CHAPTER : 3

CONSUMERISM IN INDIA : A HISTORICAL PERSPECTIVE

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The concept of consumerism is not alien to the Indian soil. If we look into the ancient literature we find that the society in ancient times laid down various codes in the religious treaties. By and large the society was god fearing.

The Religious preaching and sermons powerfully influenced the behaviour and the conduct of people of different walks of life irrespective of their caste, creed and sex. At that time the society was governed by a host of ethical codes pertaining to varied aspects of social, economic and religious life.

If we go deep into various religious treatise it would be noticed that they gave a detailed account of ethical codes to be observed by the rules, traders and even individually to look after the interest of the society. So far as we are concerned safeguarding the welfare welfare or well being was the duty of kings and traders and they were expected to follow a code of ethics prescribed by ‘Dharma’. 
Consumer protection was considered to be a duty (Dharma) of the king and businessman rather than a business philosophy. Here an attempt has been made to trace the evolution of consumer protection in India. For a better and organised study the chapter has been discussed under the following heads:

(i) Consumer Protection in ancient India.
(ii) Consumer Protection in Medieval India
(iii) Consumer Protection in Modern India.

i.e. Pre and post Independent India.

3.1 Consumer Protection in Ancient India:
This chapter outlines the fact that in ancient India how the behaviour of trading community with respect to consumer protection was moulded. The ancient religious treatise and other holy books laid down the norms of one's social behaviour, religious society of ancient India, dharma i.e. religious was the main force governing the life and conduct of people. In this context Vidur\(^1\) has rightly observed that the period of Mahabharat, "It is by the help of dharma that sages have been able to attain salvation. The stability of the universe depends
upon dharma, Artha and Kaama also depend for their proper management upon dharma.

Dharma is foremost of all, Artha is the second and karma is the lowest of the three. Therefore we should conduct our lives with self-control paying major attention to dharma.

In a religious society of India, where dharma was the apex goal and Artha was given a second priority. Where exploitation by violation of dharma and achieving artha at the cost of dharma was not encouraged hence it can be inferred that by and large the legitimate rights of the citizens even as consumers also might have been protected.

In the words of Manu (Ordinances of Manu) The good of humanity lies in the harmonious management or coordination of the trivarga” viz. Dharma, artha and kaama, whereas “Moksha” (salvation) can the best guide for the ultimate purpose and meaning of life. Having discussed the basic philosophy and objective of life in ancient India let us discuss the social system.
Social System: To have a proper understanding of consumer protection, it becomes necessary to take a deep long and hard look into the glorious past of our country; especially its social system.

In ancient India Hinduism was a state religion and the division of labour was strictly based on the caste system. Unlike today, everybody wasn't free to indulge in trade or for that matter any other activity. In fact, members of a definite caste were assigned specific roles and jobs to perform. So their behaviour pattern more or less dictated their roles. The society was fragmented into four major castes – the Brahmins, the Kshatriyas, the Vaishyas and the Shudras. More importantly one could belong to a particular caste by birth only.

According to Prabhu the two organisations “Ashrama” and ‘varna’ i.e. “Varnashrama Vyavastha” refer to the problems of nurture and nature of man rightly served as the cornerstone of the Hindu theory of social organisation.

The code of conduct was laid down for the people of each caste so that they could practice dharma, humanity, protect the rights of all including weaker sections.
The Brahmins: A Brahmin's life span was divided into four Ashramas i.e. A halting place or resting place or in each ashrama a brahmin had to stay, perform activities as per shashtras and thereby qualify himself for the next ashrama in the following sequence – the Brahmacharyashrama, the Grihasthashrama, the Vanprasthshrama and the sanyasthashrama and thereafter merge himself with the absolute.

It would be most adequate for our purpose to focus in brief upon the rules followed during the Varnasashrama Dharma. In Brahmacharyashram an individual was expected to study ‘Dharmashastras’ abstain himself from the worldly pleasures. During the second stage of the Grihasthashrama, he used to perform religious rituals including shradha ceremonies for the betterment of the souls of their departed ancestors and simultaneously perform Artha (Economic activities) and Kaama also. He acquired wealth during this period without violating dharma and after begetting children and rearing them to adulthood he was expected to renounce his family life and live in a forest for meditation during the Vanprasthashrama.
During this period he led a very simple life. The fourth stage, the Sanyasthashrama, is that of freedom from all bondages of the world. He used to eat once a day only. He would move from house to house in order to beg for his meal. He would never have a fixed place to stay but wander from place to place and finally he would torture himself to achieve salvation and merge with the Absolute — the paramaatma — the almighty.

On the basis of the aforementioned discussion about social and cultural life style prevailing in ancient India. We can infer that the legitimate interest of the society was well safeguarded in to all dimensions.

The Kshatriyas — The Warriors:
This caste shouldered the responsibility of protecting the nation from external invasions and internal troubles. Only Kshatriyas could become kings and soldiers. The characteristic traits of Kshatriyas included courage, fearlessness, presence of mind, and proficiency in war strategies. Their duties included showing kindness, use of power and strength for the good of society and willingness of protect the weak by putting even their own lives into danger.
The Vaishyas – the business community:

This caste occupied a key place in the social structure as its basic aim was to engage in trade, commerce and allied occupations in order to earn wealth for themselves and for the nation. Though the state encouraged wealth accumulation yet they were expected to optimize wealth through fair means. Moreover they were also expected to perform social obligations by donating wealth to Brahmins and feed them. The Vaishyas were also expected to utilise wealth for building temples, shrines, ‘goshalas’, ‘pathshalas’, ‘dharmashalas’ (Rest house) etc. From the above role behaviour of Vaishyas in ancient India where they were expected to follow religious codes while performing their business.

The Shudras:

The Shudras belong to the lowest level of the Hindu Caste System. Their duty was to serve the people belonging to the first three castes. The Shudras were in fact the most ill-treated caste among the four. We would also like to discuss various policies practiced which has been discussed in the code of ethics for business and punishment norms, the idea of trusteeship and social accountability limits to
profit, terms and condition of purchase and sales transactions caveat 
Emptor, and general conditions of trade and commerce in ancient 
India. Here an attempt is made to highlight some evidence which 
reveals the view of society towards consumer protection in ancient 
India.

3.1.1 Duties of the King “Rajdharma” and Public Grievances

In ancient times the king was regarded as the father – the caretaker 
of his subjects. So besides the welfare and the well-being of the 
people he was also expected to safeguard the interest of his people, 
particularly from unethical trade practices.

Kautilaya the great statesman of ancient India write that even the 
kings should be bound by some codes of conduct and duties towards 
his wards.

While narrating the duties of the king Kautilaya remarked that even 
the king should be bound by some code of conduct and the duties 
towards his wards in the following words:

The king shall ever be wakeful he shall divide both the days and 
nights each into eight nalikas⁴ (each of 1 ½ hours) and for each part 
his duties are prescribed which should be strictly followed by him. 
These duties included attending to public grievances and affairs and 
activities regarding the welfare of the state⁵.
Moreover he also states\textsuperscript{5} that, “the king when in court shall never cause his petitioners to wait at the door, for when a king makes himself inaccessible to his people and entrusts his work to his immediate officers, he may be sure to engender confusion in business to cause thereby public dissatisfaction and himself a prey of his enemies”. He further writes that the king should attend personally to Brahmins to his Gods of heretics, matters pertaining to scared places, cattle, the minors, the aged, the afflicted, the helpless and to women as per their merits and urgency\textsuperscript{6}.

The king should near the urgent calls immediately because if the matters of urgent importance are left aside, it would be very difficult to tackle them afterwards.\textsuperscript{7}

Further with respect to the King's duties it was also opined that “he should be always ready to act efficiently and should very satisfactorily perform his duties”.

For regulating the business activities the role of a ruler is not ordinary. Even the “Mahabharat” – one of the most valued and worshipped religious treaties of the Hindus has focused almost on every walk of human life and has been a source of ethics, inspiration and guidance for several centuries. It lays down code of conduct for
the people of different castes of Indian society. Referring the code of conduct for the king\textsuperscript{8} it has been remarked that "he should worship god, be god fearing. Must obey and honour Brahmins and saints. Moreover his prime duties were the protection of his people from all sorts of exploitation and invasions, he should be fair and just in all his actions, decisions and instructions. He should practice "Dharma" in its real sense. The king is allowed to behave and rule the state with his whims but with prescribed predetermined norms and values.

3.1.2. Trusteeship Concept:

The concept of trusteeship assumes that one may have wealth but he should not consider himself as the owner but should consider himself as a trustee of the wealth and should always try to utilise the same for the good of others, the same concept was present according to the citation from Manusmriti mentioned below.

Manusmriti while commenting on the concept of ownership of wealth opined that\textsuperscript{9}

"The king is not the owner of the wealth of his kingdom but he should act as a confidential servant for the good of the people".

So, this leads us to believe that the creations and the maintenance of wealth was a moral obligation of the king but was not his
prerogative. In fact, while managing he was expected to see that his objects are satisfied and must always act as a trustee (and not the owner of the wealth) for the welfare of his kingdom. By and large people were protected not only as citizens but as consumers too. The laws were framed and strictly enforced, the public and individual grievances were promptly attended to, the code of conduct for citizens, traders and even for the kings forced them to act within the limits laid down by dharma.

It can be witnessed from the above stated citations that even the kings had to follow code of ethics, they were expected to guard the interest of their wards (including their protection as consumers) Moreover they were expected to perform all their duties as laid down by 'Dharma' In such a society the prevalence of consumer exploitation is all the more difficult to imagine.

3.1.3. The Trade, Traders and Protection of Consumers in Ancient India:

In the background of the social structure, caste system and the prominent impact of dharma, ethics and social norms influencing the life and the conduct of individuals it is highlighted that generally speaking, ethics in trade was a way of life of the business elite. In
addition to this, here an attempt has been made to particularly focus upon the concrete citations on the role and conditions of trade, the conduct of traders, regulation and punishment norms for exploiting the consumers etc. in promoting the cause of consumers in ancient India.

3.1.4 Qualities and Duties of Traders:

The code of conduct i.e. dharma of vaishyas (duties of traders) as prescribed in 'Mahabharat'\textsuperscript{10} emphasized that, "the element of dharma should be an essential condition in the forefront of all trading activities. The following are some of the codes of conduct laid down for Vaishyas (traders)

i) The traders must donate a part of their wealth for the welfare of others.

ii) They must acquire wealth by ethical means.

iii) They must also enrich their knowledge.

iv) They must perform religious rituals – Yagnas etc.

v) They must protect all animals.

vi) They must perform their duties in a manner prescribed in the shastras.
When the above codes of conduct are practiced by the traders in a religious society, and when they are expected to acquire wealth by ethical means etc. connivance us about the prevalence of the concept of consumer protection.

