Chapter 6
Voluntary Consumer Movement - International and National

6.1 International

The development of 'Westernism' in the consumption habits of people and the development of uniform business techniques throughout the world with the growth of multinational corporations pinpointed the need to formulate international codes of business conduct to protect consumers from dangerous products. As a result, several consumer organisations began to pool their resources for achieving co-ordination among consumerists in various nations such as Organisation for Economic Co-operation and Development (OECD), the European Consumer Product Safety Association (ECPSA), International Organisation of Consumer Unions (IOCU), Bureau European des Unions de Consommateurs (BEUC), Commission of the European Communities (CEC), European Research into Consumer Affairs (ERICA), International Co-operative Alliance Committee for Consumer Co-operatives, Nordic Senior Officials Committee for Consumer Affairs, United Nation Department of International Economic and Social Affairs and the European Economic Community (EEC).
6.1.1 Organisation for Economic Co-operation and Development (OECD)¹

OECD Committee on consumer policy is composed of consumer policy officials of the 24 OCED member countries with its headquarters in France. It reviews consumer policy developments in the various countries and within international and regional organisations and examines and comments upon specific aspects of consumer policy, in particular, with regard to measures relating to international traders. Also it publishes reports and develops recommendations to governments on consumer policy matters.

6.1.2 European Consumer Product Safety Association (ECPSA)²

This association, set up in Netherlands, is affiliated to Commission of the European Communities. Its main areas of work are consumer information, consumer advocacy and also promotes scientific research and educational programmes.

²Ibid, p.98
6.1.3 International Organisation of Consumer Unions

IOCU was set up in Netherlands by five consumer groups in U.S (Consumers' Union), U.K. (Consumers' Association), Australia (Australian Consumers' Association), Netherlands (Consumentenbond), and Belgium (Association des Consommateurs) in 1960. From the five founding groups it has now grown into nearly 170 groups in 58 countries.

The objectives of IOCU are:

1. To bring together member groups, support them and promote co-operation among them through education, information, protection, research and testing.

2. To act as a clearing house and information centre.

3. To represent consumer interests at international bodies like the U.N.

The five principles of consumer education delineated by the IOCU are critical awareness, active involvement, social responsibility, ecological responsibility and solidarity. Along with the charter of consumer rights, it formed a concise summary of consumer needs—an aim and an ideal.

6.1.4 Bureau European des Unions de Consommateurs\(^4\) (BEUC)

Consumer information, consumer education, consumer advocacy, consumer research, complaints handling and conferences are the main activities of this organisation set up in Belgium.

Following the European Economic Community programme for consumer protection and information policy adopted by the Council of Ministers in 1975, 1981 and 1986, this Commission in Belgium endeavours to take consumers' interests into account while framing policy relevant to consumer welfare.

Consumer advocacy, consumer information and consumer advice are the main activities of this organisation.

6.1.5 European Research into Consumer Affairs (ERICA)\(^5\)

It is a research-oriented organisation which is situated in U.K. for consumer information through research reports and consumer research in the underprivileged areas.

International Co-operative Alliance Committee for Consumer Co-operatives\(^6\)

This organisation is situated in Switzerland with objectives of consumer information, consumer advocacy and consumer research.

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\(^5\)Ibid, p.98

\(^6\)Ibid,
Nordic Senior Officials Committee for Consumer Affairs

This organisation in Denmark is financed by Governments of the Nordic countries, which is a co-operative organisation between the Governments of Denmark, Finland, Iceland, Norway and Sweden in the consumer field.

6.1.6 United Nations Department of International Economic and Social Affairs

This organisation is situated in U.S.A and is responsible for consumer affairs within the U.N. The U.N Guidelines for consumer Protection (1986), Consolidated List of Products whose consumption and/or sale has been Banned, Withdrawn, Severely Restricted or Not Approved by Governments prepared by U.N Secretariat in accordance with General Assembly resolution 37/137 and published in 1984 is one among the important publications.

6.1.7 U.N. Guidelines

The global consumer protection movement received an impetus when in April, 1985, the General Assembly of the U.N adopted by consensus, a set of general guidelines for consumer protection and requested the Secretary General to disseminate them to governments and other interested parties.

Ibid., p.100

According to Harland, the document annexed to the resolutions is divided into following four sections:

1 Objectives
2 General Principles
3 Guidelines and
4 International Co-operation.

The guidelines themselves cover seven areas. They are

a Physical safety
b Promotion and protection of consumers income interest
c Standards for the safety and quality of consumer goods and services
d Distribution facilities for essential consumer goods and services
e Measures enabling consumers to obtain redress
f Education and information programmes and
g Measures relating to specific areas (principally food, water and pharmaceuticals)

All the 184 Governments in U.N are urged to "develop, strengthen or maintain a strong consumer protection policy, taking into account the guidelines". But regretably those guidelines are still on paper only.
6.1.8 European Economic Community (EEC)

The E.E.C purports to solve the common problems of all the member countries, since the consumer protection laws among the member countries vary considerably. The Commission has the power to draw up directives to the governments of the member countries requesting them to pass laws in their own countries. The E.E.C Council of Ministers has adopted a programme for consumer information and protection in order to protect the basic consumer rights such as:

1. The protection of health and safety
2. The protection of the consumers' economic rights
3. The right to redress
4. The right to information and education and
5. The right to consumer representation.

