



Making North Indian States Competitive *Path to Inclusive and Sustainable Growth*



L-R: Rajat Agarwal, Anthony de Sa, Pradeep S Mehta, Rajpal Singh Shekhawat, Richard Rahul Verma, Arun Maira and Albert Allen Foer

CUTS International in partnership with Confederation of Indian Industries (CII) and support from the US Embassy, North India Office, organised a Symposium on ‘Making North Indian States Competitive: Path to Inclusive and Sustainable Growth’ at Jaipur, on November 17-19, 2016. The Symposium brought together close to 100-120 delegates (government officials, industry representatives, researchers, media persons, academia, etc.), wherein relevant stakeholders shared experiences and ideas on various issues ranging from Ease of Doing Business (EoDB), competitiveness of micro, small and medium enterprises (MSMEs), skills development, job creation, etc.

The inaugural session was graced by the presence of the US Ambassador to India, Richard Rahul Verma, who in his address stated that investors all over the world are closely watching the state-level EoDB rankings in India and increasingly reaching out to states. He also highlighted that competitive

federalism is a key feature of the US economy as it is in India.

Arun Maira, President, CUTS emphasised on using tools, such as Regulatory Impact Assessment and organising multi-stakeholder consultations in order to formulate policies and regulations addressing the concerns of MSMEs.

In addition, Rajpal Singh Shekhawat, Industry Minister, Government of Rajasthan highlighted the importance of creating human competitiveness which includes citizens participating and benefiting from competition. He also acknowledged the need to improve capacity at lower levels of governance to improve engagement with stakeholders.

Pradeep S Mehta, Secretary General, CUTS International, said while several reforms have been adopted by north Indian states, unfinished agenda remains to pursue. He also noted that while the Central Government has adopted pro-competitive legislations, capacity within states to promote competition

and check abuse remains limited. Pointing out the need to build the capacity of entry and mid-level government officials, Mehta noted these officials are key to implement reforms adopted by states.

Albert Allen Foer, Founder, American Antitrust Institute, highlighted the American experience on competitiveness and Anthony de Sa, former Chief Secretary, Madhya Pradesh, shared good practices adopted by Madhya Pradesh to promote competitiveness.

The key takeaways of the event included the need for the Centre and states to formulate policies promoting the integration of businesses in India with the global market value chain. Sectors, such as Education and Healthcare need to be given equal emphasis since the skill sets of the employable workforce and their wellbeing will be determined by the efficient performance of these.

www.cuts-ccier.org/STATE-COMP/index.htm

World Competition Day

Competition agencies across the globe join hands to celebrate World Competition Day (WCD) on 5th December. In an attempt to ensure strengthening of competition regimes globally, the International Network of Civil Society Organisations on Competition (INCSOC) Secretariat by CUTS International had proposed observing World Competition Day (WCD) on 5th December.

5th December is the day when the United Nations (UN) General Assembly adopted the UN Set of Principles and Rules on Competition at its 35th meeting in 1980. It is, therefore, important to give recognition to 5th December and be remembered the day, and commemorated each year as a WCD. CUTS as the Secretariat for INCSOC has been running this campaign since 2010 and this is the consecutive 7th year (2016) of the WCD.

A large number of countries (competition authorities) from all around the world supported the WCD in their countries and requesting UNCTAD for its formal adoption and declare 5th December as WCD. CUTS campaign to observe 5th December as WCD has now been supported by nearly 25 countries from all around the world. Philippines acknowledged the day, 5th December, as National Competition Day in accordance with WCD.

Every year a specific theme is identified to celebrate WCD. Theme of this year was 'Linkages between Competition and Intellectual Property'. In honour of the



L-R: J Sai Deepak, Amitabh Kumar, Dhanendra Kumar, Pradeep S Mehta, Arvind Mayaram, Anil Bhardwaj and Santanu Mukherjee

day, many countries (competition agencies, institutions, CSOs and other stakeholders) from various parts of the world sensitised the importance of the day through awareness programmes, press briefings and other activities.

CUTS organised various activities to celebrate the day – events in Accra, New Delhi and Geneva. CUTS also released an e-Compendium of select articles on this Interface between Competition and Intellectual Property Rights. Also, various countries – Botswana, Ghana, Pakistan, Philippines, Poland, Togo, Zambia, etc. issued press briefings, articles on the theme and subject. The day was also celebrated on social media – Twitter, Facebook, etc. www.incsoc.net/World_Competition_Day.htm

Advocacy Success

CUTS Submissions to the Committee to Review Framework related to Digital Payments

The Government of India constituted a Committee to Review Framework related to Digital Payments, with Ratal Watal, Principal Adviser, *NITI Aayog* as Chair. The Committee invited submissions from interested stakeholders.

