



Adding Design to ‘Make in India’

CUTS Institute for Regulation and Competition (CIRC) and CUTS International organised an event to mark the launch of the project entitled, “Promoting Innovation and Competition for Efficient Use of Intellectual Property in India (Comp-IP Programme)” at New Delhi on March 11, 2015.

The project supported by Qualcomm Inc., is envisaged to provide a sustained platform for discourse and discussions on Intellectual Property, Innovation and Growth in India, and their inter-linkages. It revolves around two research themes – Economic Impact of IP based Technology (focussed on Mobile Technology); and Analysing Regulatory Framework for Standard Essential Patents in India.

Pradeep S Mehta, Secretary General CUTS International, inaugurated the event, along with G R Raghavender, Joint Secretary, Department of Industrial Policy and Promotion and Anupam Khanna, Former Chief Economist, National Association of Software and Services Companies. The event provided discourse



L-R: Anupam Khanna, Pradeep S Mehta and G R Raghavender

on various initiatives launched by the Government of India, such as Make in India, Digital India and Startup India, and Innovation and access to IP playing a critical role in their success, i.e. economic growth of India.

It was discussed that the government, in order to realise the aspiration of making India a manufacturing hub, needs a shift from existing assembling focussed manufacturing to designing in India. India also needs to invest substantially on R&D, as its investments in this domain are even below the global average. The need to focus on micro, small and medium enterprises was also discussed.

The event also featured a panel discussion among notable experts in the field, who deliberated on the role of a robust IPR regime to boost ‘Design in India’.

www.compip.circ.in

Linking Competition Reforms to Consumer and Producer Welfare

During March-April 2016, final rounds of National Orientation Workshops (NOWs) were held in four countries – India, Ghana, Philippines and Zambia – under the project entitled, ‘Competition Reforms in Key Markets for Enhancing Social and Economic Welfare in Developing Countries’ (CREW).

The CREW project aims to develop an evidence-based toolkit to assist policymakers in undertaking pro-competitive reforms. The toolkit or the Framework for Competition Reforms (FCR) provides a seven step methodology to link competition reforms to consumer and producer welfare. This methodology was developed by gathering evidence from bus transport and staple food sectors in Philippines, India, Ghana and Zambia.

In the final NOWs, the FCR was introduced to relevant stakeholders (policymakers, sector experts, regulators, representatives of associations and think tanks). The idea was to orient them towards the concept of the FCR and receive their inputs on the same. Members from the National Reference Group (NRG) were also invited to the workshop.

In Philippines, the FCR was introduced and experts from different sectors were called to throw light on issues pertaining to competition. The sectors chosen for discussion were airlines, banking and retail.

In Ghana and Zambia, the workshop was conducted in a different manner. After introducing the FCR, participants were required to apply the same as per a case study drafted by CUTS.

Lastly, in India, the workshop was held specifically for parliamentarians, NRG members and sector experts. In the meeting the key issues from the research phase was also presented along with some evidence-based recommendations.

www.cuts-ccier.org/crew



Lonely Journey: from Economics to Law and back

CUTS International and Society of Indian Law Firms (SILF) organised a lecture entitled 'Lonely Journey: from Economics to Law and back' by Prof Frederic Jenny, Chairman, OECD Committee on Competition at New Delhi on February 05, 2016.

The lecture was organised against the background that as a result of deregulation, development of competition law and trade liberalisation, there is an increasing number of economic issues which are now dealt with by the judiciary. This means that a number of legal decisions need not only to be well founded from the legal perspective but also to be economically relevant. Yet in many countries judges are not trained in economic matters, just like many economists are not trained in legal matters. This raises the question of what can be done to improve the mutual understanding between law and economics and between judges and economists.

Jenny, a Professor of Economics and Antitrust Enforcer who spent eight years as a judge of the French Supreme Court (Cour de cassation), addresses issues in the light of his experience on the bench and the OECD Competition Committee which he chairs.



L-R: Pradeep S Mehta, D K Sikri, B N Srikrishna, Frederic Jenny and G. S. Singhvi

He stressed on improving the economic understanding of civil courts. When courts retain their own expert in antitrust damages proceedings, there is a need for the court to define the expert's mission in a relevant way. The lecture was presided by Justice B N Srikrishna, Former Judge, Supreme Court of India. It also included Justice G. S. Singhvi, Chairman, Competition Appellate Tribunal (COMPAT), D K Sikri, Chairman, CCI; and Pradeep S Mehta, Secretary General, CUTS as panellists.

http://www.cuts-ccier.org/event-Lonely_Journey_from_Economics_to_Law_and_back-Lecture_by_Prof_Frederic_Jenny.htm

Regulatory Impact Assessment for Telecom Regulatory Authority of India

CUTS Centre for Competition, Investment & Economic Regulation (CUTS CCIER) along with CIRC and Jacobs, Cordova and Associates organised a training programme on Regulatory Impact Assessment (RIA) for Telecom Regulatory Authority of India (TRAI) at New Delhi during January 18-19, 2016.

