

# ABOUT CUTS

**CUTS**  
International

Value For People

April 2005



CUTS began in 1983, from a rural development communication initiative, a wall-newspaper 'Gram Gadar' (Village Revolution). Gram Gadar is published regularly and reaches every nook and corner of Rajasthan, even remote villages where radio is the only medium of communication. It has been instrumental in providing a forum for the oppressed classes to get justice.



*It confirmed my view that often the simple lack of awareness lies at the root of so much misery. Furthermore, the impact and success of a relatively simple publication like this one in enriching and changing the lives of many villagers gives us new impetus to try to improve the lives of the neediest in our daily work – however remote it may seem at first sight: observed Rubens Ricupero, Secretary-General of the United Nations Conference on Trade and Development (UNCTAD) on seeing Gram Gadar*

Vision

*Consumer sovereignty in the framework of social justice and equality, within and across borders*

## BACKGROUND

In 1983, we were a small voluntary group of concerned citizens operating out of a garage on a zero budget. Today, we operate out of five programme centres and an advocacy centre in India, two resource centres in Africa, and one resource centre in the UK, with a staff strength of over 100 persons. Three programme centres are located in Jaipur and one each at Chittorgarh and Calcutta, India. The advocacy centre is located at New Delhi in India, and resource centres at Lusaka, Zambia; Nairobi, Kenya; and London, UK.

Our work is divided into five programme areas:

- Consumer Protection
- International Trade & Development
- Competition, Investment & Economic Regulation
- Human Development
- Consumer Safety

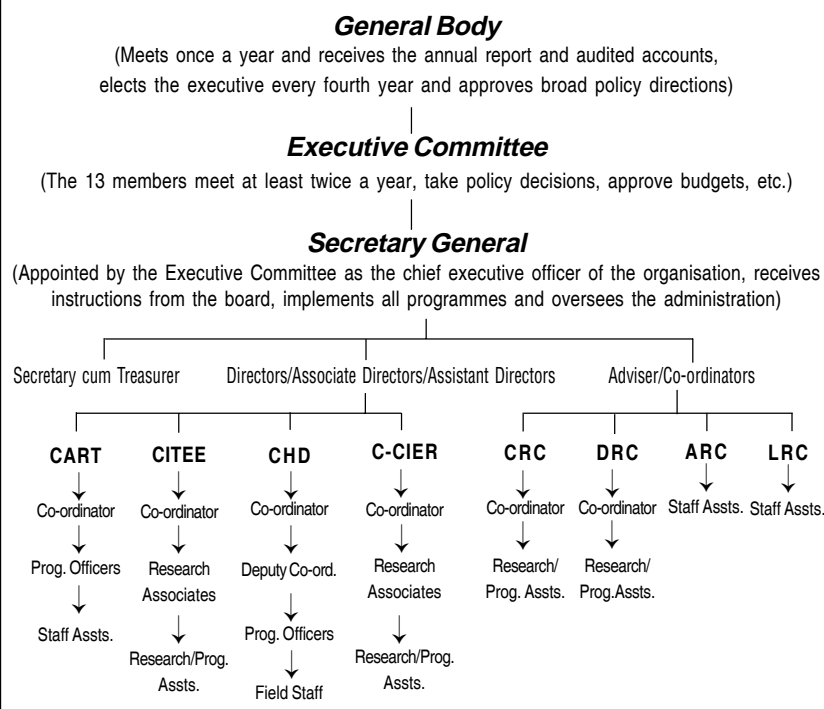
The organisation elects its board/executive committee every fourth year, while the secretariat is headed by the Secretary General. Over 1200 individuals and 300 organisations are its members. The organisation is accredited to the UNCTAD and the United Nations Commission on Sustainable Development.

CUTS also works with several national, regional and international organisations, such as Consumers International; the International Centre for Trade and Sustainable Development; South Asia Watch on Trade, Economics & Environment; the Consumer Coordination Council of India, etc. It also serves on several policy-making bodies of the Government of India.

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## Organisational Structure



## Executive Committee

1. Mr. R. N. Dey, President
2. Mr. Pradeep S. Mehta,  
Secretary General
3. Mr. S. M. Mathur,  
Secretary cum Treasurer
4. Mr. Ajit Singh, Secretary
5. Dr. Sharada Jain, Member
6. Ms. Indu Capoor, Member
7. Dr. Ganga Singh, Member
8. Ms. Usha Jumani, Member
9. Dr. K. B. Singh, Member
10. Dr. Subir Gokarn, Member
11. Dr. S. G. Kabra, Member
12. Mr. N. S. Mathur, Member
13. Ms. Asha Bhatnagar, Member

## Decision Making

The policy directives laid down by the General Body and Executive Committee are followed. The secretariat implements decisions through a core management committee consisting of the Secretary General, Secretary, Directors, Advisers, Associate Directors, Assistant Directors and Co-ordinators.

## Our People

Members:	1205 life 300 institutional
Executive Committee Members:	13
Full-time staff:	100
Part-Time staff:	6
Volunteers:	300

## Affiliations

### National

- Advisory Group on World Trade and Related Issues, Ministry of External Affairs
- Advisory Committee on International Trade, Ministry of Commerce and Industry
- Technical Committee on Ecomark, Ministry of Environment and Forests
- Standing Committee on Textiles and Consumer Interest, Ministry of Textiles
- Central Consumer Protection Council, Ministry of Consumer Affairs
- Consumer Coordination Council
- Investor Protection Forum of the Securities and Exchange Board of India
- National Codex Committee, Ministry of Health and Family Welfare

### International

- International Centre for Trade and Sustainable Development, Geneva
- South Asia Watch on Trade, Economics & Environment, Kathmandu
- UN Conference on Trade and Development
- United Nations Environment Programme
- UN Commission on Sustainable Development
- CIVICUS, Washington DC, USA
- Consumers International, London, UK
- Environment Liaison Centre International, Nairobi, Kenya
- Consumer Choice Council, Washington DC, USA

## RESOURCES

The organisation has five programme centres in India: three at Jaipur and one each at Calcutta (Safety Watch) and Chittorgarh, besides an advocacy centre at New Delhi, India. It also has three resource centres overseas: at Lusaka, Zambia; Nairobi, Kenya; and London, UK.

