Chapter 5

Consumer Education in India

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Consumer Education in India

5.1 Introduction:

Traditionally consumer education has been treated as being about avoiding the rip-offs, money management and understanding credit. But many educators take the broader view that it should be ‘education for living’ with the major emphasis on the economic, environmental, political and social decisions that learners will make today, tomorrow and in the future.

“Consumer Education is a way to balance the power between producers and consumers. Consumer Education aims to encourage individuals to analyse and make value-based decisions at a personal level in terms of needs and wants. It can also help individuals to make decisions which may be concerned with the wider community. It is the transferability of skills conferred by consumer education which sets it apart from consumer information-enabling people to use consumer information, so they ultimately make informed decisions.

Consumer education is basically an education which brings about behavioural changes in a person who goes to market to buy anything. Consumer education is the process of gaining the knowledge and skills needed in managing consumer resources and taking actions to influence the factors which affect consumer decisions. Consumer education addresses four issues i.e. consumer decision making economics, personal finance, rights and responsibilities.

Consumer behaviour and decision making have become prominent areas of research. Consumer behaviour in everyday living is modified by complex micro and macro environment. The consumer buying and consumer decision making are so complicated as a result of external influence that has to be handled within an internal frame of reference which
comes from consumer socialization. The change in consumer education should be beneficial for the buyer. Now a day, the market is glutted with a variety of goods and services which leave the consumer muddleheaded with how to decide and for what and how much? The consumer is constantly exploited by the market men like the producers, traders and the shopkeepers. The unfair and unethical malpractices adopted in the market may be black marketing, food adulteration, under-weighing, misleading advertisements, rising prices, false claims, lucky draws, zero percent finance schemes and a lot more which add to the already existing problems of the consumers. The consumer is totally perplexed what to do and what not to do. Ultimately deciding to buy which he doesn’t need at all; though there is advancement in education yet most of the consumers are unaware of their rights like right to safety, right to be heard, to seek redress, to be adequately informed and consumer education. Most of the consumers still don’t utilize the consumer knowledge they have. So, keeping in mind the gravity and need of consumer education the present study was planned.

The growing interdependence of the world economy and international character of many business practices have contributed to the development of universal emphasis on consumer rights protection and promotion. Consumers, clients and customer’s world over, are demanding value for money in the form of quality goods and better services. Modern technological developments have no doubt made a great impact on the quality, availability and safety of goods and services. But the fact of life is that the consumers are still victims of unscrupulous and exploitative practices. Exploitation of consumers assumes numerous forms such as adulteration of food, spurious drugs, dubious hire purchase plans, high prices, poor quality, deficient services, deceptive advertisements, hazardous products, black marketing and many more. In addition, with revolution in information technology newer kinds of challenges are thrown on the consumer like cyber crimes, plastic money etc., which affect the
consumer in even bigger way. ‘Consumer is sovereign’ and ‘customer is the king’ are nothing more than myths in the present scenario particularly in the developing societies. However, it has been realised and rightly so that the Consumer protection is a socio-economic programme to be perused by the government as well as the business as the satisfaction of the consumers is in the interest of both. In this context, the government, however, has a primary responsibility to protect the consumers’ interests and rights through appropriate policy measures, legal structure and administrative framework.

In the good olden days the principle of ‘Caveat emptor’, which meant buyer beware governed the relationship between seller and the buyer. In the era of open markets buyer and seller came face to face, seller exhibited his goods, and buyer thoroughly examined them and then purchased them. It was assumed that he would use all care and skill while entering into transaction.

The maxim relieved the seller of the obligation to make disclosure about the quality of the product. In addition, the personal relation between the buyer and the seller was one of the major factors in their relations. But with the growth of trade and its globalization the rule no more holds true. It is now impossible for the buyer to examine the goods before hand and most of the transactions are concluded by correspondence. Further on account of complex structure of the modern goods, it is only the producer / seller who can assure the quality of goods. With manufacturing activity becoming more organised, the producers / sellers are becoming stronger and organised whereas the buyers are still weak and unorganised. In the age of revolutionised information technology and with the emergence of e-commerce related innovations the consumers are further deprived to a great extent. As a result buyer is being misled, duped and deceived day in and day out.
Mahatma Gandhi, the father of nation, attached great importance to what he described as the “poor consumer”, who according to him should be the principal beneficiary of the consumer movement. He said:

“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 consumerism lacks 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.

In present situation, consumer protection, though as old as consumer exploitation, has assumed greater importance and relevance. Consumerism is a recent and universal phenomenon. It is a social movement. Consumerism is all about protection of the interests of the consumers.


“Consumerism is concerned with protecting consumers from all organisations with which there is exchanged relationship. It encompasses the set of activities of government, business,
independent organisations and concerned consumers that are designed to protect the rights of consumers‖. 132

The Chamber’s Dictionary (1993) defines Consumerism as the protection of the interests of the buyers of goods and services against defective or dangerous goods etc. “Consumerism is a movement or policies aimed at regulating the products or services, methods or standards of manufacturers, sellers and advertisers in the interest of buyers, such regulation may be institutional, statutory or embodied in a voluntary code occupied by a particular industry or it may result more indirectly from the influence of consumer organisations‖133

As commonly understood consumerism refers to wide range of activities of government, business and independent organisations designed to protect rights of the consumers. Consumerism is a process through which the consumers seek redress, restitution and remedy for their dissatisfaction and frustration with the help of their all organised or unorganised efforts and activities. It is, in-fact a social movement seeking to protect the rights of consumers in relation to the producers of goods and providers of services. In-fact consumerism today is an all-pervasive term meaning nothing more than people’s search for getting better value for their money.

Consumer is the focal point of any business. Consumers’ satisfaction will benefit not only business but government and society as well. So consumerism should not be considered as consumers’ war against business. It is a collective consciousness on the part of consumers, business, government and civil society to enhance consumers’ satisfaction and social welfare which will in turn benefit all of them and finally make the society a better place to live in.

The word “Consumerism” is also used in pejorative sense meaning ‘preoccupation with consumer goods and their acquisition.’ However, its use in the present work is in a positive sense. 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 Organisations engaged in organising consumers and encouraging them to safeguard their interests is another important element of consumer movement. The success of consumerism lies in the realisation 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.

5.2 Consumer Education in India

5.2.1 Consumer Need Consumer Education

We live in a consumer society. Consumption is an important part of our everyday life and uses up a significant proportion of our money and of our time. This consumer society is changing very rapidly. Ever since the mid-twentieth century consumers have faced major changes in their lifestyles and consumption habits due to different cultural, social, economic and technical influences and factors. The increasing mobility of populations, production of new items and services, new purchasing
methods and information, availability modify perceptions and alter loyalties. This has lead to individuals constructing their identities in ways different from the past. Consuming is for most individuals a ‘natural’ and accepted way to construct identity—“I am what and how I shop!”

This development has created the need for consumers who can interpret relevant information and corporate messages in order to make prudent choice. Yet, due to the enormous amount of products and services available and to the variation in the quality of products and services, consumers may not always be able to meet their personal needs effectively. Moreover, commercial development constantly creates new artificial needs. Not all consumers will critically filter messages from industry and from the advertising sector.

5.2.2 Consumer Need Information and Education

They need to develop an awareness of the difference between real and perceived needs and they need the skills to be selective to truly obtain products and services which match their needs. In addition, rapid changes and potential risks in consumption make it essential for the consumer to consider the consequences of their consumption.

5.2.3 Business Needs Consumer Education

Commercial interests need to maintain the confidence of consumers. Consumers need information, but also need education for gaining the greatest benefit from the market, for controlling their finances and for making rational choices in their consumption. Business should see improved consumer education not as a threat but as a source of commercial benefit. Consumers make better choices and because of their higher
expectations, there is a positive effect on competitiveness as companies improve their products and services.

