

# COMMON CAUSE

VOICE OF "COMMON CAUSE"

## SANS COMMENT !

COMMON CAUSE, by its constitution, keeps itself away from politics. There are plenty other problems for it to be concerned with.

But, the country being presently so deeply embroiled in politics, we cannot help referring to the enveloping situation. In referring to it we reproduce below, without comment, excerpts from an article by retired Air Marshal Vir Narain which has appeared in the Time of India. It is a cry from the heart of the middle class which unfortunately is at present merely acting as spectators to what is happening:

### PROTECT US FROM POLITICIANS

#### New Breed

Politicians of a new breed - unprincipled, opportunistic, manipulative, corrupt and power-hungry have seized the levers of power. It is true that this has been done, at least outwardly, by democratic means. But, more and more, money and muscle power, populist promises and appeals to communal and casteist sentiments have been used to subvert the democratic process. The communal and regional calculus, in particular, has been used (openly or otherwise) by political parties with devastating effect, in cynical disregard of human lives or national interest. The flames of hatred fanned in the process are now raging out of control of the parties and the state.

The political parties themselves have been captured by cliques of power brokers and bosses, and have lost their representative or democratic character. The decline has not been confined to the political parties alone. The credibility and moral authority of Parliament and the highest offices of the land have been dragged down.

In this situation, the great masses of people - the electorate - seem to have no meaningful choice or recourse. There is very little to protect them from the selfishness, greed and rapacity of their chosen representatives. To be sure, the usual institutional safeguards - the judiciary, a free press, an apolitical bureaucracy - are in place. But, with the possible exception of the press; which, too has been periodically under assault, their effectiveness has been seriously undermined. Our present situation is proof enough that these safeguards cannot be relied upon to reverse the current slide towards socio-political disintegration. Of course, the fundamental factor for ensuring the viability of a democratic system is an enlightened electorate. Despite a low literacy rate, the Indian people have shown remarkable political sagacity in recent elections. Unfortunately, this sagacity ceases to operate where issues of religion and caste are involved. This is our great weakness which is now being exploited to the hilt by fundamentalists and professional politicians.

PRIVATISATION  
ANOTHER COMPLAINT AGAINST DESU

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## PRIVATISATION

There is a wind blowing in various countries in favour of privatisation of the government functioning to the extent possible. It has been felt that the government is too much on the backs of the people and that its functioning should be reduced wherever possible. During the last few years, in particular, the drive towards privatisation has been increasingly gathering momentum in a large number of countries, developed as well as developing.

COMMON CAUSE has entered upon a series of studies for examining the scope of privatisation in various sectors of the government functioning. In general, people have started realising during the last many years that the public sector operations, in a number of areas, have continued to lead to wastage of resources, inefficiency, and a general sense of complacency in the absence of effective competition. The sectors proposed to be taken for the study include, for instance : highways, bridges, power generation & distribution, coal, banking, insurance various aspects of transport, education, housing construction, different areas of municipal functions etc. Experts are scheduled to go into individual sectors in detail for determining the scope of privatisation and the measures and programme in relation thereto.

For facilitating these studies considerable lot of material has already been collected from various sources including the studies made by different institutions, literature available in the Embassies and High Commissions of other countries, and the concerned departments of the Government of India. Efforts are simultaneously being made to collect the relevant information from various Ministries of the Government of India, the State Governments and other specialised institutions.

In the context of this entire effort and keeping in view its objective we reproduce a write-up which has appeared in the SPAN magazine. It provides an excellent over-view of how privatisation has during the past few years spread practically all over the globe. This write-up by Randall Fitzgerald is in fact a condensation of his recent book entitled "When Govt Goes Private". We feel that opinion-makers, policy-framers, administrators, politicians, industrialists, businessmen, academicians, all who are concerned about the progress of this country, should acquaint themselves with what is happening in this field in other parts of the world. We earnestly hope you will spare the time to read it.

### WHEN GOVT. GOES PRIVATE

Privatization is a quiet revolution that is sweeping the world. More than 50 countries have engaged in some form of the process-either selling off state enterprises, deregulating agricultural or industrial sectors, or contracting out government services - at a speed and breadth of global transformation that have been breathtaking. Since 1981, the trend has accelerated. It now embraces governments of all ideologies and nations at all stages of development. For nations as diverse as Turkey, Britain and Bangladesh, privatization is an idea whose time has come.

A principal motivation for the spread of privatization, especially in the less developed countries, has been an awareness born of budgetary crises that state-run enterprises are usually "white elephants" that lose millions of dollars each year. In the view of the one observer: "Instead of accumulating surpluses or supplying services efficiently, these enterprises have become a drain on the national treasuries." Accordingly, a view has emerged that the role of the private sector should be enhanced.

Over the years, most state-owned monopolies have become nothing more than employment agencies, providing jobs for political cronies, defeated politicians and retired military officers. These government enterprises exact both direct and indirect costs from the citizens of every country in which they are found. Tax subsidies must continually prop them up, and further subsidies, siphoned off as loans from foreign and domestic banks, crowd the

private sector out of capital markets. The very presence of these state firms stifles entrepreneurship and innovation.

As governments have run out of money and their citizens have become disenchanted with the performance of public enterprises, pragmatism has begun to replace ideology. A realization has dawned that the social safety net of the welfare state is too often a hammock. Thus, in 1984, the state's share of the economy in 19 Western European countries began declining for the first time since before World War II. Privatization spread quickly in Europe because government ownership of the means of production did not bring about what it was supposed to - less hierarchy and more involvement on the part of the labour force.

Britain took the lead in the privatization revolution by transferring about one-third of its nationalized work force-600,000 jobs-to the private sector through the sale of state-owned companies. These liquidations, combined with the proceeds from the sale of public housing to tenants, brought the British Treasury more than \$26,000 million and reduced the state's share of total domestic output from ten percent to six percent.

With the aim of making Britain a nation of homeowners and shareholders, Prime Minister Margaret Thatcher's government introduced a form of privatization known as popular, or worker capitalism, offering to sell or give away stock in some state enterprises to their employees. For example, in 1982, employees of Britain's largest trucking company, the National Freight Consortium, purchased 83 percent of company stock, contributing about \$500 each. Since the buy out, employee productivity has increased 30 percent, and the company is so profitable that the stock is now worth more than 40 times the price employees paid for it. Next to be sold was British Telecom, the world's sixth largest telephone company, which needed capital to modernize its technology. In the largest stock offering in history as of that time, the British government sold a 51 percent share to the public. British Telecom employees were given first preference, and 96 percent of the work force bought shares. After privatization, British Telecom posted a profit increase of 25 percent.

When Prime Minister Thatcher came into office in 1979, one home in three in Britain was government-owned and rented at subsidized rates. Over the next six years, nearly one million homes-about 17 percent of the nation's public housing were sold to tenants at discounts of up to 60 percent, depending on the number of years they had been renting.

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In late 1986, an \$8,000 million public offering of British Gas Corporation - the nation's gas-supply monopoly - became one of the world's biggest stock flotations and the British government's single-largest sale of a state enterprise. Advocates of competition criticized the sale for passing over opportunities to break up the monopoly and introduce competition into gas provision by separating local supply lines from the national network. Competition was sacrificed to enable the government to raise quick revenue, since the funds generated by such asset sales were enabling the government to avoid raising taxes, borrowing, or printing more money to maintain desired levels of state spending in support of social programs.

At the end of 1987, the state sector of industry in Britain was 40 percent smaller than when Prime Minister Thatcher took office. In 1979, only five percent of the British public owned stock; by the end of 1986, the figure had

reached 16 percent. An American syndicated economics columnist, Warren T. Brookes, attributes much of the success in reducing Britain's inflation rate from 24 percent to four percent to the government's sell-off of nearly half of the nation's state-owned industries. Even in that diminished public sector, Brookes calculated that government cost inflation was running more than seven percent in 1986 compared to only three percent in Britain's private sector.

For the United States, Brookes contrasted costs for two largely government - subsidized services - health care and public education - to the rise in consumer prices for such largely private services as housing and transportation. He found consumer prices for the two government services escalating at about eight percent a year, versus less than three percent for the private sector services, supporting his argument that government ownership embodies fewer incentives to hold down costs and restrain inflation.