The consumers' position is strengthened enormously by the attempts of the E.E.C Consumer Law because of the working of the Consumers' Consultative Committee which is designed to make sure that the consumers' voice is heard within the European Commission.

On 1st January 1993 Europe has emerged as a single unified market which is bigger than the combined size of U.S.A and Japan.

A close scrutiny of the consumer protection system movement the world over and the functions of the consumer organisations highlights the following facts:

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In developed countries consumer movement was initiated by women when the economy was prospering and when they become affluent as a result of mass production and distribution of goods and services.

The movement started with consumer education and information. Hence they believed more in prevention than in cure by giving product informations regarding how and what to purchase.

The movement is very effective because the government is with the people and for the people to fight against the malpractices of the traders.

Advocacy, lobbying and public litigation are very widely and effectively practised by the voluntary consumer organisations.

In most of the countries pressure by the organisations preceded the legislative measures.

The Voluntary Consumer Organisations give thrust to consumer research and disseminations of facts.
4.2 National

The movement, seeking to protect the rights of consumers with qualities of dedication to a cause and selfless service that professes to offer for the good of the community through education, litigation, lobbying etc., can be called voluntary consumer movement.

In India more than 50 per cent of the population are living under poverty line and 30 per cent, barely breaking-even have to concentrate on their mere existence. The remaining 20 per cent better off, in their life of affluence through influence and bribes are indifferent to the consumer rights and responsibilities. In other words, Indian consumers are neither concerned about their rights and responsibilities nor protected from the exploitation of the traders.

The important factor that contributed to this consumer apathy is their ignorance and lack of awareness owing to the high illiteracy rate (64 per cent as per the World Factbook 1990) prevailing in India.

The present Indian system, with concentration of political power in a few hands as a result of the power of attorney being entrusted to the politicians through the election process, is systematically misused for exploitation of consumers and for protection of businessmen. Gandhiji was always afraid of entrusting too much power with the Government.

10 Shenoy, Bhamy, V, "Consumer Movement in India: Are we Going Anywhere?" unpublished paper.
This calls for the need of a third war of independence to usher in real freedom of choice, knowledge, information, redressal and representation that should be fought by the VCOs with the support of consumers as a mass consumer movement, so that we can win the independence that is denied to the consumers.

4.1.1 Origin and Growth (numerical abundance and area-wise)

Since the enactment of the Consumer Protection Act (1986) voluntary consumer organisations were emerging in all parts of the country, even though we had a few VCOs before that as shown in table 6.1.

**Table 6.1**

Table showing the year-wise distribution of voluntary consumer organisations

<table>
<thead>
<tr>
<th>State</th>
<th>Period of Establishment</th>
<th>Total VCOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Before</td>
<td>Between</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Bihar</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Goa</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Gujarat</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Haryana</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>---------------------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Karnataka</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Kerala</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Manipur</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>New Delhi</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Orissa</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Pondicherry</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Punjab</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Tripura</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>West Bengal</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>17</td>
<td>37</td>
</tr>
<tr>
<td><strong>Per cent</strong></td>
<td>6.64</td>
<td>17.45</td>
</tr>
</tbody>
</table>

Source: Data collected from "A Directory of Voluntary Consumer Organisations in India", Consumer Education and Research Centre, Ahmedabad, 1993.

The growth of the VCOs in India can be studied in three stages: before 1960, from 1960 to 1985 and from 1986 till 1993.
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1.1.1 Consumer Movement before 1960

The consumer protection movement had its beginning in the early part of the 20th century. The first known consumer group set up in 1915 with the Passengers and Traffic Relief Association (PATRA) in Bombay with a view to ameliorate the hardship faced by passengers travelling by railways and steamers.

In spite of the national outlook and character of this organisation, even now after 79 years of existence it continues as a regional organisation representing the problems of Bombay commuters. 11

Women Graduate Union is an organisation started in 1915 with the principal object of providing opportunities and facilities for the expression of united opinion and concerted action by University Women for the benefit and welfare of the members of all or any class and community of women. This organisation is affiliated to the 'Indian Federation of University Women' and 'International Federation of University Women' and is a member of the central as well as the Maharashtra State Consumer Protection Council and the Advisory Board of 'Council for Fair Business Practices' (CFBP). 12 In 1917 another pioneer women's organisation viz., 'Women's Indian Association' was started in


12 Ibid, p.4.
Madras with the prime objective of bringing together women and girls of the middle class families who are whiling away their time without any purpose. It started cottage industries for such women.

The 'Triplicane Urban Co-operative Stores (TUCS)' was started in the late forties, when the residents of Triplicane felt the pinch of profiteering methods adopted by retail trade in food commodities. This has grown into a Co-operative Consumer Society with nearly 150 branches spread all over the city. The Consumer Protection Council in Madras, founded by Rajaji is still in existence. The 'Indian Association of Consumers' (1946) was set up in Delhi in 1956 as an All-India Association for Consumer Interest with government support. This IAC did not make any headway in spite of the lead taken by eminent personalities and the financial backing of the Planning Commission.

Above-mentioned organisations offered only advice, voiced feeble protests, held discussions, seminars, conferences etc. but made no lasting impact and restricted to certain areas.

