CHAPTER III

EVOLUTION OF CONSUMERISM
– INDIA AND GLOBAL
CHAPTER III

EVOLUTION OF CONSUMERISM
– INDIA AND GLOBAL

DEFINITION OF CONSUMERISM

“A huge storm is brewing and the downpour has already begun. For
decades now, the accumulating grievances of consumers (i.e. ‘small’ users of
goods and services) have been gathering and shaping themselves into a striking
force - a movement for which we coined the name “consumerism”. The
movement has become sizable enough to attract a wide assortment of new, bold
consumer associates who are emerging as leaders of consumers movement”.
(J.M. Juran, Consultant, consumerism and Product quality, www.google.com)

The term consumerism refers to a set of policies and activities aimed at
protecting consumer rights and promoting consumer welfare. It appears to rise
when there is consumer discontent, ignorance and economic conditions. The
concept of consumerism has been defined in different ways.

(1) Consumerism has been defined as ‘the process of advancing the
cause of consumers - members of public in their role as purchasers and users of
goods and services - and listening to what they have to say’.¹

(2) The above definition deals with ‘consumerism as a process rather
than a static set of concepts or single ideology’. It further makes it clear that

¹ Stephen Locke, Future Directions of Consumerism and their Applications for Business, Chapter 13,
Consumer Revolution Redressing the Balance, Edited by Robin John in Association with Consumer
‘consumerism is not about everything - it is about a particular aspect of people’s life’.

(3) According to Yiannis Gabriel and Tim Lang, “Consumerism is the outcome of a complex interplay of forces - political ideology, production, class relations, international trade, economic theory cultural and moral values”. They further observe as follows:

(4) Consumerism has been embodied ‘as a moral doctrine in developed countries’ and is viewed as ‘the vehicle for freedom, power and happiness’.

(5) Consumerism has come to say ‘as the ideology of conspicuous consumption’ in the sense that it serves ‘as the mechanism by which social and status distinctions may be established’.

(6) Consumerism has been held ‘as an economic ideology for global development’ and has become ‘a key feature of international relations from trade and aid to foreign policy’.

(7) Consumerism has emerged ‘as a political ideology’ since modern state being a welfare state is not only a major provider of goods and services but who but also has become a guarantor of consumer rights and minimum standard of living.

---

2 Yiannis Gabriel and Tim Lang, The Unmanageable Consumer, Contemporary Consumption and Fragmentation, SAGE Publications, New Delhi, 1985, p.26

3 Ibid., p.8.
4 Ibid., p.8.
5 Ibid., p.8.
6 Ibid., p.8.
(8) Consumerism is also advocated 'as a social movement seeking to promote and protect the rights of the consumers'.

(9) Consumerism according to Gulshan "refers to the widening range of activities of government, business and independent organisations that are designed to protect individuals from policies that infringe upon their rights as consumers".

(10) "Consumerism is a social force within the environment designed to aim and protect the consumer by exerting legal, moral and economic pressure on business and independent organisations that are designed to protect the individuals from practices that infringe upon their rights as consumers".

(11) According to Philip Kotler "Consumerism is a social movement seeking to augment the rights and powers of buyers in relation to sellers." It is an organized movement of concerned citizens and government to enhance the rights and powers of buyers in relation to sellers.

(12) "Consumerism is a movement directed at enhancing the powers of the consumers in relation to business."

---

7 Ibid., p.8.


10 Ibid., p. 105.

(13) “The consumerism movement is a typical populist movement. Its roots are ignorance and discontent.”

(14) Consumerism is defined as “an organised efforts of consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living.”

(15) “Consumerism or consumer movement is a social force designed to protect consumer interests in the market place by organising Consumer pressure on business. It can also be described as the organization of activities and attitudes of consumers in relation to distribution of goods and services.”

(16) “Broadly speaking the Consumer Movement represents activities by consumer groups, government agencies and at times business organizations that are designed to protect the consumer”.

(17) “The term consumer movement is somewhat misleading since there is no actual organization of consumer, but instead a conglomeration of groups

---


with separate concerns. As a result, the activities of these groups in the consumer interest have also been referred to as consumerism".16

(18) "The primary aim of consumer movement is to ensure consumer rights in the process of exchange and such rights include the right to be informed, to be told the truth, to be given adequate alternatives and to be assured of safety in the process of consumption".17

(19) An insight into the foregoing definitions enables us to conclude that consumerism is more than an ideology and takes the form of an organised forceful movement calling for the concerted effort of the regulators, business, voluntary consumer organisations and consumer themselves for creating consumer awareness, initiating timely actions for protecting consumer rights and taking necessary steps for promoting consumer welfare.

SCOPE OF CONSUMERISM

"According to William Stanton Consumerism at present covers the following three areas of consumer dissatisfaction and remedial efforts thereof.

(1) Area of business firms: The first and perhaps the original consumer dissatisfaction generates from the area of direct exchange relationship between consumers and the business firms. Thus the core of the marketing concept is to ensure consumer satisfaction by the selling firms.


(2) **Area of Non-profit organizations**: The second area of consumer dissatisfaction comprises non-profit organizations such as government hospitals, government schools and several other government agencies etc with which there is an exchange relationship.

(3) **Area affecting quality of life**: The third area comprises environmental matters affecting the quality of life. For Example, air pollution, water pollution etc.”

**CONSUMER PROTECTION**

Consumer protection is taken as the quintessence of consumerism. For the purpose of protecting the consumers, against various kinds of exploitation, the concerned agencies involved in consumerism must do their jobs in right sense and in right direction. For instance voluntary consumer organisations should provide necessary product information to the consumers and also recommend the “best buy” of products. Business organizations should adopt utmost ethics in their business transactions by following the principle of self regulation. The duty of the govt. begins with enacting consumers protection laws and will be complete only when these laws are effectively implemented to achieve the purpose for which they are enacted. The agencies involved in consumerism may be explained as follows:

---

FIGURE 3.1
AGENCIES INVOLVED IN CONSUMERISM

Consumer Oriented Agencies
Consumer Information and Consumer Consciousness

CONSUMER PROTECTION

Government Agencies
Regulation and Legislation

Business Organisations
Competition and Self-Regulation


The above three agencies serve as a mode of consumer protection i.e. the consumer organization by self help, the business by self regulation and the government by implementing the statutes strictly. The same is reiterated in the following figure: “Here the business aims at the protection of consumers through self-regulation. But consumerism aims at the protection of consumers through self-help. When business misbehaves and fails to fulfil social responsibilities consumerism involves government assistance. Thus in reality the problem of consumer protection is bilateral i.e. Consumerism (self-help through organized consumer movement) and business (i.e. self-regulation and self-discipline by producers and traders). However, it is noted that consumer legislation is a rough substitute for self regulation of business. It appears as a last resort.”
For promoting consumer protection and satisfaction and stopping exploitation of consumers, Gulshan calls for the combined action of business, state consumers and consumer Associations. According to him, there are four approaches to consumerism as shown below:
CONSUMERISM
Protection and Satisfaction of Consumers

CONSUMER
Self help is the best help

STATE
To have pragmatic organs for enforcing Consumer Protection

BUSINESS
Take Consumerism as an opportunity and not as a threat

VOLUNTARY ORGANISATIONS
To Promote and protect consumer interest

FIGURE 3.3

NEED FOR CONSUMERISM

In an Economic sense, consumption means use of things for satisfaction of human wants. Today consumption is viewed more than an economic act since the industry views consumers as groups. As Jacques observes “Consumption is no longer viewed as primarily an individual economic act; like production it is seen as a social process with social consequences.”\(^\text{19}\) The rapid globalisation of production and market gives new twists to consumption patterns involving economic cultural, environmental and moral aspects. Consumerism or consumer movement has to take care of a life excessively pre-occupied with consumption.

Consumers being malleable creatures are often over managed and controlled. They are in a weak bargaining position. Consumerism serves as a bargaining agent for the consumers.