Since Britain's privatization program began, delegations from more than 20 countries have sought advice from the British Treasury on how to go about privatizing their economies. At least 22 different methods of transferring government entities and functions partially or wholly into the private sector have been identified. These techniques range from selling or giving away state enterprises to contracting out services, establishing user charges, selling public housing to its occupants and repealing state monopolies to enable competition to spread.

France's National Assembly and Senate approved a law in August 1986 permitting the denationalization of 65 state-owned companies and banking groups over a five-year period to raise \$50,000 million. Foreign ownership was limited in the sales to 20 percent in deference to national pride. By June 1987, some ten companies had been sold, raising the number of French people owning stock from two million to five million. Many of the stocks were intentionally underpriced to broaden stock ownership among a population that had traditionally stayed away from the stock exchange. The government also came to regard its version of "popular capitalism" as a way of giving French companies more freedom to compete in international markets.

Austria's ruling socialists decided to rescue the state holding company - comprising 198 enterprises that together had lost \$1,400 million in the three-year period through 1985 - by selling off chunks to private investors. In the view of Austria's Minister for Transport and Nationalized Industries, Rudolf Streicher, "It's not a question of theology or of selling out principles but of practicality." Spain's socialist government sold more than 200 corporations from its holding company. Privatization momentum in Italy and the Federal Republic of Germany was fueled in part by the misuse of public monies by local and national officials and by inefficiencies of government bureaucracy.

Sale of the national telephone company, Nippon Telegraph and Telephone (NTT), a 100 percent government - owned monopoly, brought the Japanese government more than \$13,000 million in 1986 on an initial sale of only one-eighth of NTT stock, making it the world's largest privatization of a government enterprise. By law, proceeds from the sale went into a special budget account for retiring Japan's national debt. Japan also began the process of placing its deficit-plagued national railways - which lost \$11,000 million in 1985 - in private hands by splitting the passenger and freight lines among seven companies.

A survey of 13 Latin American countries found that the ratio of government spending to gross domestic product (GDP) had risen from 15.5 percent in 1970 to 20.6 percent in 1980, creating economic havoc. Costa Rica began borrowing heavily in the 1970s to finance the expansion of its government but was forced to stop in 1981 when the government suspended interest and principal payments on its foreign debt of more than \$4,000 million. The government began divesting itself of many state enterprises and liberalized its economy until the GDP - which fell 9.2 percent in 1980-82 - grew again, by over ten percent, in 1983-85.

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Brazil's government, reeling under a \$100,000 million foreign debt and burdened by state enterprises that accounted for 60 percent of the nation's economic output, sold off a dozen state firms in 1985 and drew up a list of 77 other enterprises for privatization to reduce the cost of subsidies and raise muchneeded capital. President Jose Sarney vowed in June 1987 to further deregulate Brazil's economy, allowing the conversion of 20 percent or more of the nation's commercial debt into foreign equity investment. Mexico, suffering from similar debt pains, put 236 state-owned companies up for sale in 1985 and has offered to sell 80 more, including the national airline, Mexicana. Chile in 1973 had 377 state enterprises that accounted for 39 percent of the nation's GDP. Under its version of popular capitalism, Chile's military rulers distributed among many investors the shares in state-run companies - mostly banks, insurance firms and utilities - until only a few dozen of the state enterprises remained intact.

Turkish Prime Minister Turgut Ozal was elected in 1983 as a result of promising to sell most of his nation's more than 200 state-owned enterprises. A year later, the Bosphorous toll suspension bridge linking Europe to Asia was sold to the public, offering investors an 18 percent return over three years. Besides selling revenue-sharing certificates in the Keban Dam (an electric hydropower station), Turkey plans to finance future power plants with private investor groups by using long-term contracts for the government to purchase the electricity produced. Under a master privatization plan developed in 1986 by a U.S. bank, Turkey began a two-step process of privatizing 40 state economic enterprises that accounted for one-third of the nation's industrial production. Each required heavy government subsidies to compensate for overstaffing and management inefficiencies.

Bangladesh, too, has been putting far greater reliance on the private sector. Since 1975, the country has denationalized more than 600 state companies, many in the chemical, textile and jute industries, and it has privatized the distribution of fertilizer, an action that substantially increased retail fertilizer sales. Within two years of privatization, the new textile mill owners were making substantial profits compared to heavy losses suffered by the same mills under government ownership.

Entire economic sectors worldwide are undergoing a privatization transformation. Brazil, Malaysia and the Republic of Korea now encourage private-sector generation of electricity, having previously prohibited the sale of privately produced power. In North Yemen, workers in villages pooled their resources and purchased new generators to electrify their communities.

In transportation as in agriculture and other fields, especially in less developed countries, private systems already existed, but they operated unofficially as part of the underground economy. Now governments are encouraging the underground economies to rise to the surface. In Malaysia, private minibuses have been allowed to run. In Bangkok, Thailand, and in Singapore, formerly illegal taxis have been recognized and licensed. What was illegal in many economies is simply being made legal. In India, the city of Calcutta had banned private buses when a state transport corporation was formed. With the state firm losing money and riders, Calcutta sold permits for private buses, quickly spawning a fleet of 3,400 vehicles that now operate at a profit without government subsidies.

Africa presents a particularly challenging environment for privatization. After independence, nearly all African leaders renounced state capitalism and embraced socialism. Private companies were nationalized and replaced by state enterprises, controls were raised over the entire range of economic activities-imports, exports, rents, prices - and collective agriculture or state farms squeezed out most private tillers. However, the new ideology proved to be the wrong one in the wrong place at the wrong time. Village markets in Africa historically had been free, open bazaars, and Africa's traditional village chiefs had never imposed price controls. Much of the funding that allowed the less developed countries to expand state ownership over industry and agriculture, then prop up the inefficient enterprises with subsidies, came from Western governments and lending institutions.

At a meeting of the Organization of African Unity in July 1985, the assembled heads of state conceded publicly that "the primacy accorded to the state has hindered rather than furthered economic development." World Bank and International Monetary Fund (IMF) lending policies were beginning to pressure numerous recipient nations to enact austerity programs, forcing them to privatize state-owned enterprises. To go embarked on a privatization splurge in 1983 after "consultations" with the World Bank and the IMF, resulting in the sale or lease of five state industries ranging from a dairy processing plant to a marble quarry. Tanzania in the mid-1970s established free enterprise incentives for farmers; within a year, for the first time in a decade, Tanzania's economy grew faster than its population, enabling its farmers to begin exporting some crops.

Privatization's winds of change have swept much of the communist world as well. In the People's Republic of China, four "special economic zones," with tax rates lower than even nearby Hong Kong's, attracted more than \$3,000 million in foreign investment in the five years after 1979, prompting China to extend similar free market

incentives to 14 coastal cities. Within these zones, China has privatized the provision of roads and other infrastructure, relying on private foreign firms for planning and construction. Free zones such as these, offering a combination of low tax, tariff and deregulation incentives, have been adopted by other governments seeking to stimulate private development. Since 1978, the number of free zones worldwide has exploded from 220 to more than 800, employing more than 4.2 million people.

An "individual labor" law that went into effect in the Soviet Union in May 1987 legalized 40 categories of private services, from plumbers and hairdressers to cafe managers. By issuing licenses and taxing earnings, the new law restricts the size of these private enterprises and prohibits the hiring of outside labor, its very existence is noteworthy.

For all types of economies, privatization holds the prospect for reinvigoration. But limiting privatization to the lifting of price controls or the sale of a few state assets misses the opportunity to revitalize the entire economy, especially in less developed countries, by turning over a range of services to private competition. "If privatization in the developing world is to succeed," says Peter Young of the Adam Smith Institute, "then its vision will need to be broadened. Privatization must be understood as a creative process, a process designed to shift whole areas of economic activity from the politicized, noncommercial state sector to the consumer-responsive profit-making private sector."

Since World War II, America has provided other countries with more than \$330,000 million in aid, making it the world's most generous donor. Each year, through foreign aid, U.S. taxpayers give away, on average, \$14,000 million to more than 100 countries.