Each of these centres is equipped with modern facilities like internet, fax machine, photocopier, etc., for efficient and professional functioning. Currently, there are 100 full-time staff members, of whom 45 percent are women.

Revenue is raised through membership subscriptions, sale of publications, research contracts, donations from non-commercial sources, and grants from the Government of India and the Consumer Welfare Fund.

In fiscal year 2004-2005 (April 2004 to March 2005), CUTS' budget is expected to exceed Rs 68mn (including capital expenditure) or about US\$1.48mn. On a purchasing power parity basis, the budget will read about US\$7.5mn. Indeed, the activities reflect this amount.

## DONORS

*We have received or are receiving funds from these donors*

### Government Sector

AusAID  
CIDA, New Delhi  
DFID, UK and India  
Government of India, various Ministries  
Government of Rajasthan  
Government of The Netherlands  
NORAD, Norway  
SDC, Berne and New Delhi  
Securities & Exchange Board of India  
SIDA, Stockholm and New Delhi  
The European Commission  
UNFPA, New Delhi  
United Nations  
UNCTAD, Geneva  
WHO, New Delhi  
Government of Sweden  
Government of Switzerland

### Non-government Sector

Christian Aid, UK  
Consumers International, UK  
EZE, Germany  
Friedrich Ebert Stiftung, Germany  
HIVOS, The Netherlands  
International Development Research Centre, Canada  
MISEREOR, Germany  
MS, Denmark  
NOVIB, The Netherlands  
Oxfam GB in India  
The Ford Foundation, USA  
The John D. and Catherine T. MacArthur Foundation, USA  
The Summit Foundation, USA  
Save the Children Fund, UK

## What Others Say



I regard CUTS as a wonderful organisation that has a very important role to play in building the bridges of knowledge, understanding and appreciation of competition and consumer policy between official governments and the communities they serve. I would be happy to assist CUTS in that endeavour. I leave with an impression of enthusiastic, committed staff, genuinely concerned to produce professional results for CUTS.

*Sitesh Bhojani*  
*ex. commissioner, Competition and Consumer Commission of Australia*

I always regarded CUTS as a knowledge-based organisation trying to work on a whole lot of sustainable issues and it is encouraging to see that it is now diversifying into media education and educating school children. The "Gram Gadar" is a very powerful idea that has taken off really well. I wish CUTS much more success in future.

*K Kannan*  
*The Hindu, New Delhi*

Let's have a deal to support your great endeavours! We appreciate the leadership of CUTS and welcome its contribution to a more balanced multilateral trading system.



*Michel Gressot*  
*SDC, Switzerland*

I very much enjoyed my visits to the CUTS project sites and our discussions. For those of us who are not working on a daily basis in communities, it is so very important that we are able to see, hear and feel the front-line situation of projects from time to time, and to listen to the experience and wisdom of SC UK partners. Thank you for that. It has helped me to have a better picture of SC UK's child protection work in India.

*Linda Moffat,*  
*Regional Coordinator,*  
*South and Central Asia,*  
*Save the Children Fund, UK*



Your contribution to the development aspects of the multilateral trading system is recognised and appreciated. Keep up the good work!

*Kipkorir Aly Azad Rana*  
*Deputy Director-General*  
*WTO, Geneva, Switzerland*

It was a real pleasure receiving our friends from CUTS in Sao Paulo during UNCTAD XI. Now we are starting a very interesting joint project on IBSA strategies, a second on IBSA agricultural views, and I hope many others in the future. Thank you very much for your kindness and hope our co-operation will be very fruitful.

*Marcos Jank,*  
*President, ICONA,*  
*The Institute for International Trade Negotiations,*  
*Sao Paulo, Brazil*

## CUTS CENTRE FOR CONSUMER ACTION, RESEARCH & TRAINING (CUTS-CART)

*The motivation to protest, fight and correct injustice is manifest in consumerism. The consumer movement is neutral to class, caste, gender, creed, race and religion. It is a non-partisan political movement, wherein the rights of the richest and the poorest consumer deserve equal protection. The Centre has spearheaded several campaigns and pioneered consumer empowerment. At the ground level, it has trained and created over 1000 activists and helped to establish over 300 independent groups in Rajasthan and elsewhere. In order to achieve the cutting-edge in its activities, the Centre has formulated its mission: "To enable people, in particular women, to achieve their rights to basic needs and sustainable development through a strong consumer movement."*

*The Centre's activities are divided into six programme areas.*

### Consumer Action

In the year 1997, a project on Consumer Action in Rajasthan was started with the support of HIVOS, the Netherlands. It aimed at strengthening the grassroots consumer movement by establishing social action groups in 237 blocks of the state. Later, the project was implemented in eight districts with the support of Canadian International Development Agency (CIDA), New Delhi.

In order to give political direction to the Right to Information, the Department of Food and Consumer Affairs, Government of India, has decided to establish a "Consumer Information Centre" in all the 450+ districts in India in the 9<sup>th</sup> Five Year Plan and 40 such centres are to be set up and operated by NGOs. CUTS was selected to set up three centres at Jaipur, Calcutta and Chittorgarh with the support of Consumer Welfare Fund.

The UN Guidelines call upon governments to develop, strengthen or maintain a strong consumer policy, and provide for enhanced protection of consumers by enunciating various steps and measures. CUTS implemented a project with the support from Consumer Welfare Fund to research, document and hold national consultations on the implementation of the UN Guidelines in India. Under the project, CUTS developed a draft national consumer policy. CUTS is a member of the Committee constituted in July 2004 by the Government of India for the formulation of National Consumer Policy.

### Accountability and Budget Analysis

In 1999, a project entitled 'Promoting State Accountability and Citizen Empowerment through Budget Analysis', was taken up with the support of The

Ford Foundation, New Delhi. Under this project, analyses of budgets, plans and development schemes was done, with the object of informing and educating women, farm labourers and marginal farmers about the manner in which funds allocated for their benefits are mis/un-utilised at various levels of the government hierarchy.

In 2004, CUTS submitted a memorandum to the state government and attended the pre-budget consultations. A number of suggestions given by CUTS found place in the state budget. CUTS also prepared and submitted a document 'Vision Rajasthan 2020' to the state government.