CUTS made suggestions with respect to the regulatory reforms required in the areas of customer acquisition, service delivery, consumer protection and grievance redress, to facilitate uptake of digital payments. It also actively participated in an interactive meeting convened on the subject.

Among other things, CUTS highlighted that despite regulatory provisions permitting fulfillment of Know Your Customer (KYC) requirements electronically, service providers were required to record irrelevant and unverifiable customer details, scan and submit proofs and photographs for submission to Central KYC Registry. It was also mentioned that customers are required to quote Permanent Account Number or submit Form 60 in its absence for opening of bank accounts and obtaining of debit cards. Such requirements impose unnecessary costs on service providers and consumers, and should

be done away with. It was also suggested that small merchants should be able to open small value current accounts with payments banks on the basis of individual KYC, and there should not be any requirement to submit additional documents.

In its submissions, CUTS also highlighted the lack of interoperability at the level of retail outlet or sub-agent of business correspondent (BC). This increases inconvenience and costs to consumers, thus there was a need to promote sharing of agent infrastructure and operationalisation of white label BC regime at the point of customer interface. In order to improve transparency, it was suggested that all charges for digital payments must be disclosed upfront to the customer before a transaction is authorised. CUTS also pointed out the need to improve grievance redress mechanism, safety and convenience standards for consumers to facilitate uptake of digital payments.

The Committee acknowledged submissions of CUTS and endorsed some of its recommendations in its report released in December 2016.

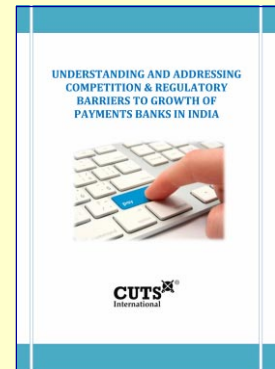
www.cuts-ccier.org/pdf/Advocacy-CUTS_submission_to_digital_payments_committee.pdf

Research Report

Understanding and Addressing Competition & Regulatory Barriers to Growth of Payments Banks in India

The objective of this study is to identify competition and regulatory bottlenecks that could act as stumbling blocks to the growth of payments banks. CUTS further suggested recommendations for course correction in order to avoid such bottlenecks. In order to undertake research and gather evidence, the organisation used elements from tools, such as regulatory impact assessment (RIA) and competition impact assessment (CIA).

www.cuts-ccier.org/PaymentsBanks/pdf/Understanding_and_Addresssing_Competition_Regulatory_Barriers_to_Growth_of_Payments_Banks_in_India.pdf



Briefing Papers

Ease of Doing Business in Rajasthan

This Briefing Paper makes an attempt to summarise the key reforms undertaken by Rajasthan in the area of Ease of Doing Business (EoDB) and seeks to highlight major challenges and suggests the way forward through some recommendations.

www.cuts-ccier.org/STATE-COMP/pdf/Ease_of_Doing_Business_Rajasthan_Briefing_Paper.pdf

Ease of Doing Business in Punjab

This Briefing Paper enlists some of the key reforms undertaken by Punjab, challenges faced and recommendations to mitigate the challenges.

www.cuts-ccier.org/STATE-COMP/pdf/Ease_of_Doing_Business_Punjab_Briefing_Paper.pdf

Ease of Doing Business in Haryana

This Briefing Paper highlights some of the key reforms undertaken by the state government to attract investment and the challenges, which hamper the investment climate in Haryana. The Paper contains recommendations, which could further improve the conditions for doing business in the State.

www.cuts-ccier.org/STATE-COMP/pdf/Ease_of_Doing_Business_Haryana_Briefing_Paper.pdf

Ease of Doing Business in Himachal Pradesh

This Briefing Paper enlists few of the reforms undertaken by Himachal Pradesh Government and provides recommendations to address some of the remaining challenges.

www.cuts-ccier.org/STATE-COMP/pdf/Ease_of_Doing_Business_HP_Briefing_Paper.pdf

Ease of Doing Business in Uttarakhand

This Paper delves into the EoDB reforms undertaken by Uttarakhand to improve its business climate. It also highlights various challenges and corresponding recommendations for the State to improve furthermore.

www.cuts-ccier.org/STATE-COMP/pdf/Ease_of_Doing_Business_Uttarakhand_Briefing_Paper.pdf

Ease of Doing Business in Uttar Pradesh

This Briefing Paper focusses on the status of EoDB reforms in UP, highlighting key reforms undertaken and mapping of remaining challenges and recommendations for addressing the same.

www.cuts-ccier.org/STATE-COMP/pdf/Ease_of_Doing_Business_UP_Briefing_Paper.pdf



Green Growth and Energy Transformation



CUTS in collaboration with Friedrich-Ebert-Stiftung (FES) organised Seed Community Meetings in Jaipur, Delhi and Kolkata as part of its ongoing project entitled 'Green Growth and Energy Transformation' consisting of three chapters for transformation in Rajasthan, West Bengal and New Delhi. The project aims at bringing in transformation in Energy Sector through a Transformative Change Making Methodology introduced by Marc Saxer, Resident Director, FES India.