American foreign assistance is distributed through the Agency for International Development (AID), an economic development arm of the U.S. State Department. AID defines its role as promoting economic self-sufficiency in recipient countries, encouraging them to adopt policies to increase food production and give full play to free market forces by privatizing costly and unproductive state-owned enterprises. But this targeting is not always rigidly accomplished.

Problems of overgenerosity confront recipients of foreign aid in some countries, and they become saturated with development assistance. For this economic assistance to be effective, AID maintains that recipients must undertake internal reforms eliminating government subsidies, price and wage controls, inefficient state-owned enterprises and, in the words of former AID Administrator M. Peter McPherson, "other similar forms of interference with market solutions."

In my view, it is foreign investment, not foreign aid, that offers the greatest assurance of success for policies to encourage self-sufficiency, sustained economic growth and political responsibility. Debt-for-equity swaps, in which bank loans are exchanged for ownership in developing countries, provide one such vehicle. On 1986, these swaps, where banks sold their foreign loans at a discount to companies wanting to invest in the Third World, reduced the debt of developing countries by about \$5,000 million.

Creation of free ports and free trade zones can be facilitated by using debt conversions to attract investment capital, a concept developed and put into practice by an international consultancy group based in the Washington, D.C., area. This group specializes in free zones and privatization reforms in developing countries and has applied these especially to the Caribbean area. Costa Rica became the first country to approve a debt conversion for free zone development by establishing a private zone near San Jose; similar initiatives have been undertaken in Jamaica and the Dominican Republic. By reducing tax burdens, permitting the duty-free movement of goods and deregulating foreign exchange controls, free zones can create islands of prosperity within countries unable to adopt nationwide policy liberalization because of entrenched institutions that resist significant dilutions of government economic telecommunications services is commonplace, providing a role model for host countries.

Britain has made frequent use of employee buy outs of state-owned firms, as have other nations, as a way of avoiding huge, continuing subsidies or other payments to these firms. Besides the capital raised, the benefits of state-enterprise sales include the expansion of capital ownership by giving employees stock and giving fair treatment to government workers who took jobs in the expectation of benefits and job security using worker buy outs to transfer those rights for a corresponding market price to employee-owners. Ownership can also reshape the work standards and expectations of employees previously inclined to a narrow "labour" point of view.

For nations with a collectivist tradition or outlook, or those that lack experience with free enterprise, worker ownership of state industries offers a convenient compromise between ideology and economic circumstance. In Somalia, the fishing industry's entire fleet of 700 boats had been owned by the government. A former World Bank consultant on Africa found that a "lack of incentives for proper maintenance, low official prices and other unsuitable policies" kept most of the fleet idle. In 1982, about 110 of the boats were sold to their crews. Within two years, 85 percent of the privatized boats were operating efficiently and with much greater productivity than the boats that remained in government hands.

Since 1981, at least 30 companies in Guatemala have turned over ownership to their employees under employee stock ownership plans (ESOPs) modeled after a program in Costa Rica, where more than 700 companies and 120,000 employees are ESOP participants. Transforming government workers into owners can, in similar fashion, advance the common good on two levels: Economically, by divesting the state of resource-draining holdings and giving the working class an opportunity to profit, while relieving the enterprise of many problems that plague other forms of ownership; and politically, by endowing the powerless with incentives to defend and expand the free enterprise system.

Opposition to privatization usually comes from the public employees' labour movement, which often sees it as a threat to jobs in overstuffed state enterprises, from government bureaucrats whose power of control would be diminished, and from expoliticians and military officers who serve on the boards of many state industries. Constituencies must be created for reform in order for privatization to succeed, which means workers and management must profit from the public-to-private transformation.

If a country lacks sufficient private capital markets to finance the buy out of state-owned firms, the firms could simply be given away to the management and employees, giving workers a stake in the company's future and eliminating any further subsidy burdens on taxpayers. Providing employees with stock makes them responsible for managing costs and improving service - incentives that ultimately benefit both the company and the public - while allowing them to participate directly, often for the first time, in the dynamism and opportunity of a competitive economy.

Privatization can be a whole new layer of decision-making that some people would rather not bother shouldering. The fear of choice and responsibility may produce an even greater clinging to government among that part of the citizenry, especially in the older urban areas, that are long accustomed to the seemingly secure environment of monopoly providers.

Partial privatization through contracting out poses certain dangers that could undermine public support. If politicians and bureaucrats resort to the exclusive use of franchising or sole-source contracting, or if they fail to re-bid contracts over a long period of time, private monopolies might evolve replacing the government monopolies, eliminating the benefits to consumers and taxpayers from competition. Political temptations may also prompt officials to rewrite bid specifications so that only one favored firm qualifies or to allow favored firms to buy into contracts and later raise prices. The only sure antidote to these abuses is open, fair, competitive bidding.

Privatization diminishes neither the concept of community for society nor the sense of public purpose of a program. Pursuing rational self-interest is not synonymous with greed. It is precisely those most obvious yet subtle forms of self-interest that often advance the greatest civic virtues.



Social institutions must be devised to synchronize private incentives and social returns in an efficient, cost-effective manner that simultaneously promotes moral imperatives. But public spiritedness as a motivation for behavior in the governing process need never be diminished by privatization and the emphasis on self-interest that this term implies. To the extent that policy-makers and the public understand that privatization is a tool, no less than a programme, public spirit can still be harnessed to make the delivery of services connected to policy goals more effective. Using private delivery mechanisms to replace government delivery, bureaucracies may actually reinforce norms of public-spiritedness by offering policy-makers wider and wider choices in how to may then have more resources to devote to its primary task-making sound and just laws in response to the popular will.

The global nature of privatization is tacit acknowledgment that statism and socialism have led to stagnation. Privatization offers the promise of raising standards of living by introducing competition that will bring about efficiency, lower costs and improved service. Selling assets affords governments potentially large one-time capital gains, which may be the sole impetus for some debtravaged nations to experiment with denationalization. For that reason, those who defend government's role as central to human economic existence will prtry privatisation as nothing more than a fad, a momentary swing of the pendulum. If indeed we are in the midst of such a pendulum swing, it may last far longer-perhaps even centuries - than any statist could envisage.

## ANOTHER CASE AGAINST D.E.S.U.

COMMON CAUSE had last year filed a comprehensive complaint against Delhi Electric Supply Undertaking (DESU) before the National Consumers Disputes Redressal Commission. In that complaint the various facets of inefficiency of the operations of DESU were highlighted. These included: voltage fluctuations, power interruptions, theft of electricity, wrong billing, delayed billing, difficulties encountered in payment of bills, street lighting etc. The case was heard by the National Commission over a few hearings. Eventually, on behalf of the DESU written undertakings and assurances were submitted, promising that they would take positive steps to remove the grievances of consumers. On the basis of these undertakings and assurances the case was disposed of by the National Commission, directing DESU to comply with these to the satisfaction of consumers.

The areas of inefficiency of the functioning of DESU continue practically unabated. Recently large number of electricity consumers complained bitterly about wrong bills received by them and the enormous exasperations which they encountered in getting the wrong bills rectified by repeatedly visiting the offices of DESU. This matter was taken up by COMMON CAUSE with DESU but no satisfactory reply was received. Thereupon COMMON CAUSE has filed another complaint before the National Commission, inviting attention to the assurances and undertakings previously given by DESU and their failure to give satisfaction to the consumers in certain specific areas including the wrong billing, non-establishment of grievances cells with the inclusion of consumers representations etc. The National Commission has issued notice to DESU whereupon an extensive reply has been submitted by DESU. The case is now expected to come up for hearing in the coming weeks. In the complaint submitted by COMMON CAUSE it has inter alia been requested that where wrong bills have to be rectified by DESU it must pay Rs. 100 for each wrong bill issued to compensate for the difficulties caused to the consumers in having to repeatedly visit the offices of DESU for getting the bills rectified. Likewise, it has been requested that where a notice for electricity disconnection is issued by DESU, on the basis of non-payment of any dues which have already been paid, DESU should pay damages to the extent of Rs. 500 for each wrong notice.

