CHAPTER IV

ROLE OF GOVERNMENT IN THE PROMOTION OF CONSUMERISM
INTRODUCTION

For decades, the vast body of consumers has remained a neglected entity, or to be more precise, a non-entity in the nation's economy. The businessmen (industrialist, manufacturer, wholesaler, black marketeer and the retailer) seemed to have joined hands in an all out bid to exploit the consumers, who lacked a consistent champion of their cause and had no effective organisation. They have, therefore, been exploited all along and with impunity. In the anxiety to industrialise the country, the Government offered a series of incentives from time to time to entrepreneurs in various fields, e.g. finance, land, power etc. But no care was taken to protect the interest of the consumer who had to buy the end-product at prices fixed by the businessman, each linked in the commercial chain adding a certain commission, and further raising the price payable by the consumer.

The cumulative result of these commissions and profits margins has been a lop-sided and totally unfair arrangement which seeks to take advantage of the plight of the consumer, who realises that he is being fleeced, but is totally helpless to do anything about it. Fortunately, the realisation has lately dawned on the authorities at various levels that something needs to be done to protect the interest of the consumer to save him from exploitation and to ensure that he gets the worth of his money in respect of both quality and quantity.

An attempt has been made in this chapter to examine the role played by the Government in promoting consumer movement in India. Infact Government
could intervene at every stage in the protection of consumers (taxpayers) in order to secure a disciplined business conduct through its statutory regulations.

'Prevention is better than cure' is the best method for safeguarding the consumer interest. The Central and state governments should have to play a positive role for the development of a strong consumer movement in the country. The adoption of socialist patterns of the society and welfare state makes governments more responsible in this matter. A number of legal and institutional arrangements have been framed by the governments which directly or indirectly aim in safeguarding the interest of the consumers. In the past, marketing legislation was, by and large, business oriented but not consumer oriented. Legislation gives statutory protection to innocent and ill informed consumers against unfair trade practices. For honest people self regulation works well and legislation is superfluous.

Therefore, it is clear that the Government can support consumer movement broadly in the following ways.

I. By patronising Co-operative Movement in the country.

II. By passing necessary legislations and bringing amendments to the already existing Acts.

III. By formation of Consumer Protection Councils and providing the necessary financial help to the various voluntary consumer organisations for spreading consumer movement in the country.

IV. By providing enough role with Statutory protection for consumer organisations and their representatives in various Government counseling bodies.

V. By undertaking Public Distribution System (PDS) and to supply
essential items to people in the country.

VI. By subjecting Government owned undertakings to the specific legislations on par with private sector undertakings.

I. GOVERNMENT AND CONSUMER CO-OPERATIVE MOVEMENT IN INDIA

Consumers co-operative movement is a reaction against capitalistic retailing having as its object, the elimination of the middlemen and their exploitation. Its need arises when middlemen indulges in the practice of adding undue profits to the cost of goods and thereby considerably increasing the price-spread between producers and consumers at various stages of distribution. They sometimes adopt certain other malpractices such as short-weight and adulteration etc., which further aggravates the situation.

Co-operation has been recognised as one of the important systems of Indian economy. The Indian cooperative movement is perhaps comparatively stronger and oldest among the developing countries. The present day cooperative movement in India is structured around the Rochdale principles and based on Raiffeisen model. Today there is a large network of cooperative societies working almost in every conceivable field of economic activity in this country. Today the Indian cooperative movement with a membership of about 150 million in around 3,50,000 cooperative societies of various types employing working capital of Rs. 4,80,000 million is perhaps the largest in the world.
Social objectives of the co-operative and the Viability factor

In welfare state like India, it is constitutional responsibility of the government to promote welfare of the people. The cooperative movement with the emphasis on the mutual selfhelp, aims to improve the socio economic conditions of the people by utilising the limited available resources. In its economic operations due to the acceptance of cooperative principle as guiding philosophy, profit does not become primary motive but service becomes the primary motto. Cooperative has been considered the most appropriate agency for the achievement of socio-economic objectives. The aim being to ensure equality and to ensure dignity of each individual member being upheld and maintained. The Rural Credit Survey Committee of 1951, however, come to the conclusion that cooperation in India has failed but it must succeed. The Committee recommended active state participation to salvage the movement and also desired an efficient machinery for independent monitoring of the performance of the state.

Growth and development

The foundation of co-operative movement in India was laid down by the Co-operative Credit Societies Act of 1904 which was passed with a view to encouraging thrift, selfhelp and co-operation amongst agriculturists, artisans and persons of limited means. In spite of the fact that the Act of 1904 provided for organisation of co-operative credit societies only and did not provide for legal protection to societies formed for purpose other than credit. Numerous attempts to form Consumer's Co-operative Societies were made during this period by combining the banking and distributive function. The lacuna was, however, removed...
by the Co-operative Societies Act of 1912 which granted legal recognition to productions. As a result, the number of consumer's societies which was about twenty three towards the end of 1911 rose to seventy towards the close of the First World War. Fillip to movement was provided by the Montague Chems Ford Reforms of 1919 under which co-operation became a provincial subject. But the progress of the movement was somewhat arrested during 1921-29, when the conditions created by the First World War, which proved favourable to the progress of the movement had changed and therefore, a large number of consumers' stores became uneconomic units.

The movement, which was still in its infancy received another blow from the depression of 1929 as a result of which it experienced a major set back during 1929-39. The Second World War came as heaven sent boon for consumer's co-operative movement in India which witnessed the greatest expansion during this period owing to shortage of essential goods and that the then Government gave the preference to consumer's societies as the media for their distribution. Partition of the country in August 1947, did not have any significant adverse effect on the movement and a climate which was favourable for the progress of the movement coupled with various contributory factors such as the preferential treatment etc., continued till 1951-52. In 1952, Government adopted the policy of decontrol and derationing and forthwith, most of the consumers' societies which came into existence as 'War Babies' had to face a serious competition from private traders. The price level also recorded a downward trend and therefore, during 1952-54 there was a marked decline in the movement. This trend, in the movement continued upto 1958 and every year a large number of societies either became dormant or incurred heavy losses and perished.
In 1958, the rise in the price of food grains and scarcity of sugar led to governmental control in their distribution. Consumer's Co-operative Stores were generally preferred by the state governments for running fair price shops and this, indirectly gave a fillip to the movement to the country. By 1960, some new developments, favourable for the growth and expansion of the consumers' co-operative movement, were taking deep roots. With the spread of education especially amongst women and rise in the standard of living in urban areas, women who in the past, used to take pleasure in cleaning and grinding spices, in preparing pickles and jams, in processing flour and pulses etc. now needed all such commodities ready-made for use in the kitchen, even if they were costlier and also adulterated.

This socio-economic change, besides several other factors, created a sure field for the success of the stores for rendering such services. At the same time, the Third Five year Plan in respect of co-operatives included a scheme for the organisation of Consumer's Co-operatives with financial assistance which was to be shared by both the Central and state governments. This programme was accepted by the Government on the basis of recommendations made by a Working Group on Co-operative Development.