The focus of the training workshop was to familiarise officials about the concept of RIA, its importance, advantages as well as challenges and educate them regarding the RIA tools and their application in policy making. The key resource person for the training programme was Scott Jacobs, Managing Director, Jacobs, Cordova and Associates, US.

R S Sharma, Chairman, TRAI said that the workshop is very useful as it is important to build capacity of officials of TRAI, given the dynamism of the sector that they are regulating.



Participants during the training programme in New Delhi

Pradeep S Mehta, Secretary General, CUTS International said 'the absence of RIA in policy framework in India results in formulation of bunch of avoidable regulations. Anil Kaushal, Member, TRAI also emphasised that it is necessary to think about implementation before any new policy, law or regulation is to be drafted and adopted, and not after; for such policies, laws and regulations to be successful.

http://www.cuts-ccier.org/event-Introductory_Training_Programme_on_Regulatory_Impact_Assessment_for_TRAI.htm

Regulatory Role and Engagement in India's Clean Energy Transformations

CUTS International is implementing a project entitled 'Regulatory Role and Engagement in India's Clean Energy Transformations: Balancing Political, Economic and Environmental Considerations.'

It will involve a comprehensive analysis of regulatory effectiveness in clean energy transformations in five selected states – Madhya Pradesh, Maharashtra, Karnataka, Uttar Pradesh and West Bengal – with an aim to prepare a policy and practice reform strategy ensuring inclusive, proactive and constructive regulatory engagement, for two selected states. The project is being undertaken in collaboration with CIRC and The Energy and Resources Institute (TERI), with support from Shakti Sustainable Energy Foundation (SSEF).

It is in this context that the project team undertook stakeholder consultations in Maharashtra, MP, UP and West Bengal during February and March, 2016 to analyse the current state of regulatory role and engagement in facilitating clean energy transformation in the respective states. A Project Advisory Committee (PAC) meeting was also organised at New Delhi on February 01, 2016 to present the preliminary research work to PAC members and receive their views on the proposed research focus and methodology.

www.cuts-ccier.org/CET/

Developing Regulatory Interventions to Address Regulatory and Competition Bottlenecks in Growth of Payments Banks

CUTS International is implementing a project entitled 'Developing regulatory interventions to address regulatory and competition bottlenecks in growth of payments banks.' It aims in designing policy interventions and engaging with regulatory agencies to reduce avoidable regulatory burden and facilitate growth of payments banks in India.

Given this background, with support from Bill & Melinda Gates Foundation, CUTS is implementing an evidence based research project for a period of six months (December 2015-May 2016) to identify key competition and regulatory bottlenecks for growth of payments banks in India.

An expert group has been constituted to guide the implementation of the project, enable requisite focus and prioritisation, review interim findings, and ensure timely progress of the project.

The meeting of Expert Committee was organised at New Delhi on March 02, 2016 to present the preliminary research work to expert members and receive their views on the proposed research focus and methodology.

www.cuts-ccier.org/PaymentsBanks/

Advocacy

Memorandum to the Ministry of Finance during Pre-budget Consultations

In the process of preparing Union Budget 2016-17, the Ministry of Finance, Government of India, had invited suggestions from various stakeholders.

CUTS has urged the Government to design a focussed strategy to achieve the goal of turning India into a ten trillion dollar economy by 2030 in absolute terms, i.e. not on purchasing power parity. With the objective, key suggestions provided by CUTS include, *inter alia*, adoption of National Competition Policy (NCP); enactment of Public Procurement Act and National Public Procurement Policy (NPPP); adoption of Regulatory Impact Assessment (RIA); enactment of omnibus Financial Consumer Protection Act.

The reforms suggested are structural in nature and focus on improving institutional efficiency and capability. They are inter-related and leverage on other's strengths. The NCP aims to create level playing field amongst similarly placed market players and reduce policy and practice distortions to competition. This is buttressed by the suggestion to adopt RIA, focussed on taking into account potential impacts of proposed regulations on stakeholders. Similarly, the NPPP and law have the potential to introduce transparency and accountability in public procurement processes, and thereby enhancing competitiveness.

