



## Politics of Competition Reforms in India

CUTS International and Australian High Commission organised a panel discussion on “Politics of Competition Reforms in India” at New Delhi on January 12, 2017. In his opening remarks, CUTS Secretary General, Pradeep S Mehta spoke about the impact of competition on various legislations, giving examples of the high costs associated with anticompetitive practices.

The panel constituted of renowned experts in the field of competition such as Allan Fels (Former Chairman, Australian Competition and Consumer Commission), Frederic Jenny (Chairman, OECD Competition Committee) and Augustine Peter (Member, Competition Commission of India). Mehta moderated the panel, while Ashley Bell, Counsellor (Economic) of the Australian High Commission, welcomed all the guests and offered support of the Australian government to India in pursuing competition reforms. The event witnessed participation from government institutions, practitioners, lawyers, academia, media, research institutions and consumer organisations.



L-R: Pradeep S Mehta, Arvind Mayaram, Allan Fels, Frederic Jenny, Rajeev Kher, Augustine Peter and Ashley Bell

Fels also spoke high of the Goods and Services Tax, claiming it to be pro-competitive. He stated that the increasing digitisation of the economy will fuel competition issues in the future. He also emphasised on the need for a strong and inclusive political will to achieve competitive neutrality.

Jenny asserted that effective competition law in a country may result in rise in productivity as well as economic growth. He stated that though competition may not ensure poverty alleviation but anticompetitive practices cause adverse impacts on the poor, who are hit the worst.

Rajeev Kher rooted for competition at the municipal level and claimed that the competition in the future will be defined by technology changes.

Finally, Augustine Peter opined that many of the existing policies and regulations are biggest obstacles to healthy competition. He spoke about the proposal of CCI to carry out competition impact assessments of such policies using the OECD and CUTS toolkits.

Arvind Mayaram, former Finance Secretary of India and Chairman, CUTS Institute for Regulation & Competition (CIRC) proposed the vote of thanks and spoke about the way forward, stressing on how the Government should mainstream competition in its economic policy making.

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

[Panel\\_Discussion\\_Politics\\_of\\_Competition\\_Reforms\\_in\\_India.htm](http://www.cuts-ccier.org/event-Panel_Discussion_Politics_of_Competition_Reforms_in_India.htm)

## Forum for Grassroots on ‘Solar for Education’

CUTS International in partnership with Friedrich Ebert Stiftung organised a meeting of grassroots representatives from four districts: Chittorgarh, Bhilwara, Jaipur and Sawai Madhopur at Jaipur on March 25, 2017. The meeting was held as part of an ongoing initiative by CUTS on ‘Solar for Education’, under its project on Green Growth and Energy Transformation.

‘Solar for Education’ was identified as one of the most doable catalytic project ideas by the Seed Community of the project and thus CUTS has focussed on the idea as a start point to address the larger energy needs in rural Rajasthan. The idea has the potential to multiply into larger awareness and household level solarisation also.

The objective of the project is to build a self-sustainable social coalition of multiple stakeholders. The grassroots forum was a platform to let these stakeholders share their experiences on the ground and deliberate on challenges, opportunities and the way forward as a collective. The forum witnessed participation from stakeholders, such as village *sarpanch*, community leaders, NGO representatives, bank officials, project developers amongst others.

The discussions were held on various issues of significance such as demand/need for solar technology, potential of scaling up the intervention, financing mechanisms for the project, suitable business models, etc.

[www.cuts-ccier.org/Grow-GET/](http://www.cuts-ccier.org/Grow-GET/)



## Major Trends in Global Enforcement Directed at International Cartels



L-R: John M Connor, Pradeep S Mehta and Amitabh Kumar

CUTS and CIRC organised a lecture by John M Connor, Professor Emeritus, Purdue University & Senior Fellow, American Antitrust Institute at New Delhi on March 02, 2017.

Connor addressed several contemporary issues: re-enforcement of competition law against International cartels and the consumer harm that they pose. The prime question was; how effective are cartels at raising prices and do cartel fines take into account such harm? “Competition authorities worldwide need to cooperate actively to bust international cartels”, Connor said.

Commending the endeavours by CUTS in the field of competition law and policy, Connor gave interesting instances and cases on global cartels while sharing his research experience.

[www.cuts-ccier.org/Press\\_Release-Call\\_for\\_proactive\\_international\\_enforcement\\_against\\_global\\_cartels.htm](http://www.cuts-ccier.org/Press_Release-Call_for_proactive_international_enforcement_against_global_cartels.htm)

Penalties imposed by the world’s competition authorities on global cartels have exploded over the past quarter century. Furthermore, the number of cartels being discovered each year is rising at an exponential rate, thereby challenging the current global enforcement norms.

Post lecture discussion moderated by Mehta involved eminent competition law experts including Amitabh Kumar, a senior competition lawyer and former DG, Competition Commission of India.