3.1.5 Limits of Profit:

Consumer exploitation occurs/takes place and develops only when illegitimate profits are charged by the traders. In the period of Mahabharata the limits to profit margin were prescribed by the state. Moreover, it also emphasized the fact that "hunger for wealth - greediness is the root of all evils" and hence one should be contended with whatever amount of wealth one has.

Kautilya while referring to profiteering, states that the limits to profit should be fixed by superintendent of commerce and whosoever is found guilty of over charging must be punished. He further opines that proper machinery must plunge into action for the strict enforcement of punishments. "The goods sold by hawkers - peddlers in different areas be charged a fixed price determined by the superintendent of trade and if they suffer any loss due to the system, the state must compensate them accordingly".
3.1.6. Purchase and Sale:
The rules laid down by Manu regarding purchase and sales of goods leads us to believe that even in ancient times the basic laws giving thrust to consumerism were in vogue. A few are cited below:

1) “When a king sees that anything has been pledged or sold through artifice or whenever notices that cheating has taken place he has a right to make the transaction null and void”,

2) “What is given by force, used by force and what is returned by force (in short) all things done by force are (as if) not done:

3) While protecting the interest of the parties concerned with reference to the conditions of goods it was mentioned that “In whatever conditions a man deposited anything with anybody, has a right to receive it in the same condition in which it was delivered”

3.1.7. Caveat Vendiitor (Let the seller beware)

Today when we purchase goods, the bill is issued by the seller on which we invariably find instruction in strict words that “the goods once old will not be accepted back”, but in ancient times the concept
of Caveat Venditor was practiced. It is heartening to note that Manu outrightly rejected the concept - caveat emptor and with reference to guarding the interest of the buyer and the seller he states the possibility to return the goods if the customer regrets of buying or selling.

"Whoever feels regret in buying or selling anything may within 10 days give (back) or take (back) the goods, but after a period of 10 days he may neither take them (back) nor give them (back) and if tried to do so were fined with 600 panas by the king"15

3.1.8 Rescission of Purchase and Sale:
Kautilya in his Arthashastra states the provisions of rescission of purchase and sale. "A merchant refusing to give his merchandise shall be punished with a fine of 12 panas unless the merchandise has inherent defects or are liable to be confiscated by the king or the subject to destruction by thieves, fire, or flood or devoid of qualities"16

He further mentions that the time of rescission of sale is one night for merchants, 3 nights for cultivators, 5 nights for herdsman and with regard to the sale or barter of precious things and articles of mixed qualities – 7 nights
(ii) It may be noted that neither the books of History, Philosophy nor the books on religion give us any direct reference of the concept of 'Consumer Protection'. However we can infer from stray dealings with reference to trade, commerce, religious and ethical in the ancient history of norms etc. give a clear idea of the perceptions of consumer protection practiced in the country.

3.1.9 A brief profile of general trading practices in ancient times:

(i) The Consumer Needs: In olden times the people led a simple life and accordingly their needs were quite limited. Moreover, the god fearing people were more bothered about embracing spiritual and religious life rather than resorting to luxurious. Also due to less developed technology very few products were available in the market. On account of limited availability of product the needs of the people were very limited.

(ii) Lesser No.of products: In present era the markets are flooded with variety of products while in the pre industrial
era limited number of goods were available and the consumer's choice was very much restricted.

Due to close contact and less distance between different buyers and sellers there were lesser chances of consumer exploitation at the same time. Due to the fear of god and law, traders rarely resorted to unfair trade practice. It goes without saying that consumer exploitation through practices like sale of shoddy goods, adulteration, black-marketing, hoarding, unethical advertising were almost unknown to the traders of ancient India.

Certain products were distributed free of cost:

Certain products like milk, buttermilk, and even vegetables at times were not sold but distributed free of cost to neighbours, friends and relatives (such a custom is witnessed even today in many villages and town in our country. Here the very purpose of highlighting this aspect is to convince that as the goods were distributed free of cost as a goodwill gesture the question of prevalence of consumer exploitation by adulteration, illegitimate high price, short weighment etc. certainly did not arise.
Sales Promotion:
Earlier due to lesser no. of products and their very limited variety literally there was little or no competition among the producers. Hence the problem of advertising and sales promotion was quite rudimentary in its form. In short it can be said that publicity campaigns and other sales promotion gimmicks were not observed in the marketing activities. Hence the customers were not burdened with mighty cost of sales promotion.

Distribution:
As the market was largely local or regional the problem of distribution was not faced. Moreover the geographical distance between the producer, seller, and the buyer was almost much less therefore, channels of distribution were short. The task of distribution was easily manageable as compared to present modern time where much complexity prevails and its working is influenced by variety of factors which plays a catalytic role in inflating the price.

Product Knowledge:
The products were by and large produced by cottage industries or were made at home by the artisans.
In ancient India it might have been so that the customers had complete knowledge about the quality of goods so much so that they were aware of the quality of the products, it's contents, cost of production and the manufacturing process etc. These factors enabled the customers to strike a proper bargain with the dealers in terms of quality, price etc. which unfortunately is lacking in today’s consumers.

Today due to mass production, wide range of products, distribution through a variety of outlets and cut throat competition a variety of unfair trade practice have crept into the system. The availability of wide ranging complexities of the product has left the consumer helpless and disheartened in the market.

Though we do not claim that this chapter contents exclusive data with historical investigation, however an attempt has been made to find the state of consumer protection on the basis of literature, law books and the social systems prevailing in Ancient India.
3.2 Consumer protection in Medieval India

In the history of Medieval India also no direct references are available pertaining to consumer protection but we had to infer from the through study of trade, commerce, economy, state administration and social structure and hence (whatever) relevant sources (were) available are highlighted here. However going into further depth would not be much justified as the thesis does not have a historical bias.

During the Medieval period with the invasions and establishment of Muslim rule in India the Islamic religion spread throughout the country. The holy book of Muslims 'Quran-E-Sherif' considers that wealth is an 'Ornament of life' (Quran-18.44). It further says that for the maintenance of one's own life wealth is essential. Possessing wealth is a social requirement but one should remember that the ultimate owner of wealth on this earth is God and hence wealth should be used for the welfare of society. One should not be proud of its' possession and should not be greedy to acquire more and more wealth because it can harm a person to a great extent and a man may become corrupt due to greediness and the excessive
possession of wealth. No person should hoard wealth but spend it freely.

As per the Quran-E-Sharif the following are the guiding principles\(^{18}\) of acquiring and utilizing property which is most noteworthy here as these principles would influence the life and conduct of man and restrict exploitation of others.

1. **Work** : Work is an important way of acquiring wealth. All work leads, to possession of wealth but fraud and injustice should not be included in work.

2. **Private Property** : It is an indefeasible right. The state guarantees it and punishes those who interfere with it.

3. **Property is a social function** : The state forbids its utilization as a means of oppression and exploitation.

4. **Wealth** : Involves social duties, legitimate charity, pension for relatives, mutual social aid.

5. **Inheritance** : Is a legitimate right protected by the state.

It would be appropriate to discuss consumer protection in the background of the above religious principles and almost all religions highlight the above aspects.
In medieval India too consumer protection was in (vogue) which is obvious from trade practices and the laws pertaining to consumer welfare especially in the field of price control, supply of essential commodities, role of state administration etc. During the Mugal India Alluddin Khilji\textsuperscript{19} (A.D. 1296 to 1316) was the first ruler who developed an efficient and effective system of consumer protection. He introduced several changes in the existing laws relating to trade, lowering the prices of essential commodities in his capital Delhi for the soldiers as well as for the people of Delhi. During his time the traders were strictly expected to charge the profit margin as sanctioned by the state on food grains, different varieties of clothes including silk, horses, cattle, slaves, bread, vegetables, shoes etc. The traders (i) were required to get themselves registered in the office of the inspector General of Markets. (ii) The peasants were required to sell food grains to the registered merchants at fixed prices. (iii) The cloth merchants had to procure manufactured goods from place beyond Allauddin's control. The procurement price of cloth was higher, the trader had to sell it at the prescribed fixed rate, (iv) however this loss was compensated by providing them adequate subsidy. Though the said system must have caused a substantial...
loss to the state treasure but the system indeed led to consumer protection and well-being. (v) To safeguard the interest of Consumers in case of scarcity and famines the essential commodities like grains and cloth were stocked in the stores set up for this very purpose by the state. (vi) incase of acute shortage of food grains the Govt. introduced rationing and also prohibited unfair trade practices like black marketing, hoarding etc.. Strict Vigil was also maintained by means of a highly organized intelligence service and by drastic punishment on evasions of the government rules.

3.2.1 Safeguarding the interest of Prospective Houseowners:
Mougal ruler Akbar too worked for the welfare consumer during his period, besides food grains and cloth the profit charged by merchants on building construction materials and even gold and silver were fixed. The king believed that building of a house is the basic requirement of one and all. Hence to safeguard the interest of prospective house owners, the policy of Akbar is been well documented in Abdul Fazzals—"A In-I Akbari as mentioned below.

1. His majesty (the king Akbar) enquired into their profits and losses and fixed the prices of articles in such a manner that both the parties (buyers and sellers) were satisfied.
About the supply of clothing he remarked that "His majesty used to pay attention to various varieties hence Irani, European and Mongolian articles are in abundance.\textsuperscript{20} The above inferences do convince us about the their government's deep concern about the availability of essential items like food, clothing and shelter to the consumers at a reasonable price.

3.2.2 Time and Cost of Transport :

It is observed that the high cost of transport was one of the causes of high price of certain commodities. Moreland remarked that during Akbar period the supply of commodities like lead, coral, woolen, cloth could be obtained only after two years of sending it's indent provided all other things went well, and by the time the commodities reached, the market might have changed considerably.

3.2.3 Consumer Protection during Peshwa Period :

Peshwa rulers took keen interest in introduction and enforcing controls over unfair and exploitative practices by the traders especially those pertaining to the use of fraudulent weights and measures by the traders such as oil traders, goldsmiths, coppersmiths etc... Those using different weights and measures for the purchase and sale in other words, highones for purchase and
lowones for sales. Here they were compelled to use standard weights and measures stamped with the Government seal. Some goldsmiths practiced unfair methods such as adopting false weights and measures for minting coins. There are many recorded cases of mint owners who were fined by the state for making counterfeit coins. The state exercised several control measures even on manufacturing industries. The Peshwa government in fact even directed the manufacturers of turbans; for the maintenance of quality standards, the type of cloth, number of gold threads in the turban etc.

3.2.4 Measures taken for controlling scarcity of essential items by the Peshwas.

The state during the Peshwa period took number of measures mainly during the times of famines and scarcity.

→ Concessions in import duty and ban on exports:

They encouraged imports by completely withdrawing levy (duties) on grains and groceries and sometimes half the usual rate of duty on imports were charged on goods such as ghee, oil, turmeric, etc. to increase their supplies. And most importantly, export of all items were completely banned.
Storage facilities:

The state had its own stores maintained for the purpose to meet the supply of grains to the markets of provinces where scarcity prevailed. This has proved as an effective price control measure.

