Chapter II

HISTORICAL PERSPECTIVE OF CONSUMER MOVEMENT

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2.1 INTRODUCTION

This chapter gives a historical perspective of the consumer movement in various countries of the world, with special reference to India, Tamilnadu and Kannniyakumari district.

The Consumer Movement was born in the U.K. and Rome very fast giving rise to Consumer Movements in other countries. Following the experience of the U.K., the U.S.A. has made rapid developments in consumer movement in the recent years. Hence a review of the Consumer Movement in the U.K. and the U.S.A. is attempted in this chapter.

The secondary data used for the study were collected from news papers, journals and technical books found in the libraries of the Madurai Kamaraj University, the University of Madras, the University of Kerala, the Centre for Development Studies (CDS) at Trivandrum and the District Central libraries at Nagercoil and Tirunelveli. Various libraries in Chennai and the libraries of the Department of Food and Civil Supplies and Consumer Affairs in Chennai were helpful in collecting the required data.

2.2 CONSUMER MOVEMENT IN THE U.K

England is the homeland of Consumers' Co-operatives. During the Industrial Revolution, the working class was very much affected by the exploitation of unscrupulous private traders. They sold adulterated goods with false weights and measures. It was this exploitation of the consumers which prompted Robert Owen – the
father of the Consumer Co-operative Movement to initiate the movement. Ever since, consumer co-operation has grown and is still growing in England like a banyan tree.¹

The development of the Consumers’ Co-operatives as an economic system is associated with the name of the Rochdale Pioneers². The story goes back to the year 1844 when a batch of 28 weavers in Rochdale formed a society that shot into world fame as the “Rochdale Society of Equitable Pioneers”. The aim of the Society was to show people the way to a new and better social order. The movement gradually spread over to other countries and played a significant role in holding the price line in food and consumer articles.

Before the First World War, Laissez faire served to bring about the rule of the *caveat emptor*, the common law was the protection against aggressive salesmanship, fraud and breach of promises. The British National Institute in the U.K. played a significant role in assessing the interests of consumers in 1925.

In 1935, a formal Consumer Union came into existence in Britain. It built a laboratory for regular testing of products and published consumer reports and enlightened the public on misleading claims.³

Actually in Great Britain the Consumer Movement began to gather momentum during the years following the Second World War through voluntary action mostly taken by women’s organizations. For the first time the labour party in the United Kingdom came into the picture in a significant manner. In 1955, the Labour Party published a pamphlet entitled “Battle for the Consumer”. It not only argued the case for marketing of quality goods but also for the setting up of a Consumer Council. Another
significant development of the late fifties was the establishment of a Retail Trading Standards Association with the primary objective of helping to resolve disputes between retailers and their consumers. In fact a consumer revolution was gradually taking place in Britain. It was this development that compelled the government to appoint the Molony Committee in the late fifties to report on what changes in the law were desirable for further protection of the consuming public and to make recommendations. On the basis of this report the Government appointed a Consumer Council in 1963. A Ministry for Consumer Protection was set up and several legislative enactments were passed in the following years.

In the United Kingdom, the anti-trust legislations came immediately after World War II. Between 1948 and 1973, a number of statutes were passed for the purpose. The statutes were the Monopolies Restrictive Practices Act, 1948, the Restrictive Trade Practices Act, 1956, the Resale Price Act, 1964, the Monopolies and Mergers Act, 1965, Fair Trading Act, 1973 and the Re-sale Prices Act, 1976.

The desire to protect the consumer through legislation has gone a step further with the passage of the Trade Descriptions Act, 1968. The Act replaces earlier legislations and extends consumer protection more widely than earlier legislations.

The Fair Trading Act, 1973, introduced new and comprehensive measures for consumer protection. It envisaged a twin machinery for its enforcement – the Director General of Fair Trading and the Consumer Protection Advisory Committee.

Further the Competition Act, 1980 was enacted to make provisions for the control of anti-competitive practices in supply of goods and services.
In addition the United Kingdom has a number of other legislations to protect the interests of consumers. These include the Unfair Contracts Terms Act, 1977, the Price Commission Act, 1977 and the Consumer Protection Act, 1987.

In Britain the main consumer realities of the 70s had intensified the Consumer Movement; these were skepticism, knowledge and professionalism. The Consumer Movement in Britain is an established one, addressing itself to the matter of consumer protection in different ways.

The Consumer Protection Act, 1987, was passed by the British Parliament after extensive debate on it. It is a wide ranging piece of legislation, creating both civil and criminal liability and it will be of major importance in all industry and commerce.

2.3 CONSUMER MOVEMENT IN THE U.S.A

The history of consumer co-operation in the U.S.A. dates back to 1845, when a group of Boston Germans formed a consumer society. Within two years a dozen stores came into being and by 1857, the number had increased to 700. But soon after decline set in and in 1890 only 3 stores survived. It proved that the U.S.A. with its unexplored opportunities for individual progress, heterogeneous racial groups and want of any need for co-operative method, was a poor field for co-operation. It may be claimed that the movement is not as eloquent in its national economy as it is in Britain or Sweden, but the movement has developed as broad a diversity of co-operative enterprise as in America.
The United States of America has been the leader in consumerism in the world, since it was American consumers who first began to recognize that they had rights in the market place. An historical event took place in 1773 when American patriots boarded British ships and tossed incoming tea into the sea protesting unfair taxes. It is noted that some consumer groups existed in the United States as early as the middle of the nineteenth century. Consumer movement activities in the U.S.A. can be categorized into three periods – viz, 1900, mid - 1930’s and the mid -1960’s.

The formation of the National Consumer League in 1899 was an indication of the growing strength of the consumer movement. “The Jungle”, Upton Sinclair’s novel on the stock yards, published in 1906, brought out the demand for regulation of food and meat processing. The consumer movement consisted mainly of sporadic local activities until the mid - 1920’s. Also in the twentieth century, there was growth in consumer consciousness stimulated by the so-called 100,00,000 guinea pigs and general debunking of claim made by many producers for them for their products in a buyer’s market.

The American Consumer Movement took a new shape in the mid 1930’s. The ideological background of the growth of the consumer movement was provided by a series of writings beginning with R.H.Tawney’s “Acquisitive Society” followed by T. Veblin’s “Theory of the Leisured Class”. The joint work of Stuart Chase and F.J. Flinch’s “Your Money’s Worth” crystallized wide spread consumer discontent.

Another turn in the consumer movement was observed in the 1960’s. E.B. Weiss observed that this period had attributed consumer unrest to rising public
standards of business conduct and social responsibility brought about by increasing education and sophistication. Reinforcing and interacting with the current consumer unrest, there were a number of books. Galbraith's "The Affluent Society", Jessica Mitford's the "American Way of Death" and "Silent Spring" by Rachel Carson's brought the topics with regard to environmental pollution and use of chemicals in food items.

According to L.P. Feldman, the main factors responsible for consumer protection in the U.S.A. were (a) market practices, (b) technological changes, and (c) social development. They had their origin in the Civil Rights Movement. Due to these factors the Consumer Movement gained tremendous momentum in the 1960's. It was President Kennedy who appointed the first Consumer Council and proclaimed the Consumer Bills of Rights in 1962.

