



Customer Relationship Management on Electricity



A workshop entitled, 'Customer Relationship Management on Electricity in India, Sri Lanka and Bangladesh' was organised in collaboration with LIRNEasia, a regional Information and Communication Technology (ICT) policy and regulation think tank at New Delhi on May 22, 2014. The main focus of the think tank is to disseminate independent research, document and disseminate regional best practices, and provide training and on short-term advisory assistance to governments/parties.

The objective of the workshop was to disseminate the study conducted by LIRNEasia on electricity and telecom sectors in India, Bangladesh and Sri Lanka. The idea was to bring together regulators, service providers and consumers representatives of respective sectors and debate the findings of the study.

In brief, the research examined the customer relationship management practices of the telecom and electricity sectors, from both demand and supply-side perspectives. A large sample survey and qualitative research was conducted in Colombo, Delhi, Patna and Dhaka.



L to R: Ashwini K Swain, Praveer Sinha, U N Panjiar, Ashish Khanna and Ashim Sanyal

The workshop witnessed a wide participation of eminent stakeholders. Some interesting issues were raised and debated. The losses suffered in businesses due to power cuts were quantified and multiple re-designed solutions were provided to improve the electricity sector.

In conclusion, it was mentioned that many civil society organisations (CSOs) were working towards consumer protection in the electricity sector but none of them were taking up the cause of strengthening consumer protection *vis-à-vis* value added services. In response, it was suggested by consumer organisations that it is vital to make initiatives towards capacity building for consumers, so they are aware of their rights.

www.cuts-ccier.org/pdf/Agenda-Workshop_on_Customer_Relationship_in_Management_on_Electricity_in_India_SriLanka_and_Bangladesh.pdf

Transboundary Cooperation in the Energy Sector in South and Central Asia'



CUTS in collaboration with Sustainable Development Policy Institute (SDPI), Pakistan and with support from Friedrich-Ebert-Stiftung (FES India & Pakistan) organised a regional conference on 'Transboundary Cooperation in the Energy Sector in South and Central Asia' in Islamabad on May 22, 2014.



Khurram Dastagir Khan, Commerce Minister, Pakistan speaking on the occasion

The objective of the conference was to create a platform for dialogue among relevant stakeholders to achieve greater cooperation, coordination and integration of energy systems. The platform allowed discussion among relevant issues, such as – natural gas pipelines, electricity, energy efficiency, renewable energy, technology transfer, energy policy, geo politics and knowledge sharing – the potential, challenges involved and possibilities to overcome, among relevant stakeholders.

The conference was well attended and had close to 100 participants from varied nationalities (Iran, India, Pakistan, Kazakhstan, Afghanistan, etc.) and profile, i.e. Ministry of Power, government institutions, non-government organisations, academic institutions, power producers, Media etc.

www.cuts-ccier.org/event-Regional_Conference_on-Trans-Boundary_Cooperation_in_the_Energy_Sector.htm

Enhancing Social and Economic Welfare in Developing Countries



The project entitled ‘Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries’ (CREW) is being implemented with the support from the Department for International Development, UK and BMZ (Germany) facilitated by GIZ (Germany).

CREW Project is nearing the end of Phase I (Diagnostic Phase) and the research findings from the project sectors, i.e. i) Staple Food and ii) Bus Transport, have started to come in. These findings are being used to develop the country specific Diagnostic Country Reports (DCR) for the respective sectors.

National Reference Group (NRG) II meetings are being held to share these research findings (gathered through secondary and primary research) with the NRG of four project countries, i.e. Ghana, India, The Philippines and Zambia. These meetings would also mark the introduction of Phase II (Design Phase) of the



Participants at the NRG-II meeting in Zambia on June 27, 2014

project with the outline of Framework for Competition Reforms (FCR) being presented. This FCR would act as the input for the development of the toolkit which is aimed to help the developing countries demonstrate the benefits of competition reforms for consumers and producers in the sectors where it is applied.

The meetings have/would be taking place on May 22, 2014 (The Philippines); June 27, 2014 (Zambia); July 02, 2014 (India); and July 24, 2014 (Ghana) respectively.

www.cuts-ccier.org/crew

Advocacy

Comments on Report of the Working Group on Resolution Regime for Financial Institutions

The Sub-Committee of the Financial Stability and Development Council (FSDC) constituted a high level Working Group (WG) to suggest extensive strengthening of the resolution regime in India. The Report of the WG (Report) was released for public comments, on which CUTS provided its comments on May 31, 2014.

