CHAPTER I

INTRODUCTION, SCOPE AND METHODOLOGY

Public administration ensures production and supply of goods and services to society. This is an important parameter of ensuring social progress and justice to the population of the country. More so, in developing countries, where large segments of people depend on the government's active interventions in socio-economic life to uplift them. The government, through its agencies of public administration renders social stability, regulates the market, makes laws, delivers the tax structure, creates infrastructure, dominates key industrial sectors and delivers services and goods. In short, government and public administration directly or indirectly, affects the life of every citizen.

Independence, in 1947, among other things meant that it had to shoulder the responsibility for bringing about quick and large-scale development. Industries were established and centralised planning prescribed the framework for development and outlays of public funds meant for development expenditure increased exponentially. The direction of social change was towards modernization and the development of large-scale organisations.\(^1\)

However, large-scale organisations were often resorted for their greater capacity. The productive capacity of an industrial factory is much greater than the medieval workshop, when work was done manually. Also, large-scale organisations like the Red Cross can provide much more

service\textsuperscript{2}. This is the beneficial or positive aspect of the large-scale organisation. At the same time, there is a harmful or negative aspect, which lies in its great power as against that of a mere individual. For instance, if there is litigation between an organisation and individual for the settlement of a dispute, the former has at its disposal vast resources while the individuals' capacity is negligible. Hence, the need arises to protect the individual consumer when pitted against a large-scale organisation.

Organisation theorists have discussed the defects of bureaucratization arising from large-scale organisations, at length. Weber refers to the functioning of various employees like cogs in a machine. The implications of cog like behaviour are many. One is dehumanization, that is the employee ceases to function as a human being with feelings concerning what happens to other members of the organisation or the clientele. When looked at from the point of view of the client, it means that he faces a system which functions like an engine whose parts are human beings but who refuse to take into account either his initiative or their individual freedom\textsuperscript{3}. This is indicated in everyday life when responsibility cannot be fixed on any individual member of the organisation for injustice or harm done to the client.

Redressal of the grievances of the clients then require action at a high level where managers are otherwise busy dealing with big problems and find it difficult to spare time for the small man. In this situation, only a requirement of the law can deliver justice to the clients. One of the negative aspects of bureaucratization relates to inefficiency and ineffectiveness. As


\textsuperscript{3} Ibid., 217.
indicated earlier, it is a paradox that large-scale organisations are more efficient as pointed out by Weber.\textsuperscript{4} However, it is also true that large-scale organisations suffer from inefficiencies specific to them. Thus, lack of coordination can lead to serious problems, and it is large-scale organisations which are more prone to lack of coordination than small-scale ones\textsuperscript{5}. The result of various kinds of inefficiency and ineffectiveness is deficiency in goods and services provided by them, for example, inefficiency on the part of telecommunication department results in lack of communication. Such deficiencies in service create problems for the clientele.

Ordinarily organisations continue to suffer from various inefficiencies leading to difficulties for the employees and clients. Since attempts to remove them interfere with everyday life of the organisation, they often continue to linger on. There is much inclination in the setting to attend to the pinpricks for the client. However, it becomes intolerable for the clients, if the pinpricks tend to become serious and develop as sores. Then arises the need for a policy enshrined in law for the redressal of the grievances of the consumer.

While the problems created by large-scale organisations are found more or less in all countries, there are some problems that are specific to developing countries. Hence, business in a country like India tends to be monopolistic or oligopolistic, leading to sellers' market. For instance, if one or two firms manufacture scooters, they are under no compulsion to maintain their quality or to provide proper service to customers. In this situation, the interest of consumers' can be protected only if the manufacturers and

dealers provide quality goods and services under threat of punishment. The various laws for consumer protection are, therefore, intended to perform functions that are performed through competition in developed economies\(^6\).

Another problem that is widespread is lack of ethics. While some corruption is to be found in developed societies also, its incidence is much greater in developing countries. The adulteration of foodstuffs, bribing of officials and patronage are much more common in developing societies. The quality of goods and services naturally suffers because of such widespread corruption. The various acts of consumer protection are thus necessitated by widespread lack of ethics.