Rising income enhances the purchasing power of the consumers and their propensity to attain higher standard of living for which they need consumer information. “Consumers as individuals have little opportunity to gain relevant information for themselves and they are therefore dependent or independent consumers organisations, investigative journalists and the provisions of official information”\(^\text{20}\). It is also pointed out “Consumer information means knowing what your rights are and being confident enough to


exercise them; it gives consumers the right to redress.\textsuperscript{21} Hence there is need to consumerism.

(4) The consumer has genuine reason to believe that he is being exploited either by way of paying higher prices or taking defective goods. He is taken for a ride by misleading advertisements. Juran Classified the grievances of the consumer under three heads

"MISREPRESENTATION"

The advertising, package, sales price and promotion are intended to confuse and deceive the consumer into buying something which will not live up to the representations.

FAILURES

The products failed on receipt or in service.

NO SATISFACTION

When products do fail, the consumer cannot get satisfaction because of confused responsibility, incompetence, delay and dishonesty."\textsuperscript{22}

There emerges the consumer movement to protect the consumers against such exploitation.

Due to technological advancement the products produced in modern times have complex features particularly in the case of consumer durable goods. Consumers do find it difficult to make an appropriate choice. Consumerism has


\textsuperscript{22} Juran J.M., Consumerism and Product Quality, www.google.com
come to stay as a force to guide them against the increased complexities of technology vis-à-vis increased product complexity.

Spread of education and passing of the consumer protection laws created an awareness in the minds of the consumers about their rights as consumers and with a view to enforcing their rights they need to organise themselves into consumer groups. In other words consumerism has become inevitable in view of the fact that increased income and educational levels sensitized the people to add more values to the quality of life than to the values of material gains.

“The main purpose of this is the demand for adequate information on

a. quality of goods
b. price
c. conditions of production and sale
d. Use of goods
e. Expected performance of goods
f. Safety precautions
g. Special care, precaution and guidance to the use of sophisticated and costly consumer durables”

In short the need for consumer protection arises in the following circumstances viz., protection against unsafe and unhealthy products, protection against deceptive and unfair trade practices, protection against all types of pollutions and protection against the abuse of monopoly position.


As aptly observed by Murthy "In the coming days, consumerism itself will pay a decisive role in improving the quality of goods and services even as consumers become better informed and their level of expectation goes up."25

CONSUMERISM IN INDIA

Any attempt to trace the origin of consumer movement in India will take us back to the beginning of the Trade and Commerce. "In Kautilya’s Arthashastra there are references to the concept of consumer protection against exploitation by the trade and industry, short weightment and measures, adulteration and punishment for these offences".26 However history of consumer movement in India can be traced to the beginning of the 20th Century. It is said to begin with the “formation of passengers and traffic relief Association and the Women Graduates Union, Bombay during 1915”.27 But the consumer movement started gaining momentum only in nineteen sixtees. Indian consumers are passive and tolerant and like Sadhus they believe in fatalism and attributed the receipt of defective goods to their fate or ill luck.

"Passive by nature most Indian Consumers have had to put up with adulterated food, faulty weights, under measures, spurious and hazardous drugs, exorbitant prices, endemic shortages leading to black marketing and


profiteering substandard products, useless guarantees, callous and indifferent services from public utilities and a list of other ills”.28

Indian consumers have to face problems arising out of unfair trade practices, spiraling of prices, misleading advertisements, poor quality of products, etc. The business has the responsibility of providing goods and services needed by the consumers at fair prices and guarding against adulteration, poor quality, defective advertisement and lack of service and courtesy. But the altitude of business towards consumers has been found to be indifferent. Whatever be the nature of market the competition or monopoly the worst affected is the consumer. “Where there is monopoly the consumer is course helpless and where there is competition, he is at the mercy of advertising”.29

The competitive movement is characterised by laissez faire i.e. the least interference by Government in economic matters. Under the competitive selling the business is concerned with the study of the tastes and preferences of the consumers and strives to satisfy them. In other words the altitude of business towards consumer is indifferent and the tastes and preferences of the consumers are irrelevant unless they are compelled to sell under competitive conditions.

Indian Contract and Sale of Goods Act

Buying and selling are mostly governed by Indian Contract Act and Sale of Goods Act. Prior to the passing of the Consumer Protection Laws, Indian

Consumers had remedial actions either under Indian Contract Act or under Law of Tort. But it is very difficult for the consumers to fix contractual liabilities on the sellers since in most of the business agreements, the Consumers have little say in view of the important clauses in the agreements are standardised by the sellers.

The implied conditions and warranties contained in Sale of Goods Act -

'Condition is a stipulation essential to the main purpose of the contract the breach of which gives rise to a right to treat the contract as repudiated and a Warranty is a stipulation collateral to the main purpose of the contract, the breach of which gives rise to claim for damages' do certain provisions for consumer protection. Whenever a condition in a sales contract is broken the buyers can reject the goods and claim refund of the price paid and damage sustained. Similarly when the seller commits breach of warranty the buyer can claim damages. Section 16 of the Sale of Goods Act recognizes the Principle of Coveat Emptor meaning thereby “let the buyer beware”. The doctrine lays down that the buyer is the best Judge regarding the ‘fitness’ of the goods for the purpose he wants and if he makes a wrong selection he has to suffer. However the same section provides that if the buyer makes it clear to the seller the purpose for which he wants the goods and also depends on the skill and judgement of the seller, then the seller would be liable if he supplies goods not in conformity with the purpose for which the buyer requires the goods.

It may be pointed out that due to technological advancement the market is flooded with goods particularly sophisticated electronic goods with specialised features such as computer, LCD Projector mini theatre with TV, etc and even the educated consumers find it difficult to understand these features.

\(^{30}\) Sale of Goods Act 1930, Section 12.
presented to them. In USA it is the duty of the vendor to explain to the consumer the comparative features of the products before selling to them. This means that this emphasis has been shifted from Caveat emptor to Caveat venditor (i.e. Vendor beware).

The Consumer Protection Laws in India are directed to recognise the principle of caveat venditor or caveat manufacturer and thereby ensure protection to the consumer.

Law of Torts

Law of Tort serves as another tool to improve the status of consumers by fixing liability of Business towards consumers. Tort is a Civil Wrong independent of contract, the breach of which lies in an action for unliquidated damages. Producers and Sellers are liable to the consumers on tort of deceit, negligence, etc. as they owe a legal duty of exercising standard degree of care and diligence in producing and supplying goods and services to the consumer. If they are negligent they will be liable for the loss or damages suffered by the consumers.

According to Lord Atkin "A manufacturer of products which he sells in such a form as to show that he intends them to reach the ultimate consumer in the form in which they left him with no reasonable possibility of intermediate examination and with the knowledge that the absence of reasonable care in the preparation or putting up of products will result in an injury to consumer's life and property, owe a duty to consumer to take that reasonable care". 31

---

31 Lord Atkin, Donoghue Vs Stevenson, AC562, 1932.
Consumer Protection Laws

The following are some of the legislative enactments which echo the spirit of consumerism in India.

