CHAPTER 1

NATURE & SCOPE OF STUDY.
1. INTRODUCTION:

In a highly competitive economy, there is need for educating the consumers so that they get due returns from the amounts, they spend. The consumer in any country is interested in

i) Getting a fair deal in the market place in terms of price and quality;

ii) Making a wise, informed choice;

iii) Simplifying; his decision process over time by developing trust and confidence in products and marketing methods and

iv) Easy and timely availability of products and services.

It is becoming increasing difficult for the consumer to make a rational choice as he dominated by seller's advertisement strategy. Adequate information, particularly relating to products' prices and quality, should be continuously disseminated. The low level of literacy is a major constraint on consumers in this area in India. It should be realized that merely providing and disseminating information is not enough. The consumer must know how to utilize this information. Studies have revealed that the additional information is often ignored or misunderstood, especially by those who were expected to benefit most from its use, such as the poor and the disadvantaged. The consumer education movement should, therefore, teach the consumer how to seek, use and evaluate consumer information, how to do their shopping so that it ensures the best buy in relation to their resource's values and lifestyles.
RIGHTS OF CONSUMERS

The charter on consumer rights has been drawn up to enable a human being to achieve social justice and economic equality. It seeks to redress the imbalances and conflicts among the people. The charter represents not one consumer fighting for his rights against any particular state or seller but the fight of the entire world community against exploitation.

The basic rights of consumers were first recognized and defined on March 15, 1962 by John F. Kennedy, the President of the United States of America, in his special message to the Congress on consumer protection. Four basic rights such as right to safety, the right to be informed, the right to choose and the right to heard were incorporated in the UN Charter as human rights. Later the international organization of Consumers Union (IOCU) and the Confederation of Indian Consumers' Organisation (CICO) added three more rights like right to healthy environment, right to consumer education and right to redressal.

In the National Convention of CICO, held at Calcutta in 1991, a resolution was passed to press for the inclusion on another right, the right to boycott. Moreover, right to basic needs is the latest addition to the rights of consumers. These rights, declared and recognized internationally, add a new dimension to consumer protection. Each of these rights tries to widen the scope of consumer protection. The consumer rights are discussed in detail in the following paragraphs.

1. **Right to Safety**

It is a right to be protected against products, the production process and the marketing of goods and services that are hazardous to life and property. The emphasis is on consumer safety.
2. Right to be informed

It is the right to be protected against fraudulent, deceitful and misleading informative advertising, labeling or other practices and to be given the facts on which to make an informed choice.

3. Right to choose

Every buyer has the right to have access to products of varying qualities, prices, sizes and designs to choose from according to his needs and wants. This is the right to choose products and services at competitive prices with an assurance of satisfactory quality and safety.

4. Right to be Heard

This right assumes a significant place in law whenever there is a dispute against any individual in the society. This means the right to representation, so that consumer's interests receive full and sympathetic consideration against exploitative elements in the society. Whenever a seller sells goods to a buyer or whenever one renders service to another, it becomes his duty to give a patient hearing to the problems of the buyer or the receiver or the receiver of the service.

5. Right to Consumer Education.

It refers to preparing an individual to solve his problems himself. Through consumer education the consumer receives general education regarding consumer rights, law and philosophy of consumer protection.

6. Right to Redress

It is the right to be compensated for misrepresentation, shoddy goods or unsatisfactory services.
7. Right to Healthy Environment
This is the right to live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and well-being.

8. Right to Boycott
This is the right to boycott any goods or services or persons, in the event of a conflict with consumer interest.

9. Right to Basic Needs
It is the primary right of a consumer as a human being. The survival of an individual will be jeopardized if his basic needs are not met. Denial of this right results in the denial of the very essence of material life to consumers. The idea of consumerism starts from the act of consumption and the consumption priorities are meant for the fulfillment of the basic needs of an individual.

CONSUMER RESPONSIBILITIES
Consumer is not only given importance in terms of his rights but also he is expected to shoulder responsibility. Every consumer should behave in a responsible manner while exercising his rights. The following are the responsibilities of the consumer.

1. He should make a plan of purchasing any goods. He should study the price range and the quality that he is looking for and whether they are acceptable to him.

2. He should feel free to choose the product from the variety available, according to his specific needs.

3. All buying decisions should be made by the consumer himself. He should not be influenced by friends, relatives, seller, advertisement and the like. It is his own responsibility.
to make his specific needs.

