Chapter 4

HISTORICAL DEVELOPMENT OF CONSUMER PROTECTION AND GUIDANCE SOCIETIES.

The needs of the human beings in the primitive stage were limited. They lived in forests and caves and continued to lead a life governed by the law of the jungle. With the passage of time people learned to form social groups. Initially every family had to provide its own food and shelter and the people started different occupations. The farmers started cultivating wheat while weavers started weaving cloth and the blacksmith or carpenter started making tools of agriculture and husbandry. This gave rise to the barter system whereby direct exchange or trade took place for goods produced by one person with the goods required which some other person could spare.

But the barter system was faced with many difficulties due to increase in the volume of trade and the production. It was found that the exchange of goods and services could not take place unless and until a person required the same thing which the other person could spare and could himself spare the same article which the other person demanded. It was difficult to store the goods and to provide services for a long period and it was also difficult to calculate the exact value of goods and services to be exchanged. Thus, the barter system, being inconvenient, gave place to the ‘the commonly accepted commodity’ known as money or currency to buy and sell the goods and services.
The reflections of consumer protection could be seen in the early civilization itself. As remarked by H. Virginia Knauer, the early Mosaic (Biblical) and Egyptian laws governed the handling of meat from traders to consumers. Similarly, the Greek and Roman laws prohibited the adulteration of wine with water. The Lex Julia de Annona enacted in 50BC, by the Romans was to protect the corn trade against unnatural rise in the price of corn. In A.D 301, a special rule was passed by the Roman Emperor to bring down the prices of goods in day-to-day use. Another important development in the Roman law was the promulgation of the constitution of Zeno in A.D 483. This constitution was intended to protect the consumers against the artificial increase in the price of food-stuffs and other commodities of daily use.

**Industrial revolution and consumer protection and guidance.**

The industrial revolution and the development in the international trade and commerce has led to the vast expansion of the business and trade, as a result of which variety of consumer goods have appeared in the market to cater the needs of the consumers and a host of services have been made available to the consumers like insurance, transport, electricity, housing, entertainment, finance and banking. An well organized sector of manufacturers and traders with better knowledge of markets has

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2. Babled, Dela Cure Annona, Chezle; Romans, the Lex Julia de annona dates from the period of Jullius Caeser.
4. Ibid.
come into existence thereby affecting the relationship between the traders and the consumers making the principle of consumer sovereignty almost inapplicable in the second half of the twentieth century. The advertisements of the goods and services in the television, radios, newspapers, cinema and magazines influenced the demand of the consumers although there may be manufacturing defect or imperfection or shortcoming in the quality, quantity and purity of the goods or there may be deficiency in the services rendered.

Due to the international character of trade and industry having well organized and highly professionalized producers and traders on one side and illiterate and unorganized consumers with little time on the other, the exploitation of the consumers is common. The exploitation of the consumers cannot be avoided without the development of international consumer protection movement. Various international organizations like the International Labour Organization (ILO), the World Health Organization (WHO), the Economic and Social Council of the United Nations (UNESCO), United Nations Conference on Trade and Development (UNCTAD) and United Nations International Children’s Emergency Fund (UNICEF), have contributed a lot for the protection of the rights of the consumers in the international sphere. In addition, the world Industrial Property Organization, International Organization of Consumer Union and the Inter-Scandinavian Committee on Consumer Matters are also busy in protecting the interests of the consumers at the international level.

**Marketing development and consumer protection and guidance**

With the evolution of mankind from Stone Age to the present day social welfare stage, the relationship between the suppliers of goods and services and the
consumers has undergone radical change. The present day market system is most complex which is not only confined to the national level but has assumed international character. The ‘Caveat Emptor’ (buyer beware) principle is not applicable to the full extent in the recent day market system. Human wants for the goods and services are unlimited. The resources for the production of these goods and services are scarce and, therefore, the economic theory has to decide how to use the scarce resources or means for obtaining the maximum satisfaction or utility for the members of the society. The concept of consumer protection and guidance can be traced back to Adam Smith. In his classical work ‘Wealth of Nations’ Smith pointed out the flaws in capitalism. According to him it is a way to regulate the selfish passions instead of welfare of consumers, it is welfare among producers and which entails heavy costs and mounting wastage of competition, which have fuelled the fire for today’s quest for consumer rights.