**TABLE 3.1**

<table>
<thead>
<tr>
<th>ACT</th>
<th>OBJECTIVE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>The Agricultural Produce (Grading and Marking) Act, 1937</strong></td>
<td>To provide for the grading and marking of agricultural and other produce (e.g. Agmark)</td>
</tr>
<tr>
<td><strong>The Air (Prevention and Control of Pollution) Act, 1981</strong></td>
<td>To provide for prevention, control and abatement of air pollution.</td>
</tr>
<tr>
<td><strong>The Bureau of Indian Standards Act, 1986</strong></td>
<td>To develop the activities of standardization, marking and quality certification of products.</td>
</tr>
<tr>
<td><strong>The Cigarettes (Regulation, Production, Supply and Distribution) Act, 1975</strong></td>
<td>To achieve the laudable objective of informing the public about the health hazards of cigarette smoking.</td>
</tr>
<tr>
<td><strong>The Drugs and Cosmetics Act, 1940</strong></td>
<td>To regulate the import, manufacture and sale of drugs and cosmetics in the interest of the consumers.</td>
</tr>
<tr>
<td><strong>The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954</strong></td>
<td>To control advertisements of drugs in newspapers or otherwise relating to alleged cures of venereal diseases, sexual stimulants etc.</td>
</tr>
<tr>
<td><strong>The Environment Protection Act, 1986</strong></td>
<td>To provide for protection and improvement of environment.</td>
</tr>
<tr>
<td><strong>The Essential Commodities Act, 1956</strong></td>
<td>To regulate production, supply, distribution, storage, etc and control prices of commodities declared as essential under the Act.</td>
</tr>
<tr>
<td><strong>The Prevention of Black marketing and maintenance of supplies of essential commodities Act, 1980</strong></td>
<td>To prevent black markets and regulate products and distribution of essential commodities.</td>
</tr>
<tr>
<td><strong>Prevention of Food Adulteration Act, 1954</strong></td>
<td>To eradicate the anti-social evil of food adulteration and ensuring purity in the food stuffs.</td>
</tr>
<tr>
<td><strong>The Standards of Weights and Measures Act, 1976</strong></td>
<td>To establish standards of weights and measures. The Act empowers the voluntary organizations to make complaints.</td>
</tr>
<tr>
<td><strong>The Trade and Merchandise Marks Act, 1958</strong></td>
<td>To provide for registration and better protection of Trade marks and to prevent fraudulent use of marks on goods.</td>
</tr>
<tr>
<td><strong>The Water (Prevention and Control of Pollution) Act, 1974</strong></td>
<td>To provide for preventive and control of water pollution and to restore wholesomeness of waters.</td>
</tr>
</tbody>
</table>
There are number of loopholes in these Acts. The weaker enforcement machinery, lack of laboratories, lack of technical personnel, delay in filing cases/complaints are some of the reasons for these laws not being so effective as intended to protect the interest of the consumers.

**MRTP Act**

In 1964 Govt. of India appointed Monopolies Inquiry Commission to look into the concentration of economic powers and to suggest legislative and other measures to prevent such concentration. On the recommendation of the Commission, Monopolies and Restrictive Trade Practices Act was passed in 1969 with the objective of ensuring that there is no (1) economic monopolies (2) monopolistic trade practices (3) restrictive trade practices and (4) unfair trade practices.

Monopolies and Restrictive Trade Practices Commission was set up under the MRTP Act which has powers to grant intensive relief. “In the absence of other quick and inexpensive remedies available to consumers, the MRTP Commission fills the void. Cases of restrictive trade practices which adversely affect competition unfair Trade Practices largely arising out of false and misleading advertising are taken to this Commission”.

Consumers and Registered Consumer Associations were given local standi to file complaints under sections 10 a (1) (restrictive trade practices indulged by a person) Section 36 (B) (a) (unfair trade practices indulged by a person) 27 (1)(ii) (working of an undertaking for possible division of the

---

undertaking) and 27 A (1) (ii) (working of the interconnected undertaking for possible severance of those interconnection) of MRTP Act.

With the amendment made in 1984 the MRTP Act attained the status of Consumer Protection Act. The powers of MRTP Commission were enhanced including the authority to issue injunction in respect of monopolistic trade practices and also to award damage in respect of unfair or restrictive trade practices. Thus there begun in 1984 a new era in the history of Consumerism in India.

However there are limitations on the functioning of the MRTP Commission and the Act could not serve as a fulfledged Consumer Legislation. Absence of speedy decision, lengthy and too legalistic proceedings of the MRTP Commission, non inclusion of the rights of consumers in the Act and the localisation of MRTP Commission in Delhi are some of the limitations of the Act.

To overcome these limitations, the MRTP Act is being repealed with the passing of Competition Laws. “The MRTP Act was based on the presumption that size is evil. The Competition Law is based on different practices - that the Government has stepped out, the market determines competition and is going to protect consumers’ interest. At a macro level a competition law is a consumer protection law based on the principle that competition is the best protector of consumers’ interest”. Moreover from the consumers' point of view the MRTP Act has lost its significance particularly after the passing of the historic Consumer Protection Act in 1986.

Interview with Arun Jaitley *Competition bill is benign*, Business Today, 16th September 2001, p. 43.
(5) Consumer Protection Act

The Consumer Protection Act 1986 is a landmark in the history of Consumer Protection in India and the Act is regarded as ‘Magna Carta’ in the field of consumer protection. The Act is intended “to provide for better protection of the interest of the consumers and for that purpose to make provision for the establishment of consumer Councils and other authorities for the settlement of Consumers’ disputes and for matters connected therewith”. In other words the Act inter alia serves to promote and protect the rights of the consumer by establishing consumer protection councils and providing speedy remedy or redressal through judicial machinery at district, state and central levels.

The Act guarantees the following rights to the consumers: right to safety, right to choose, right to be informed, right to be heard, right to consumer education, right to basic needs, right to healthy environment and right to redressal.

34 Preamble, The Consumer Protection Act 1986
Section 2(d) of this Act defines a consumer as a person who buys any goods, hires any services for a consideration paid or promised or partly paid or partly promised or under any system of deferred payment but does not include a person who obtains such goods for resale or for any commercial purpose. However a person is a consumer if he purchased goods for the purpose of earning his livelihood by means of self-employment.

A complaint under this Act can be filed by any consumer, any registered voluntary consumer organisation, the Central Govt., the State Govt. or one or more consumers on behalf of other consumers having common interest.
FIGURE 3.5
CONSUMER COMPLAINTS AND REDRESSAL

Who can file a Complaint in Consumer Courts

- A Consumer
- State Government
- Any registered Voluntary Consumer Organization
- Central Government

Where to file a Complaint?

- District Forum Upto 5 Lacs
- State Commission Rs.5 to 20 Lacs
- National Commission Above 20 Lacs

What information should a complaint contain?

- Name and address of Complainant
- Name and address of Opposite party
- Details of Complaint i.e. deficiency or defect
- The Relief Sought
- Documents enclosed in support thereof
- Signature of Complainant or agent

Relief available to the Consumer

- Removal of Deficiency or Defect
- Replacement of Goods
- Refund of price paid
- Compensation for loss

Source: UPABHOKTA JAGARAN Vol 9 No 1 March 1999 - Govt. Of India Publication
The Act provides for filing complaint in the following circumstances:

(i) If a consumer suffered loss or damage as a result of any unfair trade Practice adopted by a trade.
(ii) If the goods purchased are defective.
(iii) If there are differences in the services availed/hired.
(iv) If a consumer has been charged a price in excess of the price displayed or fixed under any law in force.
(v) If the goods hazardous to life and safety, when used, are being offered for sale to public in contravention of any law in force.

Consumer Courts

The Act established a three tier system of redressal forums to whom the complaint can be filed according to the value of claims.

<table>
<thead>
<tr>
<th>Value of Claims</th>
<th>Forum/Commission where complaint is to be filed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5 lakhs</td>
<td>District Forum</td>
</tr>
<tr>
<td>More the Rs.5 lakhs and upto Rs.20 lakhs</td>
<td>State Commission</td>
</tr>
<tr>
<td>More than 20 lakhs</td>
<td>National level</td>
</tr>
</tbody>
</table>

District forums are constituted at District Headquarters. State Commissions are situated in State Capitals. The National Commission is functioning at New Delhi.

The complaint can be filed on plain paper. Even an affidavit does not require stamp papers. There is no fee for filing a complaint. It can be filed either in person or through an authorized agent. But it should be filed within 2 years from the date on which cause of action has arisen.
The consumer courts can order the following reliefs:

- Removal of defects from the goods
- Replacement of goods
- Refund of the price paid
- Award of compensation for the loss suffered
- Removal of defects/deficiencies in the services
- Discontinuance of unfair/restrictive trade practices
- Withdrawal of the hazardous good from sale
- Award of cost to the parties.