6.2.1.2 Consumer Movement from 1960 to 1985

The sixties is a very unique period in the history of Indian consumer movement. This is a take off stage in the movement when consumers began to assert themselves. The Bengalis refused to

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13 Ibid, p.5.

buy fish - their staple diet - when the price of fish and staple food shot up in late sixties, which is a case of boycott of products. Gayatri Charitable Trust, Gujarat (1962) and Jyoti Sangh Grahak Suraksha Vibhag founded in 1962 in Ahmedabad are very active in the field of consumer protection in addition to educational and mahila activities.

Bombay Civil Trust (BCT) established in 1963 is still in existence and persistently active in consumer protection. The president of BCT J.B.D' Souza revealed a very sorrowful fact that in spite of the organisation's doggedly persistent efforts to redress grievances of the citizens and to promote a synergistic approach to the civic problems of Bombay, he failed miserably to achieve this end.

The drought and the war with Pakistan which resulted in scarcity of essential commodities and goods leading to rampant black-marketing and food adulteration by dealers acted as an eye-opener to the consuming mass especially among housewives. As a result, late 1960s saw the birth of more consumer organisations viz. Consumer Guidance Society of India (CGSI), Baroda Citizen Council, All India Bank Depositors Association (AIBDA) and Surat Consumer Association. In 1966 the Consumer Guidance Society of India was formed by nine housewives to inform, educate and organise consumers to protect their consumer interests as a non-profit, non-political organisation registered under the Societies Registration Act and the Bombay Public Trusts Act.  

The purposes of the society were to protect and promote the rights and interests of consumers, to provide them with information and counsel, take up their complaints with the offending party and/or the authorities and to help them to ensure quality at fair price. Its publication "Keemat" provide informations to the consumers.

DSCI is an Associate Member of the International Organisation of Consumers Union (IOCU).

In 1970s the Karnataka Consumer Services Society, Visaka Consumers Council (VCC) in Andhra Pradesh, Akhil Bharathiya Grahak Panchayat in Poona, Mumbai Grahak Panchayat in Bombay, Trichy District Consumer Council, Consumer Education and Research Centre in Ahmedabad, Grahak Panchayat in Jamshedpur and Bihar were established. Akhil Bharatiya Grahak Panchayat formed in 1974 in Poona received a new momentum in 1984 when it gave greater scope to local initiative and developed into a federation of different autonomous units. \(^{16}\)

The movement gained a fillip especially after the setting up of the Indian Federation of Consumer Organisation in Delhi, the Consumer Education and Research Centre (CERC) at Ahmedabad, the National Consumer's Protection Council and Voluntary Organisation in the Interest of Consumer Education (VOICE). The Consumer Education and Research Centre, now recognised as a research institute was born in 1978, has contributed many useful research works. The Voluntary Organisation in the Interest

\(^{16}\) Ibid, p.18
of Consumer Education (VOICE) was founded by some teachers and students at the Delhi University Campus in the academic year 1983-84.17

The Consumer Unity and Trust Society (CUTS), which started in Jaipur, Rajasthan in March 1984 made its impact by effectively making use of the media and through publicity.18

National Centre for Human Settlement and Environment in Bhopal was formed in 1984. Its monthly news letter and quarterly journal 'Vachan' spreads consumer news among the public. Its main area of work is health, environment, legal redress, food adulteration and consumer advocacy. Its activities include workshops/seminars, educational and promotional talks and distribution of pamphlets, kits, campaigns and writing articles in newspapers.19

Consumer Guidance Society of Jamshedpur, which was founded in 1984, aims to inform, educate and organise consumers in order to enable them to protect and assert their consumer interests.

The Consumer Action Group, Madras was founded in 1985. Its main concern is regarding civic amenities, health and environment such as water shortage, chemical pollution in the Adayar river, causing health and environment hazards, stoppage of air conditioners in movie theatres in 1986, problem of loudspeakers in residential areas, obscene hoarding etc.

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17 Ibid, p.19
19 Ibid.
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1.2.1.3 Since 1986

Even though the number of VCOs mushroomed after the enactment of the COPRA, 1986, attempts by organisations like Common Cause (Delhi) failed miserably to form a central organisation. The various organisations existed in an atmosphere of friendly indifference without any coordinated efforts to emphasise major issues avoiding contraversial activity.

As time passed, VCOs in India tried to organise themselves in order to coordinate and voice their opinions against the government and act as a cohesive force to defend and fester their interests leading to formation of central organisations in Tamil Nadu (FEDCOT, 1990) Delhi (CICO, 1991), Gujarat (GUSFECO, 1992) and Delhi (CCC, 1992).

The specific programmes of the Federation of Consumer Organisations (FEDCOT) include holding seminars, conducting workshop and training programmes. The Confederation of Indian Consumer Organisations (CICO) was formed in February, 1991 in the Second National Convention of consumer activists held in Delhi with the primary objective of making the CICO a popular grassroot movement. The Gujarat State Federation of Consumer Organisations (GUSFECO) provided a common platform to help consumer groups to strengthen the movement. The Consumer Co-ordination Council (CCC) was formed in 1992 in Delhi to work as one body and raise one voice on issues related to consumer interests and various

20 Ibid....p.28
government policies affecting the consumer. CCC was registered in March 1994, the membership of which is open to members of the Central Consumer Protection Council established under COPRA and few invited organisations. The priority areas for working are training, lobbying, campaigning, advocacy, information dissemination and education. The above activities are on par with the main objectives of the National Association of Consumers in the U.S., an agency to co-ordinate the activities VCOs, established prior to Indian independence. Even in our belated attempt to coordinate the activities we lack the clear objectivity of the westerners.  