The need for consumers’ protection and satisfaction has been widely accepted all over the world. In India too, several laws have been framed to protect the interest of consumers.\(^7\) But these laws have not proved to be effective owing to their faulty implementation and incomprehensiveness. Thus, the Government of India took initiative in enacting a comprehensive legislation in the form of Consumer Protection Act,\(^8\) 1986.

The provisions of the Act are in addition to and not in derogation of the provisions of any other law for the time being in force. The remedies available to a consumer under the Act constitute an additional dispensation. They are supplementary in nature and have no overriding effects so far as the existing laws are concerned. Therefore, a consumer may initiate proceedings in a civil court under the law of contract or sale of goods “or law of torts or any other existing law.

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\(^7\) For details see Chapter III.

\(^8\) Will be herein referred as the Act.
The provisions of the Act do not debar a consumer from going to a civil court for compensation of loss or damage which might have been caused to him due to defect in the goods purchased by him. In fact, people are reluctant to go to civil courts because it takes years to resolve disputes. The civil courts are overburdened with work. Moreover, the procedures involved are lengthy. In addition one has to spend money by way of fees etc. The Judiciary is guided by legalistic interpretation of rules rather than by social implications. However, the machinery under the Act, i.e. the National Commission, the State Commission and the District Forum provides a speedy and simple redressal for consumer disputes. In other words, the consumer protection law has built on, and in turn contributes to, the new justice conscious to tilt the balance in favour of access to justice. It has developed new legal structures, such as the three tier redressal mechanisms for consumer grievances, which serve to reduce the strain of the main court system. This, in turn has helped to de-clog the superior courts, freeing them for the 'big' issues.

The Consumer Disputes Redressal Agencies are quasi-judicial bodies, therefore, they are not completely autonomous, freestanding and independent institutions but reflect a particular judicial atmosphere in which they operate. It means that these quasi-judicial bodies are all the time guided by the directions of the Supreme Court.

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The most crucial question that needs attention is whether strengthening the Act is an answer to ineffective forums or a counter query could be, will effective Act lead to efficient forums. In our quest to look for remedies, we must not lose sight of the fact that effective Act cannot suddenly lead to an improved performance of the forum. It cannot erase certain ideas, attitudes and beliefs that have got rigidified with time and experience in the minds of the consumers. There is no doubt that the scope of the Act has widened the responsibilities of the forum. Its ability to meet the interests of varied consumers’ is visible in the increasing number of cases in the forum. Thus, one question that becomes extremely difficult to answer is, if bringing about changes in the Act vis-a-vis composition, conferring more autonomy and powers, would lead to an improvement in the overall performance of the forum⁹.

A system has a number of variables that are inter connected with each other. Hence, evaluation of one would be problematic if done in isolation or exclusion of the others. Firstly, the inter-linkages of the variables blur the influence of a single or individual component on the overall outcome and secondly, the impact of the Act’s effectiveness *per se* is not easy to gauge. Then the criteria used to evaluate the ‘forums’ effectiveness become very crucial. The impact of a strong effective Act for the forum is usually long-term and by the time the results are evident, various factors come into the picture and take the credit for outcome. Despite the indicators such as quick and summary disposal of complaints, no stamp or court fees, it is not possible to pinpoint reasons behind good performance of the forum or attribute its success to the Act’s excellence. Infact, in a broader perspective,

loopholes in the Act could be detected in every component of the entire system. If the components are not studied individually for the fears of evaluative difficulties, we will not be able to reach a wholistic understanding of the problem. The present study is an attempt to analyze the problems of consumers in consonance with the Consumer Protection Act, 1986.

**Review of Literature**

The phenomenon of protecting consumers from the unscrupulous tendencies of business has assumed important role in the world economy including Indian Society. Voluntary initiative by the consumers has evinced a keen interest among the scholars, academicians and policy makers in both the developed and developing world. The various scholars have come forward in examining the important theories and concepts pertaining to the protection of consumers. The same has been discussed in chronological order. *Ibn Hassan* (1936)\(^{10}\) pointed out that the consumers were protected even during the Mughal times and especially during the time of the Khaljis. Strict price-control measures based on production costs were introduced. Even a minor violation of rules was not tolerated.