5.2.4 **Society Needs Consumer Education**

Thorelli and Thorelli (1977) have argued that a free market economy can only function effectively with the support of an educated consumer. They state: “Only when at least some consumers are making intelligent decisions some of the time can an open market economy serve the needs of modern society.” “Consumer Education is a way to balance the power between producers and consumers. Consumer Education aims to encourage individuals to analyse and make value-based decisions at a personal level in terms of needs and wants. It can also help individuals to make decisions which may be concerned with the wider community. It is the transferability of skills conferred by consumer education which sets it apart from consumer information - enabling people to use consumer information, so they ultimately make informed decisions.”

Therefore the ‘market’ for Consumer Education is in formal education, non-formal education and training and informal education. Consumer Education is concerned with the skills, attitudes and knowledge required for living in a consumer society. Consumer education is inextricably linked to the basic skills necessary for living.

Yet, for some, the term Consumer Education has a negative overtone - encouraging people to consume more. To the contrary, Consumer Education is about promoting an understanding of the structures and systems within the market. Evidence suggests that many adults are not only unaware of how their individual consumer habits can affect the economy, the environment and society, but that many are also inadequately equipped to participate effectively in the market place. Consumer Education provides
the insight necessary to develop citizens into responsible and intelligent acting consumers.

5.3 Consumer Protection Laws and Consumer Rights

The concern in the Indian Constitution for protection and promotion of an individual’s rights, and for the dignity and welfare of the citizen makes it imperative to provide for the welfare of the individual as a consumer, a client and a customer. The rights under the Consumer Protection Act, 1986 flow from the rights enshrined in Articles 14 to 19 of the Constitution of India. The RTI, 2005 which has opened up governance processes of our country to the common public also has far reaching implications for consumer protection.

The consumer protection policy creates an environment whereby the clients, customers, and consumers receive satisfaction from the delivery of goods and services needed by them. Good governance requires efficiency, effectiveness, ethics, equality, economy, transparency, accountability, empowerment, rationality, impartiality and participation of citizens. The concern of consumer protection is to ensure fair trade practices; quality of goods and efficient services with information to the consumer with regard to quality, quantity, potency, composition and price for their choice of purchase. Thus, proper and effective implementation of consumer protection law promotes good governance.

Education is the most powerful tool for the progress of the country and is a social and political necessity. Education helps an individual—as a consumer—in making rational choices and protects him from trade and business-related exploitation. But more is needed for the effective functioning of the national market to create an increased level of
awareness of consumer rights, and for this consumers have to be educated about rights and responsibilities through concerted publicity and awareness campaigns.

5.3.1 **The Indian Penal Code, 1860:** The Indian Penal Code, 1860 contains certain provisions which are worth noting in connection with consumer protection and satisfaction. It provides penalties for offences (i) relating to weights and measures, (ii) affecting the public health, (iii) concerning counterfeiting the property mark. It is the most important law in the country, which was enacted in the British days, and contains the substantive law against crime. Section 264 to 267 of the Indian penal code relate to the fraudulent use, possessing and sale of false weight and the resulting punishment.

5.3.2 **The Indian Contract Act, 1872:** The Indian Contract Act sowed the seeds of consumer protection. The Act deals with the buyer’s right to annul agreement made without free consent and to claim damages for the loss and damage caused by breach of contract. But these contracts should be in writing; otherwise it would be difficult to prove the exact terms and conditions thereof, subsequently.

5.3.3 **The Poisons Act, 1919:** The Poisons Act regulates the importation, possession and sale of Poisons and empowers notification of certain substances as poisons.

5.3.4 **The Dangerous Drugs Act, 1930:** The Act seeks to centralise and vest with the Central Government the control over certain operations relating to dangerous drugs. It prohibits operations like, cultivation of the coca plant or gather any portion of the coca plant, manufacture or possession of prepared opium, unless it is prepared from lawfully possessed opium; or import into India, export from India, tranship or sell
prepared opium. Further the Central Government exercises control over the production and supply of opium.

5.3.5 **The Sale of Goods Act, 1930:** Sections 12 to 18 of the Sale of Goods Act of 1930 provide consumers with certain basic rights in relation to the sale of goods. Thus, by virtue of these provisions in the sale of Goods Act, 1930, the consumer is entitled to goods in a fit, proper and consumable condition. The Act also provides for legal remedy in case of breach of contract or warranty between the buyer and seller by way of claiming damages against the defaulting party in a court of law.

5.3.6 **The Agricultural Produce (Grading and Marketing) Act, 1937:** The legislation was enacted in 1937 to provide for the grading and marketing of agricultural and other produce. Under the Act, the Central Government is empowered to make rules regarding prescription of grade designation as indicative of the quality of any scheduled article included in the Schedule to the Act. The Act, popularly known as AGMARK Act is an enabling legislation of permissive nature. The new provisions have been made to prevent supply of substandard or misguided goods AGMARK products to the consumers.

5.3.7 **The Drugs and Cosmetics Act, 1940:** The Act provides for regulation of import, manufacture, sale and standards of drugs and cosmetics thereby protecting the interests of consumers in the area of drug and cosmetic industries in India. The main objective of the Act is to ensure that the drugs and cosmetics are of the required standards of quality, purity and strength and are packed in containers giving all necessary information about them and their manufacturer. It is obligatory under the
Act to obtain a license to manufacture or sell any of the articles mentioned and to do so without license is an offence.

5.3.8 Fruits Products Order, 1946: The Fruits Products Order, 1946 provides for compulsory licensing of manufacturers of fruits and vegetable products to ensure minimum standards in respect of quality, packing, labeling and sanitary conditions. For production and sale of fruit and vegetable products like jams, jellies, squashes, pickles, processed vegetables and synthetic beverages licensing is compulsory. Manufacturers have to comply with conditions laid down for labeling, packing and marking as well as comply with the hygienic conditions and quality requirements.

5.3.9 The Drugs (Control) Act, 1950: In 1950 the Drugs (Control) Act was passed which provides for the control of the sale, supply and distribution of drugs. The Act further provides power of search and seizure, of unauthorized drugs and disposal of drug offences. The Act seeks to ensure that certain essential imported drugs and medicines are sold at reasonable prices. The Act also empowers the maximum quantity of these products, which a person may possess.

5.3.10 Industries Development and Regulation Act, 1951: The Act provides for the development and regulation of certain industries by licensing them; establishing development councils with very wide functions; empowering investigation and collection of statistics relating to industrial undertakings; and issuing control orders relating to supply, distribution and price of certain articles.

5.3.11 The Indian Standards Institution (Certification Marks) Act, 1952: The Act provides for the standardization and marking of goods which are pre-requisites to the establishment of a healthy trade and to compare with the established makers of
foreign products. The Act was amended in 1961 and 1976 to make it more effective and suitable keeping in view the present circumstances in order to achieve its objectives. It prescribes specification for most of the manufactured commodities, which are export-oriented as well as for the home market.

5.3.12 Prevention of Food Adulteration Act, 1954: One of the most harmful, deceitful and unfair trade practices indulged in by middlemen, which affects consumers badly is adulteration of foodstuffs. The object of the above mentioned Act is to prevent adulteration of foodstuffs, and the manufacture, storing and sale of adulterated foodstuffs, and their consumption. This very important enactment serves in securing to citizens a minimum degree of purity in the articles of food and thereby protecting and preserving public health. It also serves to prevent fraud on the consumer public. The Act provides for a central committee for Food Standards, Central Food Laboratory, Prohibition of Import of certain articles of food, Law on Sea Customs, Powers of customs officers, prohibition of manufacture and sale of certain articles of food to protect the interest of consumers.

5.3.13 The Essential Commodities Act, 1955: Another important Act enacted in the interest of consumers by the Union Government is the Essential Commodities Act, 1955 which covers production, supply and distribution of certain commodities in trade and commerce. Some of the listed items under this Act are coal, textiles, drugs, foodstuffs, paper, petrol, sugar, cement etc. For dealing more effectively with persons indulging in anti-social activities like hoarding and black marketing, and the evil of vicious inflationary prices, the Act provides for the constitution of special courts and for trial, in a summary way, of all offences against the provision of this sort. The Department
of Civil Supplies coordinates and monitors the action taken by the state to implement the provisions of this Act.