In most of the states there are no well structured co-ordinating organisations to act as a cohesive force.

6.2.2 Growth of VCOs

6.2.2.1 Numerical Abundance

Consumer movement in India gained momentum only since the enactment of the COPRA, 1986. Table 6.1 regarding the year-wise distribution of VCOs reveals that only 6.64 per cent of VCOs were in existence before 1975, where as 17.45 per cent emerged between 1975 and 1980 and 26.56 per cent were established between 1981 and 1985. 46.48 per cent of VCOs were formed between 1986 and 1990 and after 1990 till 1993 only 5.86 per cent were established.

6.2.2.2 State-wise Growth

The number of VCOs in the country are on the increase year after year as per the records. The Directory of VCOs published by the Ministry of Civil Supplies, Consumer Affairs and Public Distribution (1991) and by the CERC, Ahmedabad (1993) showed the number of VCOs as 507 and 684 respectively. Table 6.2 shows the state-wise break-up of VCOs.

Table 6.2

<table>
<thead>
<tr>
<th>States/U.T</th>
<th>No. of VCOs as per the directory of CERC</th>
<th>Department of Civil Supplies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Andaman &amp; Nicobar</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>2 Andhra Pradesh</td>
<td>180</td>
<td>187</td>
</tr>
<tr>
<td>3 Assam</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>4 Bihar</td>
<td>33</td>
<td>26</td>
</tr>
<tr>
<td>5 Goa</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>6 Gujarat</td>
<td>79</td>
<td>28</td>
</tr>
<tr>
<td>7 Haryana</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>8 Himachal Pradesh</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>9 Jammu &amp; Kashmir</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 6.2 reveals that these two records either show an increase in the number indicating that the VCOs are increasing in number at the same time cease to exist because of mobilising the public into action groups.
<table>
<thead>
<tr>
<th>State</th>
<th>VCOs</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karnataka</td>
<td>55</td>
<td>39</td>
</tr>
<tr>
<td>Kerala</td>
<td>37</td>
<td>18</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>7</td>
<td>5</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>35</td>
<td>23</td>
</tr>
<tr>
<td>Manipur</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Missoram</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Orissa</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>Pondicherry</td>
<td>13</td>
<td>11</td>
</tr>
<tr>
<td>Punjab</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>40</td>
<td>38</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>68</td>
<td>34</td>
</tr>
<tr>
<td>Tripura</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>28</td>
<td>14</td>
</tr>
<tr>
<td>West Bengal</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>New Delhi</td>
<td>35</td>
<td>20</td>
</tr>
</tbody>
</table>

**Total**: 684 507

Table 6.2 reveals that these two records either show an increase or decrease in the number indicating that the VCOs are increasing in number at the same time cease to exist because of the difficulty in mobilising the public into action groups. Moreover, this difference in the number pinpoints the need for a coordinating machinery for all the VCOs at state and national levels.
### Table 6.3

Distribution of Voluntary Consumer Organisations according to size of city/town

<table>
<thead>
<tr>
<th>Category of city/town</th>
<th>Voluntary Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
</tr>
<tr>
<td><strong>1 Metropolitan Cities</strong></td>
<td></td>
</tr>
<tr>
<td>Metropolitan Cities</td>
<td></td>
</tr>
<tr>
<td>Bombay, Calcutta, Delhi, Madras</td>
<td>68</td>
</tr>
<tr>
<td><strong>2 Larger Cities</strong></td>
<td></td>
</tr>
<tr>
<td>Larger Cities</td>
<td></td>
</tr>
<tr>
<td>Ahmedabad, Bangalore, Hyderabad, Poona, Chandigarh, Lucknow, Pondicherry, Kanpur, Allahabad, Dehra Dun, Agra, Jaipur, Udayapur, Kochi, Thiruvananthapuram, Indore, Mysore, Bhopal, Aizawal, Agartala, Imphal, Coimbatore.</td>
<td>135</td>
</tr>
<tr>
<td><strong>3 Smaller Cities and Towns</strong></td>
<td></td>
</tr>
<tr>
<td>Smaller Cities and Towns</td>
<td></td>
</tr>
<tr>
<td>Baridam Hubly, Visakhapatnam, Mangalore, Port Blair, Nazik, Cuttack, Ajmir, Thanjavur, Kodinar, Mhuda, Dandeli, Ratlaw, Hapur and other similar cities and towns.</td>
<td>481</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>684</td>
</tr>
</tbody>
</table>

Source: Directory of VCOs, CERC, Ahmedabad (1993)
The distribution of the consumer groups on an all-India basis is not uniform. Of the 684 VCOs existing in India at present 10 per cent are in Metropolitan cities, 20 per cent in larger cities and 70 per cent in smaller cities and towns (Table 6.1). This 70 per cent have not succeeded in spreading consumer awareness among the rural mass.