The late 1960's also saw the rise of a charismatic consumer champion in Ralph Nader, whose efforts coupled with an increasing public awareness of consumer problems led the Consumer Movement to the present state as a growing social, economic and potential force. Ralph Nader's book "Unsafe at any Speed" (1965) brought the consumer safety issue to the fore.

According to David Averbuck, the American Consumer Movement intensified due to four elements. They are the existence of private lawyers who take up consumer issues on contingency bases, Government control on consumer issues, the involvement of the press media and voluntary consumer organizations.

In the U.S.A. the early seventies saw the beginning of the Consumer Movement for establishing fairness in the dealings in the market place. For example,
consumers, advocates in the retail food industry were leading the way with more specific pricing products and consumer education programmes aimed at the supermarket customer. They proved that consumerism was indeed needed for the bottom line consumers. Further, as the movement headed into the middle of the decade (1975) there was a tendency for the growth of various consumer groups. Although they began to tackle different problems, they were striving towards the common goal of representing the customers' interests.  

The services rendered by Ralph Nader and his band of associates in the U.S.A. to advocate the causes of consumerism are worth emulating. Ralph Nader is a popular advocate who formed many organizations in the U.S.A. to deal with complaints of consumers relating to unfair pricing, air line service, auto safety, health-related problems, tax problems and drinking water facilities. His legal staff known as Nader's raiders, with their dogging discipline and devotion to duty exposed many nefarious activities of the producers. The approach of Nader has been purely legal. With dedication and devotion, he fought legal and legislative battles on behalf of the consumers to set right the erring businessmen. The activities of Nader Associates have been praised by the Chamber of Commerce in the U.S.A. The opinion of Nader is sought by the agencies of the government in making enactments for consumer protection.

In the United States of America, the rapid industrialization after the end of the Civil War in 1865 led to mergers and amalgamations and to the formation of trusts and cartels. At this stage, the first anti-trust legislation as early as 1890 came to be known as The Sherman Act. The Act declared every combination in the form of trust in
restraint of trade or commerce to be illegal. This Act was of great use in curbing the wave of mergers that had marked the industrial scene of the United States towards the end of the nineteenth century and the first decade of the twentieth century. But there were several monopolistic and restrictive trade practices to which the Act did not reach. To remove this, two major legislations were passed in 1914 namely the Federal Trade Commission Act and the Clayton Act. The Federal Trade Commission Act set up a new machinery, The Federal Trade Commission, which shares with the Department of Justice the responsibility for the enforcement of all anti-trust legislations. The Act also prohibited unfair methods of competition.

The Clayton Act was designed to specially deal with the problems of mergers and to prohibit certain types of individual conducts which were beyond the reach of the Sherman Act.

The Robinson-Patman Act, 1936, tightened the law on price discriminations.

In addition to these anti-trust legislations there are a number of other legislations today in the USA for consumer protection:

The Consumer Credit Protection Act

The Consumer Leasing Act

The Consumer Products Safety Act, 1972

The Agricultural and Consumer Protection Act, 1973

The Fair Credit Billing Act, 1974
The Magnuson-Moss Warranty Act, 1975 and

The Fair Packaging and Labeling Act.

These provide protection to the consumers in several ways.

The United States of America has even today the most comprehensive and well established anti-trust and consumer protection laws in the world.

Ralph Nader in his book titled "Unsafe at any Speed" presented evidence of the role of faulty engineering construction and design in auto accidents and injuries. As a result, in March 1966 President Johnson passed the Highway Safety Act. Finally the Federal Trade Commission Improvement Act, 1975, was probably the legislative high water mark of the current era of consumer protection in the U.S.A.

Despite setbacks of late the Consumer Movement is alive and kicking and is ever eager to mobilize its resources to fight the erosion of consumer rights.

2.4 INTERNATIONAL ORGANIZATION OF CONSUMER UNION:

The International Organization of Consumer Union was formed in 1960 by consumer groups of the United States of America, Britain, Australia, Belgium and Netherlands with a view to promote world wide cooperation in consumer information, education and the comparative testing of goods and services. Transcending the national level, it found poignancy by the United Nations Organization and as a result the consumer interest got expression at the 29th Session of the United Nations Commission on Human Rights held in Geneva in 1973. In August 1977, the U.N. Economic and Social Council passed a resolution on consumer protection calling upon the U.N.
Secretary General to submit a survey illustrative of the range of institutional and legal arrangements existing in the field of individual consumer protection at the national level.\(^8\)

The IOCU has played a leading role in the development of consumer affairs in the Asia Pacific region ever since the founding of the Asia Pacific Office in 1974 in Malaysia. The main work of the IOCU has revolved round developing consumer groups in the region, providing information and representing regional interests at the international level. The IOCU Penang Office is also the focal point for many global and regional issue oriented networks such as the Consumer Interpol, the Health Action International and the Action for Rational Drugs in Asia, the Pesticide Action Network and the like. These networks facilitate information exchange, linking up, collaborating and joint advocacy with other like-minded groups on issues of common concern and interest. The IOCU has a consultative status with several UN agencies such as the ECOSOC, the FAO, the WIIO, the UNIDO, the UNICEF and the UNESCO.

In 1985, the IOCU established an office for Latin America and the Caribbean in Montevideo, Uruguay. In 1988, it made inroads into Africa with two conferences that gave direction to the budding consumer movement there. And in 1989, the IOCU reorganized its central office in The Hague into a regional office for Europe and North America. In response to exciting political changes underway in the socialist countries, it also brought West and East European consumer groups together for the first time in Warsaw, Poland.\(^9\)
Two other main inter-government institutions involved in consumer affairs in the region are the Organization for Economic Co-operation and Development (OECD) and the Economic and Social Commission for Asia and the Pacific (ESCAP). The OECD Council decisions are binding laws in member countries and the recommendations and guidelines are voluntary, moral obligations on the member countries. The ESCAP has had a direct but modest influence in the development of the consumer protection policy in the Asia Pacific region.

Besides, various sporadic efforts have been noted in other countries. The National Boycott Committee of Mauritius and its branch, the Consumer Health Action Network (CHAN), held protest marches in 1989, thus making Mauritius the eleventh country to join the Nestle Boycott. April 22, 1990, the “Earth Day” and the whole of the 1990s were observed as the “Decade of the Environment”. According to Dennis Hayes, Chairman of the Earth Day Programme and Coordinator of the first Earth Day in 1970, the demonstrators demanded a “sustainable global environment undamaged by industrial pollution, shrinking rain forests, expanding deserts, green house gases and the like.

