strategy</li> <li>- Investing in internal capacity building</li> </ul>
Donor support	<ul style="list-style-type: none"> <li>- Constantly discover new donors</li> <li>- Donor sensitisation over emerging areas for intervention</li> <li>- Specific points of contacts with donor</li> <li>- Networking</li> <li>- What are the implications of India as a donor country</li> <li>- Talk to business chambers in donor countries</li> <li>- Sectoral Associations</li> </ul>
Identification and selection of project partners	<ul style="list-style-type: none"> <li>- Due diligence</li> </ul>
Defining Measurable Outcome	<ul style="list-style-type: none"> <li>- Articulation in proposals, as most donors are looking for clear impacts</li> <li>- Quantifying the abstract needs to be incorporated in our projects (Refer the TDP interim internal assessment report)</li> </ul>
Field work/primary data	<ul style="list-style-type: none"> <li>- Project design should take this into account</li> <li>- Time spent in field/with partner organizations</li> </ul>

## **6. CIRC and CCIER: Convergence and Divergence**

6.1 This session was meant to present how CIRC and CCIER could work together in their mutual interests. The presentation was made by Navneet Sharma, Director of CIRC and it was followed by floor discussions. The major points covered under the presentation are given below:

- CIRC was incorporated in January 2008 and started its work in the year 2009 and has the core mandate for research-based capacity building in the programme areas of competition policy and law; economic regulation (with focus on infrastructure) and economic diplomacy.
- CCIER started its work in the year 2004 with the mandate of research, advocacy, networking and capacity building in four programme areas: competition policy and law; economic regulation; consumer protection; and investment climate.
- Thus, the first two programme areas are common for both CIRC and CCIER. Though, there are divergences in the approach that the two entities would need to observe in both the functions and areas.

The major points from the ensuing discussions are given below:

- It was recalled that the establishment of CIRC was conceptualized for filling voids in the area of regulatory capacity in a structured manner by organizing training courses for the supply side as well as the demand side. For instance, if the government decides to adopt the National Competition Policy (NCP), there will be huge implications for capacity building at several levels (Union, State, Local) as per specific context.
- CIRC focuses more on training and capacity building, whereas CCIER focuses more on advocacy.
- There are different clientele for the two entities. For instance, CIRC will have greater reach to students, industry professionals, regulators and competition practitioners whereas CCIER will have greater reach to the regulators, policy makers, etc.
- The horizon of the work being carried out by CIRC is long term, whereas that for CCIER is short and medium term (thus providing immediate solutions).
- Whereas CCIER aims at building capacity through its project funding, CIRC aims at doing so through course fees, collected by the participants or their nominating organizations.
- It was found desirable that CIRC and CCIER will need to engage on regular basis in experience and research output sharing and planning.
- In a similar vein, need was felt for identifying specific policy areas for undertaking joint work by CIRC and CCIER.
- It was agreed that the resource material gathered and generated by the two entities would be better used through periodic exchanges so as to avoid duplication, if any, and encourage shared learning.
- Joint reporting on agreed parameters could be given a trial, say on six-monthly basis. Such report will attempt at capturing the exchanges made between CIRC and CCIER in various forms during the preceding months and will present a roadmap of coaction for ensuing months.
- CIRC has decided to focus on developing 6-12 months course in partnership with universities/academic institutions (reference was made to the on-going discussions with Gujarat National Law University). It was also recalled that CIRC has a goal to become a deemed university in due course. CIRC has planned to launch one new



course every year within its mandated programme areas. A roadmap for such courses is to be developed, keeping in horizon the emerging issues of relevance. Similarly, short term courses are to be organised in view of immediate training needs of various stakeholders (a reference was made of the *futuristic* 4G Auction). Competition Economics’ is an emerging domain and CIRC need to focus on this subject.

- Case study documentation in the area of ‘Competition Policy and Law’ and ‘Economic regulation’ may be undertaken by both CIRC and CCIER. Such documentation will help in both trainings as well as advocacy purposes.
- Given the experience so far, CIRC may take a re-look at ‘Economic Diplomacy’ area and if required, should consider dropping it off from its work mandate.
- As the demand for capacity building in competition and economic regulation is emerging, CIRC, through proactive measures, may serve this demand effectively in India and other developing countries. .
- CCIER may examine the feasibility of organising short term (1-2 days) courses for consumer groups and civil society organizations so as to hone their advocacy skills.
- CIRC may include ‘summer schools’ on the lines of ‘summer academies’ getting organized by the World Trade Institute (WTI), in its work agenda.
- Africa has the potential to serve as common work destination for both CIRC and CCIER. CIRC work agenda needs to appropriately reflect and benefit from the work being done by CCIER in African countries in terms of offering short and long term capacity building products. For the purpose, CIRC need to start exploring contacts with network partners of CUTS in that region.
- It was also agreed that both CIRC and CCIER will maintain (and regularly update) a database of resource persons having expertise on specific issues.

### 7. Key issues and way forward

7.1 This session was focussed on identifying the ‘key issues’ that the centre will focus on in the future and take appropriate steps in that direction. Through discussion among the participants about the various issues brought forward during the day, it was decided that certain key areas need strategies and action points in order to move forward. The discussion revolved around what are the major **opportunities** and **challenges** and how can these be best addressed. Based on this discussion key issues and their way forward were decided as below:

Key Issues	Way Forward
1. Differential approaches of working with Emerging economies and Developing countries	<ul style="list-style-type: none"> <li>- Focus on BRICS</li> <li>- LDCs particularly in Africa</li> <li>- CIRC should be able to promote their agenda in cooperation with CCIER</li> </ul>
2. Campaigns stemming from concern for poor consumers (software of economic governance)	<ul style="list-style-type: none"> <li>- Evolving a Plan of Action</li> <li>- Fix leakages in Public delivery system (CART has a big role) – CCIER and CART to move along</li> <li>- Continue to participate in debates like cash vouchers and other conditional cash transfer schemes</li> <li>- Explore the possibilities through the fourteen priority areas under the National e-Governance Plan</li> </ul>
3. Issue of definitions and	<ul style="list-style-type: none"> <li>- Noted and will be acted upon through a</li> </ul>

need for understanding terms in SBP	consultative process
4. Implementation strategy for Vision 2034	- Need to get SBPs from centres to finalise organisational SBP to enable us to prepare the road-map for implementing the Vision 2034
5. Fund raising	- Strategy Paper for CUTS CCIER/CUTS
6. Testing consumer welfare outcomes in public policy	- Literature review and discussion paper needs to be prepared to take this forward
7. Quantification of abstract outcomes	- Use TDP template for 7Up review report
8. Introspection on Limitations and Threats	- Brainstorming on periodic basis

**Closing Remarks**

After all the presentations and floor discussions were over, Pradeep Mehta, Secretary General, CUTS, made closing remarks as follows:

- Though it is the end of the formal Mini-Retreat, it does not indicate the end of the work; rather it is a beginning of many new processes that will help in ‘self-development’ – organisationally as well as individually.
- Further brainstorming will be required for converting the major agreements made during the discussion into action. It is expected that CCIER staff will be doing so in the coming days. Accordingly, an action plan will need to be formulated.
- CIRC should be organizing a retreat on the lines of CCIER in the coming months (preferably, in September, 2011) and selective representation of CCIER will be made in that for further consolidation of the discussions being held in this retreat.