

**A STUDY ON THE IMPACT OF THE CONSUMER PROTECTION
ACT 1986 ON CONSUMER MOVEMENT, WITH SPECIAL
REFERENCE TO NORTHERN DISTRICTS OF KERALA**

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for the award of the degree of
Doctor of Philosophy in Commerce

By
YAKOOB C.

Under the supervision of
Dr. E.P. SAINUL ABIDEEN
Reader in Marketing Management

**DEPARTMENT OF COMMERCE AND MANAGEMENT STUDIES
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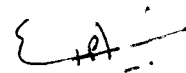
Dr. E.P Sainul Abideen
Reader in Marketing Management

Department of Commerce and management Studies
University of Calicut
Calicut University P.O
Kerala - 673 635

CERTIFICATE

Certified that the thesis entitled **A STUDY ON THE IMPACT OF THE CONSUMER PROTECTION ACT, 1986, ON CONSUMER MOVEMENT WITH SPECIAL REFERNCE TO NORTHERN DISTRICTS OF KERALA,** which is being submitted for the award of the Degree of Doctor of Philosofy in Commerce is an authentic record of the work carried out by **Mr. Yakoob C.** under my supervision and guidance.

He is allowed to submit this thesis



Dr. E.P. SAINUL ABIDEEN

Date: 10th December 1998

DECLARATION

I hereby declare that the thesis entitled **A STUDY ON THE IMPACT OF THE CONSUMER PROTECTION ACT, 1986, ON CONSUMER MOVEMENT, WITH SPECIAL REFERENCE TO NORTHERN DISTRICTS OF KERALA** is a bonafide record of research work done by me and that no part of this thesis has been presented before for the award of any degree, diploma or other similar title.



YAKOUB C.

Calicut University
8th December, 1998.

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ABBREVIATIONS AND ACRONYMS

AIR	:	All India Reporter
ASCI	:	Advertising Standards Council of India
ASSOCHAM	:	Associated Chamber of Commerce and Industry
CAC	:	Consumer Affairs Cell
CCWF	:	Central Consumer Welfare Fund
CDRA	:	Consumer Disputes Redressal Agency
CERC	:	Consumer Education and Research Centre
CFBP	:	Council for Fair Business Practices
CGSI	:	Consumer Guidance Society of India
COPRA	:	Consumer Protection Act, 1986
CPR	:	Consumer Protection Reporter
CPJ	:	Consumer Protection Judgements
CPCCK	:	Consumer Protection Council of Kerala
CTJ	:	Consumer Protection and Trade Practices Journal
CUTS	:	Consumer Units and Trusts Society
FAC	:	Food Advisory Cell
FICCI	:	Federation of Indian Chambers of Commerce and Industry
FTPA	:	Fair Trade Practices Association.
M RTP	:	Monopolies and Restrictive Trade Practices
NC	:	National Commission
SC	:	State Commission
IOCU	:	International Organisation of Consumer Unions
ISO	:	International Organisation for Standardisation

TABLE OF CONTENTS

	Page No.
LIST OF ABBREVIATIONS AND ACRONYMS	
LIST OF TABLES	
LIST OF CHARTS	
LIST OF CASES	
CHAPTER	
I Introduction And Methodology	1 - 30
II Consumer Movement - An Overview	31 - 82
III Enactment For Consumer - COPRA	83 - 125
IV Impact Of COPRA On Consumers And Consumer Organisations	126 - 193
V Impact Of COPRA On Business Firms	194 - 221
VI Operational Efficiency Of Consumer Fora	222 - 241
VII Summary Of Findings And Suggestions	242 - 260
APPENDICES	
BIBLIOGRAPHY	

LIST OF TABLES

Table No.	Title	Page No.
4.A.1	Frequency Distribution By Income Of Consumers	128
4.A.2	Frequency Distribution Of Education Level	129
4.A.3	Occupation Of Consumers	130
4.A.4	Pre-Purchase Planning	132
4.A.5	Choice Of Buying Channels	133
4.A.6	Comparison With Other Shops	134
4.A.7	Ensuring Weights And Measures	135
4.A.8	Awareness Of Rights	137
4.A.9	Awareness Of Legislation	138
4.A.10	Awareness Of Consumer Enactment	139
4.A.11	Awareness Of Vcos	140
4.A.12	Awareness Of Consumer Fora	141
4.A.13	Attendance At Awareness Programs	142
4.A.14	Membership In Consumer Organisations	144
4.A.15	Reasons For Not Having Membership In Vcos	145
4.A.16	Participation In Organisational Meetings	146
4.A.17	Nature Of Organisational Participation	147
4.A.18	Participation In Educational Programs	147
4.A.19	Expression of Response to consumer issues	148
4.A.20	Utilisation Of Organisational Services	150
4.A.21	Perception On Protection Of Rights	152
4.A.22	Perception On Access To Justice	153
4.A.23	Perception On Simplicity Of Procedure	155
4.A.24	Perception On Prevention Of Malpractice	156

4.A.25	Occurrence Of Consumer Dissatisfaction	158
4.A.26	Causes Of Consumer Dissatisfaction	159
4.A.27	Action On Dissatisfaction	160
4.A.28	Type Of Redressal Sought	162
4.A.29	Distribution Of Consumer Activism	163
4.A.30	District-Wise Average Indicator Scores	164
4.A.31	Correlation Between Consumer Activism And Factors Influencing It	165
4.B.1	Area Of Operation Of VCOs	169
4.B.2	Form Of Organisation Of VCOs	171
4.B.3	Commencement Of Activity	171
4.B.4	Objectives Of VCOs	172
4.B.5	Quantum Of Membership	174
4.B.6	Geographical Distribution Of Members	175
4.B.7	Growth Rate Of Membership	176
4.B.8	Availing Of Services Of VCOs	178
4.B.9	Level of Education of VCO members	180
4.B.10	Nature Of Awareness Programs	181
4.B.11	Frequency Of Awareness Programs	181
4.B.12	Average Attendance In Awareness Programs	183
4.B.13	Participation Levels In Awareness Programs	184
4.B.14	Annual Expenditure On Awareness Programs	185
4.B.15	Distribution Of Complaints Received By VCOs	187
4.B.16	Distribution Of Complaints Settled By VCOs	188
4.B.17	Time Taken For Complaint	189
4.B.18	Distribution Of Pending Complaints	190
4.B.19	Traffic Intensity Of VCO Dispute Settlement System	191
5.1	Ownership Of Business Firms	195
5.2	Nature Of Business Firms	196

5.3	Scale Of Operation	197
5.4	Form Of Organisation Of Firms	198
5.5	Awareness Of Consumer Laws	200
5.6	Awareness Of Consumer Rights	201
5.7	Promotion Of Awareness	202
5.8	Co-Operation With VCOs	203
5.9	Application Of Fair Business Practices	206
5.10	Timely Redressal Of Dissatisfaction	207
5.11	Performance Of Warranties	208
5.12	Provision For Complete Information	209
5.13	Customer Relationship	211
5.14	Quality Consciousness	212
5.15	Social Responsibility	213
5.16	Consumer Orientation	214
5.17	Level Of Consumer Awareness	215
5.18	Prevention Of Grievances And Dissatisfaction	217
5.19	Attitude Towards Consumer Movement	218
6.1	Adequacy Of Fora Infra-Structure	227
6.2	Adequacy Of Office Staff	227
6.3	Efficiency Of Fora Office Processing	228
6.4	Sittings Scheduled And Conducted	230
6.5	Average Number Of Hearing Adjournments	232
6.6	Analysis Of Variance Of Sittings Scheduled And Conducted	233
6.7	Cases Filed And Disposed Of During 1993 - 1997	235
6.8	Time Taken For Dispute Settlements	237
6.9	Reasons For Settlements Beyond Time Limit	238
6.10	Rates Of Filing And Disposal Of Disputes	239

LIST OF FIGURES

No.	Title
2.1	Components Of Consumer Movement
2.2	Growth In Number Of VCOs
4.A.1	Membership In Consumer Organisations
4.B.1	Area Of Operations Of VCOs
4.B.2	Growth In Number Of VCO Members
5.1	Types Of Business Firms
6.1	Disputes Filed And Disposed Of (Year-wise)
6.2	Disputes Filed And Disposed Of (District-wise)
6.3	Average Rate Of Disposal To Filing

LIST OF CASES

	Page No.
Abhay Kumar Panda V Bajaj Auto Ltd. 11(1991) CPJ 644 (SC)	53
Budhiya Jena V Bajapur Service Co-operative Soccity 1(1991) CPJ 447 (SC)	55
Duryodhan Das and Others V State of Orissa 11(1991) CPJ 638 (SC)	55
Eapen TM V Jaina Automobiles, Cochin, 1(1991), CPJ(420) (SC)	53
Lakshmi Eng. Works V PSG Industrial Estate 1(1995) CPJ 289(SC)	53
Lohia Sterlinger Ltd. V Zenith Computers Ltd. 1(1991), CPJ 145 (NC)	53
Mumbai Grahak Panchayat V Lohia Machines Ltd. 1(1991) CPJ 26 (NC)	56
Oswal Fine Arts V HMI Madras	53
Radhakrishnan S. V NSIC Ltd. , 11(1992) CPR 217	53
Secretary, CGSI V BPL India Ltd. , 1(1991) CPR 140 (SC)	53
Selex Office System V MK Jindal 11(1991) CPJ 110 (SC)	53
Synco Textails V Grieves Cotton Ltd. 1(1991) CPJ 499 (NC)	53

INTRODUCTION AND METHODOLOGY

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Chapter I

INTRODUCTION AND METHODOLOGY

Every citizen of a country is a consumer, and consumer in a general sense, amounts to public, which includes all people irrespective of their sectional or group denominations. Consumer is the sole end and purpose of all production. The interest of the consumer is to be given prime importance. The interest of the producer need be attended to only so far as it may be necessary for promoting that of the consumer. The whole economy exists for the consumer, for the purpose of satisfying his needs, in a manner ^{best} as possible, by providing appropriate goods and services. Consumer sovereignty is the maxim recognising this fact.

Consumer movement is a broad conceptual environment encompassing many spheres of human activities such as production, consumption, distribution of income, welfare, public interest etc. Consumer protection, the basic infrastructure of consumer movement has been considered as one of the constitutional duties, as is evident from clause (b) and (c) of Article 39, of the Constitution of India.

But the plight of the ordinary consumer mass is that of a helpless non-entity ignored by the state and neglected by the business community. The

main reason for this sad plight is that, in India, consumers have not yet organised themselves into powerful organisations so as to be effective forces. The plight of the ordinary Indian consumer is made worse by modern marketing and advertising techniques, continued inflation, scarcities, adulteration and other unfair trade practices of traders. Above all, the inefficiency and lethargy of the country's public system also contributes towards the sufferings of the consumer. In these circumstances, there is imperative need to explore means to build a strong, efficient and sensitive consumer movement embracing the entire economy.

The role of consumer movement in Indian economy gains special significance due to ever-increasing population and unmatching supply of goods and services. Indian markets tend to be sellers' market, buyers have weak bargaining power, and traders follow unfair trade practices. The attempts of the government to control these by passing a number of enactments have met with little success. All these are likely to have serious effects on the conventional parameters of national economy such as production, consumption, welfare, administration of justice, standard of living etc.

The Consumer Protection Act was passed in 1986. In fact, the law on the subject meets a long felt necessity of protecting the common man from such wrongs for which the remedy under ordinary law has become illusory. The importance of the Act lies in promoting welfare of the whole society by enabling the consumer to participate directly in the market economy. A scrutiny of common words, used in the Act, such as consumer, goods, services, trader etc. indicates that this legislature is a whole hearted attempt to widen the reach of the protective arm for consumers.

A decade has elapsed after the advent of COPRA. There has been no single piece of legislation, as COPRA, which embraces the whole people of a country. In terms of subjects or beneficiaries, the Act ranks first among the various Acts. The Act continues to expand in various dimensions. This extensive reach will reflect on its impacts also.

IMPORTANCE AND SCOPE OF THE STUDY

In the middle sixties there was a prophecy that within 10 years the consumer movement would have withered away, because all goods would be of good quality. But the consumer movement has not shrivelled, but grown. A consumer movement will be needed until the following conditions disappear:

- (a) Economic and commercial decisions are taken without regard for consumer interest.
- (b) Defects in products and deficiency in services
- (c) lack of information, education and advice.

Consumer movement is to be taken as a social phenomenon. The welfare of the consumer masses and the potentialities of various legislations underscore the importance of studies on consumer movement. The need for understanding the growth of the movement, its components and the pull-back factors, is extremely significant for decision makers and persons interested in consumer affairs. The study will benefit the whole community because it has a direct bearing upon the behavioural problems of the consumers, the business firms and the government authorities.

The significance of more studies and research relating to consumer movement was emphasized in XVth meeting of the Central Consumer Protection Council, held on 25 January 1994 in Vigyan Bhavan, New Delhi. Accordingly, a working group was constituted on "Code of Conduct for Consumer Organisations."

Several elaborate studies have been conducted in the field of consumer behaviour, consumerism and consumer education as would be realised from a brief review of literature given below.

SURVEY OF LITERATURE

Harish Chandra Chaudhary stressed the importance of consumer education and awareness, in his Ph.D. Thesis "An exploratory study of consumer Protection in India".

Kum Kum Jain through the study "Bharat Mein Upabhoka Suraksha: Sahakari Kshetra Ka Yogdan" brought to light the contribution of the co-operative societies towards consumer protection.

Suresh Chandra Sharma analysed the consumer protection machinery in India, focusing on the various legislations affecting consumers.

Mistry K.N. examined the econometrics of consumer behaviour in India. He conducted his study on the behavioural aspects of Indian consumers.

Yogindar Verma predicted that the main thrust of the consumer movement in India has to be on consumer education focusing on rights of consumers.

Sakthivel Murughan and N.P Srinivasan asserted that the only solution to the problems of consumer movement is more and more consumer legislation and government intervention.

V.K. Agrawal's book consumer protection in India, covered not only the COPRA, 1986, but also encompassed the Anti-Trust laws dealing with unfair trade practices.

Jerome Rothernburg explained the concept of consumer sovereignty and the problem associated with its interpretations.

In the book consumerism - Its goals, origin and function, Robert D. Hermann identified the causes of consumer unrest and the forms it may take.

L.B. Schiffman and L.L. Kanuk explained the relevant concept upon which the discipline of consumer behaviour is based.

Peter D.Bennet and H.A.Kassarjian encompassed the various perspectives and view points relating to consumer movement and behaviour.

P. Leela Krishnan made a problematic analysis of consumer movement from theoretical, functional, jurisprudential, sociological, economic and political angles. He brought together, in a national seminar, the talents in the various disciplines relating to consumerism.

Richard H. Bushkirk and James. T. T. Rothe attempted to determine what consumerism and consumer movement is and study its implications and potential changes.

Chester R Watson studied the difference in consumer reaction and the possible sources of difference in choices made by consumers under seemingly similar situations.

Mahindra, in his study focused on the necessity to ensure greater protection for the Indian consumer. It also emphasizes the role of businessmen, politicians, social workers and industrialists in consumer movement.

Singh S.N. presented a critical analysis of the consumer protection legislation in India. It furnishes details about various Acts, their scope, enforcement, procedures and implications.

P.M. Bakshi provided a perspective of the activities, objectives and role of voluntary consumer organisations. He stressed the need for more consumer awareness and education.

Chandra J.P. elucidated the rights of the consumer mass, their dissatisfaction and means of expressing dissatisfaction.

Bijalani in her dissertation explained the significance of consumer education and the role of Mass media in education and awareness. Padma also stressed the role of media on consumer education and protection.

A.J. Rebellow emphasized the position of business self-regulation and the social responsibility of business firms.

Gurjeet Singh critically examined the provisions and implications of COPRA and discussed the increasing ambit and impact of the enactment.

Jagesh in his dissertation examined the operational efficiency of the state commission and National commission, in relation to insurance transactions.

Sreevidya studied the administration of consumer justice with reference to the public utility services in India.

Jagadevan concentrated on the dissatisfaction of bank customers and explained the causes of deficiency of service in banking transactions.

Gurjeet Singh argued that the future of consumer movement in India is bright, provided the government, consumer activists and organisations play their part effectively.

Avtar Singh analysed the operation of the redressal agencies established under the COPRA and provided a list of such redressal agencies.

John Joseph explained the new dimensions of consumer protection in India, and the need for a new philosophy encompassing the consumer movement.

Lizzy highlighted the role of the disadvantaged class of women in furthering consumer movement in Kerala.

The brief review of literature, articles and research works on the various aspects of consumer protection and behaviour indicates that several studies had been undertaken in this field in India. But three glaring drawbacks seem to loom largely over the entire gamut of critical and creative literature. Firstly, any study of consumer protection involves the critical analysis of two subjects - 'Consumer' relating to marketing and 'protection' relating to law. Due to the difficulties of a seemingly inter-facultative study the topic has been neglected hitherto. Secondly, most of the studies are confined to individual aspect of the movement, especially behavioural aspects were focused on. There had been no wholesome approach to the subject of growth of consumer movement. Lastly, most of the studies on consumer

were done in Uthar Pradesh, Madhya Pradesh, Andra Pradesh and Karnataka where consumer activists and organisations are in plenty.

Hitherto, no empirical study has been made on the growth of consumer movement, relating to the impact of COPRA, or on the impact of other enactments on the movement. The sector, as a whole, has not been thoroughly evaluated, and therefore, an attempt is made in this study to bridge this gap.

STATEMENT OF THE PROBLEM

Before passing the COPRA in 1986, it was widely expected that it will serve as an umbrella legislation covering almost all aspects relating to consumers and will have serious positive impact on the growth of consumer movement.

Unfortunately, the various consumer rights and the legislations to protect the consumer, which appear promising, find their place only on paper, and a large section of consumers are still not aware of them. The progress of consumer movement in India has been very tardy when compared to western countries and the USA. This is evident by the fact that there are only 2693 registered consumer organisations in India, as against 1,00,000 in the USA.

The problem in a broad sense, to be exposed in the study is that, there is a very slow growth of consumer movement in India. This may be due to the fact that certain provisions and implications of COPRA do not encourage the proper development of components in desired dimensions. The study attempts to analyse the elements influencing the progress of each component, and evaluate how far COPRA has been effective since its enactment.

OBJECTIVES OF THE STUDY

The study aims at achieving the following objectives:

1. To review the structure and progress of the consumer movement in India, with special reference to the study area.
2. To analyse the role of components of consumer movement.
3. To expose the socio-economic conditions of the consumers.
4. To evaluate the impact the COPRA has made on consumers and consumer organisations.
5. To assess the impact of COPRA on the attitudes and perceptions of business community.
6. To estimate the level of operational efficiency of Consumer Disputes Redressal Agencies in the area.
7. To identify and suggest appropriate measures for the promotion of consumer movement.

HYPOTHESES

For the purpose of achieving the objectives, following hypotheses have been formulated.

- H₁ The COPRA has brought significant increase in consumer activism.
- H₂ Consumer activism is highly influenced by consumers' behaviour, awareness, participation and jurisprudence.
- H₃ The voluntary consumer organisations have not been fully successful in carrying out their objectives.
- H₄ The COPRA could not generate positive impact on the awareness and attitudes of business community.
- H₅ The consumer Fora did not maintain a satisfactory level of operational efficiency.

METHODOLOGY

Collection of Data

The study makes use of both primary and secondary data. However, as only a few studies have been conducted on consumer movement or consumer organisations, the scope of published secondary data is limited. The study is designed partly descriptive and partly analytical.

Primary data

The population under study includes consumers, consumer organisations, business firms including service professionals and the Fora.

Field survey was conducted using structured interview schedules. The schedules were pre-tested with the help of a pilot survey in Tirur Taluk of Malappuram district. The schedules were redrafted on the basis of experience of the pilot survey. Primary data was collected as below:

- a) Personal interview with consumers
- b) Personal interview with business firms
- c) Personal interview with representatives of consumer organisations
- d) Personal interview with Members, and observation of the activities of Fora.

Census method of data collection could be applied in the level of Fora only. In the cases of consumers, consumer organisations and business firms, sampling techniques were applied, since they are beyond the scope of census method.

Sample Design

For the purpose of studying consumers, organisations and firms,

representative samples were drawn employing multi-stage sampling, purposive sampling and systematic sampling techniques.

Area Sampling

The study area is spread over five districts. At the first stage one Taluk is selected from each district on Simple Random Sampling Technique. The selected Taluks consist of 29.4% of total Taluks in the northern districts.

At the second stage, one Grama Panchayat and one Municipality each has been selected from the 5 Taluks. However in Kozhikode Taluk the corporation of Kozhikode is chosen on purposive random sampling basis, as this is the only corporation in the study area.

At the third stage, a ward is chosen from each selected Grama Panchayat or Municipality or Corporation. Such wards are the basic area sample units, and their details are shown below.

District	Taluk	Panchayat	Ward	Municipality	Ward
Malappuram	Tirur	Tirurangadi	X	Tirur	XII
Kozhikode	Kozhikode	Omassery	VI	Kozhikode	XXI
Wyanad	Mananthavadi	Meppady	III	Kalpatta	XI
Kannur	Thalassery	New Mahi	VI	Thalassery	XIX
Kasargod	Hosdurg	Uduma	VIII	Kanjhangad	IX

Selection of Consumers

Samples are drawn from rural as well as urban areas for selecting consumers. Reference to the voters list revealed that the elder population of each ward, on an average, is approximately 1200. A sample of 5 percent of the population is drawn from each selected ward on the principle of systematic sampling taking, every 20th item. Thus from the 5 districts, 300 rural consumer and 300 urban consumers were selected.

Selection of Consumer Organisations

For studying consumer organisations, their functioning in the study area have been surveyed and their number is found to aggregate 34 (Malapuram 7, Kozhikode 10, Wynad 4, Kannur 7 and Kasargode 6). Four each from a district is selected to total 20 VCOs, in all ($4 \times 5 = 20$). This includes 8 VCOs which were registered before 1986.

Selection of business firms

In order to study the business firms, the sample area chosen is the same as in the case of consumers. Sample firms are drawn on purposive sampling technique at the rate of thirty each from a district. This totalled to 150 business firms ($30 \times 5 = 150$). Care has been taken to include traders, manufactures and service firms proportionately.

District Fora

The principal government organ in the study area, relating to consumer movement is the District Forum. Applying Census Method opinions of the five District Fora members (including presidents) were collected.

Secondary Data

Secondary data has been obtained from the following sources:

1. Reports of consumer organisations.
2. Reports of District Fora.
3. Reports of Consumer Protection Councils.
4. Studies of consumer activists.
5. Papers submitted in Seminars and Conferences.
6. Studies of CDS, Trivandrum.
7. Text books on the subject.
8. Journals and Magazines of organisations, and,
9. Newspapers and Periodicals.

Analysis of Data

The focus of analysis of data has been on the impact of COPRA on the components of the consumer movement. For this purpose, the overall growth of the movement in the study area is analysed for two periods - pre-copra period (before the enactment of COPRA) and Post Copra period (after the

enactment of COPRA). Being predominant factors, consumer's attitudes and perceptions, the functioning and achievements of consumer organisations and perceptions and attitudes of business firms have been analysed. Besides, the operational efficiency of the redressal mechanism in the study area has also been analysed.

Analysis of impact on Consumers

The impact on consumers is attempted to be analysed by assessing the attitudes and perceptions of consumers, on certain indicators and variables. Sixteen variable have been identified and are grouped under four indicators - consumer behaviour, awareness, participation and jurisprudence.

The interview schedule is designed in view of the identified indicators and variables. The collected information is rated on a four point scale to assign scores. Indicator scores are ascertained for the consumers and are classified as low, medium or high active. The classified data is compared as to the pre-copra period and post copra period, and thus the impact is analysed statistically.

The indicators and variables are shown in the table below.

**Schedule of Indicators and Variables
for Assessing Impact on Consumers**

No	Indicator	No	Variable
1.	Purchase behaviour	1.1	Prepurchase planning
		1.2	Choice of buying channel
		1.3	Ensuring quality and measures
		1.4	Comparing with shops
2.	Awareness	2.1	Awareness of rights
		2.2	Awareness of laws
		2.3	Awareness of Organisations
		2.4	Attendance in awareness programmes
3.	Participation	3.1	Participation in organisational meetings
		3.2	Participation in educational programs
		3.3	Response to consumer issues
		3.4	Utilisation of services
4.	Jurisprudence	4.1	Protection of rights
		4.2	Access to justice
		4.3	Simplicity of procedure
		4.4	Prevention of malpractices

Assessment of impact on Voluntary Consumer Organisations

The impact of the COPRA on VCOs, is measured by assessing the perceptions of consumer organisations in the pre-copra period and post copra period. For this, the indicators considered are membership, promotion of awareness and handling of complaints. Twelve variables are identified

relating to the indicators. Relevant informations are collected from the sample VCOs and recorded . The collected information is rated on a four point scale and the indicator scores are ascertained. On the basis of these, the activism of the VCOs are judged as low, medium or high. The classified data is analysed as between pre-copra and post-copra periods to measure the impact. The indicators and variables in this respect are shown in the following schedule.

**Schedule of indicators and variables
for assessing impact on consumer organisations.**

No.	Indicators	No.	Variables
1.	Membership	1.1	Quantum of membership
		1.2	Geographical distribution of members
		1.3	Availing of services by members
		1.4	Growth rate in membership
2	Promotion of awareness	2.1	Frequency of awareness programmes
		2.2	Average attendance
		2.3	Participation
		2.4	Expenditure on programmes
3	Handing of complaints	3.1	Rate of receiving complaints
		3.2	Rate of settling complaints
		3.3	Time taken for settlement
		3.4	Growth rate of pending complaints

Assessment of Impact on Business Firms

The impact on the business firms is attempted to be assessed by ascertaining indicator scores of the firms for the pre-copra and post-copra periods. For this, the indicators considered are consumer awareness, prevention of consumer grievances, and attitude towards consumer movement. The collected information is rated on a 5 point scale to ascertain the indicator scores. Accordingly, firms are classified as low, medium and high, compared as to the periods, and the impact measured.

Schedule of Indicators and Variables for Assessing Impact on Business Firms

No.	Indicators	No.	Variables
1.	Consumer Awareness	1.1	Awareness of consumer Laws
		1.2	Awareness of consumer Rights
		1.3	Promotion of Awareness
		1.4	Co-operation with VCOs
2	Prevention of Grievances	2.1	Fair business practices
		2.2	Timely redressal of dissatisfaction
		2.3	Performance of warranties
		2.4	Provision of complete information
3	Attitudes towards movement	3.1	Customer relationship
		3.2	Quality consciousness
		3.3	Social responsibility
		3.4	Consumer Orientation

Analysis of operational Efficiency of Fora

The operational efficiency of District Fora is analysed, focusing on three indicators, and the related variables. The identified indicators and variables are grouped as shown in the schedule.

The collected data on the variables is put to significance testing by statistical methods and the efficiency is attempted to be measured.

Schedule of Indicators and Variables for analysing Fora Efficiency

No.	Indicators	No.	Variables
1.	Basic Infra structure	1.1	Accommodation and Amenities
		1.2	Adequacy of staff
		1.3	Office processing
2	Routine operations	2.1	sittings scheduled
		2.2	sittings conducted
		2.3	Number of adjournments
3	Complaint disposals	3.1	Number of cases Filed
		3.2	Number of cases Disposed
		3.3	Timely disposal of complaints
		3.4	Average Rate of Disposals
		3.5	Traffic Intensity of disposals

Tools of Analysis

To analyse the collected information of qualitative nature, Kendall's ranking method on a 5 point or 4 point scale has been adopted. Arithmetical tools like percentages, and averages have been used liberally in appropriate circumstances. Besides, to analyse multi-variable frequency tables, statistical tools like Analysis of variance chi-square test, 'Z' test, correlation analysis, critical difference analysis, proportion test etc. have been applied. Queuing theory is applied to assess the efficiency of Fora, and the disputes settlement mechanism of VCOs.

Correlation Analysis is employed to study the relation between consumer activism and the factors influencing it.

$$\text{Karl Pearson's } r = \frac{N\sum dx dy - (\sum dx)(\sum dy)}{\sqrt{N\sum dx^2 - (\sum dx)^2} \sqrt{N\sum dy^2 - (\sum dy)^2}}$$

Where r = Coefficient of correlation

N = Number of pairs of observations

dx = deviations of X services from its assumed mean

dy = deviations of Y service from its assumed mean.

Correlation significance test The calculated correlation coefficient is tested as to its significance, using the probable error of r

$$PE_r = 0.6745 \frac{1-r^2}{\sqrt{N}}$$

where N = Number of pairs of observations

The obtained r value is compared with six times the probable error, and the significance determined.

Critical Difference Analysis - Large sample proportion Test The variations in the different types of consumer disputes, as to the pre-copra period and post-copra period has been analysed, using large samples proportion test.

$$SE \text{ of proportions} = SE_p \sqrt{PQ \left(\frac{1}{n_1} + \frac{1}{n_2} \right)}$$

$$\text{where } P = \frac{n_1 p_1 + n_2 p_2}{n_1 + n_2} \quad \text{and} \quad Q = 1 - P$$

n1 and n2 are the respective sample sizes, and p1 and p2 are the proportions in the two periods.

$$\text{Critical Difference} = Z = \frac{P_1 - P_2}{SE_p}$$

Analysis of variance The data on sitting adjournments has been analysed by the ANOVA Technique, using the variance between the years and between the Fora.

In this ANOVA, Two way classification model is applied along with coding o

f data technique.

$$F_1 = \frac{S_1^2}{S_3^2}, \quad F_2 = \frac{S_2^2}{S_3^2}$$

where S_1^2 = variance between fora

S_2^2 = variance within fora

S_3^2 = residue variation

F_1, F_2 = Calculated F ratios

χ^2 test is applied to test the significance of difference between the actual frequencies and the expected frequencies. The average number of conducted sittings and scheduled sittings are considered the actual frequencies and expected frequencies respectively. Then the χ^2 value is computed as below.

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

where χ^2 = computed Chi-square value

O = observed or actual number of sittings conducted

Waiting line theory The Consumer Disputes Redressal Forum follows a Queuing process, where there is an average arrival rate of cases and average service rate of cases. They constitute a single facility waiting line model with infinite input sources.

$$\rho = \frac{\lambda}{\mu}$$

where ρ = the probability that the forum is busy

λ = Mean Arrival Rate

μ = Mean service Rate

DEFINITIONS OF THE TERMS USED IN THE STUDY

For a better understanding of certain terms which are interchangeably used, their definitions are given below:

1. **Consumer** is one who purchases or hire purchases goods or services for private use or for consumption, by paying for it, but does not directly use them for manufacturing other goods or for resale at profit.
2. **Consumer Protection** is a deliberate attempt to safeguard the interests of the consumers by the state or otherwise, from the malpractices and exploitative deeds of market operators.

3. *Consumer Movement* is a social movement of individual, organisations, business firms, service professional and the government, aimed at protecting the consumer from practices that infringe upon their rights.
4. *Consumer Organisation* is the organised efforts of individuals/consumers seeking education, orientation, advice, redressal, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living.
5. *Consumerism* is an ideology or concept seeking to augment the rights and powers of the buyers in relation to the sellers. Consumerism leads to consumer movement.
6. *Consumer Behaviour* is the acts of consumers in obtaining and using goods and services and the decision process that determines these acts.
7. *Pre-Copra Period* refers to the period prior to the enactment of The Consumer Protection Act, in 1986.
8. *Post-Copra Period* refers to the period after the enactment of the Act in 1986.

PERIOD OF THE STUDY

For intensive study, a period of 10 years from 1986 was kept in view. However, a longer duration has been considered when the trend could be studied in its historical perspective. Due to the late start of certain Fora, secondary data could be codified from 1993 onwards only.

LIMITATIONS OF THE STUDY

As in the case of almost all social science researches, this study is also not free from certain inherent limitations, as stated below:

1. The backwardness of the area under the study reflected in the responding nature of consumers. Most of the primary data collected from the respondents are based on their memories, and may be subject to memory errors.
2. The study highly relied on sampling techniques. So, sampling errors are bound to occur.
3. Most of, the consumers' organisations are newly set up, and their records are yet to be published. This has resulted in a dearth of secondary data.

4. Some of the Fora members were reluctant to reveal all the necessary informations, in spite of assurance that the data would be used only for research purpose. But this was overcome through open discussions.
5. A few of the sample respondents were found to be absent or inconsistent. Therefore they were replaced and substituted.

However, earnest attempts has been made to overcome the above stated limitations and to reach at meaningful inferences. It is attempted to present an impartial and true report.

PRESENTATION OF THE REPORT

The study Report has been presented in 7 chapters, as below:

Chapter I gives the introduction to the topic of study, and explains the scope, significance, objectives, hypotheses, methodology, sampling design, limitations of the study etc. This chapter also contains a brief review of literature gone through, relating to the topic.

Chapter II describes the components of the consumer movement in India, its historic background and gives a profile of the consumers,

consumer organisations, business firms and government intervention.

Chapter III is divided into two sections - A and B. Section A enumerates the important enactments other than COPRA to protect consumers, giving a brief description about the implications. Section B highlights provisions and implications of the COPRA, 1986.

Chapter IV is an attempt to analyse positive or negative impact of COPRA on individual consumers and on consumer organisations, being the most important component of consumer movement. Section A deals with the impact on consumers, and Section B with impact on consumer organisations.

Chapter V analyses the impact of COPRA on business firms, through changes in trading practices, attitudes etc. The enactment for the benefit of consumers is likely to influence the attitude and perceptions of the business community also.

Chapter VI assesses operational efficiency of consumer Fora since their inception, being the basic constituent of the three tier quasi-judicial redressal mechanism.

Chapter VII summarises and presents findings of earlier chapters and suggests possible avenues for improving the operational efficiency of Consumer Fora, and establishing a strong consumer movement.

The Appendices including the sets of schedule of questions and Fora Reports, followed by a select Bibliography are given at the end.

After presenting the introductory aspects pertaining to this study, an overview of the consumer movement is dealt with in the next chapter.

CONSUMER MOVEMENT - AN OVERVIEW

Yakoob C. "A study on the impact of the consumer protection act 1986 on consumer movement, with special reference to northern districts of Kerala" Thesis. Department of Commerce and Management Studies , University of Calicut, 1998

Chapter II

CONSUMER MOVEMENT - AN OVERVIEW

The structure and pattern of any social movement depends mainly on its past history. Therefore, an examination of the historical backdrops is needed. This chapter is an attempt to overview the movement in the historical perspective. It is also attempted to dismantle the movement into its components.

As a citizen of a country, a consumer is entitled to expect that he would get the right type of goods, of the right quality, at the right time and at right price. In practice, however the common consumer is the most harassed and the most helpless. Consumers' interests can be protected adequately by organised action of consumers, government and business firms. These constitute the concept of consumer movement.

In developed countries, where market forces shape the destiny of the business, consumer choice may have a decisive voice in compelling the business firms to produce quality products with cost consciousness. Efficiency becomes the keynote in the production process and marketing strategy becomes sensitive to the moods of the consumer. There the consumer is sovereign.

But the plight of the consumer in developing countries-with a lot of socialistic ideologies, social controls and public sector monopolies- may not be that of a sovereign, but that of a helpless non-entity ignored by the business and neglected by the state. The consumer does not possess resources or authority to influence and shape the destiny of goods and services produced for him. His position is very similar to that of an ordinary citizen in political democracy sans groups, political parties and organisations. In theory both consumers and people are sovereign but ineffective in the exercise of their powers without mass movements and powerful organisations. Hence the relevance of consumer movement embracing the whole people of the country.

Consumer movement is a social movement seeking to augment the rights and powers of the buyers in relation to the sellers.¹

Consumer Movement consists of individuals, organisations, business firms, service professionals and governmental authorities, aimed at protecting consumers, from practices that infringe upon their rights. In a broad sense, consumer movement condense in itself a wide range of aspirations, objectives, functions, institutions and people, for considering the needs and wishes of consumers, and ensuring their welfare and prosperity, as a whole.

¹ Philip Kotler : 'What Consumerism Means for Marketers', Harward Business Review - June 1972, p.29

Day and Aaker gave a broad description to the idea of consumer movement. In their opinion, it encompasses the widening range of activities of the government, business and independent organisations that are designed to protect individuals from practices that may stand against the rights of the consumers.²

HISTORY AND DEVELOPMENT

The roots of consumer movement can be traced back virtually as far as the beginning of commerce and trade, and a preoccupation with matters such as accuracy and standardisation of weights and measures and the purity of food, where the consumers' knowledge and bargaining power have always been weaker than the traders.³

Ancient Jewish Talmudic Law contained references warning against the mis-use of weights and measures. The law then existed specified the type of weights and measures to be employed, procedures of weighing, general merchant rules and methods of enforcement. The earliest Roman legislation Lex Julia De Anona intended to protect the consumers against artificial increase in price of food stuffs and other commodities. In Babylonia, the code of Hammurabi provided for dealing with negligence of physicians.