The Act provides for filing an appeal against the order of consumer Forum as follows:

<table>
<thead>
<tr>
<th>The decision of</th>
<th>Time limit</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>District Forum</td>
<td>Within 30 days</td>
<td>State Commission</td>
</tr>
<tr>
<td>State Commission</td>
<td>Within 30 days</td>
<td>National Commission</td>
</tr>
<tr>
<td>National Commission</td>
<td>Within 30 days</td>
<td>Supreme Court</td>
</tr>
</tbody>
</table>

No fee is payable for filing of appeal in State and National Commissions. There is no special procedure for filing appeals except that the grounds of appeal should be accompanied by the copies of orders appealed against.

It has been observed that "The Consumer Protection Act is a special law falling within the provision of Section 41 of the Indian Penal Code. The forum has the power to punish an offender who has violated its order. Section 27 is
remedy in criminal law. Non compliance of the order within the time limit therein for whatever reason is an offence and punishment is provided for it.\textsuperscript{35}

It may be pointed out that for the first time in the history of Consumer Movement in Tamil Nadu, the State Commission imposed a sentence of rigorous imprisonment for two years on a contractor of local construction company for not honouring his undertaking earlier given before the Commission\textsuperscript{36}.

**Deficiencies in implementation of Act**

Through there is a reasonable progress in the area of consumer protection after the passing of the Consumer Protection Act 1986, the Act suffers from some deficiencies from the implementation standpoint. For instance "a study conducted by FEDCOT (Federation of Consumer Organisation in Tamil Nadu) in 1998 revealed that of the 29 districts in Tamil Nadu six did not possess Consumer Forums. Six other districts shared the District Forums with another six districts. Only 17 districts out of the 29 districts in Tamil Nadu have their own District Forums\textsuperscript{37}.

Another deficiency is that many of the Forums/Commissions do not function due to vacancy in President or Members. Since the vacancies are not filled up in time consumers ultimately suffer as Justice delayed means Justice denied. Besides, the delay in disposal of cases due to vacancies can well erode public confidence in the Consumer Courts.


\textsuperscript{36} Beware! Consumer Courts can Award Rigorous Imprisonment, Indian Express, 20\textsuperscript{th} November 2000.

Another deficiency creeps is by way of difficulty in executing the orders of Consumer Courts. This is because the Consumer Courts have no powers to attach the property of those who do not comply with their orders but can only issue arrest warrants.

It was also pointed out that "several provisions of the Act, when implemented strictly work against the interest of the Consumers at large. For example an association of flat owners cannot file a complaint against the builders of their apartments, since they are not recognised under this Act as being a collective of consumers. They are required to file individual cases against the builders. Similarly the prohibition on filing a complaint against defective goods purchased for a "commercial purpose" prohibit a tailor from filing a complaint against the company that supplied him a defective sewing machine". The Act therefore needs to be amended suitably.

Though this Act was passed in 1986 Consumer Forum and Commissions were set up in Tamil Nadu only in 1991. They play a significant role in redressing Consumer complaints as may been from the table given below:

**TABLE 3.2**

<table>
<thead>
<tr>
<th>CONSUMER CASES</th>
<th>1991-1999 (upto 30.4.99)</th>
<th>Original petitions filed</th>
<th>Disposed</th>
<th>Pending</th>
<th>Appeal Petitions filed</th>
<th>Disposed</th>
<th>Pending</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Commission</td>
<td>2724</td>
<td>2034</td>
<td>690</td>
<td>7643</td>
<td>6311</td>
<td>1332</td>
<td></td>
</tr>
<tr>
<td>All Dist. Forums</td>
<td>48178</td>
<td>41744</td>
<td>6434</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Chennai District Forum (North)</td>
<td>3771</td>
<td>3213</td>
<td>558</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Chennai District Forum (South)</td>
<td>7445</td>
<td>6110</td>
<td>1345</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bharat Jaya Kumar 'Forum for Redressal' The Hindu dt.31.10.99

---

At present there are 32 State Commissions one in each State/Union Territories and 569 district Forum besides National Commission. The Ministry of Consumer Affairs, Food and Distribution is monitoring the disposal of cases by Consumer Courts. Since its inception and up to 30th December 2000, 21356 cases have been filed and 11841 cases disposed of in the National Commission. Similarly, 208795 cases have been filed and 126164 cases disposed of in the State Commission and 1439800 cases filed and 1195174 cases disposed off in the District Forum. The Government had launched a scheme of a one time grant of Rs.61.80 crores to supplement the efforts of the States/Union Territories for strengthening the infrastructure of the Consumer Courts.\(^{39}\)

It is heartening to note that the Consumer Protection Act did create an awareness among some consumers though it has a long way to go to achieve its objectives.

It is relevant to mention the observation of Justice Barowalia “Consumer Justice System envisaged under the Consumer Protection Act is quick and inexpensive. The law stipulated a time limit of 90 days for the adjudication of complaint and the consumer is not to pay court fee or engage a lawyer to win the case. However over the past about 13 years of the inception of the Act Words “quick” and “inexpensive” remained inappropriate. The latest data on the working of the consumer courts in the country reveal that on an average only 32% of cases are disposed of within 90 days. To enhance the efficiency of the Consumer Protection Act, it is necessary that a campaign for mass education and awareness through government agencies, voluntary organisations

---

and press regarding consumer rights and remedies available under this Act should be launched".\textsuperscript{40}

Union Govt. introduced a Bill in the Rajya Sabha on 24\textsuperscript{th} April, 2001 to amend the Consumer Protection Act. The Bill contains many welcome features. The Bill not only seeks to strengthen the protection afforded to consumers but also to clarify several sections in the existing Act which have lent themselves ambiguous interpretations\textsuperscript{41}. For instance the Bill provides for Constitution of Benches to help dispose of the complaints quickly and the "Restrictive Trade Practice" have been redefined to include a provision which tends to bring about a manipulation of price or its condition of delivery or affect the flow of supplies so as to impose unjustified costs or restrictions\textsuperscript{42}

It is not an exaggeration to conclude that the Consumer Protection Act 1986 is the only legislation which enables a consumer (complainant) to get compensation for his mental agony or physical hardship due to defective product, deficiency of service, restrictive trade practice, and the like. At the same time it is pointed out that statutory regulation alone may not be sufficient for consumer protection unless it is backed by self-regulating mechanism from within the undustry and supplemented by the Voluntary Consumer Organisation.

The Government of India has taken several steps towards price management especially of essential commodities. "The Department of Consumer Affairs monitored the prices of 12 essential commodities viz., rice,


\textsuperscript{41} S Pushpavanam, \textit{Towards better Protection of Consumers}, Open Page, The Hindu, 17\textsuperscript{th} July 2001.

\textsuperscript{42} Ibid
wheat, gram, arhar, sugar, groundnut oil, vanaspati, salt, tea, potato and onion on a daily and weekly basis from selected centres all over the country".43

The Consumer Cooperatives are also playing significant role in ensuring price stability. They provide essential commodities at reasonable price. "As a policy the Government of India have been encouraging the development of consumer cooperatives so as to protect the interest of the common consumers".44

"A Consumer Welfare Fund (CWF) was created in 1992 with the objective of providing financial assistance to promote and project the welfare of the consumers, develop consumer awareness and strengthen the consumer movement in the country... Under the Consumer Welfare Fund Rules (CWFR) any agency/organization which is engaged in the Consumer Welfare activities for a period of three years and is registered under any law for the time being in force, village/Mandal/Samiti level cooperatives of consumers, industries, State Governments etc., is eligible for seeking financial assistance from the Fund. The Financial assistance is given mainly for creating consumer awareness, consumer education, preparation for publicity materials, setting up of facilities for training, research, community based rural awareness projects, setting up of consumer products testing laboratories etc."45


44 Ibid., p. 456.

Role of Voluntary Consumer Organisation.