In 1962, the Chinese invasion raised new problems of protecting the country from economic crises. The stepping up of the agricultural and industrial production alone could not solve the problem on the economic front, because a proper distribution of these goods was still a more difficult problem. Consumers' Co-operative Societies were found to be very useful during the two world wars in India, as also in other countries like Great Britain and Sweden, etc., for procuring and
distributing consumers' co-operatives all over the country, primarily with a view to hold the price line of essential commodities, by offering share capital participation, managerial assistance and various other subsidies. The Centrally Sponsored Scheme for Consumers' Co-operatives was introduced in November 1962 in the context of new situation. All the state governments acted very promptly in adopting and giving a practical shape to the scheme. At the Centre in the Ministry of Commerce and Industry, Textile Commissioner, in the Food Ministry, Drug Controller were requested by the Department of Co-operation to secure supplies to the wholesale stores in all the states. A coordination committee with representatives of the concerned departments was set up to ensure supply of essential commodities to the consumers' stores. A small cell in the cooperative department of the Ministry of Civil Supplies and Co-operation was set up for looking after the work of consumers' Co-operatives. By the end of 1963-64, Government of India introduced a sub-scheme for the organisation of state federations of wholesale stores. The funds under the scheme, are provided by the Central Government to the states through the National Co-operative Development Corporation which came into existence as successor to N.C.D. and Ware Housing Board. By the end of the Third Five Year Plan, original targets envisaged in the Centrally Sponsored Scheme had more than fulfilled, since as many as 246 wholesale stores and 7649 primary stores/branches were operating in the country under the scheme, covering almost every town and every city, with a population of 50,000 or more. It was decided to consolidate the scheme in the Fourth Five Year Plan and to expand it so as to cover each town such as a town with a population exceeding 10,000 and also to bring 20 per cent of urban population and 20 per cent of retail trade in the essential consumer goods in the urban areas served by consumers stores.
In June 1966, in the wake of devaluation of rupee, it was decided to accelerate the programme so that consumers' cooperatives could make an impact on the rising trend of prices. The Government of India decided to take emergent steps to set up and strengthen a chain of consumer cooperatives all over the country. Besides the new wholesale stores and the primary stores it was decided to organise large departmental stores, and super markets in every important city and town with a population of about 2 lakhs or more. Thus by the end of June 1967, there were 345 wholesale stores and 9,471 primary stores or branches which were functioning under the Centrally Sponsored Scheme. The remaining 60 districts could not be covered under the scheme as they had very little urban population. During the year 1968-69 stress continued to be laid on the consolidation and strengthening of the consumer cooperatives which had already been organised under the Centrally Sponsored Scheme. Action was also taken to organise stores in the urban areas which are not yet covered and to set up new super bazaars in towns with a population below two lakhs on a selective basis. With effect from the year 1969-70, the programme relating to the development of consumer cooperatives which was so far in the Centrally Sponsored Sector was transferred to the state sector. During the year 1969-70, stress was laid on the consolidation and strengthening of existing consumer cooperatives at different levels. Efforts were made to reorganise and strengthen the Central Wholesale Stores with a view to building them up as multi retail unit and also strengthen, selected primary consumer cooperatives. The aim was to enable the stores to exercise a healthy influence on the stabilisation of price of consumer goods. Guide lines were given to the state governments in this respect by the Central Government.

As a result of the organisation and promotional efforts made since 1962, a country wide institutional frame work of consumers' cooperatives with a four-tier structure had already been built up by 1968-69. At the end of June, 1977, there were 456 Central Wholesale consumer cooperative stores, 14 State Federation of
Consumer Cooperatives, 8 State level marketing cum Consumers Federation and the National Co-operative Consumers’ Federation (NCCF) at the apex level.

An idea of the broad outline of the structure can be had from the following chart

<table>
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<tr>
<th>N.C.C.F. National</th>
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<tr>
<td>14 State Federations of Consumer Co-operatives &amp; 8 State level Marketing-cum-Consumer Federations</td>
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<tr>
<td>456 Wholesale/Central Consumers Co-operatives Stores (one or more for each city/district)</td>
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<tr>
<td>180 Department Stores</td>
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<td>3,539 Branches of wholesale stores</td>
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<td>15,165 primaries</td>
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<td>5.8 Million consumer families (Figure relate to year 1977-78)</td>
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The total sales turnover of the Federations is currently estimated to be more than Rs. 8,000 millions. In rural areas, more than 53,000 cooperative retail
outlets are distributing consumer articles. These cooperatives are managing more than 66,000 fair price shops. The value of consumer goods distributed by cooperatives in the urban and rural areas in 1977-78 was estimated to be more than Rs. 400 crores in each of the areas. The sales turnover of the Federations was Rs. 482 millions in 1975-76.

Development of consumer cooperatives was given the top priority in the 20 Point Economic Programme. During the Fifth Five Year Plan (1974-79), the Government of India set apart an amount of Rs. 900 millions for providing financial assistance to the NCCF, New Delhi by way of share capital, for expansion of the business activities including establishment of processing and manufacturing units and loans and subsidies for setting up of regional warehouse, managerial cadres and assistance for consultancy and promotional activities with this financial assistance, the NCCF expanded its commercial activities by including a wider range of goods for being distributed through consumer cooperatives and by establishment of more processing and manufacturing units in various parts of the country.

The All India Conference on Consumer Co-operatives which was held at New Delhi during September 1976, discussed the various aspects of the growth and development of Consumers' Cooperatives including 'Reorganisation and Rationalisation of the Consumer Cooperative Structure' and 'Distribution of Controlled cloth and supply of other essential commodities to the consumers' cooperatives by the manufacturers'. It was emphasized that it is essential for each consumers cooperative society to draw up a scheme of its own, to educate the members and protect their interests. It was also emphasized that there is not much difference between the education and the information service, sales promotion activities and
public relations in a consumers cooperative. All these activities aim at securing participation of the members and the prospective members in the business and the management of the organisation. It was suggested that with a nominal expenditure of Rs. 1500 per year they could have six programmes in a year covering various aspects which are of interest to the consumers.

The Government at the Centre terminated Fifth Five Year Plan in its fourth year and launched a new Rolling (Sixth Five Year) Plan with emphasis on rural development. Under the plan the Consumer Co-operatives have been given top priority for growth and development at the state as well as at Centre level. The efforts were made to consolidate and strengthen the consumer movement as a whole by developing a strong Public Distribution System to check the nefarious activities of private traders and hoarders. They have a two-fold role in public distribution system. One is to run fair price or ration shops and the second is to intervene in the market operations through distribution of other essential commodities and thus influence open market prices of consumer goods. It is an accepted policy of the Government that fair price shops should be progressively brought under the cooperative sector. Under the Plan, preference is already being given to cooperatives for granting licenses for retail trade in control commodities. For this purpose few new State Consumers Cooperative Federations have been established in sensitive urban parts of the country. The Government has introduced few new cooperative laws in addition to several amendments for general benefits of the public and to enable smooth functioning of cooperative societies by imposing strict watch on the activities of cooperative officials. The overall aim of the Government under the plan is to develop a much more strong network of consumer cooperatives throughout the country, with a view to create confidence among the public who
have lost faith in private traders and to serve them in general without any sort of
distinction. Finally it is expected from consumer cooperative institutions to act as
an alternative to private business as a whole.

