



Consumer Movement in India : Emerging Trends, Problems and Structural Implications

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Abstract

It was thought that passage of the Consumer Protection Act in India in 2019 would encourage consumers to stand up for their rights and lead to an overwhelming number of disputes in consumer courts. Although a consumer movement has yet to get going in India, existence of the act has stimulated the creation of many consumer organizations across the country. The number of such organizations has more than doubled in the last few years so that there are now 600-800 organizations in the voluntary sector. The movement has not blossomed because not all of the organizations are active enough to make an impact, there has hardly been any unified action which would demonstrate their strength, and there has been no active consumer participation in the movements. Consumers claim that the lack of consumer education makes them passive and apathetic, and blame consumer organizations. The majority of consumers in the country are even unaware of the existence of consumer courts to which they make take their grievances. Consumer rights organizations, however, counter that they lack sufficient funds and blame the government for their inaction. The author acknowledges criticism that the Indian consumer movement is elitist and considers the need to focus upon rural consumers, the significant contributions that organizations have made in laying the foundations for change, the need for consumer education, the need for specialists, the particular need for consumer protection and support by voluntary health groups.

Key Words

Consumerism, Consumer Voluntary Organizations , Consumer Protection Act, Consumer Rights, Consumer Disputes Redressal Agencies

Introduction

The consumer is the centre of all business activities. In modern days, it is said that the consumer is the king of the market. Business activities are carried out to satisfy, the wants of consumers. A commercial organization totally depends on the customer not only for its survival but also for its growth. At present customer is given top most importance and every attempt is made to satisfy the customer.

But in reality, the position of the consumer is different. He is like a slave. He is exploited by well organized and well informed sellers by charging higher prices, by supplying poor quality goods, even by

supplying adulterated goods, shot weight, misleading advertisement, etc. Customers are still un-organized and have no idea about their basic rights of safety, right to choose, right to be heard, etc.

In the word Consumerism, “Consumer” means the user or customer and “ism” means movement”, and hence, consumer movement is popularly known as “Consumerism. It is an organized and collective movement of consumers.

The main object of this movement is to educate and unite consumers and to fight for the protection of their rights. Consumer movement is similar to trade unions because it is a collective approach to solve the malpractices and injustice done by any organization.

According to Philip Kotler and G. Amstrong, “Consumerism is an organized movement of citizens and government to impose the rights and powers of buyers in relation to sellers.” Thus, it is a movement of the consumers, for the consumers and by the consumers because it is a social movement of consumers and it has came into existence to educate and unite consumers to fight for their rights. In short the process of uniting consumers is nothing but Consumer Movement.

Objectives of Consumer Movement

The main objectives of the consumer movement in India are;

1. To restore the better balance between the buyer – seller relations in the place.
2. To protect and promote consumer – citizen interests.
3. To safeguard consumer rights.
4. To prevent exploitation of consumer by unscrupulous traders.
5. To present consumer interests before the Government and pressurize the Government to provide meaningful consumer protection by legislation.
6. To organize consumer resistance against the unfair trade practices and create strong public opinion in favour of fair trade practices.
7. To collaborate with the Government and business concerns for consumer protection.
8. To under take programmes of consumer education, consumer information and comparative testing and ensure the practices of consumer oriented marketing programmes by business enterprises.

Evolution of Consumer Movement in India

The consumer movement in India is as old as commerce. There were references in Kautilya’s “Arthashastra” as to the concept of consumer protection against exploitation by the trade and industry in the form of short weight and measures, adulteration and punishment for these offences. Prior to independence, the laws which used to consider the interests of consumers were, the India Penal Code, Agricultural Produce (Grading and Marking) Act, 1937 and Drugs and Cosmetics Act, 1940.

Consumer exploitation is the main force, which drove for the consumer movement in India. A Consumer movement is definitely less radical than any other radical movements of mass action. This movement may be described as the collective power of consumers to take a country forward with respect to awareness, education and development. Growth of consumer movement is an indication that business had not been practicing the marketing concept i.e., customer-oriented approach. Consumer protection or consumerism will be of little use if businessmen do not follow the Customer-oriented approach. Consumers can be protected by voluntary associations as well as by legislative action by Government.

