CHAPTER - 1

INTRODUCTION
The objective of this chapter is to bring out the importance and place of 'consumer' in the entire cycle of investment, production, marketing and consumption. Business and its various interest groups, their relationship with business and the manner in which these groups protect their own interests, is briefly discussed to highlight the vulnerability of consumer as a group, particularly in India. The literature on the subject is reviewed, which points towards the lack of empirical research data in the field of consumer awareness and the need to undertake the study. Finally the chapter contains the Objectives, Scope and Research Methodology of the study.

1.1 Need and Significance of the Study

(a) Business and Consumer

The importance of 'consumer and realisation of the need for keeping consumer interest in the forefront, while formulating business policy and planning of investment, production and distribution, is not a new phenomenon. The concept of 'consumer sovereignty' was propounded as far back as in the eighteenth century by Prof. Adam Smith in his 'Wealth of Nations' where in he observed that the consumer is the sole end and purpose of all production and the interest of the producer ought to be attended to only, so far as it may be necessary for promoting that of the interest of consumer.¹

According to Mahatma Gandhi, 'A customer is the most

¹ Quoted from Dr Gurbax Singh; Law of Consumer Protection (P-13) Bharat Law Publishers, Jaipur.
important visitor on our premises. He is not dependent on us. We are
dependent on him. He is not an interruption in our work. He is the
purpose of it. He is not an outsider on our business. He is a part of it.
We are not doing him a favour by serving. He is doing a favour by giving
us an opportunity to do so.  

If we critically examine the observation made by learned
Prof. Adam Smith and the views expressed by Mahatma Gandhi on
'consumer' then we realise that consumer is the most important element
in business, the whole business is run for the benefit of ultimate consumer.
He is the purpose and part of any business and as such consumer should
be the centre of focus of any business. However, in reality this does not
happen. Before, we analyse the reasons for this, let us examine a few
definitions and views on marketing by modern thinkers and writers and
understand the concept of social responsibility of business.

According to Philip Kotler, "Marketing is human activity
directed at satisfying needs and wants through exchange". Whereas,
according to Warren J. Keegan "The essence of marketing is creating
customer value, that is greater than the value created by competitor. This
can be done by expanding or improving product and service benefit, by
reducing the price, or by combination of these elements". Marketing
concept emphasises customer orientation and co-ordination of marketing
activities to achieve the organisational performance objectives.5

Marketing concept however, does not consider the social costs or long term effects of the goods and services on consumer and society. Business being a socio-economic entity, it can not afford to ignore the societal needs and social costs or the long term effects of goods and services. A firm may fully satisfy its customers needs for the present, while it may also affect society adversely. Thus the latest marketing concept advocated is the 'societal marketing concept'. "The societal marketing concept holds that the organisations task is to determine the needs, wants and interests of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors in a way that preserves or enhances the consumer and society's well being" 6

(e) Social Responsibility of Business

A careful study of different definitions of marketing and understanding of marketing concepts indicate that the centre of focus is 'customer' and organisation must have customer orientation to be market driven. Not only the immediate needs of consumer are to be taken care of but, the long term interests of consumer as well as of society are to be kept in mind. This calls for a high degree of 'social responsibility' on the part of business, trade and industry.

6. Phillip Kotler: Marketing Management 8th Ed. Prentice-Hall Of India (P-29)
The concept of social responsibility may mean different things to different people. It needs to be understood, in the overall context, keeping in mind the conflicting interest of various interest groups and the company's goals. We have to remember that, business is not benevolent it must make profits for the organisation. Consumer satisfaction must also be understood keeping this in mind; satisfying consumer by losing organisation's money is no business. According to James E. Post "corporate social responsibility means that a corporation should be held accountable for any of its actions that effect people, their communities and their environment. It implies that negative business impacts on people and society should be acknowledged and corrected if at all possible. It may require a company to forego some profits if its social impacts are seriously harmful to some of corporations stake holders or if its funds can be used to promote a positive social good. However, being socially responsible does not mean that a company must abandon its primary economic mission".