Indian consumer cooperative movement has made great strides in the
last one decade. The annual turnover by urban and rural cooperatives has gone
over Rs. 40,000 million compared to mere Rs. 3,000 million a decade back.2 The
structure of consumer cooperative in India has been developed as matter of state
policy mainly with two-fold objective namely:

1) to serve as an agency for equal distribution of rationed and controlled
commodities and articles in short supply

2) to undertake sale of general consumer goods at fair and reasonable
prices and thereby help measures for stabilisation of prices of consumer
goods.

While consumer cooperative movement in India had been in existence
around 1910, it received impetus with the introduction of a Centrally sponsored
Scheme in 1962 and an accelerated programme was taken up in June 1966. The
planned programme of development of consumer cooperatives was transferred to
the state sector in the Fourth Five Year Plan, but it certainly received lower priority
at the hands of state governments. But due to the need to develop a strong public
distribution system through consumer cooperatives, the Government of India intro-
duced a new Centrally Sponsored Scheme midway during the Fourth Five Year
Plan for the development of consumer cooperatives on a selective basis, which
was continued in the Fifth Five Year Plan and subsequently also. As a result of
all these schemes introduced for the development of the consumer cooperatives
quite a large dose of financial assistance from the government has been injected in the consumer cooperative movement in India, which is indicative of the fact that consumers have not been self reliant. The market share of retail business now comes around 7 to 8 per cent of the country’s total retail trade in essential commodities and consumer goods. No wonder, the consumer cooperatives are lacking the capacity to hold the price line. This applies to even the most successful stores in the consumer markets.

The foregone analysis lead us to conclude that remarkable attention has been paid from time to time by the Government towards the growth and development of consumer cooperatives since its inception particularly during the period of various Five Year Plans.

Finally to make the consumer cooperative movement in India successful, it is suggested that entire organisational structure be so framed that, there is greater cohesiveness and organisations at different levels, act as complementary and supplementary to each other. Effective buying by proper rationalisation of merchandising and concentration of negotiating functions into a limited number of specialist hands alone shall enable the consumer cooperatives to sustain themselves in free competition with the private trade. There is need for greater financial support from the financial institutions, greater need to allocate priorities in the distribution of essential commodities and spread of cooperative education amongst the people.

It is therefore, absolutely essential that the National and State Federations define their respective roles in merchandising and work in coordination as complements to one other.
II. PASSING NECESSARY LEGISLATIONS AND AMENDMENTS TO THE ALREADY EXISTING LAWS

It is already stated in the previous chapters that the Government of India brought forth enough legislations to protect the consumer interest in respect of various purchases. One of the important pieces of legislation is Consumer Protection Act, 1986.

Consumer Protection Act, 1986, is a milestone in the history of consumer movement in this country. This is a unique Act in the world as nowhere, a separate three tier redressal machinery has been provided in the Act to redress consumer grievances. The main object of the Act is to provide for better protection of the interests of the consumers and for that purpose to make provisions for the establishment of consumer councils and other authorities for the settlements of consumer's disputes and for matters connected therewith.

Government from time to time, is taking all necessary steps to make this Act more effective and purposeful. In 1991 the Act was amended to streamline the procedure prescribed in the Act. In 1993, on the persistent demand from the consumer organisations and other sections of the society, exhaustive amendments are carried out in the Act to enlarge its scope and to make the redressal machinery more powerful. To give immediate benefits of these amendments to the consumers, an ordinance was promulgated on 18th June, 1993. Now these amendments (See Annexure I) have became the part of the Act on 27th August, 1993.
Thus the year 1993, has witnessed momentous developments in Consumer Protection Law. The much awaited amendments recommended unanimously by the Working Group constituted to suggest suitable amendments to the Consumer Protection Act, 1986 and MRTP Act, 1969, have in a large measure been accepted and enacted as laws. The amendments seek to further strengthen the consumer forums with a view to enable them to provide effective remedies to consumers. Some of the amendments of far reaching importance are as follows.

--- enable a consumer to file a complaint against a corporation at any place where it has a branch office.

--- enable a consumer forum to issue cease and desist orders;

--- require constitution of screening bodies for selection of presidents and members of CDRA at state and Nation levels;

--- enable a consumer to file representative complaints for numerous consumers having the same interest --- give jurisdiction to consumer forums on goods which will be hazardous to life or safety in certain circumstances with power to order a trader not to offer hazardous goods for sale and to withdraw such goods from being offered for sale.

But the Bill does not propose to widen the net of the Consumer Protection Act, 1986, by bringing civic services and government hospital services within the purview of the Act. This was a major demand raised by the consumer organisations. But it is significant that the Bill does not proposes to take medical services in toto out of the purview of the Act, which was the major call raised by the medical profession in this campaign.
The Government has taken care to provide a provision for the creation of Central Consumer Protection Council to promote the rights of the consumers in the Consumer Protection Act. This included the right to be protected against hazardous goods, right to be informed about the quality, quantity, the purity, standard and price of goods so as to guard against unfair trade practices, right to be assured access to a variety of goods at competitive price, right to be heard at appropriate forums, right to seek redress against unfair trade practices and right to consumer education. The Councils are coming up very fast with wider ramifications. Thus increasing the consumer confidence, the representatives of consumer activist groups are being associated with the councils. They have been assigned the advisory role both at Central and state levels. These Councils are bound to generate a consumer movement. Through these Councils the consumers right would amply be protected provided the Councils are not stuffed with persons having allegiance to a particular party. The complexion of the Central Council shall be the Minister in-charge of Food and Civil Supplies in the Central Government as chairman. The Act however, does not specify who will be the Chairman of the State Councils.

Financial Assistance To Voluntary Consumer Organisations By The Government

Funding is a major problem for consumer organisations. On account of lack of money, there is complete disinterest among the consumers. The rich have enough money, the poor do not feel the need to maintain standards and only the fixed income middle class is hit by price hike. The life has become so fast today that there is absolutely no time for any voluntary work. The funds are
necessary to run effectively the consumer organisations which have to engage not only in sorting out the problems of the consumers, but have also to take up the educational programmes.

It is very rarely that the consumers or individuals come forward to lodge a complaint. Some organisation has to take up their case. It is not necessary that a consumer who suffers should be a member of such organisation. These organisations have to be financially assisted by other institutions. A consumer who goes to a redressal forum has to produce a sample which he claims to be defective or sub-standard. The sample is to be sent to a notified laboratory. These laboratories would charge fee before making a report on the sample. The consumer, of necessity, is to pay the fee. Most of the consumers who would come forward as complainant would be small people. They are not expected to make any payments on account of the fee to be paid to the laboratory. Some times this fee is going to be exorbitant and at this stage also exploitation may be possible. In order to encourage the complaints in the genuine cases, a fund should be created and all the fee and charges should be paid out of the said pool.

Thus it is necessary to provide a measure of protection to consumers in relation to quantity, quality and price of at least essential consumer goods. For this, there is a need to promote a strong and broad based consumer movement in the country. Voluntary Consumer Organisations can help a great deal in the consumer protection programmes.

The Government has given policy guidelines for financial assistance to Voluntary Consumer Organisations.
They are as follows:

1. Government encourages formation of voluntary consumer organisations operating on a territorial basis. The organisation should preferably have specific areas of operation capable of assessment of the impact of the programme undertaken.

