## CUTS International

### Suggestions for the Budget 2015-16

(वित्तीय वर्ष 2015-16 के बजट हेतु सुझाव)

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Suggestions for Pre-Budget Consultation 2015-16

1. Creation of separate department for organic farming and consumption
Rajasthan is having a big growth potential for organic farming, export of organic food which is untapped. Promotion of organic farming will not only result in sustainable agriculture but also result in healthy society and healthy environment in the state of Rajasthan. There is need of special focus in state agriculture policy on promotion of organic farming and consumption by creation of a separate department for the same. The farmers doing organic cultivation should be supported with market linkage, in organic certification process, preparation of organic inputs etc. so that others can learn and follow them by seeing their success.

2. Enactment of Rajasthan Protection of Interests of Depositors (in financial establishments) Act
In 2005, the state government had drafted Rajasthan Protection of Interests of Depositors (in financial establishments) Bill to regulate the activities of multilevel marketing companies and sent it to the Union government for approval. However, the Centre suggested some amendments and sent it back to the state. Ever since, the bill has not seen the light. If this gets implemented, all the unregulated financial bodies like multi-level marketing companies, proprietorship, partnership firms can be regulated by the state government. So state government should expedite the process to pass the Act to protect financial consumers & depositors.

3. Setting up a Separate Consumer Directorate: In the budget speech of 2007-08, it was announced to set up a separate Directorate of Consumer Affairs. The same is needed for better coordination among departments and organisations working for consumer protection in state.

4. Need to Strengthen and revive state consumer welfare fund to strengthen the schemes of consumer clubs, giving awards to consumer activists and financial assistance to the organisations working on consumer protection and empowerment issues.

5. Enactment of Good Governance Act
There is a need of the Good Governance Act strong enough to weed out corruption and ensure transparency and accountability at all levels of governance. The good governance act shall also strengthen the grassroots voices and stake in the governance processes, decision making and service delivery processes as well and shall further promote effective implementation of the Right to Information Act, 2005. The act shall also have the mandatory provisions of setting up a regulatory body with enough powers to ensure smooth implementation of the act.

6. Promotion of the Rural Non-Farm Sector in the state
After agriculture, non-farm sector is potent enough to accommodate the growing burden of disguised employment and farmers who are quitting agriculture. For doing this, rural ‘Industrial Training Institutes (ITIs)’ and district employment exchanges have to be modernized and equipped with state of the art equipments, machineries and tools in most of the required trades and streams. More and more ‘Industrial Training Institutes (ITIs)’ has to be opened up in public private partnerships. State Web portal has to be opened to capture and demand of the jobs from rural areas as well as vacancies from the industrial companies and enterprises.
7. **Promoting transparency in Public Procurement**

Rajasthan is having ‘Rajasthan Transparency in Public Procurement (RTPP) Act, 2012’ and RTPP, Rules, 2013 in place but his act need to be further amended and strengthened as per the newly arised challenges in the effective implementation process of the act. There has to be a regulatory body for smooth and effective implementation and acting on the emerged problems and challenges. The State Procurement Facilitation Cell (SPFC) has to be further strengthened and better financed so that it can build the capacity of the nodal officials of procuring entities. The scope of the present RTPP Act has to further widen to cover the uncovered areas and services which are still not covered under the act. More and more awareness generation programmes and workshops have to happen for the procuring entities.

8. **Strengthening Urban Local Bodies (implementing 74th constitutional amendment)**

Growing urbanization has greater potentials to contribute in GDP as well as overall growth of the state. But due to lack of the infrastructure facilities and basis amenities there are negative impact on the growth. Resources are properly allocated to ULBs to function their services. There is no formal way for urban people to participate in the process of planning or to raise their concern to exercise people’s centric governance. Performance of urban local bodies in the state has continued to deteriorate over time. 74th Constitutional Amendment Act (1992) provides a significant devolution of functions and powers to the ULBs through decentralization and people’s participation in local self-governance. The concept of ward committee as per act is an examples of people-centric governance. State government should seriously consider the strengthening of ULBs by devolution of power, implementation of 74th amendment, formation of ward committees, increasing their resources, allocating ward specific budget and creating awareness for enhancing citizen’s engagement. Association of Rajasthan Mayors can be formed to improve the urban governance through enhanced sharing of experiences and learning from each other ULBs.

