CHAPTER – 2

REVIEW OF LITERATURE

2.1 Introduction
A literature review is a survey and discussion of literature in a given area of study. It is a concise overview of what is studied, argued and established about a topic, and is usually organized chronologically. It is not an annotated bibliography because it organizes and presents the sources in terms of their overall relationship to the concerned research study. It evaluates previous and current research with regard to how relevant or useful it is to the present study.

The purpose of writing the literature review is to convey to the reader about the knowledge and ideas that have been established on a topic and what are their strengths and weakness. The literature review must be defined by a guiding concept i.e. the research objective, the problem or issue to be discussed.

In nut shell the literature review traditionally provides a historical overview of the theory and the research literature with a special emphasis on the literature specific to the thesis topic. It serves as well as supports the argument/proposition behind present research thesis, using evidence drawn from authorities or experts in concerned research fields.

2.2 Chapter Overview
Keeping in mind the objectives of the research, study of related literature was done in order to grasp the concept and state of consumer protection, its utilization and nature of implementation in India.

In order to explore the effectiveness of consumer protection measures in India, an attempt was made to search various sources, which are described in the following paragraphs.

To set a logical framework, the chapter is divided into four parts.
Part - 1
The first part of the second chapter deals with literature describing briefly the judicial protection on managed care consumers in context of insurance coverage disputes and health insurance.

Part - 2
In this part, the researcher has tried to throw light on the empirical researches done on various aspects of consumer grievances that is consumer satisfaction and dissatisfaction, consumer complaining behavior and consumer reaction to complaints in Indian context.

Part - 3
Various studies at national and international level has reported that, consumers all over the world, even that of developing countries have a low level of awareness of consumers rights. In this part of the chapter the researcher has tried to give an insight on consumer awareness on rights and legislations as regards consumer protection.

Part - 4
In this part of the chapter, the researcher has given a brief description of the implementation of Consumer Protection Act, along with some statistical data regarding the functioning of different forums in different parts of India.

Part - 1

2.3 Health Insurance
2.3.1 Judicial Protection in Managed Care Consumers in Context of Insurance Coverage Disputes.
Randall, Monear, and Gupta, (2000), in their study on ‘Health Insurance in India: Prognosis and Prospects’ concluded that there are two important limitations of present health care system and its financing in India. The first limitation is exceptionally high health care expenditure over three-fourth of which is private out-of-pocket expenditure. The other one relates to unsatisfactory outcomes of these expenses. Most out-of-pocket expenses are by household engaged in low income informal economic
activities. Those in the organized sector are covered under health plans. But the majority of the low income people are left to suffer either from poor health-care delivery or to incur high out-of-pocket expenses, or both. Even those covered by health plans, experience growing inefficiencies and low quality of service\(^1\).

Mavalankar and Bhatt, (2000), studied ‘Health Insurance in India-Opportunities Challenges and Concerns’. The authors in their study reviewed the health insurance situation in India- the opportunities it provides, the challenges it faces and the concern it raises. They concluded that India has limited experience in health insurance. Due to the liberalization of insurance industry by Government health insurance is going to develop rapidly in future. It is a challenge to see that health insurance benefits the poor and the weak in terms of better coverage and health services at lower costs without the negative aspects of cost increase and over use of procedures and technology in provision of health care. If health insurance is left to the private market it will only cover those which have substantial ability to pay leaving out the poor and making them more vulnerable. Hence, India should proactively make efforts to develop Social Health Insurance. As India does not have large organized sector employment, the, only option for such social health insurance is to develop it through co-operatives, associations and unions. The existing health insurance programmes such as ESIS and mediclaim also needs substantial reforms to make them more efficient and socially useful\(^2\).

Nair, (1998), studied ‘Household Health Expenditure of Manual Workers in Informal Sector – A study in South Delhi.’ The author concluded that on an average a household spends 5.57\% of its monthly income on health care the per capita expenditure per year is estimated at Rs. 255.06. The households incurred a substantial wage loss due to illness in family. Nearly 68\% of the households utilized private facilities for treatment\(^3\).

Bhatt, Maheshwari, and Saha Somen, (2005), studied ‘Third Party Administrators and Health Insurance in India: Perceptions of Providers and Policyholders’. The authors concluded that policy holders rely more on their insurance agents than on the insurance companies or third party administrators. The role of TPA in consumer education does not infuse much confidence on their intention or ability to do so. The
IRDA’s present role of TPA appraisal is more based on their financial performance rather than consumer satisfaction⁴.


The objectives of the study were:

1. Find the number of policies sold during last three years and analyse quarter-wise sales data to find if there is any pattern in sales of mediclaim policies,
2. understand the magnitude of reimbursements against premium collected,
3. describe the profile of claimant,
4. analyse the breakup of expenditures for which claims and reimbursements have been made,
5. find the delay in number of days in settling the claims and reasons thereof,
6. analyse the reimbursement system and its relationship with costs and claims made.

The data was collected by study team from one of the Ahmedabad based GIC companies from the claims file manually as the data was not computerized. 621 cases of claims and reimbursements made under Government run mediclaim insurance scheme were analysed.

The findings of the study were that the implementation of mediclaim is critically dependent on the efficiency and effectiveness of delivery system of private medical services. Insurance company took on an average 121 days to settle the claim. Due to imperfection in demand and supply side in private for-profit health care markets and absence of appropriate regulatory mechanism, the IRDA’s proposal to ensure payment settlement within seven days time looks ambitious. The current claim management system of government run insurance companies do not match with the task that would be required in monitoring the diverse unregulated for-profit medical service providers. In absence of standardization, treatment protocols and price regulation, billings vary and this is not necessarily in keeping with any minimum hospital facility requirements. Settling the claims under these circumstances is time
consuming task. IRDA’s proposal to develop accreditation system for hospital may be the first step towards developing foundation for health insurance market to work effectively. Complexities of the health care market in India are stumbling blocks in the way of getting efficient and effective health insurance market in place<sup>5</sup>.

Jost, (2009), studied ‘The Regulation of Private Health Insurance’. In this study the author examined the current role of health insurance regulation and the role that it could play in a reformed health care system. He explored the nature of health insurance and alternative approaches to its regulation. He then considered the current status of first insurance regulation and examined arguments in support of and in opposition to regulatory interventions. Finally he considered the kind of insurance regulation that will be needed in a reformed health care system and whether the authority for insurance regulation should be placed at the federal or state level. The following regulations for health care reforms were suggested.

1. Basic health care services to be covered by public insurance and private insurance, presumably to be limited to covering supplemental non-covered services. This supplementary private insurance would need to be regulated at least to assure insurer solvency and to protect against fraudulent marketing and claims practices.

2. To adopt individual mandate approach and for this the scope of minimum insurance coverage needs to be established. According to him the government implementing an individual mandate needs to do the following:
   a. make provision for individuals who would not be able to purchase insurance at all or to purchase it at affordable rates because they presented an unfavourable risk profile
   b. government implementing an individual mandate might establish a purchasing co-operative, to organize the market for individual insurance purchase and reduce transactions cost
   c. to continue traditional oversight over financial responsibility (solvency and reserves) and protection against fraudulent marketing and claims practices
   d. adopting comprehensive reform legislation might provide an opportunity for reviewing existing state managed care legislation and determining which provisions have been helpful and which have not
3. If health reform is to be accomplished in part through employer mandates, it will have to be implemented through federal legislation.

4. Any approach to health care reform that intends to achieve universal coverage through insurance, provided through a tax credit, or some other way.

5. Insurance can be made more affordable by allowing it to cover loss “Bare-bones”, high cost-sharing policies sold in the individual market to young, healthy individuals can be quite inexpensive.