² Day & Aaker; 'Consumer Education - Need of the Hour, Article of Raghubir Sing in Indian Management, June 1989, p.13

³ Saraf D.N. : Law of Consumer Protection in India, N.M. Tripathi, Bombay, 1990, .61

The well known Arthashastra and texts in SMRITI contained precise and specific provisions prohibiting adulteration of food stuffs. They recommended legal vigilance over the price and movement of essential goods. All these were humble beginnings of a consumer movement.

Even though government intervention could be traced back to as early as the Biblical period and Vedic age, consumer movement, as a social force, has a short history - of one and a half centuries. On an international level, the first attempt towards an organised move of consumers, business people and the government, jointly, took birth in the United States in 1850s, when industrial establishments began to be set up. Local consumer groups were formed to discuss matters relating to industrial progress, consumption, consumer welfare, and movement of goods.

Towards the end of 18th century, the first consumer association took birth in the U.S.A. when the National Consumer's League was established in the year 1899. As industry and commerce developed in the 19th and 20th centuries, more directed efforts by consumers, business firms and the government, were organised as measures of mutual help. The strength of consumer movement in the U.S.A. grew in two dimensions. A new philosophy of consumer awakening dawned as a result of the writings of

T Veblin,⁴ Stuart Chase and F J Schlink,⁵ R H Townie⁶ etc. Their popular literary contributions crystallised wide spread consumer discontent which paved the way for a consumer movement.

The other dimension of growth of consumer movement was on the front of legislations aimed at the protection and welfare of consumers. In 1906, the Food and Drug Act was passed followed by the Federal Trade Commission in 1914, with the object of curbing monopoly and unfair trade practices. In 1929, Consumer Research Incorporation was established in New York City, as the first step towards consumer education.

The 1930s witnessed first open consumer resentment against business malpractices in the U.S.A. A sudden interest in the fundamental rights of consumers emerged with the one-man crusade of Ralph Nader against the mighty automobile industry.⁷⁷ His work 'Unsafe at any Speed' brought the issue of consumer safety into forefront, and his efforts coupled with an increase in public awareness sowed the seed of an uprising consumer movement. In 1936, 'Consumers Union' was established in the U.S.A. and the Union became more and more concerned with the problem of obtaining

⁴ T. Veblin : Theory of the Leisure class, Orient Langman, New York, 1949, p.17

⁵ Stuart Chase & F.J. Schlink: Your Money's worth, The Macmillan Co., New York , 1936, p.74.

⁶ R.H. Townie: Acquisitive Society, The Macmillan Co, New York, 1939, p.34.

⁷ Ralph, Nader, Unsafe at any speed, The Dryden Press, Bosten, 1971, p.106.

justice for consumers, attacking practices such as selling cosmetics in jars, selling at odd weights and measures etc.

Beginning of the present day consumer movement can be attributed to the then president of the U.S.A. - J K. Kennedy's message to the Congress on March 13,1962 in which he outlined the consumer Bill of Rights. In this Bill, he asserted that government is the ultimate guarantor of consumer rights. The achievements and progress of consumer organisations in the U.S.A. led to the establishment of a number of consumer organisations in many parts of the world.

Meanwhile consumer movement took birth in other Western European countries also. In Great Britain, consumer movement began to gather momentum after the Second World War. For the first time, in England, the labour party put out a pamphlet entitled 'Battle for the consumer'. Today, there is an exclusive Ministry for Consumer Protection, in England. Consumer Association is one of the major organisations of consumers in England, and the English counterpart of the Consumer Union of U.S.A.

The British government appointed Consumers' Council in 1963. The Council was envisaged to be the authoritative and considered voice of the consumer and it soon came to exercise a healthy influence on the government

as well as on the trade. In the following years several legislative enactments were passed for the benefit of the consumer. The governments of other countries closely followed England in the matter of legal enactments.

In Germany *Arbeitsgemeinschaft der Verbraucher Verbände* (Consumers' Union of the Working community) was set up, running on the lines of Consumer Association of England. Starting from the working class, the consumer movement spread among the elite class also.

The French, consumer movement was officially started with the establishment of organisation *General Des Consommateurs*. There also the labour class was the main force behind the numerous consumer organisations mushroomed all over France during 1960s.

Among the Asian countries, Japan has demonstrated how a consumer revolution can take place along with economic development. In 1968, a commission for the protection of consumers was established directly responsible to the Prime Minister. The earliest Japanese consumer associations were known as 'Shufuren'⁸

Perhaps the most interesting development from the point of view of

⁸ M.V. Pylee: Consumer Protection in a developing society, quoted in Consumer Protection & Legal Control (Ed) P. Leelakrishnan, 1981. P.20.

consumers' protection have taken place in recent years in Newzealand where the influence of consumer movement was reflected not only in legislation but also in organisation of individual consumers'. In 1959, a 'Consumer Counsel' was set up under the Ministry of Industry and Commerce. In 1966 a Consumers' Institute was established solely for the purpose of educating the consumers.⁹

Similar movements have, in the last two decades, grown in Australia and Europe. In Sweden, three institutions of great significance have been functioning for the purpose of consumer protection. These are the National Institute of Consumer Information, Ministry for Consumer Welfare and the Consumer Council of Sweden.

It is quite reasonable that progressive idea will break geographical barriers. Accordingly federations of consumer associations began to be established at National and International levels. The International Organisation Of Consumer Unions was the first among them. At present the International Organisation of Consumer Unions (IOCU) plays a lead role in strengthening consumer movement on a global scale.¹⁰

It is against this back ground that we have to trace the development of

⁹ *Ibid*, P.21

¹⁰ *Ibid*, p.22.

Consumer movement in India. This is being attempted in the following paragraphs.

CONSUMER MOVEMENT: AN INDIAN PROFILE

India has a very long history of Consumer considerations dating back to the Vedic Age. Elaborate references were given in the leading texts of that time such as Manusmriti, Arthashastra, Yajanavalkya Smriti, Nāradasmriti, Brihaspati Smriti and Katayanasmriti. However, these references were only protective considerations on the part of the Kingdom and did not provide for an organised consumer movement.

From this view, in India, consumer movement and particularly voluntary consumer organisations are of recent origin. Consumer organisations have just made a humble beginning and have shown great advancement since 1930. The assessment of the development of Indian consumer movement is done in 2 sections - Pre-Independence scenario and post independence scenario.

Pre-Independence Scenario

In the pre-independence period, Indian consumers were not organised unlike in many other countries of the world. Consequently the development of the movement, in that period, was retarded.

It was during the Mugal time and especially during the reign of Ala-ud-din Khilji¹¹, efforts were first made for co-ordinating the measures for consumer welfare. He directed the consumer protective measures, considering the views of the traders and other forces influencing the market of commodities. He gave traders and brokers a special place in the market system.

During the British regime, economic policies in India were concerned more with protecting the British interests than with advancing the welfare of the masses. Accordingly, most of the legislations were enacted with this aim. However, some inadvertent efforts towards promotion of consumer movement took place through certain enactments like the Indian Penal Code, 1860, the Dangerous Drugs Act, 1930, Sale of Goods Act, 1930, the Drugs and Cosmetics Act, 1940 etc., It can be observed that these enactments considered the roles of both consumers and traders in the market place. In 1904, the emergence of co-operative movement gave a light impetus to the development of consumer movement.

Thus, as a whole, in the pre-independence period, consumer movement had a very modest beginning. However, the post independence era witnessed a series of phases of the movement growth.

¹¹ J.N. Sarkar : Mugal Administration, M.C. Sarkar & Sons, Calcutta, 1952. PP 286 -- 289.

Post-Independence Scenario

With the adoption of the constitution in 1950, the aspirations of people on equality, fraternity, justice and liberty found an explicit expression. This coupled with the adoption of a democracy based socialistic pattern of society began to shape thoughts and perceptions of people, which provided a base for the growth of consumer movement in India. As a result, resistance on the part of consumers sprang up here and there in an unorganised manner. However, such consumer resistance could not take wings and make any impact on the national economy, because of absence of mass education and organisation of consumers. This situation continued till 1957 when the first consumer organisation was formed in Bombay, by a handful of house wives. They protested against the price hike of milk by the Milk Producers Union of Bombay. Their week-long protest succeeded under the banner of Consumer Guidance Society of India, Bombay (CGSI). It was the first sensational victory attained through organised attempts of the hitherto unorganised consumers.

The general public gradually understood the fact that in the absence of an effective forum for consumers, individual consumers would continue to be helpless victims, on account of economic imbalances, inequalities, teeming population, high rate of illiteracy, shortages of essential commodities,

adulteration, black-marketing etc.¹²

The establishment of earlier organisations helped the spreading of consumer awareness, all over the country. The Indian Association of Consumers - a national agency started with the financial backing of the Planning Commission was established in 1959, but it did not make much head away. However, a nucleus organisation called National Consumer Service was set up in 1963. During the 1970s India witnessed proliferation of more organisations joining the advent of the consumer movement, including the Consumer Education and Research Centre of Ahmadabad, Gujarat (CERC). Later on CERC became more resourceful than CGSI and came to the forefront in the aspect of building a strong consumer movement in India. By the end of 1970s, the CERC and CGSI emerged as two pioneering consumer associations at the helm of Indian Consumer Movement.

In 1980s, voluntary consumer organisations were formed in almost all states. The organised voices of the consumers were heard from different corners of the country. The presence of a strong consumer movement was felt through seminars and conference held occasionally in New Delhi and other parts of India, in order to make aware the Indian masses and government. The missionary zeal of consumer activists and the foresight of the young

¹² M. Majumdar : Indian Consumer -- his malaldy, consumer confrontation, vol. 6. P.21, 1988.

Prime Minister Rajiv Gandhi culminated in the birth of a new era in Indian consumer movement. In 1986, the Indian Consumer Protection Act was passed by the parliament.

The enactment of the COPRA , and establishment of consumer fora initiated the formation of more and more voluntary consumer organisations throughout the country, building a strong structural base for consumer movement.

The role of business firms in the consumer movement had not been dominant, unlike in other countries. This is due to the mixed nature of India's economy and multiplicity of subsidies and concessions enjoyed by business firms. In Indian context, the self regulation concept of business is not much relevant.¹³ Besides, business firms have not made increased efforts towards consumer education. The business firms in India have not realised the significance of consumer education, which really is beneficial, not only to consumers, but also to traders, in the ultimate analysis. The business community must educate themselves about implications and effects of various provisions of different laws and imbibe the spirit of enactments and act as the guardian of consumer interests.

¹³ T. Mandana : History of consumer movement, Upbhokta Jagaran, October, 1996.

Towards the end of 1970s, a need was also felt to remind the trading community of their social responsibilities. In the year 1977, a high-powered expert committee popularly known as the Sachar Committee was appointed to consider and report, inter alia, on measures by which re-orientation of business outlook could be brought about, so as to ensure discharge of social responsibilities by business firms.

The aspect of governmental intervention had been much influential compared to the other two components. The government have made known its presence through the effective controls and legal enactments affecting the consumers and the general public. But the legislation in the country in the field of consumerism is still inadequate, and ill-directed. Whenever, there is legislation, it is inoperative or its operation is ineffective to a considerable degree.

The role of government in the development of Indian consumer movement, where bulk of its people are illiterate and poor, becomes significant and inexplicable. The government has to act as a model for others to emulate in consumer services like electricity, water, telephone, post and telegraph, railways etc.

The individual consumers all over the country have generally realised

the fact that only by organised attempts they could achieve something. They have to raise their voices in unison, press and fight for their needs and demands. In developed countries almost every month consumer groups are pressing for amendments of existing laws.

CONSUMER MOVEMENT IN KERALA.

In Kerala, consumer movement of the present day shape has a very short history, Kerala is generally considered a consumer state, and as such there should have been more development in the sphere of consumer movement through increased number of voluntary organisations, to speak up for consumers. But the reality is that there is a dearth of consumer organisations and consumer activists. All the known voluntary organisations are of recent origin. Therefore, their fruits are yet to come. They have very limited published data, and are basically urban based.

In spite of the dearth of consumer organisations, Kerala was rich in the aspect of consumer considerations and protective measures, from very olden times.

In ancient Kerala, the then rulers took greater interest in protecting the welfare of their citizens including consumers. The Ay dynasty¹⁴ imposed fines

¹⁴ R. Vijaya Rajan : Organisation for consumers, consumer protection, July 1993. P. 16.

in the form of gold coins for offences against consumer. Vasco-de-Gama, the great explorer made references of consumer care of the then ruler-Emperor Samoothiri of Malabar, in the fifteenth century. The ancient rulers encouraged both traders and public towards progress, backed by mutual co-operation and trust. The enlightened rulers of Kerala offered excellent administration and high degree of prosperity to the citizens.

The most outstanding achievement as a result of the consumer protection measures of ancient Kerala rulers is a welcome change in the attitude and perceptions of both the consumers and the trading community. In the early days, consumers rarely came forward with complaints as they had an apprehension that it will not yield result. But, today the position has changed. Complaints have increased by leaps and bounds. This is the first stage of transformation towards a stronger consumer movement in Kerala. The transformation took place in 1980s. In 1982, the CGSI, Bombay opened two branches at Trichur and Kottayam. These were the first consumer organisations set up in Kerala. It was when a group of enlightened lawyers took the lead, the consumer movement was conceived as a people's movement in Kerala.¹⁵

In 1985, the consumer Protection Council of Kerala (CPCK) was

¹⁵ John Joseph : Consumer Movement in Kerala, Consumer Protection Montly, Sept. 1990

registered. In the same year, Kozhikode Jilla Consumer Council (KJCC) was set up in the city of Calicut. The Kerala State Consumer's Co-ordination Committee (KSCCC) was founded in 1986 in Cochin. In the next year, the Kerala Consumer Education Society was established in Trichur.

The awareness created by the above pioneering associations encouraged the formation of a number of other voluntary consumer organisations in Kerala. At present there are 129 registered voluntary organisation operating through out Kerala.

CONSUMER MOVEMENT IN THE STUDY AREA

The Study area comprises of the five districts of Malappuram, Kozhikode, Wynad, Kannur and Kasargode. The consumer movement in the study area is on a developing phase and is constituted by the consumers, consumer organisations, business firms and redressal agencies. The area has thirty four consumers' organisations and five district fora besides a large number of consumers and business firms.

Consumers and consumer organisations, in the area are gradually making the consumer movement official by constantly planning and implementing consumer programmes, public education, awareness campaigning and publishing facts in local newspapers, T.V, radio, periodicals

and government publications.

After the advent of COPRA, the business community had been playing a significant role by trying to adhere to the codes of ethics and social practice, as a part of self-regulation. The government also has been giving preference for protecting consumer interest and welfare. The District Fora have been performing their functions more or less satisfactorily, in an attempt to cop up with the expectations of consumers.

PROBLEMS OF CONSUMER MOVEMENT IN THE STUDY AREA

Over a period of time, when the various efforts of consumers and others, directed at safeguarding the interest of consumers, attain a consistency, these efforts may be said to have assumed the shape of a movement in a society. Some of the indicators of such a movement include the presence of the organised consumer groups, consumer protection, legislation and adjustment of business behaviour. But, in the study area, the growth of consumer movement is very slow. The reasons for the slow growth are-

1. Sellers do not try to visualise the problems from a consumer viewpoint.
2. Businessmen create artificial scarcity of products, hence product choice becomes limited, and the consumer are forced to buy whatever is available.

3. The term consumer is only an abstraction from a large number of people with various socio-economic-cultural back grounds. This will reflect in their attitudes, responses etc. towards the consumer movement.
4. There is no positive common objective for the consumer. Only long range objectives would contribute towards a progressing consumer movement.
5. Multiple overlapping roles of individual members of voluntary consumer associations, with diverse interests, are often contradictory and conflicting with each other.
6. Individual consumers are more interested in themselves for short and immediate benefits . Under conditions of scarcity especially of essential commodities, individual consumers may violate the common interest by hoarding even by paying higher prices.
7. Academicians, intellectuals and social workers who take leadership in consumer movement are satisfied by organising seminars and conferences, without follow up action programmes
8. The extent of protection provided by legislations is still inadequate. The legal process in India is not only time consuming, but also expensive and cumbersome.
9. Most of the consumers in the study area are not literate, vigilant or well-informed as to consumerism. They lack knowledge, ability, experience and buying capacity as compared to the consumers of elsewhere.

COMPONENTS OF CONSUMER MOVEMENT

Despite difference of opinions among various authors and schools of

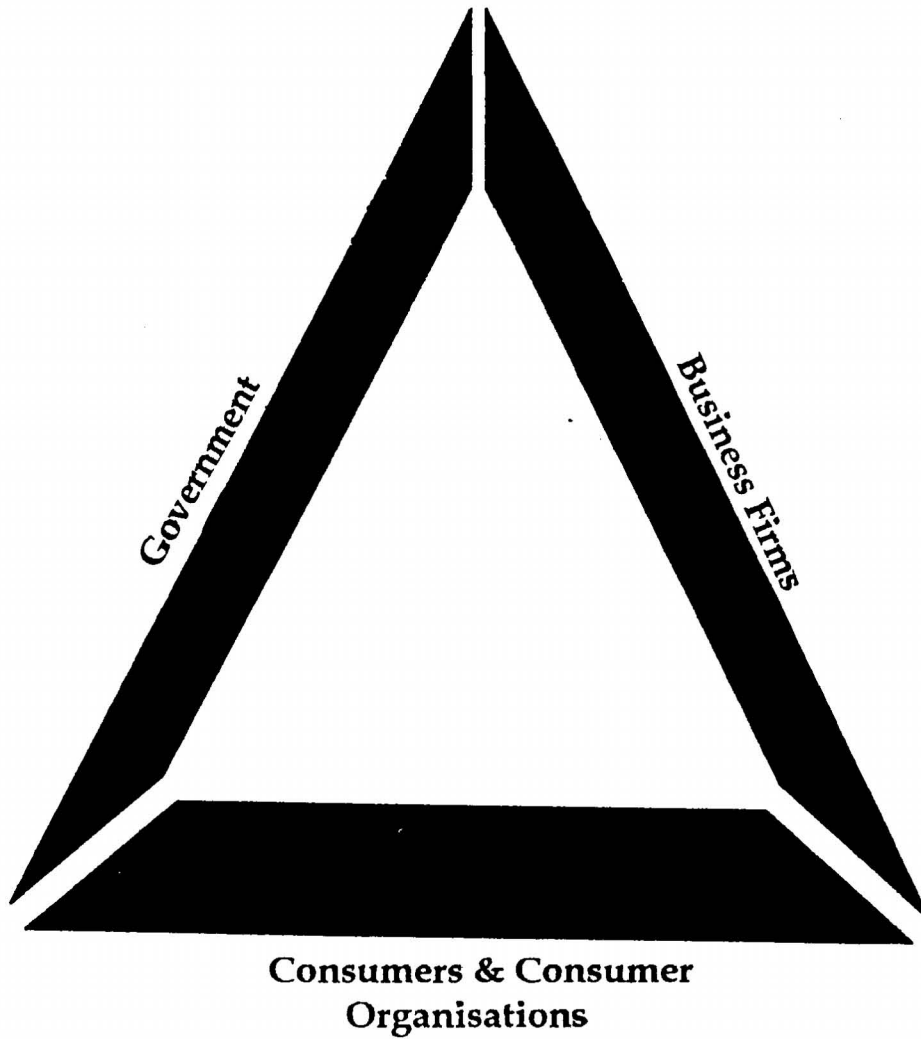
thought, most researchers and practitioners in consumerism believe that there are three distinct processes with identifiable entities that would safeguard consumer interest, and thus will contribute to consumer movement. They are consumers including consumer organisations, business firms and the government. Indian consumer movement can be depicted as a triangle where consumers, business firms and the governments form the three sides. Consumers and their organisations could provide the base of the triangle and business firms and the government could form the other two sides. This is illustrated in Fig. I.

Consumers

Individual consumers play a vital role in the promotion of consumer movement. A consumer citizen acts not only to improve his individual economic status, but also contribute towards democratic means for the welfare of consumer masses. Through timely and appropriate responses, individuals can become a significant part of consumer movement. This is achieved by promoting consumer education and awareness of their rights in the market place.

In order that the consumer is able to help himself, it is necessary that steps should be taken to organise consumer guidance societies and to monitor

Fig. 2.1
Components of Consumer Movement



public opinion in favour of the consumer. For this purpose, the Union Ministry of Civil Supplies operate a scheme of providing financial assistance to voluntary consumer organisations for implementing specific projects of consumer awareness, consumer education and consumer protection. A set of guidelines has been evolved listing out the categories of consumer protection societies which are eligible for financial assistance under this scheme. This gesture on the part of the authorities reveals the importance of consumer and consumer organisations in the promotion of consumer movement in India.

In a broader and simple sense, every human being who consumes anything for survival is a consumer. Hence the term consumer has always been defined in a specific sense. For instance, the Longman Dictionary of English Language defines a consumer as "one who purchases goods or services."¹⁶ As per the Oxford English Dictionary, a consumer is "one who purchase goods or pays for service".¹⁷ The Oxford Advanced Learners' Dictionary also defines consumer as a 'person who buys goods or uses services"¹⁸ However, where as a consumer, according to the Collins English dictionary is "a person who purchases goods and services for his own

¹⁶ The Langman Dictionary of English Language (1991) New Edition, Langman Group, U.K. Ltd, p.343.

¹⁷ The Oxford English Dictionary (1989) vol.3 Second Edition, Clarendon Press, p.802.

¹⁸ The Oxford Learners' Dictionary of Current English (1989) Vth Edition, p.252

personal needs.”¹⁹ the Random House dictionary defines consumer as “a person or an organisation that uses a commodity or service.”²⁰

If all the above five definitions are subjected to close analysis, certain differences and similarities can be seen among them. For instance the first definition is a very simple and straight forward one, and accordingly, any body who purchase goods or services is consumer. The factor of using the goods or services is not given stress. The second and third definitions are almost the same, except that instead of the words “purchase goods and services”, the words “pays for services” and “uses services” have been used respectively. The fourth definition is more clear than the earlier three as it specifically defines consumer as a person who “purchases goods and services for personal needs”.

According to the Indian law of consumer protection section 2 (1) d (i) and (ii) the term consumer is any person who buys any goods or hires or avails of any service for consideration which has been paid or promised, or partly paid or partly promised. It also includes any user of such goods or of such services.

¹⁹ The Collins English Dictionary (1991) III Edition, Harper Collins. P.245.

²⁰ The Random House Dictionary of English Language (1987) II Edition, New York Random House. p.437.

The Indian law only excludes from this definition persons who obtain such goods for resale or for any commercial purpose. The term 'commercial purpose' has not been defined in the 1986 Act. However the term has come for determination by consumer Fora in a large number of cases and has also led to pronouncement of apparently contradictory decisions by various consumer Fora including even the National commission.²¹ This has also given rise to a controversy regarding the inclusion or exclusion of a particular category of persons who purchase an item for self-employment. However, due primarily to the constant pressure by consumer associations the balance has tilted in favour of consumers as the National Commission in its decision in the secretary, Consumer Guidance & Research Society of India Vs B.P.L. India Ltd²² and in certain other cases, has declared all those categories of persons who purchase any instrument for their self-employment to be within the ambit of the term consumer.

Rights of the Consumer

The protection and welfare of the consumers was never a serious

²¹ See: *Oswal Fine Arts V HMT Madras*, 1 (1991) CPJ 330 (NC)
Lohia Starlinger Ltd. V. Zenith Computers LTd. 1(1991) CPJ 145 (NC)
Synco Textiles Pvt Ltd. V Greaves Cotton & Co. Ltd., 1(1991) CPJ 499 (NC)
TM Eapen V Jaina Automobiles, Cochin. 1, 1991, CPJ 420 (SC)
Selex Office System Pvt. Ltd. V M.K. Jindal, II 1991, CPJ 110 (SC)
Laxmi Engineering Works V PSG Industrial Institute, (1995) CTJ 289 (SC)

²² *Secretary, CGSI V BPL India Ltd.* 1(1991) CPR 140 (NC)
Abhay Kumar Panda V Bajaj Auto Ltd. 11(1991) CPJ 644 (SC)
S. Radhakrishnan V NSIC Ltd. 11 (1992) CPR 217.

concern of even governments, a few decades back. That is why in many countries including India the principle recognised by law has been 'CAVEAT EMPTOR' which means let the buyer beware. The maxim originated in England to safeguard the interests of the seller and was followed by India and other countries. While laying down rules and regulations affecting industry, trade and commerce, the government appeared to be more and more interested in earning revenues than in protecting the interests and welfare of consumers.

The consumer in olden days was hardly ever consulted, but always been taken for granted. Until the thirties of the century, this element reflected in the forming of traditional rights of buyers and sellers, with respect to each other, which were as below:

The buyer had the right:

- (a) to not to buy a product that was offered to him
- (b) to expect the product to turn out to be essentially as represented by the seller, and,
- (c) to expect the product that was offered, to be safe and merchantable.

The seller had the right:

- (a) to introduce any product in any size and style,

- (b) to price the product at any level he wished,
- (c) to spend any amount of money in order to promote sale of the product,
- (d) to formulate any advertising message in order to attract consumers.
- (e) to introduce any buying incentive scheme²³

Obviously, a critical examination of the nature and characteristics of the rights of buyers and sellers will reveal the fact that, the law and practice was more for safeguarding the rights and interests of sellers rather than the buyers or consumers. At that time, it was not appreciated that everybody was a consumer.

Today, the rights of consumers are much different and much improved than they were a few decades ago. The consumer Protection Act, 1986, seeks, inter alia, to promote and protect the following rights of consumers;

- (1) The right to be protected against marketing of goods (and services) which are hazardous to life and property,²⁴
- (2) The right to be informed about the quality, quantity, potency, purity, standard and price of goods (or services) so as to protect the consumer against unfair trade practices.²⁵
- (3) The right to be assured, wherever possible, access to a variety of goods

²³ M.V Pylee : Consumer Protection in a Developing society, Consumer Protection and Legal Control, (Ed) by P. Leelakrishnan, p.12.

²⁴ Duryodhan Das & Others V state of Orissa 11(1991) CPJ 638 (SC).

²⁵ Budhia Jena & Others V Bajapur Service Co-up society 1(1991) CPJ 447 (SC)

(and services) at competitive prices,

- (4) The right to be heard and to be assured that consumers' interest will receive due consideration at appropriate forums,
- (5) The right to seek redressal against unfair trade practices (or restrictive trade practices) or unscrupulous exploitation of consumers, and²⁶
- (6) The right to consumer education.

The various consumer rights, recognised the world over has been incorporated due to prolonged and forceful lobbying by consumer organisations, consumer activists and other individuals. It is worth noting that prior to the 1993 Amendment Act, the consumer's rights to safety information, redressal and representation etc. were confined to goods only, as the term 'service' was not mentioned in the context of any of these rights. However, by the Amendment Act of 1993 the term 'Service' has been added to all these rights.

However, it is to be noted that all the consumer rights envisaged by the International Organisation of Consumers' Union (IOCU) have not been given place of pride in the Indian law.

The right to basic needs is significant enough to get focused attention

²⁶ Mumbai Grahak Panchayat V Lohia Machines Ltd. 1(1991) CPJ 26 (NC)

and high priority from the consumer law and consumer organisations, especially in the countries of the third world, Unfortunately, the government of India has not yet taken up the matter, in seriousness.

The right of healthy environment is now considered to be one of the most important consumer rights today, as all consumers, rich and poor are affected by environmental pollution and degradation. Many of the voluntary consumer organisations, too have highlighted the environmental problems, especially where human health is concerned. More recently, voluntary consumer organisations world wide have begun to focus on global environmental problems and are now pressurising governments to take appropriate corrective measures to enable consumers to live and work in a safe and healthy environment.

In the ultimate analysis, consumers' interest can be protected adequately only by organised action, on the part of the consumers. In order to achieve their objectives effectively, the consumer must get together, establish their own organisations, pressurise for their rights, raise their voice and make their voice heard wherever necessary. Thus consumers constitute the foremost component in the movement and includes consumer organisations, which are gaining importance in the furtherance of the movement. In the following

paragraphs, the role of consumer organisations is explained.

Consumer Organisations

Organisations comprising of individual consumers constitute an important component of the consumer movement, apart from business firms and government. The foregoing section dealt with consumers as the most important component. In fact, consumer organisations (hereinafter called VCOs) form part of consumers, and therefore, in this section it is attempted to bring out the importance of the role of consumer organisations in the consumer movement. This is attempted by discussing its origin, development, functions and growth . A profile of VCOs in Kerala has also been given in this section.

There are a large number of registered and unregistered voluntary consumer organisations functioning throughout India for the pursuance of consumer welfare and to give a concrete shape to the consumer movement. Consumer organisations are organised efforts of individual consumers seeking awareness, education, advice, redressal, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living.

Indian consumers have not been organised unlike in many other

countries. Consequently, the exploitation to which the consumer is subjected to by the organised class of producers and traders go on unchecked. The infringements of the consumer rights has forced them to unite together to defend their interest. Accordingly a number of consumer organisations have been established at local, district, state and national levels. The consumer organisations in India have a very short history. As stated earlier, the earliest consumer organisation was started in Bombay in 1956. This was the birth of Consumer Guidance Society of India, one of the pioneers of Indian consumer organisations. In 1971 Indian Consumer Union was registered in New Delhi, and in 1979, the Consumer Education and Research Centre was established in Ahmedabad.

It was after the 1975-76 Emergency that representative proceedings was allowed, for the first time in India, by the Supreme Court of India. This added a new dimension to litigation on the part of consumers. Until then the concept of justice was almost meaningless for common consumers who were "unaware of the laws or even of their rights and procedures involved, and too impoverished to engage lawyers, file papers and bear heavy expenditure on litigation".²⁷ The new magnanimity encouraged journalists, activists, social workers and organisations to litigate on behalf of the poor, illiterate, exploited

²⁷ Massey I.P. : Administrative Law, III Edition, Eastern Book Co, Luchnow. 1990. P.61.

and oppressed consumers. Therefrom the courts started recognising the right of organisations to approach them for the protection of the rights of the consumers.

The significance of consumer organisations in consumer movement arises due to three factors. Firstly, in a democratic country like India, it is only the voice of people in unison, in an organised manner, which may produce any positive result. Secondly consumer education and awareness is a pre-requisite for a sound consumer movement, and consumer organisations are the appropriate and fit agency to disseminate awareness and education to the consumer mass. Thirdly individual responses may turn immature, untimely and ill directed. Organisations can assist the individual consumers in responding in an effective and directed way.

Functions of Consumer Organisations

Commendable work has been performed by voluntary consumer organisations in many countries including India, in extending the interests and rights of consumers. The main contributions of these organisations are in the following areas.

(1) *Consumer Education*

The consumer organisations have played a significant role in imparting information about various consumer goods and services which may relate to price, quality, availability etc.

(2) *Product Rating*

In order to guide the consumer in the choice of products, some of the agencies carry out tests and report as to the quality, purity, potency, standard etc. This process is called Product Rating.

(3) *Liaison with government*

Another important role of the consumer organisation is to maintain liaison with government authorities, as government is the key factor in the consumer movement in India. The consumer organisations have recognised the fact that a proper relationships and reconciliation should be maintained between the government and the consumer.

(4) *Liaison with business firms*

Another factor, besides the government and the consumers within the consumer movement, is the business firms. It is to be observed that proper relationship should be maintained both between firms and the government,

and business firms and consumer, for the effective protection of consumers' interests and welfare.

(5) Legal Aid and Assistance

Consumer organisations offer legal assistance to the consumers. The important services offered by the organisations include free legal aid, guidance for filing and pleading, appearing for consumer before consumer fora etc. These services are available for members as well as non-members. Many of the organisations have opened their own Legal Aid Cells, for these purposes.

(6) Representing the consumer

On many occasions consumer organisations are asked to represent the consumer in matters affecting them. Consumers may have to be represented before government, business houses, local authorities and redressal agencies.

Growth of voluntary consumer organisations

The growth and development of consumer organisations is an indicator of the progress of consumer movement. From a humble beginning in 1950s, consumer organisations have developed into a nation-wide network.

In 1977, the twenty point programme launched by the then central government included the promotion of establishment of associations for the benefit of consumers. Accordingly, 382 consumer organisations were duly

registered in that year.²⁸ Thereafter, there was steady increase in the number of voluntary consumer organisations. At present, there are about 3000 registered organisations to speak for consumers.²⁹ The growth in number of organisations for the period 1977-1997, is depicted in Fig 2.

A profile of voluntary consumer organisations in Kerala

Kerala is generally considered a consumer state and as such, there should have been abundant consumer organisations. But the reality is that there is a dearth of consumer organisations. That is one of the reasons for the slow growth of consumer movement in Kerala.

There are a number of voluntary consumer organisations functioning in Kerala. Some of them are registered while others are not. At present, there are more than 130 registered voluntary consumer organisations in Kerala, functioning in urban and rural areas of Kerala.³⁰

Most of the consumer organisations are operating in urban areas, but they have subordinate offices in rural areas also.

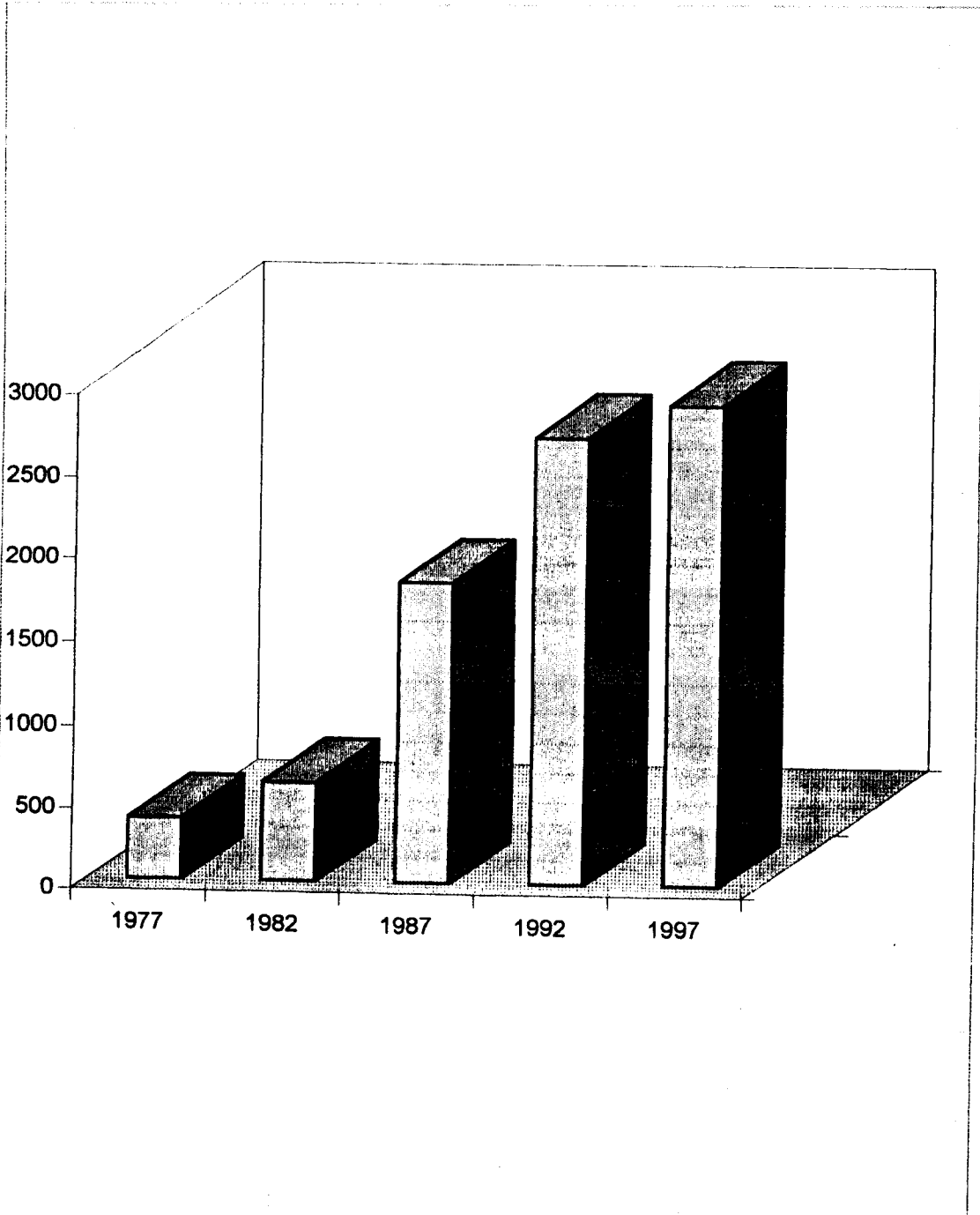
The consumer organisations in Kerala have been striving to achieve their objectives of consumer awareness and education, information and legal

²⁸ S. Chandra Sekharan Nair : *Consumer, Awake*: Gouri Publication, Trivandrum, 1994. p.4.

²⁹ T. Mandana: *History of Consumer Movement*: Upbhokta Jagaran, October 1996.

³⁰ V.K. Mohanan: *Consumer and Consumer Organisation*: Consumer Protection, December 1997.

Fig. 2.2
Growth in number of VCOs(1977 - 1997)



124

aid, liaison with government and business community and representing the government before appropriate fora. They convene various sorts of seminars, workshops, demonstrations and dharnas for educating and building awareness among consumers.