5.3.14 The Companies Act, 1956: Some of the provisions of this Act may indirectly benefit consumers by achieving proper cost control. Under section 209 and 233B of the Act, the Central Government has powers to order notified industries to maintain prescribed books of cost accounts and also to direct their audit.

5.3.15 The Trade and Merchandise Marks Acts, 1958: In consumer protection in India, the Trade and Merchandise Marks Act, 1958, have a very important place. This Act provides for the registration and better protection of trademarks so that the exposure to consumers to deception or confusion is considerably reduced. The Act provides for imposing penalty for using false trademarks and trade descriptions. The punishments include imprisonment for a team, which may extend to two years, or fine or both.

5.3.16 The Specific Relief Act, 1963: The Act defines and makes provisions for certain kinds of specific reliefs. The Law of specific relief is a kind of procedural law and, in a way, it is a supplement to the Code of Civil Procedure, 1908. The Act deals, from the consumer’s point of view, with liability of a person in possession not as owner, to deliver to persons entitled to immediate possession (section 8), rights of purchaser or lessee against person with no title or imperfect title and contract which cannot be specifically forced (Section 13), right to claim compensation for the breach of contract and power of the court to award compensation in certain cases (Section 21), and power to grant relief for possession, partition, refund of earnest money (Section 22) etc. The Act also deals with rectification of instruments, recession of contracts, cancellation of instruments, declaratory decrees, preventive relief and general and perpetual injunctions.
5.3.17 Essential Service Maintenance Act (ESM), 1968: The ESM Act authorizes the Central Government to prohibit strikes in essential services like Posts, Telegraphs, Telephones and Defence Establishments and provides for penalties for persons participating in or financing such strikes.

5.3.18 The Monopolies and Restrictive Trade Practices Act, 1969 The Act came into force on June 1, 1970. In the implementation of the M.R.T.P. Act, certain difficulties were encountered. Several obscurities and lacunae were noticed in the provisions of the Act. With the result, the desired extent of success in implementing was not achieved. To remove these abnormalities and review the provisions of the Act the Government in June 1977 constituted a high powered expert committee.

The M.R.T.P. Act, 1969 gained the status of a specific consumer protection legislation with the amendments brought in it 1984. Till 1984, there was no concept of ‘unfair trade practice’. The powers of the M.R.T.P. commission, in respect of monopolistic and restrictive trade practices were also limited. The scenario, however, changed with the adoption of Sacher Committee’s recommendations and thereby adding to the armoury of powers of the M.R.T.P. Commission the authority to issue injunction in respect of monopolistic trade practices and also to award damages in respect of restrictive and unfair trade practices. The year 1984, thus, marked the beginning of a new era in the history of consumer protection in India. The objective of preventing concentration of economic power to the to the common detriment is sought to be achieved by the Central Government through examination of proposal for substantial expansion, establishment of new undertakings, mergers, amalgamation etc. registered under the Act.
5.3.19 **The Hire Purchase Act, 1972:** In the area of hire purchase, the Hire Purchase Act, 1972 is significant. Its socio-economic importance can hardly be over-estimated, as it is a convenient and a useful legal device for acquiring goods on long-terms. This Act accords special protection to a hirer whenever such protection is legitimately and inevitably needed.

5.3.20 **The Code of Criminal Procedure, 1973:** The Criminal Law of the country does protect the consumer in some degree. Section 153 of the Code empowers a station-house officer of a police station without warrant to enter any place within the limits of such station for the purpose of inspecting or searching for any weights or measures or instruments for weighing, used or kept and whenever there is reason to believe that in such a place weights, measures or instruments for weighing are false. In that eventuality it specially authorizes the officer-in-charge or police station to seize the same in the larger public good and forward the information of such seizure to magistrate having jurisdiction over the area.

5.3.21 **The Water (Prevention and Control of Pollution) Act, 1974:** The Act prohibits or restricts the discharge of industrial waste into rivers, streams and wells, on order to prevent and control water pollution and thereby to maintain the purity of water. Both fine and imprisonment have been provided for the violators of this law.

5.3.22 **The Cigarettes (Regulation of Production, supply and Distribution) Act, 1975:** This Act aims to regulate the trade and commerce, production, supply and distribution of cigarettes. Smoking of cigarettes is harmful to health. It creates a health hazard for the smoker as well as those around him.
5.3.23 **Standards of Weights and Measures Act, 1976:** The Standards of Weights and Measures Act, 1976 was enacted to standardize the numerous kinds of weights and measures used in trade and commerce. It prohibits the manufacture of non-standard weights and measures, storage and the use of non-standard weights and measures and counterfeiting of seals. It provides for penalties, which include imprisonment and fine for contravention of the provisions of this Act. For uniform enforcement of this Act, the Standards of Weights and Measures (Enforcement) Act, 1985 was passed by the parliament. The Act promises a more effective protection to consumers by covering all instruments used in commercial transaction, industrial production and instruments used. The Act contains deterrent provisions for the offenders particularly for those indulging in under-weighment.

5.3.24 **The Standards of Weights and Measurements (Packaged Commodities) Rules, 1977:** The Standards of Weights and Measurements (Packaged Commodities) Rules, 1977 which have been framed under this Act make it mandatory that all packages intended for retail sale shall have written on them the name and address of the manufacturer, packer, the name of the commodity packed, the net weight or measures of the commodity, the month and year of packing.

5.3.25 **The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980:** The objective of the Act is to deal effectively with malpractices such as black-marketing, hoarding, profiteering and unjustified rise in prices of essential commodities by providing for the preventive detention of persons likely to indulge in such practices.
5.3.26 **The Essential Commodities (Special Provisions) Act, 1981**: The 1981 Act provides for summary trials by the court specially constituted for the purpose of dealing effectively with curbing, hoarding, black marketing and profiteering in the essential commodities and also the evil of vicious inflationary prices.

5.3.27 **The Air (Prevention and Control of Pollution) Act, 1981**: The Air Pollution Prevention Act provides for the prevention, control and abatement of Air Pollution. In case of contravention of any of the provisions of the Act, punishment and fine will also be imposed.

5.3.28 **Household Electrical Appliances Quality Control Order 1981 and 1988**: The Household Electrical Appliances Quality Control Order 1981, promulgated under Section 3 of Essential Commodities Act, 1955, prohibits the manufacture, sale and storage of 40 household electrical appliances (like rubber, insulated cables, electrical shaver, thermostat for the use of water heater etc.) if they do not conform to the standards prescribed by the Bureau of Indian Standards. Further, the Household Electrical Appliances Quality Control Order, 1988 provides for compulsory certification of seven of these household electrical appliances namely electric iron, water heater, radiator, stove switches, three-pin-plug and sockets. This order safeguards the right to safety of the consumers covered in the Consumer Protection Act.

5.3.29 **The Narcotics Drugs and Psychotropic Substances Act, 1985**: This Act has consolidated and amended the Law relating to the narcotic drugs and made stringent provisions for the control and regulation of operations relating to narcotic drugs and psychotropic substances and other related matters.
5.3.30 The Bureau of Indian Standards Act, 1986: The law was enacted in order to develop the activities of standardization, marking and quality certification of products. In this way the interests of the can be protected and promoted. The Bureau of Indian Standards has been constituted under the Act. Section 10 lays down its functions. The Bureau may exercise such powers and perform such duties as may be assigned to it by or under the Act.

5.3.31 Environment Protection Act, 1986: The lacunae and procedural difficulties involved in implementing the various central and state anti-pollution laws led to the enactment by Central Government of the Comprehensive Environment Protection Act in 1986. The Act is the most comprehensive piece of legislation relating to environment as it (i) contains a very wide definition of ‘environment’; (ii) empowers the Central Government to take strict actions and (iii) provides for penalties for various offences. The declared objective of the Act is to provide for the protection and improvement of environment and for matters connected therewith.