To conclude, the consumer movement has spread all over the world. The main impetus to the movement was given through revolutionary writings. Various countries adopted different measures for the protection of the interests of the consumers. Efforts were also made by voluntary organizations in different countries. At the international level the IOCU plays a pivotal role in strengthening the consumer movement. It has established links with other countries and helps in the co-ordination of their activities.
2.5 CONSUMER MOVEMENT IN INDIA:

Indian scriptures exclusively advocated observance of morality as an integral part of business practices. Businessmen feared social and moral punishment. Consumers enjoyed the supreme position. The business class was categorized as 'Vaishya'. Its position was lower than that of Brahmins and of Kshatriyas. Unlike in developed countries, business was considered to be an important activity in India. Due to the dominance of the higher classes, the businessmen’s activities were constrained and rectified from time to time. In olden times unscrupulous businessmen were severely punished. For instance Kautilya’s Arthasastra recommended the imposition of a fine of twelve “panas” on a trader who adulterated grains, salt and sugar and by mixing things of a similar nature.

Foreign traders cultivated the tendency of high profits among Indian businessmen. They introduced various unethical and nefarious trade activities. This called for protective measures to be initiated by different dominant sections. Among these sections which performed an effective role in the protection process were the Government and the consumers themselves.

India is the biggest democracy in the world with an area of 3.29 million sq.kilometers which is 2.3 % of the world’s land area. It is a republic with a federal structure consisting of 22 states and 9 union territories. The population of the country is around 1000 Millions.

India is a land of much diversity with varied flora and fauna and climatic conditions in different parts of the country. It is a land with people belonging to more
than half a dozen important religions subdivided into hundreds of castes, creeds and sects who live in harmony.

2.5.1 CONSUMER COOPERATIVES

The Co-operative Movement in India originated at the dawn of this century. Independent India acknowledges it as a movement for the solution of the economic problems of the masses. Pandit Jawaharlal Nehru, the architect of Independent India, declared: “My outlook is to convulse India with the Co-operative Movement, or rather with Co-operation; to make it, broadly speaking, the basic activity of India, in every village as well as elsewhere; and finally, indeed to make the cooperative approach the common thinking of India” 20.

Though there was no legal foothold to stand upon, the Rochdale Principles entered the country even before the passing of the Co-operative Society Act of 1904. The Triplicane Urban Co-operative Society has the credit of starting its career even before the legal inauguration of credit co-operation 21. The TUCS is India’s Rochdale Store - the first, foremost and the only co-operative with an unbroken history of progress. Credit must be accorded to Professor Hanumantha Rao of the Presidency College, Chennai, for leading the first organized group of consumers in the city. The members of the Society were the elite residents in the city and its activities were restricted to procuring the best quality goods for the members at competitive prices. The Coimbatore Store established in 1905, the Kashi Co-operative Store established in 1907, the Bangalore Co-operative Store established in 1905 are the contemporary ones.
The first Co-operative Societies Act 1904 did not recognize consumer co-operatives. In India the Consumers’ Co-operative Movement was started in 1912 with the passing of the Co-operative Societies Act of 1912, which gave a legal status to consumer co-operatives.22

The abnormal conditions created by the First World War (1914-18) brought about a scarcity of consumer goods and high prices and gave great impetus to the store movement and the number of stores multiplied rapidly. It increased from 11 in 1914 to 103 in 1920-21 and 323 in the year 1927-28.23

The Second World War indirectly created conditions favourable to the accelerated growth of the consumer stores. With the shortage of consumer goods, and the resultant control on the distribution and prices of essential commodities, and the introduction of rationing of food grains by the government, the consumer co-operative movement gained momentum.

Consumer co-operative stores were used largely as agencies for the distribution of the various controlled goods to avoid black-marketing and to ensure fair and equitable distribution of the essential commodities. For this, the government sponsored a special scheme - known as the Centrally Sponsored Scheme during 1962-63. It was a massive programme for the establishment of consumers’ co-operatives in the country.

According to this scheme, the marketing societies would also undertake retail distribution of articles in towns and procure commodities for supply to village societies for distribution in rural areas. This scheme also provided for the “Accelerated
Programme" for the development of consumer cooperatives, so that they could make an appreciable impact on the retail trade and could function as a permanent instrument for arresting the rising and inflationary trends in the prices of the essential consumer goods.

Under the New 20 – Point Economic Programme announced by the late Prime Minister Mrs. Indira Gandhi, much stress was laid on the expansion of the Public Distribution System, and much responsibility was attached to the consumer cooperatives in the matter. They were given a substantial role in operating the public distribution system and around one third of the 0.3 million fair price shops are now operated by the consumer co-operatives. Besides, these consumer cooperatives have come forward to operate mobile shops for the distribution of essential commodities to the people of the weaker sections in the outskirts of cities and towns.

Apart from the consumer co-operative stores organized by the general public, the government has also promoted co-operative stores by industrial workers, mining labourers and employees and public utility services like the Railways, Post and Telegraphs and the like.

In order to provide text books, notebooks and other school stationeries required by the student community consumer co-operatives are promoted by the government. The Central Government, through the National Co-operative Development Corporation, has come forward to provide financial assistance to students' co-operatives in schools, colleges and universities.
### TABLE 2.1

Position of Consumer Cooperative Societies as on 31-03-1996 (Amount Rs.in Lakhs)

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<td>109</td>
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<td>19</td>
<td>320</td>
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<td>34332</td>
<td>80</td>
<td>326</td>
<td>774</td>
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<td>671</td>
<td>3105</td>
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<td>3080</td>
<td>9</td>
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<td>75</td>
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<td>Sikkim</td>
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<td>8467</td>
<td>21</td>
<td>1899</td>
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<td>Tamilnadu</td>
<td>1337</td>
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<td>909</td>
<td>8940</td>
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<td>27.</td>
<td>Delhi</td>
<td>548</td>
<td>80030</td>
<td>319</td>
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<td>Mizoram</td>
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<td>Pondicherry</td>
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<td>142442</td>
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<td><strong>Total</strong></td>
<td><strong>24874</strong></td>
<td><strong>7315505</strong></td>
<td><strong>19963</strong></td>
<td><strong>49471</strong></td>
<td><strong>261767</strong></td>
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2.5.1.1 ORGANIZATIONAL STRUCTURE

Consumers' co-operatives are organized on a federal pattern consisting of the National Consumers' Co-operative Federation which functions as the apex body at the national level with its head office at New Delhi. The various state federations which are the state level apex organizations are affiliated to the National Federation. Wholesale Stores at the district level are affiliated to the state federations. At the grassroot level there are general primary stores, primary stores organized by industrial employees and primary stores for the student community, affiliated to the wholesale stores.

The structure of the Consumer Cooperative Movement in India today is broadly shown in the following diagram.