Peter Kotler stated three alternative concepts in marketing activities. They are the product-oriented concept, the sales-oriented concept and the consumer-oriented concept. The product-oriented concept maintained that the production was meant for consumption purpose and product differentiation and technicalities were absent. If the product-consumer response is favourable, very little promotional efforts are necessary from the marketers. This was the marketing philosophy till 1930. The sales-oriented concept which continued in 1940s realized that there cannot be enough consumers’ response without promotional efforts. In 1950s marketing

experienced the complete reversal of its orientation and the market became slowly consumer-oriented. The consumer-oriented concept points out that the primary task of business enterprises is to study the needs, desires and values of the potential consumers. The period of 1960s and 1970s witnessed rapidly changing expectations with respect to the performance of business and other institutions. By 1990s marketing has become broader in the function and scope by giving more concern to public welfare, better living environment and quality of life. As social welfare is the order of the day, the present trend in marketing is, adopting socially responsible marketing policies aiming at consumer welfare thus making a dramatic change from mere product-oriented marketing to a social-oriented one, where consumer satisfaction is the prime responsibility of marketers.

**Meaning of consumer, consumer protection and consumer guidance**

The Latin term ‘Consumo’ means, “eat up completely” which understandably led to the current use of the term consumer. There is no dispute that every person is a consumer. We need food to eat, clothes to wear and house to live in and therefore, these basic things are to be purchased by every human being unless he is the producer of the same. ‘Consumer’ means any person who (i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods other than the person who buys such goods for consideration paid or promised or partly paid or partly promised, or under any system of offered payment when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or (ii) hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised, or
under any system of deferred payment and includes any beneficiary of such services other than the person who hires or avails of the services for consideration paid or promised, or partly paid and partly promised, or under any system of deferred payment, when such services are availed of with the approval of the first mentioned person.7

Consumer protection means protecting the interests and rights of consumer in the business place. The consumer protection includes the physical protection, protection against cheating, environmental protection and protection against monopoly. It includes protection against marketing of goods and services which are hazardous to life and property, protection against unfair trade practices by providing information about quality, quantity, potency, purity, standard and price of goods and services, protection to the consumers by providing access to a variety of goods and services at competitive prices, protection to the consumers by bringing their interests and grievances at the appropriate forums.

The consumer guidance is vital for the protection of consumers. It is vital with regard to what to buy, how to buy, when to buy and where to buy. As consumers lack time and expertise to make proper selection from a variety of consumer goods available in the market, the guidance is necessary to avoid exploitation of the consumers by the traders or even by the government owned corporations.

U.S reflections on consumer protection and guidance

The present consumer protection and guidance movement of America is largely accredited to the farming community and honest businesses. The impetus behind the movement for the earliest legislation gathered strength during the 1870s and 1880s. The farmers noticed the contrast between the rapidly falling prices, which they received for their produce, and the relatively high prices of the goods, which they needed to buy. The price, which the farmer received for the commodities sold by him, seemed to him, have been fixed by the buyers and the price of the goods bought by him, have been fixed by the sellers. Thus the farmers lost both as buyers as well as sellers. The main reason for this situation was the presence of trust and monopolies. As farmers were better endowed with the political influence at that time, they influenced the Congress and consequently in 1889 the Sherman Act was passed. This Act, declared such trusts unlawful. Although the Sherman Act, 1889 to a great extent curbed the formation of trusts, there were several monopolies and restrictive trade practices to which the Act did not reach. In order to remove these infirmities, Clayton Act, 1914 was passed. This Act declared, price discrimination, exclusive dealing, and trying agreements, acquisition of competing companies, and interlocking directors illegal8. However, there was no provision to deal with the unfair trade practices.

