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CUTS Celebrates 25 Glorious Years

Consumer Unity & Trust Society (CUTS), the founder organisation of CUTS Institute for Regulation & Competition (CIRC) has completed 25 glorious years – a cause for celebration.

CUTS began in 1983 out of a garage in Jaipur with limited staff. And in 2008, it has nine centres – five of them outside India – with a combined staff strength of 150. The expansion of CUTS in terms of programme areas, centres and staff has been phenomenal. CUTS is presently perhaps the only Indian NGO which moved from South to North and created a space for itself in the international arena. This growth is a result of an organic evolution due to increasing demands from the society. In addition, the growth has been stimulated by significant national and international developments, such as increasing globalisation and liberalisation, the launch of the World Trade Organisation (WTO) and the unprecedented economic growth in India.

CUTS works on various issues, such as consumer protection, woman empowerment; road safety; better governance and accountability; fair competition and regulatory regimes, etc.

It has not only been able to work on these issues for the benefit of the people in India but also in other countries in Africa and Asia through trilateral development cooperation, better understanding of the new international trade regime in the developing world, and especially the grassroots in India. One common thread runs through all these programmes, which not only aims at pursuing the benefit of the people but also seeks to make them active partners in the course of development through research, advocacy and networking activities.

The nine centres of CUTS form the branches of the main body. Each centre has specific activity areas, and together all the centres work towards achieving the objectives and vision of CUTS.

The legacy of CUTS further expanded with the establishment of CIRC in 2005. This institute has been established to address the capacity building needs and fill the gaps that exist in economic and infrastructure regulation, competition policy and law. It aims to be a specialised institute in providing training programmes on competition and regulatory issues.

In 25 years, CUTS' expansion – from a garage in Jaipur to a full fledged centre in Geneva – has been a journey full of hard work, dedication and support from various national and international organisations and individuals as well as donors. The achievements give it the strength to carry forward its programmes and activities on a wider scale, so that more and more consumers could benefit.

CUTS' Vision:

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

What's Happening – An Overview

IT Footprints in Africa

Africa seems to be destination next for Indian IT education companies that are keen to expand geographically. Algeria, Ivory Coast, Ethiopia and Kenya are some of the developing countries in Africa that are on the radar of home-grown learning firms, such as NIIT, Aptech and Karrox.

Jitendra Nair, Chief Executive Officer of Karrox Technologies, is of the view that operations in Africa are at least 30 percent more profitable than India. However, G Raghavan, President, Global Individual Learning Services of NIIT, opines that it is purely the strong demand environment and not the pursuit of higher margins that is prompting companies to establish footprints in African countries.

Aptech is looking at setting up shop in French speaking countries in Africa, such as Algeria, Ivory Coast and others. NIIT too will strengthen its presence in western Africa and also enter the French speaking regions there in the near future. *(BL, 05.06.08)*

PPP in Infrastructure

The Confederation of Indian Industries (CII) and the Department of Economic Affairs (DEA) organised a workshop on 'State of Public Private Partnerships' (PPPs).

Addressing the conference, Arvind Mayaram, Joint Secretary, DEA pointed out that PPP, as the preferred mode for the implementation of infrastructure, was encouraging, but limited to a few sectors.

He further said that weakness in enabling policy and regulatory framework in most of the infrastructure sectors continues to be a constraint. There was a need to make sector policies and regulations PPP-friendly. *(HT, 31.05.08)*

Cultivating Legal Research

The Indian Law Institute (ILI) – established in 1956 to cultivate legal research, both doctrinal and empirical, group thinking and harness the knowledge of judges, lawyers, and law teachers with a view to developing an integrated approach to legal studies – has offered research-based programmes for students.

The ILI promotes advanced studies in legal research. This is to relate law to socio-economic development and needs of the people, ensure systematisation of law, encourage and conduct investigation into legal and related fields, undertake documentation of important legal material, renovate the legal education system, and publish studies in the form of books and periodicals. *(TH, 18.05.08)*

Training on a Roll

In an attempt to tide over the shortage of trained manpower, India's nascent organised retail sector is investing in training academies. Recently, two companies – Bharti Retail and Vishal Retail – announced the launch of retail training academies in Ludhiana and Delhi, respectively.

The two facilities are expected to churn around 5,000 trained persons

every year. Before setting up their own schools, the retail majors tried overcoming the trained manpower crunch problem by tying up with various institutes that offer courses in retail management.

