



Enhancing Social and Economic Welfare through Competition Reforms

CUTS organised an Inception Meeting of the project entitled, 'Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries' (CREW) on March 13-14, 2013 and Partners Launch Meeting on March 15, 2013 in Jaipur. The project focuses on four countries (two African and two Asian) across two sectors with the support from Department for International Development, UK, and BMZ (Germany) facilitated by GIZ (Germany). The duration of the project is of three years.



L-R: Pradeep S Mehta, Frederic Jenny, Geeta Gouri and Eiko Kauffmann

The main objective of the project is to develop an approach (combination of indicators, metrics and tools) which would help in accessing impacts of competition reforms on consumers and producers and demonstrate the benefits of competition reforms to ensure that greater support and attention is provided.

The purpose of the meeting was to evolve a methodology for the project, decide four countries and sectors based on the background paper prepared under this project. The inception meeting was privileged by the participation of various luminaries from diverse backgrounds ranging from the government, civil society organisations (CSOs), policy think tanks from many developing countries in Asia and Africa.

Frederic Jenny, Chairman, Organisation for Economic Cooperation and Development, Competition Law and Policy Committee stated that this project is relevant, ambitious and challenging for three main

reasons: it will improve the advocacy function of civil societies and competition authorities; take a wider look at the competition regime; and attempt to start competition regime and law in developing countries.

Heidi Sada Correa, Federal Competition Commission, Mexico opined that competition policy could help reducing social inequality and competition has a dynamic effect leading to more production, innovation and reduction in prices benefiting both consumers and producers.

Four countries were finalised: India, The Philippines, Zambia and Ghana and two sectors under study which have the highest impact on the poor was staple food and passenger transport. At the Partners Launch Meeting, all partners unanimously agreed to the sectors selected as they felt the need for competition reforms in both staple food and passenger transport sector to facilitate consumer and producer welfare.

www.cuts-ccier.org/CREW/

Compendium on Competition Regimes

'Competition Regimes in the World: A Civil Society Report' (www.competitionregimes.com) was an attempt to map out competition regimes around the world and covers 120 countries. Most of the countries covered in this volume had competition legislation, while some in the process of adopting one. It contained essays on the countries by a large number of activists, scholars, experts and practitioners, whose names appear as authors in the corresponding chapters.

The final version of this report was released by CUTS in June 2006, and was an improvement over the advance copy that was released at the UN Conference on Competition Policy in Antalya (Turkey) in November, 2005.

Since 2006, there have been various developments in the competition legislations across the world, therefore CUTS plans to revisit and update the report both in content and also in scope. The target is to cover 148 countries and publish the volume by July 2013.

www.competitionregimes.com

Sustainable Energy in India – Way Forward for Energy Security

CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER) along with Vikram Sarabhai Centre for Development Interaction (VIKSAT) and with support from Shakti Sustainable Energy Foundation organised a ‘National Level Conference on Sustainable Energy in India – Way Forward for Energy Security’ to



L-R: Ketan Shukla, Prasad R Ray, Bipul Chatterjee, Praveen Saxena and Deepak Gupta

mark the end of its pilot project entitled ‘Demand Side Management and Renewable Energy in India: Capacity Building Programme for CSOs’ (DREC) at New Delhi on March 23, 2013. The conference received support from Gujarat Electricity Regulatory Commission, Gujarat Energy Development Agency, West Bengal Electricity Regulatory Commission and West Bengal Renewable Energy Development Agency.

The purpose of the Conference was to showcase the outcomes of the project to a larger audience and also to initiate a multi-stakeholder dialogue on the need and importance of demand side management and renewable energy in India. Further, the conference facilitated

a discussion between policymakers and stakeholders to draw a forward looking agenda focussed on policy reforms in the area of conventional energy and clean energy sources.

There were over 80 participants in the conference from varied sphere comprising policymakers, consumer groups, media persons, regulators, representatives of distribution companies, partner organisations, etc. from the state of West Bengal, Gujarat and few other relevant states.

www.cuts-ccier.org/DREC/

Measuring Benefits of Competition Policy Reforms in India

CUTS CCIER with support from British High Commission (BHC) organised a National Level Conference on ‘Measuring Benefits of Competition Policy Reforms in India’ to mark the end of its pilot project entitled ‘National Competition Policy & Economic Growth in India (ComPEG) at New Delhi, on March 21, 2013.

The purpose of the conference was to disseminate the learning from the project studies to a diverse background of audience and also to initiate a stakeholder dialogue on the urgent need to adopt and implement the National Competition Policy if the increasing policy-based welfare constraints and distortions are to be curbed.

Welcoming the participants, Pradeep S Mehta, Secretary General, CUTS, spoke about (13) sector studies on the theme of competition, conducted by the Ministry of Corporate Affairs, Government of India, and how three relevant sectors, Agriculture Product Marketing, Pharmaceuticals and Electricity, from these studies have been picked up and work is advanced on measuring and quantifying economic gains from infusion of competition in the legislations and policies governing these sectors.

The conference saw participation of up to 100 guests, each of whom represent or are associated with policy-making, regulation, media, research organisation or competition authority in the country. Several recommendations on dimensions of research of and advocacy for sector specific concerns emerged after the discussion.



L-R: Andrew Jackson, Pradeep S Mehta, Arun Maira and TCA Anant

www.cuts-ccier.org/CoMPEG/

Exploring the Interplay between Business Regulation and Corporate Conduct in India

With the completion of the research phase, capacity building and advocacy are now high on the agenda of CUTS project on ‘Exploring the Interplay between Business Regulation and Corporate Conduct in India (BRCC)’. Therefore, the period between January-March, 2013, was primarily dedicated to capacity building exercise.