### Regulatory Reforms

Infrastructure network is the backbone of economic development. When electricity boards, telecom services, etc., are being privatised and revamped, and regulatory commissions are either set up or are in the process of being set up, it is vital that citizens are empowered to create the necessary countervailing power in the de-regulated system. Keeping this in mind, CUTS has embarked upon a programme that would involve consumers in the process of regulatory reforms in the utility sectors. The programme aims to:

- enhance the capacity of institutions and consumer organisations and build constituencies for reforms by increasing public participation;
- catalyse the establishment of independent regulatory frameworks in the utility sectors to improve their efficiency;
- sensitise utility providers and regulators to the cause of consumers; and
- sensitise consumers about their obligations towards the utility providers.

In association with Friedrich Ebert Stiftung (FES), CART implemented a project entitled 'Involvement of Consumers in Power Sector Reforms in Rajasthan'. The end objective of the programme was to ensure that:

- the reform process is a success with complete involvement of consumers;
- transmission and distribution losses are reduced; and
- the tariff structure is rationalised.

The Centre organised an interactive meeting with consumer organisations on the 'Draft Rajasthan Electricity Bill 2004', a workshop on Energy for Rural masses jointly with The Energy and Resources Institute (TERI), New Delhi and an evaluation and design workshop on Involvement of Consumers in power sector reforms in Rajasthan.

A state level seminar, in association with the World Bank, was organised on Sustainable Water Management and Distribution in 2004.

### Investor Education and Protection

CUTS is registered with the Department of Company Affairs (DoCA) and the Securities and Exchange Board of India (SEBI) as an investor protection organisation. The Centre has been organising a series of securities market awareness campaigns in the State of Rajasthan.

### Good Governance

The Centre has initiated capacity-building of grassroots social action groups to promote good governance in Rajasthan through social audit of public expenditure and other means. The Centre is also working in the area of *Panchayati Raj* Institution towards mobilisation of different resources with the aim of convergence.

### SPAC

The Centre is developing a programme together with parliamentarians, local authorities and other key stakeholders on "City Action Plans" on sustainable energy and integrated waste management. The aim is to identify effective policies to promote sustainability (higher environmental standards) of selected products and services that have high potential in reducing energy use and waste generation in cities.

### At a Glance

- Responsible for the enactment and strengthening of the dynamic Consumer Protection Act (COPRA).
- CUTS study on road safety in 1990 became the basis for the National Road Safety Policy in 1993, seeking to reduce the death level from road accidents. It was nominated to the National Road Safety Council twice, and its first high level Ministerial Committee was established to formulate the National Road Safety Policy.
- CUTS has filed a petition to the Human Rights Commission, Rajasthan to ban jeeps as public transport vehicles in view of the huge number of accidents caused by them.

## CUTS CENTRE FOR INTERNATIONAL TRADE, ECONOMICS & ENVIRONMENT (CUTS-CITEE)

*In the early 1990s, when the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) was at its peak, CUTS got involved in the issues of international trade and economics. After gaining some experience, the CUTS Centre for International Trade, Economics & Environment (CUTS-CITEE) was established in 1996, with the mission: "Pursuing economic equity and social justice within and across borders by persuading governments and empowering people."*

*The Centre's activities are divided into four programme areas.*

### WTO Rules

The Centre is implementing a project titled "WTO Doha Round & South Asia: Linking Civil Society with Trade Negotiations" supported by Novib (Oxfam, The Netherlands). Five research organisations are analysing negotiating positions of five South Asian countries (Bangladesh, India, Nepal, Pakistan and Sri Lanka) on the following issues by taking into account civil society's views and concerns:

- Agriculture;
- Development dimensions;
- Non-agricultural market access;
- Services; and
- Trade facilitation.

Another project titled "Devising a Comprehensive IBSA Strategy on WTO Agriculture Negotiations" will be implemented in IBSA (India, Brazil and South Africa) countries with inputs from four other key countries (Australia, China, European Union and USA). Australian Agency for Development Cooperation is supporting this project. Seven research institutions will be engaged in analysing positions and reactions (on positions) of these countries on the following issues:

- Domestic support;
- Export competition; and
- Market access.

Under its International Working Group on Doha Development Agenda (IWOGDA) project, the Centre has completed research on four Singapore issues (competition policy, investment, trade facilitation, and transparency in government procurement). The third phase of this programme will look into developing countries' views and concerns on the following issues of the Doha Development Agenda:

- Trade, debt and finance; and
- Trade and transfer of technology.

### Bilateral/Regional Cooperation

Analysing issues on economic cooperation between and among developing countries and conducting advocacy at appropriate levels is one of the major activities of the Centre. With the support of the Swiss Agency for Development and Cooperation (SDC), the Centre is implementing two projects:

- South-South Economic Cooperation: Exploring Mekong-Ganga Relationship; and

- South-South Economic Cooperation: Exploring IBSA Initiative.

Economic cooperation in South Asia and peace dividends that this can generate is another focus area of work of the Centre. The India Office of Friedrich Ebert Stiftung (FES), Germany, is supporting a programme to ensure better dialogues between civil society and other stakeholders in South Asia with the purpose of creating an enabling environment for enhanced economic cooperation among South Asian countries. This will lead to a comprehensive Track-II initiative on economic cooperation in South Asia.

### Trade and Social Issues

Trade is seen as a means and not an end in itself. Taking into account the Millennium Development Goals (MDGs) of the United Nations, reduction in poverty is an end and in the current geopolitical context trade can contribute significantly to reduce poverty. A project titled "Linkages between Trade, Development & Poverty Reduction" is implemented in 16 countries across Africa, Asia and Europe with the support of Ministry of Foreign Affairs, The Netherlands and Department for International Development (DFID). Among other issues, it will look into different aspects of:

- Coherence between trade policy and development policy; and
- Generation of political will to use trade as a means to reduce poverty.

United Nations Development Programme (UNDP) is preparing a Regional Human Development Report (R-HDR) for the Asia-Pacific Region on international trade and human poverty.

As an associate of this initiative, the Centre is conducting stakeholder perception on linkages between trade and poverty in 14 countries of the Asia-Pacific region.

