
UNIT 9 CONSUMER RIGHTS

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9.0 OBJECTIVES

The objective of this Unit is to familiarise you with important rights available to Consumers through various laws and other sources. Knowledge of consumer rights is one of the most important aspects of Consumer Movement. After going through this Unit you will be able to know:

- The importance of Consumer Rights and their sources;
- Rights available to Consumer under Consumer Protection Act;
- Rights arising out of some important laws relating to some trade practices; and
- Rights arising out of codes and ethics adopted or declared by Trade and Commerce.

9.1 INTRODUCTION

By now you have become aware of the fact that as consumers we are concerned with our money, our health, safety and social environment. But most of the time as consumers we feel ourselves. Fleecing of customers at the receiving end has become widespread. False or misleading advertisements or representations, fixing, bargain prices, offering of gifts, prizes, contents, non-compliance of product safety standards and hoarding of goods make

us knowingly or unknowingly victims in one way or the other. Having gone through the earlier units don't you think that all these happen, because we are helpless or unprotected? Yes, unlike in the past a consumer need not feel helpless all the time. We, as consumers, are now protected by several laws. These laws confer a number of rights on consumers and impose duties on the sellers, manufacturers or those who provide services. More importantly, these rights are not merely social codes but most of these now have legal sanctions behind them. In other words, we now have enforceable rights. However there is a general lack of awareness about these rights.

In this unit we will make you aware of these rights and of their importance. Since these rights are served primarily from **Consumer Protection Act** we will deal mainly with that legislation. But rights arising from some other laws and which are important for consumers in various ways will also be described. We will also take into account the rights emanating from various codes and ethics accepted by trade itself. These rights may not be legal but surely have moral bindings. We will start with a discussion on the origin of these rights to give us a proper understanding and evaluation.

9.2 CONSUMER RIGHTS : MEANING AND SOURCES

By Consumer Rights we mean those rights which are, or which it is argued, should be provided legally to protect Consumer interests. In other words it can be said that these are rights designed to ensure that all consumers obtain goods and services of reasonable quality at fair prices. In legal terms protection of consumer interests by provision of rights also means imposition of duties on the sellers, manufacturers and providers of services. Therefore violation of these rights and duties may entail legal action or punishment.

The idea of Consumer Rights is a product of the modern times. For long the traders and manufacturers have been disregarding the interests of consumers in respect of quality, price and availability. An awareness against this malady gave birth to the Consumer Movement. This was initiated in the 1920s in the United States of America and was later followed in other countries. In India, the credit for starting consumer awareness movement goes to C. Rajgopalachari (Rajaji). In 1950 he formed the first Consumer Protection Council at Madras.

There is now a general acceptance that economic systems work better if the basic needs of consumers as formulated in these rights are met. Along with this realisation a number of consumer rights other than the basic **Four**, that is, the **Right to safety, to choose, to be heard, and to information** enunciated by the then US President, John F. Kennedy in 1962, are coming up for adoption and action.

In India the Government, in order to check shortages, unfair prices, adulteration and other such practices has passed various consumer protection laws. You may have heard of laws like the Essential Commodities Act, The Prevention of Food Adulteration Act, The Monopolies and Restrictive Trade Practices Act and others. These and various other laws enacted by Parliament and State legislatures from time to time can broadly be called as consumer law.

An important milestone in Consumer Legislation was the enactment of **The Consumer Protection Act (CPA)** in December 1986.

The Consumer Protection Act, for the first time, enumerates the Consumer Rights as Legal Rights.

9.3 CONSUMER PROTECTION ACT

The Consumer Protection Act can be considered a significant achievement of the Consumer Movement in India. The Act was enacted in 1986 after an in-depth study of

Consumer Protection Laws in a number of countries and in consultation with representatives of consumers, trades and industries. The Act was amended in 1993 for both extension of its coverage and scope and enhancement of the powers of the redressal machinery.