The Kerala government does not provide much financial assistance for the operations of consumer organisations. However, the central government of India, allocates and sanctions considerable amount from the Central Consumer Welfare fund, maintained by the Ministry for Civil Supplies Corporation. The assistance from the Consumer Welfare Fund is available only to registered voluntary consumer organisations for specified purposes.

Prominent consumer organisations of Kerala are the Consumer Protection Council of Kerala (CPCK), Kozhikode Jilla Consumer Council, Kerala State Consumers' Co-ordination Committee, Kerala consumer Education Society, Malappuram District Consumer Protection Council, Cannanore Consumers' Union, Consumer Association, Wyanad, consumers' Guidance society, Kottayam etc.

Besides the above stated formal voluntary consumer organisations, there are a number of informal consumer groups active in Kerala.

Consumers' Vigilance Cells have been established comprising of ration-card holders, under each ration shop.

At the village level, there are the consumer protection councils, in almost all the villages of the state. At the Panchayat level, Food Advisory Cells have been established to educate the consumers and to represent the consumers in matters relating to supplies of food by Civil Supplies Corporation.

Even though there is a dearth of voluntary consumer organisations in Kerala, the missionary zeal and devotion of a few organisations and active leadership of a few consumer activists, is mainly responsible for the growth of consumer movement in Kerala. The movement has just made a humble beginning and has yet a long way to go.

The VCOs play a vital role at all levels like influencing policy decisions, raising questions in parliament, doing active research into various subjects and topics, educating consumers, protecting the environments and invoking law to protect the rights of consumers, VCOs are to act in the front, on behalf of the individual consumers. Like the base of a triangle, they would provide the base for the consumer movement, and thus ensure the establishment and spreading of a strong movement. For this, VCOs have to collaborate with the other components-business firms and government, which

are discussed in the following sections.

Business Firms

In the foregoing paragraphs, the study focused on the role of consumers and consumer organisation in consumer movement. This part is devoted to bring out the significance of the part played by business firms as a component of the movement.

Consumption is the end and purpose of all productive activities whether of goods or services. The very existence of the business world is for the consumer, to satisfy his needs by providing appropriate goods and services. Thus business firms constitute an important component of consumer movement, along with consumers and VCOs.

The term business includes all those human activities relating to production of goods and services, their storing and exchange. In other words business includes industry, commerce, and services. Business firms are those establishments engaged in the activities relating to industry, commerce or service.

The economists envisaged an economic system directed towards the welfare of consumer mass where all incentives encourage the production of men, material and natural resources in producing what people wanted most

with great efficiency. There could be no mis-use or miss-direction of productive power. The fundamental requirement of such a system is competition, where no buyer or seller is large enough to exert appreciable influence on the market. Such a level of economy will greatly contribute towards the progress of consumer movement. When the economy attained competitive equilibrium everybody would try to cut costs wherever possible, in order to survive. The firms would be compelled to produce quality goods and services with cost consciousness. Efficiency would become the key note in the production process and marketing strategy becomes sensitive to the moods of the consumer³¹. Here nobody is the winner except the consumer and the consumer movement. It is a self-policing or self-regulating world where government is, theoretically, not necessary. But there are deficiencies which are described by economists as 'market failures' and makes the government intervention necessary. These market failures include environmental pollution, dearth of public goods, defects of monopoly etc.³²

However, the existence of business adjustment and self-regulation would be one of the solutions for these market failures, because, there are limitations to the government to freely intervene between the consumer and

³¹ P.R. Poduval: *Consumerism, Social Significance and Effectiveness*, quoted in consumer protection and Legal Control (Ed) P. Leelakrishnan, 1981. P.38.

³² Sivasailam : 'Social Responsibility of Business', In Lok -- Udyog, vol. 12 No.2, May, .28

the producer. The government has to look after both. Hence the significance of self-regulation. Business self-regulation relates to the regularisation in dealings with owners, employees, government, competitors, suppliers, creditors, consumers, society, environment etc.³³

Business self-regulation has been advanced as a technique which can make significant contribution towards the development of consumer movement. Business firms have announced moves to assist consumers and have launched 'codes of ethics'³⁴. It may be observed that in India, ethics are back in business, probably propelled by the enactment and implementation of the COPRA. Before highlighting the post 1986 scenario of business self-regulation, it is attempted to briefly sketch the pre-1986 position.

Business self-regulation - During pre-COPRA period

People during the ancient times were conscious of the concept of social responsibility and self-regulation of business³⁵. Mahatma Gandhi was very much concerned about the moral and ethical values on the part of business houses. He expected every businessman to do his duty towards the society

³³ A.C. Rangrajan : 'Social Obligations of Companies', In The Chartered Accountant, vol. 18 Part 12 June, p.807.

³⁴ Ross Cranston; *Regulating Business, Law and Consumer Agencies*, Macmillan press, London, 1979, p 398.

³⁵ H.N. Agarwal : Social Responsibility of Management ;occidental vis-à-vis the oriental concept in Journal of Modern Management, vol. 7 (1985) pp 27-33.

with efficiency and integrity. Hence, Ralph Nader described him as the "greatest consumer activist the world has ever seen"³⁶

According to Vinoba Bhave, the businessmen should observe code of ethics as a matter of self-discipline which would not only help ease the peoples' hardship, but would also raise the status of the business community.³⁷

As an impact of the views of these public-spirited individuals, an idea was mooted to establish Fair Trade Practices Association (FTPA), which was later renamed as the Council For Fair Business Practices (CFBP), with the objective of promoting fair trade practices in industry and trade in the interest of consumers. It was launched on October 2nd and heralded a movement for self-regulation in business. A number of business firms have been demonstrating their commitment towards the compliance of the Code of Ethics.

In 1977, the Sachar Committee was appointed to suggest modifications in the Companies' and MRTP Acts. The committee recommended that provisions be made in the Acts for disclosing the measures of social

³⁶ Ralph Nader; Quoted by Pradeep. S. Mehta ; *Right of Consumers, CFBP Silver Jubilee Souvenir (1992)* p.39.

³⁷ Vinoba Bhave. Quoted by Ramakrishna Bajaj, *In consumer View Point, Bombay, CFBP(1991)*,p.71

responsibility and regulations of business houses. But the number of the firms who complied with this was few, especially during the pre-COPRA period.

Business Self-Regulation during Post-COPRA Period

There has been an increased amount of business self-regulation in the last few years, particularly after the enactment of the COPRA. Business firms have been trying to improve their image by setting up consumer grievance cells and associating representatives of consumer organisations in some of their decision process. However, despite the institutionalisation of complaint redressal mechanism by the firms, consumers are still not satisfied and are compelled to resort to legal action.

The CFBP has been more active in making the business community conscious of its social obligations, by formulating a 9-point code of fair business practices to ensure justice and a fair deal to consumers. It started the Consumer Affairs Cells (CACs) to establish high standards of consumer satisfaction and consumer relation as a positive response to the consumer movement. But the attempts of CFBP did not find much favour with many of the business firms.

The Federation of Indian Chambers of Commerce and Industry

(FICCI) considered business self-regulation as the main alternative for the solution of consumer problems, and set up a Consumer-Business Forum. Besides, FICCI also set up a 10 point norms of business ethics. But the FICCI's interest in consumer's welfare has been alleged to be a facade to impress the government and the consumer.³⁸

The Advertising Standards Council of India (ASCI) introduced a 'code for self regulation in advertising, aimed at a commitment to honest advertising by the business firms. The ASCI seems to have made its impact by monitoring and regulating the type, content and quality of advertisements.

The Associated Chamber of Commerce and Industry of India (ASSOCHAM) set up an Expert Committee on Consumer Affairs in order to promote consumer awareness amongst business houses and also to educate consumers about their rights. Similarly Association of Indian Engineering Industry (AIEI) formulated its own 13 point consumer code. The Confederation of Indian Foods Trade and Industry (CIFTI) has drawn up a code of ethics for food industry and trade. New Delhi Traders Association (NDTA) introduced its own code of conduct and directed the members to

³⁸ Audrey Rebelleu: *Societal Response to Social Consumer Movement: Business*, Ahmedabad CREC, 1993.

establish Consumer Service Committees, like the CACs, to deal with consumer complaints. In spite of all the above attempts on the part of the business firms, they seem more interested in proving their bonafides to the government than the consumer. These attempts on the part of business firms towards self regulation did not bear much fruits

Business firms, as envisaged by the COPRA, represent traders, manufacturers and service firms.

Trader means a person who sells or distributes any goods for sale and includes the packer, thereof (sec. 2(9)).

Manufacturer is a person who manufactures or makes any goods or parts thereof or assemble parts, or puts or causes to be put his own mark on any goods (sec. 2(j)).

Service means service of any description which is made available to potential users, but does not include the rendering of any service free of charge, or under a contract of personal service (sec. 2(o)).

The above discussion highlights the significance of business firms as a major component of the consumer movement, and the part it has played, through self regulation, for fostering the development of the movement in

India. Below, an attempt is made to reveal the importance of government as another component of the movement.

Government

Government or Government intervention is one of the three components of the consumer movement, and is a significant factor. The significance stems from the fact that in a modern democratic country like India, it is the duty and responsibility of the government to safeguard the rights, interests and welfare of the public including the consumer mass. In the following paragraphs, an attempt is made to identify and examine the historic milestones in government intervention, the avenues of consumer exploitation, areas of government intervention, and the constitutional backup, for governmental intervention.

History of Government Intervention

The governments have been actively participating in the regular economic and political life of its citizens, and the participation has been increasing, with regard to its intensity and coverage, for centuries. The earliest government intervention in economic life was in public legislation for the purpose of taxation, external defence and for maintenance of internal law and order. With the emergence of the mercantilist school of thought, the

government introduced more active intervention in the economic life of people. Many European countries, accordingly, introduced strict regulations regarding production, pricing, movement, exports, imports and consumption of goods.³⁹ But the intervention was not meant to protect the welfare and interest of the consumer, but imposed as a part of furthering the narrowly conceived policies of national power and sovereignty.

In the eighteenth century physiocrats emerged arguing for the doctrine of natural liberty and laissez-faire for the citizens. But, with the appearance of Adam Smith, the mercantilism and laissez-faire were driven aside. He argued in favour of allowing the 'invisible hand' of enlightened self-interest to shape economic destiny, in an atmosphere of competition, individualism and free trade.⁴⁰

In the words of Adam Smith: "As every individual endeavours, as much as he can, to direct the industry that its produce may be of greatest value; every individual necessarily labours to render the annual revenue of the society as great as he can. He generally, indeed, neither intends to promote public interest, nor knows how much he is promoting it by directing that industry in such manner as its produce may be of greatest value, he

³⁹ K.C. Shankara Narayanan: *State and Consumer* in P. Leela Krishnan (Ed.) *Consumer Protection and Legal Control*, 1990, p.49.

⁴⁰ *Ibid*, p.50.

intends only his own gain, and he is in this, as in many other cases, led by an 'invisible hand' to promote an end, which was no part of his intention. By pursuing his own interest he frequently promotes that of the society more effectively than when he really intends to promote it".⁴¹

In the next phase, industrial revolution brought forth increased mass production, specialisation and division of labour. This led to the material progress of the society, along with the miseries of the society. As a result, socialist ideas emerged, towards the middle of the 19th century. Socialist governments perceived complete governmental control and intervention, not only in the economic life of the citizens but also in the social and cultural aspects of life.⁴²

Then the globe was divided into 2 blocks—those with complete government ownership and control (example: China and other Socialist Republics) and those representing free enterprise system with less government intervention (example: USA, UK and other capitalist countries). But at present, a third world has emerged as a consequence of the set backs to the two extremes of socialism and free capitalism. In most of the third world countries, there is a mixture of both the aspects — socialism and capitalism, in

⁴¹ Adam Smith: *Wealth of Nations*, Book IV Chapter II, in Modern Library Edition, p.33.

⁴² John Samuel: *Changing Societies*, Orient Long Man, London, p.72.

varying degrees of intensity.⁴³

The former governments limited their intervention and control to certain areas only like production of goods, movement of goods and the consumption aspects. But modern governments seem to show more interest in intervening in deeper areas of public welfare such as:

- 1) prices of goods and services,
- 2) quality of goods and services,
- 3) selection of goods and services,
- 4) prices of related substitutes,
- 5) practices of selling,
- 6) advertising methods,
- 7) standards of weights and measures,
- 8) representation, and,
- 9) redressal.

1. *Prices of goods and services*

In olden times itself it was recognised that consumers have the right to receive goods at reasonable prices. The governments of all periods have played a crucial role in regulating the prices and other affairs of the market.

⁴³ A.J Mayer, *Economic Perspectives of Third World Countries*, Tata McGraw Hill, p.217.

Older legislators discouraged forestalling, engrossing and black marketing.⁴⁴ In the 18th and 19th centuries, when it was generally felt that the prices were too high, the governments intervened by passing price control orders. More recently, Anti Trust Laws and Monopoly and Restrictive Trade Practices Acts were passed in order to prevent the abuses of price mechanism by monopolies and trusts. Besides, within the purview of price controls, not only goods but also services were brought.

2. *Quality of goods and services*

Since the 15th century onwards, government authorities had ~~even~~^{been} issuing orders regulating the contents and quality of commodities produced and sold. The government took special care in the quality of food and food products. In order to protect the health and safety of the public and the consumer, several countries came forward with appropriate enactments to control the composition and standard of goods and services, produced and sold in the country. Recently many governments have set up institutions of standards for quality assurance of goods and services by way of establishing national standards and operating product quality system certification schemes. Accordingly, on a global level, International Organisation for

⁴⁴ Letwin: *English Company Law Concerning Monopolies*, University of Chicago La Review, 1954, p.355.

Standardisation (ISO) was set up to lay maximum emphasis on the quality parameters of various products and services.

3. Selection of goods and services

Previously, consumers hadn't the right of free selection of goods. But the present day governments had intervened and won this right for the consumer, by providing necessary consumer information in order to enable him decide rationally. For rational selection, adequate information is a pre-requisite. Therefore, most governments have adopted legislations with greater emphasis on preventing the concealment of information and encouraging the dissemination of necessary information. Certain governments (Example: England) have established Advertising Standard Committee and are implementing Code of Advertising Products, in order to be helpful to the consumers, in the aspects of information and awareness.

4. Prices of related goods or substitutes

The prices of related goods and services and or substitutes will surely influence the buying process and rational choice of the consumers. This area of consumer interest has not gained adequate governmental recognition and reflects itself in a shortage of enactments both primitive and present.

5. *Trading Practices*

From very old time onwards governments had been intervening for regulating the existing buying and selling practices and had cared for preventing any malpractices in selling or any restrictive trade practice. The earlier enactments have proved quite ineffective that still malpractices exist in abundance, to the detriment of the consumer. The prejudicial trade practices prevalent in older societies were unreasonable increase of prices, unreasonable prevention of supply of goods, selling goods unfit for use, deteriorating quality of goods etc. But with the complexities of modern trade and commerce, the nature of prejudicial trade practices have also changed.⁴⁵ Such practices of recent origin include selling goods not of merchantable quality, selling goods not corresponding to the description, dealing in fake trade names, charging excess prices through bogus, taxes, selling expired articles, not giving proper information etc. Recently legislations to prevent such malpractices have been passed by the governments. Despite elaborate enactments to curb unhealthy trading practices, they still continue to exist in newer forms.⁴⁶

⁴⁵ P.B. Mukherji: *Legal Implications of Monopolies and Restrictive Trade Practices Act* in V.K. Agrawal (Ed) *Some Problems of Monopoly and Company Law*, 1972, p.29.

⁴⁶ Bill Thomas: *The Legal Frame Work of Consumer Protection* in Jeremy Michael (Ed) *Marketing and Consumer Movement*, 1988, p.24.

6. *Weights and Measures*

Ensuring standardised weighing practices and measuring practices had been one of the concerns of governments, because it was one area, where there was ample scope for malpractices. The malpractices in weights and measures took the form of under weights, under measurement etc. Governments took effective steps in controlling weights and measures by legislations and enactments and regulating orders. Even the conditions of retail trade have long been subjected to governmental control, whereby merchants were forbidden "to set up red or black clothes or shirts whereby the eyes of the buyers were deceived in the choice of good cloth".⁴⁷ At present stringent legal enactments are existing even at the local village level, for maintaining and administering proper weights and measures.

7. *Representation*

Previously, consumers, as a class, hadn't the right to be heard and represented. With the increase in the standard of living of people and general awareness of consumer affairs, this factor of representation gained due recognition. Now almost all enactments affecting consumer rights recognise the right to representation and make ample provision for hearing in proper fora.

⁴⁷ Brand Brown and Towney: *English Economic History* Macmillan Press, 1920, p.155

8. Redressal

There were provisions for the redressal of consumer grievances, from the 19th century onwards. But more comprehensive and elaborate enactments have been passed for the redressal of consumer grievances from the latter part of the present century onwards. During the 1970s and 1980s governments had been passing exclusive legislations in the area of redressal, through proper intervention and by setting up redressal machineries with the backing of judiciary.⁴⁸

Government Intervention - Constitutional backup

Though the word consumer is not to be found anywhere in the Constitution of India, the consumer breaths and peeps out through many of the blood vessels of the constitution. The founding fathers of India's constitution had a glorious vision of the establishment of a new society in India imbued with high ideals for governing and guaranteeing the multi-dimensional welfare of the people.⁴⁹

One of the objective of the constitution epitomised in the preamble is doing economic justice to all the masses. The pre-amble of the Indian

⁴⁸ W.F. Mensky: *Consumer Protection in India and Britain* in *Consumer Confrontation*, vol. Vol No. 11, p.5.

⁴⁹ P. Koteswara Rao: *Constitution State and Consumer Welfare* in P. Leela Krishnan (Ed) *Consumer Protection and Legal Control*, 1990, p.81.

constitution lays stress, inter-alia, on socio-economic justice. Article 14 of the Constitution of India guarantees equality before law to all persons. Therefore, producers, sellers and consumers are all equal before law either for receiving reward or punishment.

Under clauses (b) and (c) of Article 39, the State is duty bound to direct its policy towards securing the distribution of ownership and control of material resources of the community in such a way as to "subserve the common good" and the operation of the economic system "which does not result in the concentration of wealth and means of production to common detriment". These provisions project the necessity of government intervention in the commercial life of its citizens and their social movement.

The three components are significant in their own ways in contributing towards the development of consumer movement in India. Their significance seems to be increased due to the advent of COPRA and other enactments affecting consumers, which has possibly exerted their influence on these components. A discussion on the implications of these enactments including COPRA is attempted in the forthcoming chapter.

ENACTMENT FOR THE CONSUMER -COPRA

Yakoob C. “A study on the impact of the consumer protection act 1986 on consumer movement, with special reference to northern districts of Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 1998

Chapter III

ENACTMENT FOR THE CONSUMER -COPRA

In the last chapter, detailed discussion on the different components of consumer movement was attempted to. It was observed that intervention is a constitutional duty imposed on the government for the protection of people including consumers. The government has been performing this duty through various legal enactments. This chapter is devoted to an examination of such enactments.

Article 39(b) categorically proclaims that ownership and control of national resources of the community are to be so distributed as best to subserve the common good. It means that the constitution keeps consumer's interests as the pivot for which and around which the economy has to move in all its directions.¹ The whole national economy has to revolve round the consumer. Ownership, production, distribution, entrepreneurship and consumption must all be organised and regulated to serve the consumer. This necessitates the government to intervene as and when necessary.

The maintenance of welfare of the consumer demands heavy expenditure on public infrastructure and institutions. Individual citizens are

¹ P. Koteswara Rao : 'Constitution, state and consumer welfare', in P. Leelakrishnan (Ed) Consumer Protection and legal control 1990. P.84

not in a position to provide for these. This factor also emphasises the need for governmental intervention into consumer affairs.

Moreover, the industrial revolution and the consequent evils of factory system, rising prices and inflation level, underscore the necessity on the part of the government to interfere in the aspects concerning consumer movement.

Recognising gravity of this necessity, government has taken several measures to contain malpractices and unfavourable trends, and to protect the consumer. Such measures are broadly classified as below:

- (a) measures to prevent monopolies and restrictive trade practices,
- (b) measures to fix prices, and,
- (c) measures to prevent harmful trade.

These measures are examined in the following paragraphs.

While consumer movement acquired momentum in developed countries, in recent decades, the factor of government intervention also gained greater consideration. In a developing society like India with a huge and suffocating population, striving to gain a footing of economic well-being, the plight of the ordinary man, including the consumer is indeed woeful. The position of a consumer is made worse by the complexities of

modern marketing techniques, advertising methods, rising prices, inflation, natural calamities, scarcities, adulteration and unfair trade practices and, over all, the inertia and ineptitude of the administrative system.

These factors have forced the government of India to intervene in the affairs of the public and take appropriate measures, boldly and effectively. Accordingly the following are the measures taken by the Government in India, with a view to protecting interests and welfare of the consumers:

(a) Measures to prevent monopolistic and restrictive trade practices.

During the 1960s it was generally felt that prevalent powers and machinery of the government had not been able to contain the accumulation of economic power in the hands of a few, which was detrimental to a great majority. This was against the constitutional expectations, as envisaged by the founders of the nation. According to the reports of the Mahalnobis Committee of 1964, inspite of all the existing legal measures, the government could not ensure the prevention of cncentration of means of production and evils resulting therefrom.²

Accordingly, the Monopolies and Restrictive Trade Practices Act was passed by the Indian Parliament in 1969 on the model of the British

² Man Mohan Singh in D.C. Pandey (Ed): Government Regulation of Private Enterprices, 1971, p.241

Monopolies Act of 1948. The regulation and control of monopoly in trade and business is an effort on the part of government to ensure equal distribution of economic power among its citizens. The MRTP Act in several ways tries to checkmate the manipulative capacity of the monopolies and group owners, and thus becomes instrumental in the protection of the interests and welfare of the consumer.

Initially the MRTP Act dealt only with monopolistic trade practices. But with the amendment in 1984, a new chapter on unfair trade practices including actions against misleading and fraudulent advertising was added. This has equipped the government with the power to curb prejudicial trade practices through false and irresponsible advertising.³

Besides the MRTP Act, the Capital Issues (control) Act, 1947, and Industries (Development & Regulation) Act, 1951 and The Companies Act contain elaborate measures to prevent monopolies and restrictive trade practices.

(b) Measures to fix prices

The task of ensuring reasonable and steady supply of essential commodities at a reasonable price to the consumer is undoubtedly a

³ Raghbir Singh: 'Consumer Education- need of the hour', in *Indian Management*, vol.28, No.6, June 1989 p.19

stupendous one, which the government has to carry out to protect the consumer from the malpractice of traders. The state has carried out this task through various legal measures, which is evidenced by the pieces of legislations as measures to fix prices of commodities, especially of essential articles. The most important measure for fixing prices of commodities, is the Essential Commodities Act of 1955. The ECA seeks to control the production, supply and distribution of and trade and commerce in the essential commodities.⁴

The government has been empowered to declare any commodity as an essential commodity, under the Act, and can provide for regulating or prohibiting the production, supply and distribution or trade in essential commodities.

Even though the Essential Commodities Act, 1955 is the prominent weapon in the hands of the government as a price fixing measure, there are other legal enactments also, for the protection of consumers by fixing reasonable price to goods and services. They are Industries (Development & Regulations) Act, 1951 and Food Corporation Act, 1964 .

⁴ K.D. Gaur: Consumer: Adulteration of Food and Drugs, in P. Leelakrishnan (Ed), Consumer Protection and Legal Control, 1990, p.267

(c) Measures to prevent harmful trade

In India, there is freedom of trade and freedom of association. Taking advantage of the helplessness of consumer, unscrupulous traders play with life and happiness of millions of people through harmful trade. Nowadays, traders resort to many undesirable methods of harmful trade which may include adulteration of food, drinks and drugs, selling dangerous drugs, selling at underweight and under measurement. With the intention of preventing these harmful trade practices, the government has enacted the Prevention of Food Adulteration Act, and many other Acts to control the production and sale of drugs.

The production and sale of drugs provide ample opportunities for many harmful trade practices like selling expired drugs, misbranded food and drugs, selling without proper licence, selling prohibited food and drugs. Realising this fact, the government has enacted many legislations to contain such practices, which include the Drugs and Cosmetics Act, 1970, The drugs and Magic Remedies Act, 1954, The Drugs Control Act, 1950 The Dangerous Drugs Act 1970, The Drugs Act 1940 etc. These Acts are passed with the

objective of controlling the quality of drugs and cosmetics sold, preventing harmful trade, controlling false advertising.⁵

Besides the above stated enactments, the Sale of Goods Act, the Trade and Merchandise Mark Act, 1958, The Standards of Weights and Measurements Act, 1976, The Indian Standards Institution Act, 1952 etc. are measures to prevent harmful trade.

Above all, there is the COPRA, an umbrella legislation, covering almost all complaints with respect to goods, services or unfair trade practices. Whereas the other Acts are measures to act on a specific front, the COPRA is expected to act on all fronts affecting the consumer. It helps the consumer to prevent unfair trade practices, to replace defective goods to be compensated for deficiency in service, to fight against charging excess prices and to check trading in harmful products.

There are atleast thirty one legal enactments which can be interpreted in favour of the consumer. It is aptly commented that a consumer is subjected to exploitation and infringement not because of scarcity of laws, but due to other factors.⁶

⁵ S. S. Alur: *Myth of Consumer Protection*, in P. Leelakrishnan (Ed), *Consumer Protection and Legal Control*, 1990, p.171.

⁶ S. Chandrasekharan Nari: *Consumer's Awake*, Gouri Kantha, Trivandrum, 1994, p.20

An examination of the implications of all the Acts affecting consumer is out of place and beyond the scope of this study. Therefore, the discussion in this chapter is limited to a historical prospective of consumer protection laws, and the important implications of some of the Acts, in section A, and the implications of the various provisions of the COPRA in section B.

Section A

EARLIER CONSUMER ENACTMENTS

This part is devoted to state the important implications of the enactments other than COPRA which are aimed at the welfare of the consumer. Among them the Sale of Goods Act, the Essential Commodities Act, the Drugs Control Act, the Drugs Act, the Drugs and Magic Remedies Act, the Trade and Merchandise Act, Prevention of Food Adulteration Act, the Indian Standards Institution Act and the Monopolies & Restrictive Trade Practices Act are considered, prominent. Codified laws to protect consumers existed in India from 1898 onwards, with the enactment of Indian Post office Act. Since then a number of laws have been enacted in India to safeguard the interests of buyers. This section contains references of history and origin of consumer laws, and the important implications contained in these laws.

The Sale of Goods Act , 1930

Even though the Sale of Goods Act, 1930 was not passed directly and exclusively for the benefit of the consumers, they can draw benefits from the Act in many ways.

One of the vital implications of the act is about the protection from defective and unmerchantable goods. The Act compels the seller to sell only goods which are of merchantable quality and reasonably fit for the purpose for which they are meant.

Eventhough no whole-hearted effort has been made in India in the field of quality control, the Sale of Goods Act contain, provisions ensuring the quality of goods.

Section 15 states that when goods are sold by description, there is an implied condition that the goods shall correspond with the stated condition. Further, if the sale is by sample as well as by description, then the goods shall correspond both with the sample and with the description.⁷

The Sale of Goods Act has laid down the principles of *caveat emptor* as "subject to the provisions of the Act or any other law for the time being in force, there is no implied warranty or condition as to the quality or fitness

⁷ R.C Chawla, K.C. Garg: Mercantile law, Kalyani Publishers, Delhi, 1987, p.276

for any particular purpose of goods supplied under a contract of sale". But section 16 lays down certain exceptions to the general rules of *caveat emptor*.

According to section 16, the term merchantable quality refers to a situation where the goods are genuine as to the kind and description, saleable in the market, fit for ordinary use and free from defects. As far as these conditions are concerned, the rule of *caveat emptor* cannot be applied.

Section 16(1) deals with implied condition relating to fitness for purpose and 16(2) deals with implied condition regarding merchantable quality.

Essential Commodities Act, 1955

The Essential Commodities Act, 1955 was the most important statute enunciated in the country for ensuring larger interest of consumers, till the enactment of the Consumer Protection Act, in 1986. This Act empowers the central government to promulgate necessary orders for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices or for regulating or prohibiting the production, supply and distribution of any essential commodity declared as such.⁸

⁸ K.B. Addul Hameed, Protecting Consumer Interest, Problems of availability, price and distribution, in P. Leela Krishnan(ed) Consumer Protection and Legal Control, 1990, p.188.

The Essential Commodities Act, 1955 is a powerful legislation to enable the government to regulate production, storage, transportation and distribution of essential commodities so as to ensure just distribution to the whole of the population.⁹

In general, Essential Commodities Act seeks to ensure availability, fair price and fair distribution of the essential commodities.

Section 3 has bestowed upon the central government wide powers of a general and particular nature. The government is to regulate by licences and permit, the production, manufacture, storage, transport, distribution, disposal, use and consumption of essential commodities, to control the price given and to ensure uninterrupted availability of the commodities. Besides, the government has the power to enter and search premises, vehicles, vessels and aircraft and seize them if necessary. Any person who contravenes the orders issued under the Act, is liable to be punished, with imprisonment for a period extending upto five years, or fine upto Rs. 25,000, or both.

⁹ John Joseph, New Dimensions of Consumer Protection, Neethi Printers, Kochi, 1991, p.27.

Drugs Control Act, 1950

This is one of the Indian laws which have a direct bearing on protection of health and safety of consumers. Under this Act, production, supply, stocking, distribution and sale of drugs is controlled by government. As per the Act, the government can fix and monitor prices of drugs.

According to section 4 of the Drugs Control Act, the chief commissioner can-

- (a) fix the maximum prices of drugs, to be charged,
- (b) fix the maximum quantity of drugs which may be possessed by a stockist, or dealer, or,
- (c) fix the maximum quantity of drugs which may be sold to any person in a single transaction.¹⁰

These maximums may be different in different locations or for different classes of dealers, stockists and producers.

The Drugs Act, 1940

This Act is intended to regulate the import, manufacture, distribution and sale of drugs. Section 18 of the Act prohibits the manufacture and sale of drugs which are not of standard quality or any misbranded quality etc.

¹⁰ K.C. Garg: Drugs Control Act, 1950, Law Book House, Delhi, 1991, p.17

The chief commissioner under this Act, will duly publish a schedule of drugs for this purpose. As per section 26 of the Act, any person can submit for test or analysis any drug to a government analyst, purchased by him, and such person is entitled to receive a report of such test.¹¹

The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954

The Act is enacted with a view to control the advertisement of drugs in certain cases, to prohibit the advertisement of certain purposes of remedies alleged to possess magic qualities etc. These advertisements tend to cause the ignorant and unwary to resort to self-medication with harmful drugs and appliances, which may adversely affect the health and safety of consumers. Therefore, the Drugs And Magic Remedies (Objectionable Advertisement) Act felt if necessary to put a stop to such undesirable advertisements in the public interest.¹²

Accordingly advertisements of drugs for certain diseases like blindness, baldness, heart diseases, paralysis, epilepsy, leucoderms, obesity is prohibited. Similarly, advertisements of 'magic remedies', talisman,

¹¹ B.M. Mohanthy: Consumer Protection; A Challenging Task in P. Leela Krishnan(ed) Consumer Protection And Legal Control, 1990, p.25-26.

¹² *Ibid*, p.25

mantra, karacha and charms for prevention, mitigation, treatment, or cure of diseases are also prohibited under the Act.¹³

The Trade And Merchandise Marks Act, 1958

The Act has been enacted with a view to protect trade interest and to prevent deception of consumers by the misuse of trade marks. The Act provides for the registration and better protection of trade marks and thereby trying to protect the consumers from confusion arising from the use of false trade marks. It is generally considered that in the modern marketing world, a good trade mark is the best salesman and advertiser of goods. To the purchasers of goods, a genuine trade mark gives assurance of make, quality and confidence of the article he is buying. Therefore it is quite essential and reasonable that the trade marks and other marks of trade identification must be duly protected and preserved, not only for the benefit of the honest traders but also for the welfare of the purchasing public. If trademarks are allowed to be misused it may lead to dishonest dealings, and may result in undesirable consequences¹⁴

¹³ *Ibid*, p.26

¹⁴ Sinha B.K.: *Protecting Consumer Interests*, in *Yojna*, vol.31, No. 4 (1-15 March), 1987, pp.22-25

Prevention of Food Adulteration Act, 1954

The Act is a comprehensive piece of legislation consisting of 25 sections and extends to the whole of India. The object of the Prevention of Food Adulteration Act is the prevention of adulteration in food articles and other items which adversely affect health and safety of people. The Act prohibits the manufacture for sale or storing to sell, or distribution of any adulterated food or misbranded food, or sell; food without necessary licence, or sell food prohibited by the Health Authorities¹⁵

Section 2 describes in detail circumstances under which it is presumed that a food item is adulterated. Adulteration in ordinary sense means an act of debasing a commercial or substituting an inferior article for a superior one in order to gain illegitimate profit.

Section 2 describes misbranding which means a wide range of incidents such as imitation or substitution or resemblance of an article to another, so as to deceive the public and gain illegitimate profit.

Section 5 of the Prevention of the Food Adulteration Act, 1954 prohibits import of any misbranded food to India.

¹⁵ K.D. Gaur: Adulteration of Food and Drugs, in P. Leela Krishnan(Ed) Consumer Protection and Legal Control, 1990, p.267-285.

Section 7 prohibits manufacture for sale or store or distribute any misbranded food either by himself or through others.

Section 16 treats misbranded food at par with adulterated articles of food in respect of penalties.

The Act penalises contravention of its provisions. Criminal liability has been provided to those who manufacture articles for sale or distribution of articles for adulteration, or engage themselves in the process incidental or ancillary to the manufacture of adulterant.

For habitual food adulteration, life imprisonment with a minimum of 3 years has been provided, as per section 16.

Indian Standards Institution Act, 1952

The Act was passed with a view to providing for standardisation and marking of goods, especially industrial and manufactured articles. The Act intends to establish healthy trade, both internal and external, to set standardisation of products in respect of quality which would compare very favourably with established marks of foreign products. The Indian Standards Institution has been established with the following objectives

- (a) to provide and promote general adoption of standards on national and international basis,

- (b) to provide for registration of standardisation marks applicable to products commodities, and,
- (c) to provide or arrange facilities for examination and testing of commodities.
- (d) to promote standardisation, quality control and simplification in industry

The Act, among other things, prohibits the improper use of standard marks and certain names and prohibits registration in certain specified cases¹⁶.

The Monopolies & Restrictive Trade Practices Act, 1969

The Act was passed in 1969. The Act is a comprehensive piece of legislation enacted with the objective to ensure that the operation of the economic system does not result in the concentration of economic power to the common detriment, to control monopolies and to check monopolistic and restrictive trade practices, which are prejudicial to public interest. A Monopolistic and Restrictive Trade Practices Commission has been established under the Act. The commission has power to enquire into consumer complaints.

¹⁶ Vats R.M: Consumers and The Law, Universal Book Traders, Delhi, 1994, p.37.

The Act gives right of action to consumers who are subjected to unfair trade practices. Section 32 describes the circumstances when monopolistic trade practices shall be deemed to be prejudicial to public interest. Accordingly, a trade practice is monopolistic, if

- a) it increases unreasonably the cost of production, supply or distribution of goods or performance of any service or,
- b) it increases unreasonably prices or profit, or,
- c) it reduces unreasonably the competition or limits or prevents supply of goods to consumer or the provision of service, or,
- d) it results in deterioration of quality of goods or service¹⁷

Section 2 defines a restrictive trade practice as one-

- a) which tends to obstruct the flow of capital or resources, into the stream of production, or ,
- b) which tends to bring about a manipulation of prices or conditions of delivery or to affect flow of supplies in the marker relating to goods or services in such manner as to impose on consumers, unjustified costs or restrictions

The MRTP commission has been bestowed with the powers of civil court It can enquire into any restrictive trade practice on a complaint from any trade or consumer's association with 25 or more members, or on a

¹⁷ Verma D.P.S. : *Consumer Protection Under the MRTP Act*, in *Yojna*, vol.27, No.10, pp.14-16.

reference made by central or state government, or on application made by the Registrar of Restrictive Trading Agreements or suo moto .

The definitions of monopolistic trade practice and restrictive trade practice are very wide and takes into its fold many types of exploitative deeds on the public, such as fraudulent advertising, deterioration of quality of goods, manipulation of high prices, artificial shortages etc.

Where as the above Acts cover only certain aspects of consumer protection, the COPRA has been enacted to encompass almost all aspects concerning the consumer. It is presented in the next section

SECTION B

THE CONSUMER PROTECTION ACT, 1986

In spite of enactments relating directly or indirectly to the subject of consumer welfare, Indian consumer has not been able to enjoy the benefits of these. Consequently various consumer rights found their place only on paper. All these enactments put together could not contain the malpractice of traders. As a matter of fact access to justice had been a luxury for most Indian citizens. Only a privileged section of consumers could enjoy the benefits of the existing enactments. However with the enactment of the Consumer Protection Act 1986, an era of socio-economic justice appeared to



NB-2649

have dawned in India, during the late 1980s. The Act has considerably consolidated the process of consumer protection in India. Breaking away from the tradition followed by other enactments, this legislation envisaged the establishment of exclusive redressal agencies at district, state and national levels. Today after 51 years of the country's independence, at least a common Indian consumer has access to quick and inexpensive justice, as envisaged in the Preamble and Directive Principles of the Indian constitution.