The co-operative consumer movement was started in 1904 in India. The focus of this movement was only on distribution of goods rather than on the welfare of consumers.

The consumer movement in our country is still in an infant stage. There are a few consumer associations in some important metropolitan cities such as Ahmedabad, Delhi, Mumbai, Kolkata, Hyderabad and Chennai. However, there are no powerful organizations to protect the consumer interests and to get their genuine grievances redressed. The world consumer movement gained momentum only about four decades ago. The credit for laying the foundation for the world consumer movement goes to Ralph Nader of the United States. It was his relentless efforts that gave birth to many consumer societies in the United States.

Inspired by the Consumer Rights Bill passed on 15th March, 1962 by the American President, John F. Kennedy, nine house-wives and social workers got together and formed the “Consumer Guidance Society of India” (CGSI) in Mumbai to protect the interests of consumers. Now it has thousands of members and several branches. This society has been successful in getting thousands of complaints redressed on their own. Over the years it conducted tests on various foodstuffs for adulteration and consumer products for substandard performance. I.S.I certification of food colours demanded by this society is now mandatory.

The important function of Consumer Guidance Society of India is to impart consumer education. For this purpose surveys, talks, seminars, exhibitions and demonstrations are organized throughout the year on foods, drugs, weights and measures, quality marks etc., and publish them for public use.

During 1966, under the able leadership of J.R.D Tata and Ramakrishna Bajaj, some progressive manufacturers and traders came together and formed the “Fair Trade Practices Association” in Mumbai. The main objectives of this association are to codify existing trade practices and setup an effective machinery for their implementation in an organized way so as to create public confidence in business community. However, all its activities are confined to metropolitan cities and its achievements are not satisfactory.

In 1974, Sri BinduMadhav Joshi started “AkhilBharatiyaGrahak Panchayat” in Pune. This organization organized many consumer agitations successfully in Maharashtra. Since mid seventies, many consumer organizations have come up in almost all parts of the country.

In 1978, the Consumer Education and Research Centre was setup in Ahmedabad as a public trust. The complaint cell of this organization attends to almost 500 complaints in a month. In appropriate cases this organization files petitions, writs and complaints in the Supreme Court, the High Court, the Monopolies and Restrictive Trade Practices Commission (MRTPC) and the Consumer Dispute Redressal Agencies.

The other associations which are protecting the interests of consumers in India include Consumer Unity and Trust Society, Kolkata, Consumer Education centre, Hyderabad and Karnataka Consumer Service Society, Bangalore.

Causes for the emergence of consumer movement in India

In India the basic reasons for the emergence of Consumerism have been quite different to those of western countries. These are:

- i. It was the acute dearth in essential consumer goods and the inflation in 1973-74 that caused the emergence of consumer movement.
- ii. Indian industry did not attain advancement in technology to produce wide range of alternative products.
- iii. The Indian house-wife tends to be a more discriminating and inactive customer than her western counterpart because, (a) She has hardly any money for her willful spending and (b) She has neither been given the freedom of purchase.
- iv. Indian consumers are supplied inferior quality goods.

- v. They are provided with health hazardous materials which cause harm to mankind resulting in serious sickness.
- vi. Indian consumers are exploited by misguiding advertising containing false information. vii. There was artificial scarcity of essential goods by hoarding and black marketing. viii. There was lack of efficient after-sale service.
- ix. The improper attitude of sellers especially at rationing shops for sale of goods at government controlled process also paved way for resurgence of consumerism in India.

Reasons for slow growth of consumer movement in India

Consumer movement in India has failed to develop at the desired place due to the following reasons.

i. Persistence of poverty:

Poverty adversely affects the consumer interests. Poverty suppresses awareness and it makes the people coward and voiceless. It can be noticed that only the people in advanced countries have developed a sense of consumerism while same was not possible in the poor countries.

ii. Lack of education:

It is said that a common citizen of India, by and large, a docile person, believes in karma and accept things as they are. This is because of lack of education and unawareness of the consumer as to their rights given by laws.

iii. Poor organisation of consumers:

The number of people who actively participate in consumer activities is very low. Lack of organised consumer action itself is the root cause of low level consumer movement in India.

iv. Cumbersome legal procedure:

The legal procedure to fight against consumer problems in India is time consuming and expensive. This makes consumers to be more tolerant about such malpractices rather than resorting to legal redressal concerning them. This makes the suppliers free from their social accountability.