In the reply submitted by DESU the main contention put forth is that the process of computerisation of the bills and records has been almost completed but that in the process some mistakes are inevitable. It is contended that previously the wrong bills were of the order of 4-5% and that by the continuous efforts towards effecting improvements the quantum of wrong bills has been reduced to 1-2%. Obviously, in this connection it needs to

be taken into consideration that even if this contention of DESU is correct, i.e. that the wrong bills are only to the extent of at most 2%, there are 1.6 million consumers of electricity in Delhi, and 2% of this number would be of the order of 32,000. The issue of wrong bills to 32,000 consumers amounts to making them go repeatedly to the DESU offices to get the bills rectified. This matter will be placed before the National Commission during the hearings of the case.

In this context, it will be of interest to the readers to have a glance at the contents of the complaint submitted by COMMON CAUSE. Its main essentials are reproduced below.

## NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

1. The Complainant had previously submitted a Petition against the Opposite Party DESU which was listed and decided by the Hon'ble Commission as Original Petition No: 5 of 1988. In this Petition the various deficiencies of the functioning of DESU and the difficulties experienced by the electricity consumers of Delhi were mentioned. The Opposite Party was adequately represented before the Hon'ble Commission during the hearings of the case. They submitted detailed undertakings and assurances in writing before the Commission. Taking these into account the Commission passed an Order on 19th October 1989 expressing appreciation of the response that had been forthcoming from DESU to the suggestions made by the Commission for the purpose of setting right the grievances of consumers.

2. In particular the Complainant invites attention of the Hon'ble Commission to the following paras of the Order dated 19th 1989:

"As regards the complaint of wrong billings, the statements filed before us disclose that adequate steps have been taken by the DESU to ensure that there will be no wrong billing to the extent to which it is humanly possible to avoid it. We have also been assured that in case any instance of wrong billing is brought to the notice of the DESU, steps will be promptly taken to verify the correctness of the complaint made by the consumer and to rectify the bill and until such rectification is effected, no disconnection will be made."

"The Undertaking has also mentioned in the two statements filed by it that it has also decided to issue orders in implementation of the suggestions made by the Commission that in all cases where there has been a delay in the issuance of bills on the part of the Undertaking or where there has been wrong billing, the consumer will be allowed to pay the amount of the bill in six equal instalment and that the electric supply will not be disconnected from the premises of the consumer unless and until there has been a default in paying not less than two consecutive instalments."

"..... Another important step taken by the DESU in response to our suggestions is that they have already taken action to constitute committees in every district for dealing with the grievances of the consumers. In addition, the DESU has decided to constitute two central advisory committees - one general and the other technical - in both of which there will be two representatives of consumers to be nominated by the Consumer Affairs Directorate of the Delhi Administration. Responding to the suggestion of Mr. H.D. Shourie made during his submissions before us today, counsel for the DESU very fairly agreed that DESU will nominate its Public Relations Officer in the central office as the person to whom complaints/petitions may be addressed and that he will see that the complaints are properly processed and dealt with expeditiously in the concerned Department of the DESU."

3. The grievances of consumers against DESU, in respect of various aspects of the electricity supply, continue unabated, and it has not been ascertainable as to what specific measures have been taken by the Opposite Party to set right the problems and grievances of the consumers. In particular, in the present Petition, the Complainant wishes to highlight the fact of "wrong bills" which continue to be received by the consumers practically all over the city.

According to our estimates tens of thousands of wrong electricity bills are being received by the consumers in every two monthly billing cycle. The exasperated consumers visit the DESU offices for the purposes of securing rectification of the bills. They feel extreme exasperation in not being able to secure access to the dealing officials because of the throngs visiting the DESU offices for the purpose, and when they eventually reach the tables of dealing officials they are not in a position to secure quick redress. Numerous consumers are thereby feeling extremely harassed. The explanation of the officers of DESU has always been that these mistakes arise on account of malfunctioning of the computers which have been installed for the purpose of making the bills. The fact remains that data is not appropriately and timely fed in the computers with the result the payments already previously made by the consumers are not taken into account and very often they get repeated in the bills.

4. The complainant has been taking up this matter with the DESU management but it has not been able to secure any reply whatsoever.

5. The latest communication addressed by the Complainant to the General Manager of DESU is of 22nd September 1990. Copies of this communication were marked also to the Financial Advisor & Chief Accounts Officer besides the Executive Engineer of R.K. Puram, New Delhi. No response has been forthcoming from these DESU officers.

6. Meetings have been held at the instance of the Complainant wherein representatives of various organisations of homeowners have taken the following decisions :

(i) Consumers would not like in future to face the harassment of having to go to the DESU offices for securing rectification of the wrong bills.

(ii) President of each housing colony/association will constitute a committee of three knowledgeable and experienced residents who will examine the electricity bills placed before them by the residents wherein they claim that rectification is required. The Committee, after scrutinising the bills is wrong and defective. The concerned DESU office will thereafter be informed by the colony/association requesting it to send a representative to immediately pick up the defective bills for rectifying them in the office. Thereafter, the rectified bills should be sent to the concerned consumers.

(iii) Where a bill is found defective by the committee, DESU office should immediately take steps to extend the last payment date by at least seven days from the date of transmitting the rectified bill.

7. These decisions were communicated in the enclosed letter for information of the DESU authorities. The circular letter has since been issued to all organisations of homeowners in Delhi so that they should take action accordingly.

8. The citizens of Delhi seek redressal of their serious grievances in relation to the wrong billing. We want to ensure that a system operates wherein the consumers should not have to visit DESU offices for securing rectification of the wrong bills. Instead, the procedure mentioned above, should be instituted which would facilitate the task of the consumers as well as the DESU management.

9. Attached herewith are specimens of a few recent electricity bills transmitted to the consumers which were found to be wrong and which had to be drastically and substantially modified for rectification and also whereon DESU itself recorded "Not to Pay". More examples of such rectified bills will be submitted if required. The discrepancies obviously noticeable in the rectification of these bills are indicative of the serious malaise which presently prevails. This failure on the part of DESU management is further exemplified by the notices for disconnection of electricity which they have started sending to the consumers in relation even to the wrong bills transmitted to them. Photocopies of two specimen notices dated 9th October 1990 are attached herewith. In the wording in these notices it will be noticed

that it has been stated "A notice under Section 24(1) of the Indian Electricity Act 1910 has already been served on you through the aforementioned bill(s). No receipt of payment of the outstanding amount was shown to me by you/ your representative. We are however giving you another opportunity for payment of the above mentioned dues." Further statement in the printed notice is to the effect that "Notice under Section 24 of the Indian Electricity Act is hereby given to you requiring you to make the payment of the amount mentioned above within 2 days of the receipt of this notice failing which the electricity supply of the connection in question shall be disconnected."

10. In relation to the wording of these notices following observations are relevant :

No notice under Section 24(1) of the Indian Electricity Act has previously been communicated. Secondly, the prescription of 2 days for the notice, threatening disconnection of electricity, is ultra vires of the provisions of Section 24 of the Indian Electricity Act.

It needs also to be mentioned in connection with these two notices that letter was immediately sent to three officers of DESU but there has been no response from any of them.

11. Reference is also invited to the undertaking given by DESU to constitute committees in every district for dealing with the grievances of consumers. It was undertaken that two representatives of consumers would be included in each of these committees. In connection with the proposal of constituting such committees, including representatives of consumers, references were received in the month of May 1990 from the DESU office asking for nominations of consumers representatives. These communications were ostensibly sent to various organisations of houseowners etc. in Delhi. Our information is that nominations were sent by the organisations and it is presumed that they would have been transmitted to DESU. No action appears to have hitherto been taken in regard to the establishment of these committees.

12. Another undertaking given by the DESU related to the work-load norms of the meter readers. The order given by the Hon'ble Commission in this behalf, in its decision on the above-mentioned Original Petition No.: 5 of 1988, is reproduced below :

"Dealing with the complaint of the consumers regarding the meter reading system in vogue, the Undertaking has told this Commission in the statements filed before us that they have already set up a committee to review the work norms of the meter-readers and that steps will be taken in the light of the recommendations of the committee to ensure that the revised work norms fixed for the meter-readers are reasonable and will be such as to allow the meter-readers sufficient time in the premises of each of the consumers concerned to take a correct reading of the meter."

