Chapter - 6

CONCLUSION

The paradigm of consumerism is expanding in all brands of consumerism. Consumerism is an effort to improve the quality of life. The very word quality is a comparative one. As a result, consumerism is a continuous effort to improve 'the quality of life' which has been defined and redefined again and again. At the same time consumer problems are not limited. They grow with time. For example, information overload, and potential dangers of Genetically Modified (GM) food, which is potentially unsafe by the fact of inserted genes invading human cells either directly or indirectly (as a reflection on the increasing public concerns on GM foods proliferating the global market, CI has chosen it as the theme for world consumer Rights Day on 15th March 2000- “Seeds of Discontent : consumers Action on Genetically Modified foods”). New diseases like AIDS were unheard of in the last century. Today, these are all a part of consumer problems. In addition to this type of 'new' problems, poverty, low productivity, widening gap between rich and poor, unethical business practices, neo-colonialisation, government monopoly in many sectors, over-exploitation of natural resources, are some of the other problems which are typical to countries like India.

Countries like India have to develop a different brand of consumerism to suit its consumer problems. For example, it can't follow the U.S.A. brand of consumerism. While marketing consumerism in India, target market have to include 'poor consumers' as one of the important market segments. Low income, lack of low-cost credit, inadequate housing, unhygienic atmosphere, lack of education, lack of information, lack of exposure, lack of utilitarian
contact, exploitation, lack of public and social facilities, benefits of government schemes not reaching them are unique to poor consumers in India. For many years these consumer problems were unsuccessfully addressed. To a great extent the acid test for consumer movement in India is to effectively address these problems.

In the present Indian context VCOs, government, business and media have an important role to play in consumer protection. Depending on the changing scenario of problems new players may be necessary to protect the consumers or there may be a shift in the role to be played by the existing players.

VCOs are one form of civil society institutions. To keep pace with the changing needs, VCOs have to change. But the objective, 'to improve the quality of life', will remain the motto of VCOs. Any voluntary consumer organization (at one level even 'society' and 'government' are voluntary organizations) to be effective five resources are crucial. They are Inspiration, Leadership, Legitimacy, Funding and Linkages. If VCOs lack some, or all of the above mentioned crucial resources, they cannot function effectively. VCOs in Karnataka have not made an impact at the state level on consumer protection. The voice of very few working VCOs is not strong enough either to control the business or to draw the attention of government and media. None of our VCOs as for as resources are concerned can match our industrial houses (forget about MNCs) which they would like to tame if not control.

It is necessary to build up the capacity of VCOs. VCOs in Karnataka lack both talent (experts and researchers) and fund. The reasons may be lack of inspiration and proper leadership. VCO (like any other NGO) loses its legitimacy if it fails to prove the worth of its existence. VCO to be effective
has to develop linkages with other institutions which help in consumer protection. VCOs in Karnataka have to go long way in this direction.

In this knowledge-based society, talent becomes crucial for the success of VCOs. Consumer problems are getting more and more complicated. For example, consumer problems in Karnataka are influenced by WTO decisions, Codex, technological development in genetically modified agricultural products, pricing policies of regulatory commissions of central and state government etc. Now no VCO in Karnataka has developed human resource to study the impact of these and many such other aspects on consumers. Not even one VCO has a research wing to put forward consumers' views while fixing prices of public utilities and on tax pattern in budget preparation etc. Hence the first need of the hour in Karnataka is, VCOs have to search for talent in different fields. Hiring or employing (retaining and retraining) talent and protecting the consumers cannot be done without funding. VCOs in Karnataka have to concentrate on raising funds. They can raise funds from government and other national and international funding agencies. Given proper leadership raising funds could not be a problem for a VCO (for example, CERC/CERS in Ahmedabad under Manubhai Shah spends nearly one crore every year). At present consumer activists in Karnataka are working as 'adaptionists' (more concerned with education of consumers). They have to become 'protectionists' (for example, where VCOs concentrate on protecting the health and safety of Consumers) and 'reformists' (example, Increasing the consumer voice in government). For this strong institutional framework is necessary.

**Government** both with its actions and inactions plays a decisive role in consumer protection and welfare. Quality of Governance, to a great extent, is the reason for difference in development level in different countries as in
different states in India. 'Quality' is a concept that has been used in the private sector for improving the performance of organizations. 'Quality' can be as, if not more, relevant in all government organizations as in the private sector. In India governments at local self government level, state level and at the central level have scope for improving the 'quality' of governance from information perspective, service delivery perspective, accountability perspective and from the efficiency perspective.