4. It is the responsibility of the consumer to make all his purchases at the right place to avoid unscrupulous traders.

5. While making a purchase, he should make efforts to obtain the information about the details for the product or the service for which he is going to pay a price and for accepting service, he should read and decide on the terms and conditions as specified by the person concerned.

6. It is the responsibility of the consumer to see that he buys only quality products sold in the market. He should avoid purchasing sub-standard products.

7. It is the responsibility of every consumer to keep the receipts and other relevant documents for future reference, especially for durable goods.

8. It is equally important that the consumer should not misuse his right to exploit the seller. He should be honest in his claim such as the price he had paid, the place he had visited and the time of purchase and the quality of the product. He should make his claims within the period laid down for such complaints.

9. He should not show interest only in his claims, but also be willing to shoulder the responsibility of the claims of his fellow consumers.

10. Should not be indifferent to any malpractice on the part of the seller. He should paint out the seller's mistake at the sale-point itself.

11. He should not buy more than his requirements which will lead to "hoarding". This encourages black - marketing of goods and he becomes responsible for such malpractices. He should buy the right amount of any goods according to his immediate requirements.

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12. It is the responsibility of the consumer not to pollute his environment while disposing of waste material.

**PROBLEM DEFINITION:**

It is a mistake to think that consumer education goes against the interests of the producers. Far from that, it will preserve and promote loyalty of the consumers towards products. Case studies revealed that the charts and booklets did not only achieve a 'conversion' to the use of a particular product, but they also helped in retaining the loyalty of the user against competitive efforts. Consumerism and consumer education assume special significance for two important reasons

i) Consumer welfare is the cornerstone of business. The reason is simple viz., more satisfaction induces regular market for commodities and

ii) By promoting socially desirable consumption pattern, a country could march towards a better, highly integrated social and economic development

Convincing these aspect, it is proposed to undertake a study of the consumers to know about their awareness regarding consumer protection, right & duties. Similarly the study intends to assess consumers awareness as to various practices & happenings in the market like interest schemes, exhibitions cum sale and use of celebrities to promote a product and its impact on consumers. Hence the title of the study is “Consumer education and protection in developing regions”. A critical study of issues in the context of new economy.
4. SCOPE AND OBJECTIVES:

Consumer education should enable the buyer to purchase those goods which maximize his satisfaction with minimum cost. Therefore consumer education should deal with

i) quality;
ii) quantity/measurement;
iii) function;
iv) cost-benefits
v) comparable elements;
vi) Government Laws – Weights and Measurement Act, Act with regard to adulteration, standardisation and AGMARK, provisions of Essential Commodities Act and facilities such as food testing laboratory of the Municipal Corporations etc;

vii) Agencies (government and voluntary) offering consumer guidance and/or protection and

viii) consumer cooperative relationship.

Thus consumer education should not be understood in a narrow sense. A Dictionary of Economics and Commerce by J.L.Hanson defines consumer education in a narrow sense when it observes, “A certain amount of advertising is of an informative kind, the aim simply being to let consumers know what goods and services are available – Consumer education as it sometimes called.”

REVIEW OF RELATED STUDIES

To study the implications of different issues in the implementation of the consumer Protection act and also to identify the areas already investigated, the Researcher has referred to important studies already undertaken on consumer protection.
Arthur Best's presents the nature and scope of consumer complaints and the institutions designed to handle these complaints. He has described three stages in the consumer complaint process such as perception of the problem, voicing of the complaint and resolution of the complaint. This book contains some case studies, which demonstrate significant obstacles in the process and flaws in the institutions of business and third party assistance for obtaining proper redress.

Avtar Sings's book has examined the basic concept and definitions as used in the Act of 1986 in general terms, in the context of established legal principles. This book analyses different fields of consumer goods and services, subject-wise, depending upon the decisions delivered by the State and National Commissions. The author has discussed in detail the applicability of the Consumer Protection Act, 1986, to various services like airlines, banking, housing, insurance, post and telegraphs and telecommunications. Towards the end of the book, some practical notes have also been provided for enabling the reader's and practitioners to understand the way in which different consumer Disputes Redressed Commissions and Forums are to be approached for the purpose of filing complaints and appeals and for getting their order executed.

G. David and Epstein's book introduces the major issues in consumer law and summarizes the principles governing it. They have also discussed the rules governing consumer transactions and the policies underlying these rules.

O. P. Garg, has provided an exhaustive section wise commentary on the subject. He has explained the consumer's position under the American, British and Swedish laws. He has also dealt with the role of national and international consumer organizations in consumer protection.
S.V. Gulshan, has pointed out the position of Indian consumers and their problems. He has appraised the Consumer Protection Act and its allied Acts. The details of redressal machineries at District, state and national level form the highlights. The important decisions affecting consumers have been discussed in the book.