Besides, unlike in other enactments, the act has brought services, public utilities, nationalised undertakings, and even certain complex services like medical services and insurance transactions, under its purview.

In this part it is intended to highlight the implications of the COPRA, describing the environment which led to its enactment.

Consumer protection in India - a historical backdrop

Consumer protection is not a new topic in India. There was once a mis-conception that India loaned this idea from the western countries. It is true that consumer movement, as we see today, has originated and developed in the advanced countries of the West. But the origin of the basic ideas of consumer protection cannot be traced to the history of the western

countries. In fact consumer protection was an inseparable part of the traditional culture of the country. Really, it was a way of living, and not merely an academic subject or way of thought, in India.¹⁸

Consumer protection was, among other matters, one of the numerous socio-economic problems existed in India since the eighteenth century outwards. This is reflected in the multiplicity of laws with the aim of protecting the consumer, especially their socio-economic interests. Since then, India has enacted a number of legislations directly or indirectly aiming at consumer protection, or translated in favour of the consumer, some of which were mentioned in the last section. Even though enactment protecting consumer appeared from the eighteenth century onwards, concern and consideration for the cause of the consumer date back to as early as Vedic age (5000 BC to 2500 BC). The leading texts of the time contained elaborate references of four broad types of consumer offences - adulteration of food, charging excessive prices, fabrication of weights and measures, and selling of forbidden commodities. The texts also provided for legal measures and punishments for such offences. The prominent texts of those days were Manusmriti, Artashstra, Yajnavalkyasmriti, Naradasmriti, Brihaspatismriti and Katyayanasmriti¹⁹.

¹⁸ Sundaram I.S: Consumer Protection in India, B.R. Publishing Corporation, New Delhi, 1985, p.137.

¹⁹ Gurjeet singh: The Law of Consumer Protection in India, 1996, p:44, 45.

The Manusmriti and Yajnavalkyasmriti contained provisions for punishing a trader who adulterated marketable products, with fine and imprisonment. Arthashastra also contained similar references. Use of false balances was a menace of even those days, and Manusmriti recommended that all weights and measurements must be duly marked by the King and should be re-examined every six months. Arthashastra recommended that at the end of every 4 months, weights, measures and balances must be duly examined and re-stamped by the officers concerned.

In order to check the malpractice of charging excessive prices, once in every 4 nights or weekly, prices were to be fixed, by the king and publicly declared for the information of the consumers. According to Arthashastra, heavy fines could be charged against those merchants who combined themselves into groups with a motive to raise prices or create monopolies. Yajnavalkyasmriti¹ stated that the sale and purchase should be conducted daily according to the prices fixed by the King. On the aspect of selling forbidden articles, Yajnavalkya smriti prescribed for forfeiting such goods to the Kingdom and also compulsory seizure of the forbidden commodities²⁰.

²⁰ Jha Chakradhar: History and Sources of Law in Ancient India, Ashish Publishing House, New Delhi, 1987, p.80.

Later on, it was the Mughal Empires, who first introduced control measures for pricing, transporting and supplying essential commodities. They established shopping centres dealing in food grains, cloth, sugar, dried fruits, herbs, oils, vegetables, pulses etc. Such shopping centres were under the direct control and supervision of the commerce ministry.

During the British regime, the government's economic policy in India were more concerned with protecting the British interests rather than the welfare of the people of India. The administration took care to maintain law and order, collect tax and revenue and finance defence activities. During the regime, consumers interests and welfare were not adequately attended to. However, some pieces of legislation were enacted for consumers. These enactments include the Post office Act, 1898, the Carriage of Goods by Sea Act, 1925, the Sale of Goods Act, 1930, Dangerous Drugs Act, 1930, Drugs and Cosmetics Act, 1930, Agricultural Produce Act, 1937, Drugs & Cosmetics Act, 1940 etc. In fact most of these enactments protected interests of the trading community rather than the consumer.

Consumer protection-Post-independence scene

The initial five year plans greatly encouraged industrialisation on a large scale. And industrialisation resulted in urbanisation and its

bye-product problems- shortage of necessities, price rise, inflation etc. Government felt the need for controlling such trends and came forward with suitable enactment to protect consumers, especially on the banking front and the industrial sector. Thus the Banking Regulation Act, 1949, and Industries (development & regulation) Act were born for the protection of the consumers in these two sectors. This took place immediately after independence.²¹

Thereafter, the menace of adulteration and shortage of essential articles annoyed the government authorities which ultimately led to two legislation- The Prevention of Food Adulteration Act, 1954, and the Essential Commodities Act, 1955. In the year followed, the Indian Standards Institution (Certification of Marks) Act, 1956 was passed.

During the 1950s it was understood that many of the large business houses in the private sector had started to amass nation's wealth and means of production, and thus effectively control the Indian market. They were virtually acting as monopolies, who, solely for their gains, practiced restrictive trade practices also. A Monopolies Inquiry Commission was appointed to enquire into these aspects, and according to the recommendation of the commission, The Monopolies and Restrictive Trade

²¹ Gupta Srinivas: 'Consumer Protection: Legislative measures' in *Yojna*, vol 36, No.3. P.26.

Practices Act was passed in 1969²². It was a great land mark in history of consumer protection, in checking monopoly trends and restrictive trade practices, which stood against consumer's interests and welfare.

Besides enacting consumer oriented laws from time to time, a need was also felt to remind the trading community of their social responsibilities. Accordingly in 1977, a high powered committee was constituted under the chairmanship of Mr. Justice Rajinder Sachar in order to consider and report on measures by which re-orientation of managerial outlook can be brought about so as to discharge social responsibilities of business houses.

The Committee recommended radical modifications in the MRTP Act, 1969. For instance, the Sachar Committee recommended that the terms 'unfair trade practice' must also be included along with restrictive trade practices'. Accordingly a new chapter was added defining unfair trade practices like misleading advertisements, false information, attempts to dupe consumer etc., and also to provide remedies against unfair trade practices.²³

²² Dr. Raghbir Singh: 'Consumer Education - Need of the the hour' in *Indian Management*, vol. 28 No.6., p.18,19.

²³ Sachar Rajinder : 'MRTP Act - The Reality', in *Economic Times*, 6th Aug. 1981, p.5.

By the year 1960, consumer organisations began to emerge in India. The Indian Association of Consumer was probably the first Indian consumer association. It was formed as a national agency with the financial backing of the Planning Commission²⁴. Consumers protests increased and more and more organisations began to spring up. The Consumers Guidance Society of India, National Consumer Service, Price Rise Resistance Movement, Joti Sangh Grahak Suraksha Vibhag, Bombay Civil Trust etc. were a few of earlier consumer organisations. During the 1970s more organisations were formed which included Surat Consumers Association, Karnatak Consumer Service Society, Vishka Consumers Council, Akhil Bharatiya Grahak Panchayath, Trichy District Consumers Council etc. The sudden growth of such active organisations culminated in the All India Consumer Conference in Delhi in 1974. The conference reviewed that "in an era of inflation, rampant food adulteration, profiteering, hoarding and black - marketing, unscrupulous trade practices and food shortage has resulted in continually rising prices and unethical standards of trading."²⁵ This situation forced the central government to enact two more legislations- Maintenance of Internal Security Act, 1971 and The Prevention of Black Marketing and Maintenance

²⁴ Leela N. Jog: 'Changing Equations - Consumer - Business and Government', in CSBP Silver Jubilee Bulletin, 1992, p.20.

²⁵ Mandana Jajje: 'Resolutions passed at All consumer India conference', Delhi, 1974, *Indian Market Place*, P.105.

of Supplies of Essential Commodities Act, 1980. Along with passing of these Acts, consumers gained some relief. But the consequent withdrawal of national emergency brought about a new phenomenon of judicial activism and strategy of public interest litigation or social action litigation. It introduced increased access to justice. Social action groups began to freely approach courts, in the event of violation of individual rights of the public including consumers. This culminated in a new era of litigation, whereby social action groups, journalists, politicians, academicians, lawyers and other public spirited citizens could litigate on behalf of poor, illiterate, exploited and oppressed people in the country. Today, the social action litigation strategy has grown into such a state that it is used very frequently by consumer groups to seek justice on behalf of the aggrieved consumers.²⁶

In 1978, Consumer Education and Research Centre was born in Ahmadabad, to spearhead social action litigation movement in various parts of the country. Therefrom, social action cases flooded the courts of India, and as a result, there was a widespread spirit in consumerism. Eminent parliamentarians took up consumer issues, and along with consumer groups, India's leading and most powerful consumer legislation came into existence - the Consumer's Protection Act, 1986.

²⁶ Gurjeet Singh. P. 58.

The Act brought fresh hope among the beleaguered Indian consumer. This Act bestowed upon the consumer the rights to seek legal remedies against unfair trade practices, sale of unsafe or defective items, over charges, as well as unsatisfactory services. Breaking away from the tradition followed by other Acts, this Act is encompassing more and more aspects into it folds, with a view to afford protection to consumers. Under this Act, an individual consumer as well as voluntary consumer organisation can lodge complaints.

In the following paragraphs, implications of various provisions of the COPRA have been discussed.

The Implications of the Consumer Protection Act, 1986 (with Amendments of 1993)

This Act, No. 68 of 1986, is meant to provide for better protection of the interests of 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 there with.

Statement of Objects and Reasons

The Act seeks to promote and protect the rights of consumers. They are:-

- a) the right to be protected against marketing of goods which are hazardous to life and property,
- b) the right to be informed about the quality, quantity, potency, purity, standard and price of goods to protect the consumer against unfair trade practices,
- c) the right to be assured, wherever possible, access to a variety of goods at competitive prices,
- d) the right to be heard and to be assured that consumer's interest will receive due consideration at appropriate fora,
- e) the right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers, and,
- f) the right to consumer education.

In order to attain the above object, consumer protection councils are to be established at the Central and State levels.

In order to provide speedy and simple redressal to consumer disputes, a quasi-judicial machinery is to be set up at the District, State and Central levels.

The Act is divided into 4 chapters, incorporating, in all, 31 sections, with a number of sub-sections covering all aspects of consumer protection and its safeguards through the above stated statutory bodies.

Short title, extent, commencement and application [Section: 1]

As per Section 1, the Act is named the Consumer Protection Act, 1986 (1.1) and extends to the whole of India except Jammu & Kashmir (1.2), and would come into force on such date notified by the Central Government (1.3) and the Act will apply to all goods and services (1.4).

Definitions [Section :2]

Section 2 deals with the various technical definitions laid down for appropriate circumstances, and includes definitions of the terms like laboratory, complainant, complaint, consumer, dispute, defect, deficiency, district forum, goods, manufacturer, member, national commission, notification, person, prescribed, restrictive trade practices, service, state commission, trader, unfair trade practice etc., which are given in alphabetical order.

Act not in derogation of any other law [Section: 3]

The provisions of this Act shall be in addition to and not in derogation of the provisions of any other law existing in India.

The Central Consumer Protection Council [Section: 4]

The Central Government may constitute the Central Consumer Protection Council, consisting of the Minister in charge of Consumer Affairs and such members, as prescribed by the Central Government.

Meetings of the Central Council [Section: 5]

The Central Council shall meet as and when necessary or at least once in a year (Sec: 5.1). The Central Council shall meet at such time and place as the Chairman may think fit and according to the prescribed procedure (Sec: 5.2)

Objects of the Central Council [Section: 6]

The objects of the Central Council shall be the promotion and protection of the rights of consumers as stated in the prefatory note.

State Consumer Protection Council [Section: 7]

The State Government may establish a Council to be known as the Consumer Protection Council (7.1). It shall consist of the minister in charge of consumer affairs in the state, and such other number of members, fixed by the state government. (7.2).

The State Council shall meet as and when necessary or at least twice in a year (7.3). The Council shall meet at such time and place, and follow such procedure, prescribed by the State Government.

Objects [Section: 8]

The objects of the State Council shall be the promotion and protection of the rights of consumers, with the state.

Consumer Disputes Redressal Agencies [Section: 9]

For the purposes of this Act the following Redressal Agencies are established--

A Consumer Disputes Redressal Forum, to be known as District Forum, in each district (9.a).

A Consumer Disputes Redressal Commission to be known as the State Commission, in each state (9.b).

A National Consumer Disputes Redressal Commission at the Centre, known as Central Commission (9.c).

Composition of District Forum [Section: 10]

As per Sec:10.1.a each district forum shall consist of a person who is, or has been, or is qualified to be a district judge who shall be its president.

As per Sec:10.1.b there will be two other members who shall be persons of ability, integrity and standing and have adequate knowledge or

experience of, or have shown capacity in dealing with problems relating to economics, law, commerce, accountancy, industry, public affairs or administration and one of them will be a woman.

Every member shall hold office for a term of 5 years or upto the age of 65 years, whichever is earlier, and shall not be eligible for reappointment (10.2)

Jurisdiction of the District Forum [Section: 11]

The Forum shall have jurisdiction to entertain complaints, where the claim does not exceed Rs.5 lakhs (11.1). As per Sec:11.2, a complaint shall be instituted in a Forum within the local limits whose jurisdiction, any one or more of the whose opposite parties reside, or carries on business, or has a branch office or personally works for gain.

Filing of a Complaint [section 12]

A complaint, in relation to any goods sold or agreed to be sold, or delivered or such services provided or agreed to be provided, may be filed with the District Forum by :-

- a) the consumer to whom such goods are sold or delivered or agreed to, be sold or delivered or such services provided or agreed to be provided (see : 12.a)

- b) any recognised consumer association, whether the consumer to whom the goods sold or delivered or agreed to be sold or delivered or such services provided or agreed to be provided is a member of such association or not (see : 12.b)
- c) One or more consumers, where these are numerous consumers having the same interest, with the permission of the District Forum (12.c), or,
- d) the Central government or the State government.

Procedure at the District Forum [section : 13]

On receipt of a complaint, the Forum shall -

- a) refer a copy of the complaint to the opposite party, directing him to give his version of the case within thirty days (13.1.a.)
- b) when the opposite party denies or disputes the allegations, or fails to represent his case within the time limit, the Forum shall proceed as below (13.1.b)

- c) where the complainant alleges a defect necessitating a laboratory test, the Forum shall obtain a sample, seal it, and refer it to the appropriate laboratory for testing and reporting, within a period of 45 days. (13.1.c)
- d) before such reference to the laboratory, the Forum may require the complainant to deposit to the credit of the Forum such fees as may be specified (13.1.d)
- e) the District Forum shall remit the amount deposited to enable it to carry out the test, and in receipt of the report, the Forum shall forward a copy of it, along with the remarks, to the opposite party (13.1.e)
- f) If any of the parties disputes the correctness of findings or methods thereof, the Forum shall require the opposite party or the complainant to submit in writing his objections. (13.1.f)
- g) the Forum shall give a reasonable opportunity to both the parties, of being heard, and issue an appropriate order under section 14.

Findings of the District Forum [section 14]

If the Forum is satisfied that the goods suffer from any defect, or that any of the allegations about the services is proved, it shall order to the opposite party to take one or more of the following :-

- a) to remove the defect from the goods in question
- b) to replace the goods with new goods
- c) to return the complainant the price, or charges paid by him

- d) to pay such amount as may be awarded as compensation to the consumer
- e) to remove the defects or difficulties in service in question
- f) to discontinue the unfair trade practice or the restrictive trade practice, or not to repeat them
- g) not to offer the hazardous goods for life
- h) to withdraw the hazardous goods
- i) to provide adequate costs to parties

Appeal [section : 15]

Any person aggrieved by an order made by the District Forum may prefer an appeal against such order, to the state commission, within a period of 30 days from the date of the order.

State Commission - Composition [section : 16]

Each state commission shall consist of :-

- a) a person who is or has been a judge of a high court, appointed by the state government, who shall be its president, and, (16.1.a)
- b) two other members, who are qualified as in the case of District Forum members (16.1.b)

State Commission - Jurisdiction [section : 17]

The State Commission shall have jurisdiction to entertain complaints of which the value exceeds rupees five lakhs, but does not exceed rupees twenty lakhs, and, appeals against the orders of any District Forum,.

Procedure in State Commission [section: 18]

The procedure of disposal of complaints by the District fora shall be followed by State Commissions also with necessary modifications.

Appeals [section: 19]

Any person aggrieved by an order made by the State Commission, may prefer an appeal against such order, to the National Commission, within a period of thirty days form the date of the order.

National Commission- Composition [section: 20]

The National commission shall consist of a person who is or has been a judge of the supreme court, who shall be the president and four other members who are qualified as State Commission members.

Jurisdiction of National Commission [section: 22]

It has jurisdiction to entertain complaints of which the value exceeds rupees twenty lakhs and appeals against orders of any State Commission.

It can also call for the records and pass orders in disputes decided by the State Commission.

National Commission-Power and Procedure [section: 22]

It has the powers of a civil court, and the power to issue an order to the opposite party directing him to do any one or more of things stated under section 14.

Appeal [section: 24]

Any person aggrieved by an order made by the National Commission, may prefer an appeal against such order, to the Supreme Court, within a period of thirty days .

Enforcement of Orders [section: 25]

Every order made by the District Forum, State Commission or the National Commission is enforceable as if it were a decree or order by a court.

Dismissal of Frivolous Complaints [section: 26]

Where a complaint in District Forum, the State Commission or the National Commission is found to be frivolous or vexatious, it shall dismiss the complaint and order that the complainant shall pay to the opposite party such cost not exceeding Rs. 10,000.

Penalties[section: 27]

Where a trader or any other against whom a complaint is made, fails or omits to comply with any order of the District Forum, State Commission or National Commission, such trader, or person, or complainant shall be punishable with imprisonment for a term which shall not be less than one month, but not exceeding three years, or with fine which shall not be less than two thousand rupees but not exceeding rupees ten thousand or with both.

Protection of action taken in good faith [section : 28]

No suit, prosecution or other legal proceedings shall lie against the members of the District Forum, the State Commission, or the National Commission, or any Person acting under decision, for executing any order, or for any act done in good faith, or intended to be done.

Power to remove difficulties [section : 29]

If any difficulty arises in giving effect to the provisions of Act, Central Government may, by order in the official Gazette, make necessary provisions for removing the difficulty. Such order shall be made within two years of the commencement of the Act, and shall be laid before each house of parliament.

Power to make rules [section : 30]

The Central Government may make rules for carrying out the provisions contained in sec: 2.1.a, 4.2.b, 5.2, 13.4.vi, 19.20.2 and sec 22 of this Act.

The State Government may make rules for carrying out the provisions contained in 7.2.b, 7.4.b, 10.3, 13.1.c, 14.3, 15 and 16.2 of this Act.

Laying of rules [section :31]

Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, for a total period of thirty days.

Every rule made by a State Government under this Act shall be laid as soon as may be after it is made, before the state legislative.

Thus, the various provisions of the COPRA are aimed at affording a cheaper, efficient and speedier remedy to aggrieved consumers. It is considered as a better alternative to the time consuming and expensive civil litigation. At the very outset it has been stated that the COPRA will only supplement all the existing Acts, and would not supplant them.

A critical examination of the various provisions would reveal the fact that the language and the procedure prescribed have been deliberately kept simple, direct and non-technical. This is done in keeping view the miseries of a large mass of poor, illiterate consumers, who don't have the necessary funds, and other resources to fight out a court case.

Each provision is so straight forward that even a man of ordinary prudence can take necessary steps to get his grievances redressed, without the assistance of a professional advocate. That is why, the voluntary consumer organisations, for a long time, have been arguing for avoiding advocates from the routine proceedings of the fora.

Unlike other enactments which are basically very elaborate in nature, involving a large number of sections, subsections and entanglements, the COPRA limits its sections to a meagre thirty one, but at the same time covers almost all the aspects of consumer protection. The brevity and simplicity of the Act, however, does not afford any opportunity for vagueness and uncertainty.

There is a bold attempt to lay down a most simple procedure of enquiry and ultimate result which is free from any complex situations and rigours of pure law of evidence.

The discussion in this chapter highlighted important legal enactments aimed at protecting consumers, and examined their implications, and of the Consumer Protection Act , 1986.

There are more than 30 legal enactments which are interpreted in favour of the consumer. The prominent among them - the Sale of Goods Act, the Essential Commodities Act, the Drugs Control Act, the Drugs Act, the Drugs and Magic Remedies Act, the Trade and Merchandise Marks Act, the Prevention of Food Adulteration Act etc - have been considered, as to their important implications. This is done in Part A. These Acts cover different aspects of consumer protection like sale of goods, merchantable quality, supply of essential commodities, control of drug sales, trade marks, restrictive trade practices etc.

Part B traced the historical background which led to the enactment of COPRA, and examined its implications, briefly. The COPRA is a beneficent and benevolent piece of socio-economic legislation enacted primarily to provide a cheap and speedy remedy to the aggrieved consumers by way of an alternative to the time consuming and expensive process of civil litigation.

The Act was a landmark in the field of socio-economic legislation, and it was widely expected that a great deal of impact will be propelled by the Act on all components of the consumer movement. These impacts are studied in the next two chapters. The impact of COPRA on consumers and consumer organisation is studied in the next chapter and the impact on business firms is presented in chapter V.

IMPACT OF COPRA ON CONSUMERS AND CONSUMER ORGANISATIONS

Yakoob C. “A study on the impact of the consumer protection act 1986 on consumer movement, with special reference to northern districts of Kerala ”
Thesis. Department of Commerce and Management Studies , University of Calicut, 1998

Chapter IV

IMPACT OF COPRA ON CONSUMERS AND CONSUMER ORGANISATIONS

A thorough discussion on the different components of the consumer movement was made in the earlier chapter. The merit of an Act mainly depends on the effects it makes on the intended beneficiaries. This chapter is devoted to assess the various dimensions of impacts the COPRA has made or failed to make on the consumers and consumer organisations. The chapter is divided into two sections. Section A assesses the impact on consumers, and section B measures the impact on consumer organisations.

SECTION A

IMPACT ON CONSUMERS

The COPRA met a long felt necessity of an exclusive law for protecting the consumers' interests. The Act gains significance from the fact that it was expected to promote welfare of the society as a whole, by enabling the consumers to participate directly in the market economy, and to remove the helplessness of consumer which he faces against the powerful business community.

The Act has possibly made far reaching strides in the behaviour, awareness, participation and jurisprudence of individual consumers. The evaluation on these fronts are attempted to in the following paragraphs, after assessing the general characteristics of the consumer. It is also attempted to measure the impact of the COPRA on these variables by assessing the perceptions of the respondents in the pre-copra and post-copra periods.

GENERAL CHARACTERISTICS

The sample under study consists of 600 consumers. The background information about the sample group is presented below. The basic attributes of the respondents studied are income, educational qualification, occupation, age etc.

Income Distribution

Consumption exhibits high income elasticity, and the income of the consumers significantly influences the consumption patterns. Table 4.A.1 presents the income distribution of the consumers

Table 4.A.1

Frequency Distribution by Income of Consumers
(in percentage)

Income group	Category of income	Urban	Rural
Below 12000	I ₁	36.40	41.00
12000 - 36000	I ₂	33.20	37.30
36001 - 50000	I ₃	19.60	14.30
Above 50000	I ₄	10.80	7.40
Total		100.00	100.00

Source : Survey Data

Table 4.A.1 indicates that 36.40 per cent of the urban consumers and 41.00 per cent of the rural consumers belong to the lower income group (I₁). The middle income group (I₂+I₃) constitutes 52.80 per cent of the urban and 51.60 per cent of the rural consumers. Only 10.80 per cent of the urban and 7.40 per cent of the rural belong to the high income group (I₄). The table reveals that there is significant income disparity between the rural and urban consumers, with respect to lower income and higher income, which may reflect upon consumption pattern of these groups. However, there is negligible difference between the rural consumers and urban consumers belonging to the middle income group of I₂ and I₃.

Educational Qualifications

The educational background certainly reflects in the responding nature of the consumer, and also in the enforcement of various rights of

consumers. This is evidenced by the fact that education, especially consumer education is given high priority by all those concerned about the progress of a sound consumer movement. Here the respondents were categorised on the basis of the educational qualifications, and presented in Table 4.A.2.

Table 4. A.2

Frequency Distribution of Educational Level
(in percentages)

Level of Education	Category	Urban	Rural
No. formal Educational	E ₁	7.60	12.20
Primary education	E ₂	19.40	19.70
Secondary education	E ₃	46.20	43.10
Collegiate education	E ₄	18.30	23.70
Professional	E ₅	8.50	1.30
Total		100.00	100.00

Source : Survey data

In Kerala, due to cent per cent literacy and the special drive of the government to promote education, only 7.60 per cent of the Urban and 12.20 per cent of the Rural are having no formal education. No formal education does not mean that they are illiterate.

65.60 per cent of the Urban consumers and 62.80 per cent of the rural consumers have received middle education. This is attributable to the fact that Kerala government has made education, upto secondary level, free to

the beneficiaries. The rural respondents have come forward in terms of collegiate education than the urban (23.70 per cent and 18.30 per cent), but the urban professionals are very much in number (8.50 per cent) than the rural professionals (1.3 per cent).

Occupation

The occupational break up of the respondents shows that a considerable portion belongs to the groups of wage earners and salaried class. Table 4.A.3 shows the occupation wise distribution of the consumers.

Table 4.A.3

Occupation wise distribution of the consumers
(In percentages)

Occupation	Urban	Rural
Wage Earners	18	20
Salary Earners	30	19
Agriculturists	14	34
Traders	18	15
Self Employed	17	10
Professional	3	2
Total	100	100

Source : Survey Data

It could be seen from the Table that the single largest category among the urban respondents is the salaried class and among the rural respondents are the Agriculturists. Wage earners and salary earners constitute 45 per

cent and 39 per cent respectively. There are marked differences between the occupational patterns among urban and rural respondents. Only few consumers come under the class of professionals. Agriculturists are less - 14 per cent in urban areas, where as traders and self employed persons constitute 18 per cent and 17 per cent respectively as against 15 per cent and 10 per cent among the rural respondents.

Age

The study revealed the age profile of the consumers. 21.2 per cent of the surveyed consumers were below the age of 18, 62.2 per cent between 18 and 35, and 16.6 per cent above 35 years of age.

Purchase Behaviour

After studying the general characteristic features of the respondents, the study focused on the purchase behaviour of the consumers between the pre-copra period and post-copra period. The analysis of the purchase behaviour includes aspects of pre-purchase planning, choice of buying channels, ensuring weights and measures and shop comparison.

Pre - Purchase Planning

Studies on consumer behaviour indicate that the habit of pre-purchase planning has greatly helped in avoiding possibilities of

infringements on buyers, by traders and manufactures.

The data relating to the level of pre-purchase planning habit of the respondents, during the two periods are presented in Table 4.A.4

Table 4.A.4

Distribution of consumers on the basis of pre-purchase planning
(Figures in brackets : percentages)

Level of Planning	Pre-Copra Period	Post-Copra Period
Always	102 (17.0)	137 (22.8)
Frequently	215 (35.8)	232 (38.7)
Occasionally	210 (35.0)	193 (32.2)
Never	73 (12.2)	38 (6.3)
Total	600 (100)	600 (100)

Chi-square value : 18.40

Degrees of freedom : 3

Level of significance : 0.05

Source : Survey Data

The Table 4.A.4 shows that the pre-purchase planning habit of the consumers have increased during the post-Copra period, over the pre-Copra period.

In the pre-copra period, 17 per cent of the consumers always pre-planned, 35.8 per cent frequently planned, 35 per cent occasionally planned and 12.2 per cent never planned. The respective percentages in the post copra period were 22.8 per cent, 38.7 per cent, 32.2 per cent and 6.3 per cent receptively. Thus, in respect of pre-purchase planning the COPRA had an

impact on consumers. The chi-square test conducted on the data proved the significance of the variation between the two periods.

Choice of Buying Channels.

Consumers have a wide variety of buying channels, like market traders, pavement shops, shopping centres, department stores, co-operative societies, etc. The choice of buying channel is a decisive factor in the accumulation of dissatisfaction of consumers. Respondents were asked as to the level of choice, and the results are presented in Table 4.A.5.

Table 4.A.5
Distribution of Consumers
on the basis of choice of buying channels

(Figures in brackets : percentages)

Level of Choice	Pre-Copra		Post-Copra	
Always	94	(15.7)	104	(17.3)
Frequently	192	(32.0)	234	(39.0)
Occasionally	184	(30.7)	192	(32.0)
Never	130	(21.6)	70	(11.7)
Total	600	(100)	600	(100)

Chi- Square value 22.82

Degrees of freedom 3

Level of significance 0.05

Source: Survey Data

Table 4.A.5. revealed the habit of choosing the suitable channel. During the pre-copra period, 47.7 per cent of the consumers were in the habit of choosing the preferred buying channel at least frequently, while 52.3

per cent occasionally or never chose. This rose to 56.3 per cent and 43.7 per cent in the post copra period. The difference is significant statistically.

Shop Comparison

Comparison of one's benefits of purchase with other shops will reveal variations in quality, prices, measures etc. Table 4.A.6. shows the degrees of comparison of consumers as to the pre-copra period and post-copra period.

The level of comparison has increased after the advent of COPRA. In pre-copra period, while 75 per cent compared with other shops, at least occasionally, this percentage is 83 in post copra period. Accordingly, the number of consumers who never compared, diminished considerably - from 25 per cent to 17 per cent. The Chi Square analysis proves that the variation is significant.

Table 4.A.6
Comparison with other shops
(Figures in brackets : percentages)

Degrees of Comparison	Pre-Copra Period	Post Copra Period
Always	94 (15.7)	130 (21.7)
Frequently	164 (27.3)	182 (30.3)
Occasionally	192 (32.0)	186 (31.0)
Never	150 (25.0)	102 (17.0)
Total	600 (100)	600 (100)

Chi - square value 15.96

Degrees of freedom 3

Level of significance = 0.05

Source: Survey Data

Ensuring weights and measures

Even though protection is available under various Acts, in relation to weights and measures, consumers do not ensure weights and measures. This may be possibly due to the ignorance of consumers. The field study revealed the data on this behaviour as given in Table 4.A.7.

Table 4.A.7

Ensuring weights and Measures

(Figures in brackets: percentages)

Level of ensuring	Pre -Copra Period		Post -Copra Period	
Always	82	(13.7)	115	(19.2)
Frequently	115	(19.2)	122	(20.3)
Occasionally	165	(27.5)	205	(34.2)
Never	238	(39.6)	158	(26.3)
Total	600	(100)	600	(100)

Chi-square value 26.46

Degree of freedom 4

Level of significance 0.05

Source: Survey Data

The proportion of those ensuring weights and measures atleast occasionally has increased from 60.4 per cent to 73.7 per cent correspondingly, and those of never ensuring has decreased from 39.6 per cent to 26.3 per cent.

Thus, considering the four variables under the indicator purchase behaviour, there seems to be much positive variation between these two

periods. This variation is likely to be due to the impact of COPRA on the consumers. This fact is attempted to be proved while measuring the impact, in later part of the chapter.

Awareness of Consumers

It is generally accepted that awareness plays a vital role in decision making and rational thinking. Consumers are supposed to have proper awareness regarding their rights, laws affecting them, organisations operating for their benefit and the importance of attending awareness classes regularly. Questions were included on these variables, to reveal the perception of consumers, during the two periods.

Awareness of Consumers' rights

Consumer are to be aware of their rights, which are recognised by the COPRA. This is the very first step towards protection of consumer interest. The responses of consumers regarding the awareness of rights is given in Table 4.A.8.

Table 4.A.8

Consumers' Awareness of Rights

(Figures in brackets: percentages)

Degree of awareness	Pre-copra Period		Post-copra Period	
Fully aware of	92	(15.3)	118	(19.7)
Aware of most	134	(22.3)	158	(26.3)
Aware of a few	182	(30.3)	222	(37.0)
Not aware	192	(32.1)	102	(17.0)
Total	600	(100)	600	(100)

Chi-square value : 36.70

Degree of freedom : 3

Level of significance : 0.05

Source: Survey Data

A reference to the Table shows that the awareness level has increased considerably, over the years. During the Pre-Copra period 37.6 per cent of the consumers were either fully aware of or aware of most of the rights. This percentage has increased to 46.0 during the Post-Copra period. Accordingly, the number of the ignorant consumers has come down from 32.1 per cent to 17.0 per cent. The significance of difference is proved by the X^2 test.

Awareness of Consumer Laws

A number of enactments have been made from time to time in order to safeguard consumers' interest. Awareness of such legislation has been

considered one of the variable to measure over-all awareness of consumers. The perceptions of the consumers on awareness of different enactments have been presented in Table 4.A.9. Presently about half of the consumers are either fully aware of or partly aware of the various enactments excluding Copra.. However, the level of awareness of COPRA has been high, i.e., 92 per cent. This difference in the awareness level may be due to efforts of VCOs in propagating awareness and education among its members and non-members.

Table 4.A.9

Consumers ' Awareness of legislation
(in percentages) (Multiple response)

Name of the Act	Fully aware	Aware to some extent	Not Aware
Essential Commodities Act	23	26	51
Sale of goods Act	21	27	52
Drugs control Act	18	23	59
Prevention of Food Adulteration Act	20	21	59
Standard weights & Measurements Act	16	18	66
COPRA	46	46	8
Total	144	161	295

Source: Survey Data

To analyse the level of awareness between pre-copra and post-copra periods, the following table has been presented.

Table 4.A.10

Awareness of consumer enactments

(in percentages)

Degree	Pre-copra period	Post-Copra period
Fully aware of	16	28
Aware of most	21	32
Aware of a few	32	34
not aware	31	6
Total	100	100

Chi- square value 24.78

Degree of freedom 3

level of significance 0.05

Source: Survey Data

The awareness level of consumers regarding laws affecting them, has increased considerably. After the enactment of COPRA, 94 per cent of the consumers are aware of, at least a few of the enactments, whereas the level of this awareness was 69 per cent during pre-copra period. The percentage of the ignorant has decreased manifold from 31 per cent to 6 per cent. The computed χ^2 value is much higher than the χ^2 table value, indicating the magnitude of difference.

Awareness of consumer organisations.

Consumer organisations are organised attempts on the part of consumers collectively to protect their interests and welfare. Consumers are expected to be aware of the existence of organisations promoting their

welfare. The awareness level of the respondents on this aspect is given in Table 4.A.11.

The Table indicates that, after the introduction of COPRA, awareness regarding voluntary consumer organisations has increased remarkably. Before 1986, 68 per cent of the consumers were at least moderately aware of the organisations and their functions. After the enactment of COPRA, 86 per cent of the respondents are aware of VCOs. Inverse trend is seen in the case of consumers with less awareness. It has fallen from 32 per cent to 14 per cent.

Table 4.A.11

Awareness of voluntary consumer organisations

(In percentage)

Response	Pre-Copra period	Post-Copra period
Very High	14	26
High	20	34
Moderate	34	26
Low	32	14
Total	100	100

Chi-square value 15.30

Degree of freedom 3

Level of significance 0.05

Source: Survey Data

Awareness of consumer Fora

Consumer fora, being authorised platforms for the redressal of the grievances of consumers, they are bound to have awareness on these. The awareness of respondents about Fora is presented in Table 4.A.12.

Table 4.A.12

Awareness of consumer Fora

Level of awareness	Urban	Rural
Not at all aware	13	21
Aware to some extent	47	46
Fully aware of	40	33
Total	100	100

Source: Survey Data

Presently, 87 per cent of urban consumers are either fully aware of or aware to some extent, regarding Fora, whereas 79 per cent of the rural respondents belong to this group. 13 per cent of urban consumers and 21 per cent of the rural consumers are not at all aware of the existence and purpose of consumer Fora. It may be inferred that media has not been fully successful in popularising fora.

Attendance in Awareness Programmes

The attendance in awareness programmes conducted by the governmental agencies, local bodies or organisations is a determining factor

of consumer activism. Questions were included to assess the level of attendance in such programmes.

Table 4.13 indicates the opinion of respondents on the level of attendance. About 32 per cent of the respondents attended all or most of the programs during pre-copra period, whereas, this rose to 44 per cent during post-copra period. In the pre-copra period, 34 per cent attended a few programmes, and another 34 per cent did not attend any. In the pre-copra period, these percentages were 32 and 24 respectively. However, on the whole, difference in this respect between the two periods is not at all significant. This indicates lack of interest of consumers in attending awareness programs.

Table 4.A.13

Attendance at awareness programmes

(in percentages)

Level of attendance	Pre-Copra period	Post-Copra period
Attended All	12	18
Attended most	20	26
Attended few	34	32
Not attended any	34	24
Total	100	100

Chi-square value 3.76

Degree of freedom 3

Level of significance 0.05

Source: Survey Data

Thus, positive impact has been traced in these variables affecting consumer's awareness. The COPRA has probably made sound impact on their awareness of rights, laws and organisations. However, on the front of attendance of awareness programs, COPRA could not attain much progress.