2. In addition, voluntary organisations, societies including Mahila Mandal which perform different welfare activities will also be encouraged to undertake consumer protection work.

3. Initially, one consumer organisation per State/U.T. will be considered for financial assistance but depending upon availability of funds and number of applications, more consumer organisations may also be considered.

4. Preference will be given to consumer organisations working in rural and tribal areas.

Organisations Eligible for Assistance

Organisations which fulfill the following conditions are eligible for financial assistance:

1. It should be a voluntary organisation working for the promotion and protection of consumer interest.

2. It should have a legal status permitting the entrustment of public funds. For this purpose, it should be registered under Societies Registration Act 1860 or any other similar statute.

3. It should have well defined objectives for protection of the interest of consumers.

4. It should not be run for profit to any individual or group of individuals but should serve the general public without distinction of case, creed, color or religion.

5. Organisation must maintain three audited statement of accounts.

(a) Receipt & Payment
6. It must be working in the field of consumer protection for the last 3 years from the date of its registration.

7. Organisation should not have been disqualified by the Central Government or state government for this purpose.

8. It has not received similar financial assistance from any other source, partially or wholly for the same purpose and for the same period.

Purpose of Assistance

The following items will be eligible for assistance

a) Equipment for the promotion of the consumer movement in smaller towns and rural areas such as film projectors, public address system, testing kit, books etc.

b) Towards organising consumer education programmes both in urban and rural areas by exhibitions, talks, film shows demonstrations etc.

c) To undertake testing programmes regarding quality and quantity for various consumer products.

d) To undertake research and investigation into consumer problems.

e) To organise seminars and workshops in areas of consumer education, consumer research and testing programmes of consumer products.

f) Any other scheme or activity which directly or indirectly contribute towards consumer protection as may be considered appropriate by Government from time to time.
If the Government has reasons to believe that the sanctioned money is not being utilised for the approved purpose, further payment may be stopped and the amount already paid may be recovered. The government has no liability to assist an organisation on the following year.

Application in prescribed form accompanied by all necessary documents concerned, which checks the credibility of the applicant organisation and then forwards the application to the Union Ministry. The state does not ordinarily send more than three applications in a year. The applications are screened by a committee which submits its recommendations to the secretary in the Department of Civil Supplies for final decision.

Applications are channeled through the state governments but the ones from libraries of good standing can be accepted directly. Applications should be accompanied by a copy of the constitution of the applicant organisation, particulars regarding its board of directors, detailed descriptions of the projects proposed and the like. Eligibility conditions include a properly constituted governing body with its powers, duties and responsibilities clearly defined and laid down with written constitution, engagement in library work for a minimum period of three years and facilities resources and personal to execute the scheme.

Foreign Funding Agencies

There are also foreign agencies which support consumers protection activities. They are:
Social action groups are entitled to receive foreign contributions as per the constitution, though its acceptance and utilization are regulated by the Foreign Contribution (Regulation) Act, 1976. Before accepting any type of foreign contribution, the organisation must get the approval of and registration number from the Ministry of Home Affairs. Only after procuring this one can start utilizing the foreign contributions. A statement on utilisation of funds is to be field every year before April 31 to the Home Ministry.

Perhaps the biggest hurdle for voluntary consumer organisations especially at the initial stage of their existence, is paucity of funds. To make the consumers aware of their rights, there should be proper propaganda, which requires a lot of funds to be spent. But the main hitch that remains for such organisations is that of mobilising money from a group of consumers.
The government has recently set-up Consumer Welfare Fund under the control of Ministry of Civil Supplies, Consumer Affairs and Public Distribution of the Central Government for the welfare of the consumers to carry out the various objectives of consumer movement in the country. The government has also constituted a committee under the chairmanship of the Central Minister for Civil supplies, Consumer Affairs, and Public Distribution. The Committee will recommend minimum financial assistance by way of grant to an applicant, having regard to his financial status, and importance and utility of nature of activity under pursuit, after ensuring that financial assistance provided shall not be misutilised (See Annexure II).

SOME RECENT MOVES

The government renamed the Ministry of Food and Civil Supplies as Ministry of Food and Civil supplies and Consumer Affairs. This ministry has been helping the consumer organisations in supplying the necessary publicity materials relating to the rights of the consumers, consumer education, information relating to weights and measurements etc.

The Ministry prepared a directory of voluntary consumer organisations which has been proved very useful to develop national network and exchange of information among the organisations.

The Ministry is acting as the model ministry in the field of consumer protection in our country.
The Ministry conducts national competitions to select suitable symbols and a few slogans for consumer protection programme. It also conducts occasionally, painting and essay writing competition to the youth on various themes of consumer protection.

The Ministry also confers National Awards upon individuals, organisations who work for consumer protection and movement in the country. The government has also constituted separate awards for women working for consumer protection. The proforma of application for National awards for women, youth and organisations and other related guidelines is given in the Annexure III, IV & V.

The government has also accepted the project and the proposals of Confederation of Indian Consumer Organisations (CICO), New Delhi for setting up a National network of voluntary Consumer Advice and complaint Bureau and it has expressed its willingness to provide financial aid to organisations desirous of setting up of such Bureaus.

IV. BY PROVIDING ENOUGH ROLE WITH STATUTORY PROTECTION FOR CONSUMER ORGANISATIONS AND THEIR REPRESENTATIVES IN VARIOUS GOVERNMENT COUNSELING BODIES

The government has vested the consumer organisations in the country with the powers to file complaints against the traders and such parties as provided in the Consumer Protection Act, 1986. For the first time, the registered Consumers' Associations have been recognised and have been assigned important role of protecting the interests of consumers. Clause (n) of section 2 of the MRTP Act
also defines registered consumers' association, 'as a voluntary association of persons registered under the companies Act 1956 (1 of 1956) or any other law for the time being in force which is formed for the purposes of protecting the interest of consumers generally and is recognised by the Central Government as such association on an application made on this behalf in such form and such manner as may be prescribed'. Thus the word Complainant in the Act shall include any voluntary consumer organisation/association registered under the Companies Act of 1956 or the Indian Societies Act or any other such act in vogue. In other words, Government has given statutory powers and recognition to the consumer associations/organisations.

The Food and Civil Supplies Ministry organises occasionally training programme for the senior officials of the Central and state governments to acquaint them with the various aspects of the consumer's protection programme. As grievance cell, a deputy secretary has been designated at director of consumer grievances who would be solely responsible to deal with the consumer grievances.

The Government also invites the various representatives of voluntary organisations for the training programmes conducted by the authorities of Central and state ministries of civil supplies and to include the representatives of consumer organisations in the Food and Advisory Committees at ward level, mandal level and at the state level.
Role of voluntary And other Organisations

Certainly each one of us as a consumer, has experienced the cumulative frustration associated with product that do not conform to expectations. It is this sense of frustration and bitterness on the part of consumers who have been promised much and have realised less, may properly be called the driving force behind consumerism. While frustrations affecting many people are a necessary pre-requisite for the appearance of mass movement, the existence of such frustrations does not necessarily result in the formation of movement. For a movement to grow, there must be both:

(i) a vision of better state of affairs and belief that it can be attained and
(ii) the emergence of leadership and the development of organisations for attaining the goals of the movement.