Gurbax Singh's book, contains an exhaustive commentary on the Consumer Protection Act, 1986 together with Central Consumer Protection Rules, 1987. Some of the leading judgments pronounced by the National Commission and various State Commissions have been printed at the end of the book and a list of appropriate consumer product testing laboratories and voluntary consumer organizations has been given in the appendices. One of the outstanding features of this book is that it contain a model form of complaint and appeal under the 1986 Act. Besides discussing the functioning of the redressal mechanism under the Act of 1986, Singh has also briefly highlighted the role of various international institutions in the area of consumer protection. He has focused attention on the role of voluntary consumer associations and social action litigation in protecting the consumer. He has observed that the new trend had already made a tremendous impact upon the emerging concept of consumerism throughout the country and the chances of obtaining consumer justice today are much more than they existed a decade or two ago.

Gurjeet Singh, has discussed the historical perceptive of the problem of consumer protection in India. He has highlighted the role of

the central and State Consumer Protection Councils established under the Act and some of the controversies arising out of the judicial decision on issues like commercial purpose, service rendered from of charge and services rendered under the contract of
personal services. He has examined the functions of redressal mechanism envisaged and he highlights the problems associated with the establishment of consumer forum throughout the country. He has also focused on several new developments and emerging trends in the Indian Consumer Protection Jurisprudence. He has emphasized the role of non-legal measures for consumer protection such as consumer education, consumer representation, lobbying, consumer boycotts and international co-ordination.

Morgan-stern and Stanley's book describe how the Federal Government and the State and Local Governments have worked diligently to protect the consumer. There are numerous consumer protection agencies and legislative enactments covering such varied areas as home remodeling and sale of brewery products. This almanac acquaints the consumer with Federal and State agencies which can aid him and it serves as an introduction to the vast area of consumer protection legislation.

Murray L. Weidenbaum's book seeks to show how excessive Government regulation of business has a negative impact on the basic functioning of the private enterprise system. He has argued that this over regulation would lead to a high loss to the American public. It costs the tax payer to support a galaxy of Government regulations in the form of higher prices. It costs the worker in the form of jobs abolished by Government regulations. The authority has proposed an agenda of voluntary steps to be taken by Business. Government and private interest groups to increase the ability of the business system to meet the needs of the public it serves.

S. Rajamohan, has studied the origin and growth of consumer movement, the organization of consumer Disputes Redressed Forum and the awareness of consumers. He has also offered a few suggestions.
Rajendra Kumar Nayak, has visualized the consumer himself as guardian of his own right and has criticized the behaviors of Indian consumers, holding them responsible for their exploitation. On the legal front, Nayak has noted pessimistically that whatever legislation are in India to protect the interest of consumers they are not enforced properly so as to control and eliminated deceptive acts and practices of sellers. He has argued that the legislative enactments aimed at protecting the consumer interests are yet to become instruments of positive action in redressing consumer grievances. He has dealt with the problem of consumers from a historical perspective, tracing the history of the movement and the legislative measures undertaken in India. He has also discussed the role of Government in consumer protection and has examined issues like implied warrant and merchantable quality, food adulteration, identification of unfair trade practices and civil and criminal protection of consumers. He has made useful suggestions like the establishment of a consumer ombudsman and a separate Ministry of Consumer Affairs in India.

Raj Rani, has reviewed the existing legislative protection available to Indian consumer at both Central and State Government levels and the efforts made by manufacturers and traders' associations and consumers' organizations. She has assessed the views of middle class home makers in respect of various areas of consumer interests and problems. She has finally offered valuable suggestions.

Reader's Digest Association, has visualized how the consumer should protect himself in the market place, how he should fight back and win when rights have been tramped upon and how he should be an informed, prudent buyer of good and services, covering situations such as visiting the super market, buying a household appliance, seeking loans, considering investments and insurance, selecting a doctor or lawyer, renting an
apartment, bargaining for an automobile or planning a vacation.

M. Rengasamy, has examined the various possible forms of exploitation of consumers by manufacturers and traders, and the current state of laws relating to the problems of the consumer protection against exploitation. He has pointed out the factors which contribute to the preparation of such consumer exploitation and the effectiveness of the existing legal mechanism in the light of current knowledge of the causes and treatment of the disorder. Finally, he has offered valuable suggestions to enhance consumer protection.

