



# Growth and Conservation of Consumerism in India

**Dr. Veena Upadhyay**

**Assistant Professor - Department of Economics**

**Karamat Hussain Girls Post Graduate College,**

**Nishatganj, Lucknow (U.P.)**

**Abstract :** The consumer is the center of all market activities. The de facto king of the market is the consumer. It is the social movement with an organized-effort to protect the rights of the consumer and, if there is any infringement of their rights, then the consumer can seek remedies and remuneration for the caused injustice and unfair market practices, like, adulteration, deceptive packaging, unsafe products, false and misleading advertisements, defective warranties, fictitious prices, black marketing, short weight and measures and so on. In general, an individual, or an institution, or the government makes policies to protect consumer rights. Consumerism is the protection of the interest of the consumer.

**Keywords:** . consumerism is the social movement intended to give voice to the voiceless consumers .

**Introduction:** Most of the consumers in advanced countries are well educated, well informed and in a position to protect themselves. But our Indian situation is different from western countries, where there is sufficient production and proper distribution of products. But in India the consumer's profit making attitude helps in discharging the social responsibilities of maintaining fair prices, quality of goods and providing services etc. have failed. Although it is accepted that "a consumer is the king of the market," but in reality he is not. Most of the Indian consumer problems are adulteration, artificial shortage and unfair pricing. India has diverse religious customs, traditions and languages, and nearly three-quarters of the population lives in rural areas, where agriculture is the source of livelihood, and there is a wide disparity in people's income. Most of the people, most illiterate, are low income. In order to defend or protect itself against the exploitative practices of business, consumerism has emerged and has been accepted as a defensive force to protect the interest of the customers. In India, consumerism has been active for quite some time now. A few years ago the demand for adulteration of food items was introduced in India by the Food Adulteration Act. Inspectorate departments were set up in all the states of India to enforce and supervise the way the Act was followed. To an extent, it has done well as false weights and measures have been checked and food adulteration has been controlled to a great extent. The major causes of consumerism in India have been identified as rising prices, poor product performance and service quality, product shortages and misleading advertising—scarcity and inflation. The government has been very sensitive to the needs of the consumer through legislative action. Thus it has become necessary for the consumers to stand up for their rights through an effective organization for redressal of grievances. Consumer movement is a universal phenomenon. Consumer is a person who consumes goods manufactured by firms or produced by nature (air, water etc.) and services provided by government or firms-hospital, educational institutions. Philip Kotler states that "consumerism is not confined to organized efforts, but is a social movement seeking to increase the rights and powers of buyers in relation to sellers." Thus, consumerism, as a social movement, can be defined as an organized effort by consumers seeking prevention, restoration and remedy for harm. Consumerism is a public movement that opposes certain marketing practices. It is a social movement. Consumerism, to be precise, is an important social movement that aims to protect consumers against unethical or unethical marketing practices of private companies as well as public enterprises. It is neither opposed to profits or monopoly, nor is it to oppose big companies or big business houses.

**Awareness among Indian consumers:** There is a lack of awareness among the Indian consumers and there is a need for greater participation and support from the government and consumer organizations to protect their rights. Such as: -

1. Many consumers are ignorant and uneducated and in such situations, marketers exploit the consumer. There are many such cases in India.
2. Shortage of essential commodities is very frequent in India. Such imbalances lead to hoarding and black marketing, profiteering and corruption.

3. Manufacturers advertise their products, not to serve the public, but to dispose of their dead products at a good profit.
4. Consumerism is still in its infancy and not well organized. Most of the Indian consumers are knowingly not aware of their rights.
5. Consumer awareness plays an important role in protecting consumer rights. Consumers should be aware of their rights and responsibilities and the government should conduct regular awareness campaigns to educate consumers about their rights.

**A. Product Quality Standards:** To protect consumers from substandard and dangerous products, the government should establish and enforce stringent quality standards for products and services. The government should set up effective redressal mechanisms to resolve consumer complaints quickly and efficiently. Government can leverage the infrastructure and forums already established by Alternative Dispute Resolution (ADR) and Online Dispute Resolution (ODR) institutions through Public-Private Partnership (PPP) models and view them as a digital public good. Establishment of a tech-enabled National Consumer Lok Adalat Helpline to help coordinate efforts between complainants, companies, commissions, legal services authorities, private ADR and ODR agencies and non-governmental organizations (NGOs) during the Lok Adalat process Can do.

**B. E-Commerce Regulation:** With the rise of e-commerce, the government has also announced regulations to protect consumers shopping online. E-commerce platforms should be made required to provide accurate information about products, pricing and delivery time and they should have a robust system to deal with consumer complaints.

**C. Improving data governance:** Communication time can be saved by making it mandatory to collect all KYC details of the parties involved in the disputes. Institutional parties such as banks, e-commerce entities and large corporations may appoint nodal officers for faster speed of communication, conciliation and settlement, which will result in faster resolution of complaints.