8. Section 1 of the Act declares: Every contract, combination in the form of trust or otherwise, or conspiracy in restraint of trade or commerce among the several states or with foreign nations is hereby declared to be illegal...... Section 2 says every person who shall monopolise or attempt to monopolise any part of the trade or commerce among the several states or with the foreign nations, shall be deemed guilty of a misdemeanor......
The US Supreme Court in *Standard Oil Co. Vs. United States* confined the role of Sherman Act by holding that, only unreasonable contract in restraint of trade, would be held unlawful. With no time, Senator Frances G. Newlands proposed that Congress should constitute an administrative tribunal similar to that of Interstate Commerce Commission. Thus the Federal Trade Commission Act, 1914 was passed. The Federal Trade Commission was armed with more powers by the enactment of the Magnusm-Moss Warranty-Federal Trade Commission Improvement Act. This amendment popularly known as FTC Improvement Act has expanded jurisdictional reach of the Commission to matters in or affecting commerce. It confirmed the Commission’s authority to promulgate trade regulations, rules defining unfair or deceptive acts or practices. It gave the Commission an authority to represent itself in court proceedings and made clear that the Commission’s investigative authority extended to persons, partnerships and corporations, instead of only corporations as in the past.

In the United States, three distinct consumer movements being early 1900s mid 1930s and mid 1960s have staken business scene. Until mid 1920s, the consumer movement consisted mainly of sporadic local activities. The second phase of American consumer movement in the mid 1930s was triggered by various factors. The major among them were the contribution of writers such as R.H. Townie (Acquisitive Society), T.Vebtin (Theory of the leisured Class), and the joint work of

9. Cong.REC.1225 (1911).
Stuart Chase and F.J. Flinch (Your Money's worth). The third wave of consumerism was started in the 1960s. E.B. Weiss\(^{12}\) observed that this period has attributed consumer unrest to rising public standards of business conduct and social responsibility brought about by the education and sophistication. In addition, books such as Galbraith's "The Affluent Society", Jessica Milford's "American Way of Death" and Rachel Carson's "Silent Spring" stating the interaction of consumer unrest also fuelled the consumer movement.

The U.S. consumer movement that came to blossom in the 1960s had its foundation in the development of the Common law. A new and significant legal doctrine known as 'Product Liability' in cases of personal injury caused by defective products was accepted in 1950. Accordingly, when mass produced goods are used in normal fashion and failure to perform as expected or when they are designed in such a fashion as to be unreasonably dangerous, an injured person need not prove that, the seller was negligent, but instead can hold the seller and manufacturer legally responsible upon a showing that the defective product caused his injury. This legal development was a giant leap forward for the average consumer who totally relies on manufacturers for a wide range of consumer products. It was from this theoretical foundation that the consumer movement was further developed. The late 1960s also saw the rise of a charismatic consumer champion Ralph Nader. Mr. Nader's training as a lawyer and his enunciation of consumerism clearly set forth the common law legal standard, that marked safety and health policies underlying the death and injury caused by defective products. It is this expanded definition of consumerism, well beyond a strict economic value, which includes considerations of health and safety that has become the backbone of consumerism today.

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In 1962, President John F. Kennedy declared four basic consumer rights, which institutionalized and expanded consumer expectations in the United States. These rights were the right of safety, the right to be informed, the right to choose and the right to be heard. While this is clearly a benchmark in the consumer movement, it was the consumer activists’ official role in government as consumer counsel that allowed the consumer movement to have a legitimate voice and a modern identity. The American consumer movement is intensified now-adays due to four elements such as the existence of private lawyers to take up consumer issue on contingency basis, the government control on consumer issues, the involvement of press and the services of voluntary consumer organizations.13

British reflections on consumer protection and guidance

Unfair trade practices are as old as the trade itself. However, the legal mechanism to curb these practices took its own time to settle. Although, the courts in England from the very beginning were quick to condemn the unfair or misleading conduct in dicta, judicially imposed limitations and practical considerations of time and cost confined these remedies to narrow circumstances. The tenderness exhibited towards trade practices of doubtful probity was rooted in the history of market fairs in the medieval England in which trust was neither given nor expected.