The main objective of this Act is to provide for better protection of the consumers. Unlike existing laws which are punitive or preventive in nature, the provisions of this Act are **compensatory** in nature. That means a consumer can get a faulty item replaced or refund of the cost paid. The consumer may also get compensation for any loss suffered by him/ her caused by a defective product. The Act intends to provide simple, speedy and inexpensive redressal of the consumer's grievances. The Act enshrines certain rights of the consumers. It also provides for the setting up of **Consumer Protection Councils** at the Centre and the states for enforcement of these rights. Before an explanation of these rights is undertaken, it will be relevant to know the salient features of this Act.

These are:

- The Act applies to **all goods and services** unless specially exempted by the Central Government.
- It covers **all the sectors** whether private, public or cooperative.
- The provisions of the Act are **compensatory** in nature.

9.3.1 Meaning, Scope and Importance of the Six Rights in the Consumer Protection Act

The Consumer Protection Act enshrines **six rights** of the consumers. These are the **Right to Safety, Information, Choice, Be Heard, Redressal and Consumer Education**.

9.3.2 Right to Safety

The Right to Safety means the right to be protected against the marketing of goods and services which are hazardous to life and property. What is required here is that the purchased goods (or services) should meet the needs of safety.

Can you recollect some cases where this right of consumers was violated?

You hire a taxi or an auto rickshaw or decide to travel by a bus. The operator of that vehicle has not bothered about the mechanical fitness and worse, enroute the vehical meets with an accident due to faulty breaks.

Here the injury caused to you or any passenger is a case of **violation of consumer right to safety**. You or any other injured passenger is, therefore, entitled to compensation. Similarly an electric iron causing electric shock, negligence by a doctor while performing an operation, a driver of a bus driving the bus dangerously are the other examples of violation of this right.

It should be remembered that Right to Safety is not limited to the quality of product just at the time of purchase. The products should fulfill long term interests of consumers in terms of safety needs. Therefore before purchasing, consumers should insist on the quality of the products as well as on the guarantee of the products and services. But this does not mean that without a guarantee a consumer does not have right to safety. This Right, you will agree, is very important because it protects us against the dangers and harm to our body, life, health and property due to acts of omission or commission of manufacturers, traders or providers of services.

Think of situations where this right is of significant importance and try to look the ways in which it is violated.

9.3.3 Right to be Informed

Many a time you purchase a medicine. The medicine may be apparently to cure a disease. But there is a possibility of it proving to be harmful to certain persons in certain cases. Or a medicine having same contents might have been manufactured by different companies under different brand names and priced differently. In the first case if you do not know the harmful side effects of the medicine and consume it, what will be the result? In the second case you do not know the availability of different brands of medicine and are made to buy one which you cannot afford.

Don't you think that in both these cases if you had the prior information it would have saved you in terms of loss to your health or money? Traders, simply to make profit by selling whatever is available with them or the product which gives them higher margin of profit generally do not inform the customers of availability of choices or qualities of product. It is because of this that the Consumer Protection Act has provided the Right to be informed.

This Right means right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be, so as to protect the Consumer against unfair trade practices. In other the words the consumer can insist on getting all the information about the product or service before making a choice or a decision. The manufacturer or trader is duty bound to give this information.

This right, encourages the consumer to act wisely and responsibly and warns him/her from falling prey to high pressure selling techniques.

You may think of many examples where right to information is very important.

9.3.4 Right to Choose

This Right means **the right to be assured, wherever possible, of access to a variety of goods at competitive prices.** In other words, a buyer has a right to buy a product of his/her choice and get satisfaction out of a number of products available in terms of quality and price of goods. A shopkeeper cannot force or impress upon a customer to buy a particular brand or a type of product. In case a particular product is manufactured by only one producer, that is a monopoly product, then this Right means assurance of a satisfactory quality and service at a fair price. This also includes Right to basic goods and services. This is because unrestrained Right of the minority to choose can mean a denial for the majority of its fair share.

It is true that in reality this Right can be better exercised in a competitive market where a variety of goods are available at competitive prices. In India such market does not exist as yet in many sectors and in many regions. However even in those cases where variety exists shopkeepers keeping in mind the profits they would secure, don't offer the entire range of products to the consumer. This makes the consumer feel that variety either do not exist or is not available. Then consumer, therefore, has to be vigilant and make his/her own enquiries in the market to be better aware of the choices available.

9.3.5 Right to be Heard

The Right to be heard means that consumers' interests will receive due consideration at appropriate forums. It also includes Right to be represented in various forums formed to consider the consumer's welfare.