### Grassroots Issues

Linking grassroots actors with policy-makers at the middle and macro level and vice-versa is a challenge. With the support of Novib (Oxfam, The Netherlands) and Royal Norwegian Embassy, New Delhi, the Centre is implementing "Grassroots Reachout & Networking in India on Trade & Economics" (GRANITE) in eight provinces. Major objectives are:

- Linking grassroots with economic policy-making in India; and
- Developing a model for other developing countries to follow by taking into account local factors.

The Centre is implementing a project titled "Stocktaking of Progress towards Sustainability in India" with the support of the Ministry of Environment & Forests (MoEF), Government of India. The second phase will look at how Indian Ecomark Scheme (i.e. Indian ecolabelling initiative) can be made more effective.

With the support of Ministry of Environment, Housing & Spatial Planning, The Netherlands, the Centre is doing a study on environmental barriers faced by Indian fisheries in European Union (EU) countries.

The Centre is the South Asian partner of DFID, UK supported initiative titled "Improving Institutions for Pro-poor Growth". The initiative, to be implemented in a number of countries across Africa, South Asia and South America, is led by the Development Studies Institute of the London School of Economics and Political Science.

### At a Glance

- An International Advisory Board, having 16 members from diverse backgrounds and viewpoints, with Prof T N Srinivasan of Yale University, USA as its Chairman.
- The Secretary General of CUTS is a member of Informal NGO Advisory Body set up by Dr Supachai Panitchpakdi, the Director-General of the WTO.
- A member of the Expert Group on Trade and Environment set up by the Department of Commerce, Ministry of Commerce & Industry, Government of India.
- A member of the Trade Knowledge Network, which is an initiative of the International Institute of Sustainable Development, Winnipeg, Canada.
- A member of the UNESCAP (United Nations Economic and Social Commission for Asia and the Pacific) initiated Asia-Pacific Research and Training Network on Trade (ARTNeT).

## CUTS CENTRE FOR HUMAN DEVELOPMENT (CUTS-CHD)

Ever since its inception, CUTS has had the policy of working on consumer issues and community based action programmes at the grassroots level. In pursuit of this policy, the Nawal Singh Mehta Centre for Human Development was established in the year 1991 in the village of Senti, district Chittorgarh, Rajasthan, India. The Centre started off with a rural empowerment programme in November 1991, with a grant from HIVOS, the Netherlands. Over time, with the expansion and geographical spread of its activities, the Centre has formulated the mission: "To be an innovative centre for strategic interventions to raise the living standards of people."

The Centre's activities are divided into four programme areas.

### Empowering Women

The Rural Women's Empowerment Project (RWEP) was aimed at raising the status of women in a male dominated society informing and educating women on health related issues and facilitating their participation in local self-governance.

The project was implemented in five blocks of Chittorgarh district of Rajasthan, through an integrated training programme in 45 under-developed and 225 selected villages in the project area. From each village, one male and one female were selected as targeted participants in project-related activities.

The project was able to bring about changes in the society's attitude (particularly of the men-folk) towards women, and changes in women themselves in terms of self-confidence, awareness of their rights and duties, and eagerness to take part in the activities of local self-governance, etc. The project was funded by The John D and Catherine T MacArthur Foundation, USA.

Another project, of three years duration, was funded by the MacArthur Foundation, and the Summit Foundation, both of USA. Among other goals, it focused on elected women members of village self-government institutions, called 'Panchayats', and community leaders, to bring about concrete changes in society towards women's empowerment.

An important feature of this project was the organisation of 'Chaupal Baithaks' (meetings at the village centre) at night so that village women could take an effective part in these meetings and discuss their problems in the presence of their male counterparts.

A major issue, taken up in this project, was reproductive and child health care, especially given the high infant mortality and pre- and post-natal death rates in rural Rajasthan.

The Centre, in association with Indo-Canada Cooperation Office, took up a project on the 'Reduction of Violence against Women'. This programme is an outcome of the RWEP programme, a demand-driven exercise. This project is being implemented in 225 villages covering 5 blocks of Chittorgarh district. The project methodology is similar to that of RWEP, but will be focused on the legal rights of women, recourse of women to the law,

empowering women to stand up against violence, and so on.

### ... and Children

Discrimination against the girl child, adolescent girls and women persists in most parts of the country.

The Centre is implementing a project titled 'Rural Girls Empowerment Programme', in partnership with Save the Children, UK. The project is being implemented in 45 villages, covering 5 blocks of Chittorgarh district and one block of Bhilwara district.

### Natural Resource Management

A unique pilot project to encourage appropriate biodiversity conservation practices by the community through restoration of deteriorated traditional water bodies, revitalisation of degraded lands and protection of endangered species of trees in one village of Chittorgarh district has just been completed. UNDP Global Environment Facility (GEF) – Small Grants Programme, supported it.

### Good Governance

The Centre is implementing a project entitled 'Panchyati Raj Institutions Support and Mobilisation Programme' (PRISMO) in the district of Chittorgarh, Rajasthan with the aim of empowering the *panchayati raj* institutions (PRIs) to function appropriately under the purview of the 73<sup>rd</sup> constitutional amendment. Its aim is to build capacities of the PRIs, especially women, to undertake community and people-centered development activities.

Good Governance is also a crosscutting issue with the other programme areas of the Centre.

### Reproductive and Child Health

A project entitled 'Information and Education on Reproductive and Child Health' aimed to educate and empower rural women to take decisions relating to their own as well as children's health. It also sensitised community leaders (particularly men folk) to approach reproductive and child health care issues in a pro-active and positive manner. This project of the Ministry of Health and Family Welfare was implemented with the support of Rajasthan Voluntary Health Association.

The 'Mother and Child Healthcare Project', supported by NORAD, New Delhi, was implemented in eight villages of two *gram panchayats* (village councils) in Chittorgarh district.