The Complainant has not been able to secure any information about the action taken by DESU in the matter of finalisation of the working procedures and work-load of meter readers. The importance of this matter is obvious because it is on the functioning of the system of meter reading that the entire structure of billing and recovery of dues has to rest.

13. While there are serious shortcomings and deficiencies in various other areas of functioning of DESU and while the tariff charges for electricity supply have continued to be unjustifiably escalated, the Complainant at present wishes primarily to restrict the matter to the malaise of wrong bills and the extreme harassments thereby caused to the consumers, the wrongful and illegal issue of notices for disconnection of electricity, and the non-establishment of the committees including representatives of consumers, regarding which inter alia DESU had given specific undertakings and assurances. In connection with these items the Complainant requests that the Hon'ble Commission should direct DESU to urgently furnish to it the following information :

(i) During the latest two-monthly (or three-monthly, which was later abandoned) billing cycles, how many wrong bills have had to be rectified. If it may be difficult to collect this information in relation to the entire city, because of the enormous number involved, DESU should collect and furnish this information in relation to one of its districts, say, R.K. Puram, stating also roughly the total number of consumers in the district.

(ii) During the last two months, namely 15th August 1990 to 15th October 1990, how many notice threatening disconnections have been issued in form of Annexure C to consumers, and the number, if any, of disconnections actually effected.

(iii) Reasons for non-establishment of the committees undertaken to be established including the representatives of consumers.

(iv) The decisions taken and enforced by DESU in regard to the work-load and working procedures of meter readers.

14. Complainant submits that there has been failure on the part of DESU management to comply with the directions issued by the Hon'ble Commission in connection specifically to the matters stated above in respect of which DESU had given undertakings and assurances. The failure particularly in relation to the wrong bills causes serious inconvenience, exasperation and harassment to every consumer who has to incur expenditure in visiting the concerned office of DESU, waste his time, and often face humiliation in being told that the concerned official cannot attend to the complaint and the consumer should come again. The consumer who faces these problems on account of receipt of a wrong bill should be compensated by DESU, and the Complainant requests that the Hon'ble Commission should order that wherever a bill is found to be wrong and has had to be rectified DESU should pay to the consumer damages to compensate him to the extent of Rs. 100/- for each such rectified wrong bill. This amount is obviously very reasonable taking into account the expenditure the consumer has to incur and the waste of his time involved in getting the wrong bill rectified. It is requested that compensation at this rate should be paid by DESU in respect of the rectified bills of the last two-monthly billing cycle, and that it should be payable on production of photocopy of the rectified bill. In respect of the issue of notices issued under the Indian Electricity Act the position is obviously much more serious. The issue of such notices of disconnection cannot be treated lightly. Wherever any notice has been issued by DESU during the last two months namely from 15th August 1990 to 15th October 1990, on the ground of non-payment of any bill, and the notice has had to be withdrawn because it was found that the payment had already been made, DESU should compensate the consumer by paying damages to the extent of Rs. 500 per notice for the mental anguish and harassment caused. Such levy of compensations from DESU will hopefully instil in its management the responsibility which they owe towards the consumers. It will be for DESU management to determine measures it needs to take in regard to its defaulting officials.

15. There are over 1.5 million consumers of electricity of DESU. The payments of their electricity dues every month aggregate to many crores of rupees. Tens of thousands of the consumers, according to our estimates, suffer the exasperations and harassments of the nature mentioned above, particularly in the matter of wrong bills. The Hon'ble Commission has already dealt with the entire matter in the Complaint previously submitted by the Complainant (Original Complaint No: 5 of 1988) and is competent to deal with the issues raised in the present complaint.

## PRAYERS

16. In conclusion, the Complainant summarises hereunder the prayers which have been incorporated hereinabove (reference paragraphs 12 and 13):

(i) DESU should be directed to inform the Hon'ble Commission about the number of wrong electricity bills which have had to be rectified during the latest two billing cycles; if not easily available for the entire

city then for at least one DESU district, namely, R.K. Puram.

- (ii) DESU should be directed to inform the Hon'ble Commission about the number of notices for disconnection of electricity for non-payment of electricity bills, which have been issued during the two months from 15th August 1990 to 15th October 1990, and the number of cases where disconnection, if any, has been effected.
- (iii) DESU should be directed to pay compensation of Rs. 100/- per wrong bill which has had to be rectified during the last two months, namely, 15th August 1990 to 15th October 1990, to compensate the consumer for the expense of visiting DESU offices and for wastage of time entailed therein; this system should also remain operative henceforth.
- (iv) DESU should be directed to pay compensation of Rs. 500/- for every notice issued during the two months 15th August 1990 to 15th October 1990 threatening disconnection of electricity in relation to the demand of a payment which has already been made; this system to remain operative henceforth.
- (v) DESU should be directed to inform the Hon'ble Commission as to why it has failed to constitute the committees including the representatives of consumers which it had undertaken to set up.
- (vi) DESU should be directed to inform the Hon'ble Commission as to what action has been taken to determine the norms of work-loads of meter readers and their working procedures.
- (vii) Hon'ble Commission may determine what further action needs to be taken under Section 27 of the Consumers Protection Act for the failure of DESU management to comply with the directions given in the order on the above-mentioned Original Complaint No: 5 of 1988, and in relation to the procedure suggested in Annexure A, letter of the complaint, of 22nd September, 1990.

(H.D. SHOURIE)  
DIRECTOR, COMMON CAUSE  
COMPLAINANT

## WRIT PETITION RE: JUDGES

During the past few months there have been incidents of severe complaints and insinuations against judges of the status of High Courts. Previously there have been many occasions of such complaints against the judges at District levels and it was a general impression that the judges of superior courts were beyond any reproachment whatsoever. It is most unfortunate that such insinuations and complaints have started being made also against the higher judiciary. Citizens feel greatly concerned about the deterioration of judicial administration in its various facets of operations, and the complaints against judges have started causing grave anxiety about future of the system of judicial administration itself.

COMMON CAUSE has taken the initiative of filing a Writ Petition before the Supreme Court in which this problem has been highlighted, bringing to notice the seriousness of the situation and making concrete suggestions about certain measures that need to be taken by the Government of India in consultation with the Supreme Court for prescribing certain norms and guidelines to minimise the problems which are presently arising. The contents of this Writ Petition would be of interest to the readers. It is reproduced hereunder.

## IN THE SUPREME COURT OF INDIA AT NEW DELHI

PETITION UNDER ARTICLE 32 OF THE CONSTITUTION OF INDIA PRAYING FOR ISSUANCE OF A WRIT OF MANDAMUS OR OTHER SUCH APPROPRIATE WRIT, DIRECTION OR ORDER TO THE UNION OF INDIA TO PRESCRIBE GUIDELINE AND NORMS, IN CONSULTATION WITH THE HON'BLE SUPREME COURT OF INDIA, IN RELATION TO CERTAIN ASPECTS OF THE FUNCTIONING OF THE JUDGES OF HIGH COURTS AS WELL AS THE JUDICIARY IN THE DISTRICTS FOR AVOIDANCE OF EROSION OF FAITH OF THE PEOPLE IN JUDICIAL ADMINISTRATION IN THE COUNTRY FOR MAINTENANCE OF FUNDAMENTAL RIGHT OF ACCESS TO JUSTICE, SPEEDY JUSTICE AND FAITH IN THE JUDICIARY ENSHRINED IN ARTICLE 21 OF THE CONSTITUTION OF INDIA.