The Report listed financial stability as one of the objectives of the resolution regime. CUTS objected to this and suggested replacing ‘stability’ with ‘resilience’, while arguing on the basis of Financial Instability Hypothesis that stability weakens the ability of an economy to withstand even modest shocks, and resilience focuses on adaptability and survival amidst change.

CUTS also suggested a phased approach for expanding the scope of resolution framework, starting with only the systemically important financial institutions (SIFIs) in first Phase, incorporating firms

directly interacting with consumers (such as banks, insurance companies, etc.) in Phase II, and thereafter providing remaining firms an option to get covered under the resolution framework, on payment of prescribed fee. It was also suggested that preferential treatment given to the public sector firms with respect to insolvency be done away with and competitive neutrality be ensured between public and private financial sector firms.

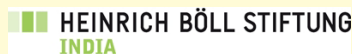
Other CUTS’ suggestions included giving legislature the power to invoke temporary public ownership tool, reimbursing government for contribution to the resolution fund, authorising FSDC to determine SIFIs, and ensuring mandatory communication between the resolution authority and relevant regulator during the resolution process.

www.cuts-ccier.org/pdf/

[CUTS_Comments_on_Report_of_the_Working_Group_on_Resolution_Regimes_for_Financial_Institutions.pdf](http://www.cuts-ccier.org/pdf/CUTS_Comments_on_Report_of_the_Working_Group_on_Resolution_Regimes_for_Financial_Institutions.pdf)

Critical Dimensions of Indian Investments in Africa

CUTS, with support from Heinrich Boll Stiftung Foundation, is implementing a project entitled 'Critical Dimensions of Indian Investments in Africa' (IIA) during December 01, 2013-October 31, 2014.



The project will attempt to analyse the positive impact of Indian investments in select African countries (Ethiopia, Kenya, Uganda and Zambia) in agriculture and mining sector, make use of the nine principles of the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) as well as other applicable rules and regulations.

The first Project Advisory Committee meeting was held at New Delhi, on April 16, 2014. The objective of the meeting was to familiarise the PAC members with the ongoing project activities and seek advice on the challenges and upcoming activities. There were two presentations – the first provided a background of the project and the second, elucidated on the research methodology.

www.cuts-ccier.org/iiaindex.html

Consumer Participation in Electricity Sector Regulation

CUTS with support from World Bank has taken up the initiative to assess the quality and impact of consumer participation in electricity sector regulation process since promulgation of Electricity Act 2003 through evaluation of the regulatory decision making process in the states of Delhi, Haryana, Karnataka, Rajasthan and Maharashtra.



It has also been noted that regulatory shortcomings centre on lack of commercial orientation of state government-owned utilities and inadequate consumer participation in the regulatory process. Unlike other shortcomings, there is huge dearth of research in consumer participation aspect and its benefits in India specific case. Henceforth, the reason for this lack of participation needs to be examined with reference to the constitution of consumer participation through the act, the process of participation and nature of outcomes.

Thus, the purpose of the initiative is to evaluate the impact of consumer participation *vis-à-vis* the regulatory decision making process and propose relevant recommendations in case of shortcomings to encourage more participation.

www.cuts-ccier.org/CPSEr/

Publications

Competition and Regulatory Issues in the Railway Sector in India

The Indian railways form an integral part of the transport sector and its growth, efficiency and competitiveness are essential for the rapid growth of the sector *vis-à-vis* the economy. However, recent statistics have reflected a negative growth of the monopolistic railway sector. This Briefing Paper aims to provide an overall understanding of the railways sector and suggestions to revamp it in an inclusive and sustainable manner. Tools such as separation of powers, injection of competition and setting up of a regulator have been advocated herein as important measures to ensure an overall growth.

http://www.cuts-ccier.org/pdf/Competition_and_Regulatory_Issues_in_the_Railway_Sector_in_India.pdf

Financial Regulation in India after the Crisis

After around half a decade of the financial crisis, economies across the world have started implementing reforms in financial sector regulation, on the basis of experiences and lessons learnt from the crisis. It is thus necessary to examine if India's financial regulators have learned any lessons from the crisis, and if any reforms have been introduced to avoid such crisis in the future.