6. For any program providing public subsidies for private insurance, it should be ensured that funds are used to purchase a policy that in fact ensures adequate coverage and will not expose the insured to financial disaster, if health problems eventuate.

7. Insurer financial responsibility requirements and consumer fraud protection will continue to be necessary.

8. Creation of some means for evaluating the costs and benefits of new health care products and services with the possibility of making public subsidies available only for insurance plans that do not cover products and services that are clearly not effective or cost effective, might make an important contribution to health care cost control.

He concluded that it is difficult to imagine a reformed health care system without insurance regulation. Thus insurance regulation will always be there.

Hall, Smith, Naughton, and Ebbers (1996), studied ‘Judicial Protection of Managed Care Consumers: An Empirical Study of Insurance Coverage Disputes’. The authors, for the study purpose compiled a list of all health insurance coverage disputes involving issues of medical appropriateness that resulted in published federal and state court decisions from 1960 to June 1994. All forms of standard health insurance, both public and private, including Medicare and Medicaid, the Federal Employees Health Benefit Program and the Civilian Health and Medical Program of Uniformed Services (CHAMPUS) and self-insured employees were included. Case involving health maintenance organisation (HMOs) and managed care plans, were also included. They concluded that courts appear to be receptive to patients’ complaints that insurers have incorrectly denied them coverage. Patients win over half the time, even specific exclusions are frequently not enforced, and courts appear to be
sympathetic to patients in serious condition. The most troubling finding for patient protection in managed care settings is that very few disputes arising in this setting make their way into the courts. Either; patients are not made aware of many of the coverage decisions that are implicitly being enforced, or they find it too expensive or too difficult to pursue their objections through costly and time consuming judicial process. Accordingly, calls for alternative dispute resolution mechanism that are speedy and easy to access appear to be well founded.

The author suggests that the judicial system offers aggrieved healthcare recipients another forum in which to address their complaints. Since the authors’ research suggest that Alternative Dispute Resolution, or other less expensive and less formal procedures, may offer health care consumers more protection than they may realize.

Part - 2
2.4 Consumer satisfaction and dissatisfaction, consumer complaining behaviour and consumer reaction to complaints in Indian context

2.4.1 Consumer satisfaction and dissatisfaction
Consumer satisfaction of any purchase of product or service is a binary type i.e. either he is satisfied or dissatisfied. A satisfied purchase would be followed by subsequent repurchase and wide publicity of the pleasing products to others. Thus, the researchers have recognized the understanding of CS, CD and CCB as critical to repurchase intentions and brand loyalty (Engel and Blackwell, 1982). The dissatisfaction on the other hand, would lead to complaining. Many researches opined that brand loyalty means a positive attitude or preference toward a brand as well as repeated purchase (Jaco by et al, 1978). As far as consumer dissatisfaction is concerned, it was said to result from a combination of the discrepancy between expectations and performance (Landon, 1977). According to Day et.al, (1981) when consumers are dissatisfied with consumption experience, their response, can range from doing nothing to suing the party for millions in damages.

Practically speaking, a dissatisfied purchase would lead to either complaining or taking no action. Day (1980) also postulates that consumer responses to dissatisfaction can take three forms as redress seeking, complaining and boycotts. If
complaining does not follow dissatisfaction, then the purchaser would either compromise on the product, thinking that it is merely a chance factor and it may not be repeated again. Thus, would continue with the same product, or he would simply boycott the stores or the product. In the case of taking action, the consumer reactions include either switching the brand immediately or rendering the complaint to the retailer, or manufacturer or to third party i.e. either the voluntary consumer organization or to the government agency, and lastly telling others about the unsatisfactory purchase.

2.4.2 Consumer Complaining Behaviour (CCB)
This is a second response to dissatisfaction and has received more attention in the literature as today the customer is becoming confused, sometimes frustrated and often angry, when cheated in the market place. Making a complaint is an attempt to remedy the dissatisfaction (Richins, 1983).

The American Heritage Dictionary defines a complaint “as an expression of pain, dissatisfaction or resentment”. Landon (1980) puts the consumer complaint as an expression of dissatisfaction on a consumer’s behalf to a responsible party.

According to Landon (1980), complaining can be said to be a process of interaction between the consumer and the responsible party involving confrontation and negotiation.

Customer, who purchases goods or utilizes service of any kind, may find that at a later stage, they do not function properly. They, thus, complain to responsible party and demand that the fault is repaired at their expenses. Some response is given from the other side. The consumer then evaluates the response and decide on further action. For complaining, dissatisfaction is necessary condition acting as an important factor of legitimate consumer complaints as has been discussed earlier. Thus, consumer complaints provide an index of dissatisfaction.

Singh Jagdip, (1988, Jan), studied ‘Consumer complaint Intentions and Behaviour: Definitonal and Taxonomical Issues’. The objective of this study was to assess the nature and structure of consumer complain behaviour phenomenon. The findings
indicate that the currently available taxonomical and operational definitions cannot be accepted as satisfactory representations of observed consumer complain behaviour responses. The three dimensions of consumer complaint behaviour are distinct, have discriminate validity, and warrant additional research attention.  

\[\text{2.4.3 Consumer Reactions to Complaints in the Advanced Countries}^{10}\]

Researches done in this area have shown that in terms of complaining behaviour, consumers react differently to dissatisfaction. Generally, consumers do not take action to alleviate marketplace problems. Day and Bodur (1978) found that for non-durable goods, in spite of extreme dissatisfaction, 59.6% did not take any action, whereas, for durable products it was 29.4% and for service it was found to be 23.2%.

In a comprehensive study conducted in 1976, it was found that the percentage of dissatisfied customers who voiced complaints were in the range of 10%, for a wide variety of products and services. Furthermore, a significantly large number of consumers (30-80%) reported doing nothing about their dissatisfaction (Best and Andreason, 1977).

Morris D. & Reeson D.I., (1978), in their paper on Economic Determinants of Consumer complaints noted that level of complaints about different products, could in part be explained by the characteristics of those products. The number of complaints made is related to the “opportunity” to make a complaint. Durable and technically complex products having higher unit price are bought infrequently and are subject to more complaint than non durable products.

Day and Ash (1979) in his study on consumers’ responses to dissatisfaction with durable goods reported that after dissatisfaction with durable goods, 32.5% of the respondents reported taking private action, warning family and friends. Moreover, it was seen that in contrast, the percentage of respondents who took actions by complaining to the seller for a replacement or a refund was 48.8% for durable and 57.9% non-durable goods respectively. This indicated that as the product complexity increased from non-durable to durable, the extent of private actions remained about the same but public action actually decreased.
Agbonifoh and Edoreh (1984) made an attempt to find out the kind of dissatisfaction suffered as a result of product/service purchased by the consumers in Nigeria. The findings revealed that 77.44% of the respondents had suffered loss at one time or the other. Of this figure, 53.04% merely complained to their friends, 31.74% complained either to the sellers or the others, whereas, 15.22% took their complaints to either a government agency or a consumers association. Moreover, 71.74%, though, were not satisfied with the outcome of their complaints, but they never resorted to the court. The reason given was that 81.2% found the legal process too expensive in terms of both the time involved and the financial cost. Further 19% felt the compensation obtainable was insignificant. Thus, an important policy implication that follows from the study is that companies should encourage the consumers to bring the complaints to the notice of sellers and the manufacturer as these complaints serve as important tool for further marketing planning.