It is aptly said that “the Consumer Organisation’s function of being a watchdog in to-day advertising society is indispensable – A dog to watch over consumer rights and interest but also to bark and bite if necessary in case of misleading advertising practices”.46

Voluntary Consumer organisations in India mostly focus their attention in urban areas. Their aim is to create an awareness in the minds of Consumers about their rights. They believe in promoting consumer education and also dissemination of information. Some of the active Consumer Organisations are:

1. Consumer Education and Research Society – Ahmedabad (CERC)
2. Voluntary Organisation in the interest of Consumer Education (VOICE) – Delhi
3. Consumer Guidance Society in India, Mumbai
4. Consumer Unity and Trust Society (CUTS), Jaipur
5. Consumer Co-ordination Council, Delhi
6. Consumer Cause, Delhi
7. Consumer Action Forum, Calcutta
8. Consumer Association of India, Chennai
9. Federation of Consumer Organisation in Tamil Nadu (FEDCOT), Thanjavur
10. Citizen Consumer and Civic Action Group, Chennai
11. Centre for Consumer Education, Research, Teaching, Training and Testing, Chennai

12. Mumbai Grahak Panchayat, Mumbai

13. SMN Consumer Protection Council, Chennai

14. Bureau of Indian Standards, Chennai

Many of these organisations make valuable contributions by bringing Newsletters regularly and such contributions include:

a. Consumer education by giving the required information to the consumers
b. Product rating by guiding the consumers on the choice of products
c. Liaisoning with the Govt and the Producers
d. Organising seminars, exhibitions, demonstrations and workshops

As part of its programme to promote consumerism government support is extended to strengthen the functioning of the voluntary consumer organisations due to the following reasons:

a. There is need for physical protection for consumers
b. Consumers need protection against deceptive and unfair trade practices
c. There is need for protection of consumer against ecological and environmental factors
d. Consumers are to be guarded against monopolistic and restrictive trade practices

The functions of Consumer Associations *inter alia* include:

- Bringing out brochures, journals, etc for consumers information and guidance
• Accelerating consumers awareness
• Collecting data on different product and test them
• Arranging seminars, workshops and conferences for the benefit of consumers by finding solutions on focused problems of consumers
• Encouraging consumers for boycotting defective and bad quality goods
• Filing complaints and petitions in the courts on behalf of the consumers
• Investigating into consumer problems
• Resisting price rigging, preventing adulteration, black marketing, deceptive advertising etc.
• Educating the consumers to help themselves
• Helping educational institutions to start consumer education
• Promoting the network of consumer organisations region wise, state wise and at national level
• Setting up voluntary complaint centres for handling consumer grievances.
• Motivating people to adopt suitably desirable consumerism standards.

On behalf of the consumers, the Consumer Associations can file suits under civil procedure code and complaints under the criminal procedure code even though they are not victims. Besides Consumer Protection Act, the other Statutes like Weights and Measures Act, Prevention of Food Adulteration Act, Drugs and Cosmetics Act, specifically authorise Consumer Association to institute appropriate proceedings on behalf of the consumers in respect of the complaints received by them.
It has been emphasised that “Consumer Associations require a lot of grit, guts and strength as it is an uphill task to fight against the anti social – a kind of Mafia – which exploit consumers”. To illustrate the steps taken by the Consumer Organisations to promote consumerism it would be worth mentioning a few of their many fold activities.

Consumer Association of India conducted one day workshop on 21st April, 2001 in collaboration with Sri Ramachandra Medical College and Research Institute at Chennai on “Rights and Responsibilities of Patients and Hospitals”. The workshop emphasised the rights of Consumers’ health care. “Today an awareness is spreading among consumers they are becoming more active participants in the treatment of illness instead of just passive recipients of therapy. They are today bearing the responsibility of paying very heavy fees for some of the services. With the increased responsibility one must recognise the rights of consumers of health care”.

In the workshop the rights of patients were discussed which include:

- right to health care
- right to information including those of risks and side-effects
- right of choice
- right to second and additional opinions
- right to know the qualifications of health care team
- right to know the details of their illness
- right to know about the treatment proposed
- right to privacy


• right to complain against lapses in treatment.

The following responsibilities of patients were also noted which include:
• to discuss all relevant information relating to their medical history
• to follow medical instructions, diet etc.
• to report promptly any unexpected symptoms
• to follow hospital regulations.

As an aftermath of the workshop the Consumers Association submitted to the Govt of Tamil Nadu “The Patients’ Charter“ for their review and adoption. The Charter contains the rights and responsibilities of the patients.

Consumers Education and Research Society (CERS), Ahmedabad brings a bimonthly magazine titled “INSIGHT”. It reports in nutshell decisions of consumer courts under the caption “Consumer and Law”. The magazine provides “a comprehensive source of independent objective information on products in the areas of food, pharmaceuticals, and household electrical appliances. It recommends brands based on comparative testing, evaluation and ranking of products at its independent inhouse consumers product testing laboratory – the first of its kind in India”.49

Creating consumer awareness, dissemination of test finds, ensuring the safety and quality of products, addition of newer product categories to meet the consumer are the goals before the laboratory.

The magazine contains useful information and provides tips to the readers to have their “best buy” of the products particularly durables and

articles of day to day consumption. Pritee Shah observes "Insight magazine believes that empowerment of consumers alone can weed out substandard spurious and unsafe product from the market. The magazine’s ground breaking reports exposing the often shoddy and unsafe nature of consumer goods in India have spurred government investigation and remedial measures".50

It is a Proactive laboratory. It buys products directly from the market and checking the products against the standards laid down in Bureau of Indian Standards and Prevention of Food Adulteration Act. It does comparative testing and compares the products against the standards abroad. The test findings are published in the magazine "Insight". Various products are tested which include bottled wafer, packed milk, packed tea, soft drinks, instant coffee, turmeric powder, bath soaps, electrical and steam irons, food mixers, asprin tablets, -- capsules and pharmaceutical tablets and syrup. The test reports are sent to all concerned including government and voluntary consumer organisations. It has been observed that the "test reports emanating from the laboratory are creating a silent revolution in the manufacturing industry slowly but steadily leading to welcome changes in the safety, quality preparation and price of products to the advance of society with the consumer at its control".51

The Legal Department of the CERS compiled the cases filed and disposed of in various consumer forum and Courts, the details of which are given below:


51 Ibid.,
### TABLE 3.3

**CASE PROFILE AS ON 31-03-2002**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Forum/ Court</th>
<th>Cases pending as on 1/4/2001</th>
<th>New Cases filed during 01/04/2001 to 31/3/2002</th>
<th>Cases settled or decided as closed during 01/04/2001 to 31/03/2002</th>
<th>Cases Pending as on 31/03/2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Supreme Court</td>
<td>12</td>
<td>2</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>High Court</td>
<td>24</td>
<td>-</td>
<td>-</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>MRTP Commission</td>
<td>3</td>
<td>-</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>National Commission</td>
<td>8</td>
<td>4</td>
<td>-</td>
<td>12</td>
</tr>
<tr>
<td>5</td>
<td>State Commission</td>
<td>45</td>
<td>19</td>
<td>11</td>
<td>53</td>
</tr>
<tr>
<td>6</td>
<td>Consumer Forum</td>
<td>97</td>
<td>12</td>
<td>29</td>
<td>80</td>
</tr>
<tr>
<td>7</td>
<td>Insurance Regulatory Authority</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>GERC</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>


VOICE (Voluntary organisation in the interest of consumer education) is another active consumer organisation floated by the students and teachers of Delhi University in 1983. The representatives of VOICE are in various committees such as

- Central Committee on Food Standards
- Electronics Test Lab Advisory Committee
- Committee on urban Waste Management
- Committee on the Issue of Fluoride in toothpaste.
For the guidance of the consumers, VOICE brought out a booklet "Consumer buying guide to colour TV" which compares the technical standards of 13 brands of colour TVs available in the market". 52

Another milestone of the consumer movement is the formation of Consumer Federations at State level and National level: Tamil Nadu is the first state to form Federation of Voluntary Consumer Organisations – FEDCOT – in 1990 followed by Gujarat, AP, Orissa and West Bengal. At the National Level Consumer Coordination Council as a Coordinator of Voluntary Consumer Organisation was formed. Formation and adoption of Citizens Charters, creation of public utility commission, etc. give testimony to effectiveness of consumer organisations. These are only the beginnings of a new era for consumers. "In the next decade Consumer Organisations will be able to demand and probably achieve accountability and a better quality of life for the people of this country". 53

It is aptly observed that "The success of consumerism is a strong function of Consumer awareness and the assistance the movement gets from the government". 54

CONSUMERISM IN USA

"The US Non-Importation Movement 1964-76 was America’s first Consumer revolt inspiring people to boycott British Goods (Witkowski)". 55


Though the movement was politically successful it did not have much effect in altering the consumer preferences and consumption patterns.