Government not only owns media to disseminate information but also more importantly is a generator of information through laws, rules, policies, treaties and programmes. In our country the citizens / consumers can be empowered through proper dissemination of information. The quality of governance can be improved in service delivery ranging from basic municipal services, water supply, electricity, gas, health, education etc. The government has to be more open, transparent and accountable. It would actually be binding on Civil servants to provide information sought for by citizens/consumers. Even citizen charters are a right step in this direction. More state government-owned public utility and other departments have to issue citizens charters. Government has to be efficient as it is a generator and user of resources. This is one aspect of performance of government which has a direct bearing on the consumers. Resources can be financial, material, and human. The impact of good governance on consumer protection, satisfaction and welfare may be more difficult to measure but the positive impact on the economy is measurable and can be used as a proxy parameter.

Ralph Nader, the world's tallest consumer activist advises to 'run the government like the best American Corporation'. He rightly suggest to implement the principles of the best corporations to make 'government efficient, more responsive, more creative and more humane. He suggests that,
just as the best executives build customer-driven companies, the government should promote citizen-driven government. Just as the aggressive CEOs put corporate assets to the highest use for best return, the governments must exercise more effective control of the country’s vast public assets. Strategic planning at the best companies looks beyond tomorrow’s results and identifies long-term challenges and market opportunities. He suggests that governments have to follow these principles to give qualitative governance. These suggestions of Nader rightly apply to Government in our country at different levels (from central Government down to municipalities or panchayaths).

In India governments both at state and at national levels have taken a number of measures for consumer protection and welfare. There are more than 30 legislations and a number of mechanisms for consumer protection like public utilities, public sector, public distribution system, regulation of business, welfare activities like free hospitals, poverty eradication programmes, administered pricing, and encouragement of co-operative movement. These are just a few examples for government measures to protect consumers. The pertinent question is, are these government measures effective in consumer protection? The answer is negative. For example, the public sector where the Government of India has invested (excluding public sectors owned by state governments where the position is still worse in a majority of states) more than rupees 2,00,000 crores, instead of making surpluses to the economy has been making huge losses. It is increasingly becoming a ‘Political Sector’ and is mismanaged and corrupted by the inefficient and unscrupulous politicians, bureaucrats and trade union leaders.

Even in the regulation of business, government has not been efficient. On the other hand, there has been too much of regulation, a good deal of which harms consumers by protecting monopolistic interests and inefficient
businessmen. The cure for the failure of regulation is not more regulation. On the other hand, in recent years there has been a fundamental shift from government intervention model to a market oriented competition driven one. It has both bad and good outcomes. Hence, government has no option between no regulation and more regulation, but to choose between efficient regulation and inefficient regulation. When private entrepreneurs are playing a major role, efficient government regulation becomes more important. In addition to this, in the new global market, market operators may be situated abroad, which seriously hampers detection, apprehension, and enforcement action. If the protection of the welfare of consumer in the new global market place is to be enhanced, it is imperative that government enforcement agencies are better able to enforce consumer protection.

Many outdated acts are still existing in the country. For example, the Official Secrets Act 1923, enacted by the British to keep a foreign government in power in India has long outlived its utility. The Act need to be amended to suit the interest of citizens/consumers. Only a few aspects like sovereignty of the nation, international relations, defence, and right to privacy can be retained in the Act. Even in the implementation of various Acts government has not shown professionalism. The landmark CPA has not been successful. First of all consumer's awareness level about the Act itself is very poor. The Government has not taken any effective step to take the Act to the consumers. Even those (majority are urban, educated consumers) who approached the consumer courts have not been given justice in ‘time’ as intended in the Act. These courts have also become ‘adjournment courts’ with poor infrastructure. The personnel in these consumer courts are not motivated. They work as the work is carried out in any ‘government office’ in
the State. The Government has to show professionalism and deliver quality governance to benefit the consumers.

The drawback with mismanaged 'specialization' is that parts of the same 'subject' starts identifying separately and contradict the very objective of specialization. It has happened so with business. Business is a part of society. Businessmen cannot think of isolating themselves from the society's interest. Contrary to this, many businessmen think that consumer protection and welfare is not their objective. Now there has to be a movement to integrate business properly with society. Business has to realize that the interest of business and interest of consumers and society are not different from each other.