Richins M.L (1983, Winter), made a pilot study on ‘Negative word - of- Mouth by Dissatisfied Consumers’. The study was conducted to examine the consumers’ responses to dissatisfaction. The researcher concluded that the nature of the dissatisfaction problem, consumers attribution of blame for the dissatisfaction and perceptions of the complaint situation are related to responses to dissatisfaction. When a minor dissatisfaction is experienced, most of the consumers neither complain nor spread negative reports of the product involved. When the dissatisfaction is serious enough consumers tend to complain, regardless of other factors. If complaints are encouraged, the retailer has the chance to remedy legitimate complaints and win back a customer who may also make positive reports to others, enhancing goodwill. If complaints are discouraged, fewer consumers may indeed complain; instead, they may tell others of their unsatisfactory experiences and may not repurchase the product in future. The way management deals with dissatisfaction can have important impacts on brand and stores image.11

2.4.4 Consumer Reactions to Complaints in the Indian Context12
Very few studies have been conducted in India in this regard. Bhutani (1991) reported that 50% of consumers irrespective of their age, income, education and occupation, made a complaint to the shopkeeper on finding the defect with regard to textiles.
Grover (1996) while identifying the major factors that discourage consumers from taking action, with regard to Brand/Trademark duplication, reported that of the 174 respondents, a good number of consumers i.e. 33.3% did not take any public action even when there were occasions when they could take some action. A good number of those who took public action, 34.5% complained to the retailers, whereas, 12.9% complained to a newspaper, and slightly lesser number of consumers, i.e. 12.6% made a formal complaint to the company which originated the product. Majority i.e. 92.2% of the consumers did not litigate in a court of law and also a substantial majority i.e. 80% never lodged a complaint with any government agency.

As far as private action was concerned, an overwhelming large majority of consumers (80%) tried to switch over to other brands, somewhat lesser number of consumers (78.7%) simply warned their friends and still less (77%) boycotted the retailer and also a good number of consumers (37.9%) warned the retailer about the supply of duplicate goods.

The above findings throw light on the fact that the consumers refrained from taking any action for dissatisfaction, as they were skeptical of the outcome of their effort. Moreover, majority of the consumers were complaining at the retail outlets rather than indulging in litigation.

Part - 3

2.5 Consumer Awareness on Rights and Legislations

The problem of unawareness of consumer rights is prevalent all over the world including even the developing countries.

Jobber and Bendelow (1979), in their research on the public awareness of their rights found that although 61% of their respondents had cause to complain, only 2% had visited the consumer advice bureau to do so. Furthermore, they also reported a low level of awareness of consumer rights. Findings also indicated that awareness did not appear to be related to age. Moreover, there was no significant difference between males & females in the sample.
Agbonifoh and Edoreh (1984) also reported a low level of awareness of consumer rights in Nigeria. The results also indicated that there were differences in the level of awareness of people with different levels of formal education i.e. higher the level of education, the higher the level of awareness of rights. The findings highlighted that in the case of age and sex, there were no satisfactory significant differences in the level of awareness of different groups. As far as the complaining behaviour is concerned, the results suggest that consumers suffer in silence and legal process is considered too expensive for seeking redress for infringements on consumers’ rights. Further Agbonifoh commented that the reported low level of consumer awareness is not surprising in a developing country, where the general level of formal education is low, where consumer organizations are almost nonexistent, where essential commodities are scares and where neither the government nor any other body engages in any noticeable form of consumer education and information.

2.5.1 Consumer Awareness in some Advanced Countries

In a study by Hamouda (1977), ‘Consumer protection in underdeveloped countries – A Field study in Kuwait’, a detailed study was made in gulf area, with the objectives to study whether the concept of consumer protection was recognized by the government and by the business enterprise, the extent to which the movement of consumerism and consumer protection was developed in this area, the perceived importance of that movement and the factors that hinder the evolution and development of the movement within the particular local environment.

The study covered three main parties directly involved in consumer protection issue. Firstly the government, being the national body responsible for some major consumer protection matters, secondly the consumers, the party which is basically concerned with protection and thirdly the business organizations – both public and private. A survey of a convenient sample of 2570 respondents was done for the purpose of this research. The findings of the study pointed a gloomy picture is that in most of the basic elements of the evolution and development of the consumer protection concept are missing in such an underdeveloped country which enjoys a free economy.

1. On government level, the principle of neutrality in the government role in consumer protection is lacking for most of the officials are engaged directly or indirectly, in private business, hence enough attention not paid to consumer
protection unit established by the government and attached to the Ministry of trade.

2. Units at low management level, has always been understaffed, and most of the staff members are not graduates.

3. Consumer protection laws which are limited in number have been issued at an early stage of its establishment after which other developments are not made.

4. No educational or information campaigns launched in any form to inform the people about its objectives and activities.

5. More than 50% of the respondents – consumers were not aware of the consumer protection unit, and according to other 50% it was never effective in performing its duties. The reason behind it, lack of control by the government over market, where, free pricing is enjoyed by private commercial agencies and the top management of public enterprises believes that consumer protection is the responsibility of the government and foreign licensors.

The researcher concluded that

1. The role of government in consumer protection should be stressed in a country where the majority of the citizens are not educated to the extent that they could recognize and realize their rights in consumer protection.

2. The government officials should be neutral to play the role and that is possible only when they are disallowed to engage in private business.

3. Information campaigns to be organized to educate and inform people about their rights in protection and legal actions which they can take for that purpose.

4. Customers’ satisfaction and protection should be taken into consideration in evaluating the performance of the public enterprise.

5. In a free economy some forms of consumers’ agencies needed to look after the consumers’ rights and to protect them against various deceptive acts.\textsuperscript{14}

In a study by Cunningham & Cunningham, (1976), on ‘Consumer Protection - More information or more regulations?’ the authors made a study with the objective to determine how much individuals in various sectors of society know about the consumer protection laws and their rights as consumers.
The finding of the study was that there was very little difference between the income groups as to their understanding of the law. It seemed to negate Caplovitz statement of treating low income consumers with special care; apparently all consumers need to be treated in a special way if they are to be fully protected.

The author concluded that there are number of reasons why private citizens frequently do not avail themselves of the legal remedies that are available to them under local, and federal consumer protection laws. Often the consumer does not feel that the issue is important enough, or he does not want to take the time to pursue the defendant, or he feels that he could not win his case without a high priced attorney, with exceptions of a few areas of law, both consumers and attorneys know very little about rights as consumers. More and better information concerning consumers’ rights must be provided to individuals in the educational, legal and business communities. The author suggested that what is needed is not more and tougher laws, but rather more information made available to more individuals concerning their rights as consumers.15

2.5.2 Consumer Awareness in India16
The ASSOCHAM monograph (1990) on consumer awareness suggested that there should be consumer awareness about their rights as the awareness can help to check on unfair business practices. The review in this direction had indicated that consumer awareness of their rights is very low in India.

Jain (1989) in a study on consumer awareness in India reported that education and economic condition have direct relation with the consumer awareness. Regarding CPA, more males were found to be aware whereas housewives were slightly aware.

Bhutani (1991) studied the consumer awareness on the available protection services in textiles, wherein only 2% of the respondent knew about the functioning of the district forum.

The Indian consumer is not only poor, apathetic and ignorant but highly unaware of his rights as well (Dhyani and Saklani, 1994). Similar views were expressed by many others in the field of consumer protection. Srivastava (1985) concludes that the
consumers are not aware of its rights. Rani (1978) in her study on consumer problems and consumer protection for middle class homemakers in Nagpur city also observed that awareness regarding adulteration and weights and measures laws was poor among the consumers. Similar statements were made by speakers including bureaucrats and ministers at seminars held in the area of consumer protection, who stated that the consumer is ill informed of his rights and also stressed the need to take measures to increase awareness (Khullar, 1987); (Agarwal, 1989); (Shah, 1993). The findings of a survey carried out in three cities of northern India namely Delhi, Dheradun and Rishikesh to assess awareness of consumers towards consumer protection laws, revealed that awareness was significantly associated with education, income and sex but not with age. (Dhyani and Saklani, 1994).

