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SUBJECT- CONSUMER PROTECTION ACT

CLASS- LL.M. II semester

Topic- Consumer protection

Government's Role - Consumer protection

Affairs A separate department of Consumer Affairs was created in 1997 to act as the nodal outfit in the Central Government for promoting and protecting the welfare of consumers. It seeks to do this in various ways such as ensuring availability of essential commodities at reasonable prices including monitoring of prices, formulating standards of goods and services, regulation of weighing and measuring instruments and pre packed commodities and providing a legislative framework for safeguarding consumers' interests and establishment of machinery for redressal of consumer complaints. To meet these objectives the Department has been undertaking various measures involving all concerned to

strengthen the consumer movement in the country. Some of the important measures being taken to strengthen the consumer movement include initiating multimedia publicity programmes to educate the consumers, providing financial assistance through consumer welfare fund to the NGOs and State Governments to generate consumer awareness, setting up of district information centres to guide the public, national awards on consumer protection to encourage outstanding work by women and youth, observing national and World Consumer Rights Day to remind the consumers to be vigilant, interactions with various interests through Central and State Consumer Protection Council to promote and protect the rights of the consumers, formulation of citizens' charters containing their entitlements to public services, standards of performance and redressal of grievances for providing an efficient and responsive administration. 42 The success of the consumer movement mainly depends upon the level of consumer awareness around the country. The Government can only be playing the role of a facilitator or catalyst. The growth of consumer movement is a voluntary effort involving the participation of one and all.

Only alert consumers can protect themselves and the society.

Consumer Protection –

At European level, consumption represents more than 55 percent of European Union (EU) Gross Domestic Product (GDP). For this reason, the consumers in all EU countries would be regarded as a real power of the economy. The proper functioning of the internal consumption market in Europe is conditioned by the development and the implementation of an active policy of consumer protection in all Member States. In 2012, according to the European Commission, about 45 percent of European consumers have made at least one purchase online. The growth rate of this percentage was 2 percent compared to 2011, and 5 percent compared to 2010. Based on these historical developments, it is likely that the proportion of consumers engaging in e-commerce to exceed 50 percent by 2015, according to

the target set in the Digital Agenda for Europe. Also according to European Commission data, the volume of electronic commerce businesses-to-consumer has increased by almost 20 percent between 2011 and 2012 in the EU, reaching around 270 billion EURO. In EU countries, most of the online shopping (percent of population who ordered goods or services over the Internet for private use in the last 12 months) was registered in Sweden (74 percent), Denmark (73 percent), the UK (73 percent), the Netherlands (70 percent), and Luxembourg (68 percent). On the other hand, all countries of Eastern and Southern Europe have below-average rates of online purchases. In Romania and Bulgaria these values are the lowest, reaching around 5 percent and 9 percent. Considering these statistics, it is anticipated that the countries of Eastern and Southern Europe will be the fastest-growing e-commerce markets in the coming years (European Commission, 2013). 44

The European Consumer Agenda 2012 established a strategic vision which aims to place the consumers at the heart of the single market by strengthening their safety, knowledge building consolidation, enforcement of the law application and ensuring redress measures, and

aligning the consumer rights and related policies to economic and social changes. Technological changes and online purchases involve some risk that consumer protection legislation should seek to minimize. The consumer rights and welfare are deeply rooted in the fundamental values of the EU, confirmed by numerous laws governing the consumer protection. In 2004, the consumer protection regulation (CPC) has outlined a framework for cooperation between national authorities of the EU Member States to cover the gaps identified in the implementation of EU legislation on consumer rights.