#### **Consumer Protection Act 1986:**

The Government of India has passed the Consumer Protection Act in 1986. It is a milestone in the history of the consumer movement in India as it is applicable to the whole of India and to all goods. It is not applicable to public enterprises. It seeks to set up courts in each state with powers to impose heavy fines and sentences of imprisonment.

It seeks to set up detailed inspectors to enforce this act. For this purpose, active cooperation of all the State Government is necessary. A feature of the above Act is that there is a provision for fine and imprisonment for the managers of manufacturing companies. The Food Adulteration Act is applicable only to traders. But the Consumer Protection Act applies to the manufacturing companies so that any defect or impurity in the product can be detected at the manufacturing stage and if proved, the concerned officials can be sent to jail. Thus, middlemen like wholesalers and retailers can be excused if the product is defective or harmful at the production stage of the plant. It was a bold and commendable move by the Government of India.

Consumerism in a broader sense also includes environmentalism and refers to senseless waste of scarce natural resources by private companies. The Government of India has passed the Environment Act under which a separate ministry has been set up to implement the regulation of pollution. It is applicable all over India. The country's resources must be conserved for the long-term growth of the economy. In India, this is a very important public issue. Consumers, especially in India, are unorganized and relatively uninformed. Mass advertising, misleading sales promotion strategies, misleading promotions and campaigns create confusion in the minds of consumers when they are faced with a choice of products. It means that one should have deep insight into social issues or social problems and should take steps to solve them as this is the only way to avoid interference by the government. Why taxpayers' money is wasted on regulations and bureaucrats thus paving the way for 'authoritarianism'. Top Management should be seriously involved for business development in the wider perspective of 'Social Marketing Concept'.

The Consumer Protection Act 1986 provides for a three-tier machinery for redressal of consumer complaints at the district level.

1. District Forum: State Governments are required to set up District Forums in each district. Some of its important features are:
2. State Commission: The State Commission is set up by the State Government and its jurisdiction is limited to the boundaries of the concerned State.
3. National Commission: The National Commission is established by the Central Government. An appeal against the order of the National Commission can be filed in the Supreme Court within 30 days.

**Need for Consumer Protection:**

- I. Empowering the Consumers:
- II. Consumer protection measures help in empowering consumers by giving them the information they need to make informed decisions about their purchases. When consumers are protected, they can exercise their rights to demand quality products and services and also seek compensation in case they receive substandard products or services.
- III. Preventing Fraudulent Activities:
- IV. Consumer protection laws help prevent fraudulent activities such as false advertising, misleading labeling and price manipulation. This not only provides protection to the consumers but also promotes fair competition in the market
- V. Minimizing health and safety risks:
- VI. Consumer protection measures help in reducing health and safety related risks associated with the use of products and services. For example, regulations on food products, pharmaceuticals, and medical devices help ensure that they meet minimum safety standards.
- VII. Promoting Economic Growth:
- VIII. Ensuring consumer protection can promote economic growth by creating a level playing field for businesses to compete fairly. This can lead to an increase in consumer confidence in the market, leading to an increase in spending, investment and job creation.
- IX. Upholding consumer rights: Consumer protection measures help in upholding the basic rights of the consumers, such as Right to be informed, Right to choose, Right to be protected. to safety) and Right to be heard. These rights are necessary for building a fair and just society.

**Barriers to Consumer Protection in India:** Consumer protection is an important aspect of modern economies, which aims at protecting the rights of consumers against unfair trade practices and ensuring a fair and efficient dispute resolution mechanism. As one of the fastest growing economies of the world, India has made remarkable progress in consumer protection where the legal framework for consumer rights has been strengthened through the Consumer Protection Act 2019. However, despite these policy efforts and grievance redressal mechanisms, the total time taken to resolve consumer complaints in India is still a major challenge.

- a) **Pending Cases:** India has a huge number of pending consumer cases with cases pending both at the state and national level. This results in long waiting periods and delays in dispute resolution which frustrates consumers. As of December 2022, 1,12,000 cases were pending with the State Commissions while 4,29,000 cases were pending with the District Commissions. The pendency rate for 1,06,088 cases registered with the National Commission was 20.5%, while it was 22% for 35 State and 637 District Commissions.
- b) **Lack of infrastructure:** Many consumer forums and commissions lack the necessary infrastructure and manpower to effectively deal with the large number of cases. This leads to delay in disposal of cases, which otherwise could have been disposed of expeditiously.
- c) **Inefficient Grievance Redressal Mechanism:** Although several grievance redressal mechanisms exist, they often suffer from inefficiency and do not address consumer complaints effectively. Consumers often do not know how to use these mechanisms or are unaware of them. A study conducted by the 'National Council of Applied Economic Research' (NCAER) found that only 18% of consumers who lodged complaints with a company received a satisfactory resolution, while the rest either did not get a response or were Not satisfied with the reply received.
- d) **Lack of awareness among consumers:** Many consumers in India are not aware of their rights and legal procedures for seeking redressal. This makes it difficult for them to knock on the door of the consumer forum and demand justice.
- e) **Limited participation of businesses:** The business sector in India has been quite slow in adopting consumer-centric policies and participation in dispute resolution mechanisms. This limits the effectiveness of consumer protection laws and slows down the resolution of consumer complaints.