"Adolescent Girls' Health Programme" was initiated in association with the district Women and Child Development Department. Availability of reproductive and child health services in the rural and inaccessible areas, prevention of reproductive tract infections and promoting decision-making ability of women in determining family size were objectives of this project. The activities in this programme area were also implemented through:

- information, education and communication project supported by United Nations Population Fund (UNFPA) and district RCH Society
- empowerment of community through basic emergency obstetric care services
- training for women health leaders
- rural empowerment projects

### At a Glance

- Education campaign: For the last couple of years, the Centre has been organising 'Balika Shiksha Pravesh Utsav' (programme for encouraging the enrolment of girls into schools). As a result of this campaign, 80 percent girls have got enrolled in schools.
- On the eve of the Pushkar Mela (Fair), held every year in Ajmer, the Centre had put up a stall in the 'development exhibition' and won the third prize in 2001 for the second consecutive year.
- Ratni Bai Khatik, a CUTS worker, was awarded the international prize 'Creativity of Women in the Rural Life' by the Women World Summit Foundation, Geneva, Switzerland.
- Under the "Rural Girls Empowerment Project", the Centre succeeded in forming *Bal Panchayats* (local self governance by children) in 45 villages covering Chittorgarh and Bhilwara districts of Rajasthan.

## **CUTS CENTRE FOR COMPETITION, INVESTMENT AND ECONOMIC REGULATION (CUTS-CCIER)**

*CUTS has been working in the area of competition policy and consumer protection issues since its inception in 1984. The involvement was mainly by way of litigation in the initial stages but the work developed very soon. Similarly, CUTS started its work on investment and economic regulation, since 1992, when the international community was debating the draft UN Code of Conduct for transnational corporations. Several meetings were organised on these issues both nationally and internationally, quite a few research and advocacy projects were taken up and CUTS became well known in India and abroad.*

*Considering the huge amount of work that CUTS has been engaged in for the past few years in the areas of competition policy, investment and economic regulation and other related issues, a new centre, CUTS-CCIER has been established in 2003. The youngest baby of CUTS, the Centre has an international Advisory Committee, headed by a renowned economist, Prof. Frederic Jenny, Conseiller, Chambre Commerciale, Financiere et Economique, Cour de Cassation (The Supreme Court), France. The mission of CUTS-CCIER is: "To be a centre of excellence on regulatory issues."*

*The Centre's activities are divided into four programme areas.*

### **Competition Policy and Law**

An effective competition regime is an essential policy tool for promoting sustained growth and development in a market-oriented economy. But for promoting an effective competition regime, developing countries should, at first, learn from their own experiences. For sharing such experiences, the Centre implemented a two-year project supported by DFID, UK, which endeavoured to study the competition regimes of seven Commonwealth countries. The mission of the project is "Shaping competition culture in developing countries."

The research conducted under this project has thrown up some very interesting findings and the results were presented at a symposium organised in Geneva, in February 2003. The project and the meeting have received wide acclamation and excellent feedback from all over the world. Among several others, the comments received from DFID are worth noting:

"All concerned have praised it as an excellent meeting of the 7Up Project held last week in Geneva. ... was impressed with what has been achieved under the project, including the degree of international buy-in", commented Roger Nellist, Acting Head, Private Sector Policy Department, DFID.

As a natural fallout of the project, considerable demands have been made for doing similar work in other countries. As a result, a similar project (7Up2) involving six developing countries of Asia has been launched in April 2004. Another such project (7Up3) involving select countries of the Southern and Eastern African region has also been launched. Plans have been formulated to do similar projects in other regions as well.

### **Regulation**

Economic regulation is an area that is part and parcel of competition policy and is closely linked to investment, another functional area of the Centre. So far the Centre has been involved mainly in advocacy activities in the area of electricity and telecom, particularly in India. However, this experience has enhanced the capacity of the Centre to take up activities on regulatory policy issues both at the national and international levels, which it intends to undertake soon.

### **Consumer Protection**

C-CIER takes up consumer protection issues to influence policy both at the national and international levels. One such initiative was taken up when the Royal Government of Bhutan invited CUTS to draft a Consumer Protection Programme and frame a new Consumer Protection Act.

A comprehensive law covering consumer protection, competition and utility regulation was prepared by C-CIER, along with an institutional framework to implement the law. The Centre plans to use the blueprint as a role model and publish a paper that could be useful in similar socio-economic settings.

A report "The State of the Indian Consumer" examining the plight of Indian consumers in the light of the UN Guidelines on Consumer Protection was published in 2001. The framework of analysis used in the study can be useful for conducting similar studies in other countries.

CUTS is regularly approached by several governments and non-governmental organisations for providing advice on the issue.

### **Investment**

Investment plays a crucial role in generating economic growth and development, but in order to secure the full developmental benefits of foreign direct investment (FDI), countries should create an enabling environment for investors and create an effective regulatory framework to make investment development-friendly.

Ever since the draft UN Code of Conduct for transnational corporations (TNCs) was being debated by the international community in 1992, CUTS has been active

in the area through research and advocacy. CUTS was also active on the Organisation for Economic Cooperation and Development (OECD) guidelines for Multinational Enterprises (MNEs) and the OECD draft Multilateral Agreement on Investment (MAI).

CUTS made a quantum leap in this area when a two-year project on investment issues, Investment for Development (IFD), was started in September 2001. The project, supported by DFID, UK, and implemented in collaboration with UNCTAD aimed to identify the policies that developing countries should implement to make foreign direct investment (FDI) work for them. The project ended with an international conference at Geneva, in January 2004.

Considering the success of the project, UNCTAD, in an annex to the Sao Paulo Consensus, has recognised CUTS as one of its strategic partners and has expressed its intention to work with CUTS in future.

### **Capacity Building of CSOs: INCSOC**

The 7Up Project revealed a crying need for building a network of stakeholders on competition policy and law, especially civil society and research institutions, so that the competition regimes at the national level could be strengthened and developed, where absent.

With this background, the "International Network of Civil Society Organisations on Competition" (INCSOC) was established with the initiative of the Centre. The objectives of the Network are to build coalitions and capacity of civil society organisations interested in promoting a healthy competition culture.

### ***At a Glance***

- CUTS is one rare NGO which has been invited by UNCTAD and WTO to participate at their meetings and do research projects for them.
- In 2001, CUTS designed a Consumer Protection Programme in Bhutan, and framed a hybrid consumer and competition law, which could serve as a sort of a role model for small economies.
- CUTS has made significant contributions in the drafting of the new Competition Act, 2002 of India.
- The 7Up Project, a comparative study of the competition regimes of seven developing countries is path breaking and the first such effort in the developing world; and similar projects are underway.
- UNCTAD collaborated with CUTS in implementing the project "Investment for Development" and identified CUTS as a strategic partner for future activities

## CUTS CALCUTTA RESOURCE CENTRE (CUTS-CRC)

A consumer is entitled to safe goods, services and environment as it affects her/his life directly. Feeling the need for more focused action in the area of consumer safety, in 1993, CUTS established Safety Watch as an independent programme of its Calcutta Resource Centre. The mission of CUTS-CRC is: "To achieve for the citizens the right to be protected against unsafe goods, services and environment."

