Chapter 10

FINDINGS AND SUGGESTIONS

The necessity of protecting and promoting the interest of consumers against fraudulent unethical and unfair trade practices gave rise to the consumer movement in India. The movement initially reflected the common outlook which characterized the traders and manufacturers as people who were out to maximize profits by fair means or foul with scant regard for consumers well being.

Consumer movement as an organized effort began in 1915 when the Passengers and Traffic Relief Association was set up in Mimbai. Till 1986 there were only a few voluntary consumer organizations that were working in India. The sluggish nature of the formation of voluntary consumer organizations turned into a speedy one by the enactment of Consumer Protection Act, 1986. By this Act, voluntary consumer organizations were recognized having locus standi to file complaints on behalf of consumers. Due to this provision, hundreds of voluntary consumer organizations were started in India. 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. In Kerala also a sizable number of voluntary consumer associations are working.
The present study is mainly concentrated on the working of CP&G Societies in Kerala. As the state of Kerala is predominantly a consumer state, the chances of consumer exploitation by the business community are more. As the business community is united the scattered consumers are helpless in front of the might of the trading class. The Consumer Protection Act, 1986 is enacted to save the consumers from the evil hands of the business community. The study attempts to make an evaluation of the various functions performed by CP&G Societies in Kerala, it assesses the various problems faced by these societies, it evaluates the performance of governing body members of these societies and also attempts to assess the perception of consumers with regard to margin free markets run under the control and guidance of these societies.

The study is descriptive and analytical in nature based on both primary and secondary data. The sampling techniques were used for the collection of data. The primary data for the study have been collected from sample CP&G Societies, governing body members of the societies and consumers of the margin free markets. Statistical tools like averages, percentages and ranking techniques were used to analyse the data.

In the present chapter an attempt has been made to recapitulate the major findings of the study and to suggest suitable measures for strengthening the working of CP&G Societies in Kerala.

**Findings of the study**

The findings of the study of 'Working of Consumer Protection and Guidance Societies in Kerala - An Evaluation' are given below.
Functions performed by CP&G Societies in Kerala. (Discussion of the first hypothesis)

The CP&G Societies in Kerala perform a lot of functions for the promotion of consumer interests. As these are non-profit making organizations formed by consumer activists voluntarily, the very success of these organizations is depending up on how well these functions are being performed.

To evaluate the functions performed by CP&G Societies in Kerala, the factors such as area of operation and nature of accommodation and variables such as consumer educational programmes (lectures, seminars, demonstrations, workshops, moot courts); Consumer guidance programmes (adulteration, misbranding, false advertisement, false weights and measures, hazardous products); Consumer protection programmes (consumer litigation, out of court settlement, sample testing, establishing consumer research centres, establishing consumer stores); types of assistance (guidance for filing and pleading, appearing on behalf of consumer in consumer dispute redressal agencies, financial assistance) and regular publications were used. The opinion of the CP&G Societies was sought with regard to the above stated variables and following are the findings based on the variables.

1. 51.7 per cent of the CP&G Societies in Kerala function at taluke level and there is only one-society which functions at national level.

2. 48.3 per cent of the CP&G Societies in Kerala function at residence of the members.

3. Less than 37 per cent of the CP&G Societies in Kerala organise Lectures as a part of the consumer education program.
4. 61.7 per cent of the CP&G Societies in Kerala are organizing seminars as a part of the consumer education program.

5. Only 5 per cent of the CP&G Societies in Kerala organize demonstration and workshop as a part of the consumer education program.

6. Less than 4 per cent of the CP&G Societies in Kerala organize 'Moot Courts' as a part of the consumer education program.

7. Less than 12 per cent of CP&G Societies in Kerala give guidance with regard to adulteration.

8. Less than 9 per cent of CP&G Societies in Kerala give guidance with regard to misbranding.

9. Less than 4 per cent of CP&G Societies in Kerala give guidance with regard to 'False Advertisement'.

10. 83.3 per cent of CP&G Societies in Kerala give guidance with regard to false weights and measures.