In medieval days, transactions of sale and even of barter between strangers were few and rare. When trading did take place, it was in the markets and fairs, where goods were openly displayed. So it was presumed that the buyer relied on his

own skill and judgment and the idea of ‘Caveat Emptor’ well reflected in that practice. At common law, unfair trade practices are subject to legal control through three types of remedies. They are (1) Civil Suit by Consumer, (2) Civil Action by Competitors, and (3) Criminal prosecution.

Only towards the end of the eighteenth century common law imposed liability for dishonesty. Caveat Emptor (Buyer be beware) has its origin in the Middle Ages and was dominant feature of the sale of horses in market overt. Market overt was an open public place legally constituted market. Since all the sales used to take place in the open market, where seller and buyer were face to face, it was presumed that since buyer is the best judge of his own interest, if he makes a wrong selection by his own choice, he couldn’t complain later on against seller. The last quarter of the 19th century saw in England, the enactment of Sale of Goods Act, 189314. This Act represented an important step in the abandonment of the original common law rule of Caveat Emptor.

The traditional doctrines of Common Law i.e. caveat emptor, freedom and sanctity of contract and privity rule reflected in Market Overt were the reflections of the then existing state of values and norms. Even today the spirit of these doctrines holds good. There are no two opinions about the fact that the promise once made must be fulfilled or where person has himself inspected the goods, he should blame none but himself in case of any defect. The justice demands that only the parties to the contract must be entitled to or liable under the contract. However, the developments of twentieth century has proved that these catch phrases of past have outlived their utility. The market structure of the past has undergone a sea change.

which the propounders of these doctrines might not have envisaged. The modern paradigms of marketing have proved that these doctrines if implemented in letter and spirit will prove harsh to consumers. The complex nature of the goods hardly provides any scope for an ordinary consumer to detect the defect while inspecting the goods. The aggressive advertising campaign has also added to the confusion of the consumers in making choice.

In 1935, a formal ‘Consumer Union’ came into existence in Britain. It brought consumer reports thereon and enlightened the public about misleading claims. In Great Britain the consumer movement began to gather momentum during the years following the Second World War mainly through voluntary actions of women’s organizations. But in 1955, the Labour Party put out a pamphlet entitled “Battle for the Consumer”. It not only argued the case for quality marketing of goods, but also the setting up of Consumers Council. Another major 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.

The British Government appointed the Monopoly Committee in the late fifties to report on, what changes in the law, were desirable for further protection of 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 as well as several legislative enactments were passed in the following years. The Consumer Protection Act, 1987 was passed by the British Parliament.

15. K. Basrur, the Consumer in India, Lestie-Sawhmy Programme of training for Democracy, 1974, pp.15, 300-01.
after extensive debate on it. It was a wide-ranging piece of legislation, creating both civil and criminal liability and it would be of major importance throughout industry and commerce\textsuperscript{17}.

**Russian reflections on consumer protection and guidance**

The Russian movement for Consumer Rights’ Protection was given a start in the Soviet Times. The first club for Consumer Rights’ Protection was established in 1988 in Leningrad (St.Petersburg). It was followed by the creation of the Russian Consumer Societies’ Federation in 1992. The same was converted into the International Confederation of Consumer Societies, which included Russia and other republics of the former USSR.