Experts opine that with the organised retail sector projected to grow at 30-35 percent annually for the next few years, the institutes will readily churn out store operators as well as people for HR functions, store management, distribution and logistics, information technology and store layout, store design, supply chain, visual merchandising and marketing. *(BS, 28.04.08)*

MoU with Chinese University

The Foundation for Liberal and Management Education (FLAME), Pune has signed a memorandum of understanding (MoU) with the Jiangsu University recently, while another MoU is on its way with Soochow University.

FLAME is a not-for-profit institution which runs three schools: School of Liberal Education that offers undergraduate programmes; School of Business for post-graduate programmes; and School of Communication, which offers both graduate and post-graduate studies.

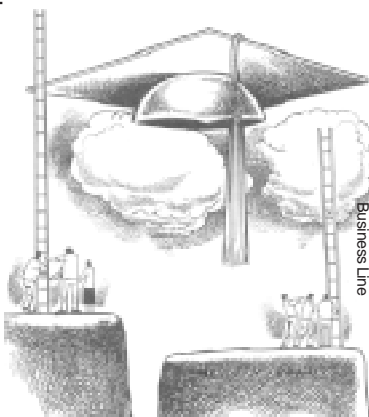
The Jiangsu agreement will see an exchange of students, faculty, academics and cultural programmes. The Chinese are interested in understanding Indian management practices, how the industry has succeeded here, and how family-owned businesses are run etc. *(FE, 23.04.08)*

Indo-US Education Exchange

The Union Cabinet gave its approval to the revised draft agreement between the Centre and the US Government for financing certain education exchange programmes. It also gave its approval for change in nomenclature of the 'Fulbright Scholarship' to 'Fulbright-Jawaharlal Nehru Scholarships and Grants'.

The agreement will facilitate an expansion of the existing Fulbright Educational exchange programme to double the number of scholars exchanged with a financial contribution by the Indian Government.

This would serve the Government's objectives of supporting and encouraging Indian studies, research, instruction and other educational activities for US citizens and nationals in India and Indian citizens and nationals in US schools and institutions in or outside the US. It would also pave the way for faculty as well as student exchange.



(BL, 05.06.08)

Citi to Grant ISB

Citi India announced a US\$1.5mn grant to Hyderabad-based Indian School of Business (ISB) to support projects that promote financial inclusion for small investors and enterprises.

The grant will be given to the Centre for Analytical Finance (CAF) at ISB over a period of three years and will help CAF to undertake projects on a range of subjects in the financial domain.

The objective of the research programme is to support changes that will have a positive impact on emerging financial markets and participants, including small investors, small and medium-sized enterprises and micro entrepreneurs. *(ET, 16.05.08)*

Capacity Building: It is an industry

– B Ramalinga Raju

The last couple of decades have seen India emerging as the knowledge capital of the world. A phenomenon that started with India providing qualified talent pool to the developed economies has now assumed titanic proportions. The world's largest and most prominent companies are sourcing technology, process and engineering services from either their own captive services centres or from global and Indian-origin, third party vendors.

One of the key transformations that the world is witnessing today is in the breadth and depth of services that India is engaged in. As India inches towards critical mass and supply-side constraints begin to surface, it is very important to put in place appropriate measures to ensure that India's biggest asset, its human resource base, is leveraged to serve the global market effectively.

Opportunity size is usually underestimated, and this is because we perceive opportunities in the areas we are currently engaged in or are familiar with. We tend to apply what may be termed as a 'push from the past', rather than a 'pull from the future' approach. There is a shift in the way value is created across the globe, and knowledge has emerged as a primary driver. It is very important to get ordinary people to do extraordinary things, as this can increase manifold the size of the talent pool. This can be done by giving the right kind of training, tools, processes and other support infrastructure. Knowledge can be demystified by asking the right questions.

'Capacity building' is distinct from the current models of education and training. It is focused, on-the-job training which ensures that the trainees go through 'real world' projects in simulated environments. The private industry should take the lead in providing the environment for this training and supporting the capacity building industry. Monetary models can be worked wherein at a fraction of the cost of hiring from competition, resources can be developed and appropriately skilled to meet the demand. And the savings in this model can be used to nurture the capacity building industry. The mature services sector can further support this industry by providing proven and qualified training resources, on a rotation basis.