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NCCF

STATE FEDERATIONS

WHOLESALE STORES

| PRIMARY STORES | EMPLOYEES STORES | STUDENTS STORES |
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TABLE 2.2

Progress of the Consumer's Co-operative Stores

(All India)

<table>
<thead>
<tr>
<th>Year</th>
<th>No of stores</th>
<th>Membership</th>
<th>Working Capital (Rs.in crores)</th>
<th>Sales (Rs.in.Crores)</th>
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<tr>
<td>1961-62</td>
<td>7266</td>
<td>16.06</td>
<td>9.82</td>
<td>35.40</td>
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<tr>
<td>1965-66</td>
<td>13077</td>
<td>29.30</td>
<td>17.98</td>
<td>162.30</td>
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<td>1969-70</td>
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<td>225.69</td>
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<td>1973-74</td>
<td>13908</td>
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<td>1977-78</td>
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<td>1981-82</td>
<td>15826</td>
<td>54.11</td>
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<td>495.18</td>
</tr>
<tr>
<td>1985-86</td>
<td>17748</td>
<td>57.13</td>
<td>N.A</td>
<td>752.74</td>
</tr>
<tr>
<td>1986-87</td>
<td>18930</td>
<td>59.43</td>
<td>299.49</td>
<td>787.97</td>
</tr>
<tr>
<td>1993-94</td>
<td>23237</td>
<td>91.88</td>
<td>558.20</td>
<td>1315.45</td>
</tr>
<tr>
<td>1996-97</td>
<td>24874</td>
<td>73.16</td>
<td>494.71</td>
<td>2617.67</td>
</tr>
</tbody>
</table>

Source: Compiled from statistical statement relating to Co-operative Movement NABARD.

It is significant to note that the streamlining of distribution is one of the cornerstones of the new economic programme. In this context the co-operatives have an important contribution to make to this national effort in making available essential commodities of mass consumption at reasonable prices, particularly to the more vulnerable sections of the community. Besides, the consumer co-operatives should help
substantially in the programme of assisting the student community. Consumer co-operatives play an important role in the supply of quality goods at reasonable rates to common people. Upto September 2000, the consumer distributive network comprised of 24228 primary consumer co-operative societies, 666 central consumer co-operative stores and 29 state level consumer federations affiliated to the NCCF of India Ltd., at the apex level.

These co-operative stores are operating more than 14,420 retail outlets in the urban areas. In rural areas, about 5,392 village societies are engaged in distribution of essential commodities. Both the State Government and Central Government utilize the services of Consumer Co-operatives for undertaking the distribution of these commodities. Out of 4,61,079 fair price shops functioning in the country (up to September 2000) 96,550 shops are in the co-operative sector.24

The Government assumed a significant role particularly after independence. It entered into business and commerce. Regulatory measures were initiated in order to control unfair business practices. It also enacted a number of legislations for enhancing consumer welfare.

In India there is a plethora of enactments to safeguard the interests of the consumers and the list has become a formidable one. Major legislations introduced by the Government of India are given in the alphabetical order in Appendix A.

We have a plethora of statutory weapons to protect the interests of consumers and the public in general. However there is no proper coordination and integration of these various Acts. In spite of a good number of laws to protect consumer
interests, a common and persistent complaint of consumerism in India is that these laws are not effectively enforced. The implementation machinery is poor and inadequate; besides, there is rampant corruption and bribery in the world of enforcement of many laws. The presence of umpteen legislative enactments and adjudicatory bodies alone cannot ensure consumer protection unless and until consumers are made aware of their rights.

But the basic knowledge of these rights is essential for an average Indian consumer to exercise his rights and to get relief. But due to illiteracy and ignorance consumers are not conversant with all the enactments.

2.5.2 THE CONSUMER PROTECTION ACT 1986

The enactment of the Consumer Protection Act of 1986 (COPRA) is a landmark in the field of consumerism. The COPRA provides a simple way for inexpensive and speedy redressal of consumers' grievances through quasi-judicial agencies at three levels. The consumers can get compensation for even small complaints and claim damages for heavy losses. This Act is really a boon to the people of India who have been taken for a ride hitherto by traders and manufacturers. It is a highly comprehensive and consolidating social welfare legislation, intended to provide teeth and claws to the entire law of consumer protection. It is acclaimed as the magna carta of Indian consumers. The Act has made the consumer movement really going and more powerful, broad based, effective and people-oriented.

The aim of the Act is to ensure the rights of the consumers, viz., the right to choice, safety, information, redressal, public hearing and consumer education. The
most important feature of the Act is the provision for setting up a three-tier quasi-judicial
machinery popularly known as ‘Consumer Courts’ at the national, state and district
levels. The National Commission at the national level functions in Delhi: Every state has
a state commission, and the third tier in each district is called the district forum. As on
December 2000, there are 32 State Commission one at every state, and 569 district fora
besides the National Commission.\(^{25}\)

The Ministry of Food and Civil Supplies and Consumer Affairs monitors
the disposal of cases by the consumer courts. Since its inception upto December 2000,
21,356 cases have been filed and 11,841 cases disposed of in the National Commission.
Similarly 2,08,795 cases were filed and 1,26,164 were disposed of in the State
Commissions, and 14,39,800 cases were filed and 11,95,174 were disposed of in the
District Forum.\(^{26}\)

2.5.3 VOLUNTARY CONSUMER ORGANISATION

The emergence of consumer organizations in India had its beginning in the
early part of this century. The first known collective body of consumers in India was set
up in 1915 with the Passengers and Traffic Relief Association (PATRA)\(^{27}\) in Bombay. It
was formed with a view to ameliorate the hardships and troubles faced by railway
passengers and also to redress the grievances of the Indian community.

The Mahila Upbhokta Sangathan started functioning in Lucknow in 1931. Now it is the largest consumer organisation in India with 3741 branches in rural areas and 481 branches in urban areas.\(^{28}\).
The formal development of consumer organizations can be traced back to 1949 when a consumer centre was set up in Madras by Thiru R.R. Dalavai.29

In Mumbai an Association of Women Against Rising Expenses ( Aware) was started in the mid-sixties by some housewives and a few social workers to keep the prices down. Another consumer organization popularly known as the PRRM (Price Rise Resistance Movement) was started in Delhi in 1962. They started open-air shops in different locations for the sale of vegetables, eggs and the like.30

The earlier consumer associations were mainly localized with restricted aims. The India Association of Consumers (IAC) was set up in Delhi in 1956. It is an all India association of consumer interests with government support31.

The sixties were a very unique point in the history of the development of consumer organisations. One of the voluntary organisations still very active since 1960 is the Gayatri Charitable Trust in Thana Vali, Gujarat. It has over the years worked in various fields such as consumer advocacy, food adulteration, and handling complaints32.

The first organization to really make an impact was started by nine housewives. In 1966 the drought and the war with Pakistan resulted in scarcity of essential commodities and rampant black marketing and food adulteration by dealers and traders. The nine housewives got together to inform, educate, and organise consumers in order to protect their interests.

These activities gave the Consumer Guidance Society of India (CGSI) a real break which no amount of group meetings, exhibitions, printed leaflets could do as Mrs. Jog states in her article “Changing Ethics of Consumerism and Business
Responsibility”. The organization got support and guidance from the international organisation, the IOCU. At present it has eight branches at various places such as Pune, Hyderabad, Kerala, Dandeli, Goa, Kottayam and Udaipur. It publishes a magazine on consumer issues called the Keemat. It has many achievements to its credit. In the sixties only one organisation made its impact nationally and also internationally, is the C.G.S.I.

The second consumer organisation which made quite an impact in making the cause of the consumer known throughout the country was the Karnataka Consumer Services Society (K.C.S.S) formed in 1970. The main strength of the K.C.S.S. was Mrs. Mandanna who spread the word of the movement throughout the country. It organised some national and regional seminars and conferences. The Asian Seminar on Consumer Education in Schools (1976) brought the organization to the notice of the late Prime Minister Mrs. Indira Gandhi.