Elimination of middlemen:

Moreover even the grocers where ordered not to sell oil but it should be sold by oil dealers or 'Telies' who were only authorised to sell and they eliminated middlemen's commission and made them accountable.

Census of traders

In order to control the market conditions, the evidences also prove that the government had also ordered census of traders and the government also pressurized the traders to sell at a prescribed price only, to the consumers.

Introduction of rationing system:

The state also tried to provide adequate supply of essential commodities by introducing specific quota of goods to the consumers for a specific period (system of rationing)

Punishment to traders of stolen goods:
The traders who purchase articles from thieves at a very low price and used to sell them at a very high price, were considered as criminals hence they were punished and fined heavily.

Mahajan highlighted the following economic policies of the peshwas with respect to consumer protection.

1) The state controlled the production of mints and coins and manufacture and sale of liquor.

2) Working of mines, manufacture of salt and sale of tobacco were the state monopolies.

3) The state exercised control on the selling prices of grains and other essential commodities. The Mamlatdars were assigned the responsibility of monitoring the prices periodically.

Thus it is also brought to light that the state controlled huge profits made by traders and manufacturers through unfair means, fraudulent weights and measure’s in general and during the period of scarcity in particular.

3.2.5 Illegitimate high prices:

During 17\textsuperscript{th} and 18\textsuperscript{th} centuries India’s inland and foreign trade highly developed the English company wrote in 1698 that preferential treatment and encouragement from time to time was given to Dutch
company in the empire of Hindustan more than even the natives as at times the foreign traders used to obtain grants, or a farmann (order), exempting their trade from duties. The phenomenal profits earned by the Dutch traders at the end of 17th century were mentioned by Sicur Luiller²⁷ as follows:

30-40 percent of profit on Bengal silk and rice.
500 percent profit on Chinese silk;
1200 percent profit on Japanese articles.

3.2.6 Establishment of Monopoly:

In the seventeenth century – India State interventions were at times genuine but cases are also recorded where the local governor or his nominee may by force remove competition²⁸ for time being which might have created adverse impact on the plight of consumers.

3.3 Consumer Protection During British Period.

During British regime The consumer co-operative movement also gradually developed since the beginning of the 20th century. As remarked by Sarkar, "The consumer co-operative movement is by and large a product of the altered socio-economic conditions brought
about by industrialisation and a better forming economy in many advanced countries". In the country first Consumer Co-operative Society the Triplicane Urban co-operative society was formed in Madras. The First Co-operative Societies Act was introduced in 1904 did not recognise consumer's co-operative but the co-operative act of 1912 gave legal status to the consumer co-operatives. During the first world war (1914-1918) and the post war period, an acute shortage of consumer goods was experienced, as a result of which about 100 consumer co-operatives came on the scene. It was the IInd World War in 1939-44 which created extra ordinary scarcity of essential goods gave a boost to the growth of consumer co-operatives in the country. Several factors gave impetus to consumer co-operatives such as scarcity of essential commodities, the military requirement of goods was given the priority as that of civilian. The consumer co-operatives were given the goods at a fixed price, the government also gave a great patronage to the consumers stores as in them the government found a suitable machinery for fair and equitable distribution of foodstuffs and other controlled articles And thus a structure of Public Distribution System (PDS) was hurriedly designed and implemented
at this stage. The following table – shows no. of consumer societies that existed during 1939-44.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Membership in Consumer Societies</th>
<th>Annual sale in Lakhs of Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1939-40</td>
<td>408</td>
<td>16</td>
</tr>
<tr>
<td>1943-44</td>
<td>3539</td>
<td>600</td>
</tr>
</tbody>
</table>


These consumer co-operatives were established to protect the interest of the consumers.

3.3.1 Agmark:

It is also noteworthy that AGMARK was established in 1937\textsuperscript{30} for grading and marketing agricultural produce by the Directorate of Marketing and Inspection of the Ministry of Food and Agriculture.

During the period of World War II there prevailed scarcity of food grains. During this period in order to meet the situation and to provide
these commodities at a reasonable price to the ultimate consumers. The consumers co-operative stores and other shops were selected as fair price shops by the Department of food and civil supplies and thereafter statutory rationing was introduced in all metropolitan cities. Hence it should be noted that the PDS is a gift of the Britishers to India.

3.3.2 Role of Voluntary Organisations : (Before Independence)

There were efforts from some consumer organisations for boosting Consumer Protection. The first organisation of consumers can be said to have established in 1915 known as The Passengers and Traffic Relief Association (PATRA)^31 was formed in Bombay. This was formed to reduce the hardship and troubles faced by passengers travelling by Railways and steamers and also for redressal of grievances of the Indian trading community. It has been in existence since last several years and it represents the problems of passengers to the authorities at appropriate levels.

Even 'women graduate union (WGU)^32 based in Bombay was Established in 1915 to meet the objective to provide opportunities and facilities for the expression of united opinion and concerted action by university for the benefit of women.
In 1917 a pioneer women's organisation - Women's Indian Association was established by Dr. Annie Besant and Mrs. Margaret cousins in Madras for the importing skill development training and to help women to read and write Tamil and English. This organisation is in existence since then and has been an instrument creating a movement for the welfare of women and children. The abovementioned organisations focussed the specific segments and looked to their interest as consumers in a very restricted sense but this thinking and action was responsible for a broad based consumer movement.

During the freedom struggle against the Britishers the people of India exhibited their finest qualities like independent temper and rational thinking, the spirit of freedom, the courage to fight for truth through nonviolence and sacrifice, firm determination, will power, a strong sense of achievement, total devotion and commitment to achieve their righteous goals. These qualities exhibited by the entire nation might have been responsible for the righteous movements in the post independence years including consumer protection.
3.4 Consumer Protection in India After Independence.

On the eve of independence of India, the people were highly optimistic about the future of this new era as Gandhiji spelled 'Ramrajya', people were anxiously awaiting a new wave of hopes and glory in its true sense, so as to create a sovereign, socialist Republic nation where liberty, equality and fraternity, equal opportunities, truth and justice, peace, progress and prosperity showered on the nation which reflected in Article 14 and in the form of 'seven Freedoms' in Article 19 of the Indian Constitution. Article 14 guarantees equality before the laws and equal protection of the laws while 19(1) provides to all the citizens several Fundamental Rights including the right to freedom of speech and expression; Right to form associations or union etc.

It should be also remembered that on the economic front, India had many problems due to inflationary trends/pressures which was due to the second world war (continued between 1939 and 1945) and the partition of the country (alongwith its independence in 1947). There were endless challenges before the newly born nation. To meet these challenges India adopted a philosophy of mixed economy. India borrowed 'Democracy' from the western capitalist nations and
was also impressed and inspired by the principles and teachings of Karl Marx, and the policies of communist party (which came to power in Russia in 1917) and accepted 'socialism' and tried to enjoy the benefits of these two principles i.e. social justice. Equal opportunities, advancement and simultaneously emphasised on individual freedom. As Desai and Bhalerao\textsuperscript{33} rightly put that 'Democratic Socialism' is a way of organising society in which exploitation of one class by another class will be abolished with a view to raising the standard of living of all the people who would also enjoy personal freedom to develop their personalities as they like. Thus, poverty as well as absence of individual freedom are both considered as obstacles to the development of human personality.

3.4.1 Role of Government in Consumer Protection:

As the country has accepted the ideals of 'Democratic Socialism' and to achieve them in true sense the Government aimed at solving several problems of people even as consumers through 'planned economy'. The economic plans were drafted periodically after detailed thought and study. Over these years the effectiveness of
each plan was reviewed and corrective actions were suggested in the plans to achieve the targets in various fields.

It would be most appropriate to make an attempt to briefly review these socio economic, legal aspects such as Government efforts to be self sufficient in food and other essential commodities to control inflation. To ensure that quality products are available to the consumers, to curb monopolies, restrictive and unfair trade practices, to supply essential commodities to the people especially the weaker sections of the society, to abolish poverty, frame and implement the machinery to grant justice through enactments, and amendments of various laws, to promote consumer protection, to develop a strong consumer movement, the contributions of trade, industries, mass media, consumer interest groups, individuals etc. in furthering the cause of consumers.

3.4.1.(I) ISI Established (Now Bureau of Indian Standards- BIS):
It is worthwhile to mentioned that the Indian Standards Institute was established in 1947 and till today its continuous untiring efforts in formulating Indian Standards, laying down quality parameters for the production of goods of various kinds in the country are useful to the consumers. These standards are prepared by its technical
committees represented by scientists, technologist, manufacturers, purchasers and consumer. BIS gives the "ISI" certification mark to the approved products which are possessing the standards as prescribed by ISI (Now Bureau of Indian Standards- BIS). The role of BIS has gone a longway in maintaining safety, health, of the consumer but it has still to achieve many new heights of success.

Since 1955-56 the Indian Standard Institute launched a scheme of issuing certification marks to the manufacturers who are well equipped with testing equipments for maintaining the quality standards. The institute exercises overall control and supervision of the said scheme and is also empowered to suspend or cancel any license in case of its misuse.

It should be noted that these standards and certification marks were mainly used by the producers in order to advertise, convince consumers and thereby to project better quality of their products while its benefit was mainly enjoyed more by the organised bulk buyers like the state and the central Government Departments. By 1971-72 850 ISI certification marks licenses were issued for 550
Here the efforts of the Government of India are highlighted through the ideas spelt in the constitution of the country and its reflection on Economic planning over a period of time. Various Enactments and their amendments passed and implemented are dealt with in details in the chapter – 5 on - Legal Framework of Consumer Protection in India. However the Public Distribution System, various policies on consumer affairs and efforts to promote a strong consumer movement in the country etc. are reviewed in this chapter while the later part of the chapter also mentions the role of business in consumer protection and even the role of several consumer/voluntary organisations in the development of consumer protection movement in India.

3.4.1.(II) Consumer Protection and Economic Planning:

The First year plan (1951-52 to 1955-56) which commenced from 1st April 1951, gave some stray instances of Consumer Protection. The major objectives of the First Year Plan affecting the plight of consumers includes the rehabilitation of the Indian Economy which
was disrupted because of the 2nd World War and the partition of the country. Food problem and to achieve self sufficiency, to check inflationary pressure, to lay firm foundations of further economic progress etc. were to be considered in the subsequent Five Year Plans, to initiate measures of social justice in accordance with the Directive Principles of Indian Constitution adopted on 26th January 1950 and to build the administrative structure and other organisations necessary to carry out various programmes of economic development. required urgent attention.

The public sector outlay of the First Five Year Plan was Rs. 2069 crores while the actual expenditure incurred on the same was only Rs. 1960 crores. It appears from the plan that the top priority was to be self sufficient in food production and hence 31 % of the plan outlay was allocated for agriculture, community development and major and minor irrigation projects.