Zend and Murli (1994) in their study on consumer awareness toward fraudulent practices revealed that 90% of the consumers were highly conscious towards the fraudulent practices at manufactures and retail seller’s level, with regard to household appliances. Further, they stated that their awareness regarding these practices was created through experiences.

Midha (1985) reported that consumers themselves were responsible for the slow growth of consumer movements in India. They wish to be protected but did not assert their rights. Further, he found, that a large majority of the consumers did not have time, energy or inclination to raise their voice against consumer exploitation.

Findings of the study on awareness of the Indian consumers with regard to consumerism by Nagendra (1994) in Agra city also indicated that majority of the consumers were totally ignorant of the government’s efforts towards consumer protection. This was seen more in the lower socio-economic and illiterate class.

A consumer research survey undertaken by Singh et.al, (1992) is a clear indication of the extreme lack of consumer awareness prevailing in India. The results support the previous findings. It indicated that nearly most of the rural respondents and very surprisingly nearly 90% of the urban consumers had never heard of consumer protection laws. Moreover, it is seen that those who were aware of the consumer protection act, were ignorant of its implication and use.
Wasu (1988) also reported a low level of awareness about consumer laws among all home makers in her study in Nagpur city.

Findings of the survey done on the evaluation of the effectiveness of the implementation of the CPA, by IIPA, New Delhi, showed that vast majority of the consumers were neither aware of the existence of the act nor the functioning of the District forum in their respective areas. Some of the well educated, consumer commented that it is a time consuming procedure and is not worth the trouble. Another finding was that awareness about the act varied positively with increases in the income and literacy level of the consumers (Singh and Balachandran, 1994).

Mehta (1997) found in her study on role of consumer organization for Redressal, that majority of respondents, 64%, were ignorant about the consumer organization and in India those who were found aware, it was only after they faced grievance. Rastogi (1995) also indicated a low-level of consumer awareness on the existence of consumer organization in India.

P Shivashankar, Zilla Panchayat CEO, (2010), commented that “owing to lack of information and awareness among consumers, Consumer Protection Act could not bring about a change in the society. There is a need to create awareness on consumer rights for the effective implementation of Consumer Protection Act. Consumers need to be cautious of defects in commodities purchased.”

Thanulingam and Kochadi, (1989), studied on ‘An Evaluation of consumer awareness’, with an objective to explore the extent of awareness of the consumers about the consumer movement in Madurai city. The study was done through a survey and the data was collected through questionnaire. The awareness was studied under two heads – (1) Studying the awareness of the consumers towards the consumer movement. (2) Highlighting the awareness of consumers towards the food products, drugs, cosmetics, banking services, life insurance policy, after sale service, packages and labeling, measures and scales and mail order business.

The findings of the study regarding awareness of consumer movements showed that 46.67% were aware of the consumer rights, 52.5% were aware of consumer protection
& 42.5% had the knowledge about consumer protection council and 3.33% consumers had approached and made complaint to the councils. But none of them had membership in consumer protection council. The Consumers were aware of the different aspect about food, drugs and cosmetics at the time of buying but only 5% consumers lodged complaint to the consumer protection council about adulterated products, 65% of the consumers had knowledge about the label and habit of reading and following label but very few of them made patch test and verified the direction while buying cosmetics. In banking service about 78% were aware of the various aspects of banking service, such as time schedule to grievance cell but very few made complaints and observed whether the banker adheres to the time schedule. Consumers had the knowledge about the grievance cell in LIC. As regards awareness about after sales service, 60.83% were not aware of the usefulness of the instruction book which gives a complete description about the commodity. The consumers were aware about the various aspects of packages and labeling, measures and scales and mail order business.

The study concluded that though the consumers were aware of their rights, Consumer Protection Act and consumer protection councils, only few of them had approached and made complaints to the councils.17

Kumar and Batra, (1990, December)’ made a study on ‘Consumer Rights – Awareness and Actions in small cities’, to obtain a true picture of the awareness and actions for consumer rights in small cities. For the purpose of the study, survey was undertaken in a small town of Haryana. Out of total population of 2, 00,000 in the area, 500 consumers were personally interviewed.

From the findings of the study, the researcher concluded that consumers are aware of their rights but very few exercise them. The reason behind it is not that the consumers are lethargic, or inactive or impatient, but the unsatisfactory response of their voice. The government has created various laws to protect consumers, but they are not properly enforced. The legal procedure is so cumbersome that an average man cannot dare to indulge into it, while those who raise their voice, receives a very unsatisfactory and discouraging response from the officials. Creation and communication of law is not sufficient, what actually desired is to enforce these laws,
in which the government is a total failure. It is time for the consumers not to wait for any improvement in the official machinery and take their own actions themselves. In small towns of India, a consumer revolution is required in which consumers unite together and then and only then the consumers of small cities can protect themselves from exploitations.\(^{18}\)

Jenefa and Kavitha, (2008), studied ‘Role of Consumer Forum in Protecting Consumers Rights’ with the objectives:

1. To ensure better protection of rights to the consumers
2. To provide speedy and effective redressal to consumer disputes
3. To promote voluntary consumer movements and to safeguard the interest of the consumers

To achieve the objectives, a descriptive research design was adopted. A multistage random sampling technique was used. Structured interview schedule was used to record the data. Various analytical tools were employed for analysis and interpretation of the data. Level of awareness between male and female was tested by employing t-test.

The findings of the study were:

1. 41.6% respondents had low level of awareness regarding consumer terms out of which 15% were males and 26.6% were females. 23.3% respondents had partial awareness out of which 15% were males and 8.3% were females and out of total, 35% respondents had high level of awareness with 20% belonging to males and 15% females.

2. Majority of male and female respondents were aware about the legal laws protecting the consumers against adulteration of food stuff and drugs (90% males and 86.6% females), using stone for weights (80.6% males and 63.3% females), using handmade balance (76.6% males and 50% females) and using deceitful packing (70% males and 43.3% females). Thus, males were having better awareness regarding legal laws than females.

3. As regards awareness of consumer terminologies, 30% males and 40% females were aware of term AGMARK. The term, ISI was known to 51.3% males and 86.7% females and about 21.5% males and 20% females were
aware of the term mercerization. Thus, more number of female respondents were aware of the specific terms than men.

4. Majority of male and female respondents got some information through TV (93% males and 46.6% females), followed by radio, newspapers and magazines. Internet was least commonly used source of information (33.3% males and 36.3 females).

5. 96.6% males and 80% females were aware about consumer organisation at district level and 33.3% males and 80% females were aware at the national level.

The researcher concluded that media can effectively be used to promote various information. Television was the main media for both male and female respondents, which influenced their buying, most. There existed a significant difference between the awareness level of male and female respondents regarding consumer terminology and consumer awareness.\(^\text{19}\)

Md. Wahidul Habib and Md. Gazi Salahuddin, (2008), made a study on ‘Consumers’ Perceptions and Awareness towards Consumer Rights: A Study on Dhaka City’ with an objective to evaluate consumer perception and awareness towards consumer rights and other relevant issues. The study was conducted on Dhaka city. A structured questionnaire was self administered to 150 respondents. The respondents were selected by simple random sampling procedure. Data was analysed by frequency/distributions and cross tabulations. Statistical Package for Social Sciences (SPSS) software was used for analyzing the results. As per the researcher’s findings, 84% of consumers had not heard of consumer rights and only 16% were aware about it. 84.7% of respondents had never heard of (CAAB). 86% of respondents were aware of the role played by the activities of BSTI. 39.3% heard about the information from newspapers, 28% from television and 18.7% from various persons. Only 8.7% service holders and 6.7% businessmen heard about consumer rights. Awareness level of students and housewives regarding consumer rights was very low.\(^\text{20}\)

Sengupta and Marappa (2008), studied ‘Consumer Awareness Strategies of Indian Business: An Exploratory Study’. The purpose of this study was to propose the key factors which influence business results and consequently enhances consumer
awareness leading to growth and substantiability of business entities by creating a niche in the market in terms of service and delivery. The study was done on the basis of secondary data. The researcher tried to embark on gathered information, data and views regarding the subject through secondary published sources (on studies conducted both globally as well as in India). For the purpose of study, leading businesses in automobiles, banking and telecommunication service sectors of India were taken into consideration. The study is descriptive in nature. On the basis of the data collected the researcher derived at following trends that business have brought in by adopting various strategies towards consumer awareness.