5.3.32 Consumer Protection (Amendment) Act, 1993: The Consumer Protection (Amendment) Bill, 1993 received the final approval of the Parliament on August 28, 1993, and it provides for quick redressal of grievances of consumers. Amendments were made to plug the loophole noticed in the working of the Act during the previous two years. Doctors working in the Government Hospitals were excluded from the purview of the bill because there were not enough beds or medicines in Government run hospitals. Under this circumstance, it would be wrong to hold doctors of negligence. It may be mentioned that the provisions of this Act cover doctors in the private sector. The doctors in Government Hospitals should take this as a warning that they will also be covered at a later stage, if they fail to fulfill their obligations. Some
wanted the members of parliament and state legislatures to be included in the
Consumer Protection Act but it was not accepted.

5.3.33 The Textiles (Consumer Protection) Regulation, 1988: According to the
notification, effective from 15 June, 1988 issued by the Textile commissioner,
Ministry of Textiles, Government of India, it is made compulsory that all tests carried
out in pursuance of Textile (Consumer Protection) Regulation, 1988, shall be with
reference to the standards prescribed by the Bureau of Indian Standards. The above
regulation deals with the marking of tops, yarns and pieces of cloth to be complied
with by the manufacturer including the person who gets them manufactured.

5.3.34 Consumer Protection Act, 1986: It may be mentioned at the outset that anyone
interested in the task of consumer protection movement has to be well versed in
various laws and not merely with the Consumer Protection Act, 1986.

He should have knowledge of laws relating to Contract, Tort, Railways, Telegraphs,
Telephones, Post, Air Travel, Insurance, Electricity, Water, Housing, Medicine,
Banking, Finance, Engineering, Motor Vehicles, Hotel Industry, Entertainment,
Cooperative Societies, Tourism Agencies, Sales Tax, Central Excise, Limitation,
Transport etc. There is no limit to subjects, which may come before a Consumer
Forum / Commission for decision. In addition, one should also be well versed with
the laws relating to unfair trade practice and restrictive trade practices.

Except for the Monopolies and Restrictive Trade Practices (MRTP) Act all the other
Acts were mainly punitive and preventive in nature. The consumer could not seek
remedy or redressal against the offending trader or manufacturer and negligent,
careless providers of services. However the MRTP Commission enabled the
consumer to approach it in case of complaints. In spite of these Acts the consumers did not have any effective mechanism or institutional arrangement for the speedy redressal of their grievances and also the lack of effective popular movement isolated the consumer and his plight only increased.

Seeing the pressure mounting from various consumer protection groups and the consumer themselves the Parliament enacted the Consumer Protection Act in 1986.

5.3.34.1 Objectives of the Act

The purpose of the Act is to provide for the establishment of the Commission:

a. To prevent practices having adverse effect on competition;

b. To promote and sustain competition in markets;

c. To protect the interests of consumers and

d. To ensure freedom of trade carried on by other participants in the markets, in India

5.3.34.2 The major focus of the Act is on the following areas:

1. Prohibition of anti competitive agreements;

2. Prohibition against abuse of dominant position;

3. Regulation of combinations;

4. Advocacy of competition policy.

The legislative intention behind this Act is to clear all hurdles in promoting competition among business units whether of domestic or foreign origin. The Consumer Protection Act of 1986 was enacted with an objective to provide better protection of the interests of the
Consumers, to make provision for the establishment of Consumer Councils and other authorities for the settlement of consumer disputes. This is indeed a very unique and highly progressive piece of Social Welfare Legislation. The provisions of this Act are intended to provide effective and efficient safeguards to the consumers against various types of exploitations and unfair dealings. Unlike other laws, which are basically punitive or preventive in nature, the provisions of the Act are compensatory. It is a matter of great satisfaction that we can legitimately boast that we now have in our country a statute, which provides more effective protection to the consumers than any corresponding legislation in force in countries, which are considered to be much more advanced and industrialised. Consumer Protection Act has been in operation for about 18 years. A number of deficiencies and shortcoming in respect of its operation have come to light thereby requiring amendments thrice, still leaving scope for further improvements. Despite all this it is a handy weapon for consumers to ensure accountability of producers of goods and providers of services. In the International Conference on Consumer Protection held in Malaysia in 1997, the Indian Consumer Protection Act was described as one “which has set in motion a revolution in the field of consumer rights, the parallel of which has not been seen anywhere else in the world”.

5.3.34.3 Important Features of the Consumer Protection Act

1. The Act applies to all goods and services unless specifically exempted by the Central Government.

2. It covers all the sectors – private, public and cooperative.

3. The provisions of the Act are compensatory in nature.

4. It provides adjudicatory authorities, which are simple, speedy and less expensive.

5. It also provides for Consumer Protection Councils at the National, State and District levels.
6. The provisions of this Act are in addition to and not in derogation of the provisions of any other law for the time being in force.

5.3.34.4. The Consumer Protection Act enshrines the following rights of consumers:

Rights of consumers are basically rights entitled to the consumers of any kind of goods or services which they buy or hire for their private use under the Consumer Protection Act, 1986. Now-a-days there is a growing concern about social responsibilities of businessmen but then also many cases of consumer exploitation could be seen around us. Therefore, Government of India has provided various consumer rights to all the consumers in our country under the Consumer Protection Act which are as follows:

a. **Right to Safety:** According to this right the consumers have the right to be protected against the marketing of goods and services which are hazardous to life and property. This right is important for safe and secure life. This right includes concern for consumer’s long term interest as well as for their present requirement. Sometimes the manufacturing defects in pressure cookers, gas cylinders and other electrical appliances may cause loss to life, health and property of customers on the slightest lapse in their use.

b. **Right to be informed:** This is the right to be informed about the quality, quantity, purity, standard, potency and price of goods or services so as to protect him against the abusive and unfair trade practices. The producer must supply all the relevant information at a suitable place. He should be given relevant information in detail about (i) the product, including its ingredients, date of manufacture, technical
specifications etc. (ii) the precautions, if any, to be taken, in the use of the product and its proper maintenance and up-keep; (iii) the strength, durability, serviceability and re-use value of the product; (iv) the cost structure of the product, the reliability of the quality, the side-effects and/or after effects (especially in the case of drugs), risks involved in the use household gadgets, toys for children etc. Giving information about the product is the primary responsibility of business. But the Government Agencies and Consumers’ Associations also can play an important role in this regard.

c. **Right to choose:** This right gives a chance to every consumer to choose the goods and services of his or her liking. The right to choose means an assurance of availability, ability and access to a variety of products and services at competitive price and competitive price means just or fair price. The producer or supplier or retailer should not force the customer to buy a particular brand only. He should not at all be made a victim of high-pressure and aggressive salesmanship.

d. **Right to be heard or right to representation:** This right gives the consumer the right to represent him or to be heard or right to advocate his interest. In case a consumer has been exploited or has any complaint against the product or service then he has the right to be heard and be assured that his interest would receive due consideration at appropriate forums. This right includes the right to make protest. The consumers can exercise this right either himself or through Consumers’ Associations, government and other policy making bodies or through letters to newspapers. Many business houses maintain Consumer Affairs Departments to entertain the consumers’ feedback about their products.
e. **Right to seek redressal:** Under this right the consumer has the right to get compensation or seek redressal against unfair trade practices or any other unscrupulous exploitation. This right assures justice to consumers against exploitation. He has a right to get his claims and complaints settled against the manufacturers and sellers. The right to redressal includes compensation in the form of money or replacement of goods or repair of defect in the goods as per the satisfaction of consumers. Various redressal forums are set up by the government at national level and state level for this purpose.

f. **Right to consumer education:** Consumer education is an important determinant of consumer protection and satisfaction. As per this right, it is the right of a consumer to acquire the knowledge and skills to be informed to consumers. This will help the consumer in protecting himself against fraudulent, deceitful and grossly misleading information, advertising, labeling or other practices. He must be told what his rights are under what provisions of law and what remedies are available to him under the different enactments. It is easier for literate consumers to know their rights and take actions but this right assures that illiterate consumers also can seek information about the existing acts and various agencies are set up for their help and protection. The government of India has included consumer education in the school curriculum and in various university courses. Government is also making use of media to make the consumers aware of their rights and make wise use of their money. Apart from the above mentioned rights two additional rights are recommended by the United Nations Organization (UNO). They are as follows:
g. **Right to basic needs:** Every citizen has the right to fulfill the basic needs to survive and have dignified living. The basic needs include food, clothing, health care, pure drinking water, sanitation, shelter, education, energy and transportation. There are two goods and six services included in basic needs. Without the fulfilment of these eight needs it would be impossible for any human being to live in a dignified manner.

h. **Right to healthy environment:** As per this right, the consumers and all the citizens have the right to be protected against environmental pollution and protection against environmental degradation. This right insists on providing a pollution-free, tension-free and healthy environment for today's and future generation.