Consumer Participation

Another contributing factor, on the part of consumers, towards the progress of the consumer movement is consumers' participation in protective measures. Higher the degree of participation, higher will be the rate of growth of consumer movement. Consumers' participation is measured by quantifying the level of their participation in organisational meetings, responding to consumer issues, attending educational programs, and utilisation of organisational services. These variables are assessed after analysing membership in VCOs.

Membership in Consumer Organisations

Membership in VCOs open the doors for participation in consumer matters. Due to sincere and self-less efforts of certain consumer activists and organisations, membership in VCOs is increasing day by day. Nowadays large number of consumers are coming forward for becoming members of VCOs, and actively participate in their activities. Table 4.A.14 presents the

information that in the urban areas 18 per cent of consumers are members of various consumer organisations, whereas in rural areas only 8 per cent are members. The disparity may be due to factors like difference in the level of awareness, education, available time and resources etc. The data is depicted in Fig. 4.A.1.

Table 4.A.1 4

Membership in Consumer Organisations

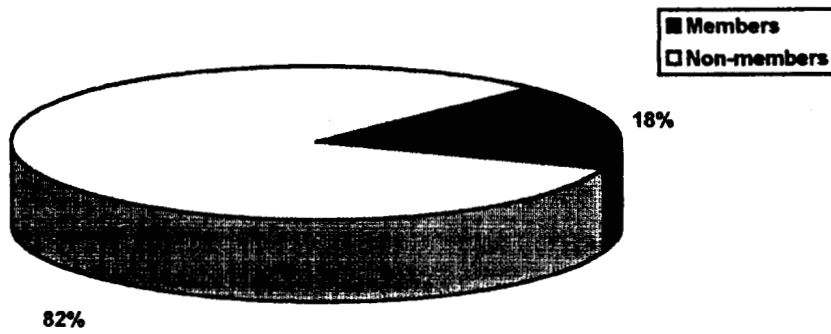
(in percentage)

Membership	Urban		Rural	
	Number	Percentage	Number	Percentage
Yes	54	18	24	8
No	246	82	276	92
Total	300	100	300	100

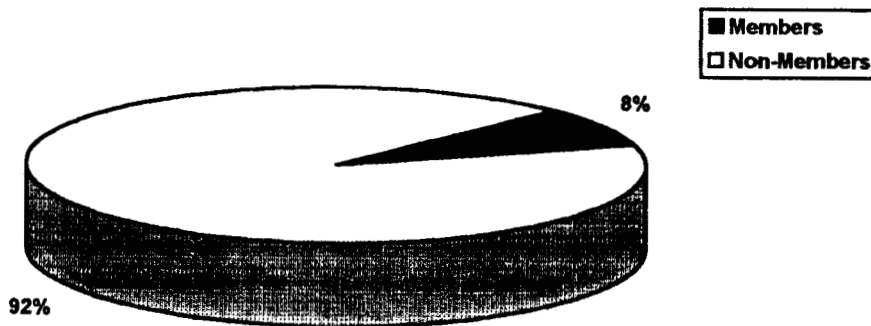
Source: Survey Data

On enquiry as to the reasons for not having membership in organisations, the respondents gave varied responses. About 24 per cent of urban respondents reasoned that they had no time, 30 per cent told they had no knowledge about the benefits, 21 per cent told they had no resources and the rest (25 per cent) opined that it was useless. In the case of rural respondents, these percentages were 31, 30 per cent, 15 per cent and 25 per cent respectively. This is revealed in Table 4.A.15

Fig. 4.A.1
Mmebership in Consumer Organisations



Urban Consumers



Rural Consumers

Table 4.A.15

Reasons for not having membership in consumer organisations

(in percentage)

Reason	Urban	Rural
Don't have time	24	31
Don't Know about benefits	30	30
Don't have resources	21	15
He is useless	25	24
Total	100	100

*Source: Survey Data****Participation in Organisational Meetings***

Many of the consumers participate in the meetings conducted by VCOs. By doing so, they are supposed to promote their self-interest and also progress of the consumer movement, in a broader perspective.

Table 4.A.16 conveys data on the frequency of participation in organisational meetings like ordinary meetings, annual general meetings, extra ordinary meetings etc. Of the 600 respondents, 20 per cent always, 23 per cent frequently and 24 per cent occasionally participated in organisational meetings, during the pre-Copra period. This participation level has increased to 24 per cent, 30 per cent and 32 per cent respectively, during the post-copra period. The rate of change is significant, on a χ^2 analysis at 95 per cent level of confidence.

Table 4.A.16

Participation in Organisational Meetings
(In percentages)

Frequency	Pre-Copra Period	Post-Copra Period
Always	20	24
Frequently	23	30
Occasionally	24	32
Never	33	14
Total	100	100

Chi-square value 11.38

Degree of freedom 3

Level of significance: 0.05

Sources: Survey Data

Nature of Participation

The participation in organisational activities can be performed in various capacities like, observer, supporter, member or office-bearer. About 80 per cent of urban and 91 per cent of rural respondents opined that they participated in the capacities of observers or supporters. Members constituted only 18 per cent and 8 per cent respectively. This is presented in Table 4.A17.

Table 4.A.17

Nature of organisational participation

(in percentages)

Capacity	Urban	Rural
Observer	36	33
Supporter	44	58
Member	18	8
Office bearer	2	1
Total	100	100

Source: Survey Data

Participating in Educational Programmes

Consumers' education and awareness are the Sine-quo-non of the establishment of a sound consumer movement. Participation in programs aimed at educating consumers will be a contributing factor towards the growth of the movement, and will lead to more positive and mature responses on the part of consumers.

Table 4.A.18

Participation in Educational Programs

(In percentages)

Degree	Pre-Copra period	Post-Copra period
Very High	18	26
High	26	30
Moderate	28	32
Low	28	12
Total	100	100

Chi-square value : 18.70

Degree of freedom : 3

Level of significance : 0.03

Source: Survey Data

The Table indicates high degree of participation in educational programs during post-copra period over the pre-copra period. In the Pre-Copra period, 18 per cent of the respondents participated on very high level and 26 per cent participated on high level. In post-copra period, these percentages were 26 and 30 respectively. The difference in the levels may be due to the thrust on education by government and consumer activists.

Responding to Consumer Issues

Positive and timely responses on the part of the consumers will build the base of a strong consumer movement. It is for the consumers to be active in securing protection through prompt responses. Table 4.A.19 presents the opinion of the respondents, on the degree of expression of response.

Table 4.A. 19
Expression of response to consumer issues
(in percentages)

Degree	Pre-Copra period	Post-Copra period
Very High	11	25
High	25	28
Moderate	29	35
Low	35	12
Total	100	100

χ^2 value: 18.82

Degree of freedom 3

Level of significance 0.05

Source: Survey Data

Table 4.A.19 indicates that ,during the pre-copra period, people were comparatively reluctant to respond to consumer issues. Only 11 per cent resorted to very high response, 25 per cent high response, 29 per cent moderate and a considerable portion - 35 per cent resorted to very low response. However, during the post-copra, the percentage of respondents with very high response rose to 25 per cent, high response 28 per cent, and moderate response 35 per cent. The percentage of respondents with low response declined to 12 per cent, over the years. The variation is confirmed by the χ^2 test also.

Utilisation of services

The success of a consumer organization and that of consumer movement will largely depend on how members and non-members utilise its activities and services for their benefit. Information on this aspect were collected and presented in Table 4.A.20

Table 4.A.20

Utilisation of Organizational Services
(in percentages)

Frequency	Pre-Copra Period	Post-Copra Period
Always	17	27
frequently	22	28
Occasionally	34	38
Never	27	7
Total	100	100

χ^2 value 14.98

Degree of freedom 3

Level of significant 0.05

Source: Survey Data

During the pre-copra period 39 per cent of the respondents frequently or always utilised the services, whereas 34 per cent utilised occasionally. About 27 per cent of the respondents never made use of the services offered by organisations. In post copra period these percentages were 55, 38 and 7 respectively. Thus, there has been remarkable increase in the utilisation of organisational services, which is confirmed by χ^2 analysis at 95 per cent level of confidence. The analysis of variables relating to consumers' participation reveal positive variations. Much significant impacts have been recorded in participation in organisational meetings, educational programmes, responding to consumer issues and utilisation of organisational services.

Jurisprudence

The philosophy and object of any consumer law has been to provide expeditious justice to the aggrieved consumer, without entanglement. In spite of a number of legislations to protect consumer interests, a large number of consumers did not make use of them. The main reason for such a state of affairs was that earlier Acts lagged behind in the aspects of protection of consumer rights, access to justice, simplicity of procedure and prevention of malpractice. The COPRA is supposed to be on a step ahead in these respects. In the following sections, it is attempted to assess perceptions of consumers, on these aspects, during the two periods.

Protection of Rights

Basically all consumer Acts, whether COPRA or any other earlier Act, has been enacted to protect the rights of consumers. The respondents were asked to evaluate how far the COPRA has been successful in protecting the rights, distinct from earlier Acts. The opinion of the respondents are given in Table 4.A.21

Table 4.A.21

Perception on Protection of Rights
(In percentages)

Opinion	Pre-copra Period	Post-copra Period
Excellent	8	22
Good	17	30
Average	29	26
Bad	46	22
Total	100	100

χ^2 value 19.40

Degree of freedom 3

Level of significance 0.05

Source: Survey Data

There is considerable difference in opinion regarding the aspect of protective power of the Act. Before the enactment of COPRA, the protection of rights were excellent or good, according to 25 per cent of the respondents. About 29 per cent opined that it is average, and 46 per cent opined that the protection was bad.

In the post-copra period, the aspects of protection of rights was highly esteemed by the majority of respondents - 52 per cent of them expressed their view that it was excellent or good, while 26 per cent is of the opinion that it is average. Only 22 per cent opined that the protection is bad. The difference in the computed χ^2 value and χ^2 table value confirms the difference of opinions.

Access to Justice

In the past two decades Indian consumer law has made some giant strides towards improving access to justice for a teeming population. Table 4.A.22 presents an evaluation of the perception of the respondents on the access to justice in the two periods.

Table 4.A.2 2

Perception on Access to Justice
(in percentages)

Opinion	Pre-copra period	Post copra period
Excellent	9	26
Good	23	30
Average	28	23
Bad	40	21
Total	100	100

χ^2 value 16.66

Degree of freedom 3

Level of significance 0.05

Source: Survey Data

There has been more access to justice after the advent of copra. About 32 per cent of the consumers opined that the access to justice was good or excellent in the pre-copra period and 28 per cent told it was on an average. However, majority of respondents - 56 per cent told the access to justice was good or excellent in the post-copra period and 23 per cent opined that access to justice was moderate.

Simplicity of Procedures

Unlike in the case of the earlier Acts, there has been a bold attempt to lay down a most simple procedure of enquiry and settlement in COPRA. The legal draftsmen of India framed the COPRA, as free from any complex situation and rigour of pure law of evidence. The view of the respondents on this factor, during the two periods were assessed, and presented in Table 4.A.23 About 9 per cent of the respondents expressed the view that the legal procedures were excellently simple, in the pre-Copra period while 22 per cent opined that it was good, and 31 per cent observed that it was on an average. About 38 per cent opined that the procedures were not at all simple. These percentages were 23, 28, 33 and 16 respectively after the advent of COPRA. Thus, on the basis of the respondents' views, the factor of simplicity has improved significantly, as evidenced by the chi-square test also.

Table 4.A.23

Perception on simplicity of procedure
(in percentages)

Opinion	Pre-copra period	Post copra period
Excellent	9	23
Good	22	28
Average	31	33
Bad	38	16
Total	100	100

χ^2 value : 15.96

Degree of freedom : 3

Level of significance : 0.05

Source: Survey Data

Prevention of Malpractice

Preventing all sorts of malpractice and unfair trade practices has been one of the prominent missions of any consumer Act, including the COPRA. Response of consumers in this regard has been presented in Table 4.A.24. About 84 per cent opined that the advent of COPRA has been successful in preventing malpractice. Only 16 per cent of the respondents expressed their unfavourable opinion in this regard. These percentages relating to pre-copra period were 60 and 40 respectively. This view is emphasised by the statistical test also.

Table 4.A.24

Perception on prevention of malpractice
(in percentages)

Opinion	Pre-copra period	Post copra period
Excellent	16	33
Good	21	27
Average	23	24
Bad	40	16
Total	100	100

χ^2 value : 17.56

Degree of freedom 3

Level of significance 0.05

Source: Survey Data

The analysis of the jurisprudence of the respondents on the four variables - protection of rights, access to justice, simplicity of procedures and prevention of malpractices revealed significant positive variation, probably due to the impact brought by the COPRA. In these respect, COPRA has succeeded in achieving its objectives, to a great extent.

In the foregoing paragraphs, the perceptions of the respondents on their behaviour, awareness, participation, and jurisprudence have been presented. An analysis of the perception of the respondents concerning consumer dissatisfaction and redressal will not be out of place, and has been attempted to, in the following pages. The measurement of impact will be performed after this analysis.

Dissatisfaction and Redressal

Several factors contribute towards the building up of dissatisfaction in the minds of consumers. The study examined the factors relating to dissatisfaction and the mechanism to redress it. Such factors include occurrence of dissatisfaction, causes of dissatisfaction, actions on dissatisfaction and the nature of redressal sought.

Occurrence of Dissatisfaction

Consumers may be dissatisfied relating to commodities or services. Dissatisfaction may occur in four contexts - with regard to convenience goods, shopping goods, speciality goods or services.

Regarding the occurrence of dissatisfaction, majority in the urban and rural sectors expressed their opinion that dissatisfaction occurs mostly in the case of convenience goods followed by services. This is revealed in the Table 4.A.25 About 38 per cent of urban and 41 per cent of rural consumers are dissatisfied as to convenience goods. Services sector offer grounds for 30 per cent and 28 per cent dissatisfaction receptively, followed by shopping goods with 17 per cent and 20 per cent and speciality goods with 15 per cent and 11 per cent receptively.

Table 4.A.25

Occurrence of Consumer Dissatisfaction
(in percentages)

Source	Urban	Rural
Convenience goods	38	41
Shopping goods	17	20
Speciality goods	15	11
Services	30	28
Total	100	100

Source: Survey Data

Causes of Dissatisfaction

Several causes are attributable to consumer dissatisfaction, like unfair trade practices, defect in goods, deficiency in services etc. Table 4.A.26 throws light on such causes, as between the two periods. The major cause in pre-copra period was unfair trade practices, followed by excess prices, defect in goods, deficiency in services and hazardous goods. But in the post-copra period, deficiency in services was the major cause followed by defect in goods, hazardous goods, unfair trade practices and excess prices. Thus, COPRA probably succeeded in curbing unfair trade practices and charging excess prices.

Table 4.A.26

Causes of Consumer Dissatisfaction

(in percentages)

Nature	Pre-copra period	Post-copra period	Difference in Proportions	'z' value
Unfair trade practice	38	16	-22	-9.16
Defect in goods	16	24	8	3.80
Deficiency in services	12	34	22	10.00
Excess prices	24	6	-18	-9.47
Hazardous goods	10	20	10	5.26
Total	100	100	-	-

'z' table value : 1.96

Level of significance : 0.05

Degree of freedom: inf.

Source: Survey Data

In the pre-copra period, unfair trade practices constituted 38 per cent of consumer dissatisfaction cases, defect in goods 16 per cent, deficiency in services 12 per cent, charging excess prices 24 per cent and hazardous goods 10 per cent. In the post-copra period these percentages were 16, 24, 34, 6 and 20 respectively.

These has been significant differences in all the causes like unfair trade practices, defects in goods, deficiency in service, charging excess prices, and hazardous goods. The proportions of disputes relating to defect in goods, deficiency in service and hazardous goods have critically

increased, whereas the disputes relating to unfair trade practices and charging excess prices have critically decreased. The critical difference analysis of large samples, applying z test confirms the significance of difference.

Action on Dissatisfaction

Dissatisfaction forces many a number of consumers, into several courses of action like complaining to the trader himself, to the local authority, to any VCO, to a court of law or forum. Sometimes, the consumer may take no action, but stay subdued. The following table conveys an idea on this regard.

Table 4.A.27

Action on Dissatisfaction

(in percentages)

Type of action	Pre-copra period	Post-copra period
Complain to the trader	41	15
Complain to local authority	15	2
Approach a VCO	8	22
Complain to court / Forum	6	59
No action	30	2
Total	100	100

Source: Survey Data

About 41 per cent of the respondents opted to complain to the trader himself, in the pre-copra period. A considerable portion -30 per cent took no

action at all, but stayed subdued. Approaching VCOs and courts were not popular courses of action. But in the post-copra period, majority - 59 per cent opted to complain to Fora, 22 per cent approached VCOs and only 15 per cent complained to the trader. The proportion of consumers with no action has diminished much - from 30 per cent to 2 per cent. This indicates the positive change in activism of consumers probably propelled by the advent of COPRA.

Nature of Redressal Sought

As a consequence of dissatisfaction, it is quite natural that the aggrieved will seek redressal from their grievances. A dissatisfied consumer may seek redressal as depicted in Table 4.A.28. The most sought out redressal is replacement of goods in the pre-copra period and in post-copra period - 38 per cent and 42 per cent respectively. Removal of defects is the next redressal required by 26 per cent and 28 per cent followed by reimbursement -16 per cent and 14 per cent, respectively. Only few consumers seek compensation - 6 per cent and 4 per cent.

Table 4.A.28
Type of Redressel Sought
(in percentages)

Redressel	Pre-copra period	Post Copra period
Remove the defect	26	28
Replace the goods	38	42
Repair and re-instate	14	12
Return the price or charges	16	14
Pay compensation	6	4
Total	100	100

Source :Survey Data

Impact of COPRA on consumer activism

The variables affecting consumer behaviour, awareness, participation and other perceptions have been examined in the foregoing paragraphs. Presently it is attempted to measure the impact the COPRA has brought on the consumer mass. For this assessment, the variables were grouped under appropriate indicators. Employing the 4-point scaling technique, the indicator scores had been calculated, and were used to classify the consumers as low active, medium active and high active. The data classified accordingly is put to statistical analysis using χ^2 test and correlation analysis. Table 4.A. 29 depicts district wise distribution of consumers according to consumer activism.

Table 4.A.29

District wise distribution of
Consumers according to consumer activism.

(Figures in brackets : Percentages)

Districts	Pre-copra Period			Post Copra Period.			χ^2 values
	Low	Medium	High	Low	Medium	High	
MPM	42	65	13	22	64	34	14.47
KKD	39	59	22	27	51	42	9.02
WYN	40	58	22	25	61	34	5.58
KNN	47	55	18	31	58	31	6.36
KSR	41	53	26	37	55	28	0.32
Total	209(35)	290(48)	101(17)	142(24)	289(48)	199 (28)	-

χ^2 value 30.32

Degree of freedom : 2

Level of significance : 0.05

Source: Survey Data

During pre-copra period, 17 per cent of the consumers maintained high activism, while 48 per cent were medium active, and 35 per cent low active. The corresponding percentages of consumers, during post-copra period were 28 per cent, 48 per cent and 24 per cent respectively. The difference between the two periods are statistically significant, as revealed in the chi-square analysis, at 95 per cent level of confidence, at 2 degrees of freedom.

District wise analysis indicate significant differences in Malappuram, Wynad, Kannur and Kozhikode districts, whereas the difference in

Kasargod district is insignificant, statistically. Thus, the COPRA has been more influential in 4 districts - Malappuram , Kozhikode, Wynad and Kannur. However χ^2 test between the totals show a greater difference 30.32 which is statistically significant at 2 degrees of freedom at 5 per cent level of significance. All the variables except one - attendance in awareness programmes - showed phenomenal increase which are statistically significant. This analysis proves the hypothesis that COPRA has brought significant increase in consumer activism, is true.

Correlation between consumer Awareness and consumer participation

Consumer Awareness and consumer participation are supposed to be two closely related variables. In order to measure the degree of correlation between them, Karl Pearson coefficient of correlation is computed. For this, the district wise average indicator scores are considered. The relevant data is presented in Table 4.A.30

Table 4.A.30
District-wise Average Indicator scores

District	Average Consumer Awareness Score	Average Consumer Participation Score
MPM	10	12
KKD	12	8
WYN	8	6
KNN	12	9
KSR	8	5

Karl Pearson Coefficient of correlation = $r = 0.55$

Source: Survey Data

The obtained coefficient of correlation shows moderate positive correlation between consumer awareness and consumer participation. A given increase in consumer awareness, is expected to bring a moderate increase in the level of consumer participation. Thus, the hypothesis that there is high degree of positive correlation between consumer awareness and participation, is proved wrong.

Factors influencing Consumer activism

In order to evaluate the relation between the consumer activism and the factors influencing consumer activism, zero-order correlation is carried out. For this purpose, awareness is considered as dependent variable, and consumer behaviour, awareness, participation, and jurisprudence are considered the influencing variables. After obtaining coefficient of correlation, their 't' tests are conducted to verify their significance. The resulting values of 'r' and 't' are given in Table 4.A.31

Table 4.A. 31

Correlation between Consumer Activism and Factors Influencing it

Sl. no.	Consumer	r value	Probable error
1.	Consumer behaviour	0.97	0.02
2.	Consumer awareness	0.94	0.04
3.	consumer participation	0.68	0.16
4.	Perceptions on Jurisprudence	0.77	0.12

Source: Survey Data

The Table shows highest degree of positive correlation between consumer activism and consumer behaviour - 0.97. This indicates that by changing behavioural patterns of consumers, desired hike can be brought in consumer activism and attitudes. Similarly, high degree of positive correlation also exists between consumer activism and consumer awareness - (0.94). Moderate correlation exists between consumer activism and participation and consumer activism and perceptions on jurisprudence. The obtained probable error of r values denote the respective ranges within which the coefficient of correlation value of all the consumers in the study area will lie. For instance the lower and upper limits of r between consumer activism and consumer behaviour will be $0.96 \pm .02$ *

The obtained r values are compared with six times the probable error. Thus, the correlation between consumer activism and consumer awareness, between activism and behaviour and between activism and jurisprudence are significant, statistically. But the correlation between the consumer activism and participation is not significant.

On the whole, there exists high degree of positive correlation between consumer activism and other variables. This substantiates the hypothesis

* Lower limit = $0.96 - 0.02 = 0.94$
Upper limit = $0.96 + 0.02 = 0.98$.

that consumer activism is highly influenced by consumer awareness, consumer behaviour and perceptions on jurisprudence.

The foregoing discussions on the impact of COPRA on consumers has proved that the Act has been instrumental in causing a phenomenal increase in consumer activism, during the last decade. The COPRA has been successful in creating a favourable climate among consumers even in rural areas to organise and participate in programmes of consumer welfare and protection. The Act has been remarkably successful in creating a positive impact on all factors influencing consumer activism, such as consumer awareness, participation, behaviour and jurisprudence. It can be inferred that, the COPRA has been successful in attaining its objectives, to a great extent. More significant favourable impact have been noticed in the districts of Malappuram, Kozhikode, Wynad and Kannur. The impact is found less in Kasargod district.

Consumers and their organisations constitute the two sides of the same coin. Therefore, it is likely that, any impact the COPRA brought on consumers might have influenced voluntary consumer organisations also. The assessment of the impact the COPRA possibly made on organisations is attempted to in the following section.

SECTION B

IMPACT ON VOLUNTARY CONSUMER ORGANISATIONS

Consumers and consumers' organisations together constitute the most prominent component of the consumer movement. Therefore, any attempt to assess the impact on consumer movement may turn futile unless the impact on the operations, objectives and attitudes of VCOs are also taken stock of. So this section is intended to evaluate and assess the impact of COPRA on consumer organisations. The impact of COPRA on individual consumer has been done in the last section.

Consumer organisations have performed commendable work on the front of consumer awareness, consumer education, product rating, liaison with government, business and community and settlement of consumer disputes. Accordingly, the indicators identified to study VCOs are membership, promotion of awareness and the settlement of disputes. It has also been tried to bring out certain general information on the VCOs in the study area.

General Information

The basic information concerning the selected twenty VCOs is presented in this section. The basic information revealed include locale,

area of operation, form of organisation, year of commencement of activity, objectives and affiliations.

Locale

The nature of location of the headquarters of the VCO whether urban or rural would influence the philosophy, outlook, and operational style of a VCO. Of the total of 20 VCOs, 15 numbers or 75 percent are headquartered in urban sector, whereas only 5 numbers or 25 percent are rural based.

Area of operation

The study enquired about the geographical coverage of various VCOs. The operations of VCOs may extend from Grama Panchayat level to national level or even international level, as presented in Table 4.B.1

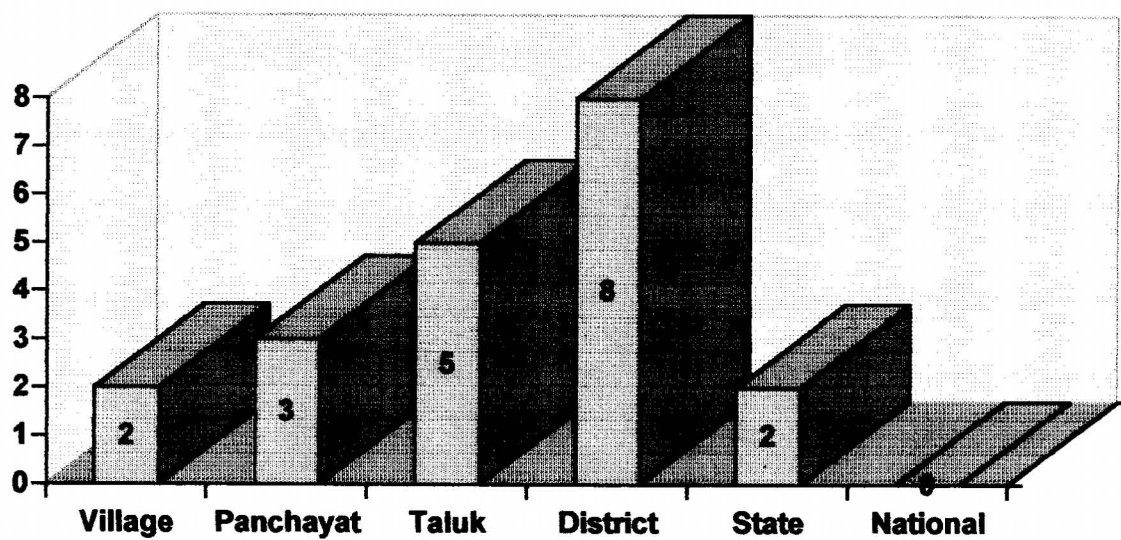
TABLE 4.B.1

Distribution of VCOs according to Area of Operation

Area	Number of VCOs	Percentages
Village	4	20
Grama Panchayat	6	30
Taluk	5	25
District	4	20
State	1	5
National	0	0
Total	20	100

Source: Survey Data

Fig. 4.B.1
Area of Operations of VCOs



The table shows that 20 percent of the VCOs are operating on village level 30 per cent on Grama Panchayat level, 25 percent on Taluk level, and the rest -25 percent on district or state level. So, about 75 percent of the VCOs - upto Taluk level, can be considered as rural VCOs and the rest as urban VCOs. In the study area, there is no VCO with a national area of operation. The limited geographical coverage would reflect in a narrower outlook, and the VCO would fail in evoking a nation - wide, broad perspective gathering of opinion or protest on behalf of the consumer mass. This is depicted in Fig.4.B.1.

Form of Organisation

VCOs may be formed as societies, trusts, trade unions, or joint stock companies. The data presented in table 4.B.2 reveals that societies are the most common form of organising VCOs with 80 percent, followed by trusts with 20 percent. The other forms of business organisations are not at all popular, probably because of lengthy legal procedures.

TABLE 4.B.2
Frequency Distribution of
VCOs according to form of organisation

Form	Number of VCOs	Percentages
Societies	16	80
Trusts	4	20
Trade unions	0	0
Companies	0	0
Total	20	100

Source: Survey Data

Commencement of Activity

On the basis of year of commencement of activity, VCOs are classified as those commenced before enactment of COPRA and those commenced after enactment of COPRA. All the Pre-Copra VCOs are still functioning, and are considered for all statistical analysis. The classifications, as given in Table 4.B.3 facilitates a Pre-Copra Post-copra analysis.

TABLE 4.B.3
Distribution of VCOs
on the basis of commencement of activity

Period	Number of VCOs	Percentage
Before 1986	8	40
After 1986	12	60
Total	20	100

Source: Survey Data

Of the sample respondents of 20 VCOs, eight already existed at the time of enactment of COPRA and are called Pre-copra VCOs. The rest - 12 VCOs are formed after the enactment of COPRA and are called Post-Copra VCOs.

Objectives

VCOs are established with varied objectives including spread of awareness, imparting education, handling disputes etc. These objectives are presented in Table 4.B.4.

Table 4.B.4
Distribution of
VCOs on the basis of objectives
(Multiple Response)

Objective	Number of VCOs	Percentage
Consumer Awareness	20	100
Consumer Education	4	25
Representation	10	50
General Guidance	20	100
Legal Advice	12	60
Research	0	0
Publications	2	10

Source: Survey Data

Table 4.B.4 highlights that, spreading of awareness and general guidance are two common objectives of all the VCOs. About 60 percent of

VCOs consider provision of legal advice as their objective, whereas consumer representation is the objective of another 50 percent. Consumer education is the objective of 25 percent VCOs. Only 10 percent have recognised publication of literature as their activity, and no VCO give any thrust for research.

Affiliation

Affiliation to a higher body will fetch many advantages for the VCO, such as increased efficiency, standardised operations, organisational back up etc. Therefore a good number of VCOs have been affiliated to higher bodies.

Of the total of 20 VCOs, eleven have been affiliated to higher bodies like state federation, and nine are operating independently, without affiliation.

These basic factors are likely to influence the membership pattern, promotion of awareness and operations relating to settlement of disputes. The following paragraphs attempt to analyse them.

Membership in Consumer Organisations

The membership is the most decisive factor for the sound growth and extension of VCOs. To assess membership, the variables considered are the

total number of members, geographical distribution of members, availing of service by members and growth rate of membership .

Total number of members

The basic factor promoting the overall growth and functioning of an organisation is its quantum of membership. To assess the number of members of the respondent VCOs, they were classified into 4, and the data is presented in Table 4.B.5

TABLE 4.B.5
Distribution of VCOs
according to Quantum of Membership

Total number of members	Pre-Copra Period	Post- Copra Period
Below 100	3	7
101 - 500	3	5
501 - 1000	2	4
Above 1000	0	4
Total	8	20
Mean Number	319	493

Source : Survey Data

Table 4.B.5 indicates that there had been phenomenal increase in the number of members of VCOs, during the Post-Copra period over the Pre-Copra period. Number of VCOs with members upto 1000 have doubled from 8 to 16. At present 4 VCOs have more than 1000 members. The VCOs

in the study area are gradually expanding their area of operation, which is reflecting in the increase in number of members. The average number of members per VCO has increased from 319 to 493.

Geographical Distribution of members.

Most of the VCOs are urban based, but they have branches in rural areas and admit rural people also. The activities of these VCOs are localised and limited to the Panchayat or Municipality level, except in the case of a few VCOs, which have at least a district-wide network. The geographical distribution of membership of the VCOs are presented in Table 4.B.6. On the basis of area of operation members may be distributed at Panchayat level, Taluk level, District level and state level.

TABLE 4.B.6

Geographical Distribution of Members

Distribution Level	Pre-Copra Period	Percentage	Post-Copra Period	Percentage
Panchayat	4	50	6	30
Taluk	3	38	8	40
District	1	12	4	40
State	0	0	2	10
Total	8	100	20	100

Source : Survey Data

During the Pre-Copra period, the geographical distribution of members of VCOs was very low. Of the 8 VCOs, 4 VCOs were operating with members from panchayats only, three with taluk level distribution and one with a district-wise net work of members. In the Post-Copra period, two VCOs are operating at state level four at district level, eight at taluk level and six at panchayat level. On this front there had been a slight progress. The VCOs had been trying to widen the network of their members.

Growth Rate of Membership

The rate of growth of membership reflects in the rate of overall growth and activism of VCOs. There had been increase in the rate of growth of membership. However, the rate had not been constant, and has not reached the warranted magnitude as depicted in Table 4.B.7.

TABLE 4.B.7
Growth Rate of Membership

	As on					
	1986	1988	1990	1992	1994	1996
Total number of members	2550	4780	6850	7900	9250	10850
Increase in number	-	2230	2070	1050	1350	1600
Rate of increase in Percentage	-	87	43	15	17	17

Source: Survey Data

Perusal of Table 4.B.7 reveals that the VCOs could not maintain a progressive rate of growth in membership. The rate of growth has been decreasing from 1990 onwards. This may be due to the fact that organisers and consumer activists at the helm of affairs of VCOs could not motivate the younger generations into becoming consumer activists of tomorrow. The data is depicted in Fig. 4.B.2.

Availing of service by members.

The activism and extension of a VCO can be judged according to the availing of its service. A reference to Table 4.B. conveys the idea that there has been an increase in availing their services of VCOs. The data in the two periods serves absolute differences. But the 'students t-test' statistically proves that there is no significant difference between the Pre-Copra period and the Post-Copra period in the matter of availing VCO services by members.

Fig. 4.B.2
Growth in Number of VCO Members

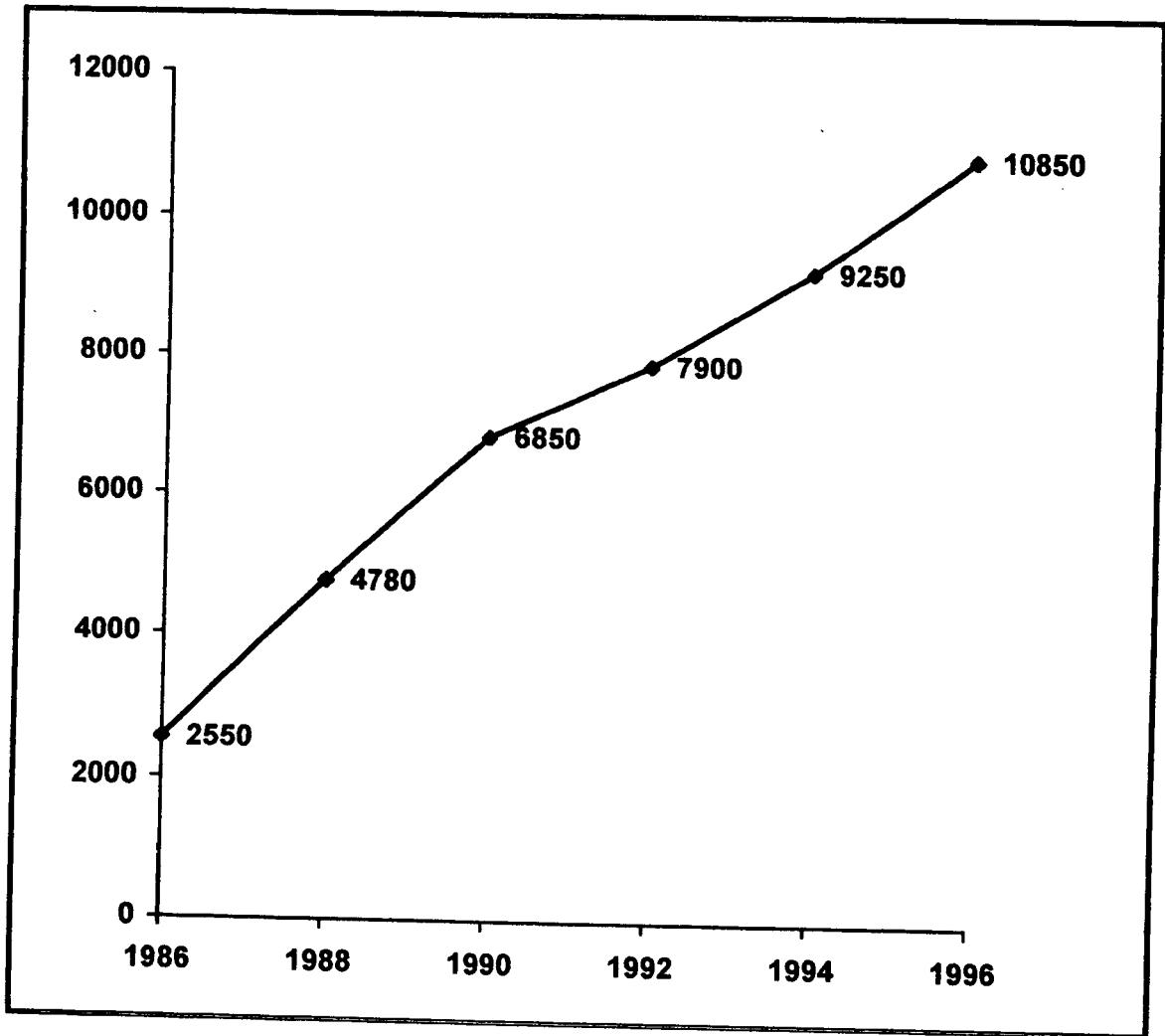


TABLE 4.B.8
Availing of Service of VCOs

Degree of availing	Pre-Copra		Post-Copra		t-value
	Number of VCOs	Percentage	Period of VCOs	percentage	
Low	3	38	4	20	- 1.00
Medium	2	25	6	30	+ 0.26
High	2	25	5	25	0.00
Very High	1	12	5	25	+ 0.73
Total	8	100	20	100	-

t-table value : 2.05

Degree of freedom : 26

Level of significance : 0.05

Source: Survey Data

Thus, there has been positive impacts for the copra on the fronts of geographical spread of members and quantum of membership. However, the VCOs could not capitalise on those impetus brought by COPRA in augmenting the utilisation of services and maintaining a progressive growth rate of membership.

