

Consumerism as a Pillar Of Social Welfare: Indian Perspective

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Abstract

The new scientific and technological advancement in hundreds and thousands of variety of consumer goods has now made the market more complex. The products are marketed in a number of ways that it is often difficult for the consumer to judge their quality adequately. The advertisements regarding the taste, flavour, style, quality standards of the commodities and services of their products by the manufacturers and dealers always allure the consumer to purchase and use when consumers had cause to complain about the product or service. They are advised to wait and see by dealers or they are left to purchase the better ones. The consumer does not get remedy to his grievances; therefore there is a need to enforce the laws properly, so that a consumer can enjoy the article purchased by him.

Key Words: Scientific, flavor, consumer, quality, advertisement, grievances.

1. Introduction

In the present economic conditions with liberalization of trade barriers and increasing competition the need for awareness among the consumers about their rights is important. To protect the interest of consumers, a number of legislations have been promulgated which changed the scenario, from being a sellers 'market to buyers' market. The Government also started many schemes to increase the awareness of the consumers. They are insisting to get right products at the right time from right sources at the right price.ⁱ

Every business has customers and its main aim is to retain them. We cannot have any economic activity unless there is a customer. There is always a provider of goods and services and there is a customer for those goods and services. There is a saying in Gujrati "*Kast se jo mar jata hai wo Kashtamar hai*". M.K. Gandhi said about a customer, "The customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption on our work. He is the purpose of it. He is not an outsider on our business; he is the part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so".ⁱⁱ

Every human being is a consumer at present. So are the other living organisms. They are the consumers of goods, services, water, medicine, air and even justice. They are entitled to quality goods and best services, whether offered by the State or others.ⁱⁱⁱ The consumer Protection laws

have originated and developed as a natural response to the recognition of the rights of every consumer to be protected against exploitation and abuse by any manufacturer or supplier of goods or service providers. The idea of social order and judicial mechanism is known since primitive age. The protection of consumers has therefore been a continuous process with different dimensions. But the modern legislation has initiated an era of clear distinction of consumer rights and their protection with a formal system of enforcement.^{iv}

2. Consumerism in India

Consumer co-operative movement has originated from Britain. Twenty eight weavers joined together and started a consumer society known as “*Rochdale Society of Equitable Pioneers*” at Rochdale in 1844 to protect themselves against the exploitation of unscrupulous traders. The success of the Rochdale Stores led to the growth of the movement throughout the world. The movement gained importance in India in 1912 when Cooperative Societies Act was passed. However the cooperative could not become successful before the First World War. Consumers cooperative were described as ‘War babies’ as it gained importance during war period. But this movement has not succeeded in its attempt to protect consumers. It is a social movement seeking to augment the rights and powers of the buyers in relation to sellers.^v Consumerism is a social force within the environment designed to aid and protect the consumers by exerting legal, moral and economic pressures on business.^{vi} Thus we can say that consumerism is a social movement initiated by the public and voluntary consumers’ organizations, which pressurize the government to adopt necessary legal measures to protect their interests.^{vii}

3. The enactment of Consumer Protection Act, 1986

The consumer Protection Act 1986 was enacted for the protection of the interests of the consumers by providing cheap, speedy and efficacious remedy. This enactment is a beneficial legislation enacted for the redressal of the grievances of the poor consumers –Forums generally take liberal view in favour of the consumers. In European countries the period of substantial development in the consumer protection laws began during 1960 and their main purpose was to prevent trading abuses caused due to imbalance of power between the ordinary persons and the producers of goods and service providers. In 1973 the consumer organizations supported the entry of Britain into the European Economic Community. In 1975 a specific programme for consumer protection was approved by the Council of Ministers of the Community. In this respect the President of the Commission of the European Communities observed that we must make the community a practical reality in terms of everyday life.^{viii} In 1980, the UN Secretary General emphasized that international cooperation with regard to consumer protection is needed because the development of consumer protection policies no longer require that measures be taken only at the national level.^{ix} Last quarter of the twentieth century witnessed the most vibrant consumer movement leading to the adoption of necessary guidelines by the UN General Assembly and special legislations by various countries in all parts of the world. Under the guidelines, consumer protection encompasses seven areas: Physical safety; protection and

promotion of the consumer economic interest; standards for the safety and quality of consumer goods and services; distribution facilities for consumer goods and services; measures enabling consumers to obtain redress; measures relating to specific areas (food, water and pharmaceuticals) and consumer education and information programmes.^x These guidelines were for the use by member countries to incorporate through policy changes or law. Soon after the adoption of the UN guidelines, India enacted this Act.^{xi}