The Briefing Paper attempts to find an answer to this question, while analysing select policies pertaining to competition and consumer protection in areas of banking, non-banking financial companies (NBFCs) and insurance.

www.cuts-ccier.org/icrr2013/PDF/Financial_Regulation_in_India_after_the_Crisis.pdf

Regulatory Performance: Independence and Competence Matters

Independent regulators insulate economic decision making from political control and contribute towards a consistent and rational policy environment that provides a level playing field to competitors and reduces regulatory uncertainty amongst private investors. However, to be truly independent from the government, not only must the regulator be an independent statutory authority, but also be financially and administratively independent from the government.

The Briefing Paper makes an attempt to provide an overview of India's current scenario on the level of functional independence of regulators and presents the reason for its failure with a way forward.

www.cuts-ccier.org/icrr2013/pdf/Regulatory_Performance-Independence_and_Competence_Matters.pdf

Competition and Regulation in India, 2013

It is the fourth biennial report (2007, 2009 and 2011) that maps status of competition across Indian markets and focusses on four sectors, i.e. Coal, Railways, Private Healthcare and Finance apart from cross-sectoral issues such as Regulatory Independence and Regulatory Conflicts. This study is an important contribution towards enriching the available literature in the public domain and encouraging a dialogue to promote a healthy and competitive environment as evolving an appropriate regulatory culture is always a learning curve.

The first report, published in 2007 lay down the rationale for a holistic competition policy and law regime in India and also looked at some sectors, such as telecom and electricity in the area of infrastructure and in the equally crucial area of social infrastructure like health care and education, as case studies.

The second report, published in 2009 is an effort to educate the public and the policy community about the effect of these various facets of public policy on competition and regulation. It focuses on the evaluation of quality of regulation in five sectors: power, ports, civil aviation, agricultural markets and higher education.

The third report, published in 2011 maps status of competition across Indian markets and focusses on six emerging sectors, i.e. Microfinance, Natural Gas, Retail, Real Estate (residential), Road Transport (passenger transport) and Telecommunications. Further, it also covers certain general issues, such as political economy of regulation and essential facilities doctrine etc.

www.cuts-ccier.org/ICRR2013/pdf/Competition_and_Regulation_in_India-2013_Leveraging_Economic_Growth_Through_Better_Regulation.pdf



Representations

Gaurav Shukla spoke in the lecture programme organised by Vigyan Prasara, a national institute of science and technology communication under the Department of Science and Technology, Government of India at Jaipur on April 15, 2014. The objective was to engage in large scale science and technology communication activities throughout the country with the objective of inculcating scientific temper among the people.

Rijit Sengupta attended a conference entitled, 'Sustainability Reporting for Sustainable Development' organised by Global Reporting Initiative with the support of Swedish International Development Agency at Mumbai, on June 11-12, 2014.

Advocacy through Media

How not to contain the fiscal deficit

The Hindu Business Line, April 08, 2014

By Pradeep S Mehta

The UPA has played around with numbers. This makes fiscal consolidation a daunting task for the new government. The government has time and again shown its proficiency in accounting sleight of hand, when it comes to containing the fiscal deficit. It has painted a façade of a healthy fiscal situation, thereby hiding the structural cracks in budgetary and planning processes. Clearly, the next government will have a tough time in bringing down the deficit, a root cause for several of our problems. While presenting the interim budget 2014-15, the Finance Minister triumphantly declared that he would be able to contain fiscal deficit to 4.6 per cent of the GDP for the current fiscal, bettering the initial estimates of 4.8 per cent. This is being achieved through a massive reduction in the planned expenditure, of around 14 per cent.

www.cuts-ccier.org/Article-How_not_to_contain_the_fiscal_deficit.htm

The road to true federalism

Business Standard, April 02, 2014

By Pradeep S Mehta

It is one of the happy incidents of the federal system that a single courageous state may, if its citizens choose, serve as a laboratory, and try novel social and economic experiments without risk to the rest of the country," said Justice Louis D Brandeis, Associate Justice on the Supreme Court of the US, in 1932. This view forms the basis of the new federalism philosophy in the US that advocated restoration of some of the autonomy and powers to the states, which they lost to the federal government, as a consequence of the New Deal. A key determinant of the role of the states in a federal polity is their participation in the formulation and implementation of critical economic plans. A central plan body usually indicates a stronger role for the central government and vice versa. It is unable to handle the differences among the states in a clear manner.

www.cuts-ccier.org/Article-The_road_to_true_federalism.htm