Accordingly, consumerism is defined as the organised efforts of consumers seeking redress, restitution and remedy for dissatisfaction that they have accumulated in the acquisition of their standard of living. 'Unity is strength' is a proper proverb for such organisation. The consumers are disorganised, illiterated, scattered vast and many. An individual consumer has always weak position in market place against the organised seller which require trusted organisation. They are more effective instrument of consumer resistance against the exploitation. Many a time, an individual consumer may find it difficult to write the complaint or may feel that he doesn't have the time to file his complaint on his own. In such cases, making use of a consumer agency would be beneficial to the consumer, consumer agencies as well as the forums and commissions. A lot of time all around could be saved and optimum use could be derived from relying on the expertise of consumer bodies.
as they handle more and more cases or start specialising in different consumer
goods or services - such as refunds or airlines or utility services.

Professional economists were seldom in the vanguard of consumerism
or in consumer economics. Those who came forward generally had association
in applied fields, such as home economics, law or education and were seldom in
the mainstream of the economics profession. In recent years consumer economics
has become an identifiable sub-category within the profession of economics and
many able economists are now associated with established programmes of consumer
studies in several institutions. The past twenty years have seen an increase in the
number of product testing, labeling and certifying programmes in the western world.
In 1960, the International Organisation of Consumers Unions—with its headquarters
at the Hague was established and ever since consumer policy is growing field.

Very often the consumers get a doubt whether the quotation ‘the
consumer is the king’ is true in Indian context. Sandwiched between the non-
availability of many commodities especially essentials and several abuses like
adulteration, black marketing, deceptive and misleading aggressive selling techniques
and/or false warranties, the Indian consumer is in plight. The Government, co-
operatives, and voluntary organisations have come forward to rescue the consumer
on several issues, but the efforts of the Government and Co-operatives could not
reach the ultimate consumer. As such there is a need to strengthen voluntary
organisations to protect the consumer. In this context an attempt is made to identify
the efforts and loopholes in the administrative machinery and appraise the efforts,
responsibilities and code of conduct of some of the voluntary organisations and
suggest ways and means to strengthen them.
Consumer movements largely by volunteers are taking interest and bringing cases before the three-tier -- district, state and National-level forums for redress. It is natural for consumer organisations to bundle grievances along with violation of consumer rights and rush them to the legal authority for redress. 'Consumer Sympathy' is different from 'Consumer Rights'. The violation of consumer rights comes within the purview of the Consumer Protection Act.

VOLUNTARY ORGANISATIONS IN INDIA

There are about 800 consumer groups in the country. However, according to Directory (1993) of Ministry of Civil Supplies, Consumer Affairs, and Public Distribution, Government of India, there are 508 registered consumer organisations in the country (see table 4.1). Table 4.1 shows that Andhra Pradesh state (37 per cent) stands first in the possession of largest number of voluntary consumer organisations, followed by Karnataka (7.7 per cent), Rajasthan (7.4 per cent), Tamil Nadu (6.6 per cent), Gujrat (5.5 per cent), etc. It can be understood from the table that the momentum is very low in respect of Northern and Eastern states like Manipur, Mizoram and Tripura whose share is just 0.4 per cent.

These was an increase in the number of groups and also more networking among the organisations. (Apart form legislative amendments, it was important that the consumer forums took a non-legalistic approach).

Responsibilities of voluntary consumer organisations

The voluntary organisations must shoulder the following responsibilities.

a) Vigilance over the distribution of essential commodities.

b) Educating the consumers about brand selection and ranking.
## STATE-WISE VOLUNTARY CONSUMER ORGANISATIONS IN INDIA

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of the State/UT</th>
<th>Total No. of Voluntary Consumer Organisations</th>
<th>% to the total Voluntary Consumer Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Andhra Pradesh</td>
<td>187</td>
<td>37.00</td>
</tr>
<tr>
<td>2</td>
<td>Assam</td>
<td>5</td>
<td>1.00</td>
</tr>
<tr>
<td>3</td>
<td>Bihar</td>
<td>26</td>
<td>5.00</td>
</tr>
<tr>
<td>4</td>
<td>Gujrat</td>
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<td>5.00</td>
</tr>
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<td>Goa</td>
<td>2</td>
<td>0.40</td>
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</tr>
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<td>7</td>
<td>Himachal Pradesh</td>
<td>2</td>
<td>0.40</td>
</tr>
<tr>
<td>8</td>
<td>Jammu &amp; Kashmir</td>
<td>2</td>
<td>0.40</td>
</tr>
<tr>
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<td>Karnataka</td>
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</tr>
<tr>
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<td>Kerala</td>
<td>18</td>
<td>4.00</td>
</tr>
<tr>
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<td>Madhya Pradesh</td>
<td>5</td>
<td>1.00</td>
</tr>
<tr>
<td>12</td>
<td>Maharashtra</td>
<td>23</td>
<td>4.50</td>
</tr>
<tr>
<td>13</td>
<td>Manipur</td>
<td>1</td>
<td>0.20</td>
</tr>
<tr>
<td>14</td>
<td>Mizoram</td>
<td>1</td>
<td>0.20</td>
</tr>
<tr>
<td>15</td>
<td>Orissa</td>
<td>20</td>
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</tr>
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<td>Rajasthan</td>
<td>38</td>
<td>7.00</td>
</tr>
<tr>
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</tr>
<tr>
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<td>Tripura</td>
<td>2</td>
<td>0.40</td>
</tr>
<tr>
<td>20</td>
<td>Uttar Pradesh</td>
<td>14</td>
<td>3.00</td>
</tr>
<tr>
<td>21</td>
<td>West Bengal</td>
<td>4</td>
<td>1.00</td>
</tr>
<tr>
<td>22</td>
<td>Andaman &amp; Nicobar Island</td>
<td>5</td>
<td>1.00</td>
</tr>
<tr>
<td>23</td>
<td>Chandigarh</td>
<td>4</td>
<td>1.00</td>
</tr>
<tr>
<td>24</td>
<td>Delhi</td>
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</tr>
<tr>
<td>25</td>
<td>Pondichery</td>
<td>11</td>
<td>2.00</td>
</tr>
</tbody>
</table>

c) Provision of information to the buyers about the release of stocks of essential commodities.

d) Attending the breach of guarantees/warranties by forming a Legal Action Committee to cater to such grievances of the members.

e) Conducting short-term courses for the members about their rights and also appreciation of the products.

f) Acting as liaison between the Government, business community and its members.

It is the Government that has to take an active interest in the promotion of such bodies at every village and town. Care must be taken that vested interests do not infiltrate into these bodies and spoil the whole game.

**Model code of conduct recommended for voluntary Consumer Organisations**

1. It should be a Voluntary Organisation working mainly for promotion and protection of consumers' interests.

2. It should have well defined objectives and area of operation for protection of consumers' interests.

3. It should be non-political and under a non-proprietary management without any government control.

4. It should have a legal status permitting the entrustment of public funds. For the purpose, it should be registered under the Societies Registration Act of concerned state governments or any other similar statute.