After the enactment of the Consumer Protection Act 1986 the Consumer movement in India has received a boost, which is a milestone in the history of socio-economic legislation in India. A number of changes have taken place in the Indian market and legal regime since the enactment of this law. The Act enshrines various rights to safeguard the consumer, which include: Protection against marketing of goods/services which are hazardous to life/property; information about quality, quantity, potency, purity, standard and price of goods/services to ensure protection against unfair trade practices; assurance, wherever possible of access to variety of goods and services at competitive prices; redressal against unfair trade practices, and so on. To bring practical effectiveness to the provisions of the Act and assist the consumer for safe-guarding their rights by extending all kinds of help and support to the consumers at the moments of their harassments, miseries and exploitations caused by the unscrupulous traders/businessmen, Government have established District Consumer Redressal Forums at each districts and a State Commission at the State level under the provisions of C.P. Act, 1986 which are giving relief to the consumers by hearing grievances. A number of changes have taken place in the Indian market and legal regime since the enactment of this law. Even the Act of 1986 has undergone number of amendments in the year 1991. This Act has been further amended exhaustively in the year 1993 vide Amendment Act No 50 of 1993. By this amendment the period of limitation has been prescribed by inserting Section 24-A. Pecuniary jurisdiction of the redressal agencies under the Act has been enhanced by the latest the Amendment of 2002.

Based upon UN guidelines for consumer protection, a consumer has following rights:

1. Right to safety
2. Right to be informed
3. Right to choose
4. Right to fair hearing
5. Right to satisfaction of basis needs
6. Right to healthy environment
7. Right to redressal of grievances
8. Right to consumer education.

4. Establishment of Consumer Welfare Fund

The Central Excise and Salt Act, 1944 was amended in 1991 to enable the Central Government

to create the Consumer Welfare Fund for the welfare of the consumers. For establishing a Consumer Welfare Fund with the State/UT Government as per the guidelines worked out under Central Consumer Welfare Fund Rules into which credits of amount of seed money from Central Consumer Welfare Fund, as well as Court fees accrued with District and State Consumer Fora, and any penalty ordered to be paid by the manufactures of consumer products or Service providers, shall be accredited. Assistance provided by Central Government for strengthening consumer Movement in the state will be credited to this fund. In addition, income from (to be specified by the State/ UT) will also be credited to the fund.

Consumer Welfare fund rules were notified on 25th November, 1992. The overall objective of the consumer Welfare Fund is to provide financial assistance to promote and protect the welfare of the consumers and strengthen the voluntary consumer movement in the country particularly in the rural areas. The Haryana Government has sanctioned Rs 50 lakh for setting up a consumer welfare fund for the protection of consumer rights and establishing 135 consumer clubs in schools of Narnaul, Hisar, Jind, Sirsa, Gurgaon and Rohtak districts. This is being done under the Consumer Protection Act, 1986. Haryana Chief Minister, Mr Bhupinder Singh Hooda, in a message on Consumer Protection Day urged the people, especially voluntary organisations, to educate the consumers about their rights. He urged the consumers to approach their respective district consumer forums or the State Consumer Dispute Redressal Commission for the redress of their grievances. ^{xii}

4.1. Schemes & Projects that were funded from Consumer Welfare Fund, Govt. of India

There are various schemes that were funded from this fund. Some of them are as follows

4.1.1. Consumer Clubs

This scheme was launched in 2002, according to which a consumer club shall be set up in each Middle/High/Higher Secondary school/college affiliated to a government recognized Board/University. This scheme has been decentralized and transferred to the Governments of States/UTs with effect from 1.04.2004. All interested Non Government Organizations /VCOs shall apply to the Nodal Officer in the Food, PD & Consumer Welfare Department of the respective States/UTs.

4.1.2. Promoting Research in the field of Consumer Welfare

This scheme has been launched with a view to sponsor research and evaluation studies in the field of consumer welfare to provide solution to the practical problems being faced by the consumers, to sponsor seminars/workshops/ conferences on the consumer related topics, and to have necessary inputs for the formulation of policy/programme/scheme for the protection and welfare of the consumers. The Indian Institute of Public Administration, New Delhi, has been identified as the nodal organization to administer the scheme.

4.1.3. National Consumer Help Line

A National Consumer Helpline project has been established in collaboration with Delhi University, Department of Commerce. Consumers can call from any where in India to the number 1600-11-4000 from MTNL/BSNL lines free of charge and get advice regarding their problem as a consumer. The Helpline has been formally launched on 15.3.2005 on the World Consumer Rights Day.

4.1.4. Online Complaint and Assistance

The Core Center has been conceived to function as the most scientific and effective system of collection, dissemination and redressal of consumer related information and complaints. It was launched on the World Consumer Day i.e. on 15th March, 2005.