All segments of society are to be properly integrated. If not, to safeguard the interest of neglected category, a 'process of reaction' evolves. That is how consumerism has been evolved. At the same time the interest of producers or suppliers is also to be safeguarded. Otherwise a new ism, 'producerism' may evolve. Hence, a society without exploitation has to be managed where all are protected against 'exploitation' wherein all segments are knitted properly in the society's tapestry.

Business has realised that regulation by government is not only costly to business, but also against the growth of business. Hence more and more business associations are coming forward with a code of conduct, citizens charter, code of ethics and such other self-regulation measures. This has to become a way of business. This has to percolate down to each business organization and unit. Now self-regulation is only working at a 'superficial' level. Business associations have not succeeded in enforcing their code of conduct to all members. The best strategy is to develop 'association logo and
symbols' in the lines of brands developed by business houses today. Once the consumers accept logo or symbol of business association with the other marketing mix, then enforcing a code of conduct becomes easy for business associations. In the same way the marks [example. ISI mark, ‘PAC’ mark (for building materials), ‘Eco’ mark (Environment friendly products), ‘Woolmark’, PFA standards (Prevention of Food Adulteration) FPO mark (Food pre order) AGMARK (for agricultural products)] as risk reducers have to be popularized among consumers by the business, government and media. Especially the codes of conduct, charters, standards are of increasing importance for consumer transactions carried out across national borders where domestic laws are largely irrelevant and private enforcement of legal rights is not a viable option. Hence, in the global market ‘self regulation’ by business has to become a ‘way of Business’.

Business is not only accountable for consumer protection, it has also resources to work for consumer welfare. For example, in the environment problems or in sustainability it is only corporations (Business) which have the resources, the technology and the global reach to provide solutions. Hence in the coming years business has a great opportunity to work for ‘Consumerism’.

Due to technological development, Media has changed a lot. It has changed remarkably in the last 20-30 years. This change is going to be still dramatic in the coming 20-30 years. In the coming years, accessibility of information and capacity of each consumer to understand and analyse it would decide the position of each consumer. Hence, VCOs, government and consumer her/himself has great opportunity to make use of the developments in information technology.
At present neither the government-owned media nor private-owned media has done enough to protect the interest of consumers. Newspapers, journals, magazines and other private media work like any other business or industry. Hence consumers are to be educated to use and encourage the media to emphasize consumer protection. VCOs have to acquire ‘strength’ to put pressure on government owned media and to make consumer protection issues ‘attractive’ for private owned media. Consumer education is an important responsibility of government and objective of VCOs. Media should be extensively used in association with institutions like adult education department, youth clubs, nation open schools, universities, schools and colleges etc.

FUTURE OF CONSUMERISM

A subject like consumerism which is so wide in scope and important has naturally experienced a considerable degree of market segmentation like environmentalism, co-operative movement, anti-industrialism, and natural farming. Irrespective of segmentation and numerous nomenclature the final objective of the consumer movement will always remain the same; to achieve and optimise consumer welfare from the market place. Hence, when the market place changes with time, consumerism will also change. Yesterday’s paradigms and mindsets will totally become inadequate in achieving the objectives in today’s conditions. Consumerism to live, has to change with time.

Marketing ‘excesses’ and ‘expertness’ are two vocal criticizing points for consumer activists. Excesses are about purposefully shoddy and objectionable products, inadequate warranties, deceptive or objectionable advertising, etc. Expertness refers to the special ways marketing thinks about
and approaches consumers. They think how the product performs in terms of consumer’s psychological and psycho-social needs and wishes. These tend to be complex, subtle and manipulable. In addition to these the marketing has created problems, such as wastages, environmental degradation and depletion of natural resources. These are the bases of consumerism. In, the present ‘living style’ these ‘contradictions’ between marketing and consumerism are obvious to survive (like limited resources and unlimited wants). This ‘contradiction’ guarantees the future of consumerism. In the future there is likely to be a new paradigm shift in consumerism to citizen orientation and anti-materialistic orientation.