The translated version of Kautiliya’s ‘Arthasastra’ by *R. Shamasastry* (1956)\(^{11}\) is an attempt to set forth general principles and detailed rules for the administration of a despotic state. He analyses the various aspects of administrative law, civil law, constitutional law, criminal law and international law.

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A pioneering study by Norman Issac Suber, (1980)\(^{12}\) comprises of case studies on health hazards related to smoking and contamination of the food supply by nuclear tests.

**Robert Lowe and Geoffrey Woodruff, (1980)\(^{13}\)** have made an attempt to educate the consumers' about their rights and guides them in all their legal actions in relation to personal purchases. It also shows how the government rose to the occasion in protecting the rights of consumers by introducing timely laws.

In India, on the literature front, it may be pointed out that after the enactment of this Act in December 1986, literature in the form of books related exclusively with the Act appeared only in late 1990. In this chapter an attempt has been first made to present the review of various related books and then other related studies carried out in the field of consumer protection. **P. Leelakrishnan, (1990)\(^{14}\)** examines the strategies to ameliorate the pathos of the consumers with a view to opening new paths of progressive controls. Elaborating specifically on the need to protect the consumers **O.P. Garg, (1990)\(^{15}\)** provides an exhaustive section wise commentary on the subject. He has also dealt with the role of national and international consumer organisations in consumer protection. **D.N. Saraf, (1990)\(^{16}\)** has critically examined the basic principle of major consumer laws in the country besides giving a detailed commentary on the Consumer Protection Act, 1986.


Further, he has attempted to suggest mechanism for consumer protection in India and highlights the role of state agencies, self-regulation of business, both public & private, role of voluntary agencies, consumer education and advocacy which includes use of media, lobbying, boycotts and demonstration and public interest litigation. On the international front he has mentioned in detail the role of the International Organisation of Consumer’ Union and the UN guidelines on consumer protection.

R.K. Nayak, (1990) suggests that one of the main objectives of consumer protection is to defend consumers from unfair and deceptive trade practices. He pointed out that the most effective method of safeguarding the interests of consumers is not greater intervention by the State, but the active participation of voluntary consumer protection agencies and consumers themselves in the free market. He, therefore, pleads for a new mechanism, the Central and State Governments, voluntary agencies, cooperative consumer societies and other organisations to commit to the cause of consumer protection.

Antony's study (1990) contains an elaborate discussion on the functioning of banks, insurance companies, professional services and public utilities in relation to consumers. It apprises the average Indian consumer about the market mechanism and to encourage assertiveness about his rights.

R. Bajaj, (1991) brings out a useful collection of articles on consumer protection published by him in leading national newspapers. He

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has emphasized upon the business community in India to follow the Gandhian ideology of trusteeship and regulate itself in the interest of the consumers by announcing and adopting codes of ethics.

**V.K. Agarwal's** (1993)\(^{20}\) study is a commentary of the Consumer Protection Act, 1986. The provisions of the Act have been subject to deep and intensive analysis in the light of the cases decided by the National Consumer Disputes Redressal Commission and the State Consumer Disputes Redressal Commission established under the Act. Similarly, **Gurbax Singh's**, (1993)\(^{21}\) work is an exhaustive commentary on the Consumer Protection Act, 1986 together with the Central Consumer Protection Rules, (1987) and State Rules. 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 has already made a tremendous impact upon the emerging concept of consumerism throughout the country and that the chances of obtaining consumer justice today are much more.

A pioneering work of **P.K. Majumdar**, (1994)\(^{22}\) has turned out to be the most voluminous and exhaustive of all the commentaries. **Avtar Singh**, (1994)\(^{23}\) has examined the basic concepts and definitions as used by the 1986, Act in general terms in the context of established legal principles and also their applied version. He maintains that the main purpose of the

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1986 Act is to afford some measure of protection to the ultimate consumer of goods or users of services. Thus, the consumer must get what he actually intends to buy for the said purpose.

R.M. Vats, (1994)\(^{24}\) has examined the relationship between the manufacturer and the buyer and has also discussed the legal implications of the various methods adopted by the manufacturers to introduce their products in the market. He has elaborately dealt with the topic of offences against the consumer but does not adequately discusses the provisions of the Consumer Protection Act, 1986.