According to Henry Assael\textsuperscript{56} in USA, three distinct periods have been marked by increased activities to protect consumer rights; 1890-1915, 1933-1940 and 1962-1977. Each of these periods was marked by increased prices and expenses exposes of business practices leading to legislative protection of Consumer rights.

**First Period of Consumerism (1890-1915)**

During this period huge business corporations such as standard oil were amassing power resulting in the passing of Sherman Antitrust Act imposing restriction on the big business restraining competition. In 1906 Food and Drug Administration (FDA) was set up to regulate brands by requiring disclosure of product contents. In 1914 Federal Trade Commission was established to prevent unfair trade practices, to curb monopoly powers of big business and to be a watchdog over deceptive advertising and unfair Trade Practices.

**Second Period of Consumerism (1933-1940)**

This period was sparked by the "Great Depression and 1933 book 100,000,000 Guinea Pigs, which exposed unsafe medicines, cosmetics and foods". Many books such as 'Our Master's Voice', 'The Popular Practice of Fraud', 'Eat, Drink and Be wary' and 'American Chamber of Horrors' were published containing exposes of advertising and preparation of food-stuffs which led to the formation of Consumer Union in 1936, the largest consumer organization in the world.

In 1938 Federal Trade Commission Act was amended empowering FTC to prosecute unfair and deceptive trade practices particularly advertising.

Third Period of Consumerism (1962-1977)

'The third period of Consumerism began in 1960's when another series of exposes followed the relative quiet of World War II years'. 1962 is the history year in American Consumerism as it witnessed the formulation of certain basic rights of consumer by President John F Kennedy in a message to Congress titled 'Special message on protecting the consumer interest'. He spilled four rights which serve as the basis for consumer protection.

1. The right to safety. To be protected against the marketing of goods that are hazardous to health and life.
2. The right to be informed. To be protected against fraudulent or misleading information, advertising, labeling or other practices and to be given the facts needed to make an informal choice.
3. The right to choose. To be assured access to a variety of products and services at competitive prices.
4. The right to be heard. To be assured that consumer interests will receive full and sympathetic consideration in the formulation of government policy.

In addition to the above four rights, an addition of fifth right was suggested i.e. 'The right to be a minority consumer without disadvantage' to

ensure that the low income consumers will not be at a disadvantage in relation to any of the above rights as compared to others.

The year 1962 also witnessed 'Rachel Carson's Silent Spring which made consumers aware of the dangers of pesticides and other chemicals in food and other products'.

In 1965 Ralph Nader's 'Unsafe at any speed' was instrumental in the enactment of Laws setting safety standards for the cars as it exposed 'the automobile industry's disregard for even rudimentary safety precautions. Starting with the "dissemination of relevant information, he turned to the concept of collective action and in the 1970s he wrote:

"Major corporations like their consumers to remain with a capacity for group purchasing action, group legal action, group participating action before regulatory agencies... The possibility that consumers banding together can muster their organized intelligence to play a major role in shaping economic policy and the future of our political economy is an unsettling one for the major corporations that plan much of the world's economy. So too would be an organized consumer initiative to assess the hazards of technology or forestall the marketing products which use consumers as Test subjects of Guinea Pigs".

1970's has been described as a period marked by an "astonishing record of legislation to protect the environment with the passage of laws to restrict our


pollution, control toxic substances, promote resource conservation and protect drinking water”.

The Decline and Rebirth of Consumerism in the 1980’s

Henry Assael pointed out that in the eighties, emphasis given to the consumerism was on decline since Reagan Administration believed more on self-regulation than on government regulation. The basic philosophy was started in Reagan’s 1982 economic report “While regulation is necessary to protect such vital areas on food, health and safety too much unnecessary regulation simply adds to the costs to businesses and consumers alike without commensurate benefits”.

As a reaction to the deregulation of the Reagan era, a rebirth of consumerism occurred in 1990. The rebirth was initiated when the Bush Administration came to power and the Clinton Administration is carrying it forward.

The environment, health, advertising to children and the right of privacy and non-disclosure of personal information are the key issues, which have engaged the attention of business, government and consumer activists.

Consumerism promotes increased awareness among the consumers for protecting the environment resulting in what is popularly known as New environmentalism. “A 1995 survey found that 63% of Americans consider

60 Earth day ’80 Dawns Tomorrow Amid Reflection and plans for a New Decade, The New York Times, April 21, 1980, p.16.


themselves as environmentalists and that 62% said that they would give priority to the environment over economic growth."63

Waves of Western Consumerism

Yiannis Gabriel and Tim Lang (Unmanageable consumers) identified five waves of Western Consumer activeness.64

The first wave is characterized by co-operative consumerism. As they put the first widespread organized consumer movement, the pioneer of them all, began as working class reaction to excessive price and poor quality goods, food in particular. The Corporative Movement took off in 1844. The Movement was based on the principle of self-help.

The second wave advocated the value-for-means to the consumers. Under the cooperative manual, the second wave of consumer organizations tried to make the market place more efficient and to champion the interests of consumers to it. "Their aim is to inform and educate the consumer about the features which will enable them to act effectively as consumers. The value for money model places considerable stress on rights to information and labeling and the right of redress if some goes wrong"65

The third wave is referred to as Naderism. Besides his historic unsafe at any speed, Ralph Nader a Harvard educated lawyer, set up a center for Study of Responsive Law and the project for corporate responsibility in 1969. Naderism


65 Ibid., p.158
assumed that his consumer is relatively powerless in the world dominated by corporate giant. “Like the second wave of the consumer movement, Naderism is adamant on the role of information and that information should be free and fair”.

The fourth wave has been characterized by the emergence of consumer organizations in 1970s and accelerated in 1980s. This wave is referred as alternative consumerism. “The movement has many elements, ethical, Third World solidarity and fair trade organizations”. For instance, ‘Consumer Action’ is non-profit membership based organization that was founded in San Francisco in 1971. Since then Consumer Action has continued to serve the consumers nationwide by advancing consumer rights, representing consumers to competent handling agencies, publishing educational materials in various international languages and comparing prices on credit cards, bank accounts and long distance services.

The latest wave is Green Consumerism which began in Europe and spread west to North America. ‘The green consumer movement forced the companies to listen to them and spawned new ranges of products such as phosphate free detergents and cars with recyclable components which gave consumers the option of choosing green’. The effect of green consumerism is that the companies were forced to conduct environmental audit with a view to gaining advantage over the competitors.

The FTC (Federal Trade Commission) works for the consumer to prevent fraudulent, deceptive and unfair business practices in the market place and to provide information to help the consumers spot and avoid them.

66 Ibid., p.161.
67 Ibid., p.163.
Most of the consumers in America are keen to see that the products they buy are safe to use. Usually safety precautions are observed in respect of the products manufactured and sold in USA. However, there are some instances like the following given in Consumer Report which have been disconcerting.

"Cosco and safety 1st, among the largest makers of body products agreed to pay $1.75 million in civil penalties for failing to report product defects to the government. (It is the second such fine for cosco). Instead the companies tried to quietly fix problems with their car seats, cribs, electric baby-wipe warmness, high chairs, stockers and walkers. Two babies died and more than 300 children were injured while using these products according to the consumer product safety commission (CPSC)". (Consumer Report, July 1, 2001).