Almost each of the pioneering consumer organisations has made a significant contribution to the consumer movement and they have had different approaches. The Visaka Consumer Council (V.C.C.) was one such organization which started in 1973 in Visakapatnam in Andhra Pradesh.

The consumer movement gathered momentum with the formation of the Consumer Action Forum in Calcutta in 1973. It was established at the initiative of the Women’s Coordinating Council, Calcutta, with Shrimati Renuka Roy, a social worker and former minister of West Bengal, as its President.

The Akhil Bharatiya Grahak Panchayat (AGBP) started in 1974 in Pune as an autonomous organisation. It was free from any political interference.
The Consumer Education and Research Centre (CERC) was started in 1978 in Ahmedabad. It added a new dimension to the consumer movement. It fought battles against several institutions like the Indian Airlines, the Gujarat State Transport Corporation and the Gujarat State Electricity Board. It fought with the LIC and got the premium rates reduced and its mortality table revised. For the enlightenment of the consumers, the CERC has been publishing two periodicals – the Consumer Confrontation (English) and the Grahak Suraksha (Gujarati).37

The honour in the field of consumer protection was conferred on the CERC when it received the first prize for excellence in consumer protection programmes for 1990 from the Government of India.

Some consumer organisations felt that the bargaining and persuasive power with them was inadequate. They faced numerous difficulties in performing their functions. For strengthening them, they planned to organize their activities under the umbrella of an apex organisation. Consequently the Indian Federation of Consumer Organisations, (IFCO) was set up in 197938. It collects data on price rise, methods of adulteration of consumer goods, and lapses in public services like the telephones, electricity and transport. The IFCO could utilize college and university students as volunteers and field workers for creating better awareness among the general public.

Grahak Jagruti of Baroda was started in 1980 by ten retired professionals to concertedly work for consumer protection and enlightenment under difficult conditions and circumstances. It has a network of 45 complaint centres located in different parts of
Baroda and they receive the complaints from consumers of their area and then pass them on at regular intervals to the main office\textsuperscript{39}.

The Gujarat State Consumer Protection Centre (GSCPC) the only state level consumer voluntary organization, is an independent, nonpolitical and non-profit organization working since 1980. The Centre works on the Gandhian philosophy of persuasion and not confrontation with business for protecting consumer interests as inscribed in its logo "Consumer service through Gandhian ways"\textsuperscript{40}.

In 1981, Common Cause, an organisation for consumer protection, was formed in Delhi. It persuaded the public to adopt the problems arising out of government regulations for study and prepare comprehensive notes to help the organisation to take up matters with the concerned authorities. The one living individual who deserves special mention in the field of consumer protection is H.D. Shourie, Director, Common Cause, who was conferred the Padma Bushan Award by the Government of India for his relentless crusade\textsuperscript{41}.

In 1983 some teachers and students of the Delhi University formed VOICE (Voluntary Organization in the Interest of Consumer Education). It went to the Supreme Court and succeeded in stopping the special allotment of Maruti Cars to VIPs. The group which dragged giant manufacturers like Bata and the ITC to court on the ground that their advertisements for contests were misleading. Affiliated to the International Organization of Consumer Unions in The Hague, the VOICE interacts with national and international consumer organizations to spread the message of how to be a wary consumer. Recently the VOICE has brought out a booklet "Consumer Buying
Guide to Colour T.V.,” which compares the technical soundness of 13 brands of colour television sets available in the market.\(^{42}\)

The Consumer Unity and Trust Society (CUTS) was established in Jaipur in 1984. It has grown into a mother institution with nearly 40 affiliated independent consumer and public interest groups in small towns and villages of Rajasthan. It publishes Patrika, a magazine which highlights various developments in the field of consumerism.\(^{43}\)

In 1989 H.D. Shourie and some other consumer activists tried to form a Central Organization. But it failed to take off in spite of the growth of consumer organizations. In 1991 the National Convention of Consumer Activists was held in Delhi. As per the resolution the Confederation of Indian Consumer Organizations (CICO) was formed. The CICO developed a project proposal to constitute “Consumer Advice and Complaints Bureaus in every district”. The CICO has initiated a Bureau in Delhi and suggested to member organizations to initiate district level bureaus. Not many have practically implemented it. It has published the “Consumer Movement in India Spreads” containing useful and informative materials.

Prof. Shah expects “that organized consumer groups will play an effective role in resolving conflicts between consumers and business without necessarily resorting to the courts”. He says that “consumer groups can narrate cases after cases, where they have successfully resolved conflicts while the same dispute did not have any favorable response from business when it was pursued by an individual consumer”. \(^{45}\)
2.6. CONSUMER MOVEMENT IN TAMILNADU

Post-independence political and social setup in Tamilnadu provided a firm ground for consumer awakening. Protests against the poor quality of consumer goods came to be manifested in many parts of Tamilnadu even before independence. However, for want of united and organized efforts on the part of the consumers, such protests could not lead to a mass movement.

2.6.1 CONSUMER COOPERATIVES

The birth of the Triplicane Urban Co-Operative Society marks the inauguration of not only consumer co-operatives but also the general co-operative movement in India.

A few more societies were started in the year that followed all of which had to tag a credit section to gain recognition under the Co-operative Societies Act of 1904. The number of co-operative stores in Tamilnadu (Madras) was only 11 as on 30th June 1915. \(^{46}\)

The abnormal increase in prices in the wake of World War I stimulated the growth of co-operative stores. In 1920-21 the State claimed more than 103 stores with a business of Rs.25 lakhs. With the end of the war the decline started and in 1936-37 the number came down to 58. \(^{47}\)

These stores were mainly located at Coimbatore, Madurai, Salem and Tirunelveli.
The Tamilnadu Consumers’ Co-operative Federation Limited, Madras, was registered on 29th June 1966 and it started functioning from 30th July 1966. This is the apex institution for the consumers’ co-operatives in this state. The federation has on its role 36 co-operative wholesale stores and 3548 primary co-operative stores including 2990 students’ co-operative stores at the base level.  

In Tamilnadu, there are 36 co-operative whole sale stores. They undertake bulk purchases and distribution of consumer goods at reasonable prices through a network of branches, supermarkets and mini-supermarkets. They deal in all essential commodities like foodgrains, pulses, oils, sugar, textiles, drugs, electrical goods, stationery articles and the like.

Thirty co-operative supermarkets and one hundred and ninety one mini-super markets have been established in all important towns. They sell a wide range of goods and services under one roof introducing modern retailing techniques and healthy trade practices.

An era of planned development began in Tamilnadu with the introduction of the First Five-Year Plan in 1951-52. Co-operation was recognized as an indispensable instrument for planned economic action in a democracy.

The Second Five-Year Plan introduced in 1956-57 also reiterated the scope of the development of consumer cooperatives in urban areas. However, no precise programme with targets of development and financial outlay could be taken up before the end of the Second Five-Year Plan (1960-61).
Tamilnadu has given a good account of itself over the years in the development of consumer co-operatives. Table 2.3 gives an account of growth of consumer co-operatives stores in Tamilnadu.