OBJECTIVES OF THE STUDY

The study is conducted with the following objectives:

1. To study the awareness and attitude of rural and urban consumers on consumer protection measures.

2. To appraise the legal measures taken by the Government for consumer protection.

3. To analyse the role of non-Governmental voluntary organizations, in espousing the cause of consumer protection.

4. To study the profile and perception of beneficiaries, in relation to the decisions made by the District Consumer Disputes Redressal Formus.

5. To offer suggestions based on the findings of the study.

RATIONALE OF THE STUDY:

Efforts should be made to initiate and spread the philosophy of consumer education to rural as well as urban areas and different income groups. This should ultimately turn consumers into an
important enlightened pressure groups. Each country has to evolve effective techniques and institutional framework for promoting consumer education. The techniques of consumer education should come from the government, business community, voluntary agencies and consumers themselves. However, consumers' responsibilities will be greater when institutional support is inadequate.

Regarding formal method of consumer education, there is need for teaching of students, right from High School to undergraduate level, various facets of consumer protection. This instruction should form a part of the regular curricula of the students. Apart from organizing lectures/seminars and group discussion on consumer protection, the schools and collages should lay stress on practical approach to the problem i.e., the students should be educated on how to purchase books and stationers at the lowest prices possible. With regard to informal method of consumer education, it always aim at society. It induces motivating people to adopt socially desirable consumption standards and pattern and inject this idea into the studied patterns of higher, middle and lower income groups. There is thus need for disseminating the right kind of information through all the available modes of communication. This information has to be provided in the local languages, in the most lucid, illustrative and illuminating manner. The mass media like newspapers, periodicals, radio and television can be used in propagating the basic ideas of consumerism. It is heartening to note that even newspapers are today paying attention to consumers' problems. The Government can also rely on film shows, which will be more fruitful than lectures and seminars.
SOME OF THE IMPORTANT OBJECTIVES OF THE PRESENT STUDY ARE:

i) to develop a sense of resistance among consumers against exploitation by the business community;

ii) to promote individual as well as collective welfare of the community;

iii) to minimize the adverse effects of monopoly and inflation;

iv) to inject the knowledge and skills relating to efficient management of consumer finances;

v) to curb conspicuous consumption and wasteful expenditure;

vi) to develop healthy consumption standards and buying norms among the youth and finally

Consumer Protection Measures

This refers to the steps taken by the Government of Tamil Nadu and voluntary consumer organizations to protect consumers' right and interests.

Consumers Awareness

This refers to the knowledge about consumer right, relating to adulteration of goods, maximum retail price, consumer problems, Consumer Protection Acts and allied Acts, and the consumer Redressal Machineries.

Goods

This term refers to grocery items, drugs and medicines and cosmetic items only.
Urban Consumers

It refers to consumers who reside within the limits of the corporation, Municipalities and Town Panchayats.

Rural Consumers

This term refers to consumers residing in villages with a population less than 5,000 or in rural panchayat regions outside the corporation, municipalities and town panchayat regions.

Beneficiaries

Persons who filed cases in the DCDRF and obtained judgement in their favour.

Attitude

Attitude denotes the feelings, beliefs and opinions of the consumers about consumer rights, adulteration of goods, consumer problems, Consumers Protection Acts and the Consumer Redressal Machineries.

Voluntary Consumer Organisation

It is the association formed with a minimum of ten consumers to protect their rights and interests. It also redresses the consumers' grievances.

Active Member.

Active member is one who actively takes part in the consumer affairs of the voluntary consumer organizations.
UNIVERSE & SAMPLE:

The study shall be undertaken to assess the awareness of consumers regarding various aspects consumer protection & issues related with it. Hence a heterogeneous sample of consumers from different culture of life shall be selected. The consumers belonging to different income & social groups shall be selected to understand their level of awareness about duties & rights of consumers.

From this point of view of a sample of 176 consumers shall be selected. While selecting the respondents due care shall be taken to have proper representation of the different social segments.

The universal for the study shall be the developing regions of Western Viderbha.

HYPOTHESIS:

The Study shall be undertaken with following hypothesis.

i) "It is believed that the representative consumer has limited awareness of his rights & duties."

ii) It is the further assumed for the purpose of the study that consumers at large are influenced by various sales schemes at the market place.

iii) It is believed that, celebrities & role models influence the buying decisions on consumers.

iv) It is assumed for the purpose of the present study that there is a strong case to educated the consumers to create desired awareness about their right & duties.