With reference to the first leniency case in India, Kumar highlighted the need for a clear leniency and penalty regime for competition enforcement in India, and therefore there is a need for a clear set of guidelines for the same.

In his vote of thanks, Mehta concluded that robust enforcement mechanisms are needed to control cartels and optimal cartel fines need to take into account consumer harm so as to ensure the welfare of consumers.

## Economic Survey 2016-17: Ideas and Policy Issues

CUTS in partnership with the CNITI Aayog Chair, University of Rajasthan organised a Thought Leadership Lecture by Arvind Subramanian, Chief Economic Advisor, Government of India at Jaipur on March 08, 2017.

The lecture session was chaired by Vijay S. Vyas, Professor Emeritus, Institute of Development Studies (IDS) and



L-R: Vijay Vir Singh, V S Vyas, Arvind Subramaniam and Arun Maira

former Member of the Prime Minister’s Economic Advisory Council. It was moderated by Arun Maira, Member of the erstwhile Planning Commission and President, CUTS International with Pradeep S Mehta, Secretary General, CUTS International delivering the opening and closing remarks.

Subramanian said ‘The Economic Survey 2016-17 has been able to utilise many sources of big data for aggregating policy trends in the country. These trends have contributed to key policy suggestions in themes like domestic migration, trade, economy, universal basic income etc.

He noted that it is still too early to tell the impact of demonetisation on the formal Indian economy. The government is hoping that while the cash crunch was hard on the poor, the current increase in cash flow will reduce the challenges faced by India’s poor. He also gave three parameters on which demonetisation can probably be measured on – the increase in number and amount of tax payers, the growth of GDP, and the progression of the digital economy.

[www.cuts-international.org/pdf/Event\\_Report\\_CUTS\\_Thought\\_Leadership\\_Lecture\\_Arvind\\_Subramanian\\_8March2017.pdf](http://www.cuts-international.org/pdf/Event_Report_CUTS_Thought_Leadership_Lecture_Arvind_Subramanian_8March2017.pdf)

## Submission of Comments on New Draft Model APMC Act, 2016

In February 2017, the Department of Agriculture, Cooperation and Farmers Welfare, India invited suggestions/comments on the new Draft Model APMC Act, 2016 from general public.

Accordingly, CUTS International submitted its comments on the new draft model law. The Central government had come out with a similar Model APMC Act in 2003, and there had been demands, including from CUTS International, to further reform the Model Act.

In its submission, CUTS while welcoming the new draft and improvements made over the earlier Model APMC Act, pin pointed some areas of concerns, which remained unaddressed.

The appreciable improvements over 2003 Model Act include: more regulatory freedom to private players, increased options of trade channels, and removal of contract farming from the purview of the APMC Act. In addition, CUTS also highlighted areas of concerns, which include:

- Not changing the basic structure/design of regulation – designation of market area, regulated by market committees – which is too bureaucratic and can be hurdle in adoption of innovative marketing system and technologies.
- The new draft Model APMC Act is not likely to ensure competitive price realisation by farmers and at the same time, like 2003 Act, it tends to discourage farmers in value addition at the farm gate. These will be hurdles in doubling farmers' income by 2022.



- The new Model Act fails to make a shift from licencing to registration system, which is happening for “ease of doing business” in the other sectors.

The CUTS submission also contains some specific comments, such as:

- To widen functional area of an ‘agriculturists’ in the definition. As of now, once a farmer choses to grade or process its products, s/he would cease to be an agriculturist and would disqualify for being member of the market committee.
- Include at least one representative from a Farmer Producer Organisation (FPO), in the market area, in market committee.
- Make “reasonable conditions” for private markets “qualitative” rather than “quantitative” (e.g. no minimum land-area/capital/investment requirements)
- Allow direct marketing and wholesale purchases by farmers as Proprietary/Joint Family, the same as that farmer cooperatives and FPOs.

[http://www.cuts-ccier.org/pdf/Advocacy-Submission\\_of\\_Comments\\_on\\_the\\_Draft\\_Model\\_APMC\\_Act-2016.pdf](http://www.cuts-ccier.org/pdf/Advocacy-Submission_of_Comments_on_the_Draft_Model_APMC_Act-2016.pdf)

### Forthcoming

## Fostering Innovation for Sustainable Development

### *Revisiting Intellectual Property Rights, Competition from the lens of Optimal Regulation*

CUTS and CIRC are organising the 5<sup>th</sup> Biennial International Conference on Competition, Regulation and Development at Jaipur, India on November 9-11, 2017. Through the 5<sup>th</sup> edition, this conference enters its 10<sup>th</sup> year and as always, it promises to bring together a unique set of expert stakeholders from across the globe.

There is a broad consensus that innovation is central to the long-run performance of an economy. From this follows a need to strengthen the foundation of the innovation ecosystem in the developing world with an objective of achieving sustainable development. The conference aims to discuss the role of regulation and competition in creating the appropriate incentives for fostering innovation for sustainable development.