- v. **Poor implementation of laws:** many laws have been enacted to protect the consumers from various malpractices indulged in by the businessmen. However, their implementation is very poor. This is due to the loopholes in law and lack of coordination at different levels in the implementation machinery. Moreover, the consumers themselves are not aware of the existing laws because of their illiteracy and also the indifferent attitude to know about them.

vi. Malnutrition:

Hunger does not differentiate between adulterated food. The poor and the malnourished have neither awareness nor time to examine the things before they consume them.

vii. Lack of Consumer Interest Groups:

A limited number of consumers and organizations bring salvation to the innumerable consumer problems. Many more people and organizations are needed to keep flying of consumer protection to make the consumer lobby strong.

If the above deficiencies are rectified, the consumer movement in India may receive a healthy momentum.

Consumer Protection Act, 2019

The Consumer Protection Act 2019 aims to protect the rights of consumers and provide a mechanism for redressal of complaints such as overpricing, deficiency in services, quality of products, misleading advertisements or unfair and restrictive practices of a seller or trader.

The Act replaced and repealed the Consumer Protection Act 1986, intending to ease the overall process of consumer grievance redressal. Through the Consumer Protection Act, the government aims to empower consumers to take action against errant sellers. The government plans to safeguard consumers' rights by setting up the Central Consumer Protection Authority (CCPA).

Role of Consumer Disputes Redressal Machinery

Centre notifies rules for Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021 The revised pecuniary jurisdiction for entertaining consumer complaints shall be upto –

1. 50 lakh for District Commissions,
2. More than ₹50 lakh to ₹2 Crore for State Commissions and
3. More than ₹2 Crore for National Commission

In exercise of powers conferred by provisos to sub-section (1) of Section 34, sub-clause (i) of clause (a) of sub-section (1) of section 47 and sub-clause (i) of clause (a) of sub-section (1) of section 58 read with sub-clauses (o), (x) and (zc) of sub-section (2) of section 101 of the Consumer Protection Act, 2019, the Central Government has notified the Consumer Protection (Jurisdiction of the District Commission, the State Commission and the National Commission) Rules, 2021.

The Consumer Protection Act, 2019 promulgates a three-tier quasi-judicial mechanism for redressal of consumer disputes namely district commissions, state commissions and national commission. The Act also stipulates the pecuniary jurisdiction of each tier of consumer commission. As per the existing provisions of the Act, District Commissions have jurisdiction to entertain complaints where value of the goods or services paid as consideration does not exceed one crore rupees. State Commissions have jurisdiction to entertain complaints where value of the goods or services paid as consideration, exceeds 1 crore rupees, but does not exceed 10 crore rupees and National Commission has jurisdiction to entertain complaints where value of goods or services paid as consideration exceeds 10 crore rupees.

After the Act came into force, it was observed that the existing provisions relating to pecuniary jurisdiction of consumer commissions were leading to cases which could earlier be filed in National Commission to be filed in State Commissions and cases which could earlier be filed in State Commissions to be filed in District Commissions. This caused a significant increase in the workload of District Commissions, leading to rise in pendency and delay in disposal of cases, defeating the very object of securing speedy redressal to consumers as envisaged under the Act.

With regard to revision of pecuniary jurisdiction, Central Government held wide consultation with States/UTs, consumer organizations, law chairs etc. and examined the issues that had created long pendency of cases in detail.

With notification of the aforementioned rules, the new pecuniary jurisdiction, subject to other provisions of the Act, shall be as under:

1. District Commissions shall have jurisdiction to entertain complaints where value of the goods or services paid as consideration does not exceed 50 lakh rupees.
2. State Commissions shall have jurisdiction to entertain complaints where value of the goods or services paid as consideration exceeds 50 lakh rupees but does not exceed 2 crore rupees.
3. National Commission shall have jurisdiction to entertain complaints where value of the goods or services paid as consideration exceeds 2 crore rupees.

