



## Issues in Consumer Protection, awareness and future diplomas in India

**Eslavath Raju.**

University College of Law  
Osmania university-Hyderabad

### **Abstract**

*Indian market today is dominated by the consumerism, particularly after a decade from economic reforms process. It is gradually being transformed from a predominantly sellers market to a buyers market where exercised choice by the consumers depends on their awareness level. Consumer rights could be protected in a competitive economy only when right standards for goods and services for which one makes payment are ensured by evolving a network of institutions and legal protection system. Ensuring consumer welfare is the responsibility of the government as every citizen of the country is a consumer in one way or the other. The present paper attempts an analytical, critical and synthetic examination of "consumer protection in India"*

**Key words:** Goods, Consumer, Consumer protection, Unfair Trade Practice.

### **Introduction**

By the nineteenth century consumer came to be used as a counterpoint to the term producer. The nineteenth century view of the consumer has survived in most capitalist democracies. In fact, consumers have a 'secondary relationship' with goods and services, because they are forced to live with and through services and goods that they themselves did not create. Thus, the consumer still remains as a 'marginal group' in today's dominant market economy of the world. India is fast being recognized as a major hub for all consumer and businesses goods. The presence and influence of the market has thus grown dramatically in consumer life. However, the inherent profit motive in mass production and sales also offers the opportunity to many manufacturers and dealers to exploit consumers.

The level of awareness of the consumer can be taken as an indicator of the progress of a country. Be it medicines, electronic goods, Fast Moving Consumer Goods or even services rendered – each of these demand that consumers become aware of their rights. In order to safeguard consumer interest, six consumer rights were initially envisioned by consumer rights activists of the West, namely: Right to Safety, Right to information, Right to Choice, Right to Heard, Right to Redress and Right to Consumer Education. In time, two more important rights were added viz.: Right to Basic Needs and the Right to a Healthy and Sustained environment.

Some of the relevant issues concerning the consumers are: High Prices, High Cost of Distribution, Shoddy or unsafe Products, Product Safety, Harmful and Low benefit Products, Planned Obsolescence, Poor service to



the Disadvantaged. Thus, need was felt to protect consumers from excessive consumerism legally so that they can be protected. Accepting consumer welfare as the responsibility of the government, Consumer Protection Act, 1986, was introduced to protect consumers legally from fraud and deceit during the process of consumerism. A separate Department of Consumer Affairs was also created in the Central and State Governments to exclusively focus on ensuring the rights of consumers as enshrined in the Consumer Protection Act, 1986.

#### **Exploitation of rural consumers**

The rural consumer has been made to endure sub standard products and services, adulterated foods, short weights and measures, spurious and hazardous drugs, exorbitant prices, endemic shortages leading to black marketing and profiteering, unfulfilled manufacturing guarantees and host of other ills. The rural consumers who generally depend on weekly markets to purchase essential things are often cheated due to lack of choice. The rural consumers in India are generally ignorant and they are also unorganized. Thus, they are exploited by the manufacturers, traders and the service providers in different ways. The rural consumers are not only scattered but also diverse and heterogeneous. The manufacturers and the traders take advantage of the condition of the rural consumers is deplorable because that are largely exploited in the rural markets on account of lack of competition among the sellers. The rural consumers face various problems like adulteration, short weighing and measuring, lack of safety and quality control in appliances and equipments, electrical and mechanical, unfair warranties and guarantees,

imitation, sales gimmicks and unreasonable pricing.

#### **Need for education and empowerment**

In the emerging scenario it is necessary to protect the rural consumers by educating them about their rights and empowering them to make decisions based on information about the goods and services. Awareness has to be created among the rural consumers. So far the consumer movement has largely been confined to the urban centers, and with the expanding rural markets now the focus has to shift to protect the rural consumer. An integrated approach is needed to empower the rural consumers. As the largest consumer base is in the rural areas, protecting the rural consumer has to be a priority in any strategy to protect the consumers.

#### **Consumer awareness and grievance redressal**

**Publicity:** A major thrust is being given to inform consumers about their rights, the way to get their grievances redressed.

**Consumer Protection:** Under this component the various consumer are strengthened by providing buildings, computerization, training. In addition help lines would be set up in the States to guide consumers (there is at present only one National Helpline working at Delhi). The Plan activities are also proposed to be complemented by amending the Consumer Protection Act. Non Plan activities: These plan activities would be complemented by non plan activities. The major part on this side would be the use of the Consumer Welfare Fund to support voluntary consumer organizations in activities like comparative testing,



awareness generation, research and consumer assistance.