Buy back millions of tyres were recalled by Firestone because of separating threads. In USA manufacturers are required to inform the government about the safety defects they find in the products manufactured by them. (Consumer Report, 1st July 2001).

Consumer Union believes that in view of cases as above, there is need for stranger protection against faulty products. The Regional Office of the Consumer Union in Texas supports legislation that would hold companies criminally liable if they make faulty products but failed to disclose problems. (Consumer Report, July 1, 2001)

The West Coast Regional Office of Consumer Union in California, 'supports state bills that would limit the sealing of out of court settlements in law suits concerning products defects, environmental hazards, unfair insurance practices and financial frauds'. (Consumer Report, July 1, 2001)
“Sporadically over the past 100 years, consumers have been concerned about the need for new protective legislation and a clearer voice in government decisions. Today’s consumers after the experiences of recent years, are more aware of consumer problems and more sensitive to their implications. They will not hesitate to demand action and they know how to go about organizing to get it”.68

CONSUMERISM IN UK

According to National Consumers Council (NCC) in UK, consumers mean and include “all persons who receive, use or enjoy goods, land and interests in land or building, services and benefits whether from the public or private sector”.69 The central theme of British consumerism, writes Stephen Locke is the premise that “goods and service providers of all kinds, public and private, are being forced to pay greater attention to the primacy of the consumer interest”.70 This is being enforced in Britain in many ways by the government which include71 (a) the government itself takes charge of some activities like education (b) regulation of industries in private sector through agencies like office of Fair Trading (c) through an appropriate blend of fiscal measure both


direct and indirect taxes and (d) formation of necessary information and guidance either directly or through the agencies like Citizens Advice Bureau.

Besides, consumer protection Laws have been passed and “Since UK Joined EU in 1973 many new laws have been adopted especially in the field of consumer protection which are derived from obligations imposed by the union ...... to provide uniform levels of consumer protection throughout Europe”. These laws are intended not only to protect the consumer rights but also to set standards with reference to safety, quality, reliability, vulnerability which the producers and sellers are required to comply while supplying/rendering goods and services.

The Weights and Measures Act 1985 is viewed as the one of the important consumer protection legislation as it provides the very basis for the trade to work. The Trading standard Department in local Councils are charged with the responsibility of enforcing the provisions of the Act through these Trading Standard Officers. “Their expertise and advice to shops and other business does a great deal to maintain a position where, by and large, the buying public is able to be confident and the correct amount of any product is in reality being provided”. These officers are also responsible for enforcing Property Misdescriptions Act 1991 which applies to Real Estate Agents.

The Food Safety Act 1990 deals with the purity composition and labeling of food. The objective of the Act is to ensure that the food is fit for

---


73 Ibid., p.97.
human consumption. The Environmental Health Offices (EHOO) working for district councils throughout the working are enforcing the provisions of the Act.

The Consumer protection Act 1987 provides adequate safeguards for protecting consumer interests. It strengthens the rights of consumers who have been injured by faulty products and provides compensation for personal injury etc. If a consumer buys a good which turns out to be defective, he can represent the matter to Trading Standards Department. They will take necessary action to get the product tested in a laboratory and then initiate action for prosecuting the manufacturers or importers for a breach of the Consumer Protection Act 1987 dealing with safety. If the faulty good caused harm or injury to the consumer, then he will be entitled to compensation from the manufacturer under the Product Liability Act introduced in 1988.

Besides, there are numerous other legal provisions in Britain which provide direct or indirect protection to the consumers. These protective measures enable most consumers in Britain to buy the goods and services with a reasonable degree of diligence and confidence.

In addition to the Consumer Protection Laws Unfair Contract Terms Act 1977 and Sale of Goods Act 1979 also impose certain duties on the sellers selling goods to consumers and thereby protect the interests of the consumers. It is the duty of the seller to have title to the goods offered for sale, to ensure that the goods supplied correspond to the description made or sample shown earlier, to maintain merchantable quality and to see that the goods sold suit the purpose for which the consumers need them.

It was observed that there was considerable amount of activity in the consumer protection field during 1960s and 1970s. "Contractual rights were
strengthened by the introduction of the Sale of Goods Act, the Supply of Goods and Services Act and the Unfair Contract Terms Act. For the average consumer, the faulty goods and poor quality service are still the main concerns”.

To supplement the legislative protection the need to have consumer organisation for furthering and safeguarding consumer interest was keenly felt. By 1974 there were a number of consumer organisations in UK like Consumer Association, National Federation of Consumer Group and Nationalised Industries Consumer Council. But these were not effective to yield expected results.

The National Consumer Council (NCC) was set up on 2\textsuperscript{nd} May 1975. It was founded by the government. Its Chairman and member were appointed by the Secretary of the State. But it functions independently. Its objectives are (1) to promote action for furthering and safeguarding consumer interest, (2) to insist that the interest of all sections of consumer including inarticulate advantages are taken into account and (3) to ensure that the decision makers have balanced and authoritative view of consumer interest in respect of matters relating to the consumer.

The functions of the National Consumer Council (NCC) are to “.... make representations of the consumer view to central and local government, to the Director General of Fair Trading, to industry and to any other quarter where the consumer voice should be heeded ... be available to be consulted by those who seek a consumer view ... Represent the consumer on appropriate

government and other local bodies and within the framework of international organisations such as European Union... review the present arrangement for consumer representations in the nationalised industries”.\(^{75}\)

The NCC’s current work programme includes varied subjects such as water metering, legal services, food policy, Public utilities regulation, curriculum complains, pharmaceuticals international trade, social lending and Ubiquitous Citizens Charter. The NCC developed over the years a series of principles which include “value for money, access, choice, information, redress safety and representation” which act as “the basis for developing consumer policy in consumers organisation throughout the UK, Europe and the world”.\(^{76}\)

The first Consumer Congress was organized by NCC in 1975 which composed of consumer organisation as its member. The Consumer Congress has its own constitution since 1988. It is an umbrella organisation under which a remarkable number of more than hundred diverse consumer organisations gather annually to deliberate and develop independent consumer policies.

It has been observed that “A body representing consumers should be independent of the providers of the service and sufficiently influential to be head by the industry, the government and the regulator. It should be able to monitor standard of service and value for money of the utilities, and ensure that individuals get proper treatment and redress when things go wrong. Plus it should also be accountable to those it seeks to represent. A representative body


therefore needs resources to enable it to research and promote authoritative views on behalf of consumers.\textsuperscript{77}

CONSUMERISM IN SAUDI ARABIA

Saudi Arabia is a developing country and working of its market mechanism is subject to government intervention. Following Arabian tradition, the political system in this country is monarchism. For our understanding of the consumer attitude towards business and vise-versa it would be interesting to brief the study undertaken by Shahid N Bhuian, Abdul Muhmin and David Kim.\textsuperscript{78} They based their study on the “four dimensions of consumer attitudes towards business: business philosophy, product quality, advertising and marketing practices (Varadarajan, Bharadwaj & Thirunarayana 1994)” identified by the previous researchers.\textsuperscript{79}

Attitude to Business

The study pointed out that recently Saudi Arabian market was flooded with foreign goods and due to the affluence of oil wealth, Saudi Arabia has been transformed into western style consumption society. It has been stated that information supplied to the consumer is limited and Consumer Protection Legislation has limited application. “Unfair, unethical and even unsafe and

\textsuperscript{77} Ibid. pp.22-23.


\textsuperscript{79} Ibid.
harmful business practices are not adequately addressed and resulting Consumer grievances that may be permeating society go undetected”

Attitude to Consumerism

Consumer responsibilities, Consumer Problems and Consumerism itself are said to be the dimensions of consumer attitude to consumerism; which aims to enhance the powers of Consumers in relation to Business. “Saudi Arubians have a deep sense of fatalism and tend to attribute any misfortune to fate. (Tuncalp 1988). In this vein they can attribute buying mistakes to fate and not hold businesses accountable”.