Thus, an organisation to be socially responsible is required to see that its operations are not detrimental to its stockholders including the society. A business firm should therefore strive to achieve not only customer's satisfaction but it must also look after the interest of others who are affected by the firm's activities, keeping in mind the firm's operational objectives and mission. To keep a delicate balance between these requirements which are often conflicting is not an easy task.

(c) Business and its interest Groups

Let us now, look at the various interest groups, of business to see whether their interest are conflicting with the interest of 'Consumer' and how the balance could be maintained. In addition to consumers, and society business firm is also responsible to other interest groups like share holders and creditors, suppliers employees and the Government.

Fig.: 1.1
BUSINESS AND ITS INTEREST GROUPS

[Adapted from, Consumer Protection and Satisfaction SS Gulshan (P-21)]

Owners / share holders invest money and it is in their interest that profitability is maintained so that enough surplus is generated for the growth by ensuring adequate return on investment. They are fairly independent in the matter of designing and manufacturing product or provision of service, and formulation of Promotion, Pricing and Distribution policies. These are planned by them keeping in mind their
own interest. The creditors and suppliers protect their interest by introduction of appropriate terms during contract/agreement.

The Government has a dual role of entrepreneur as well as regulator of business. Business depends upon the Government in the matter of infrastructure facilities, equitable distribution of natural resources and for financial and other incentives. In a democratic welfare state, the Government represents the people and their welfare particularly of downtrodden and working class is the main responsibility of the government. The government is also interested in overall balanced economic development of the country, and business provides the necessary revenue through corporate taxation for the achievement of these objectives. The relationship between government and business is thus of mutual benefit and interdependence. The government is in a stronger position to regulate business by enacting suitable laws. Business on the other hand supports the political parties and gives financial help as political donations and has a strong lobby to influence the laws.

Employees as a group are in a vulnerable position particularly in a situation like it prevails in India where jobs are a few, incomes are low and percentage of illiteracy high. To protect their interest they have strong well knit unions which save them from exploitation, wherever they are unorganised they do get exploited. The government has also framed laws to ensure that the labour is not exploited.

Society provides the necessary input for the business in
the shape of labour and raw material/natural resources. But society by itself can not exercise control over business, it suffers silently in case business behaves irresponsibly against societal interest. It looks towards its citizens to raise their voice against business practices which are detrimental to society at large. Issues like Pollution, Environmental degradation and unchecked fast depletion of natural resources must be some of the concerns for serious consideration. Organisations must strike a balance between the interest of these individuals and groups, whose objectives sometimes conflict. It is not possible to simultaneously provide the lowest priced and highest quality products to customers and pay the highest prices to suppliers, highest wages to employees and maximum dividends to share holders. The biggest challenge to policy makers is of setting organisational objectives keeping in mind the needs of consumers and all other interest groups. It has been seen that government owners and employees are in a better position to safeguard their interests. Indian consumer as a group is highly vulnerable due to poverty, low literacy and low awareness.

However, seen in long term perspective the relationship between consumer and business is complimentary in nature. The whole business is run for consumer satisfaction, and the business cycle can only be continued if the end products/services are consumed and there is a continued demand for these. A happy and satisfied consumer will like to visit again and again by increasing the sale volume. Profitability could be achieved through modernisation, efficiency in operations and optimum utilisation of resources both human and material by cutting down
wastage etc. The rightful return on investment generated by cutting costs, improving operations and introducing efficiency at all levels i.e. procurement, production and distribution will not be resented by any one including the consumer. It is only 'profit at any cost' and 'profiteering' which are looked down upon.

Business as a socio-economic entity must discharge its obligations towards society and consumers by adopting trade practices which encourage free competition, maintain prices at reasonable level and ensure that the availability of goods and services match the demand. Quality and reliability of goods and services must be such that it gives value for money to consumer and ensure their safety. Business must discharge its responsibility by ensuring that its operations do not result in environmental degradation, rather these must add benefit to society. If this is not done, any responsible government must step in, to regulate business in a manner that business is run efficiently and monopolistic, restrictive and unfair trade practices are not adopted in production, supply and distribution of goods and services.

This the government does through enactment and implementation of legislative measures. Consumers themselves should form associations to see that not only suitable legal protection is provided to them against exploitation at the hands of unscrupulous traders, irresponsible industry and insensitive professionals but also their Rights as consumers are protected.

