

PRESENT STATUS OF CONSUMER MOVEMENT IN INDIA

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Abstract: It is generally believed that the consumer movement in India as of today is quite strong when it is compared with other developing countries in Asia, Africa and Latin America. India is a vast country with a very large population of which a sizeable percentage lives below the poverty line. Because of economic inequality, low level of literacy and ignorance, particularly amongst women, the level of consumer awareness is not too high and, therefore, the consumers are not able to assert and protect themselves. They easily get exploited by trade and industry and service providers. With the liberalization process which started in 1991 the entire economic scenario is undergoing a complete change from a government-driven economy to a market-driven economy. Protecting the interests of consumers has, therefore, become one of the paramount concerns of the Government than ever before. Hence, policies are being designed and legislations enacted to protect the consumers' interest and grant them the right to choice, safety, information and redressal. This paper discusses critically the basic concept of consumer movement or consumerism and consumer, status of consumer movement, role of government and three tier consumer grievances machinery, consumer rights, responsibilities and remedies available to consumers as per the consumer protection act of 1986 and how to strengthen consumer movement in India.

Key Words: *Consumer Movement, Consumerism, Consumer, Consumer Rights and Responsibilities.*

1. INTRODUCTION

Consumer movement or consumerism is a social movement. In the past, all movements, such as, Independence Movement, Civil Rights Movements, etc. were the results of social conflicts. So also consumer movement which is likely to be with us till the conflict facing the consumer is resolved. The social conflict, in the case is largely owing to rising prices, poor product, shortage, deceptive advertising, etc. On the other side in USA greater education and affluence of the buyers, better communication, mass marketing and above all, the failure of business to implement the marketing concept resulted in consumerism raising its head in the 1960's. The Watchword for this new militant mood among the American consumers was simply "Let the seller beware, in comparison with the age-old caveat emptor" i.e. Let the buyer beware. Government's desire to protect the consumers and help them to arrive at rational decisions in their selection resulted in excessive control and insistence on

adequate communication to the consumer such as the advertising pack the statement indicating that smoking may cause cancer.

Thus increasing education and sophistication led to rising public standards of business conduct and social responsibility through consumer unrest. This was augmented in 1966 by rising prices. In the West, consumerism has emerged after the countries concerned, reached a level of affluence which is the characteristic of what may be called the post-industrial society. There was adequate production and distribution of essential as well as luxury products. The objectives of consumerism under these circumstances were to seek more information about the merits of competing products and services and to represent the collective views of consumers in order to influence the producers. The consumer movement in India is in its infancy.

2. BASIC CONCEPT OF CONSUMER

Consumer is the centre of all economic activities. In our Indian culture, Philosophers and Thinkers have thought consumer as a God. He is a kingpin of any democracy. But unfortunately the Indian consumer has always been neglected in our economy because of many reasons. Any individual who purchases products or services for his personal use and not for manufacturing or resale is called a consumer. A consumer is one who is the decision maker whether or not to buy an item at the store, or someone who is influenced by advertisement and marketing. Every time someone goes to a store and buys a shirt, toy, beverage or anything else, they make a decision as a consumer.

Consumer refers to any person who purchases some goods for a consideration that has been either paid or promised to pay or partly paid and partly promised, or found under any system of deferred payment and does include any user of this type of goods other than the person who purchases these types of goods for consideration paid or promised or partly paid or partly promised, or under any type of system of deferred payment. when this type of use is done with the agreement of such person, and does not include a person who gets such goods for resale or for any business purpose or hires or avails of some services for a consideration which has been paid or promised or partly paid and partly promised, or under some system of deferred payment as well as includes some beneficiary of such services other than the people who 'hire or avail of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are provided having the approval of the first described person and does not include a person who takes such services for any business purposes.

Mahatma Gandhi, the father of nation, very rightly held that "A Consumer is the most important visitor on our premises. He is not dependent on us we are on him. He is not an interruption to our work; he is the purpose of it. We are not doing a favour to a consumer by giving him an opportunity. He is doing us a favour by giving an opportunity to serve him." In spite of these views consumerism is still in its infancy in our country, thanks to the seller's market and the government monopoly in most services. Consumer awareness is low due to the apathy and lack of education among the masses. No one has told them about their rights-

to be informed about product quality, price, protection against unsafe products, access to variety of goods at competitive prices, consumer education etc. What consumers lack here are education and information resources, testing facilities, competent leadership, price control mechanism, and adequate quasi-judicial machinery. The providers of goods and services have been reluctant to give due consideration to consumer interest protection.