The State to State distribution as evident from table 6.2 indicated that states like Andhra Pradesh, Gujarat, Karnataka and Tamil Nadu house a large number of consumer groups compared to the largely populated states like Madhya Pradesh, Uttar Pradesh and Bihar. This situation may be due to the fact that the consuming mass at large are not aware of their rights and the need for protection as a result of high percentage of illiteracy. Being a welfare state only a concerted effort of the government and citizens will be able to launch an effective consumer movement. In Japan consumer association was sponsored jointly by government, business and several women's groups.22 Confederation of VCOs like CICO with the primary objective of making a grass root movement, proposed to constitute "Consumer Advice and Complaints Bureaus' in every district, funded by the Department of Civil Supplies, Public Distribution and Consumer Affairs is yet to materialise.23

4.3 Functions of the VCOs

The nature of activities of most of the VCOs are complaint-handling, education, advocacy, litigation, lobbying and research. The percentage distribution of activity pattern of VCOs is shown in table 6.4.

Table 6.4

<table>
<thead>
<tr>
<th>Activity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Complaint-handling</td>
<td>96</td>
</tr>
<tr>
<td>2 Consumer Education</td>
<td>86</td>
</tr>
<tr>
<td>3 Advocacy</td>
<td>77</td>
</tr>
<tr>
<td>4 Litigation</td>
<td>71</td>
</tr>
<tr>
<td>5 Media</td>
<td>70</td>
</tr>
<tr>
<td>6 Publication</td>
<td>46</td>
</tr>
<tr>
<td>7 Lobbying</td>
<td>43</td>
</tr>
<tr>
<td>8 Research</td>
<td>32</td>
</tr>
</tbody>
</table>

Source: "A Directory of VCOs in India, Consumer Education and Research Centre, Ahmedabad, 1993."
Handling of complaints was found to be the main function of the VCOs, research was not given due importance. It is true that the VCOs were capable of increasing awareness for social accountability by way of their close association with the public interest.

### 6.3.1 Complaint Handling

Complaint handling centered around solving the individual grievance by the informal methods of settlement wherever possible is the most welcome process by all complainants, failing which the disputes can be taken up in the CDRAs. 96 per cent of VCOs as shown in table 6.4 are engaged in this activity. Considering this as a major source of finance most charge exhorbitant amounts as service charges making it beyond the reach of ordinary consumers. In addition, this amounts to restrictive trade practice punishable under the Act as VCOs insist on membership before they entertain the complaints. This violates the fundamental objective of providing cheap, inexpensive remedy to the consumers guaranteed through COPRA. Also a sizable part of the compensation awarded, if any, also has to be parted with to the VCOs for rendering this service.

A matter of concern for all is that the private member bill entitled "The Consumer Associations (Registration) Bill, 1991" introduced in Lok Sabha on 22.2.1991 is yet to see light.
6.3.2 Consumer Education

86 per cent of the VCOs in India (table 6.4) are engaged in consumer education. The modalities used are mainly workshops, seminars, exhibitions, print and electronic media and publications of pamphlets, brochures, guides and periodicals. These organisations should be able to disseminate and supply informations related to

- Various legal protection measures available
- Information on the enforcement authorities
- Unfair, restricted and hazardous trade practices including misleading labelling and advertisements
- Judicious choice of consumer products and services at competitive prices leading to wise purchase decisions
- Assessment of qualities of goods and services relevant to their needs and on adulteration of goods.

The periodicals published by the VCOs in the U.S and the yeoman's services in testing of products rendered in U.K are the important sources of information regarding consumer products which are systematically tested in laboratories. But in India the VCOs are not able to provide such information to the consumers; because only two VCOs viz. CGSI and CERC own product testing facilities and dissemination mainly through their publications.

which are not affordable to the vast majority. The attempts to make maximum use of the media for creating consumer awareness are yet to be successful owing to the apathy of newspapers.

Seventy per cent of VCOs in India use media such as radio, newspaper and television for consumer education, whereas only 46 per cent had their own publications. Consumers Union, U.S.A circulates 5.6 million copies of its magazine "Consumer Reports" per month and it is one million in U.K and two lakhs in Australia per month. But it is difficult to achieve a similar level of circulation in a developing country like India, where majority of Indians strive for their existence.

Therefore the most suitable methods for consumer education are:

a Educational institutions and social organisations should undertake consumer education.

b State agencies actively involve themselves in educating the consumers by providing information about common hazards and the precautions to be taken from time to time.

c Wide use of mass media for creating consumer awareness among consumers.

d Active involvement of women's organisations of the women, by the women and for the women.

6.3.3 Advocacy

Consumer advocacy can be defined as a problem solving tool by making the administration accountable through proper implementation of the law and campaign to build broadbased support for an issue. VCOs have to convince the authorities to use their discretionary powers in the interests of consumers and, if necessary, to make amendments in the existing laws or enact new laws to serve the consumer interests better. In the U.S Ralph Nader and his so-called 'Raiders' unearthed malpractices and abnormalities done by corporations and government regulators and set up action-oriented programmes. Moreover, mobilising the public was not at all difficult in the U.S; because every individual was also a consumer activist.