1. Change is inevitable in the current competitive scenario. Businesses who have quickly responded to such changes “interactively” have strived. Such interactions have created “Intangibles” in the form of “Goodwill” and hence have led to growth and sustenance of business.

2. Business having consumer focused “innovative products” bundled with technological capability which can deliver “knowledge” to consumers near or at his doorstep with sufficient “benefits and satisfaction”, are likely to succeed.

3. The ultimate goal of any business today is to create a long lasting imprint in the minds of the consumers so that patronage can be sought on a continuous basis to survive and sustain in a competitive business environment. The important issue of connectivity with the consumers lies in the ability of companies to promote goodwill among them through human factor.

Emphasis is given on employer branding strategies so that company employees become the vehicle for building bridges of strong relationships for a brand through their relevant knowledge, skills and attitudes, without which, consumer awareness cannot become a reality.  

Uppal and Chawala, (2008), studied ‘Global Changes: Excellence Mapping For Rural Consumers- Emerging issues and challenges’ with an objective to study the awareness and attitude of rural and urban consumers, to appraise the legal measures taken by the government for consumer protection, to analyze the role of voluntary consumer organisations and study the benefits of Consumer Protection Act.
The findings of the study were:

1. Nearly 75% of the rural consumers and 90% of urban consumers were aware of their rights and in total 82.75% of them had the awareness. Urban consumers were more aware of their rights compared to the rural area.

2. The consumers were aware of their rights to safety, choice, redressal and healthy environment, while they were aware of the right to be heard, consumer education and information to some extent.

3. According to 74.06% of the urban and rural consumers television was the principle media through which they came to know their rights.

4. Television and films influenced the urban consumers only, while radio, newspaper and other media influenced both the rural and urban consumers.

5. Quality was the main criteria for the choice of any product for both rural and urban consumers.

6. 70% of the urban consumers demanded bill and checked it while 64% of them preserved it for future reference. Majority of rural customers demanded the bill but only 53.50% of them preserved it.

7. About 76% of the urban respondents were aware of the maximum retail price and 60% compared it with actual price while in rural area 44.50% of respondents were aware of MRP and only 39.50% compared it with the actual price.

8. 55.50% of urban consumers and 37% of rural consumers were aware of local tax.

9. As regards adulterated goods, majority complained to the sellers, health inspectors, consumer organisations, etc. but few did not complaint to anybody as they thought that their complaints would not have any effect. Besides, they required money and time and were unaware of complaint procedure.

10. As regards filing complaint, rural consumers preferred to approach the same seller while urban consumers preferred to knock the door of consumer courts.

11. 86% of urban and 68.50% rural consumers were aware of ISI and AGMARK.

12. Only 30.97% of the consumers as a whole were the members of consumer organisations. 69.03% had no time to become the member.

13. An average of 5.50% of rural, and 17% of urban consumers were fully aware of Consumer Protection Act and allied acts. 61% of rural and 43% of urban consumers had never heard of these acts.
14. Illiteracy was considered to be the major cause of less awareness among consumers about CPA. Poverty and lack of interest of consumers are other causes.

15. Consumers had very little awareness about various consumer protection laws. CPA was more popular amongst all.

16. Majority of rural and urban consumers considered friends as effective force of spreading information about CPA and advocates as a least effective source.

17. 68% of urban respondents and 54% of rural respondents were aware about various legislations made to protect the consumers.

18. There is large group of consumers who are unaware of various legislative measures. According to 86% of urban & 64% of rural consumers’ ignorance is the major cause. Less emphasis on consumer education, lack of social organisations and consumer forums are other causes.

It was concluded that acts have no value until people are aware of them. The consumers share the responsibility of protecting themselves in the market place- that their rights as consumers will not prevent problems unless they make the efforts to become well informed.  

Bhandari, (2008), studied ‘Consumer rights awareness and protection in new global economic policies’. The author concluded that the legal measures for consumer safety and consumer awareness must be uniform and transparent in terms of price, quality of goods and stock. Consumers must have the tools to combat malpractices and project their rights. There is an urgent and increasing necessity to educate and motivate the consumer to be aware of the quality of the products, mainly in the rural areas, where there is wide spread illiteracy. Consumer awareness is actually the need of the hour. Making of the law in itself is not the end. Education and awareness is the most powerful tool for the progress of the country and an educated individual is able to make rationale choice as consumer. An aware consumer can protect himself from trade and business exploitation.  

Sita and Prabhu, (2008), studied ‘Spreading consumer awareness through educational institutions’. The authors concluded that schools and colleges can play a vital role in educating the rural masses regarding their rights and duties about consumerism. They
mobilize youngsters by instilling in them the spirit of protection of consumer rights to impart knowledge about the role of the consumers in protection of their rights and to strengthen the consumer movement in the country.24

Kalpana and Natarajan, (2008), studied ‘Measurement of Consumer Protection Awareness among public’. The objective of the study was to find out how far the “Consumer Protection Measures Act” has reached the public. The study concluded that even though people are aware of consumer protection measures available in India, the usage of the measure is very poor. The reason behind it was that the public are basically not comfortable with law, rule, court, etc. It is the time to revamp the system and see that it reaches the people in smooth manner. Majority of the population which lives in rural areas are affected in large manner with regards to poor quality and poor service. Too much formality to reach the needed is there in the system. Either knowledge inculcating or simplifying will help the people. There should be a helpline to call and register the grievances regarding the products or services to make simple.25

P. Prabha Devi, (2008), studied ‘Consumerism in India: Road to gain momentum’. The author concluded that the Government needs to be proactive in educating the consumer on their rights and redressal forums available. The success of consumerism depends on the strong support and the assistance from the government to bring about awareness. Awareness about consumer rights and movement are very low both in urban and rural areas. The youth need to be made aware of their rights as a consumer. Consumers need to be motivated to take initiatives to find remedies for their grievances. The consumer movement will gain momentum only when a large number of youth are brought into the fold.26

Chandrasekhar and Saranya, (2008), studied ‘Role of Consumer Protection in protecting consumers’. The objective of the research was to spread what role the Consumer Protection Act plays and what necessary steps to be taken for the basic awareness regarding the Consumer Protection Act.

According to the findings, 66% of the consumers were not aware of consumers’ rights and 82% were not even aware of the Consumer Protection Act. In rural areas of
Karaikudi, only 13% of the population had heard of Consumer Protection Act. Even in urban areas people were not aware of their rights as a consumer and many were unaware about the Consumer Protection Act, and also the awareness was very low in rural areas due to illiteracy.

The researcher suggested that the Government must take necessary steps to spread the awareness regarding Consumer Protection Act and the role it plays in the daily life. There is an urgent and increasing necessity to educate and motivate the consumer to be aware of the quality of the product, and also possible deficiencies in the services of the growing sector of public utilities. The consumer should be empowered with respect to his rights as a consumer. There is every need to evolve legal remedies and to provide reliable and exhaustive information, which can be accessed without much effort and expense.

Part - 4

2.6 Implementation of Consumer Protection Act

This section gives a brief description of the implementation for the CPA along with presenting the statistical data regarding the functioning of different forums in different parts of India.

