

**1. CONSUMERISM AND CONSUMER
PROTECTION MOVEMENT
OR
EVOLUTION AND DEVELOPMENT
OF CONSUMERISM**

(MOST IMPORTANT)

SYNOPSIS:

- A. Consumerism**
- B. Consumer Protection Movement**
- C. Consumer Protection Movement - Historical perspective**
- D. Consumer Movement in USA**
- E. Consumer Movement in Great Britain**
- F. International Consumer Movement (through United Nations Organisation and other Agencies)**
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 - 2. *International Labour Organisation*
 - 3. *World Health Organisation*
 - 4. *Food and Agriculture Organisation*
- G. Consumer Movement in India (and causes for slow development of consumer movement in India)**
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A. CONSUMERISM:

Consumerism is a social movement to safeguard the rights and powers of the consumers at large, in relation to sellers.

Ralph Nadar, the pioneer in Consumer protection movement in nineteen sixties and nineteen seventies, described Consumerism as society's right to quality of life and it is towards the protection, preservation and enhancement of human life.

As long as the commodities sold by the sellers are not injurious to public health and safety, the commodities can be marketed.

Consumerism involves rational purchasing and freedom from economic exploitation by merchants.

B. CONSUMER PROTECTION MOVEMENT - INTERNATIONAL LEVEL:

The increase in volume of international trade and commerce has brought in the need for consumer protection movement all over the globe.

The twentieth century saw the growth of consumer protection movement in several countries appreciably.

As majority of consumers are of low income group, they face non availability of basic commodities of life at acceptable quality at reasonable price.

The consumer protection in developing countries has become more of a necessity than of academic interest.

At present several legislative enactments, Consumer Courts, Consumer associations, media publications and advertisements about the consumer rights have accelerated the consumer protection movement at a faster pace.

The Consumer Protection Movement is mainly for quality of human life and protection against hazardous and adulterated goods.

C. CONSUMER PROTECTION MOVEMENT - HISTORICAL PERSPECTIVE:

Consumerism was not felt before the Industrial Revolution in Great Britain, as nations were isolated with inadequate transport facilities and goods were manufactured manually without the use of power or energy.

Many countries were economically dependent on agricultural income, where the need for consumer protection was not felt much.

There were a few case laws on consumerism which were decided by ordinary Civil Courts and no significant legal principles evolved from such case laws.

Evidence is still available that even in ancient Rome, consumer protection was available. In the middle ages, consumer's standards were set for merchants in many European countries.

Merchants of shoddy goods were dragged round the town with his dress tied around the neck.

Only after the Industrial revolution in England, goods and commodities of different kinds and varieties were made available to the consumers and this became the starting point of consumerism.

The English Sale of Goods Act 1893 was based on the common law of England which did not contain protection aspects for the consumer.

In fact, it was the principle of "Caveat emptor" that "let the buyer beware", and the seller was not made responsible for defect in goods, etc.

However, only the dawn of 20th century saw the actual consumer movement.

The years following the Second world war stimulated the consumer movement through voluntary action mostly by women's organizations.

In 1955, the British Labour party introduced a pamphlet "battle for the consumer" in the House of Commons which strongly advocated the quality marketing of goods and also setting up a Consumer Council for redressal of consumer grievances.

Followed by this, a retail trading standards association was set up to resolve disputes between retailers and consumers.

Still the consumer revolution was very gradual in Britain and hence it compelled the Government to appoint “Molony” committee to bring in changes in law for the protection of consuming public and to submit a report for better standards for safety, quality and performance and service.

On the basis of the Molony Committee’s report, the British Government appointed Consumer Council in 1963 to voice out the consumer’s grievances.

It was at this stage, the slogan “caveat emptor” (let the buyer beware) became a new slogan “caveat venditor” (let the seller beware).

The Foods and Drugs Act 1955, The Weights and Measures Act 1963, Trade Description Act 1972, Poisons Act 1972, Fair Trading Act 1973, Prices Act 1974, The Competition Act 1980 are certain significant legislative enactments for the welfare and protection of consumers.

The Consumer Protection Act 1987 was the most valuable and most comprehensive Act containing provisions for protection of consumers, prevention of unfair trade practices, improving high standards of goods and services at affordable rates, prevention of monopolistic trade affairs, removal of unilateral and oppressive agreements, provision of choice in consumer goods and services in safeguard of consumer’s health and safety.

Parallel to the British consumer movement, due to the rapid economic development in Japan, a series of administrative and legislative measures were taken up by the Government.

In 1968, a law for protection of consumers was enacted and a Commission was established which reported directly to the Prime Minister of Japan.

The legal enactments made by the Government was extended to Municipalities and local Government.

Thus in Japan, the Government took initiative for very strong consumer protection movement and at present a large number of voluntary consumer organizations have sprung up for increasing consumer guidance and stronger action.

In New Zealand, under the ministry of Industry and Commerce, a Consumer Council was established in 1959, and a consumer Institute was further established in 1966.

The aim of these bodies is for provision of quality products and also for testing of goods and services, etc.

Literatures and magazines for publishing the test results helped improve the goods and services by the manufacturers.