**TABLE 2.3**

Development of Consumer Co-operative Stores in Tamilnadu

<table>
<thead>
<tr>
<th>Year</th>
<th>No of Stores</th>
<th>Membership (in Millions)</th>
<th>Sales (Rs. in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1964-65</td>
<td>1567</td>
<td>0.64</td>
<td>333.23</td>
</tr>
<tr>
<td>1974-75</td>
<td>1429</td>
<td>1.27</td>
<td>1715.10</td>
</tr>
<tr>
<td>1983-84</td>
<td>807</td>
<td>1.51</td>
<td>4245.29</td>
</tr>
<tr>
<td>1985-86</td>
<td>793</td>
<td>1.65</td>
<td>5900.00</td>
</tr>
<tr>
<td>1986-87</td>
<td>826</td>
<td>1.07</td>
<td>6849.00</td>
</tr>
<tr>
<td>1997-98</td>
<td>588</td>
<td>0.75</td>
<td>7353.00</td>
</tr>
</tbody>
</table>

Source: - Records of the Register of Co-Operative Societies in Tamilnadu.

Table 2.3 gives the various aspects of the development of co-operative consumers' stores in Tamilnadu during the last three decades. From Table 2.3 it can be seen that the number decreased from 1567 in 1964-65 to 588 in 1997-98. But the membership has increased and the sales have gone up from Rs. 333.23 million to Rs.7,353.00 million. These figures speak of the progress of the consumer co-operative movement in the state.

These stores engage themselves with the distribution of essential commodities both to the rural and the urban people in an enviable manner. Out of 156
lakh family cards in the whole State on 31-03-1999 the co-operatives serve about 146 lakh. Out of the 22683 fair price shops in Tamilnadu 21446 are run by cooperatives. The figures illustrate the dominant role played by the Cooperatives in Tamilnadu.

Another great step was the formation of the federation of all the co-operative societies in a district with a view to enabling the stores to make purchases in bulk.

2.6.2 VOLUNTARY CONSUMER ORGANISATIONS

In Tamilnadu the formal development of consumer organizations can be traced back to 1949, when a Consumer Centre was set up in Madras by R.R. Dalavai. Mr. Dalavai, a freedom fighter and a Gandhian, started a number of associations such as the Jantha Railway Passenger Association, the Madras Provincial Consumer Association, the Madras Bus Passengers’ Association, the Madras City Civic Welfare Federation and the Civil Liberties Council. He also organized meetings and rallies on consumer issues in various parts of the city.

Save the Consumer Movement of India was started in September 1972 in Madras. It is known as the “Consumer Flying Squad”. The founder of this organization was Parakkumpadai Srinivas. In September 1972 a building in Guindy Engineering College, Madras collapsed and took the lives of fourteen people. He visited the spot and proved that the cement used in the construction was adulterated. As a result, the contractor and fifteen other officials involved in the construction were arrested. He also found 4800 bags of adulterated cement in a government godown in the year 1973.
In 1974 some elites of Tiruchi, in Tamilnadu, joined together and formed a consumer group and started working on malpractices in ration shops. The Trichy District Consumer Council was registered in 1976. It has a large network of branches in rural areas. It has organized a large number of consumer educational programmes to cater to various strata of society. The office bearers move from place to place and give lectures and hold camps for creating awareness. It was awarded the third prize for consumer protection for the year 1988.

The Consumer Action Group (CAG) based in Madras was founded in 1985. Most of the issues that the CAG tackled since its formation concerned civic amenities, health and environment, chemical pollution in the Adyar River causing health and environment hazards, the problem of loud speakers in residential areas and obscene hoardings.

The South Madras News Consumer Protection Council, Madras, was established by Mr. R. Desikan, a consumer activist who works primarily with his pen. He has become a columnist with the Madras edition of ‘The Hindu’ writing specifically on issues of consumer interest. In addition, he published a book the “Consumer Guide” to help the ordinary consumers in Tamilnadu.

The Federation of Consumer Organizations, Tamilnadu (FEDCOT) was established in March 1990. The idea to form a federation was basically to bring together as many consumer groups as possible in Tamilnadu under one umbrella. Nearly 190 voluntary consumer organizations have joined the FEDCOT.
It is a state level organization which coordinates the activities of the leading consumer organizations in the State. The primary objective of the Federation is to promote the economic and other interests of the public by checking the prices, quality, quantity and reliability of commodities. It also seeks to generate public opinion in favour of consumer interests and legislations by enlisting the cooperation and goodwill of the private sector industry.

These objectives are achieved through various activities such as seminars, training programmes, conferences and processions. The Federation organized three state level conferences in 1992, 1994 and 1997. The fourth and the latest was held at Salem on 25th February 2001, in which more than 2000 consumer activists participated.

The organizational structure of the Federation is unique in many ways. The organization has been divided into six zones, Viz-Chennai, Trichy, Salem, Coimbatore, Madurai and Kanniyakumari. Another important feature of the Federation is the provision for the election of separate directors to look after each of the ten different subjects such as environment, health, public utility, women’s welfare, quality control, agriculture, food and public distribution, local self governance, law, and admission of members. Table 2.4 shows the growth of voluntary consumer organizations in Tamilnadu.
### TABLE 2.4

Growth of Voluntary Consumer Organizations in Tamilnadu

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Year</th>
<th>Number of Organizations</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Before 1975</td>
<td>2</td>
<td>0.71</td>
</tr>
<tr>
<td>2</td>
<td>1976-80</td>
<td>21</td>
<td>7.39</td>
</tr>
<tr>
<td>3</td>
<td>1981-85</td>
<td>32</td>
<td>11.27</td>
</tr>
<tr>
<td>4</td>
<td>1986-90</td>
<td>68</td>
<td>23.94</td>
</tr>
<tr>
<td>5</td>
<td>1991-93</td>
<td>87</td>
<td>30.63</td>
</tr>
<tr>
<td>6</td>
<td>1994-99</td>
<td>74</td>
<td>26.06</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>284</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Federation of Consumer Organization, Tamilnadu

The growth of consumer organizations in Tamilnadu has been increasing after 1986, i.e., after the enactment of the Consumer Protection Act, 1986. During the period 1976-80, the growth was 7.39% and between 1986 and 1990 the growth was of the order of 24%. After 1991 the growth rate was very high at 31%. In this year, consumer courts were established in different parts of Tamilnadu.

There are a number of achievements in the field of consumer protection, which can be attributed to consumer organizations. But it is noted from the above brief sketch of the development of the organizations, that their activities have generally been forceful in urban areas. Most of them are carrying out well-defined activities in their respective regions. But their influence has remained marginal and restricted to urban middle class problems only. Those most vulnerable to exploitation have largely remained unrepresented and unprotected. Nevertheless the consumer movement is going to gain
ground in the light of increasing consumer consciousness about his rights. During the previous four decades the Indian Consumer Movement acquired a dominant status. Various consumer organizations like the CERC, the VOICE, the CUTS, the ABGP, Common Cause and the CGSI have succeeded in pressurizing the government to enact a number of legislations and inducing the Government to enact the Consumer Protection Act, 1986. The list of voluntary consumer organizations is shown in Appendix G.