The Consumer Protection Act, 1986 envisages three-tier quasi-judicial machinery at the national, state and district levels. At the national level, there is National Consumer Disputes Redressal Commission (known as National Commission), at the State level there is Consumer Disputes Redressal Commission (known as State Commission), and at the district level there is Consumer Disputes Redressal Forum (known as District Forum).

### 5.4 Legislation for Consumer Protection

The moment a person comes into this world, he starts consuming. He needs milk, clothes, oil, soap, water and many more things and these needs keep taking one form or the other all along his life. Thus, we all are consumers. When we approach the market as a consumer, we expect value for money, i.e., right quality, right quantity, right prices, information about the mode of use, etc. But there may be instances where a consumer is harassed or cheated. He may be supplied with goods which do not perform as per their description or have one or more defects. Likewise, in case of services, there may be deficiency. When the world was younger and communities smaller, consumer resistance
was virtually unnecessary to ensure fair trade practices. Unfair trade was almost impossible in the life-style of those times. One could not comfortably cheat someone in the market place in the morning and break bread with him the same evening. The industrial revolution and a shift in population from rural areas to towns and the anonymity of urban living gave plenty of scope for malpractices. Consumption came to mean more than just eating, drinking and wearing clothes. It extended to cover the whole business of life and living. Consumer education began with the realization that hardly any goods or service in the world exists that some man cannot make a little worse and sell a little cheaper. Consumer resistance, initially, took the form of comparative or selective shopping – taking one’s custom elsewhere, or returning the shoddy product for exchange if the shopkeeper could be prevailed upon to agree to it.

Things have changed over a period of time. Consumer today is much better informed about his rights. He is aware of the forum he should choose to enforce his remedies in the most efficient and least expensive way. The purpose of this write-up is to further strengthen this awareness as well as make those who are still ignorant and not aware of their basic rights and remedies and how to avail them in the best possible manner.

In view of a number of undesirable and unfair trade practices being followed by producers and distributors, Governments have resorted to certain legislations designed to protect the interests of the consumers, almost in every part of the world. In U.K., for instance, the Trade Description Act, 1968 prohibits the use of misleading description of goods or services or misleading representation of price reductions. Similarly, such practices have been checked in Sweden through ‘The False or Deceptive Marketing Practices of Goods Act, 1971’. Also, in 1972 was passed the ‘Food Products Law’ which
was concerned with the handling and packaging of foodstuffs, both domestic and imported. In a number of countries, the pro-consumer legislations provide for compensation for loss or damage suffered by a consumer because of certain prohibited practices. This is true of the Sherman Act and the Clayton Act of the U.S.A., the Trade Practice Act of Australia, the Combines Investigation Act of Canada, the Act against Restraint of Competition in Spain, etc.

In some countries statutory bodies are empowered to require the advertiser to substantiate the claims made in the advertisements. For instance, the Federal Trade Commission (FTC) of the United States can seek affirmative disclosures. That is, if information in an advertisement is considered insufficient by the FTC, the Commission may require a company to disclose in its advertisements some of the deficiencies or limitations of its product or service so that the consumer can judge the product’s negative, as well as positive attributes. The FTC can also require the advertisers to submit, on demand by the Commission, data to back up advertising claims for a product’s safety, performance, and quality or price comparability. The intent of the substantiation is to help consumers make more reasoned choices by having information available to them. Members of many industry groups including automobiles, appliances, soaps and detergents, television sets, hearing aids, and all over the counter drugs have been ordered to provide the Commission with documentation in support of their designated advertising claims.

Corrective advertising requirements have increasingly been a part of many FTC consent orders. Corrective advertising documents are based upon the notion that inaccurate information has already been communicated by advertisers, and that corrective advertising is needed to eliminate the lingering effects of such information.
5.5 Legislation for Consumer Protection in India

In India, a large number of legislations have been enacted over all these years to safeguard the interests of the consumers. These legislations are designed to control product, supply, distribution, price and quality of a large number of goods and services. Government has also been empowered to regulate the terms and conditions of sale, nature of trade and commerce, etc.

The Consumer Protection Act was enacted in 1986. Section 3 of the Act provides that the provisions of this Act shall be in addition to and not in derogation of the provisions of any other law for the time being in force. Thus, this Section presumes that there were some laws for the protection of consumers, prevailing before the enactment of the Consumer Protection Act, 1986. This Act has not overridden or repealed those laws. In fact, the provisions of this Act are in addition to any law prevailing before the commencement of this Act.

5.6 Ways and Means of Consumer Protection

5.6.1 Lok Adalat: The corporate sector i.e., private and public limited companies have started the practice of holding Lok Adalats to listen to the grievances of their customers. Issues are discussed on the spot and decisions are taken then and there only. The procedure followed in Lok Adalats save time and money of the general public. The system of Lok Adalat is gaining popularity in India. Delhi Development Authority, Indian Railways, Delhi Transport Corporation, Delhi Vidyut Board, Mahanagar Telephone Nigam Limited etc. hold Lok Adalats from time to time to sort out the problems faced by the consumers.
5.6.2 Public Interest Litigation (PIL): Public Interest Litigation involves efforts to provide legal representation to unrepresentative group. In India large segment of population is illiterate and poor who find it difficult to represent themselves. Under PIL, any individual or organisation can approach the court for remedial actions or filing complaints on the behalf of the customers. Under PIL even a complaint sent on postcard to Supreme Court is treated as filing of complaint in the court. A banking ombudsman has been appointed by the Reserve Bank India for speedy and inexpensive redressal of complaints against deficiencies in banking services.

5.6.3 Redressal Forums and Councils: Under the Consumer Protection Act, 1986, a three-tier judicial machinery has been set up to deal with consumer grievances and disputes which is as follows:

5.6.3.1 Consumer Disputes Redressal Forum – The District Forum: The District Forum has been vested with a jurisdiction of entertaining complaints where the value of goods or services and the compensation, if any claim does not exceed Rs. 20 lakhs.

5.6.3.2 Consumer Dispute Redressal Commission – The State Commission: The State Commission may entertain complaints where the value of goods or services and compensation, if any claimed exceed Rs. 20 lakhs but does not exceed Rs. 1 Crore.

5.6.3.3 National Consumer Dispute Redressal Commission – The National Commission: The act also provides for the setting up of National Commission as an apex body of the consumer disputes redressal agencies. The National Commission may entertain complaints where the values of goods or services and compensation, if any exceed Rs. 1 Crore.
Apart from setting up the above consumer dispute redressal agencies at the district, state and national levels. The act also envisages the establishment of consumer protection councils. These are:

- The Central Consumer Protection Council
- The State Consumer Protection Council

These councils get proper feedback from the consumer activities about the functioning of the consumer dispute redressal agencies in their respective states. Under the Act, these councils shall give wide publicity to the rights of consumers and promote consumer movement in the country.