The biggest achievement of the First Five Year Plan was that the output of foodgrains was more than the targeted output. It was later on realised that the said increased output was also due to good monsoon.
3.4.1.(III) Public Distribution System:

It was accepted that to control the rise in prices of various products especially essential commodities the middlemen should be eliminated to provide these commodities at reasonable price to the ultimate consumer. The consumers co-operative stores were selected for this purpose. Moreover the essential commodities were distributed to the needy and economically weak consumers through the Fair Price shops recognised by the Department of Food and Civil Supplies. It was after the 2nd World War period that the fair price shops started functioning and thereafter statutory rationing was introduced in all metropolitan cities. During the fifties and sixties the PDS institution flourished. It normally emerges and flourishes in the periods of shortages or artificial scarcities. It was an accepted convention that as the fair price shop owners are given very little margin that they would certainly compensate the said loss by 'unfair practices. The consumers had to face several problems even at Fair Price Shops. These consumers are given second priority as compared to the consumers of non-ration commodities. Sale of goods under PDS scheme to the ration cardholders was treated as
"mercy". Sometimes the consumers are ill-treated at fair price shops over and above certain other "unfair practices"

The Government strongly believed that by achieving substantial increase in the production of food and raw materials will not only solve the food problem but it should also give a boost to the industrial development.

With the completion of the First Five Year Plan the planners were convinced of the urgent need for accelerating the pace of economic development. Taking the above into consideration the Government reformulated their industrial policy in April 1956. The Resolutions of Industrial Policy of 1956 declared "The adoption of the socialist pattern of the society as the national objective, as well as the need for planned and rapid development requires that all industries of basic and strategic importance, or in the nature of public utility services should be in the public sector. Other industries, which are essential and require investment on a scale which only state in the present circumstances could provide, have also to be in the public sector. The state has, therefore to assume direct responsibility for the future development of industries over a wider-area".
The plan documents have always reflected a growing awareness of the importance of and the need for equitable distribution of essential commodities especially to more valuable sections of the population. With the developing shortage of food grains from the 2nd plan onwards there started a process of abandonment of decontrol and rebuilding of the PDS. This reached its climax in 1965-66 when formal statutory rationing covering all the big urban centers was reintroduced and a system of informal rationing sought to reach out to the rural areas.

Gradually it was observed that the development of monopoly and the concentration of economic power in the hands of few mighty business houses. There country's policy directed towards the creation of a socialistic pattern of society, 'sovereignty' and supremacy of the public sector to avoid private monopolies and to look to the public interest. As a result the Government introduced the Industrial Licensing Policy in the late 1960s.

The monsoon failed during 2nd plan and as a result in the beginning of the Third Five Year Plan scarcity of food grains was experienced. The price level started upward movement causing great difficulties to the people. The strategy of introducing rationing did not prove very
effective. The country's strategy in the Third Five Year Plan was to re-emphasis on both agricultural and industrial sectors simultaneously. Steps were also taken to reduce the inequalities of income and wealth so that the fruits of development would be shared by all equally. In order to have better performance in India's export trade, the Government of India established the Quality Control and Inspection Act 1963 which implies pre-inspection of exports.

3.4.1.(IV) Welfare State:

India's objective is also that of creating a welfare oriented society which in part has been drawn from the directive principles of state policy namely "that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment" and "that the ownership and control of the material resources of the community are so distributed as best to serve the common good".

The monopoly Inquiry Commission (1964) which inquired into the prevalence of Monopolistic and Restrictive practices in important sectors of economic activity defined 'monopoly power as power which is exercised. It was also observed that the creation and spread of monopolies and restrictive trade practices not only harm the
consumers but created greater inequalities in distribution of income and wealth of the nation.

Table: Distribution of 101 Companies According to Total Assets (1986-87)

<table>
<thead>
<tr>
<th>Size of Group (in Rs.Crores)</th>
<th>All Companies (101)</th>
<th>Total Assets of 101 Co. (Rs.Crores)</th>
<th>% of the total assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 1000 Crores</td>
<td>3</td>
<td>4492</td>
<td>16.50</td>
</tr>
<tr>
<td>500.1 to 1000.00</td>
<td>4</td>
<td>2759</td>
<td>10.10</td>
</tr>
<tr>
<td>200.1 to 500.00</td>
<td>38</td>
<td>11830</td>
<td>43.40</td>
</tr>
<tr>
<td>175.1 to 200.00</td>
<td>12</td>
<td>2234</td>
<td>8.20</td>
</tr>
<tr>
<td>150.1 to 175.00</td>
<td>14</td>
<td>2295</td>
<td>8.40</td>
</tr>
<tr>
<td>140.1 to 150.00</td>
<td>3</td>
<td>429</td>
<td>1.60</td>
</tr>
<tr>
<td>130.1 to 140.00</td>
<td>4</td>
<td>532</td>
<td>2.00</td>
</tr>
<tr>
<td>120.1 to 130.00</td>
<td>9</td>
<td>1126</td>
<td>4.10</td>
</tr>
<tr>
<td>110.1 to 120.00</td>
<td>9</td>
<td>1017</td>
<td>3.70</td>
</tr>
<tr>
<td>101.1 to 110.00</td>
<td>5</td>
<td>541</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>101</strong></td>
<td><strong>27255</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

3.4.2 Attitude of business towards consumer protection:
The Table No....... on page shows the distributions of top 101 companies show that the establishment of monopoly houses and there by led to concentration of economic power.

3.4.3 M.I.C. and M.R.T.P.
In 1952 The monopolies inquiry Commission was appointed under the Commission of Inquiry Act 1952 by a notification of the Government of India dated 16-4-1964 to inquire into the extent and effect of concentration of economic power in private hands and the prevalence of monopolistic and restrictive trade practices.
Some of the restrictive trade practices are hoarding and cornering of goods to create artificial scarcity, re-sale price maintenance, exclusive dealing, fixation of prices or Tie-up practices, which means the suppliers refused to supply the commodity to the consumer unless the consumer buys any or more of other commodities from the supplier etc. A brief explanation of MRTP Act is mentioned in Chapter – 4 on Legal Framework of Consumer Protection in India.

As a result of the Chinese aggression in 1962 and hostilities with Pakistan in 1965 the resources were required to be diverted from development to defence. Further the unprecedented drought of 1965-66 also created further difficulties. The national income declined considerably. During this three year period of plan holiday, in the interest of continuity, the planning commission adopted annual plans to prepare the groundwork for the fourth plan. Though the period being 'Plan holiday' the annual plans were introduced and executed.

On the eve of the Fourth Plan 1969-70 to 1973-74 the nation was dependent on imports for food and other agricultural commodities. The gap in the balance of payment was widening.

This emphasised on attaining economic stability, achieving self-reliance instead of depending upon PL480 Food imports by 1971, to achieve social justice, equality and increase in employment opportunities.

The Fifth Five Year Plan (year 1974-75 to 1978-79) aimed at two objectives. (i) removal of poverty and (ii) achievement of self-reliance. In fact the popular political slogan of the ruling party during election was 'Garibi Hatao' (Removal of poverty) received the highest
priority in the Draft Fifth Five Year Plan. Eradication of poverty meant that people living below the poverty line must have access to the minimum private consumption as per the draft Fifth Five Year Plan Report. Poverty line was defined in terms of a minimum level of consumption. In the Fourth Five Year Plan document, private consumption of Rs.20/- per month at 1960-61 prices was considered desirable to be a minimum desirable consumption standard. The 1972-73 price level was considered as basis for working out of the Draft Fifth Plan Estimates the corresponding amount would be about Rs.40.60 worth of private consumption per capita per month to a vast majority of people. About 40 to 50 % of the people even in 1974-75 lived below the poverty line.

In 1977 Planning Commission defined the poverty line as the midpoint of the monthly per capita expenditure class having 2400 calories intake per day per person in rural areas and 2100 calories in urban areas.

The eighth plan stated that 230 million people i.e. 27 % of the total population is living below poverty line. In rural areas the no.of the estimated for 1989-90 is 168.6 million which accounts for 28.2 % of
the rural populations while the number of urban poor living below the poverty line is 2.2 million which is 19.3% of the urban population.

Like other documents events Draft Fifth Five Year Plan (1974-79) talked about removal of poverty and attainment of self reliance. The plan aimed of 5.5 percent annual rate of growth of domestic production, significant expansion of productive employment opportunities, a national programme for minimum needs in rural areas, an extended programme of social welfare, emphasised on key and basic industries for mass consumptions, public procurement and distribution of essential commodities, export promotion and import substitutions. Restraints on non-essential consumption, equitable pricewage-income balance. Besides these industrial, social and other measures were under takes reduction of regional and other inequalities.

During this plan the rise of crude in 1973 resulted in the rise in import bills and inflation at home which created budgetary difficulties and proved an obstacle in achieving the targets. Witnessing these circumstances the Government took adhoc measures during the first few years, in 1974-75 the Government was forced to launch a package of anti-inflationary measures and actions against economic
These measures brought about a very significant improvement by 1975. The food grains production touched a record of over 118 million tons. There was an improvement in production of coal, steel and fertiliser. Inflation was significantly controlled, the exports and balance of payment position improved substantially. Due to all these, the planning commission came out with the new Fifth Five Year Plan (1974-79) in September 1976.

In 1975 Mrs. Indira Gandhi announced a need-based action plan popularly known as "20 point Economic Programme". This Economic Programme was designed to achieve the objective of ensuring efficient production and distribution of essential goods and services to the community and upliftment of the weaker sections of the society.

This 20 Point Economic Programme had a special significance for the consumers because specific importance and national attention was focused on improving quality and supply of people's cloth, providing essential commodities at controlled prices to students in hostels and making available to them books and stationery at controlled prices.
These measures were in addition to several steps in guarding the interest of various weaker sections of the country. Above details from plan period are mentioned because they affect the poor and the deprived the most. They are the consumers who should be protected to a great extent.

3.4.5 Efforts of the Government in 1980s for Consumer Protection:

Till 14th July 1983 the department of Food was a part of the Ministry of Agriculture, thereafter the department became a part of newly formed Ministry of food and civil supplies. This Ministry besides looking after different aspects of food grain supply etc. also take care of consumer protection. The major functions of the department are

(i) Formulation and implementation of national policies on procurement, import, movement, distribution and buffer stock of food grains.

(ii) Provision of storage facilities for maintenance of central reserve of food grains.

(iii) Promotion of scientific storage at all levels

(iv) Purchase of food stuffs and allied products for military requirements;
(v) Regulation of rice milling industry and roller flour mills including supply of wheat to the later;
(vi) Fixation of minimum price of cane payable by sugar factories.
(vii) Exercise of control on the development of sugar industries and on the supply and prices of sugar, gur and khandsari;
(viii) Development and regulation of fruit and vegetable processing industry;
(ix) Promotion of conservation and efficient utilisation of food resources,
(x) Improving the nutritional standards of people; and
(xi) Entering into treatise and agreements with foreign countries in regard to trade and commerce in food grains and other food stuffs.