5. It should not be run for profit to any individual or group of individuals, but should serve the general public without distinction of casts, creed, colour or religion.

6. Its statement of accounts should be audited regularly by a competent authority viz., Chartered Accountant.

7. No office bearer of the organisation should have been convicted by a Court on
grounds of moral turpitude or declared insolvent or insane.

8. Women should also be given importance in the affairs of the organisation.

9. The organisation or any member of the organisation should not collect any service charges from the consumers for the services/advice provided to the consumers.

10. The organisation shall maintain a Bank Account in the name of the organisation and not of any individual whether by name or by designation with a Nationalised /Scheduled /Co-operative Bank or Post Office to be operated by any two out of three office bears one of whom should be the treasurer.

11. The organisation should not indulge in filing vexatious /frivolous complaints before the Consumer Dispute Redressal Agencies.

12. When the organisation takes up a consumer case before the appropriate forum, it can recover the cost of conducting the case from the complainant. Cost awarded by the Court, if any, should be set of against this.

13. No organisation shall issue a statement against the interests of consumers.

14. While small donations may have to be accepted for specific activities, no organisation shall collect large sums of money from business houses, corporations, etc., by way of donation or advertisement charges.

15. No organisation shall involve itself in threatening or victimising officers of Government, Public sector, etc., in connection with the discharge of their duties.

Origin and growth of consumer organisations in India

The first consumer organisation / council was established in Madras under the leadership of Sri Rajagopalachari. The growth of these organisations was slow till 1980. After 1980, these organisations gained momentum. There are now 508 registered consumer organisations in the country out of which 37 per cent are in Andhra Pradesh followed by Karnataka, Rajasthan, Tamil Nadu and Gujarath
which occupied the second, third and fourth places respectively. Surprisingly in the largest state of Uttar Pradesh these organisations are only fourteen in number. The town-wise analysis reveals that Delhi with 20 organisations occupies the first place, followed by Ahmedabad, Hyderabad and Bombay.

**Various Consumer Organisations in India**

The following are some of the important voluntary organisations which have been functioning for the cause of consumers.

1) Indian Federation of Consumer Organisations, New Delhi.
2) Consumer Education and Research Centre, Ahmedabad.
3) Consumer Guidance Society of India, Bombay.
4) Consumer Council of India, Madras.
5) Karnataka Consumers Service Society, Bangalore.
6) Confederation of Indian Consumer Organisation (CICO).

Though the functions of these organisations are similar, an insight into the working of at least some of the organisations makes us to understand the working of such organisations. They are as follows:

1. **Consumer Education and Research Centre:**

March 23, 1978 is the historical date in the history of consumer movement in India. It is on this date the above centre came into existence with the efforts of four eminent personalities - Prof. Manubhai Shah, Prof Ramesh Bhatt, Sri K.G.Munshi
and Sri A.C. Bhatt. Since then it is making strenuous efforts in solving the problems of consumers. This association was started with a capacity to spend Rs. 250/- only on consumer welfare, which has now reached to about Rs. one crore per year. This centre has also established a library which will be of use to the consumers. The centre is successful in dealing with a number of complaints like shortweights, death claims of widows by LIC etc. A magazine ‘Consumer Confrontation’ is also brought out by the centre to educate the consumers. It has also set up comparative testing laboratory to test the quality of products at Ahmedabad.

2. Consumer Guidance Society of India

The Oldest and the pioneer institution to launch consumer movement in the country was Consumer Guidance Society of India, which was launched in 1966 by nine ordinary middle class housewives and some social workers. By 1984 the membership has reached to 2500 with branches at Hyderabad, Pune, Kottayam and Tricur. Its activities include:

* testing household products like masalas and foodgrains and testing of small household appliances like electric irons, stoves, immersion heaters, pressure cooker etc.,

* investigates the complaints of the foreign buyers of Indian goods.

* creates awareness among consumers with the magazine ‘Keemat’ a monthly.

* represents on various official and non official bodies at national and international levels of the Indian Federation of Consumers Organisation in Delhi.
3. Karnataka Consumers Service Society:

It has been set up at Bangalore by some intellectuals. It has been doing useful work in consumer education through schools and mass media like Radio, Cinema and Tele-Vision.

4. Other Agencies:

These include Women’s organisations like Saheli in New Delhi and Stri Shakti Sanghatana in Hyderabad, newspapers which have started publishing the grievances of public on various matters with answers/replies from the concerned officials. Many of the newspapers contain columns like ‘Your problems’, ‘Urgent action please’ etc. A plethora of articles on the Rights & Difficulties of Consumers have been published in the Telugu Newspaper ‘Andhra Jyothi’ for about 3 to 4 months. A seminar on the Rights of Consumers was organised by the same Newspaper in Vijayawada on March 6th 1989 with Prof. Manubhai Shah of CERC, Ahmedabad, Sri Pandur Ranga Sarma, the then Director, MRTP, Sri Parigi Vasanth Kumar of Consumer Education Centre, Hyderabad.

Suggestions For Making Consumer Organisations effective:

The following suggestions may be adopted for making the efforts of voluntary organisations a success in protecting the consumers:

1) grant may be increased to these organisations on the basis of their efforts;

2) the Government must encourage the establishment of laboratories for testing the quality of the products;
3) voluntary organisations should organise meetings from time to time in different parts of the town and educate the consumers on the products which are entering the markets;

4) these organisations need to have a dialogue with business community for preventing unfair trade practices;

5) involvement of social clubs like Rotary, Jaycees, Lions in consumer protection activities is desirable; since these organisations comprise of many of the affluent people, their efforts will definitely pay rich dividends. These organisations can convene ‘Forums for Complaints’ where the grievances of the consumers may be ventilated and necessary action may be taken.

These organisations can be of use to consumers for saving time and efforts. Some of the young unemployed people from these organisations undertake the payment of bills of members. Agencies should work towards specialisation in a particular area of consumer protection and they should work towards financial independance. It is only through specialisation that the movement would really make its impact; by focusing on a particular consumer issue, the consumer agencies should be able to not only focus all its resources on it but also can seek cooperation of other agencies as they would not be competitors in the field. At present there is a duplication of efforts with all agencies taking up whatever come their way. Financial independance is a must in the long run. Sometime or the other, an agency may have to confront a Government organisation or a public sector company. This would become difficult if the agency was dependent for its finances on the Government. If they had other means to support themselves, the most important being the number of consumers who would avail of their services.

The consumer agencies would have to spread themselves, far and wide specially in the villages. Local volunteers could be identified in various localities.
and villages who could merely note down the complaints that the consumer in that locality or village had. The consumer agency representative could then visit the area once a fortnight or month and collect the complaints as well as meet some of the consumers - a cheap but effective way of spreading the agencies reach and services as well as spreading the message of consumerism, in addition to training and developing volunteers.

Building up a consumer movement is a full-time job and unless one gets paid for it (at least a decent salary) it is difficult to expect anyone to devote time to it and run it professionally. In the absence of philanthropists willing to donate liberally for the cause, the only alternative seems to be to set up highly specialised consumer cells to take care of specific consumer complaints.7

CONSUMER AFFAIRS AND PUBLIC GRIEVANCES REDRESSAL ACTIVITIES OF BUREAU OF INDIAN STANDARDS (BIS)

The two simplest forms of interactions of 'consumer affairs nature' by any certification body such as Bureau of Indian Standards (BIS) could easily be described as follows:

a) Educating the consumers regarding its various activities; and

b) Attending to the complaints and grievances arising out of dissatisfaction experienced on use of the BIS certified products, i.e., the products carrying the standard Mark, the familiar ISI mark.