It may be mentioned that the Consumer Protection Act, 2019 stipulates that every complaint shall be disposed of as expeditiously as possible and endeavour shall be made to decide the complaint within a period of 3 months from the date of receipt of notice by opposite party where the complaint does not require analysis or testing of commodities and within 5 months if it requires analysis or testing of commodities.

The Act also provides consumers the option of filing complaint electronically. To facilitate consumers in filing their complaint online, the Central Government has set up the E-Daakhil Portal, which provides a hassle-free, speedy and inexpensive facility to consumers around the country to conveniently approach the relevant consumer forum, dispensing the need to travel and be physically present to file their grievance. E-Daakhil has many features like e-Notice, case document download link & VC hearing link, filing written response by opposite party, filing rejoinder by complainant and alerts via SMS/Email. Presently, facility of E-Daakhil is available in 544 consumer commissions, which includes the National Commission and consumer commissions in 21 states and 3 UTs. So far, more than 10,000 cases have been filed using the E-Daakhil Portal and more than 43000 users have registered on the portal.

To provide a faster and amicable mode of settling consumer disputes, the Act also includes reference of consumer disputes to Mediation, with the consent of both parties. This will not only save time and money of the parties involved in litigating the dispute, but will also aid in reducing overall pendency of cases.

Structural Implications

Consumer awareness should be created both in urban and rural areas by highlighting the rights of consumers by educating about the complaint, forum and redressal system. The study suggests following measures to spread consumer rights awareness for the protection of consumer interest:

- Consumer Rights Awareness
- Consumer Education
- Role of Government
- Enforcement Agencies
- Enactment and Amended existing laws

• Consumer Rights Awareness

Consumer rights awareness is a very important element in dealing with consumer protection. The present situation calls for greater efforts to increase public knowledge and public participation. The suggested measures of the facts stated above are as follows:

1. Consumers should be made aware of consumer rights and organize to promote and protect their own interest.
2. Consumer should beware of deceptive advertisements. The consumer should insist on guarantee and warranty card duly stamped and signed by the seller.
3. The consumer should be more conscious and aware of their right and responsibilities, through seminar, conferences, talks, NukkarNatak and campaign. The consumer literacy should be imparted by booklet in simple and regional language to create awareness among the consumers about their rights.
4. Consumer clubs should be set up at block and village levels to entertain the consumers problem. There should be consumer helpline at the grassroots level so that their complaints can be redressed promptly.
5. Consumer rights awareness camps should be held at block and village levels and consumer information centers and voluntary consumer organization should be motivated and the women should also be made aware.

• Consumer Education

For the proper functioning of the legal system it is necessary that the knowledge of the availability of a legal remedy should be so widely disseminated that people as a whole become conscious of their rights. The consumer education becomes very important and pertinent in country like ours where a large section of the consumer is poor and illiterate. In view of the above stated findings, the following points deserve consideration:

1. Consumer education forms the edifice on which a strong consumer movement can be developed through equipped libraries –cum-consumer education and advocacy center in every district and block.
2. Consumer Education should be given through posters, folk arts, street plays, T.V., dramas seminars etc. because no law can become forceful unless the consumer movement gains momentum.
3. Consumer Education should be introduced in educational institutions from primary to higher level as a subject in their curriculum to educate youth specially students of colleges and universities.
4. Consumer should seek information related to its quality, price, measurements and purity certified with ISI mark etc. Consumer should demand appropriate receipts/cash memo of the purchased good failing which resort to complaint before district forum, State commission or National commission.

• Role of Government

The Government through its legislative and other measures should promote welfare of a consumer by encouraging fair trade practices and under taking following steps:

1. Sufficient cooperation is required from government system. In order to protect consumers from unsafe and hazardous goods, the government needs separate law on production, safety and liability and an independent Product Safety Commission for effective enforcement.
2. Government should improve all consumer services. A consumer representative has to be appointed in every consumer cell and redressal machinery for solution of consumer complaints within a specific period. It Government should take necessary steps to bring out the deficiency in service of postal, railways and chit funds and bring it to the notice of redressal agencies.
3. Government should implement rules of punishment more harsh so that manufacturer and shopkeeper deter before adopting fraudulent practices.
4. Government and other consumer activists' agencies should make efforts in the direction of propaganda and publicity of District Forum, State and National Judiciary established for consumer protection so as to make more and more consumer aware about the machinery for their greater involvement and to seek justice in case of grievances.
5. The Government should have schemed to give enough financial assistance to voluntary organization. The existing number of consumer organization is not sufficient to meet the requirement.