11. Less than 2 per cent of the CP&G Societies in Kerala give guidance with regard to Hazardous Products.

12. Less than 17 per cent of CP&G Societies in Kerala go for suo motu litigations.

13. 66.7 percentage of CP&G Societies in Kerala settle the complaints out of court.

14. Less than 17 per cent of CP&G Societies in Kerala test the samples for the protection of consumers.
15. Less than 9 per cent of CP&G Societies in Kerala have consumer stores working under their control and guidance.

16. Only 5 per cent of CP&G Societies in Kerala have their own consumer research centres.

17. Less than 4 per cent of CP&G Societies in Kerala provide free legal aid to the consumers.

18. 75 per cent of the CP&G Societies in Kerala provide guidance for filing and pleading.

19. Only 25 per cent of CP&G Societies in Kerala appear on behalf of consumer in consumer dispute redressal agencies.

20. No CP&G Society in Kerala provides financial assistance to consumers.

21. Less than 17 per cent of CP&G Societies in Kerala have regular publications.

On the basis of the above findings it is clear that, the majority of the CP&G Societies in Kerala are functioning at Taluk level and there is only one CP&G Society in Kerala which functions at national level. Majority of CP&G Societies are accommodated at residence of members. The Societies use simple and not so effective methods such as lectures and seminars for consumer education, but tougher and more effective methods having lasting impressions such as demonstration and workshops and moot courts are neglected by majority. The majority of CP&G societies focus only on one area of consumer guidance i.e. false weights and measures. Not much importance has been given in consumer guidance with regard to adulteration and misbranding by the CP&G Societies and it should be noted that these are the activities where the traders usually indulge and against which the
consumers have lot of complaints. The areas such as false advertisement and hazardous products are not at all given any importance in consumer guidance.

With regard to consumer protection programmes, majority of CP&G Societies focus only on one area i.e. out of court settlement. Suo motu litigations, sample testing, establishing consumer stores under their control and guidance and running of consumer research centres are some of the areas which the CP&G Societies are expected to include in their consumer protection programmes. But the survey shows that these areas are not at all given much importance and even if importance is given it is only for namesake. With regard to services provided to consumers, the survey shows that all the societies are providing guidance for filing and pleading which is supposed to be very easy. With respect to free legal aid to consumers, financial support to consumers, regular publications and appearing for consumers in disputes redressal agencies the survey doesn’t give a rosy picture. From the above stated facts it can be concluded that the CP&G Societies in Kerala are not performing significant functions in promoting consumer education, consumer guidance and consumer protection.

Hence, the hypothesis that the CP&G Societies in Kerala are not performing significant functions in promoting consumer education, consumer guidance and consumer protection is proved to be true.

Problems faced by CP&G Societies in Kerala. (Discussion of the second hypothesis)

The CP&G Societies in Kerala face a lot of problems while performing their functions. As these organizations stand for the cause of the consumers on selfless
motive the engulfing of problems will definitely affect their progress and courage to advocate for the helpless consumers.

To assess the problems faced by CP&G Societies in Kerala, variables such as financial problems (limited resources to meet recurring expenses, expenses from the pockets of the activists); administrative problems (absence of sufficient staff, insufficient accommodation, poor infrastructure, inadequate publicity); problems from consumers (indifference, ignorance of consumer rights, absenteeism in appearance) and problems from business community (influencing police/political workers to demoralize the organizations, frustrating the achievement of the organisation) were used. The opinion of the CP&G Societies was sought with regard to the above stated variables and following are the findings based on the variables.

1. 83.3 per cent of CP&G Societies in Kerala face the problem of insufficient staff.

2. 91.7 per cent of CP&G Societies in Kerala face the problem of insufficient accommodation.

3. 83.3 per cent of CP&G Societies in Kerala face the problem of poor infrastructure.