Jagdish Singh, (1994)\(^{25}\) has pointed out the doctor-patient relationship in the light of moral, ethical, medical and legal considerations. He has made an attempt in providing to doctors all that which they need to know about their rights, duties and obligations. It aims at creating awareness in them to make them more alert in discharging their duties and therefore safeguarding their interests.

C.K. Sharma, (1995)\(^{26}\) has made a detailed study of the activities of various consumer organisations. In addition to this, opinions of various groups towards the role of consumer organisations have been evaluated.

Gurjeet Singh’s (1996)\(^{27}\) work is primarily a case study of the functioning of the Consumer Protection Act, 1986. The study points towards


progressive adoption of a variety of consumers oriented laws in comparison to the slow development of consumer associations. It also includes an exhaustive bibliography of reports, textbooks and research articles from all over the world.

**S.S. Gulshan**, (1996)\(^{28}\) provides an introduction to consumerism and consumer law in India. He discusses problems with which Indian consumers are confronted. He also traces the genesis of statutory liability of business to consumers. He focuses on various laws that directly or indirectly provide relief to Indian Consumers. He has analysed some judicial decisions concerning consumer protection. It sets out an agenda for the state, consumers, consumer associations, and business to achieve excellence in the field of consumer protection and satisfaction. Similarly, **D. Hamachalan**, (1998)\(^ {29}\) has focused on the role of cooperatives in the development of consumerism. He has also evaluated the law relating to unfair trade practices as covered under the Monopolies and Restrictive Trade Practices Act.

**Pushpa Girimaji**, (1999)\(^ {30}\) has made an attempt to explain the various provisions of the Consumer Protection Act and the functioning of the courts, the procedure followed by them and the relief that they can give to aggrieved consumers. She deals specifically with problems pertaining to consumer court decisions under housing, power supply, telecommunication, railways, life insurance and medical negligence.

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Malik, (2000)\textsuperscript{31} provides a detailed commentary on the Consumer Protection Act, 1986 along with decisions held by the Supreme Court and the National Commission.

In addition to the above mentioned books of the various scholars, a further analysis of related studies have been dealt with pertaining to the law of Consumer Protection and the performance of the Consumer Disputes Redressal Agencies. An attempt has, therefore been made to give a brief account of directly or indirectly related studies.

Alan Author, Snow and Burton, (1979)\textsuperscript{32} have analysed that there is a significant relation between consumer willingness to accept responsibility for self protection and their attitude towards regulation and education. There is also positive relationship between consumer knowledge about regulations and their attitude towards self protection.

H.D. Charles, Gerald and Hills, (1981)\textsuperscript{33} have made an effort to investigate interest in deceptive business practices, awareness of remedial avenues, preferences for remedial action, intentions for remedial action and behavioural response. A study conducted by D.A.R. Subramaniyam, Ram Prasad and Anil Kumar, (1982)\textsuperscript{34} in Guntar district of Andhra Pradesh, shows that there was a need for the establishment of consumer


organisations and consumer councils. The study observed that nearly 66 per cent customers believed that the consumers had themselves to take initiative rather than looking for somebody to rescue them.

A survey was conducted by Arun K. Kapoor, (1983)\(^{35}\) encompassing different kinds of people marketing managers, advertising agencies, media people, academicians, housewives, students, villagers etc. regarding advertising ethics. It revealed an interesting line of thought about misleading claims. Most of the persons were equivocal in condemning such advertisements and believed that by such advertisements the advertiser was doing more harm to himself than others, as for most of the products/services to survive repeat patronage by consumer is necessary.

Arvind I. Korba. A Case Study (1988)\(^{36}\) views that in India a wide gap exists between the perception and practice. The government orders and legislation are inadequate as they leave a sufficient scope for loose interpretations. The big organisations either bribe the officials or take a legal recourse quashing down the government orders. In both cases, the consumer becomes helpless victim and if the government does issue the orders with strict instructions, the consumer remains without protection.

V.V. Gopal and Krishna Prasad, (1989)\(^{37}\) have observed that most of the consumers stick to price factor and very few customers are conscious about other information available on the label. There is a widespread dissatisfaction among the consumer and the complainants. Analysing the


consumer complaints, Manubhai Shah, (1989)\textsuperscript{38} states that the complainants are more conscious about the end result of their lodged complaints and there is also one qualitative change noticed that complaints are coming not only from individual consumers, but also from industrial, commercial organisations as well. The complaints largely pertain to services, supplies, refund of deposits and booking.

