

# Role of State and Society in Consumer Protection: with special reference to India

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## ABSTRACT

A consumer is said to be a king in a free market economy. The earlier approach of caveat emptor which means, "Let the buyer beware", has now been changed to caveat venditor "Let the seller beware". However, with growing competition and in an attempt to increase their sales and market share, manufactures and service providers may be tempted to engaged in unscrupulous, exploitative and unfair trade practices like defective and unsafe products adulteration, false and misleading advertising, hoarding, black marketing etc. Consumers are not aware of their rights and reliefs available to them as a result of which they are exploited. In order to save consumer from exploitation consumer protection is needed. Thus Consumer Protection Act 1986, sale of goods act 1930, Bureau of Indian standard 1986 was introduced to make consumers aware about then rights and to give them legal protection. Consumer Protection Act provides three-tier machinery at the district, state and national level for educating consumers about their rights and responsibilities, but also helps in getting their grievances redressed. The prospect of the consumer justice system in our country appears to be bright in view of the proactive policies schemes/ programmes adopted by the government. The present study will be conducted on secondary sources to understand the role of state and society in consumer protection in present time.

## 1. Introduction

A Consumer can be defined broadly as a person who needs, uses or has a need for a particular service or product. In this sense, we all are consumers. Consumers make up the largest economic group affecting and being effected by almost every public and private economic decision. Yet often their views are not heard. Consumer are therefore more vulnerable to exploitation through deceptive advertising and selling provisions of substandard, fake and adulterated products, predatory loans and fraudulent, unethical and monopolistic trade practices. The earlier approach of "caveat emptor" which means "Let the buyer be aware", has now be changed to caveat venditor "Let the seller be aware". The phrase "caveat emptor" arises from the fact that buyers typically have less information about the goods or service they are purchasing, while sellers have more information. Any defect in the goods purchased by the buyer may be known to the seller but not to the buyer. The general rule of law dictates that a purchaser assumes the risk of his/ her purchase. But now "the old rule of 'caveat emptor' had been superseded by 'caveat venditor' such change being rendered necessary by the conditions of modern commerce and trade".

The following verse is the view of Mahatma Gandhi, which directly explains the role of the consumer in an economy.

"A customer is the most important visitor on our premises,  
He is not dependent on us; we are dependent on him,  
He is not an interruption in our work; he is the purpose of it,  
We are not doing him a favour by serving him,  
He is doing us a favour by giving us an opportunity to do so"

## 2. Who is Consumer

"A consumer is people who purchase a product or avails a service for consideration either for his personal use or to earn his livelihood by means of employment". In KautilyaArthashastra consumer protection occupies a prominent place. It describes the role of the state in regulating trade and its duty to prevent crimes against consumers".

## 3. The Concept of Consumer Protection

Commercial organisations are well organised, better informed and have a dominating position in the market. Due to this reason they easily exploit the consumer. The most effected victims of these commercial organisations need to be protected. They are protected by the help of various Laws, General awareness, Non- government organisations and Judicial Machinery.

## 4. Legal Provisions of Consumer Protection

Consumer protection has a wide agenda. It not only includes educating consumers about their rights and responsibilities, but it also helps in getting their grievances redressed. It not only requires judicial machinery for protecting the interests of consumers but also requires the consumer to get together and form themselves into consumer association for protection and promotion of their interests. At the same time , consumer protection has a special significance for business too.

1. The Sale of Good Act, 1930- This Act provides safeguards and relief to customers in case goods are not complying with the expressed conditions and warranty.
2. The Prevention of Goods Adulteration Act, 1954- This Act has been formed to check Adulteration of food

articles and ensure their purity so that the health of general public can be maintained.

3. The Essential Commodities Act, 1955- This Act is formed to control production supply and distribution of essential commodities. It checks inflation and ensures smooth and equal supply of these goods. It also checks black marketing, hoarding etc.
4. The Standard of Weights and Measures ACT, 1976- The Acts provides protection to consumer against malpractices of underweight, under measure. The provision of this act is applicable on those goods which are sold or distributed by weight and measure.
5. The Contract Act, 1982- This act is formed to bind people on their promises made in a business contract. The Act also provides remedies available to parties in case of breach of contract.
6. Consumer Protection Act, 1986 - In 1986 the Indian Parliament passed the landmark consumer protection act which is a milestone in the history of socio economic legislation. The consumer protection act is a weapon in the hands of consumers to fight against exploitation by traders, manufactures and sellers on one hand and provides services on the other.
7. The Bureau of Indian Standard Act, 1986- This Act is formed to provide special marks to products which fulfil some minimum quality standards. The common mark issued under this Act is ISI Mark. This Act has set up a grievance cell where consumer can make a complaint about a product which is not up to a quality and are having ISI Mark.
8. The Agricultural Produce (Grading & Marketing) Act, 1987- This is formed to assure quality of agricultural products. This Act provides grade standards for agricultural commodities. The quality mark which is supplied to the act is called "AGMARK".
9. The Trade Mark Act, 1999- This Act prevents the use of fraudulent marks on products. This Act is introduced in place of Trade and Merchandise Market Act, 1958.
10. The Competition Act, 2002- This Act has replaced Monopolies and Restrictive Trade Practices Act, 1969 (MRTP). This Act is formed to encourage healthy competition and protect consumers from companies which hamper competition.