9. **Road Ambulance and Road Maintenance Policy**

State Government of Bihar has launched a unique Road Ambulance Programme under a Road Maintenance Policy, which covers all their cities and district roads and state highways which amount to 9,064 kilometres. 76 well equipped and self-contained road ambulances have also been commissioned which are functioning. For more details please see: [http://indianexpress.com/article/india/india-others/highway-patrol-a-day-in-the-life-of-lakshmibind/](http://indianexpress.com/article/india/india-others/highway-patrol-a-day-in-the-life-of-lakshmibind/)

The Motor Vehicles Act (1939 and 1988) has several provisions that empower state authorities to avert competition from private bus operators. A CUTS study found that certain measures adopted by the Rajasthan State Road Transport Corporation resulted in prohibition on private bus operators to provide services on the Nathdwara route. While the state is not providing any services on the said route, mushrooming of illegal private operators, that give free pass to security and often ply overloaded vehicles, has put security of commoners at risk, while charging exorbitant rates. Thus, there is an urgent need to systematically identify and remove such barriers to competition that have direct adverse impact on consumers.

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In addition, the state of Rajasthan is also suffering from poor conditions of roads, which often need repairing, resulting in huge traffic jams and accidents. States like Bihar have implemented a Road Maintenance Policy, which include measures such as road ambulances to maintain district roads and highways. Rajasthan needs to follow suit.

**Action desired:** Review and do away with anti-competitive practices in the road transport sector, and develop and implement a Road Safety and Maintenance Policy.

10. **Setting up of Product Testing Labs**
Comparative product testing and laboratory examinations of fake and Adulterated products like eatables and drinks is an important aspect of consumer’s protection. Earlier, mobile lab system for analysing and testing few products had started, which now is nowhere seen. The only government recognised lab is based in Jaipur. ([http://www.nth.gov.in/nth/contactusjaipur.htm](http://www.nth.gov.in/nth/contactusjaipur.htm)), which also does not have a facility to test many consumer durables like gold, whereas Jaipur is said to be a hub for jewellery. This gold testing is available only in Chennai in the whole country. Government should propose to set up at least one well equipped lab in each district, which will enable not only aggrieved consumers but also consumer fora to get tested their products in dispute so as to get quick redressal. Though, under CPA, 1986, wherever, a matter relating to product testing is required, then the redressal period is extended to 150 days.

11. **Working with stakeholders for adoption of GST**

Adoption of the Goods and Service tax (GST) is expected to usher simplicity in taxation process, and its efficient application will result in widening of tax base and increase in income of centre as well as the state. Accordingly, the state must work with the central as well as other state governments to ensure seamless transition to GST. In addition, it is absolutely essential to undertake awareness generation and capacity building programmes for stakeholders within the state with respect to GST. In this process, awareness must also be generated about the importance of billing of transactions, and the same should be made mandatory. This also has an impact on grievance redressal of the consumers.

The government must ensure that the stakeholders are comfortable with using the GST platform, adequate monitoring mechanism is in place to ensure compliance, and most importantly, it is ensured that benefits of simplified taxation mechanism are transferred to the customers, and the customers are not subjected to unreasonable and unnecessary price rises.

**Action desired:** Decision to adopt and implement a GST facilitation policy, providing for training and capacity building of relevant stakeholders and putting in place a monitoring mechanism to ensure that benefits of GST are passed on to the consumers, and the prices remain in control.

12. **Enabling information flow between and among States on successful and unsuccessful practices**

If India has to grow, then the parts of the sum, i.e. States will have to grow. Many policy issues decided by the Union Government have to be implemented by the
States. States also *suo moto* implement certain policies to tackle similar problems, such as the labour law reforms proposed by Rajasthan. Such implementation is carried out by States in varying manner, and there is much scope of learning from each other. Such exchanges can be facilitated by a States-led platform, which does not exist. Such a project has been advocated by Shri Atal Behari Vajpayee, when he was the Prime Minister of India.

Similar state forums exist in many federal countries such as USA, Nigeria, Canada, Australia, Germany, Switzerland etc.

29 States can be laboratories for policy making, as they provide 29 settings as opposed to just one, allowing a greater diversity of ideas to be tried out with least risks. Admittedly, there is great diversity among states’ political leadership and thus the outcomes will vary from state to state. Most importantly, the locus of political accountability is shifting to States, which provides a competitive spirit to states to innovate and emulate good ideas.

**Action desired:** The creation of an apolitical Indian Chief Ministers’ Governance Forum\(^2\) with the initiative of Mrs Vasundhara Raje would lead to better coordination among States which can ultimately result in sharing, replication and up-scaling of innovative governance and developmental practices.