In view of their comfortable and rising standard of living they have not taken the consumer problems severely. In accordance with their culture, Saudis do not voice their opinions. “The monar chic political system prohibits all organised free expressions of grievances or opinions. Hence Saudis may be either indifferent about consumerism or sceptical about it as a means of safeguarding their interests”. This does not however mean that they are not aware of consumer issues and other negligent or deliberate violation of Consumer rights by Business.

Attitude to Government

In view of the authoritarian political system in which monarchs played paternal roles and as ‘People developed a strong need to be told, guided and provided for (Hofstede 1984)..., Saudis favour government interventions in business practices including pricing.’
With this background, the authors in their study examined the similarities and dissimilarities of business majors and non-business majors towards business, consumers and government in Saudi Arabia.

They collected data from 134 respondents and their examination of the sample revealed that

1. Business majors were more favourably predisposed towards a number of business aspects and consumerism than were people who had not majored in business.
2. Both groups were equally and positively inclined towards consumer related government regulations and price controls.

The authors expected that the business in Saudi Arabia would be strongly pro business and opposed to consumerism. But they found that apparently cultural and business education changes have modified business majors’ opinions.

Based on their study they suggested that the “business curriculum must emphasize business ethics and the role of business in society. In particular, the importance of honesty and fairness and the merits of a market economy should be stressed (Jennings 1999).

CONSUMERISM IN JAPAN

In his paper Identity and Desire in consumption, Hattori examines the consumerism trend in Japanese Society through the interaction between consumers and industry by the use of commodities.
According to Hattori, there are two primary but contradictive approaches to the consumerism today. The first approach is subjective approach, which treats consumers and industry separately. This approach welcomes consumer activism and portrays consumer as free agents of marketplace. The second approach "emphasizes the interaction between consumers and industry based on the promise that consumers' identities are formulated through interaction". Hattori's focus in his paper is on 'the relationship between consumer's creation of self identity and symbolic significance of commodities'. According to him, a brand is a powerful tool for industry to associate commodities with the consumers.

He points out that Japan has a unique social system. The income disparities are smaller in Japan compared to other nations. Eighty percent of the people at Japan are identified as middle class. The education system is so well organized 'even the poorest can enter the best college'. Japan has caste system and from the point of view of group consumer behaviour Hattori categorized it into 'peer groups, generations, educational backgrounds, academic obliques and sexes'.

According to Hattori the Hakuhodo report points out that the Japanese youth carefully examine the quality and price of the products before they decide to buy and the report regards the young consumers as consumption specialist. The report asserts the consumers regard consumption not as a mode of cultural activity but rather as a rationalized process of fulfilling their desires.

During 1960s the Japanese economy recorded rapid economic growth. Modern Urban life was characterized by three electrical appliances, an electric

Washing Machine, a Television Set and a Refrigerator. During this period, Japan experienced acute labour shortage particularly in urban areas. Many young workers were recruited from the countryside and they in general dreamt of modern life. They bought these commodities in order to integrate with these commodities symbolically represented in to their new life style. Behind the demographic shift there was a transition in the Japanese mentality from tradition directedness to other-directedness and the democratic education is said to have contributed to their mental shift.

Hattori argues that 'Consumers are incorporated into the capitalist system, not by the comparative exercise of power by industry but as a result of this interaction with industry. In other words, consumers can make their decisions through the interaction with industry by way of commodities and in their interaction, categorization works as a determinant factor. Under this capitalist system industry exercises the dominant power over consumers as long as consumers express their self-identities through commodities. At the same time, consumers have the reactive freedom of choices in their consumption activities, which give them an opportunity to refer themselves to the categorized identities, e.g. a successful executive, an urban middle class mother, a sports loving high school student, a daughter of an affluent family' 81.

"It is the industry that dominates the symbolic interaction with the consumers. First of all, the categorization is made by the industry. Second industry provides the schemata of practices for consumers in the name of brand identities. Third industry has the power to accommodate a new symbolic meaning and to redefine it its only use. Industry has an advantage in these fields and all of these fields and important factors in the creation of symbolic

81 Ibid
meanings. In the end, the monopoly of symbolic power by industry in these fields places the symbolic interaction under the initiative by industry”.\(^\text{82}\)

Consumption is a process by which consumers symbolically construct both collective and individual identities. “With the development of consumers society, they come to rely for their identities not on conventions, family, other members of the same social group, ethnically or gender but as symbolic identities represented by brands”.\(^\text{83}\)

Hattori points out that consumers live with brands from the cradle to the grave and the parents are the best guide for the children right from choosing appropriate toys. Parents took care to seek expert advice in making such choices and the children get accustomed to such choices made with objective standards. “In other words from a relatively early stage of life, consumers are trained to accept and in some degree to rely on external criteria for their judgments and through the contents with the commodities they come to unconditionally accept the identity of brands”.\(^\text{84}\) Hattori concludes “In modern society however, consumers are, in general active. They demand information from industry, enjoy ads and think of brands as convenient criteria. They do not seem to doubt the very concept of brand identities. Rather than producing their own meanings or trying to escape from the ideological constraints, consumers enjoy applying brand identities with their own life styles and by utilizing brand identities they construct their own self identities”.\(^\text{85}\)

It has been pointed out that consumerism has received less emphasis in Japan and Eastern Europe “for instance a powerful alignment between

\(^{82}\) Ibid., \(^{83}\) Ibid., \(^{84}\) Ibid., \(^{85}\) Ibid.,
government and industry has placed more emphasis on forming protective trade business than in protecting consumer rights and interest. As a result of such alignment consumers in Japan are left with fewer brand alternatives”. 86

GLOBAL TRENDS IN CONSUMERISM

Consumerism is not an American phenomenon. It has been global particularly for the past three decades. “The ecological forces of consumerism began in Western Europe where the consumer movement took root as a political force in the early 1980’s to protest acid rain’s detrimental impact on Europe forests”. 87

By the end of Nineteen Eighties “… Green had become established politicians’ accounting for 14.5 percent of the parliamentary voters in United Kingdom, 14 percent in Belgium, 8.4 percent in West Germany and 10.5 percent in France”. 88 It has also been pointed out that “overall the public mood seems best summed up by a 1990 poll that showed 75 percent of Western European consumers factored in the Greenness of the product when making their purchase decisions”. 89

The globally accepted new trend in consumerism is prevention of pollution and promotion of greenness everywhere. “The World Bank (1993) Report found that ambient air pollution in thirty six Indian cities/towns each


88 How green is your market basket?“ A Cross the Board, January/February, 1990, p.50.

89 Ibid., p.30.
year accounts for 40350 premature deaths, 19.8 million hospital admissions and sickness requiring medical treatment and 1.2 billions occurrences, minor sickness".90

Since the existing legal and incentive policies have not worked, the report recommends strengthening of Pollution Control Board for strict enforcement, granting the citizens the right to pollution information and treatment of domestic waste water besides taking steps "to phase out old vehicles from Urban areas, encourage technological inventions (catalystic converters, four stroke engine) introduce unleaded petrol in all urban areas, improve road safety for smoother traffic flow and above all improve public transport system in Urban areas".91

There is a strong consumerist lobby for environmentally friendly products. "There is a green consumerism movement which expresses a preference for less environmentally harmful goods and services... The trend is strong throughout Europe with Germany leading the way with all organizations having a formal environmental policy... The Green consumer is seen as being more environmentally conscious than other European countries. Sriram and Forman (1993) found 82 percent of Green Supermarket Consumers make decisions on environmental considerations. This can be compared to 67 percent in Netherlands, 55 percent in UK and 50 percent in France. However, the key question is whether the consumer will be willing to pay higher price for green


91 Ibid.
products. There is a segment of about one quarter of the population which is willing to pay higher prices” 92

Apart from protecting environmental greenness, consumerism tends to devise a mechanism for withdrawing/preventing defective goods and services so that no consumer anywhere in the world will suffer due to poor quality. As aptly said “... the bottom line for consumers of the 21st century – the true measure of consumerism is improved quality of life through better quality of products and services at competitive prices” 93