All these aforementioned functions of the Ministry led to the protection of consumers of the country.

In addition to this the Ministry also receives the public grievances and complaints, and redresses their grievances periodically.

A return of complaints regarding public grievances received and disposed off is submitted to the Department of Personel and Training
for the half year ending 31st March by 15th May and 30th September, by 15th November. In this manner the redressal of complaints are monitored.

During the VIIth Five Year Plan the Government of India restructured the earlier Twenty – Point – Economic Programmedealt with or concerned with Consumer Protection in the country and focused on

(i) bringing essential consumption goods within easy reach of the poor.

(ii) Build a consumer protection movement

(iii) Restructure the distribution system so that subsidies could reach the most needy and

(iv) Strengthen the Public Distribution System.

In the VIIth Plan it was accepted that the voluntary agencies can play a vital role in accelerating the process of social and economic development. Moreover, some voluntary agencies have developed expertise and competence in many non-traditional areas to plan their own schemes in certain areas of social and rural development. Hence voluntary agencies were also actively involved in achieving Government’s dream of social welfare and upliftment of the downtrodden which certainly leads to protection of consumers.
3.4.6. Consumer Protection in 1990s:

In India the rising trend of inflation continued till 1989-90 and accelerated in the year 1990-91 especially due to the Gulf crisis. The rate of inflation on a point to point basis reached a top high rate of 12.1% by the end of Financial Year 1990-91. The major concern about inflation in the fiscal year 1990-91 was the rise in the prices of essential commodities such as Food grains, Pulses, Fruits & Vegetables, Condiments, Spices and edible oil.

During the year 1991 several steps and policy decisions were taken to promote consumer protection in the country such as, the Ministry was renamed as “The Ministry of Civil Supplies, Consumer Affairs and Public Distribution”, with specific focus on the consumer cause. Moreover the Public Distribution System was revamped, ordinance was issued to streamline the functions of redressal agencies under the Consumer Protection Act 1986. A Journal devoted to consumer protection named “UPBHOKTA JAGRAN” published in Hindi, English. During this year 28 state commissions and 360 District Forums started functioning for the consumer grievance redressal.
3.4.7. Revamping of PDS:
The then Prime Minister launched a scheme for revitalisation of the Public Distribution System in deserts, drought prone, tribal and the hilly areas to reach the poorest which aims at opening 11,000 additional Fair Price Shops, create additional storage capacity of 3 lakh M.T. of Food Grains, issue of 24 lakh additional ration cards and cover 16 crore people under the scheme, to set up vigilance committees of the beneficiaries themselves to supervise implementation of the said scheme, to ensure doorstep delivery to the fair price shops and to distribute additional commodities such as salt, tea, pulses and soap to the downtroddens. The Revamped Public Distribution System (RPDS) operated in 1775 blocks.

3.4.8 Consumers Exploitation in India
Incidences of consumer exploitations are not difficult to trace because Indian Consumer movement is not that powerful and the consumers are exploited in many ways –

(i) The consumers are sold goods that fall short of their weight (ii) They are supplied commodities and materials of sub standard quality: It is found that out of three edible oils one is found adulterated take fabrics are being manufactured on 8,00,000 power looms,
adulterated cement is being down houses, A sample study reveals that 50 percent of vegetables were continued with pesticides. It is estimated\textsuperscript{42} that the Indian Consumer is cheated to the tune of Rs.1600 crores a year through deceptive or defective weights and measures. (iii) Several cases have been found of mixing hazardous materials in products which may be harmful to mankind and at times the consumers become victims of serious diseases; (iv) Advertisements: Sometimes consumers are misguided and tortured through repeated advertisements containing false information and claims, many times it is observed that important information regarding the price, usefulness, durability and precautions and maintenance etc. of a product are not found in the advertisements and advertisements merely become merely a play of words. (v) Artificial scarcity of goods is created especially of essential commodities by hoarding and black-marketing them to earn an illegitimate high profit. (vi) We find that there is lack of after-sales service and several times the dealers/agents etc. are not cooperative to the consumers for after sales service. (vii) Improper or rude behaviour of sellers of especially at rationing shop for the sale
of essential goods at Government controlled prices. (viii) Monopolistic, Restrictive and unfair Trade Practices in the country:
There are 30,000\textsuperscript{43} drug formulations in the market through on 116 are declared to be essential by the Hathi Committee which means many unnecessary drugs are made available in the market, and prescribed and consumed.

3.4.9 Causes of Consumer Exploitation in India
There are several cases of consumer exploitation in the country. Some of the cases are interrelated, several aspects such as economic, legal, social, psychological and circumstantial prevailing in the state from time to time.

Socio Economic Factors

(i) Illiteracy: This is one of the major causes of consumer exploitation. Due to illiteracy, people are underconfident and they do not enjoy a commanding position in the society. Hence they are exploited by others including traders and manufacturers.

(ii) Poverty: Poverty may be an outcome of several causes such as lack of skill, knowledge, education etc., Hence the prospects of getting employment become limited more over
due to lack of assets will not help him generate income. As a result such person's income is very low who are victims of exploitation ever as consumer.

Sellers' Market: India is a largest populated country in the world. It is a poor country where population increases continuously. As a result of the same there is a growing market of essential commodities and other consumer products. On the other hand, the production and supply of food crops and other essential products is comparatively less than the demand and hence scarcity condition prevails and at times artificial scarcity is also created by the hoarders and black marketers to enjoy a better grip and bargaining capacity in the market compared to the consumer 'who has not to reason why ? but to go and buy'.

The unequal distribution of wealth of the nation: Year after year has widened the gap between the rich and the poor and as a consequence the rich has become richer and the poor has become poorer. The have-nots are exploited by the haves.
(v) Inflationary Pressures: The inflationary processes have resulted into the continuous rise in prices of all goods and services which has hit the poor and the lower middle class miserably.

(vi) Natural calamities and cyclical fluctuations: (including certain situational factors): India is an agricultural country. The country depends on monsoon a highly uncertain and uncontrollable factor. Natural factors such as rainfall and famines in various areas, floods and famines etc., other cyclical fluctuations in the economy and certain situational factors like Foreign invasion, internal disturbances etc. may create several economic problems headings towards consumer exploitation.

(vii) Inherent weak economic condition of the nation has lead to the decline in the purchasing power of the people in the country affects all citizens who are all consumers as well.

2nd Legal Aspects/Factors:
Looking to the miserable plight of consumers in India we are convinced that the legal framework and the judiciary has failed to give a fair deal to the consumers. The following are some of the
causes of consumer exploitation in legal areas. In chapter........ This is discussed at length.

(i) Consumer legislations C.P. Framework is not sufficient: The present consumer legislation framework is not adequate and efficient. There are several areas where laws are still not framed, many laws and enactments require deep review. Amendments and its even strict enforcement are hard to find, several loopholes in the provisions of the laws have proved to be an obstacle in providing justice to the consumers.

(ii) Overburdened Judiciary System: Complicated and time consuming: The judiciary system takes lot of time as there are thousands of new cases filed every year. While each suit takes several years of it's settlements and thereafter if any of the parties is not satisfied he exercises his right to appeal in the higher court, the number of courts and the staff is limited compared to this huge task, the laws are also not simple to understand even for a so called highly educated person in other than the law field. These aspects have made the plight of consumers miserable and simultaneously has
created heavenly condition for the traders and manufacturers actively involved in consumer exploitation.

(iii) Lack of awareness about C.P.Laws legal protection available to the consumer:

If ignorance of law is not considered as an excuse, it is highly advisable to educate people about various laws and legal knowledge. Large number of consumers are not aware of the legal protection available to them, they do not know about the appropriate authorities to be contacted while they are exploited. Moreover they have lost faith in the Government machinery, availing legal protection is very costly and time consuming, the delay in the process of getting justice looses the very purpose of justice. It is rightly said "Justice delayed is justice denied". Moreover those who pursue the legal action might be tired on the halfway and would not like to repeat the same process next time when he is exploited hence the very purpose of having the legal framework is lost.

Social Aspect: Consumer Movement:
The consumers in the society are quite unaware of their exploitation and rights. Some of them who are aware of their exploitation and rights have become disheartened and are sure that nothing can be done to improve the situation for the larger interest of consumers in this country and as a result, the consumer have not organised themselves, formed associations and ultimately we see that the consumer movement is still in its' early infancy.

We find that less consumer unions are formed and managed effectively while on the other hand there is an ocean of consumer problems.

We find that there is a lack of coordination and an absence of well designed consumer protection programme depending upon the importance of the problems a priority basis. Moreover it is also observed that the active participation of consumers themselves in the activities and programmes in consumer organisation is not to be seen.

The consumers in India has not visualised their power as consumers, they are unaware of the strength of consumer's due to which in the western developed societies miraculous results have been achieved.
Due to the aforementioned condition we find that there is no concept of 'democracy' public accountability in the Indian Society.

The need structure and the life style pattern is changing from need based simplicity to the papoose luxurious society.

In order the reach the high economic goals and to achieve higher quality of life, some consumers are ready to be exploited. The consumers have lost hopes in the Government machinery and there is an overall deterioration in the ethical values in the society instead of challenging the corruption, manipulation, malpractices and exploitative techniques the society has accepted certain amount of corruption and malpractices. They have been accepted as an order to the day.

There is less concern for the values and ethics in life by the social pressure on the Government and business is lacking to an intolerable extent.

It is the united voice supported by co-ordinated and well designed action plan with an honest-deep involvement and dedication by the consumer leaders which can go a longway in promoting the interest of the consumers.
To achieve the above goal we need to teach and train the society including kids never to tolerate any kind of exploitation.

Psychological causes of consumer Protection:
The Indian society is made of poor people mainly. Even the middle class both lower and higher middle-class are oppressed. Their most of the time, energy and talents are spent on the struggle for survival. This is not so in developed countries. The resources are less, employment opportunities and level of income is highly limited. They have become psychologically depressed, suppressed and have become highly tolerant and feel helplessness. The society has lost the boldness to fight against exploitation. Even in the society Darwinism prevails, i.e. 'social darwinism' – A principle of 'Survival of the fittest'. The weak whether economically, politically, psychologically or physically cannot survive at all. While the strong will survive and at times survive at the cost of the weak. Hence in order to make a strong and result oriented consumer movement it is badly needed that the consumers must be strong psychologically, politically and economically as well to achieve the goal.
Market Causes:

Consumers are exploited because several products of highly complex ingredients and technicalities have entered the market. Advertising campaigns torture the consumers and psychological appeals such as instinctive appeals and emotional touches have guided or misguided the consumers to buy the product and these factors have played dominating role in changing the rational purchase priorities into irrational priorities in purchasing.