On the contrary in India even though 77 per cent of the VCOs claimed to engage in consumer advocacy, we have not seen any mass movement when the government exempted 25 items from the Packaged Commodities Order, 1977. Only Common Cause alerted all the VCOs in the country and fought against the delay in enforcing the implementation of the COPRA. Advocacy before rule-making administrators will be effective if the VCOs are successful in using the manpower judiciously and effectively.
6.3.4 Lobbying

Lobbying as carried out by 43 per cent of VCOs involves influencing the law-makers to influence policy-decisions. In the U.S lobbying is extensively and effectively done as the elected representatives are directly responsible to the people, whereas in India this tool is still in a rudimentary stage as the elected representatives are under the control of political parties. In addition, consumer movement is yet to pick up and emerge as a viable force, consumer organisations need activism, and the inability to lobby for introducing 'Private Members' Bill' are the deterrents in this area.

By lobbying VCOs have to take up an adversarial role with government, industry and other economic and bureaucratic institutions which warrants acquisition of knowledge and skills. But the VCOs in India are not in a position to seek professional or expert help because of the financial constraints. This throws light to the fact that almost all VCOs engage in the activities without any preference or priority to any particular area of work. These groups have to identify their work and action areas alongside expanding and diversifying their existing activities.

6.3.5 Litigation - Public/Private Interest

Public interest litigation should predominate even when fighting for private interest litigation. 71 per cent of VCOs are engaged in this as per table 6.4. These opportunities, if
properly utilised, the VCOs in India will be of greater value in improving the efficiency of the respondent contributing to general welfare of the public, e.g. fight for increased voltage, supply of potable water, better road conditions etc.

In advanced countries consumers have been able to wrest concessions and secure their valuable rights through public interest litigation. Litigation becomes very effective if an immediate stay order or injunction is obtained from the court. If advocacy is effectively made litigation can be avoided.

While the VCOs in advanced countries adopt the policy of "Prevention is better than cure" through publications, product testing and education, the VCOs in India opt for redressal at the CDRA after the exploitation of consumers.

6.4 Financial Status

Based on the annual budget of the VCOs, as given in the Directory of VCOs in India published by CERC, Ahmedabad, 1993, the VCOs were regrouped under four heads viz.

1. Poor (upto ₹10,000 annual budget)

2. Moderate (annual budget between 10,000 and 1,00,000 Rupees)

3. Rich (annual budget between one lakh and 5 lakh Rupees)

4. Very affluent (annual budget more than five lakh Rupees)
Table 6.5 shows that rich and very affluent VCOs can afford high gear functions like lobbying and research. All VCOs, irrespective of the budget, are engaged in complaint-handling, consumer education, advocacy and litigation.

A close study revealed that the 'rich' and 'very affluent' VCOs are receiving state and central Government grants in addition to funds from foreign funding agencies. All of them are located in Gujarat.

### Table 6.5

Relation between annual budget and functions of VCOs

<table>
<thead>
<tr>
<th>Annual Total No. Budget of VCOs ('000 Rs)</th>
<th>Number of VCOs in Percentage doing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Complaint handling</td>
</tr>
<tr>
<td></td>
<td>No. Per cent</td>
</tr>
<tr>
<td>Upto 10</td>
<td>84 100.0</td>
</tr>
<tr>
<td>10 - 100</td>
<td>78 94.87</td>
</tr>
<tr>
<td>100 - 500</td>
<td>13 100.0</td>
</tr>
<tr>
<td>500</td>
<td>4 100.0</td>
</tr>
</tbody>
</table>

Source: Data Collected from *A Directory of VOCs in India*, Consumer Education and Research Centre, Ahmedabad, 1993.
Financial Constraints

There appears to be an enormous disparity in sources and methods of mobilisation of financial resources. The survey conducted by the CERC, Ahmedabad revealed that 47.0 per cent of the VCOs had less than Rs.10,000 as their annual expenditure and in all 69 per cent had an annual expenditure of less than Rs.30,000. This finance is raised mainly from subscription fees ranging from Rs.10 to Rs.100 p.a from the members and donations. These VCOs need to identify the sources of funding, raising and management of funds, since majority of them had a meagre annual budget of upto Rs.10,000.

6.4.1 Sources of Financial Assistance

Most VCOs are unaware of the assistance and schemes offered by the Central Government. There are four schemes available under the various Ministries of the Central Government.

1 Ministry of Civil Supplies, Consumer Affairs and Public Distribution
2 Ministry of Science and Technology
3 Ministry of Environment and Forests
4 Rajaram Mohan Roy Library Foundation (For libraries only)
Ministry of Civil Supplies, Consumer Affairs and
Public Distribution. 26

The policy guidelines of the schemes are:

a Organisations should have specific areas of operation
capable of assessment of the impact of the programme
undertaken.

b Societies including Mahila Mandals which perform welfare
activities for undertaking consumer protection work.

c Only one VCO per state/U.T will be considered for financial
assistance.

d Preference will be given to VCOs working in rural and
tribal areas.

2 Ministry of Science and Technology give grants for specified
purposes only.

3 Ministry of Environment and Forests gives grants to identify,
investigate and propose solutions for the problems of improving
the human environment in contact with the growth and distribu-
tion of population and economic development. 27


27 Ibid, p.138
Raja Ram Mohan Roy Library Foundation gives assistance for purchase of books, furniture and equipments and for construction, including additions/alterations, of building of library.  