Let us now briefly examine the rights of consumers as
enunciated by John F. Kennedy and also declared by International Organisation of Consumer Unions (IOCU) and rights as accepted in India by Consumer Protection Act 1986.

12 **Rights of Consumers**

In the olden times, the requirements of consumers were very few and accordingly there were only a few products in the market. The seller and the buyer were known to each other and the principle of 'caveat emptor' (let the buyer beware), ruled the market place. In the modern times, the products are of complex nature and markets are full of competing brands and the marketing is supported by aggressive promotional efforts. The buyer is likely to be misled by skillful advertising, and generally does not have the technical knowledge necessary to make an intelligent choice based on scientific comparison. This led to the consumer movement and the emergence of a consumers bill of rights. President John F. Kennedy enunciated four basic consumer rights in his message to the Congress in 1962. These rights are: The right to Safety, The Right to be Informed, The Right to Choose and The Right to be Heard.8

International organisation of consumers' unions (IOCU) was established 1960 at a conference in the Hague. The main objective was to interchange ideas, educational material and other vital information in the area of consumer protection. IOCU have laid down in addition

to the four rights as declared in the bill of rights another four rights and defined all of them.

1. **The right to safety**: which means the right to be protected against products, production processes and services which are hazardous to health or life.

2. **The right to be informed**: which means the right to be given the facts needed to make an informed choice or decision. The right to be informed now goes beyond avoiding deception and the protection against misleading advertising, labelling or other practices. Consumers should be provided with adequate information, enabling them to act wisely and responsibly.

3. **The right to choose**: which means the right to have access to a variety of products and services at competitive prices and in the case of monopolies, to have an assurance of satisfactory quality and service at a fair price. The right to choose has been reformulated to read: the right to basic goods and services. This is because the unrestrained right of a minority to choose can mean for the majority a denial of its fair share.

4. **The right to be heard**: which means the right to be represented so that consumers' interests receive full and sympathetic consideration in the formulation and execution of economic policy. This right is being broadened to include the right to be heard and represented in the development of products and services before they are produced or set up; it also implies a representation, not only in government policies, but also in those of other economic powers.
5. **The right to redress:** which means the right to be represented so that consumers' interests receive full and sympathetic consideration in the formulation and execution of economic policy. This right is being broadened to include the right to be heard and represented in the development of products and services before they are produced or setup; it also implies a representation, not only in government policies, but also in those of other economic powers.

6. **The right to consumer education:** which means the right to acquire the knowledge and skills to be an informed consumer throughout life. The right to consumer education incorporates the right to the knowledge and skills needed for taking action to influence factors which effect consumer decisions.

7. **The right to a healthy environment:** which means the right to a physical environment that will enhance the quality of life. This right involves protection against environmental problems over which the individual consumer has no control. It acknowledges the need to protect and improve the environment for present and future generations.

8. **The right to basic needs:** The right to basic needs means that availability of articles which are the basic need of every consumer must be ensured.

9. The Consumer Protection Act was enacted 1986 with the objective of providing simple, speedy and inexpensive justice to

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consumers. It envisages setting up of the central consumer protection council. The main purpose of central consumer protection council is to promote and protect the rights of consumers which are given below:

1. The right to be protected
2. The right to be informed
3. The right to be assured,
4. The right to be heard
5. The right to seek redressal
6. The right to consumer education.

It may be noted that these rights are not fundamental rights and hence not justiciable and further the two important rights which appear under the 8 rights recognised by IOCU do not figure u/s 6. These are 'right to healthy environment' and 'right to basic needs'.

If we take a long term view of business then the interest of business and other interest groups including consumer compliment each other. However, if this be so then why does business behave as it does; it is due to the short term marketing orientation to achieve higher market share some how or the other or to exploit the monopolistic position which tempts business to adopt practices which are not ethical. The desire to maximise profits in the short run without caring about the long-term effects on the company’s product image, consumer satisfaction and the

10. For Definition and Explaination of these Rights refer to Chapter II, Sec. 6 of Consumer Protection Act 1986
societal welfare results in adoption of those practices which give them immediate returns in terms of higher profits/market share and in the process consumer rights, ethics and social responsibility get compromised. The main areas of consumer concern are discussed in the subsequent paragraphs.