## 5. Consumer Rights

Although businessmen are aware of their social responsibilities even then we come across consumer exploitation. To protect the consumer from exploitation by the businessmen the Govt. of India has provided the following rights to all the consumers under the Consumer Protection Act.

1. Right to Safety- According to this right the consumer has the right to be against the marketing of goods and services which are hazardous to life and property.
2. Right to Information- The consumer has the right to get information about the quality, quantity, purity, standard and price of goods or service so as to protect himself against the abusive and unfair trade practices.
3. Right to Choice- The right to choose means as assurance of availability and access to a variety of product and services at competitive price which means just or fair price. Consumer should be free to choose the most suitable product from his own point of view.
4. Right to be Heard- In case a consumer has been exploited or has any complaint against the product or service then he has the right to be heard and be assured that his/ her interest would receive due consideration.
5. Right to be Redressal- The consumer has the right to get compensation or seek redressal against unfair trade practices or any other exploitation. The right to redressal includes compensation in the form of money or replacement of goods or repairs of the defects in the goods, as per the satisfaction of the consumer.
6. Right to Consumer Education- The consumer has the right to acquire the knowledge of the product or service. The Govt. of India has included consumer education in school curriculum, and in various courses.

## 6. Redressal Agencies, Reliefs and Consumer Organisation

There are three important Judicial Machineries or three important redressal forums available to deal with consumer grievances.

1. District Consumer Disputes Redressal Forum- It is set by the state government. The complaints for goods or services worth Rs. 20 lakh or less can be filled in this agency.
2. State Consumer Disputes Redressal Commission- It is set by the state govt. The complaints for the goods worth more than Rs.20 lakh and less than Rs.1crore can be filled in the state commission.
3. National Consumer Dispute Redressal Commission- It is set by the central government. The complaint can be filled in National Commission if the value of goods exceeds Rs. 1crore.

**Table-1.1**  
**Total no. of consumer, complaints field/ disposed service inception under consumer protection law:**

S. No	Name of Agencies	Case Filed	Case Disposed	Case Pending	Case Pending in %
1	National Commission	12465	10504	1961	84

2	State Commission	741478	630613	110865	85
3	District Forum	3992338	3736379	2555959	93

Source: Ministry of Consumers Affairs, government of India (2014-15)

We can see that in the Table no. 1.1, year 2014-15, National Commission Pending Cases percentage was 84, State Commission Pending Cases percentage was 85 and District Forum Pending Cases was 93. As we can see that number of Pending Cases are extremely high as compared to the case filed.

**Table-1.2**  
**Budgetary per Consumer Protection (Rs. Crore)**

S.No	Name of Schemes	2012-13	2013-14	2014-15	2015-16
1	Consumer counseling	8.40	21.00	46.20	46.20
2.	State Consumption Helpline	5.00	5.33	5.67	5.67

Source: Ministry of Finance, Government of India (15-16)

We can see in the Table no.1.2, Government Budgetary proposal Per Consumer Protection Rs in Crore for consumer counseling, in the year 2012-2016 was in a increasing order so that consumer can get better knowledge about their rights. And for the State Consumer helpline the government proposal was again in an increasing order to help the consumer in a specific way.

**Table- 1.3**  
**Assistance Release during the Last Five Year: Under the Schemes of Strengthening of Consumer FORA (SCF for States)**

Year	Fund Released (Rs. Lakh)
2008-2009	1319.87
2009-2010	700.50
2010-2011	1057.56
2011-2012	923.87
2012-2013	1103.63

Source: Ministry of Consumer Affairs, Government of India (2013-14)

In the Table no 1.3, the government has provided assistance for strengthening of consumer for every year. For the Year 2008-13 we can see in the table 1.3, government

assistance is fluctuating due to various reasons, one of them being the political reason.

## 7. Findings

The prospect of the consumer justice system in our country appears to be bright in view of the proactive policy, schemes/programmes adopted by the Govt. However, the present drive and direction need to supplement by adopting different channels of redressal and there is a dire need for the state Govt. to give deserving priority to consumer welfare. As per the annual series of given data we can see that there are numbers of consumer complaints which are pending. Government should take initiative to solve number of cases so that they can get consumer trust. The allocations of assistance release to consumer forum are fluctuating due to political reasons. Government should provide proper allocation of fund to consumer forums and NGOs so that consumers can gain better knowledge through education, programs, and seminars.

## 8. Suggestions

- Government should implement Awareness Program through various media to educate literate and illiterate consumers.
- Government should organise seminars, programs, nukkad-natak to aware peoples who are not aware about their rights.
- Consumer must realise their own responsibilities which could lead to their own betterment and not have blind faith upon anyone.

## 9. Conclusions

We can conclude it by saying that the State and Society plays the important role in Consumer Protection. The Govt. should encourage consumer to strongly protest and take an action against unscrupulous, exploitative and unfair trade practices of sellers. The Govt. should take proper step for the betterment of the consumer.

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