5.7 Circumstances to File Complaints:

Complaints can be filed and compensation can be claimed by the consumer with respect to:

i. Fraudulent practices of traders and manufacturers;

ii. If goods are defective;

iii. If there is any deficiency in the services hired.

The Act provides for the establishment of the Consumer Councils at the National, State and District levels. The objectives of these councils are to help the respective governments in adopting and reviewing policies for promoting and protecting the rights of the consumers. The composition of these consumer councils are broad based. The citizens and organisations representing different interest groups having implications for consumer’s rights protection are members of these councils. One may like to add, that the Consumer Councils are required to be constituted on public private partnership basis for better feedback and thereby review of the policy in the area of consumer’s rights
protection. The main objective of these councils is to promote and protect rights and interests of consumers in the society.

It also provides for Consumer Disputes Redressal Adjudicatory bodies established at three levels i.e. District, State and National. They are known as District Forums, State Commissions and National Commission. District Forum is composed of President and two members (one member is woman). Every member of the District Forum shall hold office for a term of five years or upto the age of 65 years, whichever is earlier and shall be eligible for reappointment.

Now graduation is the minimum educational qualification for a member. The State Commission is presided over by Retired High Court Judge. The National Commission is presided over by the retired Supreme Court Judge. The District Forum can adjudicate on the matter upto Rs. 20 lakhs, State Commission upto one crore and National Commission above Rs. one crore. The proceedings before these adjudicatory bodies are regulated in accordance with the principles of natural justice. At present 571 District Forum and 35 State Commissions are functioning all over the country besides the National Commission. Now State Commissions and National Commission have started sitting in Circuit Benches. It may, however, be highlighted that there are 253 Vacancies of the Presidents and Members of the Forums in the entire Country. It may also be mentioned that at present there are 73 District Forums, which are non-functional. Now complaints filed are required to be accompanied with such amount of fee and payable in such manner as may be prescribed. Fee structure for the cases filed in the District Forums has been prescribed by the Ministry of Consumer Affairs, Food and Public Distribution by Rule 9A of the Consumer Protection (Amendment) Rules, 2004, which is as follows:
Value of goods or services Amount of fee payable and compensation claimed:

1. Upto one lakh rupee Rs. 100
2. One lakh and above but less than five lakh rupees Rs. 200
3. Five lakh rupees and above but less than Rs.10 lakh Rs. 400
4. Ten lakh rupees and above but not exceeding Rs.20 lakh Rs. 500

The National Commission, State Commissions and District Forums are required to decide complaint, as far as possible, within a period of three months from the date of notice received by the opposite party where complaint does not requires analysis or testing of commodities and within five months if it requires analysis or testing of commodities. The Appeals are allowed within 30 days against the order of the District Forum to the State Commission and against the order of the State Commission, to the National Commission. Appeal can also be preferred to the Supreme Court against the order of the National Commission within a period of 30 days. No appeal by a person who is required to pay any amount in terms of an order of the National Commission shall be entertained by the Supreme Court unless that person has deposited in the prescribed manner fifty percent of that amount or rupees fifty thousand, whichever is less. Similarly there is a requirement for depositing Rs. 35000/- and Rs. 25000/- in case of appeals to National Commission and State Commission.

From the various reports and feedback received by the Central Government, it is evident that many of the consumer forums have not been provided with adequate accommodation, infrastructure facilities and staff. In many State Commissions and District Forums, vacancies of Presidents/Members have not been filled up which adversely affects the disposal of cases. It should be remembered that the confidence
of the consumer ultimately depends upon the successful functioning of the Consumer Commissions/Forums. It is, therefore, a matter of utmost importance that these agencies must function effectively, efficiently and without any interruption. For this to happen state governments are having definite role to perform.

5.8 Period for filing of complaints

The period for filing complaints is as follows:

a) The complaint should be filed within three months of purchase;

b) If any testing of goods is required then within five months of purchase, the complaint should be filed.

5.9 Remedies Available to consumers:

The following remedies and reliefs are available to the consumers depending upon the cases filed by them:

- To remove the defects pointed out by the appropriate laboratory from the goods supplied;
- To replace the defective goods with new goods of similar description which are free from any defect;
- To return the complainant the price paid for the goods or the charges paid for the services;
- To pay the aggrieved consumer such amount as may be fixed by the forum as compensation for any loss or injury suffered by the consumer due to the negligence of the other party;
• To remove the defects or deficiencies in the supplied goods or services;
• To discontinue the unfair trade practice or restrictive trade practice or not to repeat them;
• Not to offer the hazardous goods for sale;
• To withdraw the hazardous goods from being offered for sale;
• To provide for adequate costs to grieved parties;
• To pay any amount (not less than 5% of the value of defective goods or deficient services provided) to be credited to Consumer Welfare Fund or any other organisation/person to be utilized in prescribed manner;
• To issue corrective advertisement to neutralize the effect of a misleading and misleading advertisement and;
• To provide for adequate costs to appropriate parties.

5.10 Non–Government Organization’s:

Movement may not legitimately be denied on any conceivable ground. Educational Institutions, therefore, are expected to play a positive role in promoting Consumer Protection Movement. There may be different ways to achieve the objective of Consumer education about their rights and interest. It is said that aware Consumer is an asset to the society. Various methodologies, Educational Institutions are expected to follow such as, Seminars, Workshops, Lectures, Discussions, Colloquiums, Essay Competitions, and Quizzes etc. in the area of Consumer Protection and Welfare to give boost to the Consumer Protection Movement in the Country.

The role of Non-government Organizations has long been recognized as being of importance in the development of low income settlement and providing support for
income generation. Non-government Organizations have multiple and varied approaches to reducing urban poverty. In some circumstances Non-government Organizations work directly with educating women’s and make aware about their rights. Non-government Organizations provide important services throughout the world. Their scope covers a wide spectrum of services such as health and welfare, research, education, social organizations and professional associations. A number of initiatives have already been launched by the Non-government Organizations. Many of them have been successful however; most of these initiatives are small in nature and local in context.

Non-government Organizations are defined as professional non profit, non membership intermediary organizations that are independent of the state and which undertake a range of activities in order to further development objectives. Non-government Organizations are more efficient, innovative and dynamic than state. There is a need to adopt and replicate these efforts on a nationwide scale by creating awareness among women’s.

Consumer Education is now part of educational programs for children, youth and adults in most countries in Latin America. By educational programs, I mean both those in formal systems and outside it, particularly at the grassroots level. In the formal system, we work mainly in schools, and sometimes at the university level, in such diverse fields as law, home economics, medicine and tourism. Consumer education has made important inroads in the region, but it is important to recognize that these achievements fall short of current needs and demands.
5.11 Government Schemes for Educating Consumers:

The Department of Consumer Affairs, Government of India, has introduced a number of schemes for spreading awareness among the Consumers and also educating them about their rights as provided in the Consumer Protection Act, 1986. The Department of Consumer Affairs has been assigned the prime responsibility of consumer education, protection and monitoring the prices and availability of essential commodities. The Department has launched a publicity campaign to create consumer awareness and strengthen the consumer protection mechanism.

The other initiatives taken by the Department include:

- Computerization and computer networking of consumer fora.
- Strengthening Consumer Fora.
- National Consumer Helpline
- Consumer On-line Research and Empowerment Centre.
- Gold hallmarking.
- Regulating future markets.
- Setting up of consumer clubs.
- Strengthening of weight & measurement organizations.
- Comparative testing of products.
- Laying down of standards through Bureau of Indian Standards.

However, the institutions of higher learning, particularly the research institutions and the universities have remained untouched by these schemes. There is no doubt that these institutions can play a meaningful role in creating awareness and also educating the young consumers about their rights and obligations as well as to fill the gap in terms of research
studies in the area of consumer protection and consumer welfare. Therefore, the Department of Consumer Affairs, Government of India has launched a scheme to promote the involvement of Research Institutions, Universities and Colleges in consumer protection and consumer welfare.