1. That the Petitioner is a Society registered under the Societies Registration Act, which has taken up various common problems of the people for securing redressal. It has inter alia taken to the Courts certain matters of general public interest for seeking redress. Through three Writ Petitions the Petitioner secured judgements from the Hon'ble Supreme Court extending certain pensionary benefits for more than two million Central Government pensioners, including restoration of pension commutation, extension of family pension benefits for pre-1964 pensioners and the extension of pension liberalisation measures to pre-1979 pensioners who had remained deprived of these. Through a Writ Petition in the Hon'ble Supreme Court the Petitioner had taken up problems relating to anomalies and discriminations in the assessment of rateable values for the levy of Property Tax by the Delhi Municipal Corporation which led to the guidelines laid down by the Hon'ble Supreme Court. The Petitioner has also submitted a Writ Petition in relation to lawyer's strikes which is at present pending before the Hon'ble Supreme Court. The Petitioner has thus established its locus standi for taking up citizen's causes for seeking redressal.
2. That it is obviously a matter of fundamental importance that the administration of justice in the country should continue to inspire confidence among the people about its irapproachability, integrity and rectitude. Administration of justice is one of the basic pillars on which the existence of entire fabric of our society depends. Through the ages the people of this country have depended upon even-handed justice for the redressal of their woes and grievances. Any deflection in the administration of justice can prove fatal to the fabric of the society. Essentials of the administration of justice, including access to justice, procurement of speedy justice, and faith in the judiciary, constitute factors of the fundamental right of life and liberty enshrined in Article 21 of the Constitution.
3. That during the past many months the judiciary, even of the status of High Courts, has come under various types of insinuations, denigration, complaints and attacks. The Petitioner does not consider it necessary or desirable, for the purposes of this Petition, to recount the complaints and insinuations that have been made against certain judges of some High Courts. It is most unfortunate that complaints and insinuations have been made, and have come to the notice of the public, specifically naming certain judges and casting aspersions on the integrity and rectitude of the administration of justice. Such complaints inevitably tend to shake the confidence of the people in the administration of justice and to bring the system under severe attack and disrepute.
4. That there have for long been complaints of various types against the integrity and correct functioning of the judges of the level of districts and the subordinate judiciary, both on the civil side as well as the criminal side. These have inevitably eroded to considerable extent the confidence of the people in securing unbiased and appropriate justice at these levels. This erosion of confidence has been considerably aggravated by the delays in decisions of cases and often by avoidable and unnecessary adjournment of the hearings of cases. While complaints and insinuations against the subordinate judiciary and district levels have been for long in existence the matter of very serious concern is the emergence of such complaints and insinuations against the higher judiciary which hitherto has been always taken by the people to be sacrosanct and above board.

5. That it is in the interest of the people and the country that every possible effort should be made to maintain the reputation of the judiciary and faith of the people in the administration of justice. It is in this context that the Petitioner, keeping in view the interest of the country and the people and the absolute need of maintaining the reputation of judicial administration, has considered it necessary to make certain positive suggestions for consideration of this Hon'ble Court for laying down certain guidelines and directions for observance and compliance by the High Courts and the subordinate courts. In making only such suggestions which are within the scope of being implemented, taking in to account the realities of the present day situation. These suggestions are presented in the paragraphs that follow.

## GROUNDS

That the Petitioner submits the following grounds among others which are without prejudice to one another.

6. That in the above paragraphs the Petitioner has submitted that administration of justice is one of the basic pillars of the fabric of our society and that it is of fundamental importance that administration of justice in the country should continue to inspire confidence among the people about its integrity, irapproachability and rectitude. Essentials of the administration of justice, including access to justice, procurement of speedy justice and faith in the integrity and fairness of the judiciary constitute a fundamental right enshrined as a fundamental right to life and liberty in Article 21 of the Constitution and also the provisions of Articles 22 of the Constitution.

7. That during the past few months various types of unfortunate instances have occurred where charges have been levelled against judges of some High Courts. These being public knowledge the Petitioner does not consider it necessary to recount these complaints in this Petition. The very existence of such complaints made against the judges of the eminence of High Court judges tends to shake the confidence of the people in the administration of justice and make people talk adversely about the deteriorating standards of justice in the country.

8. That there were for long complaints about delays and unnecessary adjournments of cases in the lower courts all over the country. These are related to the enormous accumulation of backlog of cases in the courts. These factors and complaints, besides various other types of insinuations against the judiciary, have considerably eroded the confidence of the people in the lower courts, but it is a matter of very serious concern that this erosion of confidence is being caused also by the complaints made against the judges of High Courts. The Petitioner, as a public interest organisation, feels greatly perturbed at these recent developments and seeks to submit this matter to this Highest Court of the land to find some positive solutions to the malaise that has started setting in. The Petitioner is aware that the matter of complaints against judges of the eminence of High Courts has already engaged the attention of the Hon'ble Chief Justice of India and that measures have been under consideration for devising appropriate machinery for dealing with any such complaints.

Over and above the measures which are thus contemplated the Petitioner seeks to submit following concrete suggestions for consideration with the Hon'ble Court for adoption and enforcement in consultation with the Union of India:

- (i) It is of fundamental importance that whereas the judges of High Courts (as well as of districts and subordinate courts) should of course be persons of high rectitude and unsullied reputation it is also necessary that they should appear so to the people and that any hurdles which may stand in their way to this end should be removed. There are instances where complaints are floated in various High Courts and the subordinate courts about special favours being available to the relatives of judges who may be operating as members of the respective Bars. We submit that where a judge of a High Court (and also an Judge or Magistrate of the district or subordinate court) has an immediate relative operating in the Bar of that



court, that judge should be transferred to another court, that judge should be transferred to another court. Immediate relative, in this context, should imply : father, mother, husband, wife, brother, sister, son, daughter, brother-in-law, son-in-law, and daughter-in-law. For this purpose an affirmation in suitable terms should in confidence be sought from all present judges about any immediate relative operating in that Bar. On receipt of such affirmation decision should be taken to effect the transfer. Any considerations based on age, remaining period of service, condition of health etc., should not be allowed to weigh in taking the decision to effect the transfer.

(ii) It is necessary to prescribe some code of conduct for the judges of High Courts and districts courts and subordinate courts in relation to their dealings with the people and mixing among the people so that the dignity of the judiciary in the esteem of the people is maintained.

(iii) Where a case has been finished and arguments have been completed, the Judge must pronounce the judgement within a maximum period of one month. This must be imposed as an indispensable requirement, with clear understanding that if any case languishes for more than one month in this matter the concerned Judge should not deal with any more cases till that judgement is pronounced.

(iv) It needs to be prescribed, for facilitating the work of judges and the courts, that brief written arguments should be submitted by the advocates, preferably before the arguments take place and in any case as a follow-up of the arguments.

(v) Cases should be taken up strictly in accordance with the Cause List of the day and no case should be heard out of turn and on consideration of the amount involved in the litigation, except on a matter of general public importance.

(vi) When a case has been closed by both sides, no adjournment should be given for arguments excepting to the next working day, and the arguments should not be allowed to spread over more than one working day. If, in any particular case, the arguments have to be carried over to another day, the case should be given adjournment only to the next working day and reason should be recorded why the arguments could not be concluded.

(vii) After the parties have appeared before the Court and the requisite documents/evidence have been filed/recorded, procedure of day-to-day hearing should be adopted and adjournments should be given only in exceptional cases, recording reasons for such adjournments.

(viii) At least once every month the Magistrates should visit the jails and record their observations about any undertrials who have been languishing due to the cases not having been heard for more than two months.

(ix) In the interest of effective supervision of the functioning of courts it is necessary to lay down specific guidelines for the administrative control and supervision by the Supreme Court over the High Court over the Judges of that Court, by the High Courts over the District courts, and the District judges over the subordinate judiciary. These guidelines should specify the points and areas of reports to be submitted by the respective judicial authorities to the next superior judicial authority.

9. That the Petitioner has not filed any such or similar Petition either in this Hon'ble Court or any other court.

**PRAYERS**

10. It is, therefore, respectfully prayed that this Hon'ble Court may kindly be pleased to :

(i) issue a writ of mandamus or any other appropriate writ, order or direction, directing the Union of India, in consultation with the Hon'ble Chief Justice of India and Chief Justice of selected High Courts, to prescribe strict guidelines for observance and compliance by the High Court Judges as well as Judges of District Courts and subordinate courts in relation to the suggestions made herein above and that in particular the suggestion relating to effecting transfers of judiciary members, appearing in sub-paragraph (i) of para 8, should be forthwith acted upon after securing the affirmations from all presiding officers of the Courts;

(ii) issue a writ of mandamus or any other appropriate writ, order or direction, directing the Union of India, on the basis and the Chief Justices of selected High Courts, to lay down clear instructions for compliance by all presiding officers of the Courts in relation to the various suggestions appearing hereinabove and also prescribe a code of conduct relating to dealing of judges with the public and their mixing among the people;

(iii) issue any other appropriate order or direction to hear the present Petition expeditiously due to obvious importance of the matter; and

(iv) pass such other and further order or orders or grant such further or other reliefs as this Hon'ble Court may deem fit and proper in the circumstances of the case.