3. STATUS OF CONSUMER MOVEMENT

The consumer movement in India is as old as trade and commerce itself. Even in Kautilya's Arthashastra, there are references to the concept of protection of consumers against the exploitation by trade and industry, under weight and measurements, adulteration along with the punishment for these offences. There was, however, no organized and systematic movement actually safeguarding the interests of the consumers. Prior to Independence, consumer interests were considered mainly under laws like the Indian Penal Code, Agricultural Production Grading and Marketing Act 1937, and Drugs and Cosmetics Act, 1940. Even though different parts of India had varying degrees of awareness, in general the level of awareness was low.

4. ROLE OF GOVERNMENT

A separate Department of Consumer Affairs was created in 1997 to act as the nodal outfit in the Central Government for promoting and protecting the welfare of consumers. It seeks to do this in various ways such as ensuring availability of essential commodities at reasonable prices including monitoring of prices, formulating standards of goods and services, regulation of weighing and measuring instruments and pre-packed commodities and providing a legislative framework for safeguarding consumers' interests and establishment of machinery for redressal of consumer complaints. To meet these objectives the Department has been undertaking various measures involving all concerned to strengthen the consumer movement in the country.

Some of the important measures being taken to strengthen the consumer movement include initiating multimedia publicity programmes to educate the consumers, providing financial assistance through consumer welfare fund to the NGOs and State Governments to generate consumer awareness, setting up of district information centres to guide the public, national awards on consumer protection to encourage outstanding work by women and youth, observing national and World Consumer Rights Day to remind the consumers to be vigilant, interactions with various interests through Central and State Consumer Protection Council to promote and protect the rights of the consumers, formulation of citizens' charters containing their entitlements to public services, standards of performance and redressal of grievances for providing an efficient and responsive administration.

5. CONSUMER PROTECTION ACT, 1986

One of the most important milestones in the consumer movement in the country has been the enactment of the Consumer Protection Act, 1986 to better protect the interest of the

consumers. This has revolutionized consumer rights. It is one of the most progressive and comprehensive pieces of socio-benevolent legislation covering all goods and services. The Act provides for a separate three-tier quasi-judicial consumer dispute redressal machinery, popularly known as consumer courts, at the national, state and district levels to provide simple, speedy and free redressal against consumers' complaints. Filing of a simple complaint on plain paper with the details of the case with supporting documents seeking relief or compensation is enough and it is not obligatory to engage a lawyer. According to the objects and purposes of the Consumer Protection Act, these quasi-judicial bodies observe the principles of natural justice while adjudicating consumer complaints against defective goods, deficient services and restrictive and unfair trade practices through summary trials. The Act applies to all goods and services and covers all sectors, whether private, public or cooperative.

6. THREE TIER CONSUMER GRIEVANCES MACHINERY UNDER THE CONSUMER PROTECTION ACT

6.1. District Forum

District forum consists of a president and two other members. The president can be a retired or working judge of District Court. They are appointed by state government. The complaints for goods or services worth Rs 20 lakhs or less can be filed in this agency. The agency sends the goods for testing in laboratory if required and gives decisions on the basis of facts and laboratory report. If the aggrieved party is not satisfied by the jurisdiction of the district forum then they can file an appeal against the judgment in State Commission within 30 days by depositing Rs 25000 or 50% of the penalty amount whichever is less.

6.2. State Commission

It consists of a president and two other members. The president must be a retired or working judge of high court. They all are appointed by state government. The complaints for the goods worth more than Rs 20 lakhs and less than Rs 1 crore can be filed in State Commission on receiving complaint the State commission contacts the party against whom the complaint is filed and sends the goods for testing in laboratory if required. In case the aggrieved party is not satisfied with the judgment then they can file an appeal in National Commission within 30 days by depositing Rs 3500 or 50% of penalty amount whichever is less.

6.3. National Commission

The national commission consists of a president and four members one of whom shall be a woman. They are appointed by Central Government. The complaint can be filed in National Commission if the value of goods exceeds Rs 1 crore. On receiving the complaint the National Commission, informs the party against whom complaint is filed and sends the goods for testing if required and gives judgment. If aggrieved party is not satisfied with the judgment then they can file a complaint in Supreme Court within 30 days.