Even the monopolistic. Unfair and Restrictive trade practices has crossed its limits to exploit the consumers. The trade and commerce associations and federation fixes high prices and those illegitimate high prices are paid by the consumers in absence of a right competitive alternative. Lack of control and dedicated efforts on the part of Government has encouraged such practices.

We need to have the society which is fearless, strong and united dedicated/committed to the principles of honesty and high values ideals in the life and then by a small step can be taken in this himalayan task of changing the social setup to make a better future for the present and the coming generations in this society.
3.4.10 Additional efforts by the Government in Consumer Protection:

The Ministry has taken number of measures to promote a strong consumer movement in the country through various legislations and their amendments and empower the consumers and registered consumer organisations to file complaints in the court; National Awards, for consumer Organisations and youth are also instituted financial grants are provided to the consumer organisations; audio-visual material are prepared, printed material are distributed free of cost for consumer awakening.

Consumer welfare fund\(^44\) is created by the Ministry of Finance, Department of Revenue has got passed the central excise and customs laws (Amendment) Act 1991. Wherein the amount of excess excise/custom duties which are not refundable to the manufacturer or importer shall be credited to the welfare fund and the amount will be utilised for the welfare of the consumers. So far more than Rs. 7 crores (as per India 1994) have been credited to the fund.

The Ministry instituted two National Awards\(^45\) viz. "National Award on Consumer Protection" and "National Youth Award on Consumer Protection" which are given every year. In 1993-94 the Ministry also
started a new award scheme for women for outstanding contribution in the field of consumer protection.

3.4.11 Role of Mass Media under Government: Doordarshan and All India Radio.

Doordarshan and All India Radio have designed their own standards for acceptance of advertisement in public interest at large and consumer interest in particular. As the reach and effectiveness of these media is very high most advertisers would not like themselves to be prevented from using these media and hence they have accepted these standards. Doordarshan also stands by the decisions of Consumer Complaints Committee (CCC)\(^{46}\) of Advertising Standards Council of India (ASCI) in preventing misleading and deceptive advertising and thereby promote consumer protection. The above government media also prepare and broadcast/telecast serials and programmes on the themes of consumer protection.

3.5 Response of Business Community to Consumer Protection

The business houses have also started thinking of protecting consumer interest.

3.5.1 Contribution of Council for fair Business Practice.
The Council For The Fair Business Practices (CFBP) was established by some progressive minded industrialists like Mr. Ramkrishna Bajaj in October 1966 with 53 members. These members faced lots of criticism from the business community in the beginning. The CFBP voluntarily adopted its own code of conduct for its members (i) to charge only fair and reasonable price. (ii) To take every possible step to ensure that the agents or dealers appointed do not change prices higher then fixed. (iii) in times of scarcity, not to withhold or suppress stocks of goods with a view to hoarding or profiteering. (iv) to maintain accuracy in weights and measures (v) not to trade in superiors or substandard goods and (vi) not to publish misleading advertisements (vii) not to deal knowingly in smuggled goods.

CFBP also drafted a model warranty for adoption by businessmen which includes, "The company warrants to repair or replace any defective part or parts without charge during the warranty period provided defects do not arise due to usage inconsistent with the instructions provided in the manual".

...
By the end of 1979, it had only 745 members from the business community, of which 228 were associations such as various chambers of commerce and industry.

As membership to CFBP was voluntary only a few businessmen became members as evident from the above data but CFBP initiative in promoting fair business practices by business showed a new direction of thinking and action.

Gradually CFBP instead of working as a local body in Bombay and around become a national body. It had planned to declare 1989-90 as the year of the consumer and had decided to work with different organisations representing various consumer interest but in fact it could work with mainly Bombay based organisations only.

CFBP also started the "Consumer Affairs Cells" (CACs) to establish high standards of consumer satisfaction and consumer relations as a positive response to the consumer movement.

CFBP though initiated in the early 1980s, even by the end of 1990 only 47 business houses and about the same no. of associations started their (CACs).
3.5.2 Advertising Standards council of India (ASCI)

Inspite of lot of awakening and efforts to promote consumer interest by the consumer organisatios and business community, the true justice and fair deal was not granted to the consumers.

CFBP and other associations organised several seminars on “the law and the Consumer”, “Consumer Protection”. It was felt by almost every section of the society that in addition to all efforts to protect consumers a code of ethics/conduct was necessary for advertising.

Jajie Mandana\(^51\) states in her book “The Indian Market Place”. “It was necessary to draw up a code whereby our advertising business can restrict itself to factual and informative advertisements that can be truly legal, decent, honest and truthful”.

Inspite of all workshops\(^52\) seminars and committees appointed and even efforts of advertising club of Bombay in Coordination with the International Advertising Association (IAA) in 1982 nothing really materialised But it was at the instance of the action by some active and result oriented consumer organisations such VOICE and IFCO in Delhi and CERC in Ahmedabad who took some business organisations to the MRTP commission for their false and misleading advertisements and unfair trade practices that a code was finally
introduced in a case against ITC Ltd. a multinational giant, by the voluntary organisation in the interest of consumer education (VOICE) and the Indian Federation of consumer organisations (IFCO) complained that the company had indulged in unfair trade practice by advertising their product having a statement "Made for each other" in 1984 was not only misleading in addition a product is harmful. While Consumer Education and Research Centre (CERC) of Ahmedabad filed a complain against the "Sheri Louise Slimming Centres" before the MRTP Commission of stating their certain statements about weight loss and the accompanying improvements in health were misleading and created a false impression. Both the orders were passed in favour of the complainants by the MRTP Commission and the respondents were ordered not to publish such harmful or misleading advertisements. Thus it was realised by the advertising professionals that consumers are losing faith in claims made in advertisements and the consumer bodies have became alert on this aspect also which inspired 43 persons in professions and industries connected with advertising to get together to incorporate Advertising standards council of India.
To ensure that the code is observed in its true sense the ASCI has set up consumer complaints council (CCC) made up of 14 members of different disciplines representing different groups including professional, consumer representatives, women's representative etc. In 1990-91 CCC met 14 times examined 283 complaints of which 104 complaints were upheld by CCC. The membership strength increased from 43 in 1985 to 196 in 1990-91. The members respect the ASCI directive from time to time.

3.5.3 Federations of Indian Chamber of Commerce And Industry (FICCI)

The Federation of Indian Chamber of Commerce and Industry set up its norms of Business Ethics round about January 1985. Its norms worked as a measure of self regulation for its members. The business norms were to ensure quality and safety of its product and adhere to specified standards; accuracy in weights and measures, to avoid hoarding and artificially creating a shortage; to avoid knowingly dealing in smuggled or spurious goods, not to publish misleading advertisements; and to give good service such as after sales services, or to attend to consumer complaints or warranty based on adequate data or tests.
The FICCI representative informed at the first meeting of Central Consumer Protection Council held by the Government of India in September 1987 that, "38 Chambers and 14 Associated Chambers (of the FICCI) had set up consumer grievance Cells.

3.5.4 The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

By the end of eighties, ASSOCHAM an apex body of industrial representative associations and traders set up an “Expert Committee on Consumer Affairs" to promote consumer awareness amongst business houses and also to educate consumers about their rights and responsibilities.

ASSOCHAM also set up its commerce Affairs Committee which as they claim has done considerable amount of work for consumer awareness among its members and also educated consumers as well through seminars, workshops, discussions etc.

The ASSOCHAM provides the consumers one more opportunity to consumers to first redress their grievances through its, “Consumers Affairs Committee” (CAC) before the matter is taken up under Consumer Protection Act or MRTP Act.
3.6 The Role of Consumer Organisations in Consumer Movement:

Here a brief profile of few outstanding consumer organisations is given. Some organisations of Gujarat are working so effectively but even then they are not discussed here but the profile is given in the Chapter - 5 on Evolution and Growth of Consumer Protection in Gujarat.

3.6.1 CGSI – Bombay

1. The Consumer Guidance Society of India in Bombay was established in 1964 by a few enlightened ladies. It publishes a newsletter “keemat” through which it educates, guides the consumers. In 1973 it conducted a poster campaign exhorting housewives to restrict their purchases of sugar to their rationed quota only and thus to discourage black marketing. The society earned lots of praise while they guided the consumers regarding the hygienic effects of adulterated food stuffs.

The society sponsored the First All India Conference on Consumer Protection in May 1972 with the help of International Consumer's Union. In 1971, Indian Consumer’s Union (ICU) of Delhi was
registered and worked against the price rise of essential commodities. The unprecedented price rise gave birth to the movement called Price Rise Resistance Movement (PRRM) by housewives in Bombay. Such ad-hoc associations were also formed in Bombay, Poona, Nagpur, Bhopal, Bangalore, Madras and Gujarat in 1974. The militant action plans were executed by these associations as Gheraos of Ministers, stockists, or wholesalers etc.

3.6.2 Karnataka Consumer Service Society (KCSS)

KCSS was established in 1970. The KCSS was created by 10 housewives who attended a programme on consumer information conducted by the Leslie Shawhrey Programme of Training for Democracy. KCSS is a Bangalore based organisation. It organised the 2nd All India Consumer Conference (1974). The Asian seminar on consumer education in schools (1976) Even the Prime Minister Mrs. Indira Gandhi noticed the efforts of KCSS and nominated Mrs. Mandana of KCSS to the Karnataka legislative council in 1966. Due to the efforts and influence of KCSS, the Karnataka Consumer Protection Board under 100 % Government subvention in 1980, CGSI was also represented on prevention of food and Drug Adulteration
Committee and also holds Directorship in Karnataka Food and Civil Supplies Corporation.

3.6.3 Akhil Bhartiya Grahak Panchayat (ABGP)

ABGP was established in Poona in 1974. ABGP during on Diwali Season it bought in wholesale quality a particular quality of sarees and sold them at much lower prices than the traders. Diwali is an occasion of buying for the consumers and a season of earning for the merchants but that diwali the merchants could not make more money.

In another novel scheme was started of having “Grahak sangh” a group of about eleven families of the neighbourhood. One member used to buy the day to day household requirements for all the families and all the members used to collect their requirements at evening meeting held at someones residence.

In this way the members could meet and interact on the light of consumers and get the household requirements at reasonable price.
3.6.4 The Voluntary Organisation in the Interest of Consumer Education (VOICE)

VOICE was established in 1984 by the young students and teachers of the Delhi University. They could not tolerate consumer exploitations and took up protest against several companies one by one for their unfair trade practices. They publish a newsletter – “VOICE” published lots of facts about consumer exploitation, took up the cases to the Governments, Parliamentarians and even court of law.

In their battle against TV manufacturers the outcome was that 44 leading Indian TV companies were prosecuted. They won the case in Supreme Court against Maruti Udyog Ltd. Against out of turn allotment of cars to VIPs. The “VOICE” deserves the credit of being successful in executing India’s first project on comparative testing of all leading brands of colour Television (CTV) for providing information to consumers in a book form, titled “Consumers Buying Guide to CTVs”.