In Australia and many countries in Europe, similar movement started only after nineteen eighties. But in early fifties there were three institutions in Sweden:

1. National Institute of consumer information
2. Ministry for consumer welfare
3. State Consumer Council

Though the consumer movement started in Great Britain, the major contribution for consumer movement was from USA and so, it is considered to be the most advanced among all the consumer societies.

A separate study about USA is, therefore, necessary.

D. CONSUMER MOVEMENT IN USA:

In 1960's even in USA, consumer was not sovereign, and he was a helpless victim of ingenious manipulations, though there was Sherman Act 1890 which made a contract in restraint of trade as illegal and the Federal Trade Commission Act and Clayton's Act 1914 preventing unfair methods of competition and Wheeler Lea Act 1938 broadening the powers of Federal Trade Commission.

In nineteen seventies, the largest car manufacturing company 'Ford' was under serious attack when the nation came under energy crisis.

Ralph Nadar - one man Consumer protection movement of the sixties and seventies have brought out the helplessness of consumers. He coined the term "consumer is the sovereign" and his movement started gathering momentum.

His sharp observations and startling conclusions about the shortcomings of the Chevrolet car became the talk of the town and this paved way for many legislations for the protection of consumers. His movement was termed "Ralph Nadar's impact in USA's consumer movement".

The Magnuson - Moss Warranty Act 1975 established two organizations for consumer protection:

1. The Bureau of Consumer Protection to curtail deceptive advertisements.
2. The Bureau of competition for promoting healthy and quality competition.

At present, with the innumerable consumer protection legislations like uniform Consumer Sales Practices Act, Uniform Residential Landlord and Tenant Act, the Consumer Product Safety Act, the Consumer Patient Radiation and Safety Act, the Fair Packaging and Labeling Act, Uniform Land Transaction Act, U.S.A. stands as the Monarch of consumerism.

While the stiff competition has given rise to multi variety of products and services, the Legislative and Voluntary Consumer Organizations act as protectors of consumer rights for supply of quality products for leading a quality life.

E. CONSUMER MOVEMENT IN GREAT BRITAIN:

***Refer Synopsis 'C' - Historical Perspective
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F. INTERNATIONAL CONSUMER MOVEMENT (THROUGH U.N.O. AND OTHER AGENCIES):

The U.N.O. was established on October 24, 1945. One of the main aims of UNO is that each State must become a welfare state rather than a police state.

Confronted with the galloping increase in volume of international trade and commerce, the role of U.N.O and other international Agencies in regulating the international trade and commerce with special reference to the protection of consumers was increasingly felt.

The United Nations guidelines for consumer protection notes that international co operation for consumer protection is needed because the consumer protection policy is not confined only to national level.

To develop world economy which is inter dependent on international commerce, it is necessary to develop international standards for consumer protection. This will avoid conflicts between consumer protection measures of one country with the other.

Further international co operation is required for exchange of information on banned products to enable the importing countries to protect themselves against these products.

The U.N.O. has the following four important wings in its Constitution namely, **Economic and Social Council, International Labour Organisation, the World Health Organisation, Food and Agriculture Organisation**, whose role have largely contributed to the development of consumerism.

1. ECONOMIC AND SOCIAL COUNCIL:

One of the six principal organs of the UNO which shall promote higher standard of living, conditions of economic and social progress, solutions of international economic, social, health and related problems.

In late nineties, the Council recognized the need for consumer protection and it also conducted a survey of various institutions relating to consumerism in different countries.

It required each State to formulate guidelines and implement them for the welfare of consumers.

In 1982, it also adopted a resolution for protection against products banned for consumption. In 1983, it submitted a draft guidelines for consumer protection which was adopted in the General Assembly of the UNO in 1985 for the consumer protection.

The major guidelines are to encourage consumerism all over the globe, to afford greater choice at lower prices, to curb unfair trade practices, to develop international consumerism, to protect consumers from health and safety hazards and to formulate effective and inexpensive legal remedies, etc.

In 1986, the General Assembly another resolution for consumer protection mainly to take steps for protecting consumers from health and safety hazards, furnish adequate information of the goods, curb misleading advertisements and deceptive representations, to propagate consumer education and to implement effective consumer redressal.

On the basis of the above guidelines, various States adopted and implemented the guidelines. In India also, the **Consumer Protection Act 1986** was passed.

2. INTERNATIONAL LABOUR ORGANISATION:

Its aim is to protect the interests of the workers and their families in the capacity of consumers and to provide with the basic goods at reasonable price, in sufficient quantity in satisfactory quality.

It also developed programmes for welfare activities at the work place and to strengthen the consumer cooperatives and to provide education to workers.

The guidelines enunciated by International Labour Organisation was adopted by several nations in the form of Labour legislations.

3. WORLD HEALTH ORGANISATION:

In 1977, the expert committee of WHO made out a list of drugs to meet the basic health needs of the people and it directed the member countries to provide the medicines at a reasonable price to the consumers. Thus its main object is that the people should possess good health.