The conditions and procedure required for getting sanction of the grant is tiresome and expensive because of the attitude of the authorities. Hence it is a difficult task to get financial assistance from these sources.

6.4.2 Foreign Funding Agencies

The foreign agencies which are likely to support consumer protection activities are Australian Council of Churches (ACC), Australia, Canadian International Development Agency (CIDA), Commonwealth Foundation U.K., Community Aid Abroad (Australia), Evangelische Zentralstelle Fuer Entwicklungshilfe E.V (EZE), Germany, Friedrich Naumann Foundation (FNF), Germany, International Development Research Centre (IDRC), Canada, Oxfam (India) Trust, Royal Norwegian Embassy, Swiss Aid Co-ordinator's Office, The Ford Foundation, United Nations Development Programme etc.

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28 Ibid, p.142
29 Ibid, p.116-118
Even though paucity of funds is a major stumbling block for the effective functioning of the VCOs, they do not actively campaign for raising funds either from foreign sources or from our Government. Therefore lack of funds severely inhibits the spread of their educational, research and legal activities. This calls for the intervention of Government to take appropriate steps to make sure that the VCOs are financially sound in a reasonable way.

6.5 Women's Voluntary Consumer Organisations

Of the total 258 VCOs surveyed by the CERC, Ahmedabad there were 107 which worked with female participation either as Head, Operating Head or as members in the Board of Directors/Executive Committee. There were only ten exclusively women's VCOs in a vast country like India where more than half of the population constitutes women. The distribution of VCOs with female participation and exclusively women's organisations over the different states in India is shown in table 6.6.

Table 6.6 revealed that in some states such as Jammu and Kashmir, Tripura, Goa, Pondicherry and Manipur there were neither women's VCOs, nor their participation in the activities of the existing VCOs. Only an average of 28.29 per cent VCOs had female participation all over the country and only 3.87 per cent of exclusively women's VCOs which is very weak and shameful.
Table 6.6

Distribution of VCOs with female participation in Management and exclusive Women's Organisations over different States

<table>
<thead>
<tr>
<th>States</th>
<th>Total</th>
<th>With female participation</th>
<th>Exclusively Women's Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No.</td>
<td>No.</td>
<td>Per cent</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>50</td>
<td>8</td>
<td>16.00</td>
</tr>
<tr>
<td>Bihar</td>
<td>17</td>
<td>1</td>
<td>5.88</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
</tr>
<tr>
<td>Gujarat</td>
<td>29</td>
<td>11</td>
<td>37.93</td>
</tr>
<tr>
<td>Haryana</td>
<td>3</td>
<td>1</td>
<td>33.33</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>1</td>
<td>1</td>
<td>100.00</td>
</tr>
<tr>
<td>Jammu &amp; Kashmir</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karnataka</td>
<td>26</td>
<td>10</td>
<td>38.46</td>
</tr>
<tr>
<td>Kerala</td>
<td>16</td>
<td>5</td>
<td>31.25</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>5</td>
<td>2</td>
<td>40.00</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>13</td>
<td>4</td>
<td>30.77</td>
</tr>
<tr>
<td>New Delhi</td>
<td>9</td>
<td>5</td>
<td>55.55</td>
</tr>
<tr>
<td>Orissa</td>
<td>11</td>
<td>2</td>
<td>18.18</td>
</tr>
<tr>
<td>Punjab</td>
<td>4</td>
<td>1</td>
<td>25.00</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>11</td>
<td>4</td>
<td>36.36</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>35</td>
<td>9</td>
<td>25.71</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>17</td>
<td>6</td>
<td>35.29</td>
</tr>
<tr>
<td>Tripura</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Bengal</td>
<td>2</td>
<td>2</td>
<td>100.00</td>
</tr>
<tr>
<td>Goa</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pondicherry</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manipur</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>258</td>
<td>73</td>
<td>28.29</td>
</tr>
</tbody>
</table>

Source: Data collected from Directory of VCOs in India, Consumer Education and Research Centre, Ahmedabad, 1993.
This pinpoints the need to create awareness among women at the grassroot level about their rights and responsibilities. Even though we had some women's organisations such as Women's Graduate Union (1915) and Women's Indian Association (1917) organised for the benefit and welfare of women they failed miserably in spreading consumer education as they did in the west. We have to explore and find out the reasons for the tolerant attitude of women.

6.6 VCOs in Kerala

In Kerala a VCO can be registered under the Travancore-Cochin Literary, Scientific and Charitable Society's Act, 1955 (12/1955) or Societies Registration Act, 1860 (21 of 1860) and the Companies Act.

In all 54 registered VCOs with branches/units all over Kerala have been identified. These organisations are mainly engaged in complaint-handling by charging a fair amount for handling their cases, thus exploiting the consumers. As a result VCOs have become a source of livelihood for a handful of activists. It is in this context that the Supreme Court's observation is valid. It states that "it is conceivable that the consumer protection movement is gaining ground in other countries because of strong consumer bodies having succeeded in organising the consumers. Such powerful bodies are far and few in this country and they are unable to exert sufficient pressure on the
powers that be as compared to the pressure brought by vested
interests because the consumers in this country are not organised
as one would like them to be". 30 This holds true in Kerala as
revealed in the present study.