In Tamilnadu consumer courts are divided into two types – the District Forum and the State Commission. There are 16 district forum among these six districts have separate full time courts while Chennai has an additional court.

In accordance with the orders of the Supreme Court, the Government of Tamilnadu has established separate and full time consumer courts in the district head quarters, on the basis of the number of complaints filed. Hence in Chennai an additional forum has been established. In the districts of Madurai, Trichy, Erode, Virudhunager, Vellore and Kanniyakumari separate and full time fora have been established. In the rest of the districts two or three districts have been clubbed to be served by one forum. But the forum should conduct its operations in the judicial head quarters of the respective districts, once or twice a week, depending on the requirements.

Table 2.5 shows the year-wise disposal of cases since their inception in the District Forum of Tamilnadu (1991 to 1999).
### TABLE 2.5

Details of Cases Filed and Disposed of in Tamilnadu during 1991-1999

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Name of the District forum</th>
<th>No. of cases filed</th>
<th>No. of cases disposed of</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Chengelput</td>
<td>1436</td>
<td>1330</td>
</tr>
<tr>
<td>02</td>
<td>Coimbatore</td>
<td>4250</td>
<td>3793</td>
</tr>
<tr>
<td>03</td>
<td>Tuticorin</td>
<td>1300</td>
<td>1257</td>
</tr>
<tr>
<td>04</td>
<td>Dindigul</td>
<td>1718</td>
<td>1622</td>
</tr>
<tr>
<td>05</td>
<td>Krishnagiri</td>
<td>1023</td>
<td>922</td>
</tr>
<tr>
<td>06</td>
<td>Srivilliputhur</td>
<td>2406</td>
<td>2019</td>
</tr>
<tr>
<td>07</td>
<td>Nagercoil</td>
<td>2085</td>
<td>1769</td>
</tr>
<tr>
<td>08</td>
<td>Chennai - South</td>
<td>10075</td>
<td>7222</td>
</tr>
<tr>
<td>09</td>
<td>Chennai - North</td>
<td>3814</td>
<td>2903</td>
</tr>
<tr>
<td>10</td>
<td>Madurai</td>
<td>3809</td>
<td>3304</td>
</tr>
<tr>
<td>11</td>
<td>The Nilgiris</td>
<td>1441</td>
<td>1354</td>
</tr>
<tr>
<td>12</td>
<td>Nagapatinam</td>
<td>1528</td>
<td>1297</td>
</tr>
<tr>
<td>13</td>
<td>Vellore</td>
<td>1559</td>
<td>1228</td>
</tr>
<tr>
<td>14</td>
<td>Pudukkottai</td>
<td>1568</td>
<td>542</td>
</tr>
<tr>
<td>15</td>
<td>Sivagangai</td>
<td>1002</td>
<td>908</td>
</tr>
<tr>
<td>16</td>
<td>Erode</td>
<td>2725</td>
<td>2463</td>
</tr>
<tr>
<td>17</td>
<td>Ramanthanpuram</td>
<td>790</td>
<td>663</td>
</tr>
<tr>
<td>18</td>
<td>Cuddalore</td>
<td>1586</td>
<td>1326</td>
</tr>
<tr>
<td>19</td>
<td>Salem</td>
<td>2201</td>
<td>1865</td>
</tr>
<tr>
<td>20</td>
<td>Thanjavur</td>
<td>1852</td>
<td>1732</td>
</tr>
<tr>
<td>21</td>
<td>Tiruchirapalli</td>
<td>3022</td>
<td>2946</td>
</tr>
<tr>
<td>22</td>
<td>Tiruvannamalai</td>
<td>711</td>
<td>598</td>
</tr>
<tr>
<td>23</td>
<td>Tirunelveli</td>
<td>2080</td>
<td>2047</td>
</tr>
<tr>
<td>24</td>
<td>Villupuram</td>
<td>400</td>
<td>365</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>53481</strong></td>
<td><strong>45475</strong></td>
</tr>
</tbody>
</table>

Source: Records of State Consumer Disputes Redressal Commission, Chennai.

Table 2.5 shows the number of cases filed and the number of cases disposed of in the district forum of Tamilnadu from 1991 to 1999. The total number of
cases filed is 53,481 of which 10,075 cases filed were in the Chennai –South district forum.

Table 2.6 shows the appeals filed and disposed of by the State Consumer Disputes Redressal Commission, Chennai.

**TABLE 2.6**

Details of Appeals Filed and Disposed of from 1991 to 1999

<table>
<thead>
<tr>
<th>Year</th>
<th>Appeals</th>
<th></th>
<th>Original Petitions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Filed</td>
<td>Disposed</td>
<td>Filed</td>
<td>Disposed</td>
</tr>
<tr>
<td>1991</td>
<td>262</td>
<td>150</td>
<td>258</td>
<td>151</td>
</tr>
<tr>
<td>1992</td>
<td>548</td>
<td>429</td>
<td>605</td>
<td>355</td>
</tr>
<tr>
<td>1993</td>
<td>589</td>
<td>673</td>
<td>470</td>
<td>381</td>
</tr>
<tr>
<td>1994</td>
<td>1112</td>
<td>940</td>
<td>283</td>
<td>499</td>
</tr>
<tr>
<td>1995</td>
<td>1552</td>
<td>1216</td>
<td>239</td>
<td>160</td>
</tr>
<tr>
<td>1996</td>
<td>1299</td>
<td>609</td>
<td>220</td>
<td>112</td>
</tr>
<tr>
<td>1997</td>
<td>890</td>
<td>887</td>
<td>221</td>
<td>171</td>
</tr>
<tr>
<td>1998</td>
<td>871</td>
<td>830</td>
<td>270</td>
<td>132</td>
</tr>
<tr>
<td>1999</td>
<td>1282</td>
<td>755</td>
<td>343</td>
<td>91</td>
</tr>
<tr>
<td>TOTAL</td>
<td>8405</td>
<td>6489</td>
<td>2909</td>
<td>2052</td>
</tr>
</tbody>
</table>

Source: Records of State Consumer Disputes Redressal Commission, Chennai.
Table 2.6 discloses the number of appeals filed against the orders of different district forums throughout Tamilnadu and the number of appeals disposed of by the State Consumer Disputes Redressal Commission. Upto 1999 the total appeals filed was 8405 out of which 6489 were disposed of by the State Commission. In addition to the appeals filed the State Commission also entertains original petitions directly from the complainants throughout Tamilnadu, where the compensation claimed exceeds Rs. 5 lakhs. Upto 1999 such original petitions filed in the State Commission were 2909 out of which 2052 have been disposed of.

2.7 CONSUMER MOVEMENT IN KANNIYAKUMARI DISTRICT:

Kanniyakumari District is named after the goddess Kanniyakumari. The District lies at the Southern most tip of the Peninsula of India. It was part of the erstwhile Travancore State upto 31.10.1956. It joined Tamilnadu only on 1.11.1956.