For the exercise of this right both the State and the voluntary agencies are supposed to provide necessary forums. The social accountability of producers also demand to provide such forums in the shape of grievance redressal or customer service departments or wings. By enacting the Consumer Protection Act, the Government of India has created Consumer Forums at district, state and national levels to hear the complaints of consumers. The consumers themselves have started forming non-political and non-commercial consumer

organizations which can be given representation in various committees formed by the Government and other bodies in matters relating to consumers. In your own town or state headquarters, you will notice such organisations. The procedures to form and manage these have been given in Block 8 of this course.

9.3.6 Right to Seek Redressal

This Right provides for the Right to seek redressal against unfair trade practices or unscrupulous exploitation of consumers. It also includes Right to fair settlement of the genuine grievances of the consumer.

It also involves the right to receive compensation for faulty goods or services. Redressal is the natural follow-up of hearing of complaints and making a settlement in a manner that is acceptable to the consumer as well as the seller.

For the effective exercise of this Right, laws and mechanisms for filling complaints are required. In subsequent blocks you will read about various laws like Consumer Protection Act under which complaints can be field in different courts.

Consumers must make complaint for their genuine grievances. Many a time their complaint may be for a small value but its impact on the society as a whole may be very large. They can also take the help of consumer organisations in seeking redressal of their grievances.

9.3.7 Right to Consumer Education

This Right encourages you to acquire the knowledge and skill to be an informed consumer throughout life. As we have already seen ignorance of consumers particularly the rural consumers of their Rights is mainly responsible for their exploitation. So, consumers should know of their rights and must exercise them willingly. To ensure this, availability of information at various levels and through various means is essential. Consumer Protection Act itself provides the Right to consumer education. Therefore it becomes the duty of the government to keep consumers informed of their rights. Creating awareness among consumers is also part of their education. This will help a consumer in protecting himself/herself against fraudulent, deceitful and grossly misleading information, advertising labelling or other practices. By educating ourselves on consumer issues and Rights we can assert ourselves. By so doing, we can hope to get a fair deal. Consumer education also brings alertness and ability to question about price and quality of goods. In a way, Right to consumer education is an important means to make use of other consumer Rights. It is, therefore, important that we lay due emphasis on consumer education.

Check Your Progress 1

Note : i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) What do you mean by 'Consumer Rights'?

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2) What Rights have been given to the consumers by the Consumer's Protection Act, 1986?

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9.4 OTHER IMPORTANT ACTS

Consumer Protection Act deals with consumer problems in general and provides for mechanisms for redressal of consumer grievances. As discussed in this unit, this Act gives **six general Rights** to consumers. However there are other existing laws also which give certain Rights related to specific purposes or services. For example, the providers of telephone services have some duties towards us, the users of telephones. Similarly, we have a Right to have goods in appropriate weights and measures under the Standards of Weights and Measures Act.

A detailed information of various Acts dealing with various aspects has been given in subsequent blocks of this course. Here we give some of the rights which come out of these Acts.

9.4.1 The Monopolies and Restrictive Trade Practices 1969

The Monopolies and Restrictive Trade Practices Act 1969 (MRTP) was enacted (i) to ensure that: (a) the operation of the economic system does not result in the concentration of economic power to the common detriment: (b) there are no monopolies and (ii) to prohibit monopolistic, restrictive and unfair trade practices, which are prejudicial to public interest. Under this Act the Government of India established a commission known as the Monopolies and Restrictive Trade Practices (MRTP) Commission.

There are five aspects of the MRTP Act from which consumers benefit. These are :

- i) Right against false and misleading statements
- ii) Right against publication of false and misleading advertisements such as bargain sales.
- iii) Right against prize schemes and contests being offered with the intention of not providing them as offered free of charge.
- iv) Right against sale or supply of goods not complying with standards.
- v) Right against hoardings or other means for hiking the prices.

With regard to the above Rights the MRTP commission has been empowered to inquire into any unfair trade practice, upon receiving a complaint from any trade association, any consumer or a registered consumer association.