4. FOOD AND AGRICULTURE ORGANISATION:

It envisaged special programmes for food control, and to increase the production of the quality and quantity of food stuffs.

It also aimed at proper distribution of the food stuffs to the population, especially to the rural population. It also prepared a code of conduct for distribution and use of pesticides.

The other Agencies like UN Conferences on Trade and Development, World Industrial Property Organisation, United National International Children's Emergency Fund, etc., also played a pivotal roles in the field of consumerism.

G. CONSUMER MOVEMENT IN INDIA:

In ancient India, the consumers used to exchange goods between them through barter system. With the development of society with numerous commodities flooded in the market, the barter system was replaced by sale and purchase practice.

Due to reasons like illiteracy, poverty, lack of information, simple needs of people, consumer knowledge was very much lacking.

Even today, to buy a commodity, the buyer relies on his personal previous experience or information from his friends or independent agencies.

The information gap about the product is of serious concern to the consumer about the choice of goods. For new technical products, the consumer has to solely rely on the seller or manufacturer.

Further, the laws are not stringent to contain the price hike, nor the redressal machinery renders speedy justice. The people below poverty line are the worst sufferers of fraud, excessive prices, poor quality of merchandise, etc.

It is, therefore, necessary to alleviate the existing maladies, consumer education to create critical awareness, activate consumer involvement and solidarity of consumers is a must. Any product in demand will give scope for exploitation, huge profits to the seller, etc.

The growth of law on the protection of consumers has been on piece meal, haphazard and scattered over a number of unrelated statutes. Reduction sale, free gifts, etc., are inducements for selling goods of poor quality materials.

India, being a developing country, vices like unemployment, poverty, illiteracy, over population, etc., are inevitable. There were several legislations which, however, did not fulfil the expectations of consumers in their protection.

Some of the Acts are the Indian Contract Act 1872, the Sale of Goods Act 1930, the Essential Commodities Act 1955, Drugs Control Act 1950, Prevention of Food Adulteration Act 1954, Standards of Weights and Measures Act 1976 and the Monopolies and Restrictive Trade Practices Act 1969.

In all these Acts, though remedies were available, it was expensive and time consuming and hence rarely invoked by the consumers.

Even though the Indian Constitution has provided Articles 38, 47, etc., which aim at promotion of the welfare of the people, raising the level of nutrition,

standard of living and improving public health, these were only Directive Principles of State Policy and acted only as guidelines for rulers.

To alleviate all these practical apathies, the Indian Parliament finally enacted the 'Consumer Protection Act 1986' which came into force from first 1st July 1987.

The Act is comprehensive, and an additional Legislature which gives simple, speedy and inexpensive remedy for consumer grievances.

Consumer Courts were established at each District level, State level and at National level, and a consumer corpus fund was also created to provide financial assistance to Non-Governmental Consumer Organizations.

The 15th March of every year is celebrated as Consumers day. Not only goods, but also services was brought within the ambit of Consumer Protection Act.

The Consumer Protection Amendment 1993 was enacted with certain modifications and additions. The Consumer Welfare Fund was also instituted in 1994 to promote voluntary organizations to spread consumer education.

In short, the past decade has seen the consumer movement growing at least to the middle and high class societies and days are not far off for the Act to spread even to rural masses and the poor.

H. CONCLUSION:

The dawn of the 20th century has witnessed nuclear explosions, Space voyage, but also goods and services of very wide range.

The room for consumer exploitation was widening due to unscrupulous traders and manufacturers who were least bothered about the consumer welfare.

To end all their mischiefs and misdeeds, a draconian Act in the form of Consumer Protection Act has found its way in almost all nations of the globe. It is but a significant legal development for a quality living of the people at large.

UNIVERSITY QUESTIONS FOR REVIEW:

1. *Explain Consumerism and trace the development of Consumer protection movement in India.*
2. *Describe the evolution of Consumerism in international level, particularly in USA and Great Britain.*
3. *Define Consumer protection. Compare the development of Consumerism in India with USA and Britain.*
4. *Explain the role of ILO in the development of Consumer movement.*
5. *Consumerism in India is of late origin and not fully developed as in USA and Britain - Comment.*
6. *Critically analyse the causes for slow development of consumer movement in India.*



**2. OBJECTS, REASONS AND PURPOSES OF
CONSUMER PROTECTION ACT - 1986
OR
SALIENT FEATURES OF CONSUMER
PROTECTION ACT - 1986**

(MOST IMPORTANT)

SYNOPSIS:

- A. Introduction**
- B. Objects and Reasons**
- C. Promotion and Protection of rights of Consumers**
- D. Central and State level**
- E. Speedy and Simple Redressal**
- F. District Forum, State commission and National Commission**
- G. Areas of protection**
- H. Prevention of illegal activities**
- I. Defect in goods and deficiency in services**
- J. Commercial usage - not a Consumer**
- K. Consumer Protection Act - Extra Remedy**
- L. Complaint of Petty nature**

A. INTRODUCTION:

With the growth of science and technology, large scale industrial production has taken place. Due to the development in the communication system i.e. advertisement etc., The desire of the people is to acquire and use/consume these goods.