1.3 Areas of Consumer Concern

While profit maximising is a desirable objective of any business enterprise profiteering or making profits through ignoble, undesirable and unethical means is highly detrimental, not only to Consumer but also to the business in the long run. In India we see that the desire to make big in a short time with total disregard to the ethics of business is order of the day. Some of the common malpractices adopted by business are briefly discussed below:

Unsafe Products/Unsatisfactory Services

Many people suffer serious injuries and fatalities due to accidents caused by unsafe products and lack of requisite warning in respect of potentially dangerous products. Bursting of oil cooking stoves and gas cylinders, electrical shocks, electrocution due to defective electrical appliances are quite common happenings in India. Lack of warning about the obstruction due to digging of roads by municipal authorities, uncovered man holes etc. have also contributed a lot towards avoidable accidents.
Food Adulteration

Adulteration of food is rampant in India. Not only harmless additives are used but, at times very dangerous adulterants are added making food articles dangerous for human consumption. 'Besan' adulterated with 'khesseri dal', vegetable oil mixed with mineral oil, mustard oil mixed with agremone oil, Chilli powder mixed with saw dust are only a few examples which make the food articles highly dangerous to consume leading to serious ailments / disorders. No wonder, every other day the press, reports about the cases of food poisoning or deaths due to spurious alcoholic drinks/drugs etc. Only a few are reported where as many more go undetected/unreported. There are reports about certain prohibited colouring agents like metanil yellow, being used in food stuff and drinks, as its production is not prohibited.

Similarly, spurious drugs, bogus cosmetics are invariably found flooding the market. Such mis-branded articles give the wrong impression of its being manufactured by reputed manufacturers/producers and deceive the buyers leading to great harm at times.

Short Weights and Measures

Another prevalent malpractice is of short Weights and Measures. The Consumer becomes a sucker in the hands of unscrupulous traders/businessmen who indulge in such practice.
Misleading Information

Modern marketing is different than the marketing practices adopted in the olden times where the seller and buyer were always face to face with each other. They mostly knew each other. The goods and wares were inspected by the prospective buyer and these were bought if he found them to be fit for his purpose. This was possible because the goods were few and these were not of complex nature and structure. But, these days due to complexity of goods, consumers require truthful and adequate information to make an intelligent choice before purchase. Quality of information thus becomes very important. Advertising provides a major method by which manufactures and sellers give information to consumers. False, misleading advertisements giving half truth, has become a common practice these days. Take the case of discount sales, bait and switch selling advertisements and various gift schemes etc. which are potentially deceptive in nature and are true only by exception. A bait-and-switch advertisement uses a special sale on a product as 'bait' to attract customers to advertiser's place of business. Sales people then try to switch the customers to more expensive products.

Monopolistic / Restrictive Trade Practices

When the production, distribution or supply of any goods or services is substantially in the hands of a person or group of a few persons particularly when there is no substitute for the product or service the interest of consumer gets compromised and he is made to pay
unreasonably high price if he wishes to avail of a particular service or needs a particular product. Similarly when business attempts to restrict competition in the supply, production or distribution of goods it effects Consumers at large because the choice gets restricted and this gives an opportunity to the person or the undertaking to charge high prices.

Hoarding is another unethical practice which leads to further scarcity particularly in times of short supply, and sellers exploiting this self created situation, charge exhorbitant prices. Similarly, resale price fixing, secret or open price fixing i.e. fixing of minimum prices below which the product can not be sold, takes away the bargaining power from Consumers. Exclusive dealings; an arrangement in which retailer is not allowed to sell the products of other manufacturers, if this results in lessening or preventing competition, it is harmful practice. Similarly, tie in sales practice i.e. if the buyer buys product 'A' from a seller he is forced to buy product 'B' also from the same seller or no. of other products manufactured/produced or dealt in by the seller. Like the practice of giving gas connection on the condition of your buying the gas stove from the same agency etc. This reduces the competition and creates a monopolistic practice which is detrimental to Consumer Interest.