Promotion of Awareness and Education

In the foregoing paragraphs the membership pattern and the growth rate of members have been assessed. In this section, it is attempted to examine the programmes of VCOs in connection with promotion of

awareness and education. Promotion of awareness and education is one of the universal objectives of VCOs, and in order to attain this, various programmes are conducted, ensuring more attendance and active participation of members and non-members and outlaying heavy expenditure on such programmes. Accordingly, the variables assessed are frequency of awareness programmes, average attendance, participation levels, and average expenditure on programmes. This is attempted after discussing educational composition of members and nature of awareness programmes.

Educational Composition of Members

Education plays a vital role in decision making and rational thinking. An educated person is expected to act in a rational manner and to contribute towards the furtherance of consumer welfare. The data relating to the level of education of members in Table 4.B.9. shows that about 24 percent of the members are primary educated and 57 percent secondary educated. About 15 percent of the members has attained collegiate level of education and Professionally educated constitute 4 percent of the total. It is necessary that there should be more educated members in the VCOs to lead them in the desired directions.

TABLE 4.B.9
Distribution of VCO
members according to level of education

Education level	No. of members	Percentage
Upto Primary	2645	24
Secondary	6170	57
Collegiate	1650	15
Professional	385	4
Total	10850	100

Source: Survey Data

Nature of Awareness Programmes

Almost all of the VCOs are undertaking various types of awareness programmes such as organisational meetings, seminars and processes, training camps, orientation programmes and cultural programmes. Table 4.B.10 conveys an idea of various awareness programmes. Public meetings and organisational meetings are the most favourite programme, on the part of VCOs, followed by cultural programmes, processions and seminars.

Training camps and publishing of literature seems to be the least favourite programme among the VCOs. It can be inferred that due to low cost of convening meetings, they are frequently conducted, but there is a dearth of programmes having more educative value like training camps, orientation programmes and publishing literature.

TABLE 4.B.10
Nature of Awareness Programmes

Types	I	II	III	IV	V	Total Score	Rank
Organisational meetings	5	4	6	7	5	27	II
Seminars and processions	3	3	2	2	3	13	IV
Public Meetings	7	5	7	6	6	31	I
Training camps and literature	2	3	2	1	3	11	V
Cultural programmes	3	5	3	4	3	18	III

Source: Survey Data

Frequency of Awareness Programmes

Making consumers aware of their rights and duties and the newer developments on consumption fronts have been one of the important functions of VCOs. Respondent VCOs were assessed as to frequency of the awareness programmes conducted in Pre-Copra period and Post-Copra period, and the result is presented in Table 4.B.11.

TABLE 4.B.11
Frequency of Awareness Programmes

Programme/Year	Pre-Copra		Post-Copra		t-value
	number of VCOs	Percentage	Number of VCOs	Percentage	
Less than 5	5	63	4	20	2.12
6 to 10	2	25	14	70	2.14
11 to 15	1	12	2	10	0.23
More than 15	0	0	0	0	0
Total	8	100	20	100	

t-table value: 2.05

Degree of freedom: 26

Level of significance: 0.05

Source: Research Data

Even though the number of VCOs have increased much, expected increase has not been visualised in the number of awareness programs conducted by VCOs. In the pre-copra period, 63 per cent of the VCOs conducted less than 5 programs, 25 per cent conducted 6 to 10 programs and 12 per cent less than 15 programs per year. These percentages shifted to 20 per cent, 70 per cent and 10 per cent, respectively, in the post-copra period. This expresses a moderately significant increase in the frequency of awareness programs, as proved by the students' t test.

Average Attendance

The awareness programmes convened by VCOs are meant not only for the members, but also for the general public. Most of the programmes are such that everybody can attend them. Whatever strain and expenditure is out-laid on awareness programmes, they would turn futile, if they are not well attended to by the members or non-members, as the case may be.

The collected information on attendance at such awareness programmes, convened by VCOs have been presented in Table 4.B.12.

TABLE 4.B.12

Average Attendance in Awareness Programmes

Members attended	Pre-Copra period	Percentage	Post-Copra period	percentage
Below 100	3	38	8	40
100-200	2	25	6	30
200-500	2	25	3	15
Above 500	1	12	3	15
Total	8	100	20	100

Mean attendance 222

215

Source: Survey Data

The table reveals that attendance in awareness programmes convened by VCOs, have increased, absolutely. But the Mean Attendance during the Post-Copra has actually decreased over the Pre-Copra period from 222 to 215. It indicates that the VCOs are not keen to ensure maximum attendance, at least from the part of their own members.

Participation

Active participation is as important as attendance of members. The number of participants as activists, members, supporters or observers may vary from programmes to programmes. The study gathered information on this aspect, and is given in Table 4.B.13

TABLE 4.B.13

Participation Levels in Awareness Programmes

Level of participation	Pre-Copra period	Percentage	post-copra period	Percentage
Observers	275	15	490	11
Supporters	590	33	320	7
Members	875	49	3250	76
Activists	60	3	240	6
Total	1800	100	4300	100

Source: Survey Data

There has been uneven changes in the number and types of participants in awareness programmes. The participation of members has increased remarkably from 49 percent to 76 percent. Similarly, the participation of consumer activists has also increased considerably from 3 percent to 6 percent. But the participation of both observers and supporters showed a declining trend, over the two periods.

Expenditure on Awareness Programmes

Central Government assistance is available to VCOs through the Central Consumer Welfare Fund (CCWF), which are approved and disbursed by the standing committee. Many a number of VCOs are availing this financial assistance for the approved awareness programming. Besides, the

VCOs collect funds from their members and the general public for conducting awareness programmes.

The annual outlay of expenditure on awareness programmes as revealed by the VCOs in the study area has been presented in Table 4.B.14

TABLE 4.B.14

Annual expenditure on awareness Programmes

Amount in Rupees	Pre-Copra period	Percentage	Post-Copra period	Percentage
Below 25000	6	75	4	20
25000-50000	2	25	5	25
50000-75000	0	0	7	35
Above 75000	0	0	4	20
Total	8	100	20	100

Mean Expenditure 18750

50,000

Source:: Survey Data

Over the periods, there had been considerable increase in annual expenditure of VCOs on awareness programmes. The Mean Expenditure has risen from Rs. 18750 to Rs. 50,000. In spite of this heavy expenditure, VCOs could not undertake more educative programmes, so as to ensure maximum attendance of general public.

Out of the four variables considered above, improvement has been noted only in participation of members and expenditure on programmes.

The other variables - Frequency of programmes and average attendance do not show much improvements.

Handling of Complaints

Identification of dissatisfaction of consumers and the attempts for redressal at the earliest, is another activity undertaken by most VCOs. Despite exclusive redressal mechanisms ~~exist~~ at the government levels, VCOs have been striving on their own, to settle disputes relating to consumer issues.

In the following paragraphs, it is proposed to analyse the attempts on the part of VCOs to identify and settle consumer disputes. For this purpose, variables selected are rate of receiving complaints, rate of settling complaints, time taken for settlement and growth rate of pending complaints. These variables are compared as to pre-copra period and post-copra period, in order to reveal impact of COPRA.

Rate of Receiving Complaints

Even though the power of VCOs to settle consumer disputes have not been recognised by law, VCOs make it a practice to accept consumer complaints from both members and non-members. In the pre-copra period all the VCOs had received complaints upto 200 per year. After the advent of

COPRA, the total number of complaints received has increased. About 60 percent of the VCOs received below 100 complaints, 20 percent received between 100 and 200 complaints, 10 percent received between 201 and 500 complaints, and the rest - 10 per cent more than 500 complaints. The mean number of complaints have risen to 160 in the post-copra period from 75 in the pre-copra period. This is revealed in Table 4 B.15

TABLE 4.B.15

Distribution of Complaints received by VCOs

Complaints per Year	Pre-Copra period	percentage	Post-Copra period	percentage
Below 100	6	75	12	60
101 to 200	2	25	4	20
201 to 500	0	0	2	10
Above 500	0	0	2	10
Total	8	100	20	100

Mean complaints per Year 75

160

Source : Survey Data

Rate of Settling Complaints.

There are not much scientific procedures for properly considering and evaluating a consumer complaint, at the disposal of the VCOs. However, VCOs keep on trying to arrive at an amicable settlement between the parties in dispute. Table 4.B.16 reveals information on this aspect.

TABLE 4.B.1 6

Distribution of Complaints settled by VCOs

Complaints per Year	Pre-Copra No. of VCOs	Percentage	Post-Copra No. of VCOs	Percentage
Below 100	7	88	15	75
101 to 200	1	12	2	10
201 to 500	0	0	2	10
Above 500	0	0	1	5
Total	8	100	20	100

Mean number
of complaints
settled

63

120

Source: Survey Data

The number of complaints settled by VCOs had been on the increase. In the Pre-Copra period, Seven VCOs had settled less than 100 complaints per year, and one VCO had settled complaints between 100 and 200 . In the Post-Copra period, 75 per cent of the VCOs settled less than 100 complaints, 10 percent less than 200 another 10 percent less than 500, and only one firm has received more than 500 complaints. This has been proved by the fact that the Mean number of complaints settled has increased from 63 in the Pre-Copra period to 120 in the Post-Copra period.

Time taken for settlement

The efficiency of a VCO in settling a consumer complaint will tell upon the time factor involved in the settlement. Lower the time taken for

settlement , higher would be the efficiency of VCO in handling the complaints. The time factor is depicted in table 4.B.17.

TABLE 4.B.17

Time taken for settlement

Days involved	Pre-Copra No. of VCOs	Percentage	Post-Copra No. of VCOs	Percentage
Above 30	5	63	6	30
21 to 30	2	25	4	20
11 to 20	1	12	6	30
Less than 10	0	0	4	20
Total	8	100	20	100

Mean settlement time 30 days 21 days

Source: Survey Data

In absolute terms there had been a considerable decrease in the mean time required to settle consumer complaints from 30 days in the Pre-Copra period to 21 days in the Post-Copra period. But in relative terms, there is no significant decrease. The ever increasing consumer complaints wipes out any progress made on this front . May be due to the inability of VCOs, in curtailing the time element involved, the significance of their role as settlement agencies has been diminishing.

Pending complaints

Keeping a strict time schedule is essential for timely settlement of complaints. But incapacity of the VCOs in the study area in keeping time

schedule, has gradually , led to accumulation of pending consumer complaints. The respondent VCOs gave data on the pending consumer complaints, and is presented in table 4.B.18. The number of pending consumer complaints has been constantly increasing, thus warranting the necessity for exclusive redressal mechanism. The ever increasing unsettled complaints hints at the failure of VCOs on this front. This fact is proved by the application of Queuing Theory to the system of settlement.

TABLE 4.B.18

Distribution of Pending Complaints

	As on					
	1986	1988	1990	1992	1994	1996
Number of complaints	30	110	190	275	375	470
Increase in number	-	80	80	85	100	95
Increase/year	-	40	40	43	50	48

Source: Survey Data

Impact on settlement system-application of Queuing Theory

The claims settlement system of VCOs follow a mathematical waiting line or Queuing Theory. The input process of complaints received follows Poisson distribution, and the settlement function offered by the VCOs follows exponential distribution.

The Average Arrival Rate (λ) and Average Settlement Rate (μ) are ascertained from table 4.B.16 and 4.B.17, respectively. Now the traffic Intensity for Pre-Copra period and post copra period are computed and presented in table 4.B.19

TABLE 4.B.19

Traffic Intensity of VCO dispute settlement system

Particulars	Pre-Copra Period	Post-Copra Period
Average Arrival Rate - λ	75	160
Average Settlement Rate - μ	63	120
Traffic Intensity - ρ	1.19	1.33
No. of Complaints in the queue	7	5
No. of complaints with VCO	7	4

Source: Survey Data

Any service system of which the traffic intensity is more than one is bound to collapse, gradually. The increasing trend of traffic intensity aggravates the position. VCOs in the study area had not been coping up with the ever increasing number of consumer complaints. It seems VCOs had not been successful in the matter of carrying out this objective.

The foregoing discussion on the probable impact of COPRA on the consumer organisations seems to show that the emergence of an Act, exclusively for the welfare of the consumers has created a conducive climate

for the growth and nourishment of their organisations also. The awareness of the benevolent and straight forward provisions of the Act has created an urge among consumers of even rural areas to join together and raise their voice in unison, in response to consumer issues, and participate in programmes promoting consumer welfare.

Despite that most of the VCOs are urban based, they have started extending their sphere of activities into rural sectors also. There had been favourable changes in the membership pattern of the VCOs , facilitating more geographical distribution of members and more coverage. Positive impact could be seen in augmenting the quantum of membership and participation in awareness programmes. Similarly favourable changes took place in the promotion of awareness programmes and outlay of expenditure.

On the otherhand, negative impacts are visualised on the sphere of dispute settlement. VCOs are not the authorised agents to consider and settle consumer disputes. Still VCO offices are being flooded with consumer disputes. Any unscientific, ill-informed consideration and settlements of disputes is likely to adversely affect consumer interest and welfare.

Less significant impact is traced in the growth rate of membership, availing of services by members and in attendance of programmes.

On a wholesome perusal, it may be safely inferred that COPRA has brought both favourable and unfavourable impact on the working of VCOs. Hence the hypothesis that VCOs have not been fully successful in carrying out their objectives is proved true and is accepted.

IMPACT OF COPRA ON BUSINESS FIRMS

Yakoob C. “A study on the impact of the consumer protection act 1986 on consumer movement, with special reference to northern districts of Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 1998

Chapter V

IMPACT OF COPRA ON BUSINESS FIRMS

Business firms constitute an important component of consumer movement, along with consumers and consumer organisations. Any enactment aimed at benefiting consumers is likely to influence the attitude and perceptions of business firms also. The emergence of COPRA might have conveyed positive or negative impacts on the attitudes of business firms including business outlook, style of operation, self-regulation etc.

In the foregoing chapter, the impact the COPRA has made or failed to make on consumers and VCOs had been analysed and presented. In this chapter an attempt is made to bring out the impact on the attitude and perceptions of the business firms in the study area, propelled by the COPRA.

In order to assess the overall impact on the business group, twelve variables have been identified. The identified variables are codified and grouped under the heads awareness of consumer movement, handling of consumer disputes and change in attitude. These variables are subjected to analysis on the background information about the basic structure of the business firms in the study area.

Basic Structure

The attitude and perceptions of the business community would be more or less influenced by the basic structure of the firms. Therefore certain structural factors are analysed in the following paragraphs like nature of ownership, scale of operation and forms of business organisation.

Nature of Ownership

Basically business establishments can be classified as private or public, on the basis of the nature of ownership. The survey revealed the pattern of ownership in the study area, and is presented in table 5.1

TABLE 5.1
Distribution of Business
Firms on the Basis of Ownership

Nature of ownership	No. of firms	Percentage
Private	120	80
Public	30	20
Total	150	150

Source: Survey Data

As per the table, of the 150 business firms considered, 80 per cent are private firms, and 20 per cent are public firms owned by the government or governmental agencies. The ownership has a direct bearing on the attitude towards consumerism.

Nature of business

From the point of view of consumer protection, business firms can be conveniently classified as traders, manufacturers and service firms. Accordingly, the classification of the sample business firms is given in Table 5.2

TABLE 5.2
Distribution Of firms
on the basis of nature of business

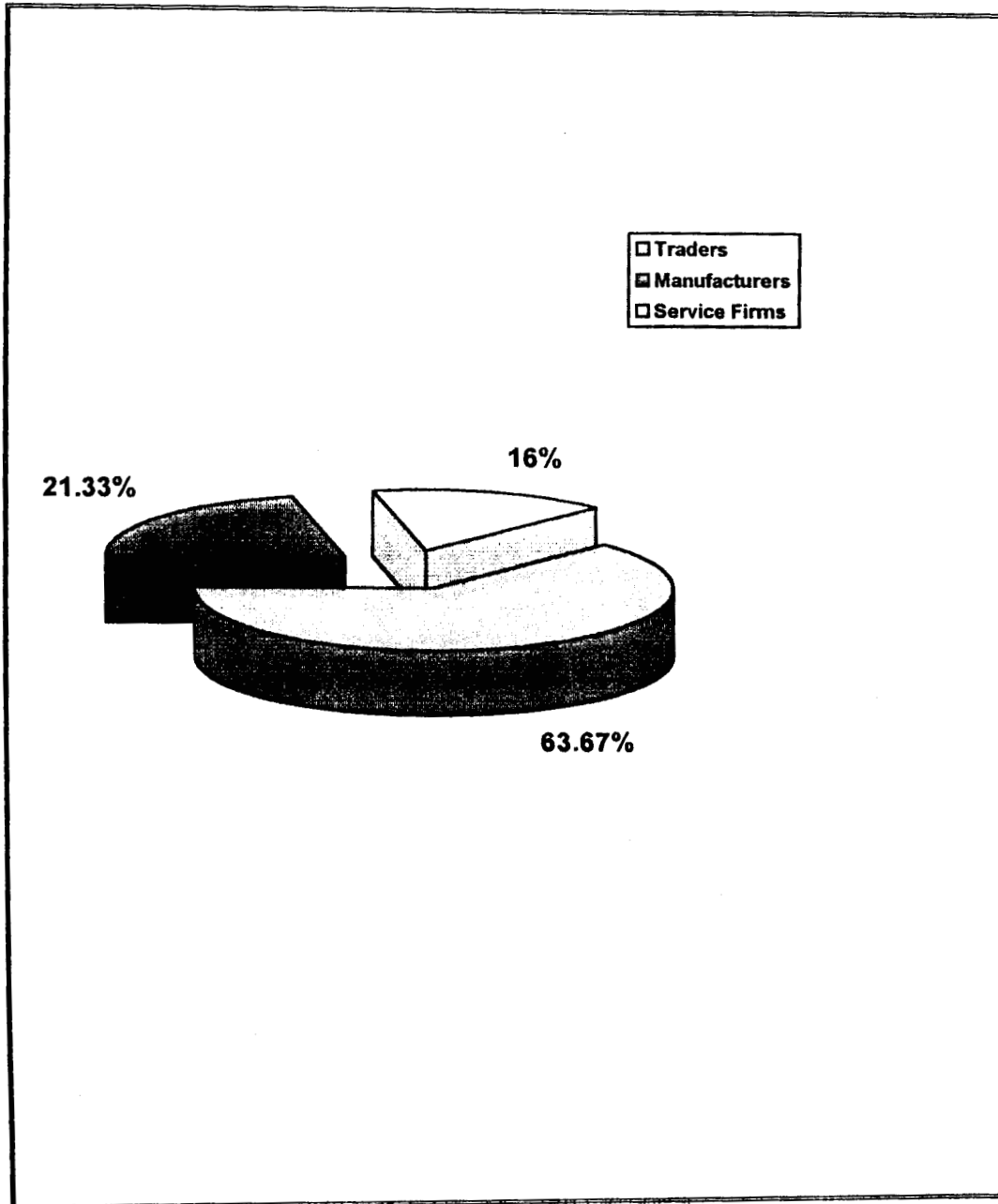
Nature of ownership	No. of firms	Percentage
Traders	94	62.67
Manufacturers	32	21.33
Service Firms	24	16.00
Total	150	150

Source: Survey Data

Traders constitute the major portion of the business community - 62.67 per cent. Producers rank next with 21.33 per cent. Service firms are 16 per cent of the total number of business firms. The nature of firms is likely to influence the nature of dispute - whether defect in goods, deficiency in service etc., and is depicted in Fig. 5.1.

196A

Fig. 5.1
Types of Business Firms



Scale of Operation

Generally business firms are classified, on the scale of operation, as small scale firms, medium scale firms and large scale firms. The basis of such classification is the annual turnover-ATO. The data is given in Table 5.3.

TABLE 5.3
Distribution of Firms
According to Scale of Operation

Scale	No. of firms	Percentage
Small	88	58.67
Medium	42	28.00
Large	20	13.33
Total	150	150

Source: Survey Data

A major portion of the business firms are small scale firms - with 58.67 per cent. Medium scale units constitute 28 per cent and Large scale units 13.33 per cent of total business firms.

Form of organisation

A business unit can be formed as sole proprietorship, partnership, joint stock company, co-operative society or public enterprise. All these

firms except sole proprietorship and partnership must be registered or incorporated as per concerned Acts.

TABLE 5.4
Distribution of firms
according to form of organisation

Form	No. of firms	Percentage
Sole partnership	68	45.33
Partnership	22	14.67
Company	20	13.33
Co-operative society	26	17.33
Public enterprise	14	9.34
Total	150	100.00

Source: Survey Data

A reference to table 5.4 reveals that a major portion of business firms in the study area is sole-trading concerns with 45.33 per cent. Partnerships accounted for 14.67 per cent, companies 13.33 per cent and co-operative societies 17.33 per cent. Public enterprise constituted only 9.34 per cent of total business firms.

It is against this background that it is proposed to analyse the indicators of impact such as perception on consumer awareness, prevention of consumer grievances, and attitudes towards consumer movement.

Awareness of Consumer Movement

Sound awareness of different components of consumer movement, the laws to protect the consumers, the consumer's rights and promotion of awareness programmes will force business firms to make changes in their attitude and perceptions towards consumers and the society. In this section it is proposed to analysis the contribution made by business society towards consumer movement, which consists of factors such as awareness of laws to protect consumers, consumer's rights, promotion of awareness programmes, and co-operation with VCOs.

Awareness of consumer laws

Awareness of enactments affecting consumers and the business society is an essential part of the general awareness of business units, which conditions the styles of performance of their duties towards consumers, and the society at large. Information in this respect is presented in Table 5.5.

In the Pre-copra period, a considerable portion of traders, manufactures and service firms had no awareness regarding laws affecting consumers-45 per cent, 44 per cent and 33 per cent respectively. These percentages have decreased to 13, 13 and 8 receptively in the post-Copra period.

In the post-copra period, a sizeable portion of traders with 38 per cent, manufacturers with 46 per cent and service firms with 75 per cent were either fully aware or aware of the most of provisions of consumer laws.

The corresponding figures in the pre-copra period were 14, 18 and 29 respectively. The table below shows a growing trend among business firms to become more aware of and update in consumer affairs.

TABLE 5.5
Awareness of consumer laws

(percentage in brackets.)

Period	Business	Level of awareness					Total
		Not aware	Aware of few	Aware of some	Aware of most	Fully aware	
As on 1986	Traders	43 (45)	26 (28)	12 (13)	7 (7)	6 (7)	94 (100)
	Manufacturers	14 (44)	7 (22)	5 (16)	4 (13)	2 (5)	32 (100)
	Service firms	8 (33)	5 (21)	4 (17)	4 (17)	3 (12)	24 (100)
As on 1996	Traders	12 (13)	21 (22)	25 (27)	28 (30)	8 (8)	94 (100)
	Manufacturers	4 (13)	6 (19)	7 (22)	10 (31)	5 (15)	32 (100)
	Service firms	2 (8)	1 (4)	3 (13)	15 (63)	3 (12)	24 (100)

Source : Survey Data.

Awareness of consumer rights

The consumer rights have a direct bearing on business practices of the firms. Most of the rights of consumers are the liabilities of the sellers. Therefore, it is essential on the part of business community to have some knowledge about the rights of consumers. On this aspect, the response of the

sample business firms are given in Table 5.6 It conveys the idea that there has been considerable increase in awareness of consumer rights.

Before the enactment of COPRA, about 21 per cent of traders, 28 per cent of manufacturers and 12 per cent of service firms had full or almost full awareness regarding consumer rights. Majority were unaware of the rights, or aware of a few of them. However, after the advent of COPRA, 56 per cent of traders, 48 per cent of manufactures and 75 per cent of service firms were fully aware or aware of the most of the rights. This revealed a favourable trend in the awareness level of firms.

TABLE 5.6
Awareness of Consumer Rights
(In brackets: percentages)

Period	Business	Level of awareness					Total
		Not aware	Aware of few	Aware of some	Aware of most	Fully aware	
As on 1986	Traders	38 (40)	21 (22)	16 (17)	12 (13)	7 (8)	94 (100)
	Manufacturers	10 (31)	8 (25)	5 (16)	4 (12)	5 (16)	32 (100)
	Service firms	9 (38)	7 (29)	5 (21)	3 (12)	0 (0)	24 (100)
As on 1996	Traders	9 (10)	14 (15)	18 (19)	23 (24)	30(32)	94 (100)
	Manufacturers	4 (12)	6 (18)	7 (22)	5 (16)	10(32)	32 (100)
	Service firms	0 (0)	2 (8)	4 (17)	6 (25)	12(50)	24 (100)

Source: Survey Data

Promotion of Awareness

Business community seems to have understood the gravity of affairs,

and accordingly, undertake and sponsor awareness programmes convened by consumers, and organisations. Large scale business houses have started their own consumer information centres, with this view. Table 5.7 shows the frequency of awareness programmes promoted by business firms.

TABLE 5.7
Promotion of awareness
(percentage in brackets.)

Period	Business	Degree of Promotion					Total
		Always	Frequently	Often	Rarely	Never	
As on 1986	Traders	0 (0)	0 (0)	5 (5)	70 (75)	19 (20)	94
	Manufacturers	0 (0)	5 (16)	7 (22)	12 (38)	8 (24)	32
	Service firm	0 (0)	4 (17)	12 (50)	8 (34)	0 (0)	24
As on 1996	Traders	0 (0)	15 (16)	24 (26)	50 (53)	5 (5)	94
	Manufacturers	2 (6)	8 (24)	12 (38)	10 (32)	0 (0)	32
	service firm	5 (21)	8 (33)	9 (38)	2 (8)	0 (0)	24

Source :Survey Data

The Table reveals that promotion of awareness is not uniformly popular among all types of business firms. Manufacturers and service firms are much ahead of traders, in this aspect. In the pre-copra period, 95 per cent of the traders 62 per cent of manufacturers and 34 per cent of service firms rarely or never promoted awareness programmes. Increased degree of promotion could be seen during post-COPRA period among all groups. About 42 per cent of traders, 68 per cent of manufacturers, and 92 per cent of service firms have been sponsoring programmes at least often.

Co-operation with VCOs

VCOs are the most suitable organ to disseminate consumer awareness and education. Recognising this factor, business firms are augmenting their co-operation with VCOs in the spreading of consumer awareness. Businessmen express this co-operative spirit through sponsoring programmes of VCOs, sending delegates, discussing consumer affairs and providing financial assistance. Data on this is given in Table 5.8.

TABLE 5.8
Co-operation with VCOs
(percentage in brackets.)

Period	Business	Level of Co-operation					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	0 (0)	26 (28)	30 (32)	38 (40)	0 (0)	94 (100)
	Manufacturers	0 (0)	15 (47)	15 (47)	2 (6)	0 (0)	32 (100)
	Service firms	0 (0)	11 (46)	10 (42)	3 (12)	0 (0)	24 (100)
As on 1996	Traders	22 (23)	24 (26)	28 (30)	20 (21)	0 (0)	94 (100)
	Manufacturers	8 (25)	10 (31)	7 (22)	7 (22)	0 (0)	32 (100)
	Service firms	5 (21)	8 (33)	9 (38)	2 (8)	0 (0)	24 (100)

Source : Survey Data

During the pre-copra period, 60 per cent of traders, 94 per cent of manufacturers and 88 per cent of service firms maintained fair or good level of co-operation with VCOs.

In the post-Copra period traders and service firms increased this level of co-operation to 79 and 92 respectively. But manufacturers could not keep up this. Only 78 per cent of them maintain at least a fair degree of co-operation. Thus, gradually firms could shed off the hesitation on VCOs, may be due to the increased awareness of benefits of mutual co-operation. Considering the four variables of awareness of rights, laws, co-operation with VCOs and promotion of awareness, positive variations have been traced in the case of all types of business firms except manufacturers. Manufacturers promote awareness programs on a slightly decreased level.

Prevention of Grievances and Dissatisfaction

Grievances and dissatisfaction are generally caused by unfair trade practices, deficiency in service, over-changing, defects in the goods etc.,. Accumulation of dissatisfaction is likely to influence the buying pattern of consumers, thereby leading to sudden fall in the market share of the firm. Realising this, firms have been striving to avoid all possibilities of consumer dissatisfaction.

The attitude relating to the negotiations of consumer dissatisfaction is evaluated in terms of 4 variables - application of fair business practices,

redressal of dissatisfaction, performance of warranties, providing complete information etc. Following paragraphs deals with these.

Fair Business Practices

Unfair trade practices have been defined in section 2(r) of the COPRA. Accordingly, any act other than those specified in section 2(r) are considered fair, and includes selling at exact prices, in correct measurements, giving maximum choice and without any misrepresentation.

In the pre-COPRA period, as well as in the post-COPRA period, the performance of business firms in the aspect of fair practices has been good. There was even a favourable trend after the advent of COPRA. Presently 63 per cent of traders, 65 per cent of manufacturers and 76 per cent of service firms are found to apply sound business practices always or frequently, where as these percentages were 42,60, and 71 receptively before the advent of COPRA. This is revealed in table 5.9

TABLE 5.9
Application of Fair Business Practices
(percentages in brackets.)

Period	Business	Degree of Application					Total
		Always	Frequently	Often	Rarely	Never	
As on 1986	Traders	6 (6)	34 (36)	40(43)	14(15)	0 (0)	94
	Manufacturers	5 (16)	14 (44)	10(31)	3 (9)	0 (0)	32
	service firm	5 (21)	12 (50)	7 (29)	0 (0)	0 (0)	24
1996 As on	Traders	30 (32)	29 (31)	35(37)	0 (0)	0 (0)	94
	Manufacturers	11 (34)	10 (31)	11(35)	0 (0)	0 (0)	32
	service firm	9 (38)	9 (38)	6 (24)	0 (0)	0 (0)	24

Source :Survey Data

Redressal of Dissatisfaction

Present day business firms give high priority for redressing the dissatisfaction and grievances of consumers. Timely redressal would go a long way towards the image making of the firm. Steps for redressal includes personal hearing, advice and guidance, provision of complaint cell, routing to the forum etc. The data on the degree of timely rederssal is presented in table 5.10

TABLE 5.10

Timely redressal of Dissatisfaction

(percentage in brackets.)

Period	Business	Degree of timely redressal					Total
		Always	Frequently	Often	Rarely	Never	
As on 1986	Traders	21 (22)	26 (28)	38(40)	7 (8)	2 (2)	94 (100)
	Manufacturers	7 (22)	8 (25)	15(47)	1 (3)	1 (3)	32 (100)
	Service firm	5 (21)	6 (25)	7(29)	4 (17)	2 (8)	24 (100)
As on 1996	Traders	24 (25)	27 (29)	40(43)	3 (3)	0 (0)	94 (100)
	Manufacturers	8 (25)	10 (31)	14(44)	0 (0)	0 (0)	32 (100)
	Service firm	5 (21)	7 (29)	10(42)	2 (8)	0 (0)	24 (100)

Source: Survey Data

There has been moderate difference between the two periods as to timely redressal of dissatisfaction. About 90 per cent of traders, 94 per cent of manufacturers and 75 per cent of service firms took care for timely redressal of dissatisfaction in the pre-copra period, whereas these percentages rose to 97, 100 and 92 respectively in the post-copra period. After advent of Copra almost all firms try for speedier rederssal of grievances.

Performance of Warranties

Prevention of dissatisfaction is better than redressing it. Performance of warranties and stipulations would help businesses people to avoid the circumstances which may lead to dissatisfaction and grievance. The

performance of warranties may relate to after sales service, home delivery, replacement, free service, repair and re-instatement, free installation etc. The study obtained information from the respondent firms on the level of performance of warranties, and is presented in Table 5.11.

TABLE 5.11
Performance of Warranties
(percentage in brackets.)

Period	Business	Level of Performance					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	0 (0)	30 (32)	28 (30)	32 (34)	4 (4)	94 (100)
	Manufacturers	0 (0)	5 (16)	7 (22)	12 (38)	8 (24)	32 (100)
	Service firms	0 (0)	4 (16)	8 (34)	12 (50)	0 (0)	24 (100)
As on 1996	Traders	10 (11)	25 (26)	26 (28)	25 (27)	8 (8)	94 (100)
	Manufacturers	2 (7)	5 (16)	7 (22)	8 (24)	10(31)	32 (100)
	Service firms	5 (21)	8 (33)	9 (38)	2 (8)	0 (0)	24 (100)

Source: Survey Data

There has been favourable changes in the level of performance of warranties, after the enactment of COPRA. Formerly, 62 per cent of traders and 38 per cent of manufacturers took pains to perform the warranties at least in fairly good manner, whereas, presently they could raise the percentage to 65 and 45 respectively. A marked difference occurred in the case of service firms - it rose from 50 per cent to 92 per cent. This is,

probably, in the light of increased awareness on the part of service firms like banks, insurance firms, transports and Hospitals.

Provision for complete information

The right to be informed about the quality, quantity, potency, purity, standards and price of goods, is one of the important rights of a consumer. These rights of the consumer makes businessmen more responsible towards the consumer. How far, the business community been successful in the performance of this responsibility is presented in Table 5.12

Table 5.12

Provision for complete information
(percentage in brackets.)

Period	Business	Level of providing information					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	0 (0)	6 (7)	32 (34)	38 (40)	18 (19)	94 (100)
	Manufacturers	0 (0)	4 (13)	21 (65)	5 (16)	2 (6)	94 (100)
	Service firms	0 (0)	3 (12)	15 (63)	4 (17)	8 (0)	24 (100)
As on 1996	Traders	24 (26)	28 (30)	27 (29)	15 (15)	0 (0)	94 (100)
	Manufacturers	8 (25)	10 (31)	9 (28)	5 (16)	0 (0)	32 (100)
	Service firms	7 (29)	8 (33)	9 (34)	1 (4)	0 (0)	24 (100)

Source: Survey Data

A perusal of the table 5.12 indicates that, presently the businessmen have been eager to provide the required information to the consumer, than they did a decade back. At present, 85 per cent of the traders, 84 per cent of

the manufacturers and 96 per cent of the service firms provide consumer information, at least fairly, whereas, before the advent of COPRA, it was 41 per cent, 78 per cent 75 per cent respectively. It seems advent of COPRA has mooted significant variation on application of fair business practices, timely redressal, performance of warranties and provision of complete information. The perceptions of the respondent firms were on the highest degree on these variables, reflecting the change in attitude towards consumer movement.

Attitudes towards Consumer Movement

A business is responsible for various interest groups like consumers, employees, owners, government, society etc. Of these interest groups, responsibility towards consumer, or consumer movement is the most important. In a democratic country, it is the attitude towards the consumer, which will tell upon the success of a business unit, in the long run. In view of this, businessmen has to consider his relationship towards consumers, consciousness as to quality, responsibility towards society and environment and orientation towards consumer welfare. Accordingly, in order to assess the attitudes of the business community, the variables selected are customer relationship, quality consciousness, social responsibility and consumer orientation.

Customer Relationship

Maintenance of good customer relationship is highly essential, especially in a competitive market. Table 5.13 conveys the idea about the level of customer relationship maintained by business houses of the study area. In both the periods, businessmen maintained above average customer relationship.

TABLE 5.13

Customer Relationship

(percentage in brackets.)

Period	Business	Level of Relationship					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	10 (11)	22 (23)	30 (32)	25 (27)	7 (7)	94(100)
	Manufacturers	5 (10)	7 (22)	8 (25)	10 (31)	2 (6)	32(100)
	Service firms	6 (25)	6 (25)	8 (34)	4 (16)	0 (0)	24(100)
As on 1996	Traders	18 (19)	39 (42)	30 (32)	7 (7)	0 (0)	94(100)
	Manufacturers	8 (25)	15 (47)	7 (22)	2 (6)	0 (0)	32(100)
	Service firms	7 (29)	8 (33)	5 (21)	4 (17)	0 (0)	24(100)

Source: Survey Data

Quality Consciousness

The COPRA entitles the consumers to seek remedy against the seller of defective goods and deficiency in service. In the light of this, businessmen are bound to be more quality conscious.

TABLE 5.14
Quality Consciousness
(Percentage in brackets.)

Period	Business	Level of Co-operation					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	0 (0)	12 (13)	28 (30)	38 (40)	16 (17)	94(100)
	Manufacturers	0 (0)	8 (25)	12 (38)	10 (31)	2 (6)	32(100)
	Service firms	0 (0)	7 (29)	10 (42)	7 (29)	0 (0)	24(100)
As on 1996	Traders	22 (23)	38 (40)	24 (26)	10 (11)	0 (0)	94(100)
	Manufacturers	6 (19)	10 (31)	10 (31)	6 (19)	0 (0)	32(100)
	Service firms	6 (25)	10 (42)	6 (25)	2 (8)	0 (0)	24 100)

Source: Survey Data

Table 5.14 shows the degree of quality consciousness of the businessmen.