In February 1992, the “Consumer Rights Protection” law was adopted in Russia. It outlined the consumer rights of the citizens as well as the obligations of organizations engaged in trade and services. Annual public opinion polls show that in recent years Russian Federation Citizens have grown more resolute to defend their consumer rights in case of their violation. The majority of consumers are ready to stand up for their rights today. The efficiency of consumer rights protection has increased too. The majority of sellers, goods manufacturers and service providers are ready to satisfy their consumers’ lawful demands upon presentation of competently compiled claims, trying to avoid appeals to courts\textsuperscript{18}.

\textsuperscript{17} Surendra Kumar, *Consumer Movement; Need of in our era*, Consumer Confrontation, Vol.7 (11), 1989.

\textsuperscript{18} Pravda, RU Consumer Rights Protection Movement turns 15, p.1 dt. 5/1/2003 \url{http://english}
Consumer Protection and Guidance in India.

As British were the past colonial masters, the whole body of the commercial legislation was replica of English enactments. So the cannons of interpretation evolved and developed by the English courts were followed in India. It was only after independence, that our legislators while thinking independently began to feel the inadequacy of laws protecting consumers’ interest. But one should not get the wrong impression that reflections of consumer protection and guidance were absent in the history of India. India has a long history of consumer considerations dating back to the Vedic Age. Matters relating to civil rights and criminal offences were elaborately noted in Vedas. The offences that were common during this period were adulteration of foodstuffs, charging of excessive price, false weights and measures and sale of forbidden articles. Statutory measures and punishments had been recommended for these offences.

Much light is shed into this subject by the leading texts of that time. Prominent among them are Manu Smriti (800 B.C to 600 B.C); Kautilya’s

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19. The major legislations controlling and consumer practices prior to independence were: The Indian Penal Code, 1860; The Sale of Goods Act, 1930; and The Drugs and Cosmetics Act, 1940.

20. The Vedic Age in India (5000 B.C to 2500 B.C). The Vedic Age is considered to be the first literary source of civilization. It is considered as a glorious period of cultural evaluation in the ancient world.

21. The word ‘Veda’ signifies the knowledge of growing civilization and intimate problems to life. The Vedas are not books of law. They are the repository of culture describing the habits and feelings of the people of that time. They give reflections of legal concepts in a developed civilization.

Arthasastra\(^{23}\) (400 B.C to 300 B.C); Yajnavalkya Smriti\(^{24}\) (300 B.C to 100 B.C); Narada Smriti\(^{25}\) (100 A.D to 200 A.D) and Brihaspati Smriti\(^{26}\) (200 A.D to 400 A.D). According to the Arthasastra of Kautilya, it was the duty of the Government to supervise sale of goods at reasonable prices. Heavy punishments were imposed on the merchants who cheated the consumers and interfered with the normal functioning of markets. The Arthasastrarecommended imposition of a fine of twelve ‘Panas’ on a trader who adulterated grains, fat, medicines, perfumes, salt and sugar with things of a similar nature.

Yajnavalkya Smriti contains reflections of malpractices of adulteration and accordingly recommended punishments for the offences. To check the use of false balance and fabrication of weights and measures which was quite rampant among the traders of ancient India, Manu Smriti provided that all weights and measures must be duly marked by the King and should be re-examined in every six months. Similarly, Arthasastra specifically provided for the appointment of a superintendent of weights and measures to minimize the frauds due to false weights and measures. In order to save the consumers from unscrupulous traders who were charging excessive prices

\(^{23}\) J.N. Sarkar, Mughal Administration, M.C. Sarkar & Sons, Calcutta, 1952, pp.412-418. Kautilya’s time is uncertain. But the generally held view is that he lived between 400 B.C to 300 B.C. He is believed to be the author of Arthasasthra (Science of Wealth).

\(^{24}\) J.N. Sarkar, Mughal Administration, M.C. Sarkar & Sons, Calcutta, 1952, pp.278-289. Yajnavalkya is considered to be a great authority in the realm of Hindu Law as well as on behaviour and personal right of a Min.

\(^{25}\) Naradasmriti has clearly described the channels of civil and criminal law. Richard W. Lariviere (1989), The Naradasmit, Vol.1 & 2, Philadelphia Department of South Asia Regional Studies.