Siverani Reddy, B.K.Reddy, P.M. Reddy, (1990)\textsuperscript{39} have raised the pertinent questions regarding government policies with regard to the unethical and immoral trade practices which are not only in contravention to social well being of people but also detrimental to the public at large.

A Saklani and S. Thakur, (1990)\textsuperscript{40} have carried out a survey on the attitude of present and future Indian executives towards consumer issues such as product standard, market practice etc. the findings revealed that executives were convinced about business failing in areas such as advertisements, pricing and attitude towards consumer complaints.

Cheena Gambhir, (1990)\textsuperscript{41} has dealt with the study of legislative enactment's which included Drugs and Cosmetics Act, 1940, Bureau of Indian Standards (Certification Mark) Act, 1952; Prevention of Food Adulteration Act, 1954; Essential commodities Act, 1955; Monopolies and Restrictive Trade Practices Act, 1969; Prevention of Black-marketing and Maintenance of Supplies Act, 1980; Consumer Protection Act, 1986 and its agencies. Since this study was limited to the enactments there are various issues that remain to be unexplored. Hence, the present study aims at a


\textsuperscript{40} A. Saklani and S. Thakur Consumer Issues and Opinion and Role. \textit{Indian Management}. Vol.29 (10). 1990: 33-37

comprehensive analysis of the Consumer Disputes Redressal Agencies at the State and District level, Chandigarh.

The study of **Upender Dhar and Narender Kumar**, (1992)\(^\text{42}\) reveals that brand loyalty is not an example of trial and error behaviour. It is based on certain real or imagined qualities of a brand that are believed to serve the actual purpose of using a particular product. These perceived qualities act as motivators for loyalty to a brand. **William. K. Darley and D. M. Johnson's** (1993)\(^\text{43}\) study is an empirical investigation on attitudes toward consumerism in developing countries.

**Roger Swagler**, (1994)\(^\text{44}\) opines the term consumerism has had a variety of meanings over its relatively brief history. Coined in obscurity, the word was given negative connotations by business apologists before finally being adopted by the consumer movement to describe its activities. However, an unrelated and highly prejudicial meaning has been gaining currency. As a result, there are increasing possibilities for misunderstanding and negative responses to the term.

**George Argiror's**, (1994)\(^\text{45}\) study analyses the Greek Consumer Protection Act, 1961. The study attempts to demonstrate inadequacies of the Act that jeopardise an effective protection of consumers' interests. He pleads for supporting the general safety requirement with adequate accident-surveillance systems, mechanisms for investigation of risks,


effective control of the safety of products by the authorities, and real possibilities for consumer organisations to participate in the whole process.

**Gabriel. A. Stightz's, (1994)** work focuses on creating a specific system of consumer protection law, thereby extending the already existing provision of the Argentine Civil Code and special market legislation. It contains provisions on conciliation, access to justice, and collective redress. He attaches great importance to the establishment of consumer associations and to consumer education.

The work of **M.K Balachandran and S.S. Singh, (1994)** is perhaps the first of its kind providing a lot of data on the operational effectiveness of the Consumer Protection Act, 1986. **Dharam Sukh Dahiya, (1996)** clearly shows that despite the obvious defects, advertisements are considered valuable by the consumers. Also, **S.S. Singh, (1997)** provides an overall view of the consumer protection in India with special reference to the Medical Profession and Housing Construction.

Besides the above-mentioned studies, various articles have been published in Journals, magazines and the daily newspapers highlighting the different aspects of consumer protection in India. These include Indian

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Review of literature on the subject shows that while there is much general material in the form of commentaries or case orders on the subject, systematic research has not been adequately developed. There is plethora of works that are impressionistic in character but they are not based on systematic collection of data and analysis. A number of studies have been written in the journalistic style and are prescriptive without being analytical. However, there are some significant studies related to the field of consumer's protection, which have prompted the present researcher to pick up the thread from where they have left.