The 'capacity building' industry can then impart skills in the appropriate areas in a focused manner with reasonable assurance of off-take. Intellect should be nurtured in a disciplined environment, focusing on commitment to learn and acquire rather than on knowledge.

Knowledge is perishable, unless kept current and this will be the focus of the capacity building. 'Capacity building' as an industry presents significant opportunities to entrepreneurs. The 'capacity building' industry can focus on and tap the untapped youth effectively, by building in programmes which focus on the demand streams, and blending these with adequate training on soft skills.

One of India's greatest achievements has been in laying a robust telecommunication infrastructure across the country. This can be a great platform to launch 'finishing school' courses that can address the employability issues with a well laid out curriculum that may be customised to the needs of each industry. At the outset, the Government would need to recognise the importance of focused skill building, as differentiated from education and training. The Government can make crucial interventions in making this successful. It should recognise that employment generation in the services sector is significantly higher than in the manufacturing sector.



There is a need for all stakeholders to come together to ensure that India continues to position itself as the knowledge capital of the world

The Government should look at the education and training paradigm and help in conceptually evolving this industry. It needs to evolve/help in defining appropriate standards, benchmarks, and metrics which ensure consistency across institutions operating in this space. This could be in the form of monitoring content, standardising examinations, issue of certifications, etc.

Further, the Government must invest in industrial training institutes (ITIs) and polytechnics in enabling them to be forerunners in building focused skills for the services sector; essentially, expanding the scope of such institutions and opening more such institutions dedicated to the services sector. It should also create a conducive environment for entrepreneurs to invest in this opportunity, by providing tax breaks, and other incentives.

There is a real threat to India's competitive position in the global business landscape, if the right things are not done. Supply-side concerns have indeed begun to emerge. Wage inflation concerns are becoming voiced more vociferously. There is a need for all stakeholders; local, state and central governments, industry, educational institutions, faculty, students to come together on a common platform to ensure that India continues to be able to position itself as the knowledge capital of the world.

Events Archive

Training in Ethiopia

CUTS Centre for Competition, Investment & Economic Regulation (CUTS C-CIER), in collaboration with CIRC organised a five-day training workshop on ‘Competition Law Enforcement in Ethiopia’ in Addis Ababa, during May 12-16, 2008.

The objectives of the five-day training programme were to develop analytical capacities of practitioners to comprehend competition policy and law issues; and understand the expected role of different stakeholders and groups in order to ensure competitiveness of the markets and accelerate economic growth.

The event brought experts from the continent and outside to explore and deliberate on various aspects of competition policy and law. Over the period of five days, the participants sharpened their skills on various aspects of competition policy and law through lectures, experiences of resource persons, simulation exercises, group discussions, etc.

About 25 participants representing the Trade Practices Investigation Commission (TPIC), Ministry of Trade and Industry, Ethiopian National Parliament, Addis Ababa University, Consumer Association and the Media attended the event.



Detailed report can be read at: <http://circ.in/CPS06.htm>

Exemplary Education of the Public on Competition and Regulation

Pradeep S Mehta, Director General, CIRC and Secretary General, CUTS International was presented the M R Pai Memorial Award by the Deputy Governor of the Reserve Bank of India (RBI), Shyamala Gopinath at a function organised by All-India Bank Depositors’ Association, in Mumbai, on April 09, 2008. The award carried a citation and a cheque of Rs 51,000.



The Award was instituted by Punjab and Maharashtra Co-Operative Bank Limited, in memory of late M R Pai, well-known consumer activist. The award winner is selected annually by All-India Bank Depositors’ Association.

Speaking on the occasion, Shyamala Gopinath, the Chief Guest, lauded the life-long efforts of Mehta. The citation read: “The splendid work done by you and your organisation in educating the public on competition and regulation over the years is exemplary. You are one of the foremost crusaders for consumers and we take this opportunity to wish you strength in your endeavours”.

After the presentation of the Award, Mehta spoke in response to the honour conferred on him and thanked the organisers.

Upcoming Event

July 07, 2008: A Talk on “How India should deal with Abuse of Dominance and Cartel Busting – Experiences from Across the Globe” in New Delhi by Prof Allan Fels, Dean, Australia and New Zealand School of Government (ANZOG), Australia; and Former Chairman of the Australian Competition and Consumer Commission (ACCC).

Sources: BL: Business Line; BS: Business Standard; FE: The Financial Express; HT: Hindustan Times; TH: The Hindu; ET: The Economic Times



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