The Centre's activities are divided into two programme areas.

### Safety Watch

Safety Watch is a programmatic area of CUTS that is being implemented through its Calcutta Resource Centre with the involvement of other centres, such as CART and DRC. The stimulus behind the launch of Safety Watch was the Public Liability Insurance Act, which was enacted in 1989 to provide for compulsory liability insurance by hazardous industries. The right to safety is important for a safe and secure living. Without effective regulatory mechanisms, consumers suffer the most in terms of safety. The right to safety means the right to be protected against products, production processes and services that are hazardous to health or life.

The Centre has started a project to research and prepare an authoritative publication on issues relating to consumer safety in different sectors in India, so as to ultimately achieve better standards for the nation. The aims of the project are to:

- raise awareness among common consumers about their safety-related rights and to push for improved legislation, standards and implementation;
- generate protests from consumers about breaches of safety norms;
- ensure responsible behaviour from manufacturers/traders/service providers; and
- encourage regulatory bodies like the Bureau of Indian Standards to implement standards proactively.

The book 'Is it Really Safe?' looks at consumer safety issues. It is second in the series of publications 'Caveat Emptor' which means 'buyers beware.' The first one is 'How to Survive as a Consumer?' which deals with consumer protection issues. The third in the series: 'Deadly Profits' is on the anvil. This document

will look at how businesses put profits before human safety, knowing that their action will cause harm. The Centre also publishes a quarterly newsletter 'Beware', which highlights safety issues.

The Centre implemented a project under which a publication was produced that exposes the negligence of water supply utilities, educates consumers and provokes people to take action. Documentation on the rights of consumers to potable water under various municipal and state laws was also done under the project. The project also deals with the related rights of consumers, and the health and environmental hazards of water supply utilities.

The Centre is also working on road safety issues and is advocating policy makers for requisite changes. It also plans to work on other safety issues related to railways, toys and airways etc.

### Health Issues

The Centre is closely involved with issues relating to health and has been actively working on the same since long. Medically inappropriate and economically inefficient use of pharmaceuticals is commonly observed in the health care system throughout the world, especially in the developing countries. An Advisory Board comprising eight members has been formed to take forward the Centre's activities on health issues.

At present, the Centre, in association with Community Development Medicinal Unit (CDMU), Calcutta, is conducting a project to assess the affordability and availability of a basket of medicines by collecting information on prices consumers (patients) are paying at different outlets. The World Health Organisation (WHO) and Health Action International (HAI),

Europe, have developed the methodology, which is being followed. The Centre proposes to develop Patient Information Material (PIM) that would provide drug related do's and don'ts.

### Road Safety

The Centre works in conjunction with Consumer Action Research and Training (CART) on road safety issues. Among others, it is at present focusing on Section 134 of the Motor Vehicles Act (MVA) 1988 campaigning for prompt medical attention to victims of road accidents by hospitals, clinics and doctors, without the fear of police harassment.

### Grassroots Economy

A five-year work programme with the overall objective of creating long-term capacity of CSOs and others to address trade and economic issues and their relationship with development and poverty reduction has been undertaken by the centre. It will provide upward and downward linkages with the grassroots to convey their views and concerns to policy makers at different levels and vice-versa and will create a base for Indian civil society's participation and articulation on trade and economic issues.

The centre has taken up a project supported by Oxfam GB's India Office to organise advocacy dialogue and generate awareness among the target group on impact of globalisation and economic liberalisation on the Indian informal sector. Oxfam has taken up this project as a part of their "Make Trade Fair" campaign.

### Capacity Building

The Centre is implementing the India component in central and North-east Himalayan region of a project on the impact of WTO agreements on 'Farmers' Rights to Livelihood in the Hindukush Himalayan Region'. It is a composite research and advocacy project running simultaneously in five South Asian developing countries, namely, Bangladesh, India, Nepal, Pakistan and Sri Lanka.

The main objective of the project is to make strategic interventions, which would contribute to securing farmers' rights to livelihood in the Himalayan region in the context of liberalisation, globalisation and the WTO agreements. It aims to address poverty issues of the mountain communities and conservation of biodiversity in the region.

### At a Glance

- The Consumer Protection Act was amended to enable consumers to take action against hazardous goods under the Right to Safety, as a result of a public interest petition by CUTS on the use of banned toxic food additives.
- A CUTS study on Road Safety, in 1990, became the basis for the National Road Safety Policy adopted by the Government of India in 1993.
- CUTS was nominated to the National Road Safety Council twice and to its first high-level Ministerial Committee, which was established to formulate the National Road Safety Policy.
- Pursuant to an appeal in 1995 on medical negligence by CUTS, the Supreme Court of India ruled that all government employees, even if they or their families get free medical treatment, would be entitled for coverage under the Consumer Protection Act.



### In India

CUTS Delhi Resource Centre (CUTS-DRC) has been recently set up in a full-fledged office to act as the focal point for CUTS' advocacy, outreach and external relations relating to national institutions. The objective of opening the Delhi Resource Centre is to feed the work being done at the national level by the other centres of CUTS, particularly at Chittorgarh, Calcutta and Jaipur, into policy level interventions.

Besides showcasing the work of CUTS and feeding the same in the various policy advocacies at the appropriate forum, the Centre would strengthen network with research organisations and consumer groups. Experiences of NGOs from various states on select issues would also be translated into policy level interventions.

CUTS has been engaged in litigation on the issues of public interest mainly aiming at improving governance. The Centre would revive this activity on a larger scale.

CUTS is a member on the advisory bodies of various central ministries. This Centre will lay particular emphasis on relations with Ministers, Members of Parliament, bureaucrats and other branches of the Government. Additionally, the Centre also maintains a dialogue with national and international media, national associations of trade and industry, other NGOs and special interest groups and affiliations.