Drawn & Filed by

H.D. SHOURIE  
Director, COMMON CAUSE  
A Registered Society

**POSITIVE ENVIRONMENTAL LABELLING**

The Ministry of Environment & Forests recently asked for comments on a proposal entertained by it on Labelling of Environment Friendly Products. The objective is that manufacturers should increasingly become conscious of the problems relating to environment and avoid such manufacturing processes which would lead to the production of goods detrimental to the environment. Such goods should attract adverse notice of the consumers, and for that purpose the proposal is that the products which are environment friendly should be given specific labels in order to give them the appropriate distinction somewhat on the same lines as the ISI mark of Quality has already been generally propagated in the country.

On the proposal of Labelling of Environment Friendly Products following views have been communicated by COMMON CAUSE. These would be of interest to the readers.

**GENERAL**

It is very welcome that GDI has started giving thought to this important measure. In attaining the objective of any programme of Positive Environmental Labelling in this country it would be necessary to take into account the following inescapable facts :

- (i) We are already very much behind in taking up this matter. In a number of countries the "Green" movement, aiming at generation of a climate for environmental protection and at spreading consciousness among the people in relation to various manifestations of this problem, has taken considerable roots, whereas in India there is almost utter apathy and disregard even towards its fundamentals. Therefore, it is necessary that the measures now envisaged or decided upon should not be halting and half-hearted.
- (ii) Voluntaryism is no doubt very welcome in all possible fields, but in view of the fact that India has lagged so far behind, and that this country is yet afflicted by enormous extent of illiteracy, poverty and backwarchness, the nature of voluntaryism in a matter of this nature will have to be considerably backed by governmental action. In the existing conditions in this country if it is left only to the voluntary effort of the producers and manufacturers, there is likelihood of the measures languishing over many years, as has unfortunately happened in relation even to a very essential requirement of compulsory quality marking of electrical appliances which have proliferated at the level of ill-equipped small scale units. Action will need to be so devised that producers and manufacturers feel the impact of some compulsion on being convinced that adoption of these measures is in the public interest as well as their own interest. An appropriate scheme of incentives and disincentives should be devised which would subtly bring about such compulsion. The incentives and disincentives of financial nature would obviously have a direct and immediate impact. These will need to constitute a supplementation of legislation which will be needed for launching an effective movement in the context of conditions prevailing in the country. This legislation can be a supplementation of the ISI certification marking legislation.
- (iii) We feel that the coverage of the scheme should range over the areas of production/manufacture as well as use. Restricting the coverage only to use, even in early stages of its implementation, will cause continuance of perpetration of environmentally condemnable and bad manufacturing processes. It may also be useful not to restrict the coverage of scheme only to consumer products; it should be kept open so that in course of time and on the basis of experience of its implementation, it can cover other products, and also services. The list of products presently envisaged by the Ministry is satisfactory.
- (iv) In the context of conditions of large areas of illiteracy, poverty and backwarchness in the country it is necessary that special efforts should be made through the electronic media to reach out to the people in a large measure to inform them about the problems relating to environment friendly products and those which are hazardous for environment as well as about the scheme of positive environmental labelling.
- (v) Educational institutions should also be utilized for dissemination of information and stimulating interest of the younger generation in this entire matter and in relation to the scheme of positive environmental labelling.
- (vi) We feel that certification on the basis of interse comparison between products will not be a satisfactory way of determining the eligibility of a product for the certification for labelling. It should certainly be possible for BIS to lay down certain standards and criteria for determining the inherent eligibility of a product for the labelling as they presently do in relation to ISI certification.
- (vii) A very important matter will be that of evolving the certification mode and its logo. There is inevitable hesitation in accepting the certification mode in the shape of "EFP". These letters donot have any impact. They are not comparable to ISI letters; these letters, and its logo, evolved when the original Indian Standards Institute was established. They have taken many years to get accepted by the buying middle class as embodying symbol or quality, and even now this certification is not always looked for by the buyer. We feel that proper lettering, primarily connected with an attractive and effective logo, should be searched for, preferably in its relationship to India's culture, traditions and scriptures. English lettering and words, for connecting this effort with India's past emphasis on environment. Likewise, the logo will need to be so devised

which will be symbolic of the importance of environment. It will need to be simple and effective; a very attractive depiction of a generous tree, for instance. It should lend itself to black & white printing as well as colour printing.

## ON SPECIFIC POINTS

In presenting the above general points we have covered practically all the major issues on which the Ministry, in its paper, has asked for comments and views. The other points which remain uncovered are dealt with hereunder:

- (i) We agree that the labelling certification should be for minimum period of three years, subject to annual review thereafter. In fact, we consider that the minimum period can be five years. We earnestly hope that in actual implementation the scheme will not add to the "Inspector Raj" in expecting the Inspectors to be the determinants for the continuance or withdrawal of the labelling.
- (ii) We agree that a technical panel should be constituted in the Central Pollution Control Board. It should be available also for tendering advice and guidance to BIS for implementation of the scheme.
- (iii) The scheme should be administered by the BIS.
- (iv) There is hesitation in accepting the proposal of the Ministry continuing to deal with the scheme, for popularising it, for selecting the logo, and for determination of the product categories and criteria. All this task, with the exception perhaps of notification of the product categories, should be preferably in the hands of an autonomously functioning organisation, and we feel that it can be entrusted to BIS, with specific mandate and authorisation.
- (v) The scheme should be operated by BIS in such manner that it aims at being self-financing.
- (vi) We feel that there should be only one logo and only one selection of lettering; the question of proliferation of official labels should not be allowed to arise.

## MISCELLANEOUS

### PENSIONS

Arising from the continuous demand of "Same Pension for Same Rank" raised by the defence pensioners the Government of India in November '90 issued a Press Note that decision has been taken to give additional pension to the subordinate officers and other ranks among the defence pensioners and that the matter relating to senior officers was under consideration. We have since then been writing to the Government of India to supply us a copy of the order stated to be issued by it, for enabling us to determine our further line of action in relation to the similar demand emanating from civil pensioners. It is now understood that no order has yet been issued by the Government of India; consequently, it has not been possible for us to secure a copy. On receipt of the order, if any such order has been issued by the Government of India, will be in a position to determine what line of action would be required on behalf of the civil pensioners. A case had been pending in the Supreme Court for quite some time arising from a complaint made on behalf of defence pensioners by the Indian Ex-Services League that the previous judgement on pensions case had not been fully implemented. This case along with some other pending petitions on behalf of pensioners had been referred to the Constitution Bench of Supreme Court. All these cases were heard in the beginning of December. The final decision has not yet been announced.

A case relating to pre-1973 pensioners is separately pending before the Supreme Court. It is now likely to come up for hearing in about the month of January.

# TO: ALL MEMBERS OF COMMON CAUSE

## NOTICE TO MEMBERS

The Annual General Meeting of COMMON CAUSE Society will be held on Saturday the 19th January 1991 in the Constitution Club, Rafi Marg, New Delhi at 10.30 a.m. Members are welcome to the meeting. Agenda will be as follows :

- (i) Consideration of the Annual Report and adoption of the Annual Accounts alongwith Auditor's Report for the year 1989-90.
- (ii) Appointment of Auditors for the year 1990-90.
- (iii) Activities and Programmes.
- (iv) Elections

It may kindly be noted that in accordance with Rule 15 of the Rules & Regulations of the Society if within half an hour of the beginning the quorum is not present, the meeting shall stand adjourned for the same day and will be held after another half an hour, and the members present in the adjourned meeting shall form the quorum of the meeting.

H.D. SHOURIE  
Director, COMMON CAUSE

## AUDITORS REPORT

We have audited the attached balance sheet of COMMON CAUSE as at 31st March, 1990 and the annexe Income and Expenditure Account of the Society for the year ended on that date which are in agreement with the books of account maintained by the Society.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give a true and fair view :-

- (i) in case of the Balance Sheet of the state of affairs of the society as at 31st March, 1990 and
- (ii) in case of Income and Expenditure Account of the excess of expenditure over income for the year ended on that date.