7. RIGHTS AND RESPONSIBILITIES OF CONSUMERS

7.1. Consumer Rights

It is referred to as

- I. The Right to Safety and protection from hazardous goods or services.
- II. The Right to be Informed and protected against deceitful, fraudulent or information that misleads and have an access to correct information as well as facts required to go for informed choices along with decisions.
- III. The Right to Choose and have easy access to different types of products and services offered at competitive and fair prices.
- IV. The Right to be heard helps to express and represent interests of consumer in the making of political and economic decisions.
- V. The Right to Redress and getting compensation for misrepresentation, unsatisfactory services or shoddy goods is important for consumers. The Right to Consumer Education helps the consumer to become informed and capable of functioning properly in the market.
- VI. The Right to a Healthy Environment enhances the quality of life and gives protection from environmental issues for present as well as future generations.

7.2. Consumer Responsibilities

It is referred to as

- i. The responsibility of having awareness of the quality and safety of goods and services while purchasing.
- ii. The responsibility to collect information available about a product or service and to update oneself with changes or innovations taking place in the market.
- iii. The responsibility to think as well as make choices independently and consider immediate needs and wants.
- iv. The responsibility to speak out, and to inform manufacturers and governments of needs and wants.
- v. The responsibility to complain or inform business along with other people about discontentment with a product or service in an honest way.
- vi. The responsibility of being an Ethical Consumer and be fair and not engage in malpractices which make all consumers pay.

8. REMEDIES AVAILABLE TO CONSUMER

- A. To remove the defect pointed out by the appropriate laboratory from the goods.
- B. To replace the goods with the new goods of similar description, which are free from similar defects?

- C. To return the price of the charges paid by the complainant.
- D. To pay such amount as compensation to the consumer for any loss or injury suffered by the consumer due to the negligence of the opposite party.
- E. To remove the defects of deficiencies in the services in question.
- F. To discontinue the unfair trade practice or the restrictive trade practice or not to repeat.
- G. To withdraw the hazardous goods from being offered for sale.
- H. To provide for adequate costs to parties.

9. WORLD CONSUMER RIGHTS DAY

The International Consumer movement observes 15th March as the World Consumer Rights Day. It was on this day during 1962 that the then American President, John F Kennedy gave an overall structure to the consumer rights. It is during the WCRD that the roles and the rights of the consumer are explained, insisting that these are given due respect and to fight against the wrong doings and injustice meted out to them by the market. The World Consumer Right Day was first observed during 15th March 1983 and since then it has become a very important day in terms of gathering citizens and insisting them to lend their voice towards their rights. The National Consumer movement observes 24th December as the National Consumer day.

10. CONCLUSION

There are various components of consumerism. First and foremost is self-protection by consumers. Consumer must be aware of his rights, raise voice against exploitation and seek redressal of his grievances. Consumers' consciousness determines the effectiveness of consumerism. It is the duty of the consumer to identify his rights and to protect them. Voluntary Consumer Organizations engaged in organizing consumers and encouraging them to safeguard their interests is another important element of consumer movement. The success of consumerism lies in the realization of the business that there is no substitute for voluntary self-regulations. Little attention from the business will not only serve consumers interest but will also benefit them.

Some businesses in India have come together to adopt a code of conduct for regulating their own activities. Regulation of business through legislation is one of the important means of protecting the consumers. Consumerism has over the time developed into a sound force designed to aid and protect the consumer by exerting, legal, moral and economic pressure on producers and providers in some of the developed countries. The success of the consumer movement mainly depends upon the level of consumer awareness around the country. The Government can only be playing the role of a facilitator or catalyst. The growth of consumer movement is a voluntary effort involving the participation of one and all. Only alert consumers can protect themselves and the society.

10.1. Consumer Alerts

Register for Consumer Alerts & Discussion Group, Civil Supplies and Consumer Protection department will keep you informed of latest alerts from key Government agencies in India as well as international agencies on products that are spurious, hazardous or scams that consumers need to beware of.

Web- <http://consumer.tn.gov.in/registryahoo.html>.

10.2. Complaints and Contacts

Consumer Affairs & Food Civil Supplies, Government of Andhra Pradesh, Gollapudi Vijayawada, India - 521225, Ph: 01800 425 0082.

Web- <https://civilsupplies.ap.gov.in/>

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