CONSUMER EDUCATION

BIS as the national standards body of the country is vested with the
task of formulation of Indian Standards in almost all sections of economy and has already formulated nearly 16,000 Indian Standards covering aspects like product certification, codes of practice, methods of test, glossary of terms, etc. Product specification, which lay down parameters for determining quality, constitute about 60 per cent of these Indian Standards and nearly 2,000 standards are of direct interest to the common consumer. To ensure that the needs and requirements are built into the Indian Standards, BIS associates consumers in the process of standards formulation.

The common consumer today is confronted with the problem of deciding what he should look for in the product that would meet his requirement and at the same time gives his money's worth. This is because as a purchaser of large variety of goods in his day to day life he has neither the technical know how nor the necessary means to judge the quality of the products purchased. This is where the Certification Mark Scheme of BIS plays its role for the benefit of the consumers.

As would be apparent the above mentioned activities of BIS are of the direct relevance to the common consumers and therefore BIS on its part creates awareness among the consumers regarding the developments relating to these activities. This is achieved by the following ways:

1. Preparation of consumer education brochures. A list of all such brochures which have been recently brought out by BIS are given below:

   i) BIS and Rights of Consumers.

   ii) BIS in the Service of Common Consumers.
iii) BIS and Infant Care.

iv) Standard Mark - The Many Ways it Touches your life.

v) Are you a victim of Any of These Myths.

vi) What to look for in the ISI mark.

2. Organising programmes for creating awareness among consumers in which common consumers as well as consumer organisations are invited to participate.

3. Participation in exhibitions from time to time at different places.

4. Reprints of Consumer news feature appearing in 'Standards India' (a monthly magazine brought out by BIS circulated to over 400 consumer organisations who are enlisted on our mailing list for their reference and onward circulation to their members).

5. Every year, 'Consumer Day' on 15th March is celebrated by BIS at its Head Quarter as well as at its Regional and Branch Offices for creating awareness amongst the consumers.

Grievance Redressal Machinery

The success of the type of the Certification Scheme administered by BIS which is meant basically to ensure quality needs of the consumers, depends on an equally effective and suitable machinery for redressal of complaints. For ensuring this, BIS has made the redressal machinery an integral part of Certification Mark Scheme itself. The mechanism is in operation at BIS throughout all its Regional and Branch Offices spread all over India. A brief insight into this system would help and enable consumer organisation to understand and make better use of it to suitably take up the causes of their members, the common consumers.
Nodal Department

The Consumer Affairs & Public Grievances Department at the BIS Headquarters, New Delhi is the Nodal Department for dealing with all types of public complaints / grievances including those relating to quality of BIS certified products as well as the other service offered by BIS.

Public Grievance Officers

All the Regional and Branch Offices of BIS have an officer designated as Public Grievance Officer to deal with public grievances and also to provide any assistance / information desired by the consumers on requests.

Mechanism of Redressal

i) Complaints could be lodged at the nearest Branch Office or directly at the BIS Headquarters, New Delhi.

ii) Every complaint is acknowledged on receipt which is the beginning of the process of redressal wherever possible.

iii) Investigations are arranged on the complaints and

iv) Further actions towards redressal of the complaints are initiated in case it is established that the complaint is regarding a BIS Certified products and is genuine in nature.

v) The decision regarding establishment of the complaint or otherwise is taken by BIS based on investigations and/or the Test Report for the complained material.

vi) Necessary investigations are also undertaken at the licensee’s end, i.e., those manufacturers who have supplied the product with ISI mark making use of BIS Certification Mark Scheme. Suitable instructions are given for providing replacement or repairs depending upon the merit in case the complaint is established.
vii) Complaints are treated as feedback informations about the quality of products which the manufacturer is supplying into the marker and immediate steps are taken to identify the reasons/sources of substandard productions and the manufacturers are advised to take necessary corrective measures.

Making Effective use of the Grievance Redressal Machinery

It has been experienced, many a time that the complaints are preferred for uncertified products or such products which carry misrepresentations of the ISI mark through which consumers are deceptively made to believe that the products are covered under BIS Certification Mark Scheme. Although actions are initiated against the manufacturers wherever possible, redressal cannot be arranged for the complaints under such circumstances. Therefore, there is a need for getting acquainted with the essential elements for making effective use of the redressal machinery which the BIS offers to the consumers, which are as given below:

i) Buy BIS certified products.

ii) Ensure that the ISI mark is in its correct form.

iii) Obtain ‘Cash Memo’ for the goods purchased.

iv) Follow instructions of the manufacturers regarding proper and safe use of the product.

v) In case of dissatisfaction on use of the product, approach the nearest Branch Office of BIS providing details on the following:

* Name of the product:

* Manufacturer’s name and address as marked:

* Quantity of material under complaint:

* Quantity still held in stock:

* Source of purchase, enclosing copy of Cash-Memo:
Details marked on the product such as Batch No., Date of manufacture, grade, type, size, variety etc., and License No. if marked.

The above informations help BIS in properly attending to the complaint and arranging for expeditious redressal of the same. Consumer organisations should therefore pass on these tips to the consumers and emphasize upon them regarding their usefulness while preferring complaints.

Recognition of Consumer Organisations Under BIS Act

The BIS Certification Mark Scheme is operated under the BIS Act, 1986 by way of Certification Marks Rule & Regulations framed thereunder and violation of these can be taken cognizance of by a court only based on a complaint made by the Government, BIS and recognized Consumer organisations. Whereas Government, and the BIS can directly file a complaint in any designated Court of Law, for enabling the consumer organisations to do so, they need to be registered under the BIS Act. BIS Rules, 1991 have therefore been framed by the Govt., through a Gazette notification enabling the consumer organisations for getting themselves recognized as a ‘Registered Consumers’ - Association’ as per the procedures laid down for the same. Once the recognition is obtained under the BIS rules 1991, the consumer recognitions can directly take up the causes of the consumers, in case it is considered necessary, by way of filing of complaint in a Court of Law against those violating the various provisions of the BIS Act, 1989. While filing such complaints on behalf of the consumers, the consumer organisations are required to enclose a copy of their ‘Certificate of Recognition ’ along with the complaint. The pre-requisites for recognition are as given below:
a) The consumer organisations shall have at least 50 consumers as its members.

b) The application in the prescribed proforma shall be submitted, in triplicate, to the Bureau of Indian Standards, New Delhi.

c) The application shall be accompanied by a Bank Draft for Rs. 1,000/- drawn in favour of BIS. Based on representations from various consumer organisations, the matter regarding reduction in the amount of fee has been taken up with the Ministry and is likely to be reduced.

d) Details regarding the activities of the consumer organisations during the last three years also need to be enclosed with the application. This will however not be the reason for rejection of application, in case the consumer organisation is newly formed and therefore cannot submit such details.