The success of the consumer movement mainly depends upon the level of consumer awareness around the country. The Government can only be playing the role of a facilitator or catalyst. The growth of consumer movement is a voluntary effort involving the participation of one and all. Consumer Protection refers to protect the consumer from various business malpractices. The main aspect of such Law is to eliminate the exploitation in order to curb unfair trade practices in society. In today's diversified economy, the better organized business sectors enjoy the most powerful

position, wherein it becomes easy for such commercial agencies to exploit the consumers. The worst affected victims of business tactics are the consumers and hence they need to be protected through consumer protection laws. No matter what laws we have in our country but when it comes to its implementation and applicability, awareness in the society is the prime area responsible to its success. Today, growing globalized markets in world economy has developed a high sense to pinpoint the structured laws in the development of consumer protection. Despite of Modern technological advancements that have largely impacted on the quality, viability and safety of goods and services, the fact reveals that the consumers are yet victims of 45 unscrupulous and exploitative practices. Consumers are exploited in various ways such as selling of defective goods, dubious hire purchase plans, fake business plans, high prices, poor quality, deficient services, black marketing and many more. Exploitation is even more severe in the rural areas as the consumers are illiterate and ignorant of their rights. Above all, the information revolution has thrown newer kinds of challenges to the consumers like e-commerce, cybercrimes, plastic money, etc., which affect

the consumer in even bigger way. In this context, the best way to empower the consumers is to educate them and make them aware about their rights and obligations. There were many questions that needed collective thinking and wisdom to find answers to many problems and challenges the consumers face day-in and day-out in market situations where the growing market violations are encountered. Since 1991, with the market liberalization policy of the government, thousands of profit-hungry marketers including the dubious/unscrupulous ones have been entering the market arena who hardly care even to recognize, forget about respecting the 'upobhokta adhikar' (the consumer rights). Therefore, under this circumstance, whether consumer is the 'King' or a 'slave' of the market is a BIG question. The unsuspecting and gullible consumers and particularly, those belonging to under-privileged and poorest sections of our society with low purchasing power are the worst victims of unbridled market injustice and exploitation. It seems our 'consumer rights are under siege". The scenario gets uglier and pathetic when millions of our diverse consumers of our multilingual and multicultural nation are not even aware of Upobhokta

Adhikar rightfully given by an Act of Parliament. The 'jago grahak jago' slogan incurring billions could hardly empower the consumers to save them from the continuous market injustice and exploitation. We also know millions of educated sections are not aware of their rights; how to protect; and where to go for redressal when their rights are violated in the market. Of course, for many people, ignorance becomes bliss. Some may perceive it as a sheer fate when they get cheated, or a part of karmaphal (to pay a price for past misdeed). It is this perception that empowers the business class to proactively violate the law of the land. With our collective will and wisdom, we may at least come out with certain remedies to protect our rights as consumers against the dubious but powerful marketers. We require a new 46 mindset and an out-of-box thinking and whenever necessary involving the civil society in a big way to check the menace of market injustice. We need to walk together as partners to change the present, to move to the future and reach out to the people who need it. The challenges of consumer rights violations can be addressed only when we try to think differently together and voice our concerns to the authorities with

constructive suggestions to appropriately amend the CPA, if required. Along with policies we also require honest efforts to implement these. Of course it is not a one way road. In other words, policy reform alone cannot be the only solution unless it is seen to work on the ground. With the way the advertisement strategies increasingly adopted are actually misleading the consumers due to which many vulnerable consumers fall into their trap, and they throw many challenges to consumers in the market to protect their rights. It is here the role of consumer forum finds its centrality and is vital. But unfortunately the quasi-judicial bodies like consumer forum are not in a position to expeditiously reduce the sufferings of consumers due to certain inherent weaknesses and challenges of piling up of cases with the rising awareness level of the consumers. One of the challenges is delay in disposing of cases. It is a major challenge. The consumer rights education and awareness movements are the need of the hour. When information is misleading and when regulations fail to prevent harmful side effects, the impacts of consumption can be negative. Price signals are one important form of information, but accurate labeling and other product

information are equally important. The information now available to consumers, provided mostly by commercial advertisements, is grossly unbalanced. Other information – about the contents and hazards of products – is lacking. Consumer education is important. The government has an important role to provide quality education, to enforce controls on misleading advertising, to ensure proper labeling of goods and to clarify their effects on health and safety. In developing countries, consumer movements are gathering power.