Onam in Kanniyakumari District is a celebration of consumers. The central figure of Onam celebrations, King Mahabali, knew how to serve the consumer. It carries the memory of a period when people were most satisfied as consumers. The folk song is sung on the occasion of the Onam declare that consumer was not cheated in those days. According to the poet, this king reigned so well that he dispelled all the evils of lies and false-hoods, adulteration and unreasonable profit makings.

In ancient Kerala, the rulers took greater interest in protecting the rights of consumers. In the first place King Marthanda Varma’s Dalawah, Rama Iyen Dalwah, ordered the establishment of a commercial system, warehouses or commercial stores at Padmanabhapuram, Trivandrum and in other districts under the designation of
Pandakasala and Thorum. In these depots pepper, tobacco, cassia, arecanut and other articles of commercial value were purchased and stored on behalf of the Government. These articles were sold later by the Government to the merchants, wholesalers and retailers. Rules were framed and established for the guidance of the Commercial Department.

A methodical plan for manufacturing salt was adopted and the sale of that necessary article was restricted to a particular station. Salt store and selling houses called Pandakasalas were opened. Rates for the purchase and sale of salt throughout the country were fixed.

The Consumer Co-operative structure in Kanniyakumari District consists of a two-tier structure with over 189 primary stores and one central store functioning and it aims at eliminating unproductive intermediaries in trade, providing services and supplies at low cost as far as possible to the consumers in this district.

The erstwhile famous supermarket in the name of the Goddess Bhagavathy called the Bhagavathy supermarket functioned in Nagercoil town with a network 27 public distribution shops. Now this supermarket has been closed and the network of 27 shops are under the control of the Department of Food and Civil Supplies.

Besides a large number of primary stores there are two mill stores – One at Kanyaspin, Aramboly and the other at the Nagammal Mills Ltd., Nagercoil.

There is also a Women Consumer Co-operative Store at Nagercoil catering to the needs of woman consumers. The consumer co-operatives serve the
domestic needs of a wide section of consumers like farmers, workers, government employees, womenfolk and students.

In Kanniyakumari District the Consumers’ Disputes Redressal Forum started functioning from October 1990 and 2,512 consumer cases have been registered so far. Among these registered cases 2,370 have been settled. Table 2.7 shows the details of cases filed and finalized from October 1990 to December 2002 in Kanniyakumari District.

TABLE 2.7
The Details of Cases Filed and Finalized from Oct 1990 to Dec 2002

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Year</th>
<th>Filed cases</th>
<th>Finalized cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1990</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>1991</td>
<td>80</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>1992</td>
<td>415</td>
<td>156</td>
</tr>
<tr>
<td>4</td>
<td>1993</td>
<td>316</td>
<td>119</td>
</tr>
<tr>
<td>5</td>
<td>1994</td>
<td>346</td>
<td>604</td>
</tr>
<tr>
<td>6</td>
<td>1995</td>
<td>285</td>
<td>332</td>
</tr>
<tr>
<td>7</td>
<td>1996</td>
<td>177</td>
<td>209</td>
</tr>
<tr>
<td>8</td>
<td>1997</td>
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<td>184</td>
<td>251</td>
</tr>
<tr>
<td>11</td>
<td>2000</td>
<td>193</td>
<td>241</td>
</tr>
<tr>
<td>12</td>
<td>2001</td>
<td>125</td>
<td>221</td>
</tr>
<tr>
<td>13</td>
<td>2002</td>
<td>104</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2512</td>
<td>2370</td>
</tr>
</tbody>
</table>

Source: Records of District Consumer Disputes Redressal Forum.
Table 2.7 shows the number of cases filed and finalized since the beginning of the consumer forum upto Dec 2002. During the year 1992 the number of cases was 415, which is the highest when compared to the other years. During the year 1994 the number of cases finalized was 604.

The District Welfare Department or some such office may be directed to organize the consumer organizations. In the absence of separate legislation relating to these organizations, an organization could be registered under the Registration of the Societies Act 1974 (Tamilnadu Act 27 of 1975) of the State Government to begin with at the district level depending on the availability of human resources keeping away caste, community, religion, politics and politicians.

The Consumer Council of India, registered in 1974 at Madras, has a district unit at Kanniyakumari named the Indian Users' Association under the chairmanship of Sri M. Lajapathy. The Centre is making earnest efforts to spread consumer literacy among the masses through its monthly magazine ‘Tamilnadu Consumer News’.

In 1983 the Kanniyakumari District Consumer Protection Council (KDCPC) was set up by Mr. K.P.K. Unni with Prof. L.C. Thanu as its president. The main strength of the KDCPC was Mr. Unni, who spread word of the movement throughout the district. Later he was appointed an executive member of the Tamilnadu State Consumer Protection Council. ‘Consumer’, a quarterly pamphlet, is published by this organization. This organization started student wings in all the colleges and schools in Kanniyakumari District to inform, educate and organize students under its banner.
The role of the Kumari Jilla Consumer Protection Centre cannot be ignored. The KJCPC was registered in March 1986 as an autonomous organization. It has 4 branches each located in a Taluk. They receive the complaints from consumers of their area and then pass them on to the main office. The KJCPC works in four different ways: i) by organizing consumers; ii) by enlightening the consumer; iii) through constructive work and iv) through agitation programmes.

The honour in the field of consumer protection was conferred on the Kumari Jilla Consumer Protection Centre when it received the first prize for excellence in consumer protection programmes for 1991 from the Government of Tamilnadu.

Consumer Awareness Research and Education (CARE) was started in 1990 by a few lawyers to concertedly work in the gigantic task of consumer protection and enlightenment under difficult conditions and circumstances. It imparts consumer education through organizing seminars and workshops in different parts of the district.

Another important organization which started in 1991 assumes much importance because it was started in a village near Nagercoil called Ethamozhi: the Kanniyakumari District Consumer Protection Movement.

The Tamilnadu People Consumer Federation registered at Tirunelveli has a branch at Osaravillai, Kanniyakumari District. It has been able to bring about a general awareness of consumer rights and has been successfully working.

The consumer organizations in Kanniyakumari District have been taking a keen interest in solving the consumer problems. They conduct seminars, exhibitions, demonstrations and workshops for educating consumers in defending their own rights.
Besides these arranged programmes, these organizations positively respond to the specific grievances of the consumers by conducting protest rallies and dharnas that are promptly covered by the media. Consumers seek the VCOs which would speak for them. Though there is not much encouragement from governmental agencies for the functioning of the VOCs a number of organizations support the cause of consumers.

2.9 SUMMARY

The foregoing discussion on the historical perspective of the consumer movement brings to light its development at the global level. The U.S.A. and the U.K. provided a strong base for the movement to grow. The role played by the IOCU strengthened the movement and developed it to international acclaim. The evolution of the consumer movement and the role played by the consumer cooperatives and the VCOs in India bear testimony to the fact that it has become broad-based, powerful and potential. The Indian Government has enacted the most beneficial Acts which are real contribution to the protection of the consumers' interest. The efforts taken by the Government of Tamilnadu through administrative measures in coordination with the consumer cooperatives and the VCOs have helped to increase awareness among consumers to exercise their rights and legal provisions.
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