Manu Smriti highlighted the obligation of the King to fix the prices of various commodities that are traded in the market and also provided for severe punishments for the erring traders. With regard to service sector, Arthasastra mentions about the code of ethics that should be followed by the professionals.

During the Muslim Rule in India (712 A.D to 1765 A.D) sufficient care had been given for the consumer protection measures. Sultan Alaud-Din-Khalji (1296 A.D to 1316 A.D) had introduced strict price control measures based on production cost. He established separate shopping centres in Delhi for (1) grain, (2) cloth, sugar, dried fruits, herbs, butter and oil, (3) horses, slaves and cattle and (4) miscellaneous commodities. Hoarding of grain was forbidden. The tax was collected in kind at the producing centres and was stored in royal storehouses to ensure smooth supply of food grains to the consumers. The market controller, the state intelligence officers and the sultan’s secret agents each submitted independent reports on the functioning of the shopping centres to the Sultan. The shopping centres for general commodities were under the direct control of the commerce ministry. Alaudin’s Minister of Commerce was also the superintendent of weights and measures and the controller of commercial transactions.

During the British Regime in India (1766-1947), the whole body of commercial legislation was replica of English enactments, which were directly or indirectly safeguarding the British interest in India than protecting the interests of the people. But, there were, some pieces of legislations, which protected overall


public interest though not necessarily the consumer interest. Some of them were: The Indian Penal Code, 1860; The Dangerous Drugs Act, 1930; The Sale of Goods Act, 1930 and The Drugs and Cosmetics Act, 1940. In a sense, the Sale of Goods Act and The Law of Torts were merely for the protection of the trader than the consumer.\(^\text{29}\)

In 1935, Mahatma Gandhi, while highlighting the need for going together the business, ethics, honesty and truthfulness said: “It is wrong to think that business is incompatible with ethics. I know that it is perfectly possible to carry business profitably and yet honestly and truthfully. The plea that business and ethics never agree is advanced only by those who are actuated by nothing higher than narrow self-interest. He, who will serve his own ends, will do so by all kinds of questionable means, but he, who will earn to serve the community, will never sacrifice truth or honesty. You must bear in mind that you have the right to earn as much as you like, but not the right to spend as much as you like. Anything that remains, after the needs of a decent living are satisfied, belongs to the community”\(^\text{30}\).

**The Post Independence Period.**

With adoption of Constitution in November 1949, the aspirations of the people of India found an explicit expression in the Preamble, Fundamental rights and Directive Principles of State Policy. Article 14 of the Constitution of India


guarantees equality before law to all persons. Therefore, producers, sellers and consumers are all equal before law either for receiving reward or punishment. Further, Article 14 guarantees equal protection of laws to all persons. Constitutionally, State is enjoined to pass laws for giving protection to consumers against the unscrupulous traders. Article 19(1) (g) of constitution guarantees every citizen the right to carry on any occupation, trade or business and article 301 guarantees freedom to trade and commerce. This right however, is subject to the restrictions contained in Article 19(6) and Article 304. It has been made clear that the freedom of trade or business does not include trade or business in immoral or criminal activities\textsuperscript{31}.

After independence, many laws preventing unfair trade practices have been enacted by the Indian Parliament having limited scope\textsuperscript{32}. They deal with the various dimensions of the unfair trade practices. Since the present study is concerned with the working of CP\&G Societies, the contribution of CP Act, 1986 cannot be underestimated in bringing the CP\&G Societies to the forefront, as an instrument to stand for the cause of consumers.