Financial constraint is the major problem faced by the VCOs
who are the organisations in the country. It was found
that only eight per cent of VCOs in Kerala were getting
any assistance. In the present study it was revealed that
sixteen VCOs were not getting any assistance. In 1993 the number increased to 34. In the absence of an
authority or a coordinating body the VCOs in Kerala are remaining
nonentities as far as the consumers are concerned.

6.6.2 Weaknesses

1 Dedicated and good leaders who are able to tide over
consumer constraints is lacking in the consumer movement
of Kerala.

2 Selecting appropriate issues to give the organisations
visibility or image is another weakness.

3 Publications that provide information to the general
public are very few and they have not succeeded in
creating reverberations among the consumers.

30 Common Cause Vs Union of India & Ors, 1141/1988, Supreme Court.
To be more effective and to help more and more people, the consumer groups need to set their priorities for action on national and regional basis with the co-operation of sister organisations.

Financial constraint is the major problem faced by the VCOs in Kerala as other organisations in the country. It was found that only eight per cent of VCOs in Kerala were getting grants from the Government of India and another 8 per cent were getting grants from private sources as United Nations Development Programme, the Ford Foundation etc. 31

6.6.3 Registration

Most important among the rules and regulations of the VCOs registered under the Societies Registration Act, 1860 are:

a Membership of the VCO shall be open to all persons, organisations and institutions interested in the work relating to protecting the interests of consumers.

b Membership fee can be charged from members.

c Members should not have affiliation to any political party. Thus it is clear that the members should not belong to any political party and should be interested in protecting the interests of consumers.

But, in Kerala, the majority of the VCOs are organised by political parties who encourage the members of the political parties to set up more and more VCOs in disguise.

Major VCOs with a wide network of activities are Consumer Protection Council of Kerala and the Kerala State Consumer Coordination Committee.

The Consumer Protection Council of Kerala, Thiruvananthapuram, founded by a woman is engaged in research and dissemination of information among the consumers regarding the consumer products, forcing the manufacturers and producers to improve the quality and utility of their products and educating the consumers about the unfair trade practices.

The Kerala State Consumer Co-ordination Committee, Kochi, a trust, is a misnomer, since it is not coordinating independent organisations, but establishing only branches/units all over Kerala on the lines of political parties with a central control over the branches/units. The objects of the Trust are almost identical with that of the COPRA in addition to publication of books and periodicals for educating the consumers and conducting training programmes. In Kerala there is no confederation of VCOs to coordinate their activities.

6.6.4 Governing Body

The governing body of the VCO shall consist of not less than nine and not more than 12 members consisting of a Chairman or President, Vice-Chairman or Vice-President, Secretary,
Joint Secretaries and a Treasurer and two members.

IV.3 Activities of VCOs

Activities of the VCOs in Kerala are mainly complaint-handling, consumer education, advocacy, litigation, research etc.

Objectives of the VCOs should be as follows:

1. To promote and protect consumer interests particularly to concretise consumer rights and remedies through consumer education, dissemination of information etc.

2. To provide a common platform to the consumers of the area for highlighting common consumer problems to the people.

3. To facilitate, organise and enable activities in the nature of seminars, conferences and lecturers for discussing consumer problems.

4. To sponsor and undertake research in the field of consumer education programmes on advocacy and campaigns relating to problems of consumers and to set up study circles and groups in such fields.

5. To publish journals for dissemination of information and for providing a forum for discussion of such common problems.

6. To take legal recourse in the defence of rights and lawful interests of any consumer or class of consumers.
To do all non-political, legal and peaceful acts and undertake other activities which may help to promote the welfare of consumers.

The hurdles faced by the VCOs in Kerala can be grouped under major and minor heads. Prominent among the major ones are communalism, demoralisation in the sphere of political activities, wide-spread corruption and unemployment. These can be solved only through political policy decisions. Once this is done, majority of the consumer grievances will automatically disappear. Only through drastic changes in the present system it will be of help to us.

Minor hurdles are mainly due to non-implementation and non-enforcement of existing laws resulting in unfair restrictive and hazardous trade practices with regard to goods and services. An earnest intervention of the VCOs can easily rectify this to a certain extent. Owing to the prevalence of provincialism and regionalism the Keralites have miserably failed to undertake a united action aimed at the welfare of entire Keralites till date.

### 6.6 Requirements for Consumer Organisations in Kerala

1. Establishment of a consumer product testing laboratory for the protection of consumers beginning with food products.

2. Purchase and installation of sophisticated domestic and imported scientific equipment and computer equipments for testing programmes.
Grant for import of testing equipments, appointment of consultants, consultancy charges and training of technical people abroad.

2 To acquire facility for E-Mail for inland and overseas communication and access to data bases by becoming a member of Education and Research Network (ENERT) initiated by Department of Electronics.

3 a Publication of Consumer Education Series Special Subject Bibliographies/Directories.

b Preparation of Audio-visuals.

c Research projects - testing results.

d To mobilise public opinion through workshops/seminars/public meetings.

4 Opening up a centre for investor protection, recognised by SEBI, complaints cell, Legal Cell etc.