4. 66.7 per cent of the CP&G Societies in Kerala face the problem of inadequate publicity.

5. 95 per cent of CP&G Societies in Kerala face the problem of limited resources to meet recurring expenses.
6. 83.3 per cent of CP&G Societies in Kerala face the problem of incurring the expenses from the pocket of the activists.

7. Not even a single CP&G Society in Kerala does receive grant from the government.

8. 66.7 per cent of CP&G Societies in Kerala face the indifference of the consumers.

9. 93.3 per cent of CP&G Societies in Kerala face the consumers' ignorance of consumer rights.

10. 33.3 per cent of CP&G Societies in Kerala face the problem due to consumers' absenteeism in consumer courts.

11. 53.3 per cent of CP&G Societies in Kerala face the problems due to police/political influence of business community.

12. 16.7 per cent of CP&G Societies in Kerala face the problem of business community frustrating the achievements of the organisation.

On the basis of the above findings it is clear that, the CP&G Societies in Kerala are confronted with administrative problems such as absence of sufficient staff, insufficient accommodation, poor infrastructure facilities and inadequate publicity; financial problems such as limited resources to meet recurring expenses and meeting the expenses from the pockets of the activists; problems from consumers/complainants such as indifference of the consumers, consumers' ignorance of consumer rights, absenting from appearing in consumer courts and problems from
the business community such as influencing police/political workers to demoralize the organization, frustrating the achievements of the organization. From the above stated facts it can be concluded that the CP&G Societies in Kerala are facing problems in the areas such as administration, finance, consumers/complainants and business community which affect their functions.

Hence, the hypothesis that the CP&G Societies in Kerala are facing problems in the areas such as administration, finance, consumers/complainants and business community, which affect their functions is proved to be true.

Performance of governing body members of CP&G Societies in Kerala (Discussion of the third hypothesis)

The administration of the consumer protection and guidance society is entrusted with the Governing Body members, which consists of President, Vice president, Secretary, Treasurer and Committee Members. The governing body members are the policy framers of the society. They also consider the suggestions of the General Body. The administrative efficiency of the governing body members depends up on many factors, which are reflected in them.

To evaluate the performance of governing body members of CP&G Societies in Kerala, variables such as representation of males and females in the governing body, educational qualification, occupational status, annual income, political affiliation, length of service, new membership, acquisition of basic concepts of consumer protection and guidance, nature of acquisition of basic concepts of consumer protection and guidance, awareness of various schemes, availability of periodical reports, review of the performance of the schemes implemented,
participation in the governing body meetings, priority in decision-making, trained members in the governing body and critical analysis of Audit Report were used. The opinion of the governing body members of CP&G Societies in Kerala was sought with regard to the above stated variables and following are the findings based on the variables.

1. The representation of female members in the governing body is less than 6%.

2. 72.7 per cent of governing body members are undergraduates.

3. The representation of postgraduates in the governing body is less than 4% and that of professionals is less than 1%.

4. 51.7 per cent of governing body members are unemployed.

5. 51.7 per cent of the members of the governing body are belonging to the annual income group of below Rs.21000.

6. 24.7 per cent of the governing body members are active political workers.

7. Only 16.7 per cent of the governing body members are having more than 10 years of service.

8. 83.3 per cent of the governing members are continuing in the post more than once and only 16.7 per cent are new comers.

9. Only 44.3 per cent of the governing body members acquired basic concepts of consumer Protection and guidance, among them only 12.8% acquired it by training and another 12% through acquisition of diploma in consumer protection movement.
10. 68.3 per cent of the governing body members are not aware of the various schemes of the CP&G Societies for consumer protection and guidance.

11. Only 1.7 per cent of the governing body members receive monthly report.

12. Only 1.7 per cent of the governing body members review monthly the performance of the schemes implemented.

13. 71 per cent of the governing body members are actively participating in the discussion of the governing body meetings and 29% are non-participants.