\textbf{Voluntary Consumer Organisations and Consumer Protection and Guidance}

The consumer protection and guidance as an organized effort began in 1915 when "The Passengers and Traffic Relief Association" was set up in Mumbai. The

\begin{itemize}
\item \textsuperscript{31} State of Bombay Vs. R.M.D. Chambarwala, (1957) SCR 874.
\item \textsuperscript{32} These are: The Drugs Control Act, 1950; Indian Standards Institution (Certification Marks) Act, 1952 (Since repealed); Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954; Prevention of Food Adulteration Act, 1954; Essential Commodities Act, 1955; Trade and Merchandise Marks Act, 1958; Monopolies and Restrictive Trade Practices Act, 1969; Cigarettes (Regulation of Production, Supply and Distribution) Act, 1975; Standards of Weights and Measures (Enforcement) Act, 1985; The Bureau of Indian Standards Act, 1986 and CP Act, 1986.
\end{itemize}
International Organization of Consumers Union (ICOCU) now renamed as Consumer International was established in 1960. The Consumer Guidance Society of India (CGSI) was established in 1966. The CGSI set up branches at various places to undertake programmes of consumer education, publicity and exhibitions. It started testing and reporting the quality of various items of foodstuffs of daily use and at the same time handling consumer complaints. Over time the Consumer Movement found expression in efforts to bring pressure on business firms as well as government to correct the conduct of business that may be unfair and against the interest of consumers. Another organization that made a strong impact was the Bangalore-based "Karnataka Consumer Service Society" (KCSS) formed in 1970. The movement gained momentum in the '70s. In Andhra Pradesh, the Vishakha Consumer Council was set up in Vishakhapatnam in 1973. Along with other organizations, it spearheaded the cause of below poverty line ration cardholders' vis-à-vis fair price shops, the problems of LPG users and milk distribution problems in different parts of the state. In 1978, the Consumer Education and Research Centre (CERC) was set-up in Ahmedabad. Since then, the Centre regularly uses legal machinery to protect consumer rights and bring about changes. It also undertakes training programmes and engages in activities for creating consumer awareness. It has its own laboratory for testing consumer products like pharmaceuticals, food items and domestic appliances. A large number of organizations were formed in the '80s. The total number of consumer associations by the end of the last century was estimated at more than 800.33 Many of these organizations have been consistently engaged in activities concerning consumer issues.

Voluntary Organisation in the Interest of Consumer Education (VOICE) was formed in Delhi in 1983, and has since been engaged in promoting and protecting the interest of consumers. It also publishes two magazines. They are ‘Consumer Voice’ in English and ‘Ankit Vani’ in Hindi. The consumer movement took another stride in the concluding decade of the last century when several federations of consumer associations were formed to derive the benefits of collective and unified approach. More than a dozen States like: Tamil Nadu, Kerala, Gujarat, Karnataka, Orissa, Andhra Pradesh, Maharashtra, Rajasthan, Uttar Pradesh and West Bengal have formed apex bodies for networking the consumer groups for a common cause. The consumer movement in India has enlarged its scope and coverage during the last two decades.

However, the movement has been confined to the urban centres. The beginning of the 1990s was marked by emergence of a novel concept in consumer protection when Voluntary Organisation in the Interest of Consumer Education (VOICE) started conducting comparative testing of the products available in the market and publishing the results thereof for the benefits of the consumers. The main objective behind this move is to enable the consumers to decide “Best Buy” for themselves. VOICE has undertaken comparative testing of about a dozen consumer products including colour TV, water filters, dry cell batteries, detergent powder, TV antenna, paracetamol, iodized salt, electric fan regulator, automatic voltage stabilizer, two-in-one, laptop computers, ceiling fans etc.

It was due to these efforts in the 1990s that the consumers were able to learn that “SurfExcel” provides better results than “Ariel” while washing clothes in
machine, and that the economically priced “Nirma” when washing clothes by hand\textsuperscript{34}. The results of all such tests are provided to national media with the objective that some gets disseminated among the consumers. Simultaneously, each issue of consumer voice magazine also carries the results of these tests in detail.