### In the United Kingdom

CUTS is working towards bridging the gap between North and South, and pursuant to this, CUTS has recently set up the London Resource Centre (CUTS-LRC) in the UK to provide a voice to Southern civil society in the north and to bring their concerns to a wide international audience.

The Resource Centre will raise awareness of developing countries' perspectives on international trade, economics and environment issues at the national and international levels by organising seminars, workshops and conferences.

At such events, policy makers from developing countries will meet with their counterparts and civil society representatives in the developed world. The Centre will help counter myths and misconceptions surrounding development concerns in the context of international trade, economics and environmental issues.

The Centre would raise the profile of developing country CSOs in the developed countries. It would encourage networking and sharing of expertise between developing and developed country CSOs. In doing so, it would act as a hub for extending network of contacts in national governments, international organisations and civil society across the developed and developing worlds.

It would also disseminate research and information to a wide audience of policy-makers and civil society representatives and provide institutional and administrative support for activities to raise awareness of developing country concerns. It would organise research in the areas mentioned above, drawing on local expertise and resources. The Centre will therefore function as an information and dissemination point for CUTS research.

### In Zambia

CUTS became international in a physical sense with the setting up of an Africa Resource Centre (CUTS-ARC) in Lusaka, Zambia in February 2001. The objective of opening the Africa Resource Centre is to promote South-South civil society cooperation on trade and development, and create long-term capacity for civil society representatives to address the issues of equity and accountability.

The Centre has been entrusted with the responsibility of consolidating and expanding the activities of the organisation on South-South civil society co-operation in the areas of trade, economics and environment.

In response to the demands of the CSOs in Africa, CUTS-ARC is implementing a programme on 'Fostering Equity and Accountability in the Trading System'.

The activities seek to transfer the

skills and knowledge gained through the existing work programme of CUTS Centre for International Trade, Economics and Environment (CUTS-CITEE), Jaipur, India on capacity building and networking in India, South Asia and at the international level, to eastern and southern African countries through training and networking, advocacy and dialogues, and information dissemination and outreach. HIVOS has extended support to ARC to start this programme.

Besides, CUTS-ARC coordinated the African component of the 7Up Project, which was being implemented by CUTS-CITEE involving Kenya, South Africa, Tanzania and Zambia, in addition to India, Sri Lanka and Pakistan. The project is a comparative study of the competition regimes of seven select developing countries of the Commonwealth.

CUTS-ARC also monitored and coordinated the implementation of the African component of another project entitled 'Investment for Development.' The project countries included South Africa, Tanzania, Zambia, Bangladesh, Brazil, Hungary and India. The project involved fact-finding and advocacy work on investment regimes in seven developing countries.

### In Kenya

With a view to further consolidate and expand the activities on South-South civil society cooperation in the areas of trade, economics and environment, the organisation has set up a centre at Nairobi, Kenya. CUTS-CITEE, Jaipur, India has started efforts to build the capacity of the proposed centre by transferring skills.

A regional seminar under the Investment for Development project was held at Nairobi, Kenya, on October 18-19, 2002 by CUTS-CITEE in collaboration with the Centre.

### *At a Glance*

- CUTS-ARC is one of the few Indian NGOs to operate in Africa.
- CUTS-ARC has succeeded in promoting South-South civil society cooperation on trade and development by information dissemination through its electronic and published newsletters, policy briefs etc.
- CUTS-ARC has contributed to the successful completion of the 7Up project, which was a comparative study of the competition regimes of seven select developing countries of the Commonwealth. The Centre coordinated the implementation of the African component of another project, i.e. Investment for Development.
- CUTS-Delhi Resource Centre translates the work being done at the national level by other centres of CUTS for policy interventions.
- CUTS-London Resource Centre act as a link between the North and the South, providing a voice to the Southern civil society in the North and brings their concerns to a wider international audience.

## MILESTONES

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- Virulent coin shortage in 1984/85 saw CUTS organising a joint petition signed by 44 MLAs of Rajasthan, including one by the present Vice President of India, cutting across party lines. A subsequent highly acclaimed editorial page article by General Secretary, Pradeep S Mehta, in *Janasatta*, a leading Hindi newspaper, provoked the Government to take immediate action and end the shortage.
- *CUTS filed the first unfair trade practices complaint in the Monopolies and Restrictive Trade Practices Commission in August 1984, which stopped the misleading sales of a 'pioneer' hosiery dealer, forced matchbox manufacturers to ensure 50 sticks in a match box and exposed the double branding of cigarette manufacturers. The last action led to a change in the excise policy.*
- A survey by CUTS in 1985 on the cheating of consumers under the garb of Local Taxes Extra was mentioned in the editorials of two leading newspapers. Subsequently, the Government changed the law mandating manufacturers to print a maximum consumer price on packaged goods.
- *CUTS organised a public debate in Calcutta in 1986 on the amended Commission of Enquiry Act, which curbed the right of people to know about a commission's report, wherein the Union Law Minister, Asoke Sen, defended the motion. Subsequently, in 1989, the amendment was reversed.*
- CUTS is responsible for the enactment and strengthening of the dynamic Consumer Protection Act, 1986 (COPRA), likes of which are not seen anywhere in the world.
- *CUTS obtained an unprecedented compensation of Rs 50,000 from Otis Elevator Co. for a lift accident victim without going to court in 1987. Mentioned in the Limca Book of Records.*
- In 1988, CUTS 'inaugurated' the National Commission, the Rajasthan and the West Bengal State Commissions, set up under COPRA, not by cutting ribbons, but by filing the first complaints before each of these bodies.
- *By a series of litigations in the Rajasthan High Court on family planning mishaps in 1988, CUTS got the government policies of targeting changed, ensured a more humane treatment of women volunteers of sterilisation, and established an impartial enquiry system.*
- CUTS obtained refunds of thousands of booking deposits of scooters made by Scooters India Ltd and LML Ltd. The latter by a very innovative use of COPRA, when it was just introduced in 1988.
- *A unique honour was bestowed when CUTS was the only group in the country to serve on the Central, Rajasthan and West Bengal State Consumer Protection Councils during 1987-90.*
- By a class-action petition under COPRA, CUTS ensured the legal and human rights of nearly 800 poor victims of adulteration in edible oil in Calcutta in 1988-90, commonly referred to as the Behala Oil Tragedy.
- *CUTS conceptualised and launched the World Poverty Day on November 1, 1990, which was adopted by the consumer movement in India in 1991. As a result of advocacy by CUTS, the UN adopted October 17 as the "International Day for the Eradication of Poverty" in 1993.*
- At the Global NGO Conference on Environment & Development at Paris in December, 1991, wherein over 850 social activists from all over the world participated, CUTS got a resolution adopted that the proposed Multilateral Trade Organisation proposed to be set up under the new GATT should have proportional representation from nations on the basis of their populations. Though this did not happen when the World Trade Organisation came into being.
- *As a result of the advocacy by CUTS (and VOICE), the Indian Ecomark scheme was launched in 1991. Consequently, CUTS was nominated as a member of the Technical Committee of the Ministry of Environment on Ecolabelling in the same year.*
- CUTS organised a 'Find potholes and win a prize' contest in Calcutta in 1989 and in Jaipur in 1991 which provoked the civic authorities to work overnight and carry out speedy repairs. The novel idea captured the imagination of people.
- *In its 1991 Human Development Report, the United Nations Development Programme (UNDP) sought to account for the liberties of citizens across all countries on the basis of a facile, simplistic and colonial Human Freedom Index without considering any weightage or cultural variables. CUTS was the only NGO which criticised it, and the UNDP, acknowledging its blunder, dropped this controversial Index from its further reports.*
- CUTS launched a novel contest: 'Find Garbage and Win a Prize' in Calcutta in 1988 and Jaipur in 1992 to draw attention of both the authorities and citizens on the environment and health hazards. Resulted in immediate action.
- *CUTS study on road safety in 1990 became the basis for the National Road Safety Policy in 1993, seeking to reduce the death level from road accidents. It was nominated to the National Road Safety Council twice, and its first high level Ministerial Committee was established to formulate the National Road Safety Policy.*