Thus, keeping in mind its overarching theme – innovation for sustainable development – this conference will provide a multi-stakeholder platform for policy-makers, industry, regulators, development organisations, lawyers, civil society, media, academia and other practitioners to discuss these subjects over a period of three days.

The conference includes four plenaries (excluding the opening and closing sessions) based on the chosen themes and associated issues; and three parallel sessions dealing with sector-specific issues and/or focussed topics. The sectors chosen for the theme “Revisiting IPR and Competition” include: (a) telecommunications, (b) pharmaceuticals, and (c) agriculture. Similarly, sectors chosen for the theme on disruptive technologies and optimal regulation include: (a) finance/payments (b) transport and (c) e-commerce.

[www.cuts-ccier.org/5th\\_Biennial\\_Conference/](http://www.cuts-ccier.org/5th_Biennial_Conference/)



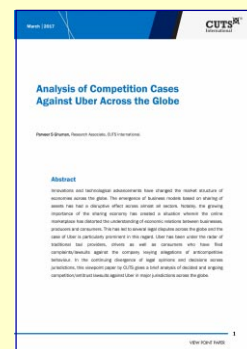
## Analysis of Competition Cases Against Uber Across the Globe

Innovations and technological advancements have changed the market structure of economies across the globe. The emergence of business models based on sharing of assets has had a disruptive effect across almost all sectors. Notably, the growing importance of the sharing economy has created a situation wherein the online marketplace has distorted the understanding of economic relations between businesses, producers and consumers. This has led to several legal disputes across the globe and the case of Uber is particularly prominent in this regard.

Uber has been under the radar of traditional taxi providers, drivers as well as consumers who have filed complaints/lawsuits against the company levying allegations of anticompetitive behaviour.

In the continuing divergence of legal opinions and decisions across jurisdictions, this viewpoint paper by CUTS gives a brief analysis of decided and ongoing competition/antitrust lawsuits against Uber in major jurisdictions across the globe.

[www.cuts-ccier.org/pdf/Analysis\\_of\\_Competition\\_Cases\\_Against\\_Uber\\_Across\\_the\\_Globe.pdf](http://www.cuts-ccier.org/pdf/Analysis_of_Competition_Cases_Against_Uber_Across_the_Globe.pdf)



## Representations

**Rahul Singh** participated in a symposium entitled ‘Accelerating Digital Payments & Deepening Financial Inclusion’, organised by US-India Business Council, at New Delhi on March 29, 2017.

**Rahul Singh** participated in a conference entitled ‘The Fintech Disruption: Innovation, Regulation, and Transformation’, organised by Carnegie India, at New Delhi on March 28, 2017.

**Rahul Singh** participated in a conference entitled ‘Rajasthan IT Day 2017’, organised by Department of Information Technology & Communications, Government of Rajasthan at Jaipur on March 21, 2017.

**Pradeep S Mehta and Rahul Singh** participated in a conference entitled ‘World Consumer Rights Day 2017’, organised by the Department of Consumer Affairs, Government of India at New Delhi on March 15, 2017.

**Rohit Singh** participated in the GSMA Mobile World Congress 2017 event, a Global Mobile industry event organised by GSMA, in Barcelona, Spain during February 27-March 02, 2017.

**Amol Kulkarni** participated in the Mobile India 2017 event organised as a part of 9<sup>th</sup> International Conference on Communication Systems & Networks, in Bengaluru on January 07, 2017. He was one of the panelists for the session on mobile payments and wallets, wherein he spoke on regulatory and competition bottlenecks in the sector and need for consumer engagement.

## Advocacy through Media

### Lower taxes to be competitive

The Asian Age, January 27, 2017

*By Pradeep S Mehta*

The finance minister stands at the crossroads and this Budget has the potential to make or break his legacy. Getting clarity of the objective is work half done, what is now left is implementation. For example, two major competition reforms are in the process: the GST to create a seamless internal market and the Insolvency Board to overcome an exit barrier.

[www.cuts-ccier.org/Article-Lower\\_taxes\\_to\\_be\\_competitive.htm](http://www.cuts-ccier.org/Article-Lower_taxes_to_be_competitive.htm)

### The right processes for a good budget

Live Mint, January 24, 2017

*By Pradeep S Mehta and Amol Kulkarni*

A transparent policymaking process is necessary for taking the right decision and obtaining a buy-in from stakeholders. Decision making is a difficult task, especially when the decision is going to affect millions. Politicians are in this profession, and are expected to make difficult choices almost every day. The presentation of the annual budget is one such important occasion wherein the Union finance minister is expected to lay out difficult choices while explaining the rationale in a manner which soothes those likely to be hurt.

[www.cuts-ccier.org/Article-The\\_right\\_processes\\_for\\_a\\_good\\_budget.htm](http://www.cuts-ccier.org/Article-The_right_processes_for_a_good_budget.htm)