5. Model Guidelines

The Department has decided to decentralize and transfer the Consumer Awareness and Consumer Club schemes to the State/UT Governments with effect from 1st April, 2004. Consequently, it has been decided to facilitate the States/UTs to set up their own Consumer Welfare Fund by making a one-time contribution of an amount proportionate to the number of districts, by the Centre (Department of Consumer Affairs) and the State Government in the ratio 50:50 (Centre : State). In case of special category States, like North Eastern States, Sikkim, J&K, Uttaranchal A&N Islands and Lakshdweep the ratio will be 90:10 (Centre : State). The State Government would be required to first make their contribution towards the fund in a separate head of account, and then apply to the Department for grant of Central share. The State CWF would be set up in the same pattern as the Central CWF, and will be a non-transferable, non-lapsable and non-plan fund outside the Consolidated Fund, and to be administered by a uniform guidelines drafted/approved by the Department.

6. Evaluation Report on Consumer Awareness

The Department has undertaken evaluation of the Consumer Awareness, Jagriti Shivir Yojana and District Consumer Information Center schemes by an independent agency in order to streamline the schemes, study their utility and make modifications. On the basis of the Report it has since been decided to discontinue these Schemes. Hence these schemes are not in operation at present.

7. National Action Plan for Consumer Awareness

Consequent upon the decision taken in the meeting, ^{xiii} Consumer Protection was identified as a thrust area, and the Department of Consumer Affairs has been assigned 'Evolving a National Action Plan for Consumer Awareness and Redressal and Enforcement of Consumer Protection Act, 1986.

8. Strengthening Infrastructure of National Commission

In terms of the provisions of this Act ^{xiv}the responsibility for setting up of the National Commission and also for providing necessary infrastructure and staff rests with the Central

Government. The National Consumer Disputes Redressal Commission (NCDRC) which is the apex consumer court, has been functioning since 1988 at New Delhi. With the amendment of the Consumer Protection Act, 1986 in December, 2002 now National Commission can have additional benches. The second Bench has started functioning w.e.f. 24th September, 2003.

8.1. Strengthening Consumer Forums

In so far as the consumer forums at the State levels are concerned, though the responsibility for establishment of these forums in the States as well as providing all necessary infrastructure for their effective functioning rests with the State Governments, in view of the financial position of the States, many of the States are not able to meet even the minimum infrastructural requirements of the Consumer Forums which affect the efficiency of the forums. Therefore, the Planning Commission had allocated Rs.61.80 crores during 1995-99 at the rate of Rs.50 lakhs for each of 32 State Commissions and Rs.10 lakhs each for 458 District Forum which were functioning in 1995 to strengthen their infrastructure as a one-time grant so as to supplement the efforts of the State Governments. Since 1995, 113 district forums and three State Commissions have been added in newly created Districts/States. States are repeatedly asking for additional funds to enable them to provide proper infrastructure for all the consumer forums. State Commission and 571 District Forums for its monitoring and accessing various kinds of data and for the effective functioning of these forums in the interest of consumers, a sum of Rs. 27.39 crores are proposed as per the estimates worked out by NIC.

8.2. Strengthening Standards Laboratories of Weights & Measures

The Department of Consumer Affairs also administers the Standards of Weights & Measures Act, 1976 and Standards of Weights & Measures Enforcement Act, 1985 for regulating all the weighing and measuring instruments used in trade and commerce. In the interest of consumers, it is, therefore, necessary that these instruments are accurate so that the consumers get the right quantity, which they pay for. Any inaccuracy in weighing and measuring instruments used by the trade and commerce would lead to loss to the consumer in general to the extent of thousands of crores. The Central Government has already upgraded the standards for 9 laboratories located in different areas through Consumer Welfare Fund (CWF).

8.3. Greater Involvement of District Administration

With the amended provision of 2002 of the Consumer Protection Act, 1986 now District Consumer Protection Councils are to be set up in every district of the country chaired by the District Collector/ Magistrate with the objective to promote and protect the rights of the consumers at grass root level. Department has also requested to all the States/UTs to designate an officer as District Consumer Protection Officer to act as nodal officer in the district. Department has also evolved Action Points for effective involvement of DCs/ DMs and proposes to convene an annual Conference of the District Collectors so that the consumer movement is propagated in a systematic manner. It will also help the Department in dealing

with specific problems/ requirements in the country and in developing not only better awareness amongst the consumer but also to have better coordination with the consumer forums.

8.4. National Policy on Consumer Protection

Department also proposes to evolve a National Policy on Consumer Protection so that priority concerns of consumers are addressed systematically by all stake holders. It will also make the various other Ministries/Department of Central and State Governments to be more responsive to the cause of consumers.