Other reforms suggested by CUTS include adoption of a comprehensive rural reform package with equal focus on farm and non-farm livelihood, and plugging capacity constraints in policy implementation.

While some of the CUTS' suggestions have been accepted and the budget was farmer centric and also proposed a law to counter ponzi schemes, much more needs to be done to ensure sustainable growth and development.

<http://www.cuts-ccier.org/pdf/>

MEMORANDUM_TO_MINISTRY_OF_FINANCE_GOVERNMENT_OF_INDIA_DURING_PRE-BUDGET_CONSULTATIONS_ON_12th_JAN.pdf

Designing Effective Leniency Programme for India: *Need of the Hour*

Cartels are considered to be the most egregious competition law offence. This paper focusses on the importance of the leniency programme, the ingredients to ensure its successful implementation in India and the paper also reviews the experience of other developed countries to draw relevant lessons for India.

www.cuts-ccier.org/pdf/Designing_Effective_Leniency_Programme_for_India-Need_of_the_Hour.pdf

Impact of Current Market Dynamics on Paddy and Wheat Farmers in Muzaffarpur, Bihar

This report attempts to study the implications of recent agricultural reforms on small and marginal farmers and relevant stakeholders in a specific location in Bihar (Muzaffarpur district), as per the advice of local experts. The report attempts to extract certain measures that can help farmers increase their income and meet the food security needs of their families as envisaged under the Agriculture Roadmap (2012-17).

www.cuts-ccier.org/crew/pdf/Impact_of_Current_Market_Dynamics_on_Paddy_and_Wheat_Farmers_in_Muzaffarpur-Bihar.pdf

Cost of Monopoly in Bus Transport: *Case of Gujarat*

This Discussion Paper builds upon the CREW Project's findings in relation to the intercity bus transport system in Gujarat, India. The existing project analysed the interstate bus transport system in Gujarat with an emphasis on areas where the introduction of competition could potentially increase performance outcomes. The goal of this paper is to understand why the existing inefficiencies exist and how to overcome political opposition to introducing reforms into the sector.

www.cuts-ccier.org/CREW/pdf/Discussion_Paper-Cost_of_Monopoly_in_Bus_Transport_Case_of_Gujarat.pdf

Zambia Food Reserve Agency Pricing Mechanisms and the Impact on Maize Markets

This paper investigates, and provides an understanding of Food Reserve Agency (FRA)'s pricing mechanisms in the maize markets in Zambia by assessing: (i) FRA's rationale for setting a maize floor price; (ii) the price determination process and (iii) the floor price effect in maize markets in the country.

www.cuts-ccier.org/CREW/pdf/Zambia_Food_Reserve_Agency_Pricing_Mechanisms_and_the_Impact_on_Maize_Markets.pdf

Advocacy through Media

Lakshman rekha for India's trade talks

The Hindu Business Line, March 04, 2016

Pradeep S Mehta and Bipul Chatterjee

Much debate has taken place on whether India has gained or lost in its Preferential Trade Agreements. The Finance Ministry's Chief Economic Adviser, Arvind Subramanian, a well-known economist, was tasked to review the situation.

www.cuts-citee.org/article-Lakshman_rekha_for_Indias_trade_talks.htm

Protect intellectual property, for starters

The Hindu Business Line, January 22, 2016

Pradeep S Mehta and Saket Sharma

The government is on a high gear to induce growth and create new jobs through wider entrepreneurship, the latest endeavour being the grand launch of the Start Up India campaign last week. Technology will play a critical role in this effort.

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

Obstacles to cooperative federalism

The Hindu Business Line, February 19, 2016

Pradeep S Mehta

... In order to achieve this shared vision between federal units and their individual responsibilities towards national development, the government has created the *NITI Aayog* one year ago. One of its mandates is cooperative federalism. It is still work in progress but as things are evolving one can expect it to deliver, mainly because of the leadership at the helm of this body and the political vicissitudes.

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

The road after Nairobi ministerial

The Hindu Business Line, January 07, 2016

Pradeep S Mehta

Much has been written and said about the Nairobi meeting of the WTO criticising India's trade and industry minister, Nirmala Sitharaman. We all knew very well that the rich had already expressed their desire to shut down the excruciating and inconclusive 14-year long Doha Round much before landing in Nairobi, and they succeeded despite objections by many poor countries.

www.cuts-citee.org/article-The_road_after_Nairobi_ministerial.htm