False/inaccurate labelling/Packaging

Packaging in non-standard sizes, inflated pack sizes makes comparison difficult and if the packing size is inflated then it gives a false impression about the contents, weight/size like inflated 'uncle chips' wrapper, certain shampoos etc. contained in bottles with false bottom.
Labelling helps Consumers with the required information about quality, quantity and purity and potency of the contents and this is very much required in case of eatables and drugs etc. Inaccurate/insufficient labelling denies the consumer the required information and adversely effects his right to know and make an informed choice.

1.4 Need for Consumer Protection

The discussion on business and its interest groups in the foregoing paragraphs points towards the conflicting interest of consumer and other interest groups on the one hand and the short term orientation of business and the temptation on its part to adopt unethical practices which are detrimental to consumer and society at large on the other hand. The weaker bargaining power of consumer vis-a-vis business, leads to consumer exploitation. In India the problem is aggravated by the fact that the Indian consumer is characterised by low literacy, lack of awareness and poverty.

This situation suggests, increased government intervention and regulation through legislation on the one hand and consumer resistance through boycotts, lobbying and formation of voluntary consumer associations on the other. According to Shri. P.V. Narasimha Rao: "The need for protecting the rights and interest of consumers is perhaps more important in developing countries such as India than in other countries.

11. Quoted From validictory address by Shri Narsimha Rao at National Convention on Consumer Protection held on 9 Dec. 1993 (Pp 40 of the report)
Illiteracy and lack of education may be often make consumers vulnerable to unfair means that are frequently adopted by unscrupulous manufacturers and sellers to market their products. However, the laws alone can not offer protection to consumers. According to justice V.B. Eradi, Chairman National Consumer Commission, 'For the successful accomplishment of the object and purpose of any social welfare legislation it is imperative that the sections of the public for whose benefit the statute is being enacted should be conscious of their rights under the provisions of the Act, the remedies that have been made available to them for enforcement of these rights and for the redressal for their grievances'. He was of the opinion that 'It is possible to build up such an awareness amongst the consumer public especially in the vast country of ours, with high percentage of illiteracy amongst the masses, only by concerted campaign of consumer associations and social activists groups. For the effective planning and implementation of any such campaign its is to be made a peoples movement and this can successfully be achieved on a nation wide basis only if there is a proper co-ordination between the various consumer organisation in the country'.

It is precisely with this in mind that the study after a brief review of laws having bearing on consumer protection, attempts through a survey to find out the level of awareness of Chandigarh citizens in the matter of Consumer Protection Laws, the available remedies and the Redressal Procedure. The study also reviews the functioning of Voluntary Consumer Associations and Consumer Disputes Redressal Agencies located in Chandigarh.

1.5 Review of Literature

There are number of books written by Indian as well as foreign authors on Consumer Protection. A number of review papers and articles have also appeared on the subject; however, these largely focus on various problems concerning consumers and the law on the subject. A book titled 'Consumers Crimes and the Law' by H.N.Giri lays a legal foundation for study in consumer legislation but is restricted in scope and deals mainly with crimes under Food and Drug laws. Prof. S.A. Sherlekar has written a book on 'Trade Practices and Consumerism'. The book beside other aspects also deals with business malpractices, Consumer Protection Business self regulation and about social responsibility of business. Both these books were written before The Consumer Protection Act 1986 came into being and form a good basis for further study in the field of Consumer Protection. A number of books have come out after the passage of the Consumer Protection Act which highlight the legal provisions of the Act and explain the remedies available and the procedure to follow to seek justice. The discrepancies in the Act and suggestions for its further amendment are also discussed by many Indian authors. One of the early book to come out after the Consumer Protection Act was by Dr. Gurbax Singh titled 'Law of Consumer Protection' the latest addition came out in 1993 after the amendment to the Consumer Protection Act. In this book Dr. Gurbax Singh has covered the legal aspects very well with comprehensive citations of important cases decided by State and National Commission. The book also gives list of appropriate laboratories approved by Government of India for testing of goods and materials and Directory.
of Voluntary Consumer Organisations in India. The author has also discussed important provisions of other relevant Acts like Contract Act, Sales of Goods Act and MRTP Act etc. Another very useful book titled Consumer Protection and Satisfaction by Prof. SS Gulshan discusses in a systematic manner the problem Consumers are facing in India and the remedies available under the Indian law. The author makes very useful recommendations for amending certain provisions in the Indian law in the interest of consumer. The role and functioning of consumer associations and self regulation by Business is also discussed. Dr. Jagdish Singh has written a book "Medical Profession and the Consumer Protection Act". In the preface of the book he says: "I think doctors should not forget that medical accountability has been existing since the birth of the profession. This accountability has taken the latest shape in the form of Consumer Protection Act. Fears of doctors stem from what is perceived by them as unknown. If this unknown becomes known the same would appear much less fearsome, in whatever form it exists. This is exactly what I have attempted to achieve through the book".