• Enforcement Agencies

The evolution of consumer redressal agencies reveals mixed pattern of success and failures. No doubt these bodies have been active and within the constraints given far reaching relief to the consumers in a number of cases. The delay in disposal negates the very purpose of setting up these quasi –judicial bodies can be corrected by under taking following measures:

1. Consumer forums should be established at Block and Tehsil level to decide complaints pertaining to consumer rights. The consumer disputes and complaints should also be redressed by pre-litigation,

negotiation, cancelling etc. The Guidance and counseling units may be arranged within the premises of Forum to assist the consumers in filing their complaints.

2. The Consumer Redressal Agencies order should be equipped with the personnel for execution of their orders, and in this way the necessity of depending on Civil or Criminal Courts would be obviated.
3. The strength of members of courts should be increased and the Chairman may be appointed from active service. The Courts should be given more teeth and their meetings may be held, on certain days, at block level to provide justice at the door step. For this purpose, mobile consumer courts may be setup.
4. There is a need to prescribe the essential infrastructure to the District Forum State Commission so that they are not hamstrung functioning effectively. The selection of members of these organisations should not be affected politically; Service of suitable, committed and experienced people should be taken.
5. The court needs to take a second look at the quantum of damages that they award. Similarly; redress procedure should be made more logical, easy enough to be understood by a large number of consumers. Further procedures shall so designed as to have easy handling and quick disposal of cases.

• **Enactment and amendment to existing laws**

The CPA was enacted provide an effective remedy against the violation of consumers rights arising out of unsafe and hazardous goods, the government needs separate law on production, safety and liability and an independent Product Safety Commission for effective enforcement . The following points may be derived which reforming laws and amendment.

1. The Act should be amended to make the right to safety, right to information, right to choose, right to be heard, right to against exploitation and right to consumer education six rights of consumers' justifiable. In any case; to begin with, it should be made obligatory for redressal agencies to consider them when adjudicating a complaint.
2. The Act should be amended to empower consumer courts to publish the names of manufactures, traders and dealers whose goods are found to be hazardous to public safety. This empowerment would as a deterrent to the erring business community.
3. The Act should be amended as to stream line the procedure that would facilitate expeditious disposal of a consumer cases. As regards the time frame provided in the Act, in order to adhere to this time frame, it is necessary to prescribed a procedure wherein any complaint that is received in the consumer court at the district level is intimately scrutinized and competent personnel to determine whether the case falls within the Act and whether should be perused .The Act should be modified to recognize a very important right of consumers *viz*, the right to healthy environment.
4. Section 2(1) (d) and 2 (1) (o) of the CPA should be suitably amended to modify the definition of the terms consumer and 'services' to make it clear that consideration shall not be precedent in case of availing medical and municipal services provided by the government. A victim of medical negligence in a government hospital should be entitled to compensation by enlarging the definition of consumer and bringing free services provided to the public by the government. CPA Provides only compensatory provision and not for penal provision. Some penal provision should be incorporated under this Act.

Conclusion

The Consumer Protection Act, 2019 is a modified piece of legislation that offers the consumers a great variety of benefits and rights to protect them from unfair trade practices, false or misleading advertisements, etc. The Act enables the consumers to seek alternative dispute resolution mechanisms and mediation so that the parties can opt for speedy and effective settlement of consumer disputes. The scope of e-filing of complaints and e-consumers in the Act portrays forward-thinking in part of the legislature. Furthermore, the Act also introduced new terms such as product liability, unfair contracts, etc. thereby widening the scope of protection of consumer rights and enabling the consumers to file complaints when their rights have been violated under the Act.

Thus, the inclusion of the provisions in this fills up the lacunae in the Consumer Protection Act, 1986. The enactment of the Act was paramount and it changed the ambit of protecting the rights of consumers in the country.

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