Before 1986, 13 per cent of traders, 25 per cent of manufacturers and 29 per cent of service firms were quality conscious on an excellent or good manner. But after 1986, 63 per cent of traders, 50 per cent of manufacturers and 67 per cent service firms gave stress to quality. Corresponding changes occurred in other levels of quality consciousness .

Social Responsibility

The sense of social responsibility is emphasised by the emerging codes of ethics to be followed by the business community. Safeguarding the interests of the society is very important, and therefore they cannot afford to

commit breach of business ethics. In the post-copra period, business houses started vying with each other to set up their own codes of ethics to show the society that they too are concerned about the society. This is revealed by Table 5.15. About 89 per cent of Traders, 75 per cent of manufacturers and 91 per cent of service firms are maintaining at least fairly good social responsibility, compared to the degrees of 47 per cent, 50 per cent and 75 per cent respectively, in the pre-copra period. No firm with a bad sense of social responsibility is traced in the post-Copra period.

TABLE 5.15
Social Responsibility
(percentage in brackets.)

Period	Business	Degree of social responsibility					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	0 (0)	17 (18)	27 (29)	33 (35)	17(18)	94(100)
	Manufacturers	0 (0)	10(32)	6 (18)	10 (32)	6(18)	32(100)
	Service firms	1 (4)	9(38)	8(33)	6 (25)	0 (0)	24(100)
As on 1996	Traders	26 (28)	37 (39)	21 (22)	10 (11)	0 (0)	94(100)
	Manufacturers	8 (25)	6 (18)	10 (32)	8 (25)	0 (0)	32(100)
	Service firms	6 (25)	8 (33)	8 (33)	2 (9)	0 (0)	24(100)

Source: Survey Data

Consumer Orientation

Business people have started designing the environment of their business in tune with consumer orientation principle. The study collected

information on the degree of consumer orientation envisaged by different firms, and is set in Table 5.16.

TABLE 5.16
Consumer Orientation
(percentage in brackets.)

Period	Business	Level of Orientation					Total
		Excellent	Good	Fair	Poor	Bad	
As on 1986	Traders	10 (11)	29 (31)	34 (36)	18 (19)	3 (3)	94 (100)
	Manufacturers	4 (13)	10 (31)	11 (34)	5 (16)	2 (6)	32 (100)
	Service firms	6 (25)	8 (33)	10 (42)	0 (0)	0 (0)	24 (100)
As on 1996	Traders	20 (22)	25 (26)	26 (28)	23 (24)	0 (0)	94 (100)
	Manufacturers	6 (18)	15 (46)	7 (22)	4 (14)	0 (0)	32 (100)
	Service firms	7 (29)	8 (33)	9 (38)	0 (0)	0 (0)	24 (100)

Source: Survey Data

Consumer orientation was applied by 42 per cent of traders, 44 per cent of manufacturers and 58 per cent of service firms. But presently 48 per cent of traders, 64 per cent of manufacturers and 62 per cent of service firms practice this, indicating a favourable trend.

In the foregoing pages an assessment of the variables influenced by the impact of COPRA has been attempted. Presently, it is attempted to assess such impact by analysing the perceptions of firms on awareness, prevention of grievances and attitudes.

Assessment of Impact

On the basis of the indicator scores, firms are classified as Low, Medium or High, as to the two periods. The impact is measured statistically by analysing the dependency of the data.

Consumer Awareness

The degree of awareness on the part of business firms, has been presented in Table 5.17

TABLE 5.17
Business Firms
According to the Level of Consumer Awareness.

Business	Pre-Copra period			Post-Copra period			Total	χ^2 value
	Low	Medium	High	Low	Medium	High		
Traders	44	41	9	20	48	26	94	16.80
Manufacturer	11	15	6	6	16	10	32	1.88
Service Firms	7	13	4	1	12	11	24	7.08
Total	62	69	19	27	76	47	15	24.96

χ^2 value = 5.991

Degree of freedom = 2

Level of significance = 0.05

Source: Survey Data

There has been remarkable increase in the level of consumer awareness on the part of business firms. More significant difference is seen among traders as between post-copra period and pre-copra period. Traders

with high consumer awareness increased from 9 to 26. The difference among service firms also is much significant. Service firms maintained high awareness in the post-Copra period, compared to 4 in the pre-copra period. But the difference among manufacturers, as to the pre-copra and post copra period is not at all significant, as proved by the chi-square test. Considering the three groups of businessmen together, it can be inferred that there has been significant differences among the business firms in the matter of awareness. The number of business firms with high awareness increased from 19 to 47. This is substantiated by the chi-square test applied on the totals of business firms.

Prevention of Grievances and Dissatisfaction

According to the degree of preventive measures taken by business firms, they are classified as Low, Medium and High, during the two periods and presented in Table 5.18.

There has been varied degree of variation among business community in the aspect of prevention of grievances. Statistically significant difference is traced in the case of traders. In the case of manufacturers, as well as service firms there has not been much significant variation in the matter of prevention of grievances and dissatisfaction. In the pre-copra period, 77

traders took high or medium degree of preventive measures. It rose to 86 in the post-Copra period. In the case of manufacturers and service firms, these figures were 26 and 28, and 21 and 23 respectively.

TABLE 5.18

Business Firms on the basis of prevention of Grievance and Dissatisfaction

Business	Pre-Copra period			Post-Copra period			Total	χ^2 value
	Low	Medium	High	Low	Medium	High		
Traders	17	58	19	8	51	35	94	10.22
Manufacturer	6	19	7	4	16	12	32	1.55
Service Firms	3	15	6	1	13	10	24	2.13
Total	26	92	32	13	80	57	150	11.93

χ^2 table value : 5.991

Degree of freedom : 2

Level of significance : 0.05

Source: Survey Data

Attitude towards Consumer Movement

Table 5.19 presents the data on the attitude of business firms towards the movement, relating to the pre-copra period and post-copra period.

TABLE 5.19

Business Firms on the
Basis of Attitude towards Consumer Movement

Business	Pre-Copra period			Post-Copra period			Total	χ^2 value
	Low	Medium	High	Low	Medium	High		
Traders	25	54	15	5	48	41	94	25.58
Manufacturer	9	18	5	2	17	13	32	10.08
Service Firms	2	15	7	1	12	11	24	2.49
Total	36	87	27	8	77	65	150	34.10

χ^2 table value : 5.991

Degree of freedom : 2

Level of significance : 0.05

Source: Survey Data

Analysis of table 5.19 indicates very high degree of difference in the attitude of traders and manufacturers between pre-copra period and post-copra period. There number with high or positive attitude rose from 69 and 23 to 89 and 30 respectively. However, in the case of service firms, there has not been much significant change in this aspect. Service firms with medium or high attitude increased from 22 to 23. However, statistical analysis of the attitude among the traders, manufactures, and service firms collectively shows very high significant difference between the two periods.

Considering the three indicators of consumer awareness, prevention of grievance and attitudes towards consumer movement, it is realised that significant positive variation exists in the case of consumer awareness and

attitudes towards consumer movement. The difference in the case of prevention of grievance was insignificant. It can be safely inferred that there has been positive impact on the business community, due to the advent of copra but positive impact outweighs negative impact. Therefore, the fourth hypothesis that the COPRA could not generate positive impact on the awareness and attitudes of business community is proved wrong and rejected.

The analysis in the foregoing pages revealed that the business practices and attitudes are greatly influenced by basic structural factors like ownership, nature of business, operation scale, and form of organisation. The survey revealed that about 80 per cent of business firms are privately owned and the rest publicly owned. Of the firms, about 63 per cent are traders, 21 per cent manufacturers and 16 per cent service firms. In the study area, small scale business firms contribute the major share with 59 per cent followed by medium scale business with 28 per cent and large scale business with 13 per cent. Sole proprietorship is the most common form of business organisation with 45 per cent followed by co-operative societies with 17 per cent and partnerships with 15 per cent.

An examination of awareness of consumer movement revealed that, generally the awareness level has increased significantly, between the periods. There has been increase in the aspect of prevention of grievance and dissatisfaction, in the case of traders. But in the case of manufacturers and service firms, the increase was insignificant.

On an analysis of attitude of business firms towards consumer movement, very significant differences were noticed between pre-copra and post-copra period. The attitudes of traders and manufacturers exhibited significant increase, whereas, that of service firms showed only an insignificant increase.

It seems the enactment and implementation of the COPRA has certainly propelled private business firms and public firms in India to regulate themselves in the broader consumer interests. The business community is to adjust their attitudes in the wake of newer development on the consumer front. The activism of a large number of consumers and their organisations has compelled large scale business firms to establish in-built institutional mechanisms to redress consumer disputes. It has also reflected in the acceptance and announcement of business norms and codes of ethics. The study draws the implication that, in view of the above changes in the

business sector, the COPRA has been successful in bringing positive impact on the perceptions and attitudes of the business community.

The perceptions and attitudes of consumers, consumer organisations and business firms have been subjected to prodigious changes, due to the advent of COPRA. In the process of propelling this impact of COPRA, the government authorities, especially the rederssal mechanism has been greatly instrumental. Therefore, the following chapter is devoted to analyse the operational efficiency of fora, being the redressal mechanism, in vogue in the study area.

OPERATIONAL EFFICIENCY OF CONSUMER FORA

Yakoob C. “A study on the impact of the consumer protection act 1986 on consumer movement, with special reference to northern districts of Kerala ” Thesis. Department of Commerce and Management Studies , University of Calicut, 1998

Chapter VI

OPERATIONAL EFFICIENCY OF CONSUMER FORA

Chapters IV and V analysed the impact of COPRA on the perceptions and attitudes of two of the components of the consumer movement - consumers including consumer organisations and business firms. The third component - the government - being the law making agency cannot have its own impact. In this chapter, it is attempted to analyse the operational efficiency of consumer Fora.

Through the enactment of COPRA, an attempt has been made by the legislature in India to provide a cheap and speedy remedy to the aggrieved consumers by way of an alternative to the time consuming and expensive process of civil litigation. The philosophy and avowed object of the COPRA is to provide expeditious justice to the aggrieved consumer.

Before the enactment of COPRA, consumer complaints were heard by ordinary courts. This led to delays and reluctance of consumers to approach courts for justice. The business firms exploited the situation and continued with all types of malpractices. To overcome this, COPRA envisaged a three-tier quasi-judicial redressal mechanism.

Section 9 of the COPRA provides for the setting up of three Consumer Disputes Redressal Agencies (CDRAs) at the district, state and national level.

These are:-

1. Consumer Disputes Redressal Forum - The District Forum.
2. Consumer Disputes Redressal Forum - The State Commission.
3. National Consumer Dispute Redressal Commission - The National Commission.

As per the provisions of COPRA a District Forum is to be established in every district. In the northern districts of Kerala, Fora came into existence on various dates. The first forum in this region commenced sittings in Kozhikode district in June, 1990. Wynad and Kannur Fora came into existence on November, 1991. Kasargod Forum started operations in January, 1992, and the Malappuram Forum, the latest entry, could commence regular sitting only on March, 1992. Hence codified data is available since the year 1992 and statistical analysis of the data was possible only for the period 1993-1997.

Operational Environment of Fora

The National Commission shall consist of a president and four other members, with pecuniary jurisdiction beyond 20 lakhs. The members shall have knowledge and experience in dealing with problems relating to

economics, commerce, law etc.

The state commission shall consist of a president and two members with pecuniary jurisdiction between Rs. 5 lakhs and Rs. 20 lakhs.

The district forum consists of a president and two members, appointed by the state government. They will hold office for a term of 5 years or up to 65 years, whichever is earlier. The forum is vested with the jurisdiction of entertaining complaints of the value of goods and services and compensation, up to Rs. 5 lakhs. The qualification of the members of State Commission and District Fora are the same as in the case of Central Commission.

A consumer complaint can be filed by the consumer, or any recognised consumer association, or one or more consumers having the same interest, or the central or state government. Thus, four types of complainants have been given locus standi to file a complaint.

On receipt of a complaint the forum shall refer the same to the opposite party, directing to give his version, within 30 days. If the opposite party denies or disputes the allegations, or fails to represent his case, the forum shall dispose of the complaint on the basis of the evidence available. Accordingly the forum can order for appropriate remedies. In this regard, the forum is vested with all powers of a court to summon and enforce attendance

of witness, produce any document or material as evidence, request product test or appraisal, appoint any commission for examining witness, or for any other matter.

The parties of a complaint are to appear before the forum on the date of hearing. The forum is to decide a complaint within a period of three months from the date of notice received by the opposite party, where product testing is not required, and if product testing is necessary, within five months.

The limitation period as to the filing of a consumer complaint is one year from the date on which the cause of action occurred.

Forum is authorised to dismiss any complaint found to be frivolous or vexatious, and to impose costs up to Rs. 10,000 on complainants who bring false complaints.

In the background of the above operational environment of the forum their efficiency is attempted to be analysed, in the following paragraphs. For this purpose, the indicators identified are the adequacy of basic infrastructure, routine operations and the disposal of complaints. It is also proposed to analyse the reasons for settlement of disputes beyond time limit.

Basic infra structure

The infra structure and working environment influences the operational efficiency of the Fora. In order to assess the infra structural facilities, the variables considered are accommodation and amenities, adequacy of office staff and the efficiency of office processing. The analysis is done on the perceptions and views expressed by Fora members in the study area.

Accommodation and amenities

The adequacy of accommodation and amenities is the basic factor influencing the working environment and efficiency of Fora. Table 6.1 reflect the adequacy of accommodation facilities and other amenities. These facilities are to be provided by the concerned state government through the Civil Supplies Department. About 47 percent of the members opined that the facilities are adequate or good, while the majority is of the opinion that it is inadequate. Only 20% opined that accommodation facilities are excellent. Sufficient infrastructure facility is essential for the smooth functioning of the Fora.

TABLE 6.1
Distribution of Fora Members
according to adequacy of infrastructure

Response	Number of Members	Percentage
Excellent	0	0
Good	3	20
Adequate	4	27
Not adequate	6	40
Bad	2	13
Total	15	100

Source: Survey Data

Adequacy of office staff

Proper staffing is an important determinant factor of operational efficiency of the administrative office of the Fora. On this aspect, the response of the Fora members were as below.

TABLE 6.2
Distribution on the
basis of adequacy of office staff

Response	Number of Members	Percentage
Excellent	0	0
Good	6	40
Adequate	6	40
Not adequate	3	20
Bad	0	0
Total	15	100

Source: Survey Data

As to the staffing of Fora offices 80 per cent of the members are at least moderately satisfied. Only 20 per cent expressed the inadequacy in staffing. Nobody opined that staffing is either excellent or bad.

Efficiency of office processing

The administrative office is the nerve centre of the Forum and any element of inefficiency is likely to affect adversely the overall operational efficiency. On this aspect, 80 per cent opined that it is adequate, good or excellent, where as 20 per cent told the efficiency of office processing was below average. This indicates that, automation and computerisation of Fora processing, has helped in the improvement of Fora office processing.

Considering the perceptions of members on accommodation, staffing and office processing, it was realised that the basic infra structural facilities are at least moderately adequate in the study area, as shown in table 6.3

TABLE 6.3
Efficiency of office Processing

Response	Number of Members	Percentage
Excellent	0	0
Good	6	40
Adequate	6	40
Not adequate	3	20
Bad	0	0
Total	15	100

Source: Survey Data

Assessment of routine operations

The Forum performs its routine operations through sittings and hearings of members. At least two of the members must sit together, hear the cases and dispose them. With this aim, number of sittings are pre-scheduled, monthwise. Members try to conduct as many schedules as possible and transact the business of the Forum. However, some lapses in this respect are bound to occur. Another factor influencing routine operations is the adjournments made by the complainants, opposite parties or Fora members. Accordingly, the study sought information on sittings scheduled, sittings conducted and number of adjournments.

Sittings - scheduled and conducted

The number of sittings required for the timely disposal of the dispute petitions are planned and scheduled by the Fora president in consultation with the members. Generally, the members opt for a five day sitting schedule, each week.

The data on the sittings scheduled and conducted is presented in Table 6.4.

TABLE 6.4
District wise Sittings
Scheduled and Conducted for the period 1993-1997

Years	Malappuram		Kozhikode		Wynad		Kannur		Kasargode	
	Sd	Cd	Sd	Cd	Sd	Cd	Sd	Cd	Sd	Cd
1993	230	218	246	229	249	234	259	232	230	221
1994	242	229	244	228	253	240	256	238	242	228
1995	240	236	256	248	252	240	252	242	244	236
1996	236	230	252	243	246	237	246	240	258	250
1997	252	246	248	242	247	241	242	237	253	250
Total	1200	1159	1246	1190	1247	1192	1255	1189	1227	1185
χ^2	1.687		2.940		2.617		4.725		1.708	

Sd=Scheduled Cd = Conducted χ^2 Table value = 9.488

Degree of freedom = 4 Level of significance = 0.05

Source : CDRA statements

There has been differences between the number of sittings scheduled and number of sittings conducted, district-wise as well as year-wise. For the period 1993-97, Malappuram Forum scheduled 1200 sittings, Kozhikode 1246, Wynad 1247, Kannur 1255 and Kasargod 1227 sittings, of these Malappuram conducted 1159 sittings, Kozhikode 1190, Wynad 1192, Kannur 1189 and Kasargod 1185 sittings. Generally, the fora had been successful in maintaining a satisfactory level of conducting the scheduled sittings.

Malappuram Forum could conduct 97 per cent of the scheduled sittings, while Kozhikode, Wynad, Kannur and Kasargod fora conducted 96 per cent, 95 per cent and 97 per cent of the sittings respectively. Of these more

variation is found in the Kannur Forum.

These differences are analysed statistically, in order to trace the significance. The chi-square test is applied for this purpose, and the comparison of the obtained χ^2 values with the χ^2 table values proves that the differences is not significant in any district Fora. Maximum variation is found in Kannur and minimum variation in Malappuram. The test proves that even though there were absolute differences in the matter of sittings scheduled and conducted, such differences do not matter, and all the Fora have satisfactorily conducted the sittings scheduled.

Adjournments

Adjournments are postponements of hearing or passing of orders, of a consumer dispute, to a future date. Adjournments are usually made by the opposite parties, the forum or, in some cases, the complainants also. In the hearing process of certain disputes, several adjournments have been made. This is one of the causes for delay in forum proceedings.

From the Fora statements, monthly average number of adjournments have been compiled, and given in Table 6.5.

TABLE 6.5
Monthly Average Number
of Hearing Adjournments of Fora for the period 1993-'97

Fora	Number of Adjournments					
	1993	1994	1995	1996	1997	Total
MPM	44	38	47	36	42	207
KKD	46	40	52	43	38	219
WYN	34	36	44	32	36	182
KNN	43	38	46	33	40	200
KSR	38	42	49	39	38	206
Total	205	194	238	183	194	1014

Compiled from : *Consumer Protection various issues*

There has been wide variations in the aspect of adjournments both between Fora, and between years. Maximum number of adjournments occurred in the year 1995 (238) and minimum in 1996 (183). Kozhikode Forum stood first in adjournments considering the period 1993 - 97. Malappuram, Wynad, Kannur and Kasargod Forum registered 207, 182, 200 and 206 adjournments respectively. The reason for the high occurrence in Kozikode Forum may be the excessive number of cases and procedural drawbacks in allowing adjournments. The variation in adjournments is statistically analysed by conducting the analysis of variances as applicable to the two way classification of data. The results of the analysis of variance is presented in the ANOVA Table.

TABLE 6.6
Anova Table

Source of variations	Sum of squares	Degree of freedom	Mean squares	F-values
Between Years	358	4	89.5	13.01
Between Fora	146	4	36.5	5.31
Residual	110	16	6.88	-

F-value = 3.01

Degree of freedom = 4.16

Level of Significance = 0.05

Compiled from CDRA statements

The number of Fora adjournments exhibits significant variation between the years. 1993 to 1994. The computed F value is much greater than the F table value at the specified degree of freedom and level of significance.

The variation among Fora too is statistically significant, though not so significant as in the case of variation between years. However, in spite of the setbacks due to adjournments, Fora have been able to maintain a satisfactory level of routine operations, because of the efficiency in conducting sittings as scheduled.

Assessment of Complaint Disposals

Fora are established for the speedier administration of justice to the aggrieved consumers, without expenses. So, the foremost indicator of the efficiency of Forum is the rate at which it disposes filed disputes. To assess

this indicator, five variables have been identified and analysed- number of cases filed, number of cases disposed of, time taken for disposal, monthly average rate of filings and disposals and Traffic intensity of disposals.

Total number of cases filed and disposed of

One of the routine functions of forum office is receiving and filing of consumer dispute petitions. Such petitions flow into the forum on an exponential basis. In Table 6.7, data on the number of cases filed and disposed of by each forum is given year-wise.

The analysis of Table 6.7 reveals that there has been constant increase both in number of cases filed and in number of cases disposed of by Fora. In the year 1994, the data showed a recession, but there after it steadily increased, and revealed a sharp rise in the year 1997. In the year 1993, about 76 percent of the filed disputes were disposed. In 1994, this rate slightly declined to 74. However, it rose to 77 in 1995, 76 in 1996 and 92 in 1997. The overall percentage of disposed cases to filed cases is 80.

Tabel 6.7
Number of Cases Filed and Disposed of During 1993 -97

	1993			1994			1995			1996			1997			TOTAL		
	FC	DC	%	FC	DC	%	FC	DC	%	FC	DC	%	FC	DC	%	FC	DC	%
MPM	732	541	74	710	580	82	726	584	80	818	684	84	964	879	91	3950	3269	83
KKD	816	605	74	826	636	77	862	621	72	884	697	79	991	396	90	4379	3455	79
WYN	520	415	80	526	406	77	515	432	84	612	511	83	654	616	94	2827	2380	84
KNN	518	393	76	532	304	57	584	475	81	615	422	69	760	692	91	3009	2286	76
KSR	314	262	83	327	231	71	301	202	67	352	164	47	437	410	94	1731	1269	73
TOTAL	2900	2216	76	2921	2157	74	2988	2314	77	3281	2478	76	3806	3493	92	15896	12659	80
MEAN	580	443		584	431		598	463		656	496		761	699				

FC = Filed Cases DC = Disposed Cases
Complied from *Consumer Protection* Various issues

The mean number of disposals during the years were 443, 431, 463, 496 and 699 respectively, as against the filings of 580, 584, 598, 656 and 761. The year-wise distribution of filed and disposed cases is shown in Fig.6.1

Forum wise, maximum number of disposals was registered in Kozhikode with 3455, followed by Malappuram with 3269, Wynad 2380, Kannur 2286 and Kasargod 1269 cases. This is shown in Fig.6.2. In terms of rates of disposal to filing, Wynad Forum ranks first with 84 per cent followed by Malappuram, Kozhikode, Kannur and Kasargod with 83 per cent, 79 per cent, 76 per cent and 73 per cent respectively. The high rate in Wynad may possibly be attributable to comparatively smaller number of cases filed. Fig.6.3. presents these data.

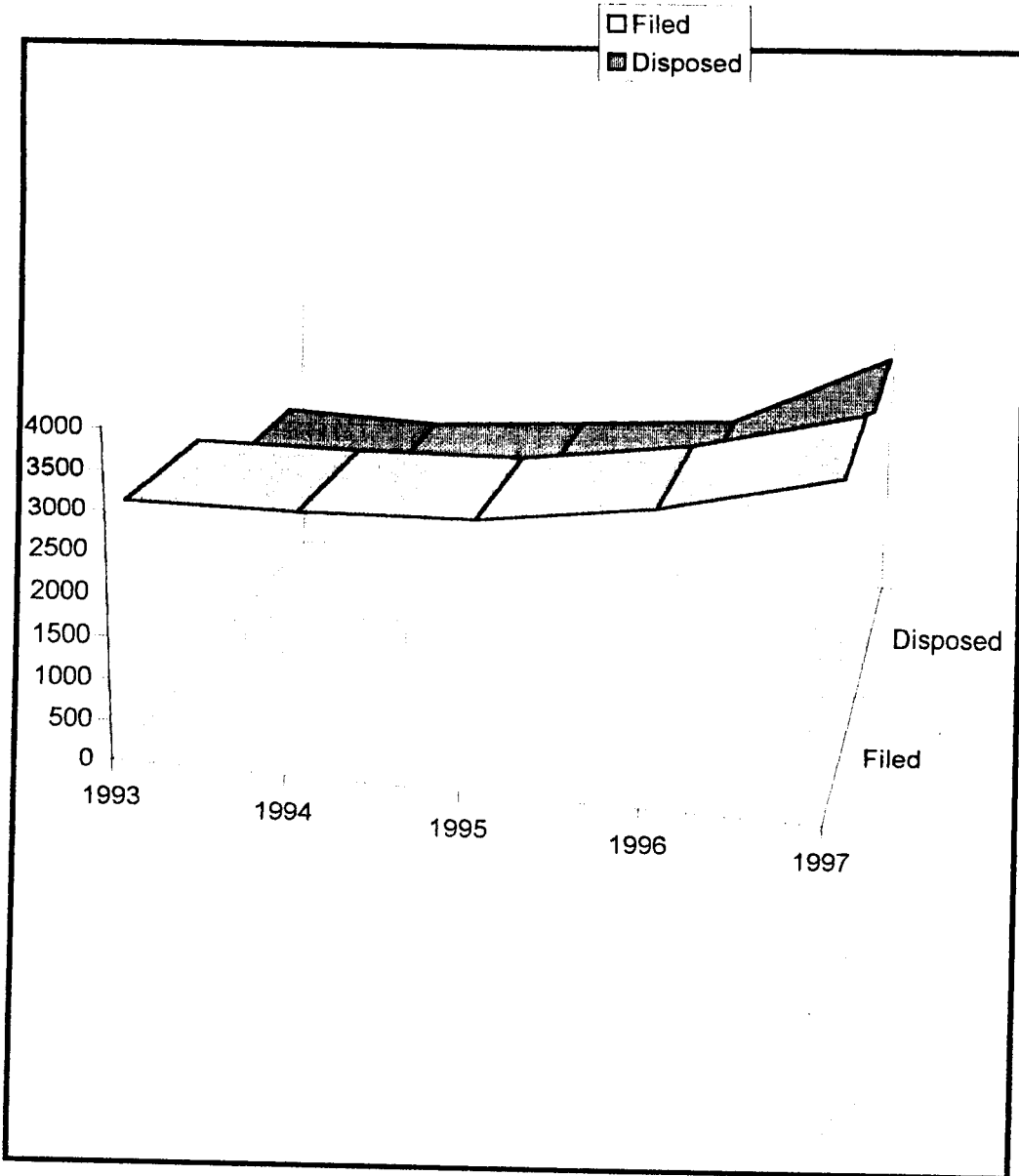
Despite some laxities in the infra structural facilities, number of disposals have been increasing, along with number of filing. This is an indicator of the increasing efficiency of redressal mechanism.

Timely settlement of disputes

The time factor in the settlement process of consumer disputes is significant in view of the demand by the COPRA for speedier redressal. A time limit of three months is fixed for the normal settlement of consumer disputes. However, in most cases, delay occurred in settlement, and the

360

Fig. 6.1
Disputes Filed and Disposed of (Year Wise)
During 1993 - 1997



0

Fig. 6.2
Disputes Filed and Disposed of (District Wise)
During 1993 - 1997

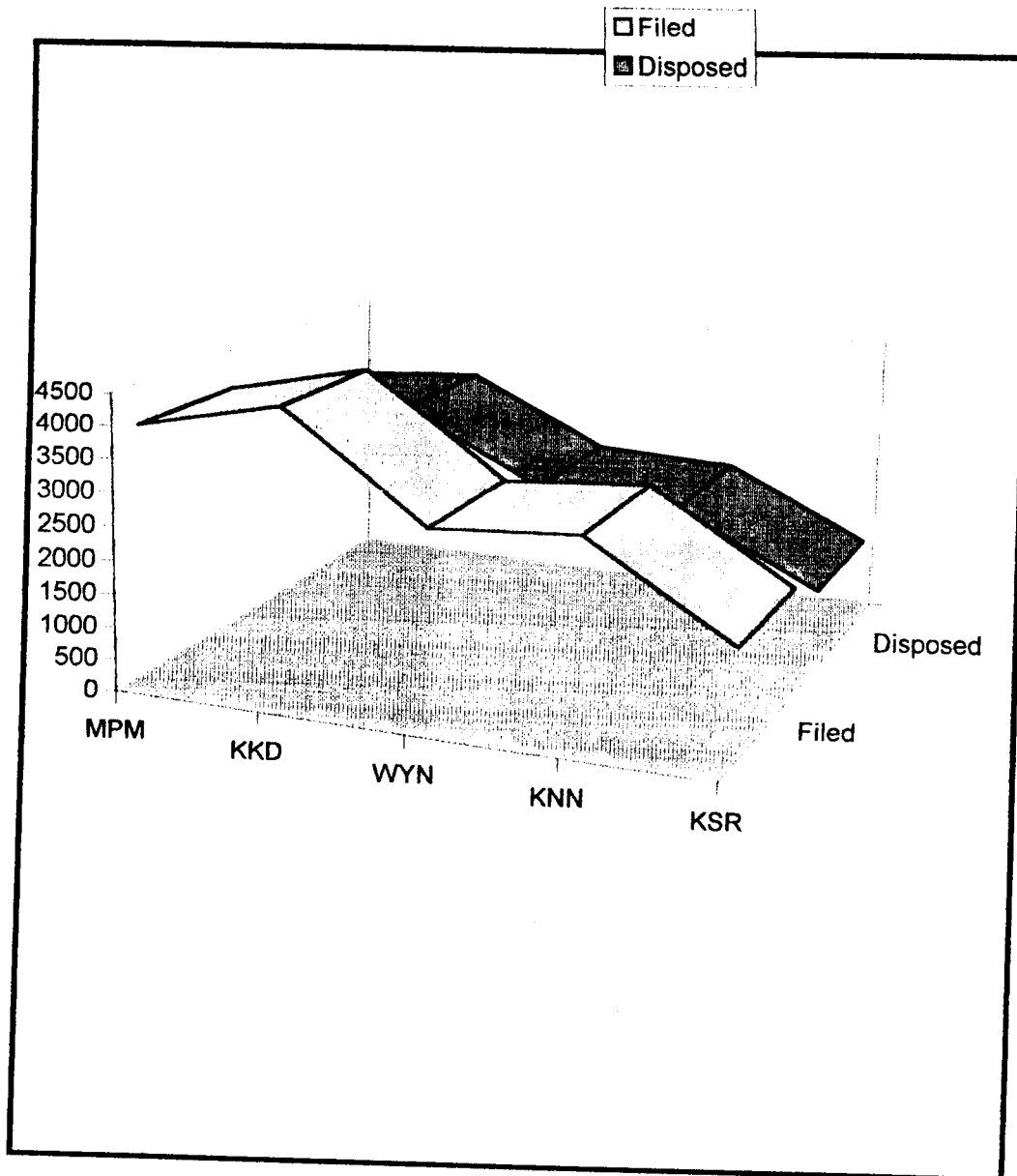
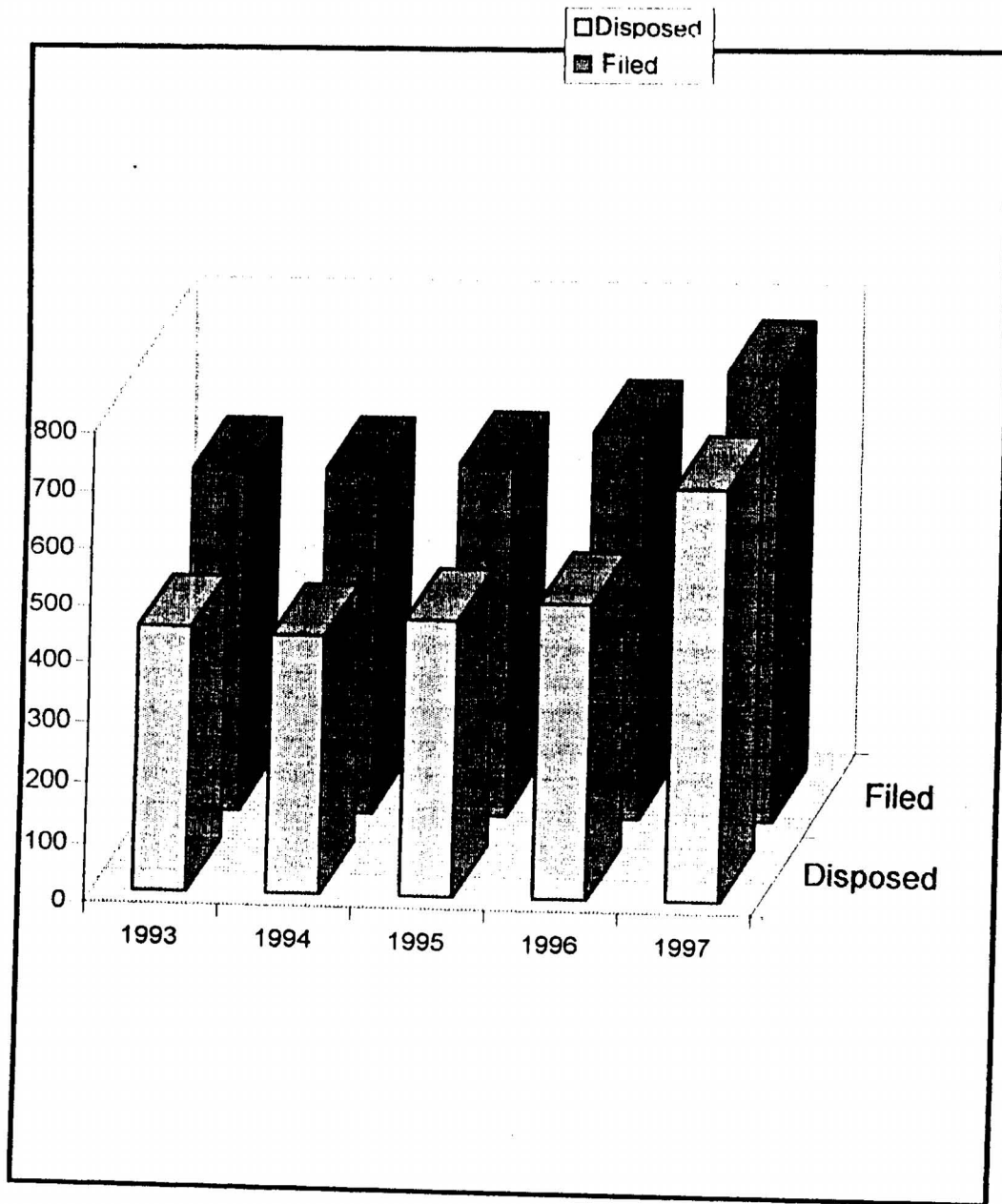


Fig. 6.3
Average rate of disposal to filing



process was prolonged even beyond 12 months. The quantum of delay has been assessed in terms of months, and is given in Table 6.8

TABLE 6.8

Time taken for Dispute settlements for the period 1993-'97
(Figures in brackets: Percentages)

Number of disputes settled within months -						
FORA	Below 3	3 to 6	6 to 9	9 to 12	Above 12	Total
MPM	1130	1205	418	326	190	3269
KKD	1089	1364	476	306	220	3455
WYN	615	982	284	263	236	2380
KNN	708	817	246	302	213	2286
KSR	362	394	272	180	61	1269
Total	3904(31)	4762 (38)	1696 (13)	1377 (11)	920(7)	12659(100)

Compiled from Consumer Protection, various issues

Table 6.8 indicates that about 69 per cent of the disputes are settled beyond the time limit of three months. Of these, a major portion is settled between 3 to 6 months (38 percent), about 13 percent is settled between 6 to 9 months, 11 percent within 12 months, and rest (7 percent) beyond one year.

Malappuram Forum ranked first in terms of disputes settled within the time limit of 3 months, with 1130 timely settlements followed by Kozhikode with 1089, Kannur 708, Wynad 615, and Kasargod 362 settlements.

While analysing settlements beyond 12 months, it was revealed that

maximum number occurred in Wynad Forum, followed by Kozhikode, Kannur, Malappuram and Kasargod.

This delay is a back-pulling factor of the operational efficiency of Fora. The study enquired about the reasons for the delay in forum process. These reasons were collected, codified, ranked and presented in Table 6.9.

TABLE 6.9
Reasons for settlements beyond time limit

Reasons for Delay	Weightage Given					Score	Rank
	I(5)	II(4)	III(3)	IV(2)	V(1)		
Adjournment	4	5	4	3	5	63	I
Problems in execution	2	1	3	3	1	30	V
Excess cases	3	4	5	4	5	59	II
Administrative problems	3	2	1	2	2	32	IV
Complexity of cases	3	3	2	3	2	41	III
Total	15	15	15	15	15	225	-

Scoring scale: 1st = 5, 2nd = 4, 3rd = 3, 4th = 2 and 5th = 1

Maximum possible score: 15x5 = 75.