5.11.1 Amount of Grant:

Under the Scheme, grant will be sanctioned by the Indian Institute of Public Administration, New Delhi from the Consumer Welfare Fund to the Research Institutions, Universities and Colleges for undertaking research projects and the amount of grant will vary as per the requirement of the project, within the ceiling of Rs. 3.00 to 5.00 lakh per research project. The Scheme does not cover expenditure on basic infrastructure, building, foreign travel and purchase of major equipments.

The Department of Consumer Affairs has initiated a large number of consumer centric schemes based on the following three fundamentals:

- Consumer should be able to assert his/her rights - for this purpose he/she should be aware of what to expect from the service providers (including manufactured goods). This calls for increase in consumer awareness. The vehicle for doing so, inter alia, is to promote consumer movement so that it permeates into the mindset and thus consumer welfare becomes an integral part of public policy and functioning of the government, public and private sectors.

- Standards and conformity Assessment – To enable the consumer to assert his/her rights it is necessary that he/she must be able to benchmark his/her expectations of quality services or products against certain pre-determined levels. That is where the installation of a comprehensive quality infrastructure with state of art
integrated system of standards, legal metrology and conformity assessment aligned to the best international practices assumes a special significance.

- Should the consumer find the quality of service or goods deficient when benchmarked with pre-determined or prescribed standards, he/she should have recourse to relatively inexpensive and quick method of redressal. This means that consumer grievance redressal mechanism is an integral ingredient in asserting consumer rights.

5.11.2 Strengths and weaknesses:

The Department is small one compared to the task it has at hand. All activities affect the consumer finally in some way or other. As per Allocation of Business there are different ministries undertaking activities which has a direct bearing on consumer. There is no mandatory system to get prior clearance of this department before any new scheme or project is initiated. Consumer protection is still of a lower priority among the State governments. As a result sufficient funds are not allocated for infrastructure and other recurring expenditure. This affects implementation of schemes.

5.11.3 Learning agenda:-

- Need to understand and find out the basic deficiencies in the enforcement of CP Act 1986 especially in the functioning of Consumer Fora and the councils at Sate and Dist. Level
- Enforcement of BIS standards and bringing more products and services under mandatory regime
- Uniform implementation of weights and measures and upgrading of Regional labs to National accreditation status
Understand best practices in other countries in providing consumer protection, product safety, ADR procedures.

5.11.4 Role of Government

- As awareness of consumer protection Act and other related Acts are very low among the consumers Government both Central and State Government have got a major role to play in this regard.

- Amendment of Consumer Laws Consumer laws need to be modified once in every 2 years according to the changes in the market. Penalties need to be increased higher to create fear among business organizations to go for exploitation and to raise the voice of consumers in the country.

- Government should emphasize universities to include consumer Acts and laws as a compulsory subject in Schools and colleges including professional and medicinal courses of various disciplines to create awareness among the students at their younger ages. It should allocate funds to conduct free seminars to create awareness among the general public at different places of urban, semi-urban and rural limits. The table below projects the number of Consumer Clubs in

- Government should create more awareness advertisement on consumerism and telecast it in all regional channels at frequent intervals to create awareness among urban and rural people. Steps taken by the Government in this regard are from satisfaction.
Consumer magazines and newspapers need to be published and sold at all parts of the country to create awareness on the functioning of consumer courts, cases solved, giving details on number of cases filed each day, cases for trials, judgments should be published and like.

5.11.5 Aspects of Consumer Education

Consumer education is about living and sharing. It involves knowledge, skills, values and social responsibility. There are four aspects of consumer education.

1. **Informed Choice**: Consumer education must be functional. The business of living in this modern world is complex and can be bewildering. We must learn to obtain information of goods and services, discriminate between different sources of information, understand the psychology of selling and advertising, learn to shop wisely, distinguish between needs and wants, understand the alternatives of conserving and saving rather than buying and consuming.

2. **Value Systems**: Consumer education must include the development of a value system. We must learn how to share and care. Consumers are not individuals insulated away from the rest of society. They are part of the society. Consumer education must enable the consumer to understand that individual consumer decisions have broad social impact and influence on such important things as the overall allocation of resources within the society. Such education should enable consumers to consider seriously and carefully the environmental and social impacts of their economic decisions and the sustainability of the eco-system in supporting life on this planet.
3. **Recognition of responsibility and rights**: In pursuing the daily business of living, we play three distinctive roles as workers, consumers and citizens. Sometimes such roles can overlap and may be in conflict with one another. As consumers we want to buy goods that are safe, durable and at reasonable prices. As workers, we may be contributing to the production of shoddy goods, which are unsafe and unacceptable from an informed consumers’ perspective. These conflicting situations make it difficult for us to understand where we should stand as consumers. It is therefore important to articulate and understand both our responsibilities and rights as consumers. This will contribute to a better understanding of our roles in different situations, help us avoid any conflict of roles and bring about greater harmony in consumers’ relationships with other market players.

4. **Catalyst for Action**: Consumer education must catalyze action. Consumers [recipients of consumer education] must become aware of the available avenues of consumer complaint and redress and learn to use them for their benefit. Most important, consumer education should help develop the intellectual process of inquiry and problem solving, motivate participation and social concern in promotion not only of value for our money but also value for us as human beings.

All governments should be urged to incorporate consumer education as a mandatory part of the basic school curriculum. Consumers International and its members should promote the importance of consumer education programmes both to government and international agencies, and develop greater contacts with the media and use it for implementing programmes.

In certain situations, consumer education is found in various subjects in the school curriculum. Some education authorities find this to be better way of conveying the
concept of consumer rights and consumer protection to students. In other situations, consumer education is an independent subject within the school curriculum. A critical analysis of different national school curricula however reveals that in certain situations, consumer education is totally missing or grossly misrepresented in school curricula.

Education systems must reflect the demands of social justice, contribute to heightened social awareness, solidarity and organizational capacity, especially among the more disadvantaged sectors of society.

Today, very young children have enormous direct and indirect spending power. Not only do they receive pocket money and birthday presents, but they influence parental spending on household goods and foodstuffs. Early consumer education is important in giving children the skills and knowledge to participate responsibly and effectively in the market place while also contributing to the development of sustainable consumption in the society.

It is in school that civic awareness is shaped and schools are fertile ground for molding the mind of future consumers. There is no doubt that the integration of consumer education into the formal school curriculum can be of immense benefit to societies. Students already make consumer choices in school cafeterias, canteens and local shops and kiosks. Students for example should be educated to distinguish the needs from wants, to budget their spending and to make informed choices about the goods they buy. Surely, the growing market products, services and advertising aimed at the young consumers makes consumer education in the formal schools all the more necessary.
Furthermore, consumer education has been proven to be an integral contributor to the development of an individual. It is therefore absolutely necessary that universal provision of this vital knowledge be realized to ensure that all citizens have an equal start in life.

It is from this understanding that the United Nations Guidelines for Consumer Protection stress the need to incorporate consumer education to ‘become an integral part of the basic curriculum of the educational system.’

Governments should develop or encourage the development of general consumer education and information programmes, bearing in mind the cultural traditions of the people concerned. The aim of such programmes should be to enable people to act as discriminating consumers, capable of making an informed choice of goods and services, and conscious of their rights and responsibilities.

In developing such programmes, special attention should be given to the needs of disadvantaged consumers, in both rural and urban areas, including low-income consumers and those with low or non-existent literacy levels.

Consumer education should, where appropriate, become an integral part of the basic curriculum of the educational system, preferably as a component of existing subjects.
Consumer education and information programmes should cover such important aspects of consumer protection as the following:

a. Health, nutrition, prevention of food-borne diseases and food adulteration;
b. Product hazards;
c. Product labelling;
d. Relevant legislation, how to obtain redress, and agencies and organizations for consumer protection;
e. Information on weights and measures, prices, quality, credit Conditions and availability of basic necessities; and
f. As appropriate, pollution and environment.