Attention of the majority of the studies appears to be concentrated on the analysis of the Consumer Protection Act, 1986 about which a lot of published material is available. However, collection of detailed material and data from internal records is not easy for an individual researcher. At the same time, the data available through various kinds of official publications – including reports of the Central Council have hardly been utilised for an in-depth analysis of various aspects of the administration of redressal agencies. However, even in recent years, none of the researchers have done intensive examination of these reports and official publications. Moreover, the role of voluntary organisations in persuading the Government of India to enact and protect the consumers remains unexplored.

In the existing literature, it is significant to note that there is hardly any study that makes a detailed analysis of the organisation and working of Consumer Disputes Redressal Agencies. The present study is an attempt to

Objectives

The objectives of the study are to:

(a). Study the policy of consumer protection contained in the relevant laws.

(b). Examine the organisation of the Consumer Disputes Redressal Agencies.

(c). Study the personnel and financial aspects of the Consumer Disputes Redressal Agencies.

(d). Review the procedures adopted by the Consumer Disputes Redressal Agencies.

(e). Analyse the performance of the Consumer Disputes Redressal Agencies.

(f) Analyse the perceptions of the consumers regarding Consumer Disputes Redressal Agencies.

Hypotheses

1. Consumers cannot protect their rights by themselves therefore the responsibility was taken up by the government by framing the Consumer Protection Act, 1986.

2. The quasi-judicial agencies* do not have much role in policy formulation as the main policies are laid down by the government.

* The quasi-judicial agencies term is used for the Consumer Disputes Redressal Agencies because they function like Tribunals.
3. Most of the State Consumer Councils are not performing their assigned responsibility as given under the Act.

4. The District Forum and the State Commission maintain a close liaison with the High Court / District Court for getting suitable candidates for employment. Hence appointments are made on deputation.

5. No systematic procedures have been evolved to look into the financial aspects of the State Commission and the District Forum.

6. A large number of consumers do not approach the CDRA’s as they are unaware of their rights.

7. The quasi-judicial agencies set-up under the Consumer Protection Act often take much more time than the prescribed 90 days in deciding cases.

8. Speedy and summary procedure is not being adopted as prescribed under the Act.

9. The quasi-judicial agencies do not have the power to issue interim order that results in harassment of the consumer.

Scope of the Study

The study is designed to identify problems relating to the organisation and working of the redressal agencies and suggesting appropriate improvements for toning up the work of these redressal agencies, after analysing the facts, taking into account the views of the functionaries, consumers and all knowledgeable persons associated with the law of consumer protection.
Since the study seeks to investigate the problems relating to organisational setup and working of the redressal agencies, the aspects included in the study cover a global view of the consumer protection movement, the development of the policy of consumer protection, the organisational structure, personnel and financial aspects, the procedural aspects adopted by the redressal agencies and perceptions of consumers in context to the redressal agencies.

The present study is spread out in eight chapters. This part of our discussion (the present one) is aimed at offering a framework of the study. It deals with the problems, objectives, and scope and methodology and review of the existing literature.

The study begins with a glimpse of global view of consumer protection movement with special emphasis on India that has been examined in its historical perspective. The genesis and development of the policy of consumer protection has been reviewed in the light of various legislative measures framed from time to time to protect the interest of consumers.

The basic framework of the CDRA's is well laid out in the Consumer Protection Act 1986. The organisational setup of three tier machinery i.e. National Commission at the Central level, State Commission at the State level and District Forum at the District level have been thoroughly examined. A brief analysis has also been made to analyse some aspects of personnel and financial administration as the redressal agencies draw their entire budget from the Central Government.
An in-depth study of the procedural aspects has also been conducted to know the rate at which the complaints from the consumers are being received and disposed of by the redressal agencies. Moreover, the performance of the redressal agencies has been evaluated in the light of intended objectives prescribed under the Act. The legal, structural and functional aspects of the redressal agencies have also been studied through perceptions and views held by the consumers. Attention has also been focused on some specific indicators i.e. time taken to settle a complaint, amount involved in litigation, kind of relief granted, powers and functions of redressal agencies and the jurisdiction and limitations of the redressal agencies.