Survey Data

A reference to the Table 6.9 shows that the most solid reason for delay of forum proceedings including dispute settlements is adjournments, followed by heaping number of cases, complex nature of cases, administrative problems and executory problems. The respective scores were 63, 59, 41, 32 and 30. Adjournment by any of the parties or the Fora members will prolong decisions. Besides, the piling number of cases over burdens the Fora

processes. The nature of certain complaints is so complex that only experts in the concerned fields can arrive at a justified solution. Excecutory and administrative problems also stand in the way of Fora efficiency.

Monthly Average Rate of filings and disposals

Even though the total number of cases filed has increased over the years, the Fora machinery has been rising to the occasion and have maintained a satisfactory rate of disposal, as revealed by Table 6.10

TABLE 6.10
Rates of Filing and Disposal of Disputes for the year 1997

Forum	Monthly Average Rate of Filing	Monthly Average Rate of Disposal	Traffic Intensity ρ
MPM	80.33	73.25	1.09
KKD	82.58	74.67	1.11
WYN	54.55	51.33	1.06
KNN	63.33	57.67	1.10
KSR	36.42	34.17	1.07
Total	317.16	291.08	1.09

Source: Survey Data

Table 6.10 conveys the idea that the monthly average rate of case filing and disposals do not comply with each other. For the purpose of statistical analysis, it is assumed that the Fora follow a queuing process on a single facility waiting line model with infinite input sources. The input process of disputes filed follow poison distribution and the dispute disposal follows exponential distribution.

The analysis of the queuing process delineates that there are variations between Fora in the efficiency of disposing filed suits. As indicated by the Traffic intensity, Wynad stands first among Fora in the study area, with $\rho = 1.06$. The lower the Traffic Intensity, the higher is the disposal rate, and the consequent Fora operational efficiency.

In terms of Traffic Intensity, Kasargod ranks second with $\rho = 1.07$, followed by Malappuram $\rho = 1.09$, Kannur $\rho = 1.10$ and Kozhikode $\rho = 1.11$.

The better traffic intensity in the case of Wynad and Kasargod Fora may be due to the fact that in these Fora, the total number of cases filed and disposed of is comparatively smaller.

In spite of the formational delay, the basic infra-structural facilities have marked much improvement, as reflected in the opinion of the fora members. Improvement in accommodation, staffing and office processing contributes much towards the operational efficiency of fora.

Assessment of routine operations revealed that even though there were variations between sittings conducted and scheduled, such variations were insignificant and that fora have been successful in conducting the sittings as scheduled.

But adjournments are the major pull back factor, and significant variation has been noticed between fora and between years.

The number of disputes filed has been increasing along with number of disputes disposed, indicating the improvement in efficiency of redressal mechanism.

A major portion of the disputes are settled beyond time limit. Adjournment is the largest delaying factor followed by excess number of cases.

Of the eleven variables evaluated, majority indicates that, over the years, the operational efficiency has improved much. The satisfactory level of infra-structure facilities, the near efficient management of Fora sittings and the improving rate of case disposals have contributed towards the increased efficiency of Fora operations.

Thus, it may be concluded that, on the whole the Fora could maintain a satisfactory level of operational efficiency. Therefore, the fourth hypothesis that the consumer Fora did not maintain a satisfactory level of efficiency is proved wrong and rejected.

SUMMARY OF FINDINGS AND SUGGESTIONS

Yakoob C. “A study on the impact of the consumer protection act 1986 on consumer movement, with special reference to northern districts of Kerala ”
Thesis. Department of Commerce and Management Studies , University of Calicut, 1998

Chapter VII

SUMMARY OF FINDINGS AND SUGGESTIONS

Consumer movement is a social movement which has a direct bearing on the behaviour and attitude of consumers, consumer organisations, business firms and government authorities.

The study is designed as an empirical one based on field survey. It is aimed at an assessment of different dimensions of impact the COPRA has brought on various components of the consumer movement. The COPRA, appears to have propelled great repercussions on the attitudes and behavioural aspects of contemporary Indian society. Hence the study proposes to analyse changes in consumer activism, activism of consumer organisations, attitude of business community, and operational efficiency of redressal agencies. It also aims to suggest avenues for possible improvement and streamlining functioning of the components .

Data were collected from both primary and secondary sources. For data collection , four sample groups were selected - consumers, consumer organisations, business firms and Fora members. Informants were personally contacted using pre-tested, structured schedule of questions. The collected data was codified, classified and tabulated for statistical analysis. The impact

on consumers is assessed by evaluating their attitudes, perceptions and activism during the pre-copra period and post-copra period, on certain indicators and variables. To isolate the impact of copra on consumer organisations and business firms, pre-copra and post-copra data were separately assessed and compared.

For statistical analysis of data, various mathematical and statistical tools such as percentages, averages ANOVA, X^2 test, 'Z' test, correlation, proportion test, queuing theory etc. have been applied.

A brief review of literature and articles indicates that several exhaustive studies had been undertaken on the broad area of consumer behaviour and protection. But three drawbacks seem to loom over the studies - difficulties of a seemingly inter-facultative study, confinement to individual aspects without a wholesome approach and localisation of the studies to a few states. In Kerala no authentic research work on the impact of COPRA on consumer movement has so far been carried out.

Consumer movement in India consists of three components - consumers and their organisations, business firms including renders of service and government authorities.

Consumers play a vital role in the promotion of consumer movement, through timely and appropriate responses. The study has discussed the concept of consumer and the term given in the COPRA is fairly wide.

A glance through the ancient history has clearly shown that just like the west, India too has centuries old history of movement. The emergence of problem of consumer protection in India in the pre- independence period and post- independence period has also been discussed.

Earlier, 'caveat emptor' was the accepted principle and the interest and the welfare of consumers were neglected. But the advent of COPRA has given more legal recognition for the various rights of consumers. The various consumer rights recognised the world over, have been specifically incorporated in the COPRA. By the Amendment Act of 1993 , these rights have been made applicable to services, besides goods. However, two rights recognised universally - right to basic needs and right to healthy environment are not given due recognition by the Indian law.

Consumer interests can be protected adequately only by organised action on the part of consumers. In a democratic country, only the voice of people in unison will produce any result. Consumer education and awareness is a pre-requisite for a sound consumer movement and only

organisations can effectively disseminate education and awareness to the mass. These factors have made the role of consumer organisations in the movement, significant.

The study gave a profile of VCOs in Kerala. There are more than 130 registered VCOs in Kerala, and have been striving to achieve their objectives. Besides registered VCOs, a number of informal consumer groups are active in Kerala. Consumer vigilance cells have been established comprising of ration card holders, under each ration shop.

Business firms constitute another major component which comprises of traders, manufacturers and service firms. Business self regulation has been advanced as a technique which can make significant contribution towards the development of consumer movement. Business firms have announced and accepted codes of ethics.

In a modern democratic state, it is the duty and responsibility of the government to safeguard the interests of consumers. Present day governments seem to show more interest in intervening in areas such as prices of goods, quality, selection, prices of substitutes, trading practices, grievance redressal etc.

The study assessed the problems of consumer movement in India. The

profile of the consumer as a group is heterogeneous with overlapping and conflicting roles. They have no positive, long range objective. They often sacrifice common public interest for self-interest. Most of the consumer action groups are urban based.. They operate on meagre financial and manpower resources. These have slowed down the overall growth of the movement. Consumers' ignorance and negative attitudes also have contributed towards the retarded growth of the movement.

About 40 pieces of legislation have been enacted in favour of the consumer. These enactments excluding COPRA cover only certain aspects of consumer protection. But the COPRA covers almost all complaints with respect to goods and services. The Act incorporates 31 sections, with a number of sub-sections. It is a piece of socio-economic legislation enacted primarily to provide a cheap and speedy remedy to the aggrieved consumers.

The Act has made far reaching strides in the behaviour, awareness, participation and jurisprudence of consumers. These indicators have been evaluated as to the pre-copra and post-copra periods, in order to assess the impact of COPRA on consumers.

Income of consumers significantly influences their consumption pattern. The middle income group constitutes a considerable share of urban

as well as rural consumers. About 65 percent of urban consumers and 63 percent of rural consumers have received middle education. The single largest category among urban consumers is salary earners, and among rural consumers agriculturists.

The study analysed the purchase behaviour of consumers focusing on pre-purchase planning, choice of buying channels, ensuring weights and measures and outlet comparison. The COPRA brought significant positive impact on these. The proportion of consumers making pre-purchase planning always or frequently have risen to 61.5 percent from 52.8 percent over the periods. The habit of choosing suitable buying channel has considerably increased from 47.7 percent to 56.3 percent, that of ensuring weights and measures from 32.9 to 39.5 per cent and that of outlet comparison from 43 per cent to 52 per cent.

Consumer awareness is assessed by analysing the awareness of rights, of laws, of their organisations and attendance in awareness programmes. Over the periods the percentage of consumers with full or almost full awareness has increased from 37.6 per cent to 46.0 per cent. Significant increase in the awareness levels have been traced in the aspects of laws and consumer organisations. But there has been only insignificant increase in the attendance at awareness programmes.

Consumer participation is evaluated by scaling participation in organisational meetings, educational programs, responses to consumer issues and utilisation of organisational services. The proportion of those participating in meetings always or frequently rose to 54 per cent from 43 per cent. Participation in educational programs increased from 44 per cent to 56 per cent, expression of response from 36 per cent to 53 per cent and utilisation of services from 39 per cent to 55 per cent respectively.

Since the advent of COPRA, there has been significant increase in consumer jurisprudence. The rights protective power of COPRA has been considered good or excellent by 52 per cent of respondents. Positive variation exists between the two periods as to the perceptions on access to justice, simplicity of procedures and prevention of malpractices.

The study examined the nature of consumer dissatisfaction, action on dissatisfaction and nature of redressal sought. Deficiency in service is the most prominent cause of dissatisfaction, followed by defect in goods. Since the establishment of Fora, complaining with them is the most popular course of action. Replacement of goods and removal of defects are the most sought out redressal.

The study attempted to measure the impact the COPRA has brought

on consumers' activism. It indicates significant positive variation in Malappuram, Wynad, Kannur and Kasargod districts. The variation in Kasargod is insignificant. On the whole the COPRA has been influential in the study area in moulding the attitudes and perceptions of consumers. This proved the hypothesis that 'COPRA has brought significant increase in consumer activism' is true.

Moderate positive correlation exists between consumer awareness and consumer participation. High degree of correlation exists between consumer activism and behaviour and between activism and awareness. Consumer participation and jurisprudence are moderately correlated to consumer activism. The hypothesis that 'there is high degree of positive correlation between consumer awareness and participation' is proved wrong.

The COPRA has brought its impact on the performance of VCOs on membership, promotion of awareness and settlement of disputes. About 50 per cent VCOs are operating on Panchayat level, 25 per cent on taluk level and the balance 25 per cent on district or state level. Nearly 80 per cent of the VCOs are formed as societies. Prominent objectives of VCOs include consumer awareness, general guidance and legal advice. Majority of VCOs have been affiliated to higher bodies.

The average number of members per VCO has increased from 319 to 493. During the pre-copra period, VCOs could not maintain a progressive growth rate of membership. There has been insignificant variation in utilising services of VCOs.

All VCOs had been undertaking various awareness programs. Public meetings ranked first in popularity followed by organisational meetings and cultural programs. 90 per cent of VCOs have conducted less than 10 programs per year. Attendance in awareness programs have increased moderately. The Mean Attendance has decreased from 222 to 215. The participation level as members has increased from 49 per cent to 76 per cent. The Mean Expenditure on awareness programs rose to Rs. 50000 from Rs. 18750.

Mean number of complaints received by VCOs increased from 75 per cent to 160 percent, and that of settled complaints rose from 63 per cent to 120. VCOs could pull down the average time taken to settle complaint from 30 days to 21 days. However, the number of pending complaints had been constantly increasing. The traffic intensity at the dispute settlement system has risen to 1.33 from 1.19 indicating that VCOs in the study area had not been coping up with the ever increasing number of complaints. VCOs fared well on the front of awareness and membership, but lagged behind in dispute

settlement. Thus the hypothesis that VCOs have not been fully successful in carrying out their objectives is proved true.

The survey revealed the basic structure of business firms in the area. About 80 per cent of the firms belong to private sector. Traders constitute the major share -- 62.67 per cent, followed by manufacturers-- 21.33 per cent and service firms -- 16 per cent. Majority of the firms are small scale. Sole traders and partnerships are the common form of business organisation.

Over the periods, the awareness of laws and awareness of rights has considerably increased. Firms sponsor awareness programs on an increased scale and has augmented the degree of their co-operation with VCOs in consumer matters.

In both the periods business firms are found to apply sound business practices. Presently, 63 per cent of traders, 65 per cent of manufacturers and 75 per cent of service firms apply fair business practices. Most of the firms had been taking care for timely redressal of dissatisfaction. There had been favourable changes in the performance of warranties. Presently the business community is eager to provide required information to consumers, than they did a decade back.

In the post-copra period, customer relationship was maintained at a

higher degree by all types of firms. Presently 63 per cent of traders, 50 per cent of manufacturers and 67 per cent of service firms are quality conscious on excellent or good level. Majority of firms show social responsibility on a fairly good manner. Consumer orientation existed even in the pre-copra period, but in the post-copra period, firms enhanced this to a great extent.

Considering the indicators of awareness, prevention of grievances and attitudes, it is realised that significant positive variation existed between the two periods. This is presumed to be the impact of COPRA. Therefore the hypothesis that 'the COPRA could not generate positive impact on awareness and attitudes of business community' is proved wrong.

The study threw light on the operational environment of Fora. Majority of Fora members opined that the accommodation and amenities are inadequate. About 80 per cent is at least moderately satisfied as to the staffing of Fora offices. All the Fora have satisfactorily conducted the sittings scheduled and any variation found between the years is insignificant. Maximum variation is found in Kannur, whereas minimum is found in Malappuram.

There has been significant variations in adjournments, both between Fora and between years as proved by ANOVA. The adjournments are

found to be the major cause for delay in dispute settlement. There has been constant increase both in number of cases filed and disposed. In 1994 the number showed a decline, but it steadily increased thereafter, and revealed a sharp rise in 1997. However, the number of disposals also has been increasing, which reveals the increasing efficiency of the redressal mechanism.

About 69 per cent of disputes are settled beyond time limit. The reasons for this are adjournments, excess cases, complex nature of cases, administrative and executory problems. However, Fora could maintain a satisfactory rate of disposal. As indicated by the traffic intensity, Wynad stood first with 1.06 followed by Kasargod 1.07, Malappuram 1.09, Kannur 1.10 and Kozhikode 1.11. The better traffic intensity in Wynad and Kasargod Fora may be due to the comparatively smaller number of cases filed. It can be inferred that Fora kept a satisfactory level of operational efficiency and the hypothesis that the Fora did not maintain a satisfactory level of efficiency is proved wrong.

The structural factors contributing towards the progress of consumer movement are consumer behaviour, awareness, participation, jurisprudence, membership, promotion of awareness, handling of complaints, changes in attitudes and operational efficiency of the redressal mechanism. The study

analysed the impact of COPRA on these factors and it is revealed that there has been both positive and negative impact on the three components of the consumer movement. The present work shows how assertive and influential the COPRA is on consumer protection and movement. The analysis confirms the impression that consumer movement in India today is well-established and entrenched as an important aspect of modern Indian fundamental rights jurisprudence.

However, desired degrees of awareness, expression of responses, participation and attitudinal changes have not been realised, on the part of consumers, organisations and business firms. Even after twelve years of active presence of COPRA, consumerists still keep up their crusade for plugging the remaining loop holes in the Act and to secure better welfare for the consumer through a sound consumer movement. In this context, a revamping of the present attitudes and perceptions of the components is necessary. The following suggestions go a long way in this direction.

Suggestions

Spreading awareness

- The government may direct Public Relations Department and Field Publicity to identify consumer awareness as a thrust area.

- The subject of consumer protection may be included in the school curriculum so as to popularise the movement even among younger generation.
- There are plans, at the higher education level, to include national service as a compulsory collegiate subject. While implementing this, the subject of consumer protection may be given due recognition.
- VCOs must increase the frequency of awareness programs by conducting more number of seminars, workshops, public meetings, training camps etc.
- Attempts must be made to ensure more attendance at such programs by members and non-members. For this, programs must be made more attractive, and informative. Provision of compliments may be considered with the sponsorship of business firms.
- Each VCO must publish a periodical, atleast with a local circulation. Members must be compelled to subscribe to this, but on a subsidy.
- Business firms must increase their co-operation with VCOs by sponsoring more number of programs of awareness and sending delegates to such programs.

- The print media may set aside exclusive consumer page, so that the message may reach even the rural poor, at low cost.

Preventing grievances

- Consumers must acquire certain sound buying practices like pre-purchase planning, selecting the channel, shop comparison, ensuring weights and measures etc. These will be helpful in avoiding chances of dissatisfaction. For this, consumers may be induced to attend awareness classes, seminars etc.
- Consumers must keep vigilance against unfair selling practices like sale by loose, selling in unlabelled packets etc.
- VCOs must organise, train and lead consumers in promptly and effectively responding to consumer issues. This will prevent immature and untimely responses, which may prove detrimental to consumer interests.
- Business firms are to disseminate complete information as to price, stock, quality, purity, potency by exhibiting them. This will prevent the possibilities of dissatisfaction and grievance. Informative salesmanship will be helpful in this direction.

- Special care must be applied by firms in the prompt performance of warranties. Non-performance of warranties are one of the causes of dissatisfaction and disputes.

Settling complaints

- Business firms must set up consumer complaint cells exclusively for considering complaints and advising consumers, so as to settle them within the firm itself.
- Firms are to take up consumer complaints positively. A complaint well settled is an effective advertisement. An unsettled genuine complaint will adversely affect the image of the firm.
- Lack of sufficient product test laboratories is one of the reasons for delay in settlement procedures. Establishment of product test laboratories attached to each forum is a solution to this.

Improving Fora efficiency

- In order to reduce traffic intensity, each forum may be transformed into a Multiple Facility Service System. This will speed up disposal of pending cases. The increasing number of Executory Petitions at Fora indicates lack of executory powers vested with the Fora. Sufficient executory powers

must be bestowed upon the Fora to tackle this.

- At present Fora have no power to issue interim orders. Necessary Amendment may be made to the Act to enable Fora issue interim orders.
- Of the three forum members, only one belongs to judiciary and other two are non-judicial members nominated by the government, mostly on political basis. To ensure more judicial representation, number of judicial members may be raised to two.
- The government may decentralise the existing redressal mechanism to taluk level. For this Taluk Redrassal Agencies may be set up with pecuniary jurisdiction of Rs one lakh. But this involves heavy cost and time. So, on an adhoc basis, regional sittings may be scheduled and conducted at taluk headquarters to speed up disposals.
- Reasonable and appropriate amount of comparison and exemplary damages may be allowed on deserving complaints.
- Government may set up an exclusive department to deal with consumer matters, detaching from the Civil Supplies Department.

Promoting Consumer Movement

- The movement may be incorporated with the Peoples' Plan Program (IXth)

Plan) so as to build and augment a popular base and financial support.

- The right to basic needs and the right to live in a healthy environment, which are hitherto excluded, must be given due recognition. This will widen the reach of movement.
- The government may consider the instituting of honorary awards to well performing VCOs and consumer activists, so as to attract and ensure more active participation of these.
- The government may direct political parties to include consumer affairs in their agenda. Consumer activism may be insisted as one of the qualifications for candidature for general elections. The ambit of the movement may be increased by including services rendered by government officials and servants, within the purview of the COPRA.

Most of the suggestions put forward warrant long term study and planning, before their implementation. However, a few of them could be implemented straight away without much financial commitment.

The enactment of any law, however backed by political will and infrastructure will not serve its purpose unless consumers are themselves ready to assert their right and to participate actively in the processes of consumer

movement. If consumers, VCOs, business firms and governments do not rise to the occasion, the benefits reaped under the COPRA, in the last decade, will be washed away.

In this context the present study has been rather an exploratory peep. There is ample scope for further research on various aspect of the movement. A study on the linking of consumer protection machinery to the Panchayati Raj Movement, especially at Grama Panchayat level could be attempted.

A social cost-benefit analysis of Fora operations may be undertaken to bring out its inefficiencies and avenues for improvement. The present administrative policy of the government of attaching consumer affairs to the Civil Supplies Department may be subjected to a scientific probe to reveal the administrative failures and problems.

APPENDIX I

Interview schedule for consumers

No
 Taluk Code
 Date

1. General Information

- | | | | | |
|-----|---------------------------|---|---|--|
| 1.1 | Educational qualification | : | No formal education
Primary education
Secondary education
Collegiate education
Professional | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 1.2 | Occupation | : | Wage earners
Salary earners
Agriculturists
Traders
Self-employed
Professional | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 1.3 | Age group | : | Below 25
26 to 40
Above 40 | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 1.4 | Annual income | : | Below Rs 12000
12001 to 36000
36001 to 50000
Above 50000 | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |

2. Purchase Behaviour

- | | | Pre-copra Post-Copra | | | |
|-----|---|-------------------------|---|--|--|
| 2.1 | Do you make pre-purchase planning ? | : | Always
Frequently
Occasionally
Never | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 2.2 | Do you make choice of buying channels ? | : | Always
Frequently
Occasionally
Never | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |

		Pre- Copra	Post-Copra
2.3	Do you make shop comparison ?	: Always Frequently Occasionally Never	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.4	Do you ensure weights and measures ?	: Always Frequently Occasionally Never	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3 Awareness			
3.1	Level of awareness of rights	: Fully aware of Aware of most Aware of a few Not aware	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.2	Level of awareness of laws	: Fully aware of Aware of most Aware of a few Not aware	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.3	Awareness of VCOs	Very High High Moderate Low	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.4	Level of attendance in awareness programmes	Attend all Attended most Attended few Not attended any	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4. Participation			
4.1	Level of participation in organisational meetings	Always Frequently Occasionally Never	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.2	Are you a member of a VCO?	Yes No	<input type="checkbox"/> <input type="checkbox"/>

		Pre-Copra	Post-Copra	
4.3	Level of participation in educational programmes	Very High	<input type="checkbox"/>	<input type="checkbox"/>
		High	<input type="checkbox"/>	<input type="checkbox"/>
		Moderate	<input type="checkbox"/>	<input type="checkbox"/>
		Low	<input type="checkbox"/>	<input type="checkbox"/>
4.4	Degree of response to consumer issues	Very High	<input type="checkbox"/>	<input type="checkbox"/>
		High	<input type="checkbox"/>	<input type="checkbox"/>
		Moderate	<input type="checkbox"/>	<input type="checkbox"/>
		Low	<input type="checkbox"/>	<input type="checkbox"/>
4.5	Do you utilise services of VCOs ?	Always	<input type="checkbox"/>	<input type="checkbox"/>
		Frequently	<input type="checkbox"/>	<input type="checkbox"/>
		Occasionally	<input type="checkbox"/>	<input type="checkbox"/>
		Never	<input type="checkbox"/>	<input type="checkbox"/>
5. Jurisprudence				
5.1	How do you evaluate COPRA as to protection of consumers rights ?	Excellent	<input type="checkbox"/>	<input type="checkbox"/>
		Good	<input type="checkbox"/>	<input type="checkbox"/>
		Average	<input type="checkbox"/>	<input type="checkbox"/>
		Bad	<input type="checkbox"/>	<input type="checkbox"/>
5.2	How do you evaluate COPRA as to access to justice	Excellent	<input type="checkbox"/>	<input type="checkbox"/>
		Good	<input type="checkbox"/>	<input type="checkbox"/>
		Average	<input type="checkbox"/>	<input type="checkbox"/>
		Bad	<input type="checkbox"/>	<input type="checkbox"/>
5.3	What is your perception on simplicity of procedures ?	Excellent	<input type="checkbox"/>	<input type="checkbox"/>
		Good	<input type="checkbox"/>	<input type="checkbox"/>
		Average	<input type="checkbox"/>	<input type="checkbox"/>
		Bad	<input type="checkbox"/>	<input type="checkbox"/>
5.4	What is your perception on prevention of malpractices	Excellent	<input type="checkbox"/>	<input type="checkbox"/>
		Good	<input type="checkbox"/>	<input type="checkbox"/>
		Average	<input type="checkbox"/>	<input type="checkbox"/>
		Bad	<input type="checkbox"/>	<input type="checkbox"/>

D

6. Dissatisfaction & Redressel

		Pre-Copra	Post-Copra
6.1 Which of these offer grounds for dissatisfaction	Convenience goods	<input type="checkbox"/>	<input type="checkbox"/>
	Shopping goods	<input type="checkbox"/>	<input type="checkbox"/>
	Speciality goods	<input type="checkbox"/>	<input type="checkbox"/>
	Services	<input type="checkbox"/>	<input type="checkbox"/>
6.2 Nature of disputes	Unfair trade practices	<input type="checkbox"/>	<input type="checkbox"/>
	Defect in goods	<input type="checkbox"/>	<input type="checkbox"/>
	Deficiency in service	<input type="checkbox"/>	<input type="checkbox"/>
	Charging excess prices	<input type="checkbox"/>	<input type="checkbox"/>
	Hazardous goods	<input type="checkbox"/>	<input type="checkbox"/>
6.3 State your action on dissatisfaction	Complain to the trader	<input type="checkbox"/>	<input type="checkbox"/>
	Complain to local authority	<input type="checkbox"/>	<input type="checkbox"/>
	Approach on organisations	<input type="checkbox"/>	<input type="checkbox"/>
	Complain to court/forum	<input type="checkbox"/>	<input type="checkbox"/>
	No action	<input type="checkbox"/>	<input type="checkbox"/>
6.4 Nature of Redressel sought	Remove the defect	<input type="checkbox"/>	<input type="checkbox"/>
	Replace the goods	<input type="checkbox"/>	<input type="checkbox"/>
	Repair and reinstate	<input type="checkbox"/>	<input type="checkbox"/>
	Return the price	<input type="checkbox"/>	<input type="checkbox"/>
	Pay compensation	<input type="checkbox"/>	<input type="checkbox"/>

APPENDIX II

Interview schedule for voluntary consumer organisations

No
Taluk code.....
Date.....

1 General Information

1.1	Locale	Urban	<input type="checkbox"/>
		Rural	<input type="checkbox"/>
1.2	Area of operation	Village	<input type="checkbox"/>
		Grama Panchayat	<input type="checkbox"/>
		Taluk	<input type="checkbox"/>
		District	<input type="checkbox"/>
		State	<input type="checkbox"/>
		National	<input type="checkbox"/>
1.3	Form of organisation	Society	<input type="checkbox"/>
		Trust	<input type="checkbox"/>
		Trade Union	<input type="checkbox"/>
		Companies	<input type="checkbox"/>
1.4	Year of commencement of activity		<input type="text"/>
1.5	Objectives	Consumer awareness	<input type="checkbox"/>
		Consumer Education	<input type="checkbox"/>
		Representation	<input type="checkbox"/>
		General guidance	<input type="checkbox"/>
		Legal advice	<input type="checkbox"/>
		Research	<input type="checkbox"/>
		Publication	<input type="checkbox"/>
1.6	Whether affiliated or not	Affiliated	<input type="checkbox"/>
		Not affiliated	<input type="checkbox"/>
2. Membership			
2.1	Total number of members	Below 100	<input type="checkbox"/>
		101 to 500	<input type="checkbox"/>
		501 to 1000	<input type="checkbox"/>
		Above 1000	<input type="checkbox"/>
2.2	Does the VCO has a network of branches	Yes	<input type="checkbox"/>
		No	<input type="checkbox"/>

2.3	Distribution level of members	Panchayat	<input type="checkbox"/>
		Taluk	<input type="checkbox"/>
		District	<input type="checkbox"/>
		State	<input type="checkbox"/>
2.4	Does the VCO propose to widen the distribution of membership	Yes	<input type="checkbox"/>
		No	<input type="checkbox"/>
2.5	Degree of availing of service by members	Low	<input type="checkbox"/>
		Medium	<input type="checkbox"/>
		High	<input type="checkbox"/>
		Very high	<input type="checkbox"/>
2.6	Membership for the period 1986-1996	1986	<input type="checkbox"/>
		1988	<input type="checkbox"/>
		1990	<input type="checkbox"/>
		1992	<input type="checkbox"/>
		1994	<input type="checkbox"/>
		1996	<input type="checkbox"/>
2.7	Educational composition of members	Up to primary	<input type="checkbox"/>
		Secondary	<input type="checkbox"/>
		Collegiate	<input type="checkbox"/>
		Professional	<input type="checkbox"/>
3.	Promotion of Awareness		
3.1	Nature of awareness programmes undertaken	Organisational meetings	<input type="checkbox"/>
		Seminars	<input type="checkbox"/>
		Public meetings	<input type="checkbox"/>
		Training camps	<input type="checkbox"/>
		Cultural programmes	<input type="checkbox"/>
3.2	Frequency of awareness programmes	Less than 5/ year	<input type="checkbox"/>
		6 to 10/year	<input type="checkbox"/>
		11 to 15/year	<input type="checkbox"/>
		More than 15/year	<input type="checkbox"/>
3.3	Average attendance in awareness programmes	Below 100	<input type="checkbox"/>
		101 to 200	<input type="checkbox"/>
		201 to 500	<input type="checkbox"/>
		Above 500	<input type="checkbox"/>

27

3.4 Level of participation	Observers	<input type="checkbox"/>
	Supporters	<input type="checkbox"/>
	Members	<input type="checkbox"/>
	Activists	<input type="checkbox"/>
3.5 Annual expenditure on awareness programmes	Below Rs 25000	<input type="checkbox"/>
	R2 25000 - 50000	<input type="checkbox"/>
	Rs 50000 - 75000	<input type="checkbox"/>
	Above Rs 75000	<input type="checkbox"/>
3.6 Have you availed financial assistance from CCWF	Yes	<input type="checkbox"/>
	No	<input type="checkbox"/>
3.7 Frequency of special campaigns for disadvantaged class	Below 6/year	<input type="checkbox"/>
	7 to 12 / year	<input type="checkbox"/>
	13 to 18 / year	<input type="checkbox"/>
	Above 19 / year	<input type="checkbox"/>
4. Handling of complaints		
4.1 Average number of complaints received per year	Below 100	<input type="checkbox"/>
	101 - 200	<input type="checkbox"/>
	201 - 500	<input type="checkbox"/>
	Above 500	<input type="checkbox"/>
4.2 Average number of complaints settled per year	Below 100	<input type="checkbox"/>
	101 - 200	<input type="checkbox"/>
	201 - 500	<input type="checkbox"/>
	Above 500	<input type="checkbox"/>
4.3 Average time taken for settlement	Above 30 days	<input type="checkbox"/>
	21 to 30 days	<input type="checkbox"/>
	11 to 20 days	<input type="checkbox"/>
	Less than 10 days	<input type="checkbox"/>
4.4 Number of complaints pending at the end of	1986	<input type="checkbox"/>
	1988	<input type="checkbox"/>
	1990	<input type="checkbox"/>
	1992	<input type="checkbox"/>
	1994	<input type="checkbox"/>
	1996	<input type="checkbox"/>

APPENDIX III
Interview scheduled for Business Firms

No

Taluk Code

Date

1. General Information

- | | | | |
|-----|-----------------------|--|--|
| 1.1 | Nature of ownership | private
Public | <input type="checkbox"/>
<input type="checkbox"/> |
| 1.2 | Nature of business | Trader
Manufacturer
Service firm | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 1.3 | Scale of operation | Small scale
Medium scale
Large scale | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 1.4 | Form of organisation | Sole proprietorship
Partnership
Company
Co-operative society
Public enterprise
Others | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 1.5 | Nature of merchandise | Convenience goods
Shopping goods
Speciality goods
Service | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |

2. Consumer Awareness

- | | | | |
|-----|---|--|--|
| 2.1 | Are you aware of laws affecting consumers | Not aware
Aware of a few
Aware of some
Aware of most
Fully aware | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |
| 2.2 | Are you aware of the rights of consumers | Not aware
Aware of a few
Aware of some
Aware of most
Fully aware | <input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/> |

2.3 Do you promote consumer awareness and education	Always Frequently Often Rarely Never	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
2.4 Level of co-operation with VCOs in disseminating awareness	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3. Prevention of Grievance and dissatisfaction		
3.1 Do you apply fair business practices	Always Frequently Often Rarely Never	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.2 Do you give priority for redressing dissatisfaction of consumers	Always Frequently Often Rarely Never	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.3 Steps for redressal	Personal hearing Advice Guidance Complaint cell Routing to a VCO Routing to a Forum	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.4 Nature of warranties offered	After sales service Home delivery Replacement Free service Repairs and Reinstatement Free installation	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
3.5 Level of performance of warranties	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

3.6 Do you provide complete information of the goods or service sold	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4. Attitude towards consumer movement		
4.1 Maintenance of customer relationship	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.2 Degree of quality consciousness	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.3 Level of responsibility towards society	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.4 Degree of consumer orientation	Excellent Good Fair Poor Bad	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
4.5 Reasons for consumer dissatisfaction	Defective goods Deficiency in service Overcharging Unfair trade practices Hazardous goods	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>

APPENDIX IV
Interview schedule for Government Authorities:

No

District code

Date

1. General information

1.1 Head Quarters :

1.2 Date of Establishment :

1.3 Nature of accommodation :

1.4 Is accommodation adequate : Excellent
 Good
 Fair
 Poor
 Bad

1.5 Number of staff members :

1.6 Is staff adequate ? : Excellent
 Good
 Fair
 Poor
 Bad

1.7 Is office processing efficient ? : Excellent
 Good
 Fair
 Poor
 Bad

2. Routine operations

2.2 Number of sittings scheduled for the period 1993 - 1997 : 1993
 1994
 1995
 1996
 1997

2.3 Number of sittings conducted in the period 1993 - 1997 : 1993
 1994
 1995
 1996
 1997

2.4	Number of adjournment of sittings	:	1993 1994 1995 1996 1997	<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
2.1	Who propose adjournments	:	Opposite parties Forum members Complainants	<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3. Complaint Disposal									
3.1	Number of cases filed	:	1993 1994 1995 1996 1997	<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.2	Number of cases disposed of	:	1993 1994 1995 1996 1997	<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.3	Total number of cases filed since inception up to 31 - 12 - 1997	:		<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.4	Total number of cases disposed of since inception up to 31 - 12 - 1997	:		<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.5	Balance of cases pending as on 31-12-1997	:		<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.6	Number of disputes settled within the time limit (for the period 1993 - 1997)	:		<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.7	Number of disputes settled beyond time limit	:	3 to 6 months 6 to 9 months 9 to 12 months Beyond 12 months	<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					
3.8	Reasons for delay	:	Adjournments Executory problems Excess cases Administrative procedures Complexity of cases	<table border="1" style="width: 100%; height: 100%;"> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> <tr><td style="width: 100px; height: 20px;"></td></tr> </table>					



160

APPENDIX V
DETAILS OF CASES FILED AND DISPOSED OF FOR THE MONTH OF DEC 1997

No.	Fora	Cases Filed	Cases Disposed	Cases filed since inception	Cases Disposed since inception	Balance pending
I.	TVPM CDRCA	141	95	8154	7921	233
1.	TVM	53	55	6161	5721	440
2.	KLM	75	92	6558	6177	381
3.	PTA	78	63	2870	2708	162
4.	IDK	31	41	3844	3568	276
5.	KTM	107	91	9704	8779	925
6.	ALPY	30	45	4717	4551	166
7.	EKM	134	143	10163	9427	736
8.	TSR	115	113	8158	7604	554
9.	PKD	57	58	5339	4922	417
10.	MPM	84	57	5016	4678	338
11.	KZDE	67	46	8958	8674	284
12.	WYD	48	21	2816	2585	231
13.	KNR	40	75	6024	5294	730
14.	KSDE	24	24	2510	2402	108

Fora Statement

APPENDIX VI

ANALYSIS OF DISPOSALS BY CDRC & CDRFs FOR THE MONTH OF DEC. 1994

No.	Name	Cases Diposed in favour of consumer	Cases disposed against consumer	Cases Dismissed	Total Disposals	Cases decided beyond time limit	Cases filed against Govt./PSUs
State CDRC							
1.	Complaints	5	11	0	16	0	1
2.	Appeals	53	43	0	96	0	65
CDRFs							
1.	TVM	56	35	0	101	53	26
2.	KLM	34	11	29	74	12	23
3.	PTM	14	3	5	22	0	16
4.	APZ	23	4	0	70	36	66
5.	KTM	43	1	111	155	1	43
6.	IDK	13	284	5	142	75s	21
7.	EKM	120	80	1	20	174	5
8.	TSR	73	51	9	133	12	29
9.	PKD	31	62	2	93	83	49
10.	MPM	0	2	0	0	0	4
11.	KKD	20	15	8	243	223	11
12.	WYN	26	63	7	101	72	8
13.	KNR	57	38	10	105	30	18
14.	KSDE	29	13	19	50	40	9
Total		739	527	232	1498	811	320
Grand Total		297	581	232	1610	811	396

Consumer Protection - March - April 95

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26

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