Governments should encourage consumer organizations and other interested groups, including the media, to undertake education and information programmes, particularly for the benefit of low-income consumer groups in rural and urban areas.

Business should, where appropriate, undertake or participate in factual and relevant consumer education and information programmes.

Bearing in mind the need to reach rural consumers and illiterate consumers, Governments should, as appropriate, develop or encourage the development of consumer information programmes in the mass media.

Governments should organize or encourage training programmes for educators, mass media professionals and consumer advisers, to enable them to participate in carrying out consumer info.
5.12 Consumer Movement
The consumer movement in India is as old as trade and commerce itself. Even in Kautilya’s Arthshastra, there are references to the concept of protection of consumers against the exploitation by trade and industry, short weighment 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.

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. Trade and industry and service providers easily exploit them. With the liberalization process that 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.

Milestones in Indian
5.13 Consumer Movement since Independence

Since Independence, India has been struggling to develop and strengthen its industrial base. However, during this period the Indian consumer has borne incredible hardships and has been subjected to exploitation of every kind in the name of self-sufficiency. Passive by nature, most Indian consumers have had to put up with adulterated food, faulty weights, under measures, spurious and hazardous drugs, exorbitant prices, endemic shortages leading to black marketing and profiteering, substandard products, useless guarantees, callous and indifferent services from public utilities and a host of other ills.

In the mid-Sixties however, the worm began to turn and the consumers began to organize themselves. They started voicing their concerns and demanding better products and services and fighting for their rights.

The consumer movement historically began in the early part of this century with the formation of the Passengers and Traffic Relief Association and the Women Graduates Union, Bombay, during 1915. But its real beginning in terms of sustained, visible and continuing expansion was during the Sixties. The Consumer Guidance Society of India (CGSI), All India Bank Depositors Association; Bombay Civil Trust, Bombay; Surat Consumer Association, Surat; Jyoti Sangh Grahak Suraksha Vibag, Ahmedabad were all set up in the Sixties.

During the Sixties there were two major developments at the International level. President John F. Kennedy of the U.S. dedicated his administration to the promotion and protection of consumers' interests, helping the consumers realise their four fundamental rights; i.e. rights to safety, information, choice and redressal. He made this public commitment on March 15, 1962, the day now observed as "World Consumer Rights Day." The International Organisation of Consumers Union (IOCU)
was also set up during 1960. Initially its headquarters was in The Hague, Netherlands. Later on it came to be known as Consumer International (CI) and its headquarters shifted to London. The World Consumer Congress meets every three years, and members share their experience and learn from one another.

The Fair Trade Practice Association, set up by leading Indian business houses is presently known as the Council for Fair Business Practices and was set up in Bombay around 1965. Subsequently during each of the decades a few more consumer groups came up in different parts of the country, more particularly Karnataka, Andhra Pradesh, Tamil Nadu, Gujarat, Rajasthan, and Delhi.

During 1969, the Monopolies and Restrictive Trade Practices Commission was set up under the MRTP Act of 1969. The Commission has powers to grant interim relief. In the absence of other quick and inexpensive remedies available to consumers, the MRTP Commission fills the void. Cases of restrictive trade practices which adversely affect competition and those of unfair trade practices largely arising out of false and misleading advertising are taken to this Commission.

Till the mid Seventies, consumer organisations were largely engaged in activities of consumer protection by writing articles and holding exhibitions. To a marginal extent they were also engaged in making representations to the Government for changes in policies and laws. One noticeable exception was Mrinal Gore of Bombay who believed in direct action such as processions, demonstrations and picketing. She is remembered as "Paniwali Bai."

Another organisation which cropped up in the national scene during the Seventies was the Akhil Bharathiya Grahak Panchayat at Poona. Its thrust was collective wholesale buying of domestic needs and redistribution among consumer families thereby eliminating middle men and their margins.
They also pursued direct action in terms of boycotts and picketing. This is now carried on by the Mumbai Grahak Panchayat, Mumbai. In 1974 some elitists in Tiruchi, Tamil Nadu, got together, formed a consumer group and started working on malpractices in ration shops and overcrowding in road passenger transport etc. Prior to this R. R. Dalavai, a freedom fighter and a Gandhian, started working on consumer protection in and around Chennai through consumer cooperatives.

Another major change that took place was the emergence of the Consumer Education and Research Centre (CERC), Ahmedabad. It gave a new thrust and turn to the movement. The Eighties witnessed an upsurge in the number of consumer groups coming up across the country; there are now 1,500 consumer groups. This number should not give the wrong message that the movement is strong and effective. A disturbing factor with a good number of consumers groups is gross inadequacy of financial resources. Half of them have an annual income and expenditure of Rs. 10,000/- or less and about 20 per cent have Rs. 25,000/- or less. Further, most of them are concentrated in urban and semi-urban centres and the movement is yet to pick up in rural areas.

During 1983, the Consumer Unity and Trust Society began out of a rural newspaper Gram Gadar (Village Revolution) in Rajasthan. Today CUTS is one of the leading VCOs in the country specialising in economic, trade and industry matters besides rural activities. Another milestone during the early Nineties was the development of synergy by and among the VCOs by the formation of State level and nation level federations. It began with Tamil Nadu in 1990 and was followed by States like Gujarat, Orissa, Andhra Pradesh and West Bengal. Federation of Consumer Organisations – Tamil Nadu and Pondicherry is noteworthy among the State Level Federations of VCOs.
Frederich Naumann Stiftung, a German Foundation in Delhi took the initiative to suggest VCOs in India to form a consumer coordination council at the national level as a countervailing force against lobbying and advocacy efforts by trade, industry and the professions. Today, CCC, New Delhi, is a National Coalition of VCOs in the country.

During the Janata Party rule between 1977 and 1980, under Mohan Dharia and during the days of A. K. Antony as the Minister for Consumer Affairs, the movement received a boost. More and more consumers individually and collectively have begun to assert their rights and pursue remedies to the logical end.

Some of the recent innovations in the consumer movement are the formation and adoption of citizens charters largely by the State services and the setting up of regulatory authorities for public utilities. The one living individual who deserves special mention in the field of consumer protection is H. D. Shourie, Director, "Common Cause," New Delhi, who was conferred with the "Padma Bushan" Award by the Government of India for his relentless crusade for common cause even in his 80s.

5.14 Conclusion

The efficient and effective programme of Consumer Protection is of special significance to all of us because we all are consumers. Even a manufacturer or provider of a service is a consumer of some other goods or services. If both the producers/providers and consumers realize the need for co-existence, adulterated products, spurious goods and other deficiencies in services would become a thing of the past. The active involvement and participation from all quarters i.e. the central and state governments, the educational Institutions, the NGO's, the print and electronic media and the adoption and observance of a voluntary code of conduct by
the trade and industry and the citizen’s charter by the service providers is necessary to see that the consumers get their due. The need of the hour is for total commitment to the consumer cause and social responsiveness to consumer needs. This should, however, proceed in a harmonious manner so that our society becomes a better place for all of us to live in.

The provisions of various enactments and certain orders and rules have been summarized above. Despite a very large number of enactments, India has a very long way to go before the objectives of consumerism can be attained. Legislation alone is not enough. But the consumers still have decidedly more confidence in legislation than in efforts of business or of voluntary associations; if we talk of the urban poor of our country they do not seem to give attention to these enactments at all due to various reasons like poverty, illiteracy, ignorance etc. In India, the consumer movement is still in its infancy. No doubt the role of the government, as a catalyst in consumer protection, remains pre-eminent. However, the faulty implementation, poor business response and weak consumer movement need attention.

With the development of standardization and the consumer protection efforts of the government the consumer organization is in a better position to play important role in protecting and educating the women consumers. Thus through the consumer awareness programmes, consumer guidance cell, seminars and workshops in schools and colleges is helping out the non-government organizations to create awareness among the women consumers in Mumbai.