The scope of the study is primarily confined to the Consumer Protection Act, 1986. Though, there are a number of laws which give concrete shape to the policy of consumer protection, some of them are Drugs and Cosmetics Act, 1940; Prevention of Food Adulteration Act, 1954; Essential Commodities Act 1955, The Standards of Weights and Measures Act, 1955; Monopolistic and Restrictive Trade Practices Act, 1969; Prevention of Black-Marketing and Maintenance of Supplies Act, 1980 but their in-depth and comprehensive discussion is beyond the scope of the study.

All of the above mentioned laws are enforced by the Consumer Disputes Redressal Agencies which have been set up under the Act. While, of course, the Civil Courts continue to have the jurisdiction over these laws, however, Consumers' rarely approach them. Hence, an attempt has been
made to study the organisation and functioning of the above mentioned agencies and to evaluate their objectives as given under the Act.

**Methodology and Data Collection**

The study has been based on case study and survey method. The data was collected through several sources. It included both primary and secondary sources such as published and unpublished office records, observations and questionnaires/interview schedules etc. However, literature available in the forum of books, reports of the Central Administration, office records, records maintained by the Private Secretary, related booklets and pamphlets used by the Chandigarh Administration were also consulted. The annual reports and judgements of the commission and the forum helped the researcher in the collection of primary data and drawing inferences. Frequent visits have been undertaken to various libraries, the Chandigarh State Commission and District Forum, Chandigarh Secretariat and Department of Food and Civil Supplies was also used for this study. The reports of the Central Consumer Protection Council and the recommendations given by the Standing Working Group were extensively used, with the object to analyse the problems, pertaining to the working of the redressal agencies. Besides, various related Acts were also studied with the object to know their role in protecting the interest of consumers.

Informal interviews with the President, and members of the District Forum and the State Commission, the Home Secretary, the office bearers of Associations for consumer protection and the retired

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*In order to give comparative picture, a mention of various laws has been made where ever required.*
presidents and members of the District Forum and the State Commission were held. The interview was based on various aspects of the State Commission and the District Forum like the nature of complaints, time period of settlement of the case, type of relief granted was held to obtain their true opinion. For a reasonably full record, the interviews were recorded. Moreover, 20 days were fixed for continuous observation to study the working of the District Forum and the State Commission.

The following set of interview schedules were used. The schedules were administered carefully through personal interview with the respondents. The schedules were prepared in English, but the same were translated in Hindi, so as to facilitate such consumers and functionaries who could not follow English. A random sample of 50 burnt out cases each from the District Forum and the State Commission were taken up for intensive study. The respondents and opposite parties involved in these cases were interviewed to testify the complaints received by the State Commission and the District Forum. As regards the selection of 50 cases each from the State Commission and the District Forum, 5 cases each per year were uniformly distributed in the period of 10 years with the help of Tippetts random number table. An opinion survey of all the employees was conducted to find out if they were satisfied with the resources of the organisation. To gauge the perceptions of the consumers, a quota sample of 300 consumers was picked up consisting of 100 under-matriculates and matriculates, 100 graduates and 100 post-graduates and above. Out of the 300 schedules administered to the consumers 18 schedules were left out.
On the basis of the results obtained through interviews and other methods, the data were analysed and examined to find out how far the redressal agencies have been successful in protecting the interests of consumers. For analysing the data so collected, simple tools of statistical analysis like average and percentages were used. The percentages were worked out to draw reliable conclusions from the cases under study.

Limitations

The present investigator could not have access to all the records. The Chandigarh Administration was restrictive in revealing their procedures and they were not keen on showing a number of documents concerning the Act. Many important and essential documents were not made available as they were termed "Confidential". Moreover, various documents and records have not been systematically maintained. At certain stages, details in the item wise figures were also not available from the published statements.

The data given in the records were considered to be correct on their face value. The opinions and claims of the respondents were taken to be true. Subjective views expressed by the functionaries on certain issues could not be avoided.

The period covered by the study is from 1990 to 1999. As the organisation is relatively new, an attempt has been made to provide the latest information in the form of endnotes.
The names of respondents have not been disclosed in deference to their wishes. Further, because of the inter-related nature of the various aspects, some duplication of discussions has been unavoidable.