Consumer Education and Research Centre (CERC) Ahmedabad has done pioneering work by publishing booklets on wide ranging subjects of consumer interests. The centre also publishes reports of seminars and workshops, which it holds frequently. Some of the most useful reports are on consumer interest and monopoly services which cover Insurance, Municipal Services, Electricity, Postal Services, Banking and Air Transport. A workshop on Access to information was held between 16-18 Sept., 1993 and the report containing the proceedings of the
workshop was published. Some of the other important topics which are covered under different booklets are: Effective uses of law, complaints Handling, Safety in Household electric Appliances, children as consumers, Advertisements - The Hidden Persuaders, Warranties and Guarantees, and Societal response to consumer movement. Proceedings of International workshop on comparative testing (2-4 Nov. 1992) were also published. 'Consumer Confrontation' a magazine published by CERC gives useful articles of consumer interest and contains the gist of proceedings of any seminar, workshop etc. held during the period.

Consumer Unity and Training Society (CUTS), Calcutta has conducted and published the report of 'A study of Drug Prescription Practices in India' which makes out a case for compulsory prescription audit.

A number of consumer information booklets have been published by Consumer Coordination Council New Delhi, which are highly informative and useful.

The review of literature indicates that there is adequate published literature on Historical Development of Consumerism in India and in the world; there is also good amount of literature and commentary on law of consumer protection. However, there is no systematic empirical study about the level of consumer awareness about consumer law and the procedure for redressal. According to Ms. Pushpa Girimaji, "it is indeed heartening to note that over 2.6 million persons in the country have
sought relief in the 400 grievance redressal fora in the districts since the Consumer Protection Act came into being in 1986 but the bad news is that millions more are still unaware of their rights under this law".\textsuperscript{13} Even at the cost of repetition the words of Hon'ble Justice V.B. Eradi, are relevant 'For the successful accomplishment of the object and purpose of any social welfare legislation it is imperative that the sections of the public for whose benefit the statute is being enacted should be conscious of their rights under the provisions of the Act, the remedies that have been made available to them for enforcement of these rights and for the redressal for their grievances'.\textsuperscript{14} 

The present study is a step in this direction. The study aims to find out the level of awareness among the residents of CHANDIGARH and see if there is any significant correlation between 'sex' and the awareness level. The study also proposes to review the functioning of the Voluntary Associations as well as the Redressal Agencies located in CHANDIGARH. In view of the foregoing discussions, the significance and need of the study becomes apparent.

1.6 Objectives of the Study

The main objectives of the study are:

(a) To briefly review the important laws having bearing on Consumer Protection and critically examine the provisions of MRTP Act, 1969 and The Consumer Protection Act 1986 with a view to assess their

\textsuperscript{13} Pushpa Girimaji : Most Consumer Ignorant of Rights : The Tribune, 22 Oct. 1993

\textsuperscript{14} Upbhokta JAgran Vol. 14, March 1995.
adequacy and recommend amendments wherever considered necessary.

(b) To find out awareness level of residents of Chandigarh regarding provisions of law of consumer protection, and available remedies and procedure for seeking redressal.

(c) To study the functioning of voluntary organisations with a view to assess their contribution in enhancing consumer awareness and protection.

(d) To review the functioning of Chandigarh State Commission and District Fora.

(e) To see whether there is any significant variation in the level of awareness according to demographic variable 'sex' and see if any other variable is important in this regard, for further study.