## MILESTONES

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- CUTS succeeded in getting a toxic additive, Brominated Vegetable Oil banned for use in soft drinks in 1990, which led to widespread consumer awareness on health and safety issues. The BVO episode triggered an amendment in the Consumer Protection Act in 1993, empowering the consumer courts to stop the sale of and/or order the withdrawal of any unsafe or hazardous goods from being sold in the market.
- *CUTS launched a year-long Campaign Against Auto Pollution in Calcutta by holding a “For childrens’ sake” rally on Earth Day, 1993. On the ensuing World Environment Day, put a gas mark on Mahatma Gandhi’s statue, which was published on the front pages of leading newspapers.*
- CUTS published a highly acclaimed primer on GATT from the third world consumers’ perspective in 1993, which led to the IOCU commissioning a paper on Trade and LDCs from CUTS. The primer also served as a reliable information kit for several MPs in India and NGOs the world over.
- *A milestone was achieved in June 1994, when the GATT Secretariat invited the Secretary General of CUTS, Pradeep S Mehta, to present a paper on internalisation of environmental costs through ecolabelling at the first-ever public symposium. According to a letter from the GATT, it was one of the best papers presented at the symposium.*
- CUTS is the most active member of the Consumers International (CI – formerly IOCU) in India. Alongwith CI staff, lobbied successfully at the ECOSOC meeting in Geneva, July 1995, to expand the UN Guidelines for Consumer Protection, 1985 to include sustainable consumer patterns etc.
- *Pursuant to an appeal in 1995 on medical negligence by CUTS, the Supreme Court of India ruled that all government employees, even if they or their families get free medical treatment, would be entitled for coverage under COPRA. The landmark judgement settled the controversy of medical negligence being covered under COPRA.*
- CUTS is the only consumer NGO in India to be accredited by the United Nations Conference on Environment & Development and by its successor, the UN Commission on Sustainable Development.
- *Acknowledging CUTS contributory work in the area of trade and development, the IUCN International, Geneva invited CUTS in 1996 to join its newly set-up International Centre for Trade and Sustainable Development and its governing board.*
- CUTS is one of the two NGOs who are members of the Advisory Committee on International Trade, whose meetings are chaired by the Minister for Commerce and Industry, India, and also provides regular inputs to the Government of India on trade policy issues.
- *CUTS was instrumental in getting the World Consumer Rights Day falling on March 15 adopted as the National Consumers’ Day by the Government of India. In the year 2000, this day was changed from March 15 to December 24, the same day on which COPRA was assented by the President.*
- CUTS, as a result of its work in the Power Sector, has been nominated as a member of the Advisory Committee on Rajasthan Electricity Regulatory Commission (RERC) in the year 2001.
- *The Ecofrig campaign launched by CUTS reached a milestone when one of the largest manufacturer of refrigerators in the country launched the first Ecofrig in India in January 2001.*
- In the year 2002, CUTS filed a petition in the State Human Rights Commission, Rajasthan, demanding a ban of jeeps as public transport vehicles, as many accidents were occurring due to overloading of jeeps. Pursuant to this, CUTS was incorporated in the committee constituted for periodical checks of overloaded jeeps on the national highways.
- *Ratni Bai Khatik, a CUTS worker, was awarded the international prize ‘Creativity of Women in the Rural Life’ in the year 2002, by the Women World Summit Foundation, Geneva, Switzerland.*
- The CUTS Centre on Competition, Investment and Economic Regulation (C-CIER) was established in the year 2003 to give a better identity to CUTS projects on the issue of competition and regulation.
- *International Network of Civil Society Organisation on Competition (INCSOC) was formed in the wake of the dissemination of the results of the 7Up project, for building a Network 2003, as a crying need was felt by several civil society organisations and other stakeholders of competition policy and law so that the competition regimes at the national level could be strengthened and developed where absent.*
- CUTS London Resource Centre (CUTS-LRC) was established in February 2003, as a international advocacy centre of CUTS. It is working towards bridging the gap between the North and South.
- *Mehta has been nominated on World Bank’s Trade Policy Evaluation Advisory Panel on May 3, 2005. The Panel is required to advise the Operations Evaluation Department (OED) on the design, conduct and outputs of the evaluation of the Bank’s lending and non-lending activities in the area of trade policy.*

## OUR DIVERSE PUBLICATIONS