9.4.2 Weights and Measures

Consumers have a legal right to get correct quantities of goods for their money. This Right of consumers is protected by the **Standards of Weights and Measures (Enforcement) Act, 1985**. This Act prohibits use of non-standard weight or measure or numerals. It provides that no weight or measure shall be made or manufactured unless it conforms to the standards of weights or measures established by order. It also makes special provisions with regard to packaged commodities.

In cases of defective weights and measures or violation of other provisions the complaints can be filed by any aggrieved person, or a recognised and registered consumer

9.4.3 Food Adulteration and Medicines

Food and medicines are products which are not only essential for us but are matters of life and death. For example you hear of saw dust being mixed in chilly powder, iron filings in tea leaves, or use of inedible colours in drinks. Similarly drugs and cosmetics which may be harmful for use or consumption are sold in attractive packings or through false advertisements.

To protect the consumers from the ill effects of adulterated food, the unessential and wrong medicines and harmful cosmetics laws have been enacted. The important of these is The **Prevention of Food Adulteration Act 1940**. According to these Acts, the manufacture, sale, storage and distribution of adulterated and misbranded foods are prohibited. Similarly the import, manufacture, sale and distribution of drugs and cosmetics which are not of a standard quality or are misbranded, adulterated or spurious are prohibited. These prohibitions mean that the consumers have rights to a hygienic, nutritious and unadulterated food and, standard, safe and approved medicines and cosmetics. The consumers are now empowered to send samples for analysis and testing. There are enforcing machineries for implementation and monitoring of the provisions of these Acts. Thus manufacturers and sellers are responsible for the supply of only standard and safe food products, medicines and cosmetics.

9.4.4 Service Sector

Service means provision of facilities. The consumer does not only buy goods but pays for facilities he/she is getting. These include banking, insurance, transport, supply of water and electricity, telephone, postal services, entertainment, housing, etc.

The Rights of consumers provided by the Consumer Protection Act include the service sector also. In addition there are various Acts related to different services that impose duties on the providers of services for consumer's satisfaction, safety and redressal. These duties and provisions, in other words, give consumers the rights for satisfactory services, filing complaints against violation of provisions by providers of services and get compensation in cases of suffering or loss, injury, etc. Thus there are Acts and Rules and Regulations with regard to Banks, Insurance facilities, Medical services, Electricity supply, Railways, Motor vehicles, Postal services, etc. You will study in detail some of the important provisions of a few of these Acts in the units following. The most important is that consumers can use legislation as a tool to get proper and satisfactory services. There are different laws which provide for liability of providers of services towards consumers. **What is required is a knowledge and use of these rights.**

Check Your Progress 2

Notes: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) What are the aspects of MRTP Act from which consumer derives his/her Rights?

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2) Who can file complaints in cases of defective weights and measures?

3) Which Acts give consumers the Rights to get unadulterated food and safe medicines?

19.5 TRADE CODES

In view of rising consumer consciousness, state interest and market competition, some noticeable change in the attitude has taken place among business also. Certain steps taken by business people in the last two decades show that they are willing to cooperate in consumer protection. Many consumer organisations have formulated certain trade codes and ethics for improving the general image of the business community. They also promise to look into the complaints of the consumers against violation of accepted codes. In this context an example can be cited of a Code of conduct evolved by the Council for Fair Business Practices.

9.5.1 Council for Fair Business Practices

The Council for Fair Business Practices was established on 2nd October 1966 to promote voluntary self-discipline in business. The initiative to establish this council was taken by those business leaders who believed in and adhered to fair business norms and were conscious of the positive role the private sector played in promoting speedy development. This Council has launched a campaign to persuade leading industrial houses, especially those manufacturing consumer products, to establish **Consumer Affairs Cells** within their organisations. One of the functions of these cells is attending to consumer complaints. It has also formulated a code of conduct. This code consists of the fundamental obligations of the business persons. These are:

- 1) To charge only fair and reasonable prices and to take every possible step to ensure that prices charged are brought to the consumer's notice.
- 2) To take every possible step to ensure that the agents or dealers appointed by business persons do not charge prices higher than what are fixed.
- 3) In times of scarcity, not to withhold or suppress stocks of goods with a view to hoarding and/or profiteering.
- 4) Not to purchase or trade in spurious goods or goods of standards lower than are specified.