1.7 Scope of the Study

The scope of study is limited to sectoral limits of Chandigarh for obvious constraints of time and finance. This is in respect of survey of Consumer awareness, study of Consumer Disputes Redressal Agencies and functioning of registered Voluntary Consumer Associations. At places for better understanding the scope has been enlarged with the available secondary data like for example, a brief mention has been made about the origin of worldwide Consumer Movement before discussing the Consumer Movement in India, an overview of functioning of Consumer Disputes Redressal Agencies on all India basis, the role of Voluntary Consumer Associations in general and discussion about some of the Important
Voluntary Consumer Associations has also been included for better appreciation of the functioning of such agencies located in Chandigarh.

1.8 Hypothesis

(a) The level of awareness about the laws of consumer protection and about the procedure for redressal among the residence of Chandigarh is generally low.

(b) Men are more aware than women.

(c) The voluntary organisations have not been able to fully achieve their objectives of Consumer Protection.

1.9 Research Methodology

The main objective of the study is to review and examine the relevant laws in the country having bearing on consumer, with a view to critically examine the provisions and their implementation in particular the Consumer Protection Act and MRTP Act and recommend changes if required. It is also intended to study the development of Consumer Movement in the country and the functioning of voluntary Consumer Associations in Chandigarh with a view to see whether they have achieved the purpose for which these were established/registered.

The laws however, good they may be cannot by themselves solve any problem. These need to be implemented faithfully in order to achieve the intended purpose. For effective implementation it is necessary
that the target group for whose benefit these are enacted are aware of these laws and vigilant to see that these are implemented. The voluntary agencies help in their implementation and accelerate the movement by playing a dominant role by educating the masses and acting as watchdog to ensure that the law enforcing agencies do their job.

Ultimately it is the interest shown by the consumer or any other group which is sought to be protected in being aware of the existing laws, the remedies available and the procedure to be adapted and the role of regulatory agencies which ultimately helps in effective implementation.

It is with the foregoing in view, that the functioning of voluntary consumers agencies was reviewed and a survey to test the awareness level of residents of Chandigarh in the area of consumer protection was conducted.

Sources of Data

The present study required both the primary and secondary data. The secondary data includes the survey of literature on consumer movement, books from Indian and foreign authors, articles from journals and newspapers, Consumer law Today, relevant Acts, articles and reports published by Consumer Education and Research Centre (CERC) Ahmedabad, Consumer Guidance Society of India (CGSI) Bombay, Consumer Unity and Trust Society (CUTS) Calcutta and Jaipur, Council
for Business Practices bulletins, Publicity and Information material by Bureau of Indian standards and Ministry of Food and Civil Supplies, Consumer Affairs and Public Distribution, and other information booklets/pamphlets from confederation of engineering industries (CEI) as well as confederations of Indian Industry (CII) and Consumer Information and training material published by Consumer Coordination Council (CCC) in collaboration with Freidrich-Naumann-Stiftung Germany with its regional office in India, and a large number of articles in various newspapers formed the basic sources for the data. This was supplemented by informal/formal interviews and discussion with number of consumer activists and persons from enforcing agencies.

The primary data was collected with the help of sample survey conducted in the selected sectors of Chandigarh.

Universe and Sample Selection

Chandigarh is a planned city which was planned by world famous French architect Le Corbusier as a model city. It was developed in three phases. The First phase was developed under the guidance of the French architect, the remaining two phases were developed by Indian architects within the overall marshal plan. At present the city has 47 fully developed sectors. The city is cosmopolitan in nature. It consists of the population who are either the first, second or third generation migrants. Some sectors do show the elite character in population and housing while the others are of mixed kind. On the basis of socio-economic standing of individuals based on size of plots on which their houses are located, the Northern sectors (1 to 11) are considered
elitist. In these sectors Plot sizes are minimum of 500 sq. mt. where as a large no. of houses are built on 1000, 1500 and 2000 sq. mt. and more. In one way this indicates effluence however this has to be taken with caution as the population in these sectors is largely the early settlers who were given plots at throw away price as the Government wanted the people to settle as the city was coming up. The remaining sectors are having mixed type of population i.e. the houses are constructed on various sizes of plots ranging between 125 to 1000 mts.