For RAO & RAVINDRANATH  
CHARTERED ACCOUNTANTS

SD/-  
Place : New Delhi  
Date : 22 Oct 1990

## ANNUAL REPORT FOR 1989-90

During the year of Report, as in the previous years since its inception, COMMON CAUSE has continued to remain the focus for development and convergence of a number of activities relating to dealing with problems of the people for securing redress. The redress continues to be sought by taking the issues to concerned government departments and agencies, and also by knocking at the doors of the courts or the redressal machinery established under the Consumers Protection Act.

Membership of the Society has in the recent months shown a noticeable change in that Annual Membership members are opting to take Life Membership which is no doubt very welcome but there is need of effective drive by

the members to continuously enlarge the base of membership and to help enrol their acquaintances or others to membership. It is in the interest of everybody that the organisation should be further strengthened for enabling it to continue providing its selfless, dedicated and effective services to the people.

Numerous letters keep coming to us from various parts of the country conveying suggestions for taking up specific problems, furnishing details of hardships and grievances, seeking our help to tackle these. There are also letters conveying deep recognition of our services and appreciation for our humble achievements.

### PROGRAMMES AND ACTIVITIES

**Consumers Protection Act.** This enactment is undoubtedly a boon for redressal of the grievances of consumers. Its various import features, particulars spelling out the rights of consumers, making public sector services also accountable to consumers, and establishment of quasi judicial machinery for providing redress to the consumers, have attracted wide attention of consumers. A large number of cases, of all various types, have started being decided by the consumers forums, state commissions and the national commission established under the Act, and the decisions of these cases have received considerable publicity throughout the country. As a result of this the expectations and aspirations of the people have been aroused. There is continuously mounting demand for the establishment of district forums where they have not yet been set up.

We had anticipated this rising demand and had taken the matter to the Supreme Court through a writ petition. In the writ petition the Government of India as well as all the State Governments and Union Territories have been impleaded. Quite a number of hearings of the writ petition have taken place and a series of positive directives have been issued to the State Governments and Union Territories to expedite the establishment of district forums. Consequent upon the pursuit of this matter through the Supreme Court, thus, the State Governments and Union Territories have felt compelled to initiate processes for expediting the establishment of district forums. By now almost about 100 Forums have started operating and notifications have been issued by the State Governments for covering a large number of districts.

**Petition against D.E.S.U.** We had in the last year submitted a petition before the National Commission highlighting the deficiencies of the services of DESU including wrong billing and delayed billing, voltage fluctuations, power failures, theft of electricity, problems of street lighting etc. After a series of hearings DESU and submitted their assurances and undertakings in writing wherein they promised to take effective steps to remedy these various deficiencies. In the recent months the electricity consumers have had occasion to seriously complain inter alia about extensive wrong billing and issue of unjustifiable notices by DESU for disconnection of electricity for non-payment of dues. In the circumstances another petition has now been submitted by COMMON CAUSE to the National Commission bringing to notice the serious problems created for consumers by their wrong billing, compelling the consumers to repeatedly visit the offices of DESU for rectification of the bills. The notice has issued to DESU and their reply has been received. The matter will now be taken up in hearings.

**Price Printing on Package** A test case relating to imported products, in the shape of non-printing of price on the imported amateur-photographer films, was submitted before the District Forum at Delhi by COMMON CAUSE. Order was passed by the Forum directing the company to ensure the compliance with the Packaged Commodities Rules and start printing the price on the films. The matter has since been taken by the company to the State Commission which rejected their claim, and subsequently to the National Commission, where also the company could not succeed to get the order of District Forum quashed. The matter has since been taken by the company to the Supreme Court. Although the appeal of the company has been taken on record by the Supreme Court no direction for stay of the previous order has been granted.

**"For Commercial Purposes".** The consumers have been feeling that there is a serious lacuna in the Consumers Protection Act which, while defining the word "consumer" has prescribed that the complaint would

not be entertainable under the Consumers Protection Act if the purchase of any particular product is for "commercial" purpose. This inevitably raises a number of issues. It has been contended before the courts that, for instance, this provision could debar a complaint being entertained where an airconditioner is used in the clinic of a doctor, or a table or tubelight is procured for the office of an architect etc.

### PETITION RE: LAWYER'S STRIKES

A writ petition has been filed by COMMON CAUSE in the Supreme Court against lawyer's strikes. It has been urged in the petition that lawyers owe a duty and responsibility to the clients and a lawyer cannot without cause disassociate himself from engagement of a client. It has been prayed in the writ petition that the Bar Council of India in consultation with the Government of India lay down positive norms and guidelines in regard to the lawyers' strikes as a part of their code of professional conduct. The case will come up for hearing in January 1991.

### WRIT PETITION RE: JUDGES

Another important writ petition filed by COMMON CAUSE before Supreme Court relates to the serious problem relating to the administration of justice arising from the various complaints and insinuations made against judges of the High Courts as well as the district courts. Certain positive suggestions have been made in the petition about action to be taken by the Government of India in consultation with the Supreme Court for laying down positive norms and guidelines in relation to various issues which have relevance to the operation of courts.

### PROPERTY TAX

The matters relating to property tax in Delhi have continued to agitate the public mind for many months. A High Powered Committee was set up by the Delhi Administration for going into this entire question. This Committee set up a committee of experts which has since submitted its report. The High Powered Committee is also believed to have finalised its recommendations, and the matter is now awaiting the final decision of the Delhi Administration and Government of India. Arising from the final decision COMMON CAUSE will initiate further action.

### OTHER MATTERS

Various other problems, relating to individuals as well as the problems of larger number of people, keep coming to us from different parts of the country. People are ostensibly convinced that COMMON CAUSE continues to deal with all the various problems to the limit of its capability.

We convey our grateful thanks to everybody for the support that continues to be extended to COMMON CAUSE.

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### "IN RESPECTFUL HOMAGE"

"The Governing Council expressed deep sorrow at the demise of Mr. S. Ranganathan who remained associated with COMMON CAUSE right from the date of its inception. The guidance and help provided by Mr. Ranganathan to COMMON CAUSE has been invaluable and will always continue to provide inspiration to the organisation."

The Resolution of the Governing Council of COMMON CAUSE embodies the feelings of all who have been connected with the work of COMMON CAUSE.

## BALANCE SHEET AS AT 31ST MARCH, 1990

LIABILITIES		AMOUNT Rs.	ASSETS		AMOUNT Rs.
CAPITAL FUND ACCOUNT			CASH IN HAND		150.00
LIFE MEMBERSHIP SUBSCRIPTION			CASH AT BANK		21,519.62
STAMPS IN HAND					1,368.45
Opening Balance 1.4.1989	2,85,526.00		FIXED DEPOSITS		
ADD: Subscription	19,125.00		With Indian Bank		
received during the year	-----	3,04,651.00	Shanti Niketan	1,30,000.00	
			With Steel Authority		
CORPUS FUND			of India Ltd.	3,50,000.00	4,80,000.00
Opening Balance 1.4.89	2,81,407.90		INTEREST ACCRUED		
ADD : Donation received			Opening Balance	47,138.68	
during the year	5,461.00	2,86,868.90	ADD : On Reinvestment		
			Fixed Deposit with		
RESERVE ACCOUNT	12,000.00		Indian Bank,	8,743.19	
EXPENSES PAYABLE	2,682.47		Shanti Niketan	-----	
				55,881.87	
			LESS : Interes Realised		
			on maturity	36,017.53	
				19,864.34	
			On Fixed Deposit with		
			SAIL, Opening Balance	20,733.70	
			ADD : On Reinvestment		
			with SAIL	44,196.00	84,794.04
			FURNITURE		
			Opening Balance	6,638.40	
			Less : Depreciation	663.84	5,974.56
			OFFICE EQUIPMENT	-----	
			Opening Balance	439.30	
			LESS : Depreciation	66.00	373.30
				-----	
			DEFICIT ACCOUNT		
			Opening Balance	7,220.25	
			ADD : Excess of		
			Expenditure over Income	4,802.15	12,022.40
				-----	
					-----
					6,06,202.37
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					6,06,202.37
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NOTE : Subscription from members have been accounted on cash basis.