The ‘Consumer Protection Act’ was enacted in the year 1986. This act is a milestone in the history of consumer movement in India. It enshrines different rights of consumers and also provides for suitable grievance redressal machinery at district, state and national level. Thus, the consumers can seek compensation in cases of faulty goods and services. The aim of this machinery is to provide simple, inexpensive and speedy redressal to consumer grievances.

The enactment of the CPA gave fresh impetus to the movement in the country and has generated a new hope among the consumers and the consumer activists, as it is a procedural law and provides time bound disposal of cases. Further an amendment to the act in 1993 gave more teeth to these courts and widened their scope. When the CPA was enacted in 1986, a visiting consumer activist from the states remarked that even USA, the land of Ralph Nader did not have legislation as comprehensive as the
CPA. Indeed, according to an Indian consumer activist Pradeep Mehta from the CUTS, a voluntary organization, CPA is the only law of its kind in the world.

The consumer courts in India have undoubtedly opened up new chapters for giving quick redressal to the consumer grievances commented H.D. Shourie, a consumer activists from ‘The Common Cause”, a voluntary organization, Delhi. The structure of consumer court under the CPA is three layered. At the bottom are District forums, next are the State commissions and on top is the National commission. District forums can deal with cases which involves costs and compensations up to Rs. 20 lakhs. Figure 2.1 depicts the organization of Redressal system under the CPA. Prior to 1994, there were only 30 district forums around the country but now most districts have at least one district forum.

FIGURE 2.1 : Organization of Redressal System under the CPA

Source: Consumer Grievance Redressal, Arora Renu

2.6.1 Statistical data on the functioning of District Fora under the CPA

The success of CPA is evident from the fact that district fora have been established in almost all the districts in the country. As the movement is spreading, more and more consumers are getting aware that they can ask for redressal of their grievances regarding products and services. Statistics collected from all the states and union territories by the ministry of consumer affairs in New Delhi gives a clear picture of the redressal of grievances. Out of the 4.6 lakh cases filed before the district fora in the entire country, just over 50 percent of the complaints i.e. 2.7 lakh have been redressed so far and while 1.4 lakh cases have been decided in favour of consumers and out of this only 1.1 lakh cases have been decided within the stipulated time of 90 days. (Girimaji-1994). A total of 65,130 were dismissed on technical grounds.
An internal review of the government conducted at the end of the year 1994 revealed that more than 51 lakhs complaints had been filed so far. Out of which, 3,15,677 (62.7%) had been disposed off and of the cases decided, 1,54,017 (48.7%) had gone in favour of consumers. Nearly 41.94% had been decided within 90-150 days. It also highlights that more than 19,000 complaints and more than 33,000 appeals had been filed in the various state commissions. Of these, 10339 (54.13%) complaints and 17,224 (51.42%) appeals had been decided. Out of the cases decided, 4,984 (47.93%) complaints and 7,685 (44.62%) appeals had been decided in favour of consumers. Further, out of all the decided complaints and appeals, 30.3% complaints and 37.7% appeals had been decided within 90-150 days (The Times of India, Jan 29 1995). A case-diary with regard to district forum state and national commission given. [Annexure VI (a) & (b)].

As far as UP is concerned, out of the 12.5 lakh cases filed at the district level between 1986 & 1985, only 79,000 have been disposed of leaving a backlog of 46,000. Same is the condition in the other States. In some of the fora, cases filed in the early 90’s, are now being heard. Repeated adjournment, and procedural delays the basic reasons which had prolonged the judgment from one to three years, beyond the 90 day-time-limit imposed by the act (Talukdar, 96).

Seeing the situation, may senior members of the judiciary have described these consumer courts as “adjournment courts” (HT correspondent, March 1997).

Consumers are no doubt, approaching these courts for their grievances, yet, in many of the state the proper enforcement of the act is not followed. From the time the consumer courts were set up, inadequate infrastructural facilities has been the bane of the courts (Girimaji, 1994). In a number of states, the district forum instead of being set up in each district has been established on the basis of one forum for a number of districts. For example, Karnataka has 4 fora to serve 20 districts, Kerala 3 for 14 district, Madhya Pradesh has only 9 fora for 45 districts, Haryana has only 2 for 11 districts, Maharashtra has 2 for 26 districts and Tamilnadu has only 6 districts fora for its 15 districts (Murlidharan, 1993).
The statistics have also shown that Maharashtra tops the list in the number of pending cases in consumer forums which at the end of 1993 was 14000 and which must have been multiplied in the intervening period (Grant, 1995). Compared to other states, West Bengal lags behind in the Redressal of grievances. About 40,000 consumer grievances were reported to be pending in 17 districts forums in West Bengal as on March, 94. Calcutta forum alone, 9000 cases, the large number in a single court were pending. Punjab, on the other hand was said to have appointed just three or four presidents to see the work of about ten district fora in the State, while West Bengal and Kerala suffered from infrastructural inadequacies. Karnataka too reported heavy pending of cases with cases filed in 1990-91 still pending before it. Bangalore also reported huge backlog of cases with at least 4000 cases pending for disposal (Deca'an Herald, 14th March, 1993). In sharp contrast, Haryana, Andhra Pradesh and Tamil Nadu seemed to be doing very well. Andhra Pradesh is probably the best performer under CPA. (Mehta, 1990) John Joseph, founder general secretary of the CICO commented consumer courts are facing financial and infrastructural deficiencies due to which delay in rendering justice increases. Similar views were expressed by Dr. Sundaram, the Union Food and Civil supplies secretary who pointed out that we have created a consumer law and a justice system but no infrastructure to support it (Prasannam and Abraham, 1994).

A survey was conducted by IIPA on the functioning of the effectiveness of PA. For the purpose of the study, 5 states taken were Andhra Pradesh, Madhya Pradesh,
Maharashtra, Uttar Pradesh & West Bengal. A comparison of the complaints filed in these states showed, that maximum number of complaints were filed in the Kanpur district forum (Uttar Pradesh) and the minimum in Jalpaiguri (West Bengal). In terms of number of complaints filed, Calcutta district forum was the second and Nagpur (Maharashtra) was the third. The number of disposal of complaints was reported highest by the Calcutta district forum. But the percentage of disposal was the highest in Warangal (Andhra Pradesh) and lowest in Jalpaiguri district forum (West Bengal) (Singh and Balachandran, 1994).

With the list of pending cases increasing at a rapid pace, and also due to lack of proper infrastructural facilities, nothing really seems to be going right for the Patna District forum, (Kanpur, 1997). Review had shown that in Patna district forum, the list of pending cases is increasing at a rapid pace. It was observed that the forum earlier handled up to 2,200 – 2,300 cases annually, is now struggling to reach even 600-700 besides there is lack of infrastructural facilities like acute shortage of staff, clerk, stenographer, typists and peons to carry on its daily activities. Moreover, the forum has been lacking the ‘quorum’ for over a couple of months (Rastogi, 1922).

As far as Delhi is concerned, the work in consumer fora is fast increasing. Number of cases pending as on July 1995, in district and subordinate courts in Delhi, were 5,72,903, due to various reasons, like the increase in the population of Delhi, increase in awareness of legal rights and strikes by lawyers practicing in subordinate courts commented, the Minister of state for law, justice and consumer affairs, H. R. Hardwar (Hindustan Times, December 21, 1995).

Similar is the case for the district courts in Delhi reporting huge backlog of cases, with at least 4000 cases pending in each of the two forums. According to the informed sources, the rate at which the cases are instituted, is much more than the disposal rate, thereby, resulting in piling up of cases. It is also reported that most of the cases have been pending for more than 6 months to one year which in fact is in contradiction to the supreme courts directive to dispose of cases within 90-120 days.