The universe consisted of sectoral limit of Chandigarh city. Manimajra (notified area) Burail, Attawa and Manimajra census towns and outgrowths were not included in the universe.

Selection of Sectors

Keeping these factors in mind 2 sectors, one from the Northern and the second from the other sectors were chosen for the survey through random sampling method. Sector 2 from the first category and sector 21 from the second category was chosen.

Demographics of Sample

Literacy Rate

According to 1991 census, the literacy rate (excluding children in the age group of 0-6) for Chandigarh union territory is 77.81 per cent for all persons, 82.04 per cent for Male and 72.34 per cent for
Female. A person who can both read and write with understanding in any languages is taken as literate. It is not necessary that a person who is literate should have received any formal education or should have passed any minimum educational standard.

**Sex Ratio**

The sex ratio (number of females for 1000 males) is 790 according to 1991 census. There are a total of 113,046 house hold in Chandigarh. The total population of Chandigarh union territory according to 1991 census is 6,42,015.

According to the latest (1991) census the details pertaining to sector 2 and 21 are given below.

<table>
<thead>
<tr>
<th>Sector</th>
<th>House holds (occupied)</th>
<th>Population Total</th>
<th>(0-6 yrs.)</th>
<th>Total Literates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>165</td>
<td>591*</td>
<td>46</td>
<td>454</td>
</tr>
<tr>
<td>21</td>
<td>3,012</td>
<td>13,669*</td>
<td>1,572</td>
<td>11,108</td>
</tr>
</tbody>
</table>

Total population figures given above are inclusive of Institutional and houseless population

In order to get familiar with the location of the houses in the sectors layout maps prepared by Burma shell and published in a booklet form and a similar booklet by Azad Book Store were consulted. 15 household from sector 2 and 265 from sector 21 were selected randomly. Of these 55 from 21 and 5 from sector 2 were again selected randomly and marked. In these 60 houses the females were not interviewed. In this manner the total sample consisted of 500 respondents, 280 males and 220 females.

Method of Data Collection

Questionnaire

A structured questionnaire (Appendix 'A') was administered through interview method and responses were noted. The questions were both open as well as close ended. A separate questionnaire (Appendix 'B') was given to voluntary Consumer Associations located in Chandigarh. The interview method was considered better since the interviewer and the interviewee are face to face with each other and there is a scope for explaining and clarifying any doubts. In this manner the information given by the responded becomes more reliable.

The questions were constructed keeping in mind the objectives of the survey. These were broadly relating to 5 areas i.e., knowledge and awareness about the most prevalent mal practices in the market place, the knowledge about the existence and remedies available and the procedure for seeking justice under Consumer Protection Act,
the knowledge about other important laws having a content of Consumer Protection like Bureau of Indian standards (BIS) Act, The Agricultural Marketing and Grading Act and the Eco. marking scheme, Prevention of Food Adulteration Act, Weights and Measures and Drug Laws, the fourth area of the questionnaire dealt with the knowledge about the law enforcing/regulating agencies, their role and location so that Consumers could file a complaint at appropriate place, and lastly the questionnaire contained questions with a view to test the knowledge, awareness and interest of Consumers in Consumer movement and Consumer Associations. Different weightage was given to these five aspects. While the Consumer Protection Act which is the most important socio-economic legislation providing for simple, speedy and inexpensive remedy was given 30 per cent weightage the knowledge about the other laws, existing malpractices, regulating and enforcing agencies were given 20 per cent weightage each. The knowledge about the existence and the functioning of Consumer Associations and individual interest in Consumer movement carried 10 per cent weightage.

The questionnaire was first pre-tested on a group of 20 respondents. It was revealed during this pre-testing that the people generally did not prefer to answer a very long questionnaire containing open ended questions. A few changes were made in the questionnaire and it was also pruned before it was finally administered on the chosen sample.
Analysis of Data

After collecting the data it was sorted out and the data tabulated in respect of Males and Females separately. It was then numerically evaluated i.e. marks were given for each response the tables were constructed showing grading both in respect of Male and Female and against each area of awareness. For the presentation, appropriate graphs and tables were made. Appropriate statistical measures were used for comparison of the data and drawing deductions.