**Major consumer protection laws:**

1. **Sale of Goods Act, 1930:** To ensure consumer rights if the goods offered to the consumer are not up to the standard that was promised and falsely claimed.
2. **The Agricultural Produce (Grading and Marking) Act, 1937:** Enforcing grading standards and therefore monitoring whether standard checks have been carried out for issuing gradings. In this, AGMARK is the standard introduced for agricultural commodities.
3. **Prevention of Food Adulteration Act, 1954:** This Act ensures the purity of food and the health of consumers who may be affected by adulterated goods.
4. **Essential Commodities Act, 1955:** To keep track of commodities that are essential and to monitor their production and supply. Also, keep an eye on hoarders and black marketers.

5. **The Indian Contract Act, 1972:** They lay down the terms in which the parties promise services to be rendered to each other and agree upon certain conditions. A contract is made which is binding on each other. They protect the interest that the contract is not breached and if there is a breach, remuneration will be provided.
6. **Standards of Weights and Measures Act, 1976:** The Standards of Weights and Measures Act protects the right against goods that are underweight or undermeasured.
7. **Consumer Protection Act, 1986 (COPRA):** In this it protects the right of the consumer and informs the user about their rights. They have developed or created a three-tier system consisting of District Forum, State Commission and National Commission, thus to protect the right of the consumer.
8. **Bureau of Indian Standards Act, 1986:** Bureau of Indian Standards Act ensures about the quality of the product used by the consumer and has introduced BIS mark to certify the quality of the product and has established complaint cell which can take complaints regarding the quality of the product.
9. **Trade Marks Act, 1999:** This act protects the users from false marks which may mislead the consumer and deceive him on the basis of quality of the product.
10. **Competition Act, 2002:** The Competition Act has been replaced by the Monopolies and Restrictive Trade Practices Act to take action against firms that use practices that in turn affect competition in the market. Are.
11. **The Consumer Protection Act, 2019:** An Act to provide for protection of the interests of consumers and for the said purpose, to establish authorities for timely and effective administration and settlement of consumers' disputes and for matters connected therewith or incidental thereto.
12. **Consumer Protection (E-Commerce) Rules, 2020**
13. **The Consumer Protection (E-Commerce) Rules (AMENDMENT), 2021**
14. **Consumer Protection (Direct Selling) Rules, 2021.**

15. The applicable laws governing protection of consumer rights in India?

In India, protection of consumer rights is primarily governed by the Consumer Protection Act, 2019 (Consumer Protection Act), and the rules and regulations made thereunder. Some of the rules and regulations made under the Consumer Protection Act include Consumer Protection (E-Commerce) Rules, 2020, Consumer Protection (Mediation) Regulations, 2020, the Consumer Protection (Consumer Dispute Redressal Commissions) Rules, 2020 and the Consumer Protection (General) Rules, 2020. Other than the Consumer Protection Act, there are various other laws and regulations which have been enacted with respect to protection of consumer interests covering specific subject matters such as food, drugs and cosmetics.

Consumer complaints can really help an organization to improve its products and services. This is a great form of feedback. This gives you a very fair measure of customer satisfaction. And if consumer complaints are dealt with expeditiously then it really helps in customer retention and even improves the goodwill of your company.

So instead of treating consumer complaints as a hindrance or a headache, organizations can look at it as a way to drive improvements and grow their consumer base.

#### **Reference:**

1. Dhyani A.K. and Saklani A. (1994), "Awareness of Rights among Indian Consumers", Indian Journal of Marketing, XXIII (7-8), July-August.
2. Himachalam D. (1998), "Consumer Protection in India – A Brief Analysis", Consumer Protection and the Law, New Delhi, APH Publishing Corporation.
3. Lalita Khurana (1995), "Consumer Protection – The Growing Concern", Yojana, 39(5), March 31.
4. Narender Kumar & Neena Batra (1990), "Consumer Rights- Awareness and Actions- In Small Cities", Indian Journal of Marketing, XXI (1-4), Sept-Dec.
5. Srinivasa Narayanaswamy (1990), "Role of Government Agencies in Consumer Protection", Consumer Confrontation, 10 (4), July-August.
6. Srivastava P.N. & Sakhivel (1990), "Role of Voluntary Organizations in Promoting Consumerism", Indian Management, 29 (10), Oct.
7. <https://www.statista.com/topics/2454/e-commerce-in-india/#dossierKeyfigures>
- 8- <https://indianlawportal.co.in/consumerism-in-india-and-related-problems/>