14. Among the non-participants 55.2 per cent is not participating due to unawareness of the details of the schemes.

15. The first priority for the decision-making in the governing body meetings is the benefit of CP&G Society and the second is the benefit of the governing body members.

16. Majority of the governing body members (73%) do not critically examine the Auditor’s Report of the CP&G Society.

On the basis of the above findings it is clear that, the governing bodies of the CP&G Societies in Kerala are male dominated. Majority of the members are undergraduates and representation of postgraduates and professionals is limited to namesake. Annual income of members is very low and they regard the membership as a pastime occupation. As there is representation of politicians, there is the influence of political ideology also. Administration is in the hands of inexperienced members. Only limited number of members have acquired knowledge in the basic
concepts of consumer protection and guidance. Number of trained members is also too low. Majority of members are not aware of the various schemes for consumer protection and guidance sponsored by voluntary organisations, local bodies and government, and therefore, the benefits of these schemes are not passed on to consumers. A sizable number of members do not actively participate in the board meetings and decision-making process. Likewise majority do not examine auditor’s report or even pay any attention to the opinions of auditors in the audit reports. From the above stated facts it can be concluded that, the performance of governing body members is not effective in the working of the CP&G Societies in Kerala.

Hence, the hypothesis that the performance of Governing Body Members is not effective in the working of Consumer Protection and Guidance Societies in Kerala is proved to be true.

Consumers' perception with regard to margin free markets run under the control and guidance of CP&G Societies in Kerala (Discussion of the fourth hypothesis)

Many consumers are the victims of exploitation. Hoarding and cornering are some of the common practices in consumer goods, which create artificial scarcity of the goods. Shortage is deliberately created in the availability of essential consumer goods through exclusive dealings and agreements restricting output. To combat this unethical practice some CP&G Societies in Kerala have stepped in to the retail business for protecting the consumers from the unscrupulous traders. These societies are guiding and controlling retail business outlets widely known as Margin Free Markets on franchisee basis. On the basis of guidance and control of these societies, these retail-trading units claim to supply goods of superior quality with
proper quantity at lower price. But strong allegations are leveled against these retail-trading units questioning the veracity of their claims.

To evaluate Consumers' perception with regard to margin free markets run under the control and guidance of CP&G Societies in Kerala, variables such as features of margin free market in the order of convenience to consumers, adverse comment about margin free market, nature of price charged in the margin free market, whether noticed reduction in prices only for certain fast moving items, consumers preference to 'Own Brand Products' of margin free market, nature of price charged for the 'Own brand products' of margin free market, quality of the 'Own Brand Products' of margin free market, quantity variation in 'Own Brand Products' of margin free market, how the margin free markets operate at very low margin, suggestion to improve the margin free market were used. The opinion of the consumers was sought with regard to the above stated variables and following are the findings based on the variables.

1. About 96.7 per cent of consumers say that the goods available from the margin free markets are of low quality.

2. 100 per cent of the respondents are not satisfied with the services extended by the margin free markets.

3. 92.4 per cent of the consumers say that the price charged in the margin free market is low.

4. 88.1 per cent of the consumers have not noticed the fact that the reduction in prices is only for certain fast moving items in the margin free market.
5. 99.5 per cent of the consumers say that the quality of ‘Own Brand Products’ of margin free markets is Low.

6. 23.8 per cent of the consumers have opined that, quantity variations (short quantity) are there in the goods packed by these trading units.

6. The consumers also pointed out absence of credit facilities, less scope of selection and inability to meet customer satisfaction as other drawbacks of margin free markets.

On the basis of the above findings it is clear that, the margin free markets are supplying low quality goods at low price. It is inferred that this low price is due to low quality of goods offered and not due to better treatment to consumers. Limited range of goods is another drawback. This is due to the reason that, they display only those goods for which they get highest reduction in prices from the manufacturers and wholesalers. Absence of credit facilities, less scope of selection, inability to meet customer satisfaction are noted as other defects of margin free markets run under the control and guidance of CP&G Societies in Kerala. From the above stated facts it can be concluded that, the Margin Free Markets run under the control and guidance of CP&G Societies in Kerala are not providing better treatment to consumers in matters such as price, quality, quantity and after sales service.