According to the reports as many as 36,362 complaints were filed with the Delhi consumer dispute redressal commissions during the last 5 years. Of these, 24,669
cases and appeals were already decided. Out of which, 15,350 cases and appeals were in the favour of the consumer (Hindustan Times, March 17, 97).

Rastogi (1992) study had shown that out the total 500 cases, 37.8% of the cases have been solved and 35.2% cases were lying pending as on Dec’94. However, of the solved cases, 82.3% were redressed in favour of the complainants.

A survey conducted by common cause, a Delhi based voluntary consumer organization gave information about the districts having either more or less than 600 pending cases. Out of 454 districts, it received information only from 93 districts.

Those having more than 600 cases pending were: Firozabad, U.P (634), Palatka, Kerala (686), Algonia, A.P (694), Preseasoneon, A.P (698), Banora, U.P.(833), Krishna, A.P.(916), Vishakhapatnam, A.P.(916), Kannur, Kerala (974), Khammam, A.P. (978), Palapur, Gujarat (996), East Godavari, A.P.(1031), Kollam, Kerala (1138), Nellore, A.P. (1326), Malappuram, Kerala (1370), Kottayam, Kerala (1470), Agra, U.P. (1683), Nanpura, Gujarat (2000), Kozhikode, Kerala (2146), Ernakulam, Delhi, two Forums-total number of cases aggregating to about 8000.

Forums where cases are very few:- Mokochung, Nagaland (1), Kokrajhar, Assam (2), Hallakundi, Assam (3), Lakshimpur, Bihar (13), Aizawal, Mizoram (14), Malda, W.B. (15), Ramanathapuram, Tamil Nadu (21), Sri Kakulam, A.P (40), Burdwan, W.B (47), Chamba, H.P. (50), Sahajipur, M.P (80). (Consumer Network, 1994).

Sources have revealed that work in the consumer fora is fast increasing. In Faridabad alone, there are more than 800 cases pending before the forum. It has also been revealed that the institution of new cases is much more than the disposal and more than 50-60 cases are fixed up every day for hearing, resulting in piling up of cases. The condition in other states is not much different. In some of the fora, cases filed in the early ‘90’s are now being heard. The basic reasons for increased volume of cases could be the quicker justice, simple procedure and absence of court fees.

In a study by Y. Suganya (2008), on ‘Overview of Consumer Courts In India’ the author commented that, study on functioning of Consumer Courts is much needed
because consumers of today require quick, cheap and speedy justice to their complaints. Majority of consumers are ignorant about the functioning of Consumer Courts, about their rights and duties and approaching the Consumer Courts for justice as the last option they resort to. Some of them don’t approach Consumer Courts as it requires huge expenses in form of basic legal expenses, while some of them have got a negative opinion towards the functioning of Consumer Courts as lakhs of cases are still pending for more than ten years time to get judgment.

Primary and secondary data was collected for study. Personal observations at Chennai District Forum, Tamilnadu State Commission, Department of Civil Supplies and Consumer Protection at Chennai were made. Personal interviews with few employees of Tamilnadu State Commission and Department for Consumer Protection, and few complainants at court premises were carried on. Articles, magazines and official websites were referred. The findings of the study were:

1. Consumer Courts are not maintaining the records properly. Most of the State Commission and District Forums in India do not have their official website. Even Tamilnadu State Commission does not have an official website for convenience of consumers.

2. Not only National Commission, most of the Consumer Forums in India do not have their own building nor good infrastructure.

3. There exists no exclusive Bar Council for hearing of consumer cases.

4. Consumer Courts suffer from inadequate manpower. Vacancies for the post of President and Member in Consumer Courts remain vacant.

5. Many courts are functioning without President and Members and in that situation Chairman, along with Registrar of the Consumer Court hears and judges the history of cases. In a day nearly 50 to 60 cases are heard in a session of 3-4 hours.

6. In Tamilnadu State Commission it was observed that each case in Consumer Court takes 5 to maximum 15 minutes time for discussion in front of the Judge. In a day, on an average 60-80 cases are being discussed.

7. Many unscrupulous businessmen and business organisation are bribing the Members to get judgment in their favour or keeping the cases pending for years together which in turn frustrates the complainant either to withdraw the case or to give up the case.
8. Judgments given in Consumer Courts in India are not severe. Compensation runs only in few thousands with no physical punishment, which encourages unscrupulous business organisation to continue with the exploitation, which de-motivates consumers to move Consumer Courts.

9. Majority of the consumers have little faith in the functioning of the Consumer Courts.

The researcher suggested that:

1. Consumer law needs to be modified once in every two years according to the changes in the market.
2. Penalties need to be increased higher to create fear among business organisations to go for exploitation.
3. Consumer acts and laws to be included in school and college curriculum.
4. Government should create more awareness about consumerism.
5. To create awareness about the functioning of Consumer Courts, cases solved, number of cases filed each day, cases for trials and judgments should be published.

Thus, Consumer Courts cannot be effective and efficient without the required help and support from concerned state and central governments.29

2.6.2 Some of the comments made by the experts on the implementation of CPA30

Due to shortage of the district forums, delays have become the rule rather than an exception, Says Mandanna, a consumer activist in Bangalore. The 90 days period stipulated for consumer courts has long been forgotten, with cases pending for up to three years. People are now filing suits at the drop of a hat, instead of promoting consumer awareness we seem to be marketing consumerism commented ‘Phiroze Amroliwalla’, member of the Maharashtra state consumer protection council, (Prasannam and Abraham, 94).

Consumer forums today are no less than civil courts, may be worse, commented Mr. H.D. Shourie, Director, Common Cause. There is an increasing tendency to indulge in speculative and vexatious litigation. Various unscrupulous elements have started
misusing the system. He commented, that the functioning of existing redressal machinery needs to be appraised to strengthen it (Shourie, 1994).

A high court judge and a part time president of a state consumer dispute redressal commission commented that ‘The intentions behind the law are noble. The men at top also have honourable intentions but the corruption of the system has gone beyond their powers of control as the system is built on weak foundations.

Most judges agree that the main aim of the law is to protect consumers from the malpractices of the manufacturers, traders and the service sector. But we are wasting precious court time by hearing frivolous cases commented T.S. Cheema, President of the Chandigarh District forum (The week, 1994).

The then Union minister for civil supplies and consumer affairs (A.K. Antony, 94), stressed that besides increased pendency, frequent adjournments and even domination of lawyers leading to consequent harassment of consumers has hampered the consumer movement in the country.

There is a controversy over the practice of allowing lawyers to appear before the consumer forums. Lawyers are in the habit of seeking adjournment and cases get delayed as they keep raising technical objections. On the other hand, consumers are of the opinion that the technical and rigid attitude on the part of the consumer courts has forced the consumers to engage lawyers, even for cases which are based on facts (Grant, 95).

Meenambigai and Sughanya, (2008), studied ‘Applicability of Consumer Protection Act in banking sector’. The author concluded that analysis of various judgments of the consumer courts reveals that they have not only been awarding the value of goods or services but also compensation for the mental agony and harassment. “Thus Commission or Forum is thus entitled to award not only value of the goods or services but also to compensate a consumer for injustice suffered by him.”

Taak Sangeeta, (2008), made a study on ‘Consumer movement and its development in the era of globalization’. The author concluded that an alert consumer is an asset to
the nation and by being aware of his rights and responsibilities; he can change the trend from caveat emptor to caveat venditor. Moreover the ‘consumer movement’ is still in its infancy stage in our country and the same has had no significant impact either on the manufacturer of consumer goods or on the seller / wholesaler of consumer goods or other agencies connected with manufacture and sale of consumer goods or other agencies. Therefore, a lot requires to be done in this field both by governmental and non-governmental agencies. A rational approach to be followed by the judiciary while interpreting provisions of the Act in the background of the scheme and object avoiding scrupulously all technicalities in the process of interpretation. The procedural wrangles afflicted with the ordinary courts of land are to be scrupulously avoided in rather a bid to render justice to the consumers in the quickest fashion possible.  