Citizen Oriented Consumerism:

Today’s consumerism is turning towards conservation than on consumption. This trend is going to give new life and ‘brand’ to consumerism. Just as the marketing point of view is not necessarily the consumer’s point of view, so the consumer’s point-of-view is not necessarily the public point of view. In the near future consumerism may turn more towards the public point of view, from the present day’s consumer point of view. On the lines of citizen oriented consumerism, new technology to control pollution is encouraged with more cost to consumers (for example on emission control devices and lead free petrol). With this approach to ‘consumerism’ the dividing line between the roles of the consumer and the citizen gradually gets obliterated. Thus, movement is becoming more ‘citizen’ oriented than ‘consumer’ oriented. As a result of this the new brand of consumerism seeks survival instead of safety, knowledge instead of information, power instead of a voice to be heard, authority instead of the right to choose. This new brand of consumerism will fight for the survival of society, rather than merely the safety of consumers. It seeks knowledge about
the complexities of society, rather than merely information about the attributes of goods and services. This consumerism will seek power to influence the decisions that will affect the future of society, rather than merely a voice in making these decisions. The new brand of consumerism will seek the authority to make decisions concerning what goods and services will be made available to whom, rather than merely the opportunity to choose from an adequate number of offerings.

The UNDP Human Development Report 1998, while setting an Agenda for Action, has called upon affluent societies in industrial countries to shift to consumption that is pro-people and pro-environment. It notes that the real issue is not growth of consumption but its impact on people, the environment and society. The agenda adopted five goals: i) raising the consumption levels of at least a billion people—a quarter of the global population—who cannot afford the basic needs; ii) more sustainable consumption patterns that reduce environmental damage, improved efficiency in resource use, and regenerating renewable resources; iii) protecting and promoting the rights of consumer information, product safety and access to product that they need; iv) discouraging patterns of consumption that have a negative impact on society and reinforce inequalities and poverty; and v) achieving more international burden-sharing in reducing and preventing global environmental damage and in reducing global poverty.

The International Trade, powerful multinational corporations, mobility of resources, diversity in natural resources, knowledge based society, technological revolution (particularly in information technology) will make the world smaller and ‘global village’ will have a tremendous impact on consumerism. A world body (may be WTO or in some other form) may become more active to control international trade. (It may also become a
Anti Materialistic Consumerism:

Today’s market economy is materialist oriented. In this approach the consumerism in the future will have to address two issues: one, is the present market economy model sustainable? Second, is this model optimal in giving maximum satisfaction to a majority?

First sustainability: “About a billion people – one sixth of the world’s population live in the developed countries of the market economy. Those affluent societies account for more than 75% of the world’s energy and resource consumption and create the bulk of industrial, toxic, and consumer waste. The developed economies thus leave large ‘ecological footprints’ (defined as the amount of land required to meet a typical consumer’s needs). In the United States, it takes 12.2 acres to supply the average person’s basic needs; in the Netherlands, 8 acers; in India, 1 acre. The Dutch ecological footprint covers 15 times the area of the Netherlands, whereas India’s footprint exceeds its area by only about 35%. Most strikingly if the entire world lived like North Americans, it would take three planet earths to support present world population.” The problem of sustainability is not just confined to affluent countries, but also applicable to poor countries. For instance, poverty in the present day market standards is also a great polluter in developing and underdeveloped countries. From this it is clear that the market economy model where ‘Consumption’ is the ‘mantra’ is to be reviewed from the sustainability point of view. The second most important question, is this materialistic model (market economy) optimal in giving the maximum satisfaction to majority?.

360
In India hundreds of millions who have no standard of living, still have a standard of life. The former Ambassador of U.S.A in India, John Kenneth Galbraith remarked that ‘while he had seen poverty in many countries of the world, he found an uncommon attribute among the poor of India—a richness in their poverty’.

“Money has hardly brought happiness.... An international market research agency, Roper Starch worldwide, has reported that next only to the Americans, we Indians rank very high on the ‘Happiness barometer’ it has devised.... The extensive survey inquired about the material goods people owned, their jobs and leisure habits, the role of religion and relationships with family, friends and so on. Indians scored higher than the French, the British, the Chinese and the Persians perhaps because early in life they are taught that it is not addition of possessions, but subtraction of desires which promotes happiness”.

This clearly shows that it is not ‘more products’ that bring ‘more satisfaction’. It is absolutely important to realise the beauty of an alternative mode of living which is qualitatively different from the pleasure seeking materialistic lifestyle. It is to realise happiness in harmony, richness in austerity, and power in simplicity. This scenario not only shows the future direction of another brand of consumerism but also, presents how much more can be done for the ‘consumer’ from ‘Indian Soil’ which we can start from Karnataka.

REFERENCES