Hence, the hypothesis that the margin free markets run under the control and guidance of Consumer Protection and Guidance Societies in Kerala are not providing better treatment to consumers in matters such as price, quality, quantity and after sales service is proved to be true.
Suggestions of the study

On the basis of the study the following suggestions are made to strengthen the working of CP&G Societies in Kerala.

For improving the functional performance of CP&G Societies in Kerala.

It is found from the study that the CP&G Societies in Kerala are not performing significant functions in promoting consumer education, consumer guidance and consumer protection. For improving the functional performance of CP&G Societies in Kerala, the following suggestions are made.

1. Majority of CP&G Societies in Kerala do not have their own 'Consumer Research Centres'. So necessary steps should be taken for setting up of their own consumer research centres and to publish their research findings regularly.

2. Majority of CP&G Societies in Kerala are not having their own regular publications. It is mainly through the publications of CP&G Societies that the consumers are enlightened about the consumer movement. So necessary steps should be taken for starting regular publications.

3. Majority of CP&G Societies in Kerala faces the problem of consumer's ignorance of 'consumer rights'. So to ward off this ignorance, the government should give vide publicity through mass media such as T.V, Radio, Films and also include the subject of 'Consumer Rights' in the curriculum of higher education.

4. It is observed that the CP&G Societies in Kerala face severe financial and administrative problems in their day-to-day activities. Due to the financial
constraints, the very purpose of their existence is being defeated. So it is suggested that project based, priority wise financial grants should be made available to them by the government.

5. In Kerala, there is no coordinating body for coordinating the functions of CP&G Societies. This deprives of the opportunity of having a common platform where the CP&G Societies can discuss the matters of their common interest. So it is high time to think of such an arrangement.

For improving the performance of Governing Body Members of CP&G Societies in Kerala.

It is found from the study that the performance of Governing Body Members is not effective in the working of CP&G Societies in Kerala. For improving the performance of Governing Body Members of CP&G Societies in Kerala, the following suggestions are made.

1. As majority of governing body members are quite unaware of the concepts of consumer protection and consumer guidance, training facilities should be arranged for educating the governing body members.

2. The awareness of various sponsored schemes for consumer protection and guidance is very essential for the proper performance of governing body members. So, study classes should be arranged for the governing body members to provide insight in various schemes.
3. Frequent review of the performance of various schemes implemented by CP&G Societies is essential for the effective participation of governing body members in the administration of CP&G Societies. So, special attention should be paid for the review of the various schemes carried out on a regular basis.

4. The active participation of the governing body members in the board meetings to a large extent depends on receiving regular reports of working of CP&G Societies. So, proper arrangement should be made with the chief executive officer for providing monthly reports to governing body members.

**For improving the performance of margin free markets run under the control and guidance of CP&G Societies in Kerala.**

It is found from the study that the consumers are not at all satisfied with the services provided by the margin free markets run under the control and guidance of CP&G Societies in Kerala. For improving the performance of margin free markets, the following suggestions are made.

1. The consumers are unanimous in their opinion that the margin free markets are supplying low quality goods and some have pointed out that there is variation in quantity (short quantity) also. It is the fundamental duty of the trading units to supply quality goods with proper quantity to the consumers. So it is suggested that, with the help of a ‘Monitoring Cell’ the CP&G Societies should ensure that only quality goods with proper quantity are being supplied through the Margin free markets run under the control and guidance.
2. As credit facilities are common in the retail trading units, the same shall be introduced in margin free markets to improve the performance of margin free markets.

3. The practice of displaying only selected goods should be stopped and scope for more selection should be introduced by displaying products of a variety of manufacturers.

4. Reduction in prices should be given not only for fast moving items but for other items also.