### **Growth of rural markets**

In recent years rural markets have acquired significance in countries like India and China as the overall growth of the economy has resulted into substantial increase in the purchasing power of the rural community. On account of globalization and liberalization the rural areas are consuming a large quantity of industrial and urban manufacture products. The rural market has been growing steadily since the 1980's and is now bigger than the urban market for both FMCG's and consumer durables. An analysis of the NSS data reveals that 75 percent of the expenditure on manufactured goods is accounted by rural India.

### **Consumer Protection Act, 1981**

The Act aims to ensure right standards for the goods and services for which one makes a payment. The Act defines the consumer as one "who purchases goods and services for his/her use. The user of such goods and service with the permission of the buyer is also a consumer. Hence the Act covers all "product and services."The products are those which are manufactured or produced and sold to consumers through wholesalers and retailers. The services of the nature transport, telephones, electricity, constructions, banking, insurance, medical treatment, education etc. The service also includes those services provided by professionals such as doctors, engineers, architects, lawyers etc. The Act postulates establishment of Central Consumer Protection Council and the State Consumer Protection Council for purpose of spreading consumer awareness. Central Council is

headed by Minister-in-charge of the consumer Affairs in the Central Government and in the State it is the Minister-in-charge of the Consumer Affairs in

the State Government who heads the State Council. A sperate Department of Consumer Affairs was also created in the central and State Governments to exclusively focus on ensuring the rights of consumers as enshrined in the Act.

### **Consumer redressal forums**

To provide cheap, speedy and simple redressal to consumer disputes, quasi-judicial machinery is set up at each District, State and National levels called District Forums, State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commission respectively.

### **Redressal mechanism**

There are consumer courts at the District, State and National level. The Consumer Act lays down the type of practices against which consumers can seek relief. These courts have played a very important role in ensuring that the rights of the consumers are protected. Proceedings are summary in nature and endeavor is made to grant relief to the parties in the quickest possible time keeping in mind the sprite of the Act which provides for disposal of the cases with in possible time schedule prescribed under the Act, preferable within 90-150 days. If a consumer in not satisfied by the decision of the District Forum, he can challenge the same before the State Commission and against the order of the State Commission a consumer can come to the National Commission.



### **The future consumer dilemmas**

Future consumers will have to make sense of varied phenomena such as increasingly subliminal advertising, social networks, free-economy and technological as well as scientific advances, because the “haves” of the future will be controlled by digital economies and “have notes”, will be those who are forced to stay offline. We will also witness the rise of ‘consumerism’ to counter citizen-centric priorities; and the rise of brand ocracies, over and above the current sway of bureaucracies. Increasingly the companies, brands and corporations will have to submit to rating according to their ethical, social and environmental credentials rather than their abilities to generate profits. In a provocative and insightful view of how emerging lifestyle and cultural changes are likely to impact on future consumers, a safe and healthy lifestyle can be provided for future consumers, by today’s consumers, policy makers and markets. It is becoming increasingly clear that ‘Green’ lifestyles must combine an access to traditional or cultural knowledge, an understanding of current issues, and use of science and technology. Besides which the core proposition of the product, service and experience these create will simultaneously have to protect the environment and benefit the consumer.

### **Major recommendations and suggestions**

- Strengthening of the existing redressal mechanism to make it more efficient for delivering speedier justice
- Supplement the existing redressal system with an active ADR Mechanism.

- Building a strong consumer information and advisory system.
- Integrate State Consumer Help lines and Consumer Advice Centre to facilitate mediation
- Review of Consumer Protection Act 1986 and take adequate measures to plug loopholes with a view to reduce delays and enhance its reach to new areas of consumer issues.
- National Consumer Protection Agency.
- Information Technology tools for better delivery of service

### **Conclusion**

It may be concluded that even than several laws meant to protect consumers against such unfair trade practices, false and misleading advertisements continue exploit the consumers. If the hour is better laws in keeping with the times, better enforcement, corrective advertisements better self-regulations by industry independent regulator to regulate health and children - related advertisements. Outdated laws, poor enforcement of them are some of the lacunas in order to control advertising. Nature, women, the youth and the rural populations, all need to be accommodated in any planning ahead for a sustainable, healthy and meaningful life for India’s ‘tomorrow’ consumers. However, consumer awareness through consumer education and actions by the government, consumer activists, and associations are needed the most to make consumer protection movement a success in the country. Positively, TV programmes have begun to discuss the problems of consumer protection and consumer’s movement and a separate cell for consumer protection



has been formed in the Ministry of Food and Supplies. Therefore, the domestic products should be of high quality to attract the interest and build the trust of consumers, and the government should enact certain standards for the quality assurance of not only the domestic but also the imported products.”

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