

PROBLEMS OF CONSUMERS' PROTECTION IN INDIA: AN OVERVIEW

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ABSTRACT

An individual is called consumer if he or she purchases any kind of product or service for consumption. All consumers have needs and wants of certain products and services. There is also right of any consumer to get better product without any exploitation at reasonable prices. But in our country due to various economic & non-economic factors consumers are ruthlessly exploited at large scale. The forms of exploitation are spurious products, deceptive advertisement, and price discrimination and so on. Many experts claim that consumer protection has been protected successfully due to various consumer protection Acts and laws. But there are still serious drawbacks as far as consumer welfare is concerned in India. This paper tries to give focus on different forms of consumer exploitation and related issues mainly.

KEY WORDS: Consumer, Products, Exploitation, Consumerism

INTRODUCTION: We know that people do not buy products or services for the products themselves. We have different reasons behind the purchasing of products and mainly because they solve our problems of the opportunities and utilities they offer. In other words, people buy different kinds benefits pertaining to product. And when we pay a price for product and use it to fulfill our wants, we are called consumers. Though consumer is defined in different ways, for example, Economics defines consumer as any person, firm, cooperative, or association that buys or hires goods or services for non-commercial purposes except self-unemployment. Today's market is consumer oriented and customer is called king. The importance of consumer protection is increasing rapidly as the consumers have become more conscious in today's globalized economy. Due to globalization and demonstration effect, consumers' choices have become more dynamic and vibrant.

So, in today's times, with new concepts of trade, marketing, globalization, fierce competition, it is not easy to sell goods to the customers with low quality. Because these all things also increasing awakening among consumers regarding their rights as a consumer. The need for consumer protection has increased alarmingly all over the world. Consumerism has gaining momentum in our country particularly after LPG policy of 1991. So, it has been observed that, the consumer cannot be easily exploited. But Indian markets are highly imperfect and consumers are illiterate, ignorant, unaware about their rights and hence exploited largely.

METHODOLOGY: This article is based on the study of secondary data. Journals, Magazines, Project reports and various websites have been used for this article.

OBJECTIVES: The aim of this article is to have an overview regarding the various types of consumer's exploitation in our country.

FORMS OF CONSUMER'S EXPLOITATION: There are various forms of consumer exploitation in our country. The following are the very common means of exploitation:

- (i) Spurious products in the market
- (ii) Monopolistic Trade Practices
- (iii) Less weight of goods & its measurement defects
- (iv) Irrational pricing of goods
- (v) Adulteration & duplicacy of the product
- (vi) Misleading & deceptive advertisements
- (vii) Traders usually do not provide receipts due to tax evasion practice in retail sector
- (viii) Offering discounts & gifts on purchasing of product

All the forms of consumer exploitation which I mentioned above are external factors or uncontrollable factors from consumer point of view. These all things are the part of Indian business environment and market system. But the most important problem is that to what extent consumers are aware that they buy benefits, not products. We know that consumerism refers to collective efforts of consumers and social organizations as well as the government to protect the interest of consumers against malpractices adopted by marketers.

Kautilya who one of the earliest to write in his “ARATHASASTRA” about the need for consumer awareness and protection. Mahatma Gandhi had also said that a consumer is not an outsider in our business, he is part of it and they are not dependent on business but business depends on him. Consumerism has become popular from the developed countries especially U.S.A. American President J.F. Kennedy, declared the four rights of consumers on March 15,1962, which are as follows:-

- (i) Rights to satisfaction of basic needs
- (ii) Right to safety
- (iii) Right to be informed
- (iv) Right to choose

That’s why 15th March is celebrated as the World Consumer Rights Day every year. The GOI has taken several steps to strengthen consumer movement in the country and protect consumer interest by involving state governments, voluntary consumer organizations and the department of consumer affairs is mainly responsible for introducing various types of schemes like setting up of consumer clubs in school and the launching Jagriti-Shivir Yojana for spreading consumer awareness. The GOI has been vigilant against consumer exploitation and announced the various legislations like:-

- (i) Prevention of Food Adulteration Act, 1954
- (ii) Essential Commodities Act, 1955
- (iii) Standard of Weights & Measures Act, 1956
- (iv) Essential Services Maintenance Act (ESMA), 1968
- (v) Monopolies and Restrictive Trade Practices Act (MRTP), 1969
- (vi) Consumer Protection Act, 1986(Old)
- (vii) The Railway Claims Tribunal Act, 1987
- (viii) The Securities Exchange Board of India (SEBI), 1992
- (ix) Consumer Protection Act, 2019(New)
- (x) Competition Act, 2002 & so on.

REASONS FOR FAILURE OF CONSUMERISM IN INDIA: India has the largest number of consumers in the world after China. Most of the consumers are uneducated, unorganized and highly ignorant of their consumer rights. Majority of them live in rural & semi urban areas with lack of adequate infrastructure, public utilities and so on. On the contrary to it, businessmen, distributors, retailers are highly organized and conscious. They are very powerful and resourceful and in this way they exploit the consumers in different forms. Some important factors which are responsible for consumer exploitations in our country:-

- (i) Illiteracy & unawakening of consumers at mass level
- (ii) Poverty & Income Inequality
- (iii) Ineffective implementation of laws
- (iv) Apathetic attitude of conscious and rich consumers
- (v) Various non-economic factors like: casteism, different cultures, languages & etc.
- (vi) Delayed & costly legal proceedings
- (vii) Socio-economic structure of the society and etc.

MEASURES TO PROMOTE CONSUMERISMS IN INDIA: Though consumerism is not very intense and is not so developed in India. But it is gaining momentum gradually. There are several organizations which are doing good work for protecting consumer rights. For example, Consumer Education and Research Centre (CERC), Ahmadabad, Consumer Guidance Society of India (CGSI), Mumbai and etc. There are some important measures to promote consumerism in India.

- (i) Use of mass media like TV, Newspapers, Social media and etc.
- (ii) Consumer’s week is celebrated from 15th March to 21st March
- (iii) Export duty, Subsidy, Tax concessions
- (iv) Various helplines and Toll free number for consumers

- (v) Various websites like: www.consumerhelpline.gov.in and others also
(vi) Launching campaign to create awareness at mass level & etc.

CONCLUSION

India has all potentials to become a developed nation. But if consumers are not satisfied and they are exploited by sellers then it endangers the potentiality of economy to be developed. Therefore, conclusion is that consumers must be supported and cooperated by members of civil society and by government as well to make our country and its people more prosperous and progressive. Though there are various measures and legislations initiated by government to curb malpractices & monopoly practices by business class. The government has already initiated several legislations and also introduced new Consumer Protection Act, 2019 for making this Act more powerful and effective than that of its older version (1986). But in spite of all these efforts, there is a huge scope for consumer exploitation due to poor implementation of various laws and legislations. There is also need of spreading awareness in genuine sense among the people regarding consumer rights and form of exploitations. For effective consumer protection, it is imperative for three economic agents-consumers, businessmen and government of the economy to work together.

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