Rao and Prabhu, (2008), studied ‘Consumer Welfare through competitive policy in India’. The author concluded that the benefit to the consumers from competition depends on the efficient functioning of markets, which implies that markets function without distortions i.e. competitive markets where everyone has the opportunity to participate. However competition is often distorted by players in the market even when there are large numbers of them. It is therefore important that a competition law is effective to curb distortions at all levels. Thus it is absolutely essential to create and sustain a consumer movement, which will be well resourced and empowered to advocate consumer interest and competition culture and spread the same through research, training, lobbying, information dissemination and networking. Moreover, competition advocacy would be more effective if consumer groups are closely involved in the process.  

Geetha Kumari and Summi, (2008), studied ‘Role of Consumer Protection Societies in Kerala’. The author concluded that Margin Free Market is a concept conceived by the Consumer Protection Societies to help consumers from exploitation. As most of the Margin Free Markets are run by franchisees, they take extra care in customer satisfaction along with maximizing the same. This commitment is usually not present in Government controlled Public Distribution System run by civil supplies corporation or co-operative societies, though they are also formed with good intention of preventing the exploitation of consumers by retail traders. The sales in Margin
Free Markets are continuously increasing. New scheme of Margin Free Markets run by societies for consumer protection guidance bring a revolution in Public Distribution System. 34

The above discussions throws light on the fact, that the whole purpose of providing simple, inexpensive and speedy remedy under the CPA is lost and the experience of most of the consumers has been disappointing. This is due to the ineffective implementation of the act.

The CPA is still considered to be a good piece of consumer protection legislation in the country in many respects. In spite of its handicaps, it has been successful in resolving both petty and major grievances of consumers against small retailers and powerful public sector enterprises, (Mehta, 1989). Moreover, the government from time to time is making efforts, to enhance the power of the redressal machinery and make consumer protection act more effective though amendments.

In view of the existing conditions, strengthening consumer welfare provisions and programmes, there is a need for a multipronged strategy comprising mass mobilization, advocacy, networking, human resource development and research to spread consumer awareness and education. In spite of its handicap, it has been successful in resolving both petty and major grievances of consumers against small retailers and powerful public sector enterprises, (Mehta, 1989). 35

2.7 Conference updates
The Conference of Presidents of State Commissions / Secretaries incharge of Consumer Affairs in the State Governments / UTs and Registrars of the State Commission organised by National Consumer Disputes Redressal Commission and The Department of Consumer Affairs, Government of India held on 9th and 10th February, 2002 at hall No. 5, Vigyan Bhavan, New Delhi.

These types of conferences are held to assess the working of the commissions / forums and to suggest various measures taken from time to time for effective implementation of the CPA.
Quite a few learned speakers gave their opinions, few of which are quoted below.

- Honourable Mr. Justice D.P. Wadhwa, then President National Consumer Disputes Redressal Commission –
  He said that a speedy progress in disposal of cases was observed. In 2001, there was an increase of 17.79% over 2000 in the State Commissions, but the National Commission recorded an increase of 145.48% in the corresponding period, thus largely out-beating the State Commissions. He advised the Forums to be punctual, cut down the lengthy arguments and the number of adjournments, and also shorten their judgments.

- Mr. V. Sreenivasa Prasad, then Honourable Minister of State for Consumer Affairs, Food and Public Distribution, Government of India –
  Stressing on the need for speedy disposals, he was of the opinion that adjournments should be avoided and the disputes to be adjudicated through summary procedure, keeping in mind the principles of natural justice. He intimated the State Governments to provide sufficient staff to the Forums and also to use the resource available from the Central Government to furnish the infrastructure needs of the Forums. He suggested timely filling up of the vacancies in time to facilitate the smooth working of the Forums.

- Honourable Mr. Justice B. N. Kirpal, Senior Judge, Supreme Court of India –
  His observation was that as the awareness level was increasing the tendency of filing a case increased, amounting to piling up and suggested to formulate a quasi-judicial machinery under the Act to hasten the disposal. He also suggested suitably amending the Act so as to shorten the process and that more Lok adalats to be held, regularly. The procedure, to be kept plain and simple but covering the principles of natural justice.

The Presidents of the State Commissions discussed the state of infrastructural facilities to them and the District Forums and expressed their distress over the inadequate supplies. In context to which, the Secretaries – Department of Consumer Affairs of the State Governments showed their disability to provide proper infrastructure facilities due to paucity of funds. They also said that the honorarium to the Members was not in line with the functions assigned to them. The backlog of cases in some of the states was alarmingly high and it was suggested to take adequate
steps to improve the situation. The Presidents of the State Commissions were instructed to decide quickly on the cases based on the principles of natural justice within the prescribed time schedule. They were also advised to collect data of the cases within / outside the time frame.

It was observed that:

There are numerous causes for the delay in disposal of cases within the time frame stipulated under the Act, major ones being:

- Inadequacy of staff,
  
  Some of the Forums do not even have stenographers and the President/Members have to write their orders. Also the staff employed is not appropriately trained so as to do quasi-judicial work, most of them being from Civil Supplies Department.

- Lack of infrastructural facilities & funds,
  
  Some of the Forums do not even have the money to buy postage to deliver the notice or order. In certain cases, they did not have a proper office to hold hearings and conduct cases. However, the requests for further funding are usually declined by the Finance Department leading to hardships to the Commissions and Forums.

- Frequent adjournments.

- Delay in filling up vacant posts was reported as the main cause for many adjournments and the subsequent delay in disposal. It was suggested to start the process of appointment well in advance so that the appointment can be made when the President/Members retires.\textsuperscript{36}

Resolutions adopted at the conference of Presidents of State Commissions and Secretaries to State / Union Territory Governments in charge of Consumer Affairs held on 15\textsuperscript{th} March 2010.

- Presidents of State Commissions shall regularly follow up their proposals for (a) creation of additional Benches/new District Forums and (b) filling up of existing vacancies in the State Commission/District Forums and consult with
the State Governments concerned, for the most effective way to resolve such issues with personal contact and continuous persuasion;

- as almost 80% of the total pendency of old cases with the State Commissions is accounted for by the States of Uttar Pradesh, Maharashtra, Haryana, Orissa, Punjab, Gujarat and Bihar (in that order), the Presidents of these State Commissions shall make special efforts to set up additional Benches and the National Commission as well as the Department of Consumer Affairs of the Central Government shall follow up this matter with the State Governments on priority;

- to enable timely filling up of vacancies, proposals for selection must be made six months prior to the date(s) of likely vacancies and the process of selection completed well within that period so that the State Government concerned can be pressed for approval soon thereafter and the vacancies filled as soon as they occur.37

Through the study, the researcher has tried to get an insight of the general trend of mediclaim satisfaction and grievances and the redressal available in the form of Consumer Protection Act and its effectiveness. The studies on effectiveness are mainly related with the statistical information about the disposal of cases in the forum. The researcher identified the need to measure effectiveness of district forum, taking case study of Surat District Forum to get an insight of the effectiveness and make suggestions if any to improve the same.
End note:
13. Ibid.
20 Ibid.
21 Ibid.
22 Ibid.
23 Ibid.
24 Ibid.
25 Ibid.
26 Ibid.
27 Ibid.
32 Ibid.
33 Ibid.
34 Ibid.
36 http://chdconsumercocurt.gov.in/conference.pdf
37 Ibid.