3.6.5 I.O.C.U.

International Organisation of Consumer’s Union (IOCU) is a federation of consumer organisation rendering to the cause of
protection and promotion of consumer rights world wide. Several Indian consumer organisations are members of IOCU and there by keeping themselves in close contact with the global developments in consumer movement.

The confederation of Indian consumer organisation (CICO) was formed in February 1991. The primary goal of CICO should be to facilitate the formation of state level federation of consumer organisation. CICO has its one Bureau in Delhi and has suggested to the member organisation.

3.7 Recent developments in Consumer Protection:

3.7.1 New Department of Consumer Affairs

The former Ministry of Civil Supplies, consumer affairs and public distribution has been now changed to "Ministry of Food and Consumer Affairs". This new Ministry is comprised of 3 departments namely:

i) Department of Consumer affairs.

ii) Department of food and civil supplies.

iii) Department of sugar and edible oils.
The scope of department of consumer affairs is mentioned in the appendix.

3.7.2 Consumer Information Centres : (CIC)

The idea of Consumer Information Centres originated from consumer Protection Act, 1986. The Act provides certain rights to the consumers. One of them being "Right to be informed". Department of consumer affairs to ensure accessibility of informationm to consumers. The department proposes to set at least one consumer information Centre in every district throughout the country Important cities may have more than one centres also. The centres may have a linkage with National Informatic centre (NIC) NIC would provide books posters, pamphlets, video films etc on consumer protection and awareness. It is also proposed to provide financial assistance to these centres from the Consumer Welfare Fund (CWF).

Consumer organisation or other voluntary organisations may be selected as CIC.
As on 1st April, 1998 the standing Committee of the "Consumer Welfare Fund" Rules (CWFR) had approved 344 proposal involving an assistance of Rs.2.83 crore.

3.7.3. Review of Legislations:

The laws should be periodically reviewed in order to make them effective and purposeful. The department of Consumer Affairs has constituted an Expert Group under the Chairmanship of Secretary, Department of Consumer Affairs to review the legislation within the per view of the department. (The details are mentioned in the appendix at the end of the chapter.)

3.7.4 Quality and Consumer Protection:

During the year 1997-98 standards were formulated by Bureau of Indian Standards (BIS) with the help of over 26000 technical experts as members of the technical committee. Presently more than 17,113 Indian Standards are available covering important segments of the economy. Moreover BIS has harmonised over 3309 Indian standard with International
Standards and standards of European Union to give a boost to India’s export to European and global market.

3.7.5 BIS Quality System Certification:

Scheme based on International standards of quality Management (ISQ 90000 standards) has 354 operative licences as on 1st March 1998. The scheme has received accreditation from the Road Voor Accreditatie (RVA) of Netherlands. An international Accreditation Body of Repute. The boundaries of consumer protection concept have expanded and the society has become concerned for green environment and hence BIS has adopted the ISO standards for Environment management system (ISO 1400 series) and launched EMS certification. In 1991 the Rajiv Gandhi National quality award was instituted in 1991 to promote Quality Standards among the manufacturers. BIS has also thought of establishing a training institute for training in the fields of standardisation Quality system. Total Quality Management (TQM) Statistical Quality Control (SQC).

3.7.6 Citizens charter: With the development of consumer protection movement it has been realised and accepted in the
society that the citizens are also the consumers of the services of government and public sector units.

3.8 Conclusion:
On the completion of fifty years of India's Independence the country has undergone several challenges. Its population has risen from 361 million in 1950-51 to 941 million in 1996-97 and achieved self-reliance in essential commodities, food grains, development of industries and overall economy. Its production of food grains from 51 million tons in 1950-51 has gone up to 210 million tonnes in 1996-97. In industrial production, production of fertilizer, infrastructure facilities etc are also increasing. In the last four decades according to the data mentioned in Appendix, it can be observed that percentage of working population, percentage in literacy rate, National Income, per capita income etc. have consistently increased.

On the other hand, educational and awareness as consumers, awareness about health and hygiene have gradually increased. If we consider the plight of the consumers from the tables shown in Appendix number of consumer groups in the year 1946-1950 was
only one whereas in the year 1991 onwards there were 268 consumer groups.
Over these years activities of consumer groups have also increased and the annual expenditure of consumer groups has also gone up. Consumer organisations have created funds through various sources such as membership fees, grades from state and/or central government, donations, sale of literature/subscription, of consumer magazines, financial aids from Foreign sources, services charges etc.

In 1990s, the scenario of Consumer protection in India is highly encouraging as compared to earlier years. Greater consumer awakening is observed which is mainly due to the consistent efforts by the consumer activists, consumer interest groups. Positive response by the Government Authorities and the corporate houses to consumer movement.

The enactment, implementation, enforcement and amendments from time to time of the consumer time protection Act 1986 and other Acts Protecting consumers have also contributed to a great extent for the case of consumers.
This is not all. The consumers in the rural and distant parts of the country will have to be educated about their rights as consumers. More and more projects are required to be undertaken for the poorest of the poor who needs support the most for their physical, psychological and economic upliftment in the true sense.
3.9 Reference:

2. ibid 181
5. op.cit.p 36
6. op.cit.p 38
7. op.cit.p.38
8. Mahabharat Shantiparva
10. Mahabharat Shantiparva Part – VI PP. 128-129
11. R.Shamashastry Kaurtacaya Arthashtra P.104
12. op.cit.P.205
13. op.cit. P.207
14. op.cit. P.207
15. op.cit. P.212
16. op.cit. P.212
18. op.cit.P.120
22. op.cit. P.170
23. op.cit. P.171
24. op.cit. P.172
25. op.cit P.174
26. op.cit. P.175, 176


30. Munshi M.C., Consumerism, Leslie Sawhny Programe of Training for Democracy, No. 20 P.25


32. Ibid P.3


34. “BIS in service of the common consumers”, a leaflet pub.by Bureau of Indian Standards.


45. op.cit. P.486


47. op.cit. P.10


49. ibid P.12

50. ibid P.13

51. Mandana Jajie, The Indian Market Place, op.cit. P. 5


53. Compilation of minutes of Meetings of Central Consumer Protection Council, Govt.of India, Min.of Law Food and Civil Supplies, The Lig. 1989 P.3.


Annexture 3.1

The department of Consumer Affairs looks after the following functions:

1) Internal trade
2) Inter state Trade: The spirituous Preparations (Inter state trade and commerce) Control Act, 1955 (39 of 1955)
3) Control of future trading: The forward contracts (regulation) Act, 1952 (74 of 1952)
4) The essential commodities Act 1955 (10 of 1955) (Supply, price and Distribution of essential commodities not dealt with specifically by any other ministry/department)
6) Regulation of packaged commodities.
7) Training in legal metrology.

11) All attached or subordinate offices or other organisations concerned with any of the subject specified in this list, including the forward markets commission, Bombay.

12) Consumer cooperatives.

13) Monitoring of prices and availability of essential commodities.


SOURCE: UPBHOKATA JAGARAN Published by Min. of Consumer Affairs Sept. 97, PP 24-25.
CODE OF CONDUCT FOR CONSUMER ORGANISATIONS

The Government of India in the Ministry of Civil Supplies, Consumer Affairs and Public Distribution has accepted the report of the Working Group appointed on the recommendation of the Central Consumer Protection Council to suggest a "Code of Conduct for Voluntary Consumer Organisations". The Ministry in a circular letter dated 12 December 1995 addressed to the Presidents of all voluntary consumer organisations in State/UTs has requested that organisations adopt the code of conduct and keep the Ministry informed about its implementation.

Summary of the Report

A summary of the Report of the working group is given below. The working group had its first meeting on 24 March'94.

1. It should be a voluntary organisation working exclusively for promotion of consumers interest.

2. It should have well defined objectives and areas of operation for protection of Consumers interests. Its name should be indicative of its area of operation. Its name should not contain terms "Council", "Forum" or "Commission".
3. It should be non-political, non-official, non-commercial and be managed by a non-proprietary management without any Government control.

4. It should have a legal status pertaining the entrustment of public funds. For this purpose it should be registered under the Indian Companies Act or the Indian Trust Act or the Societies Registration Act of the State concerned or any other law for the time being in force.

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

6. Its statement of accounts should be audited regularly by a Chartered Accountant.

7. No office bearer of the organisation should have been convicted by a Court on grounds of moral turpitude or declared insolvent or insane. No office bearer of the organisation should be an office bearer of a political party/trade/business/industry/association at any level.

8. Women should be given importance in the affairs of the organisation.
9. The organisation may collect reasonable contribution towards the cost of service rendered from the respective consumer. No fee or charge however should be collected for rendering service.

10. The organisation shall maintain a Bank account in the name of the organisation and not of any individual (whether by name or designation) with a Scheduled or Co-operative Bank or Post Office.

11. The organisation or its office bearers should not indulge in filing vexatious or frivolous complaints.

12. The organisations shallnot act or issue statemetns or enter into any agreements or tie up with business/industry/private interests in a manner affecting the consumer interest.

13. The organisation shall not collect any money from business houses or industry either by way of donations or advertisement charges.

14. The organisations shall not deny any facility available with it to any other recognised consumer organisation for bonafide use on payment of prescribed charges.

SOURCE : Consumer Law and Affairs, New Delhi.
Table 1: Total Number of consumer groups in the states and Union Territories.