8.5. Working Groups

On the recommendation of meeting^{xv} six working groups have been set up in the Ministry to consider ways and means of protecting interests of the consumers. the Planning Commission Working Group has made an array of significant recommendations. They cover new legislation and institutions, capacity-building, educational intervention, collaborative programmes with higher educational institutions, fellowships for research, enhanced participation of consumer organizations and scientific bodies, nation-wide awareness campaigns, foreign training for personnel involved in consumer protection and public private partnership (PPP).

There are useful recommendations on new legislations and institutions, examples of the latter being a National Quality and Standardization Authority, a National Consumer Protection Authority, National Electronic Spot Market and a National Enforcement Authority.

8.5. Consumer Activist Group

A small Consumer Activist Group has been set up within the Department which includes senior officers of the Department and a few very reputed and experienced activists. This Group will identify critical areas in which Department should initiate proactive action for safeguarding the interest of consumers and various ways in which this can be done. This Group will guide the Department on dealing with day to day consumer related problem appearing in newspapers etc. which require immediate attention.

8.6. Jago Grahak Jago Yojna

Indian Government has started this yojna to make the consumers aware about their rights. This policy has been given wide publicity by means of news papers, television and radio.

8.7. Lok Adalats

it is the welfare of the people in general that is uppermost in the mind of a welfare state like India. In addition to enacting specific laws, Indian Government has encouraged certain other concepts which go a long way in improving the lot of consumers by means of conducting lok adalats. The aggrieved parties can directly approach these adalats with their grievances. Issues are discussed on the spot and decision are taken thereafter. These lokadalats are the brainchild of necessity and is not only a landmark but a trendsetter for speedy, effective and redressal system. There are some areas in which lok adalats are successful. E.g. DTC & Railways, MTNL (Delhi),

DDA and Delhi Postal Circle.

8.8. Public Interest Litigation

PIL involves efforts to provide legal representation to the represented groups and interests. Such efforts have been taken in recognition of the fact that the legal system normally does not provide legal services to a large segment of the populations and in significant interest. It aims to empower the people. It also helps the cause of consumer movement.

9. Conclusion

In spite of the enactment of various laws for protecting the consumer that there has been no effective deterrent against the production and sale of spurious goods which continue to flood the markets. In the face of enormity of consumer problems, numerous consumer oriented legislation and Consumer Protection (Laws and Means were designed to ensure Fair Trading for Buyers) Act, 1986 was enacted. But the enforcement and implementation of these machineries are inadequate. For this consumer education is a must. For imparting consumer education schools and colleges may be the best institutions. Schools and colleges, in their elegant manner, may render the best help to consumer movement, a socio-economic movement, which is yet to take concrete and viable status and shape. We need to teach our students about grievance redressal system, Consumer Protection Act, consumerism, consumer fund, consumer co-operatives etc. In order to educate them we have to devise our course-curriculum by incorporating well-defined system of consumer education right from high school level to college level. Course context should be designed to cover essential aspects of consumerism - social, economic, legal, moral and alien. In the years to come the consumer movement in the country would gather the desired momentum and strength. It is the consumer who has to play the predominant role. The state and the mass media can play supportive role. Being the citizen of the country it is our moral duty to contribute towards our Government to make the policies successful. When the enforcement of law made by our legislature is not executed properly then the slogan *Jago Grahak Jago* comes and gives a power of weapon to the consumers. Nowadays *Jago Grahak Jago* is a campaign being run by our government and is being displayed on TV as well as print media. We should teach these guidelines to our rural brothers so that they can enjoy the things purchased by them by paying full amount.

References

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 - ^{iv} Verma SK, (2004) “**A Treatise on Consumer Protection Laws**”, ILI, New Delhi,
 - ^v Philip Kotler defined consumerism that It is a social movement seeking to augment the rights and powers of the buyers in relation to sellers.

^{vi} According to Cravens and Hills consumerism is a social force within the environment designed to aid and protect the consumers by exerting legal, moral and economic pressures on business

^{vii} Roopa & Om Mathur(2008), “**Consumer Protection**”, p-2, JCB Publishers, New Delhi.

^{viii} Commission of the European Communities, Consumer Protection and Information Policy, 1977.

^{ix} Report of the Secretary General, “International Activities for Consumer Protection,” Proceedings of the International Seminar on Law and the Consumer, Hongkong, January 06-10, 1980.

^x On April 9, 1985, the General Assembly of the United Nations adopted a set of general guidelines for consumer protection.

^{xi} Consumer Protection Act, 1986 was enacted by Indian Parliament in pursuance of UN Guidelines.

^{xii} The Tribune, Chandigarh, December 25, 2006

^{xiii} 50th National Development Council (NDC) meeting held on 21.12.2002.

^{xiv} Section 9 and 20 of the Consumer Protection Act, 1986.

^{xv} 23rd meeting of Central Consumer Protection Council held on 16.7.2003

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