A capacity building workshop was organised for the private healthcare sector in partnership with the Andhra Pradesh Private Hospitals and Nursing Homes Association (APNA) at Hyderabad on February 06-07, 2013. The main objective of the workshop was to promote better responsibility among stakeholders from private healthcare. It was planned as a technical assistance activity and a forum for exchange of practices prevailing in the private healthcare industry.

More than 20 participants from six different states participated in the workshop, which was organised to primarily focus on identifying ways in which these sectors can better meet their social, economic and environmental responsibilities. Two issues were discussed which includes better biomedical waste management practices and improvement of the interface between hospitals and consumers. Post the successful completion of the workshop, preparation commenced for another workshop



L-R: Ajay Kanani, Rijit Sengupta and Neha Kumar

on similar lines, this one targeting the pharmaceutical sector to be organised in early April.

Policy briefs were also prepared for states in which the project was implemented, namely Gujarat, Andhra Pradesh, West Bengal and Himachal Pradesh, which are now in the process of finalisation.

Also over-all planning for the year 2013, the extension phase of the BRCC project was carried out. An extensive work-plan was drawn to encompass creation of a better interface between the government and the players of the private healthcare and pharmaceutical sector, among other things.

www.cuts-ccier.org/BRCC

Publications

Effect of Direct Benefit Transfer Scheme on Competition in the Market

This Briefing Paper throws light upon specific developmental objectives that could be achieved through proper implementation of the scheme. The paper focuses upon how direct transfer of cash would help establishing developed and competitive market, especially in rural India. It also deals with factors that could lead to a more conducive environment for infusing competition in the market. Finally, it discusses the international experiences related to direct transfer of cash to the poor and what lessons India could learn.

This Briefing Paper can be viewed at:

www.cuts-ccier.org/pdf/Effect_of_Direct_Transfer_of_Cash_on_Competition_in_Market.pdf



Ensuring Sustainability of Off-Grid Projects

This Policy Brief discusses the need to introduce off-grid power systems as a viable option to overcome challenges in access to power. This is in response to a felt need to enable access to consistent quality and quantity of power that in turn, can be expected to reinforce other developmental initiatives, further correlated to costs in the immediate and long-term. The paper cites some cases that reveal challenges in establishing such off-grid systems, substantiated with tried and recommended solutions. These insights are presented through the policy lens essential for appropriate mainstreaming of off-grid systems.

This Policy Brief can be viewed at:

www.cuts-ccier.org/pdf/Ensuring_Sustainability_of_Off-Grid_Projects.pdf

Regulation of Microfinance Institutions in India

Considering the importance of microfinance institutions in fulfilling the goals of financial inclusion, it is essential to understand the body of laws, rules and regulations which govern this financial tool. An overlap between the areas dealt with by various authorities governing microfinance entities on critical issues like interest rate determination create uncertainty on the basic conditions of thriving in this sector for participant institutions. This Briefing Paper deals with some of the problems in regulation of microfinance institutions and presents solutions which should be taken into consideration.

This Briefing Paper can be viewed at:
www.cuts-ccier.org/pdf/Regulation_of_Microfinance_Institutions_in_India.pdf



Representations

Pradeep S Mehta and **Rijit Sengupta** of CUTS participated in the OECD Global Forum on Competition at Paris, France, on February 28-March 01, 2013.

Gaurav Shukla participated in an International Training Programme on Energy Efficiency Use & Planning organised by Swedish International Development Agency along with Life Academy at New Delhi during March 11-20, 2013.

Advocacy through Media

Need for a Realistic Penalty Regime

Financial Express, March 29, 2013

Pradeep S Mehta

Most competition agencies have developed transparent guidelines for fining/penalties. Indeed, many of them did so after being questioned by courts, such as US, EU, France and so on. Most such guidelines follow a three step approach for defining the penalty amounts. It is thus recommended that for less serious contravention, the minimum amount should be 3% of the overall turnover; 5% for serious contravention, and 7% for very serious contravention.

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

Will Budget Offer a Remedy for the Creaking Infrastructure?

The Hindu, February 21, 2013

Pradeep S Mehta, Secretary General, CUTS International, and Chairman, CUTS Institute for Regulation & Competition, CUTS Institute regulatory architecture is improved, high growth in the infrastructure sector will be difficult. The Planning Commission has developed a piece of legislation to... improve the functioning of our infrastructure regulators, but it is not moving at all, owing to turf wars and inertia.

www.cuts-ccier.org/Media_Will_budget_offer_a_remedy_for_the_creaking_infrastructure.htm

A Regulator for Land Acquisition

Economic Times, January 28, 2013

Pradeep S Mehta

The current land acquisition Bill talks about direct transaction between buyers and sellers of land. Given the fact that landholding patterns in India are largely fragmented, coupled with large-scale absentee landlordism, such direct transactions will be impossible as there will be huge transaction costs. The Bill on land acquisition should be revised accordingly to upfront say why states should have a role in it by incorporating provisions for the institution of an independent regulator for land acquisition.

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

CUTS Favours National Competition Policy

Webindia123, January 05, 2013

CUTS International a non-governmental organisation pursuing social justice and economic equity, has urged the Finance Ministry to adopt the national competition policy claiming that it could ignite another wave of economic reforms. The issue and suggestion figured at pre-budget consultations held by Union Finance Minister P Chidambaram with social sector groups in New Delhi today that was attended by CUTS Secretary General Pradeep Mehta too.

www.cuts-ccier.org/Media_CUTS_favours_national_competition_policy.htm