<table>
<thead>
<tr>
<th>States/Union Territories</th>
<th>Total No. of Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andaman and Nicobar</td>
<td>004</td>
</tr>
<tr>
<td>Andhra Pradesh</td>
<td>180</td>
</tr>
<tr>
<td>Assam</td>
<td>003</td>
</tr>
<tr>
<td>Bihar</td>
<td>033</td>
</tr>
<tr>
<td>Chandigarh</td>
<td>004</td>
</tr>
<tr>
<td>Goa</td>
<td>003</td>
</tr>
<tr>
<td>Gujarat</td>
<td>079</td>
</tr>
<tr>
<td>Haryana</td>
<td>005</td>
</tr>
<tr>
<td>Himachal Pradesh</td>
<td>002</td>
</tr>
<tr>
<td>Jammu and Kashmir</td>
<td>003</td>
</tr>
<tr>
<td>Karnataka</td>
<td>055</td>
</tr>
<tr>
<td>Kerala</td>
<td>037</td>
</tr>
<tr>
<td>Madhya Pradesh</td>
<td>007</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>035</td>
</tr>
<tr>
<td>Manipur</td>
<td>002</td>
</tr>
<tr>
<td>Mizoram</td>
<td>002</td>
</tr>
<tr>
<td>New Delhi</td>
<td>035</td>
</tr>
<tr>
<td>State</td>
<td>Code</td>
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<td>---------------</td>
<td>------</td>
</tr>
<tr>
<td>Orissa</td>
<td>030</td>
</tr>
<tr>
<td>Pondicherry</td>
<td>013</td>
</tr>
<tr>
<td>Punjab</td>
<td>010</td>
</tr>
<tr>
<td>Rajasthan</td>
<td>040</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>068</td>
</tr>
<tr>
<td>Tripura</td>
<td>002</td>
</tr>
<tr>
<td>Uttar Pradesh</td>
<td>028</td>
</tr>
<tr>
<td>West Bengal</td>
<td>004</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>684</strong></td>
</tr>
</tbody>
</table>

Source: A directory of Voluntary consumer organization in India

Pub. by CERC A’bad Oct.93
Table 2: Distribution of Consumer Groups according to size of city/town.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Category</th>
<th>No. of Groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Metropolitan cities</td>
<td>68</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Bombay, Calcutta, Delhi, Madras</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Larger Cities</td>
<td>135</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Ahmedabad, Bangalore, Hyderabad</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pune, Chandigarh, Lucknow,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pondicherry, Kanpur, Allahabad</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Dehradun, Agra, Jaipur, Udaipur</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cochin, Trivandrum, Indore, Mysore, Bhopal, Aizawal, Agartala, Imphal, Coimbatore.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Smaller Cities &amp; Towns</td>
<td>481</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>Baroda, Hubli, Vishkapatnam,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mangalore, Port Blair, Nasik,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cuttack, Ajmer, Thanjuvar,</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Kodinar, Mahuda, Dandeli,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ratlam, Hapur and similar</td>
<td>Other cities &amp; towns.</td>
<td>Total</td>
<td>684</td>
</tr>
</tbody>
</table>

Source: A directory of Voluntary consumer organisation in India

Pub. by CERC A'bad Oct. 93
Table 3: Distribution of consumer groups according to Year of establishment

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1911-1915</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>1916-1920</td>
<td>-</td>
<td>-</td>
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<tr>
<td>1921-1945</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>1946-1950</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>1951-1955</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1956-1960</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1961-1965</td>
<td>1</td>
<td>0.4</td>
</tr>
<tr>
<td>1966-1970</td>
<td>5</td>
<td>2.0</td>
</tr>
<tr>
<td>1971-1975</td>
<td>14</td>
<td>5.5</td>
</tr>
<tr>
<td>1976-1980</td>
<td>32</td>
<td>12.6</td>
</tr>
<tr>
<td>1981-1985</td>
<td>72</td>
<td>28.5</td>
</tr>
<tr>
<td>1986-1990</td>
<td>112</td>
<td>44.3</td>
</tr>
<tr>
<td>1991 onwards</td>
<td>15</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>254</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: A directory of Voluntary consumer organisation in India
Pub. by CERC A'bad Oct. 93
### Table 4: Distribution of Consumer Groups According to Annual Budget/Expenditure

<table>
<thead>
<tr>
<th>Sr.No</th>
<th>Category (Rs.)</th>
<th>No.of Groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Above-Upto</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>50 - 10,000</td>
<td>84</td>
<td>46.9</td>
</tr>
<tr>
<td>2.</td>
<td>10,000 - 20,000</td>
<td>17</td>
<td>9.5</td>
</tr>
<tr>
<td>3.</td>
<td>20,000 - 30,000</td>
<td>23</td>
<td>12.8</td>
</tr>
<tr>
<td>4.</td>
<td>30,000 - 40,000</td>
<td>7</td>
<td>3.9</td>
</tr>
<tr>
<td>5.</td>
<td>40,000 - 50,000</td>
<td>9</td>
<td>5.0</td>
</tr>
<tr>
<td>6.</td>
<td>50,000 - 100,000</td>
<td>22</td>
<td>12.4</td>
</tr>
<tr>
<td>7.</td>
<td>100,000 - 200,000</td>
<td>6</td>
<td>3.3</td>
</tr>
<tr>
<td>8.</td>
<td>200,000 - 300,000</td>
<td>6</td>
<td>3.3</td>
</tr>
<tr>
<td>9.</td>
<td>300,000 - 500,000</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>10.</td>
<td>500,000 - 1,000,000</td>
<td>2</td>
<td>1.1</td>
</tr>
<tr>
<td>11.</td>
<td>1,000,000 - 2,500,000</td>
<td>1</td>
<td>0.6</td>
</tr>
<tr>
<td>12.</td>
<td>2,500,000 - 10,000,000</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>13.</td>
<td>Above 10,000,000</td>
<td>1</td>
<td>0.6</td>
</tr>
</tbody>
</table>

**Total**: 179 (100.00%)

Source: A directory of Voluntary consumer organisations in India

Pub. by CERC A'bad Oct.93
Statement showing Budgetwise classification of consumer groups

Groups falling in the category of:

Above Rs.1,00,000 - upto Rs.5,00,000

1. Krishna Zilla Viniyogadarula Council, Andhra Pradesh,
2. Jharia Nagrik Sangh, Bihar
5. Grahakhit Suraksha Mandal, Gujarat.
8. Kerala State Consumers’ Co-ordination Committee, Kerala
11. Rajasthan Mahila Kalyan Mandal, Rajasthan.
13. Federation of Consumer Organisations, Tamilnadu (FEDCOT)
Above Rs.5,00,000 – upto Rs.10,00,000
1. Consumer Education and Research Society (CERS), Gujarat.
2. Guajrat State Consumers Protection centre, Gujarat

Above Rs.10,00,000 – upto Rs. 25,00,000
1. Testing Organisation for Research in Chemical and Health Hazards (TORCH), Gujarat.

Above Rs.1,00,00,000
1. Consumer Education and Research Centre (CERC), Gujarat.
Table: 5 Distribution of Consumer groups According to Source of funding

<table>
<thead>
<tr>
<th>Source of Funding</th>
<th>No.of Groups</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership fees</td>
<td>208</td>
<td>81</td>
</tr>
<tr>
<td>Grants from State and/or Central Government</td>
<td>36</td>
<td>14</td>
</tr>
<tr>
<td>Donations (individuals, Public Trusts, Interest groups)</td>
<td>220</td>
<td>85</td>
</tr>
<tr>
<td>Trade and Industry</td>
<td>19</td>
<td>7</td>
</tr>
<tr>
<td>Sale of literature/subscription</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Foreign Sources</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Service Charges</td>
<td>16</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: A directory of Voluntary consumer organization in India
Pub.by CERC A'bad Oct.93
2.1 Selected Decade Key Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Population Million</td>
<td></td>
<td>361</td>
<td>439</td>
<td>548</td>
<td>683</td>
<td>846</td>
</tr>
<tr>
<td>Working Population Percent</td>
<td></td>
<td>39</td>
<td>43</td>
<td>34</td>
<td>37</td>
<td>38</td>
</tr>
<tr>
<td>Literacy Rate Percent</td>
<td></td>
<td>18</td>
<td>28</td>
<td>34</td>
<td>44</td>
<td>52</td>
</tr>
<tr>
<td>National Income (Rs. Crore)</td>
<td></td>
<td>40,454</td>
<td>58,602</td>
<td>82,211</td>
<td>110685</td>
<td>184460</td>
</tr>
<tr>
<td>Percapita Income Rupees</td>
<td></td>
<td>1,127</td>
<td>1,350</td>
<td>1,520</td>
<td>1,630</td>
<td>2,197</td>
</tr>
<tr>
<td>Private Consumption Rupees</td>
<td></td>
<td>1,006</td>
<td>1,193</td>
<td>1,322</td>
<td>1,462</td>
<td>1,860</td>
</tr>
<tr>
<td>Gross Domestic saving</td>
<td></td>
<td>10</td>
<td>13</td>
<td>16</td>
<td>21</td>
<td>24</td>
</tr>
<tr>
<td>As percent Of GDP Percent</td>
<td></td>
<td>10</td>
<td>16</td>
<td>17</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Rate of Investment Percent</td>
<td></td>
<td>na.</td>
<td>9.4</td>
<td>12.7</td>
<td>19.7</td>
<td>26.2</td>
</tr>
<tr>
<td>Share of Public sector In GDP</td>
<td></td>
<td>56.5</td>
<td>52.1</td>
<td>45.8</td>
<td>39.6</td>
<td>33.1</td>
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<tr>
<td></td>
<td>1967-70=100</td>
<td>1970=100</td>
<td>1975=100</td>
<td>1977=100</td>
<td>1981=100</td>
<td></td>
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<tr>
<td>--------------------------------</td>
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<td>----------</td>
<td>----------</td>
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<td></td>
</tr>
<tr>
<td><strong>Index number</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of agriculture productivity</td>
<td>77.1</td>
<td>94.2</td>
<td>107.9</td>
<td>122.7</td>
<td>174.7</td>
<td></td>
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<tr>
<td>Production of food</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Grains Mn.Ton.</td>
<td>51</td>
<td>82</td>
<td>108</td>
<td>130</td>
<td>176</td>
<td></td>
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<tr>
<td>Fertiliser consumption Mn.Ton.</td>
<td>n.a.</td>
<td>0.3</td>
<td>2.2</td>
<td>5.5</td>
<td>12.5</td>
<td></td>
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<tr>
<td><strong>Index number</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Of agricultural production</td>
<td>58.5</td>
<td>86.7</td>
<td>111.5</td>
<td>135.3</td>
<td>192.2</td>
<td></td>
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<tr>
<td><strong>Index number</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Of industrial production</td>
<td>18.3</td>
<td>36.2</td>
<td>65.3</td>
<td>100.0</td>
<td>212.6</td>
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<tr>
<td>1. Cotton cloth Mn.sq.m.</td>
<td>4215</td>
<td>6378</td>
<td>7602</td>
<td>8368</td>
<td>15431</td>
<td></td>
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<tr>
<td>2. Finished steel Mn.Tonnen.</td>
<td>1.0</td>
<td>2.4</td>
<td>4.6</td>
<td>6.8</td>
<td>13.5</td>
<td></td>
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<tr>
<td>3. Machine tools Rs Million</td>
<td>3</td>
<td>8</td>
<td>430</td>
<td>1692</td>
<td>7731</td>
<td></td>
</tr>
<tr>
<td>4. Cement Mn.Tonnes</td>
<td>2.7</td>
<td>8.0</td>
<td>14.3</td>
<td>18.7</td>
<td>48.8</td>
<td></td>
</tr>
<tr>
<td>Export Rs.Crore</td>
<td>606</td>
<td>642</td>
<td>1535</td>
<td>6711</td>
<td>32553</td>
<td></td>
</tr>
<tr>
<td>Imports Rs.crores</td>
<td>608</td>
<td>1122</td>
<td>1634</td>
<td>12459</td>
<td>43198</td>
<td></td>
</tr>
<tr>
<td>Index number of wholesale sale prices</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1981-82-100)</td>
<td>17</td>
<td>20</td>
<td>35</td>
<td>91</td>
<td>183</td>
<td></td>
</tr>
</tbody>
</table>