Chapterisation Scheme

The thesis is divided into eight chapters. The first chapter initiates the debate on the importance of protecting the consumers through legislative measures. It discusses the various dynamics of the functions of the State Commission and the District Forum. The second chapter gives a glimpse of consumer protection movement at global level with special reference to voluntary organisations in India and abroad. The third chapter deals with the genesis and development of the policy of consumer protection with emphasis on various legislations formulated to protect the interest of consumers. However, the fourth Chapter presents an overview of the three tier machinery i.e., the National Commission at the Central level, the State Commission at the State level and the District Forum at the District level. Chapter five deals with the personnel and financial aspects at the National, State and District level. Chapter six has been devoted to the complaint procedure of the CDRA's as laid out in the Act. It also discusses the procedural aspects of the CDRA's under which they work.

Chapter seven relates to the performance of the State Commission and the District Forum. It also analyses the perceptions of the consumers towards redressal agencies. Chapter eight sums up the broad conclusions of the study and offers suitable and appropriate suggestions.
LOCATION OF THE STATE COMMISSION & DISTRICT FORUM IN CHANDIGARH
CHANDIGARH: A Profile

The city of Chandigarh, started over five decades ago, has now come of age. From a ‘utopia’ on paper, Chandigarh has become very much a reality - a reality which has set a standard for the planning of new towns not only in India but has created a deep impression on the architecture abroad.

In the wake of freedom in 1947 the country was divided into India and Pakistan. Punjab was also partitioned and the capital city of Lahore was allocated to West Punjab, Pakistan. Apart from millions of people rendered homeless, the government of truncated India State of East Punjab also became displaced and refugee. The Government faced the dual problem of rehabilitating the homeless and up-rooted refugees as well as the government administration and the uprooted institutions.

Cities of Amritsar, Jalandhar, Ludhiana, Ambala and Shimla could be considered for the purpose but most of these towns, even before partition, lacked essential amenities, such as modern drainage and water-supply system and none of them had adequate number of schools or hospitals which could meet the normal needs of the population. After partition these services had to cater to a population far in excess of what they were originally designed for; with the result that in most places they were either at the verge of break-down or become so inadequate that they could be termed as non-existent. It was that neither of the existing town was expandable beyond a certain limit nor was it capable of providing adequate floor-space for government functions and staff. Balance, thus, seemed to be tilting in favour of building a new capital city for the new born state.
Chandigarh owes its name to an ancient temple of Chandi, the goddess of power. The city emerged as a result of the search for a capital of the post-partition province of Punjab that began immediately after independence. In 1950, the city was conceived with thanks to the vision of Pandit Jawaharlal Nehru; the first Prime Minister of independent India, and to the genius of the French Architect, Le Corbusier.

Chandigarh nestles in a picturesque setting in the foothills of Shivalik hills and enjoys the popular epithet 'the City Beautiful'. Chandigarh is one of the largest urban complexes of the post-war era, and is a successful experiment in 20th century urbanism. It is one of the great planned cities of India after Fatehpur Sikri and Jaipur which, in the context of their own times, represents highest achievement in Indian architecture. Chandigarh is located 250 kms north of Delhi with an area of 114 kms and a population of 7.5 lakh.

The complex colonial heritage of monopoly capitalism and lack of efficiency, integrity and accountability in public utilities and services leads to continued oppression of the consumer by both private and public undertakings. The oppression tends to become more acute with the incursion of trans-national corporations and the government's increased dependence upon the bureaucracy. The Act intended to give hope to the consumers aims at providing for summary disposal of complaints of consumers in regard to civil wrongs suffered by them. It also provides for the setting up of central and state consumer protection councils mainly for educative and advisory function. For the settlement of disputes quasi-judicial agencies the Central Government has to set up the National Consumer Disputes Redressal Commission at the Central level. The State Government has to set up a District Forum at the District level and a State Commission at the State level. In case of Chandigarh, it being a Union Territory comes...
directly under the central rules. The building of the State Commission and District Forum is centrally located at Sector 17 in Chandigarh. With the increase in the number of cases, two District Forums are functioning simultaneously in Chandigarh. The proceedings of the CDRA’s are regulated in accordance with the principle of natural justice*. At present, 543 District Forums and 32 State Commissions are functioning all over the country besides the National Commission.

* Firstly, no person can be a judge in his/her own case and secondly, the respondent will be given due opportunity of hearing.