The consumer organization ‘Jagrat Grahak’ was started in 1980 in Baroda. It imparts consumer education through seminars and publications, and runs 45 complaint centres. Consumer Unity and Trust Society (CUTS) was another association started in 1983 from Jaipur as a small voluntary group of citizens. Today, CUTS has four centres across India viz, Jaipur, New Delhi, Chittorgarh and Calcutta. It has one international centre in Lusaka, Zambia. However, not all these organizations are well organized nor recognized for the useful work they have been pursuing, by educating the consumers, advocating their causes, fighting court cases for them, handling consumer complaints, initiating public interest litigation etc. Hence a strong consumer movement is still a far cry to the Indian Consumer.

**Consumer Protection and Guidance in Kerala.**

Kerala is one of the states in India. It is the coastal belt lying between the Western Ghats and the Arabian Sea in peninsular India. Kerala was ruled in the early Sangam Age (the first five centuries of Christian Era) mainly by three powers. They were the ‘Ayas’ in the south, the rulers of ‘Ezhimala’ (Mount Eli) in the north and ‘Chera’ in the region lying in between. These rulers of ancient Kerala took greater interest in protecting the rights of consumers. The “Ay” dynasty during 7\textsuperscript{th} and 8\textsuperscript{th}

\textsuperscript{34} Sur	extsuperscript{f} Excel, Ariel and Nirma are the three commonly used washing powders in India.
centuries imposed fines in the form of gold for offences committed on consumers by the manufacturers and traders. In the 13th century, the then rulers Vira Rama Kerala Varma and Ravi Kerala Varma were very much interested in the welfare of the common people. During 14th, 15th, 16th and 17th centuries, the kingdom enjoyed the benefits of good administration. Severe punishments were imposed on the erring traders by the enlightened rulers.

In the 18th century, the famous Marthanda Varma Raja recognized the Commercial Department. The government reserved for itself the monopoly of trade in products such as pepper, tobacco, areca etc. To store these products depots were built at different places. Chowkies or customs houses were set up on the frontier to prevent smuggling. The state had the monopoly in salt production. The 19th and 20th centuries were the periods of a new social order in Kerala which crystallised due to the impact of diverse social, commercial, economic and cultural influence. During the first half of the 20th century, the British Government introduced a series of measures to safeguard the interests of the ultimate consumers. In the business field, severe punishments were imposed on the erring businessmen.

The consumer protection and guidance in Kerala developed into its present form during 1980s. In 1981 the Kerala consumer welfare Federation began functioning at Ernakulam. In addition to this, three more associations were working around Ernakulam. They were “Kerala Firewood Users’ Forum, Electricity Consumers Association and Water Consumers’ Association. In 1982, the Consumer Guidance

35. Carriages of Goods by Sea Act, 1925; General Distribution of Commodities Act, 1930; Agricultural Production Act, 1932; Insurance Act, 1933 and Drugs and Cosmetics Act, 1940.
Society of India (CGSI), Bombay opened two branches at Trichur and Kottayam. These two units were the first modern voluntary consumer organizations in Kerala. They gave much emphasis on the complaint settlement of consumers. The Consumer Protection Council was formed in 1985 with Smt B. Sugathakumari, the well known Malayalam poetess and social activist as the founder president and Sri K.G.M.Nair as its founder general secretary. This council got the National Award for the best Voluntary Consumer Organisation in the year 1991. The Council has a Research and Training wing called Institute of Consumer Research and Training established in May 1993.

The Ernakulam District Consumer Protection Council was established in June 1985 with the initiative of a group of Advocates. Later on it was expanded into "The Kerala State Consumer Co-ordination Committee" (KSCCC) in January 5, 1986. It was an apex body of loosely federated district and taluk level units. The pioneering efforts of Consumer Protection Council of Kerala and Kerala State Consumer Co-ordination Committee has paved the way for the formation of a sizable number of voluntary consumer organizations in Kerala. At present there are 126 registered voluntary consumer organizations registered with government of Kerala, contributing their efforts for the welfare of consumers, in addition to a large number of unregistered units functioning in Kerala.