Both Rajasthan and West Bengal Seed Communities identified 'Solar Rooftop Solutions for Education Sector' as the most suitable project idea to be taken forward as a means to bringing in transformation in the states. An Expert Group Meeting on Solar for Education was organised on December 16, 2016 to deliberate upon issues pertaining to the subject and suggest recommendations to take forward the transformative change making agenda.

Another interesting group exercise conducted during meetings was the discourse of identification and mapping exercise. The exercise involved identifying the existing narratives in the energy landscape of Rajasthan and West Bengal each and mapping them in order to understand where the political thrust lies. Further, a strategy was developed to change the *status quo* and move towards the non-fossil path for achieving green growth and energy transformation.

www.cuts-ccier.org/Grow-GET/

Advocacy through Media

Heralding the Digital Economy Isn't Enough, Can India Exploit it for Job Creation?

The Wire, December 14, 2016

Pradeep S Mehta and Amol Kulkarni

Job creation is the gold standard to judge if a government policy is benefiting the economy... The Modi government's recent demonetisation of Rs 500 and Rs 1000 notes and its parallel push towards a digital economy has become a much talked-about policy move, which is now being tested at the altar of job creation.

[www.cuts-ccier.org/Article-](http://www.cuts-ccier.org/Article-Heralding_the_Digital_Economy_Isnt_Enough_Can_India_Exploit_it_for_Job_Creation.htm)

[Heralding_the_Digital_Economy_Isnt_Enough_Can_India_Exploit_it_for_Job_Creation.htm](http://www.cuts-ccier.org/Article-Heralding_the_Digital_Economy_Isnt_Enough_Can_India_Exploit_it_for_Job_Creation.htm)

Telecom: Expectations remain Mismatched

The Asian Age, October 19, 2016

Pradeep S Mehta and Rohit Singh

The re-auction of 700 MHz band should only be conducted after a thorough review of the reserve prices. The band is crucial for India's development goals and the Digital India initiative... However, when the set targets are left unachieved by 60 per cent, it suggests serious mismatch in expectations.

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

How Does India Score Well on Competitiveness But Poorly on Ease of Doing Business?

The Wire, October 17, 2016

Pradeep S Mehta and Abhishek Kumar

If India is to become truly competitive, the government must improve efficiency and transparency of public administration among other factors. It's that time of year when the topic of competitiveness is again making headlines. The World Economic Forum (WEF) has recently released the 2016 edition of their 'global competitiveness report'.

[www.cuts-ccier.org/Article-](http://www.cuts-ccier.org/Article-How_Does_India_Score_Well_on_Competitiveness_But_Poorly_on_Ease_of_Doing_Business.htm)

[How_Does_India_Score_Well_on_Competitiveness_But_Poorly_on_Ease_of_Doing_Business.htm](http://www.cuts-ccier.org/Article-How_Does_India_Score_Well_on_Competitiveness_But_Poorly_on_Ease_of_Doing_Business.htm)

Call for a Multilateral Competition Regime

Live Mint, October 12, 2016

Pradeep S Mehta

Control over the global food value chain is getting consolidated in fewer private hands, posing serious security concerns. Four current multibillion-dollar deals in the agriculture sector are ringing alarm bells around the world the takeovers of Syngenta by ChemChina and of Monsanto by Bayer; and the mergers between Dow Chemical and DuPont, and between Potash and Agrium.

[www.cuts-ccier.org/Article-](http://www.cuts-ccier.org/Article-Call_for_a_multilateral_competition_regime.htm)

[Call_for_a_multilateral_competition_regime.htm](http://www.cuts-ccier.org/Article-Call_for_a_multilateral_competition_regime.htm)

Banks Should Pass Interest Rate Cuts to Consumers

KNN News, October 05, 2016

Soon after the Reserve Bank of India announced a 25 basis point cut in the repo rate, the industry is demanding that the banks should pass the rate cuts to the consumers immediately. Experts opine that the forthcoming festive season and rationalisation of food prices provides an opportunity to revive demand, and consequently industrial growth.

www.cuts-ccier.org/Media_banks-should-pass-the-interest-rate-cuts-to-consumers-cuts-international.htm