V. BY UNDER TAKING PUBLIC DISTRIBUTION SYSTEM (PDS) TO SUPPLY ESSENTIAL ITEMS TO THE PEOPLE IN THE COUNTRY

The solution of many political, social and economic problems vest in price control. This problem could be solved by way of increasing production and making available the quality goods to the masses at reasonable prices from the nearest distribution points. For safeguarding the interest of consumers against exploitation by the middlemen, distribution of some of the essential items of daily use through consumer cooperatives and PDS is the only alternate.

Government of India has opted Public Distribution System (PDS) to check the spiraling rise of prices and also as an antidote to poverty. The Government through its PDS supplies some of the selected essential commodities to the public with a view to safeguard the purchasing capacity, especially of the middle and fixed income groups. Thus PDS has been
recognised as a permanent feature of the strategy to control prices and achieve an equitable distribution of essential goods.

The Government supplies six essential commodities through the PDS network. They are Wheat, Rice, Sugar, Imported oils, Kerosene, and Soft coke. As of now ten per cent of the population benefits from the scheme. Estimates reveal that 19 million food grains are needed to keep the PDS at present level. The PDS network in India is one of the largest. The number of Fair Price Shops had increased from 3.02 lakhs in 1984 to 3.99 lakhs in 1992 as shown in table 4.2. As of now 1700 blocks have come under PDS.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Year</th>
<th>No. of fair price shops in lakhs</th>
<th>growth rate in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1984</td>
<td>3.02</td>
<td>---</td>
</tr>
<tr>
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<td>1985</td>
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<td>1992</td>
<td>3.99</td>
<td>5.28</td>
</tr>
<tr>
<td>10.</td>
<td>1993</td>
<td>4.30</td>
<td>7.77 (estimated)</td>
</tr>
</tbody>
</table>

The following are the objectives of the Government Public Distribution System.

1. To ensure that consumer prices are stabilised and the interest of the low and fixed income consumers are protected.

2. To ensure that the producer got reasonable prices and continue to have adequate incentives for increasing production.

3. To build-up an adequate buffer stock of food grains with a view to ensuring both the objectives mentioned above.

4. To strengthen infrastructure for effective functioning of Public Distribution System so that it can be expanded quickly to cover all remote and inaccessible areas in the country. The VII plan also recognised the Public Distribution System as permanent feature of the strategy to control prices, reduce fluctuation and achieve an equitable distribution of essential goods.

REVAMPED PUBLIC DISTRIBUTION SYSTEM 1992

The Advisory Council on Public Distribution System has taken a vital and important decision to bring some additional items under revamped Public Distribution System. The additional items identified are pulses, soap (washing/toilet), tea, exercise note books, iodised salt and match boxes. The State Governments have been advised to consider inclusion of these items under Public Distribution System and to make arrangement for their supplies to the weaker section of the society from the nearest point.
The Prime Minister of India launched the revamped Public Distribution System on 1st January, 1992 at Barmer (Rajasthan) with the objective of improving the reach of PDS to the masses living in ITOP, DDP and DHA areas.*

Thus the latest moves indicate that the Government is determined to target PDS to the weaker section and to exclude the non-poor segment of the population.

Under the revamped PDS, Government has decided to open 1000 more godowns with total capacity of 3,30,000 tonnes in the drought prone areas and tribal belts, and desert areas, and also 11,000 more fair price shops would also be opened in these areas.

The broad objectives of the new scheme areas are as follows

1. Special efforts would be made for effective reach of benefits of new proposals to families below the poverty line in these areas.

2. Minimum availability of food grains per adult per month would be ensured to the people living in these areas.

* In a meeting of Secretaries, Civil Supplies of all States held by the Secretary (CS & PD), Government of India in October, 1991 at New Delhi, the necessity of a Central Agency having all India net work was felt for arranging supply of additional items under revamped PDS. The Central Ministry of Civil Supplies & PD vide its D.O. letter No. 0-12015/9/91-CFS dated 22-11-91 suggested the name of NCCF having all India net work to the State Governments to use its infrastructure for supply of additional items under revamped PDS. The NCCF, which is in the service of the consumers for the last more than 25 years has geared up its machinery to arrange supply of additional items to the agencies nominated by the State Governments on competitive rates.
3. Delivery of commodities to the door-step of the fair price shops would be taken up by the State Governments in the identified areas where ever feasible.

4. Supervision would be exercised to ensure strict vigilance over the delivery system. to this end, vigilance committees would be set up at fair price shop level.

5. Participation of the beneficiaries attached to the shops, voluntary consumer organisations and responsible persons of the area would be associated with such vigilance committee. These Committees would oversee the receipts and actual distribution of the commodities at fair price shop level.

6. An exercise to check the ration cards issued earlier, would be undertaken with a view to eliminate bogus unit cards. The checking of the old cards and issue of new cards would be done simultaneously.

7. Infrastructural requirements such as additional fair price shops and additional storage capacity, would be enhanced in the identified areas according to a time-bound plan.

Central Assistance

The Central Government has been providing financial assistance to State/Union Territories in the form of loan/subsidy for the purchase of vans and for construction of godowns so as to further improve the supply of essential commodities under PDS to far-flung, inaccessible, hilly and tribal areas. Certain modifications were affected in those schemes during 1992-93. The subsidy component in the scheme for the purchase of mobile van increased from 25 per cent to 50 per cent from the year 1992-93. Besides functioning as mobile fair price shops, they could now be used as food grain carriers for affecting door-to-door delivery in the areas covered under RPDS. The scheme for providing assistance to State Governments/Union Territories for the construction of godowns in interior areas, earlier restricted to North-eastern states (Himachal Pradesh, Sikkim, Jammu & Kashmir and the Andaman and Nicobar islands) was extended to include the blocks identified
under the RPDS. During 1992-93, an amount of Rs. 2.68 crores was distributed to different States and Union Territories for acquiring vehicles and Rs. 4.80 crores was approved for construction of godowns.

VI. SUBJECTING GOVERNMENT OWNED UNDERTAKINGS TO THE SPECIFIC LEGISLATIONS ON PAR WITH PRIVATE SECTOR UNDERTAKINGS.

The Government has brought the Public Sector Undertakings also under the purview of Consumer Protection Act, 1986. For example any deficiency in the service caused to consumers by the Insurance Companies or Banking or other Government Sectors companies can be tried by consumer courts upon complaints given by the public. The Government has also instructed all concerned officers and bureaucrats about the need for implementing the directions of consumer courts in respect of various public grievances. Government has viewed the consumer movement as a campaign for quality and crusade against inefficiency whether in public or in private sectors.

Working Group Recommendations

The Government of India constituted four Working Groups whose recommendations are given in Annexure VI, VII, VIII & IX.

CONCLUSION

It can be concluded that the Government has been active in the promotion of consumer movement through several means comprising legislative and non
legislative. The neglected lot of the society i.e. consumers has been armed with necessary statuary rights for redressal of their grievances. Besides, government has very much streamlined the public distribution system with a view to provide essential commodities etc. to benefit a large section of the society in the country. What is needed is a supplementary role to be played by the voluntary consumer associations and the necessary statutory and financial help, should be given by the government to such initiatives.

REFERENCES