- 5) Not to adulterate goods supplied.
- 6) Not to publish misleading advertisements.
- 7) To invoice goods exported or imported at their correct price.
- 8) To maintain in accuracy in weights and measures of goods offered for sale.
- 9) Not to deal knowingly in smuggled goods.

The above mentioned obligations of business automatically imply rights of consumers. This code has been accepted by the Federation of Indian Chambers of Commerce and Industry (FICCI). In 1985 FICCI also set up Consumer Business Forum to mediate between the conflicting interests of consumers and business. The Confederation of Indian Food Trade and Industry, another FICCI sponsored organisation, has also drawn up a code of ethics for its members aimed at quality products. All these efforts, however, are purely voluntary and no action can be taken against erring members. These, nevertheless, give a significant impetus to consumer movement.

Check Your Progress 3

Note: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

- 1) When was the Council for Fair Business Practices established? What is the main role?

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- 2) Describe any five codes prescribed by the Council for Business Practices.

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9.6 LET US SUM UP

One of the most important aspects of consumer protection is the emergence of consumer Rights. These rights have evolved particularly during the last five years. These rights are in connection with both sale and purchase of goods and services. The basic rights of consumers were first recognized and defined on 15th March 1962 by John F. Kennedy, the then President of the United State of America. These were (1) The right to safety, (2) The right to choose, (3) the right to be heard, and (4) the right to information. Thereafter Rights of consumers have been developing and have been accepted in various countries.

In India the Consumer Protection Act delineates **six Rights** for consumers. These are (1) The Right to safety, (2) The Right to be Informed, (3) The Right to Choose, (4) The Right to be Heard, (5) The Right to Seek Redressal, and (6) The Right to Consumer Education. These Rights are in accordance with those proclaimed by International Organisation of Consumer Unions. These Rights have been given by law and provisions have also been made for their enforcement.

Apart from Consumer Protection Act there are various other laws also which prescribe responsibilities and duties for manufacturers and sellers of goods and products as also providers of services. The business groups themselves have set up Codes of Conduct for themselves for consumer satisfaction and better service. Out of responsibilities and duties of producers arise consumer Rights. With the universal acknowledgement of consumer Rights, a number of measures are being taken by various organisations in this direction. What is important is that consumers become aware of these rights and exercise them in their own interest and interest of the society. They should understand that they are no more helpless purchasers of whatever is offered to them.

9.7 KEY WORDS

Legal Rights :	Those rights which are recognised by law and are enforceable through legal action.
Monopoly :	Control of one person or group over almost the whole production or service of any kind.
Standard Weights :	The weights or measures prescribed in particular standard. For example for weights only kilograms or grams and for measuring only litres, can be used.

9.8 SOME USEFUL BOOKS

M.J. Antony, *Consumer Rights*, Clarion Books, 1990.

S.S. Gulshan, *Consumer Protection and Satisfaction*, Wiley Eastern Limited, 1995.

Mohini Sethi and Premavathy Seetharaman, *Consumerism : A Growing Concept*, Phoenix Publishing House, 1994.

9.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) Those rights which are provided to consumers by law to protect consumer interests and to ensure that consumers get goods and services of reasonable quality at fair prices.
- 2)
 - i) Right to Safety
 - ii) Right to be Informed
 - iii) Right to Choose
 - iv) Right to be Heard
 - v) Right to seek Redressal
 - vi) Right to Consumer Education

Check Your Progress 2

- 1)
 - i) False and misleading statements
 - ii) Prize schemes and contests
 - iii) Not complying with standards laid down by the competent authorities.
 - iv) Hoarding and blackmarketing.
- 2)
 - i) Any aggrieved person
 - ii) A recognised and registered consumer association
 - iii) Director or Controller of Weights and Measures
 - iv) Any other authorised officer.
- 3)
 - i) The Prevention of Food Adulteration Act 1954
 - ii) The Drugs and Cosmetics Act 1940

Check Your Progress 3

- 1) 2nd October, 1966. To promote voluntary self discipline in business and setting of norms for the private sector for consumer satisfaction.
- 2) See section 9.5.1.



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UNIT 10 CONSUMER RESPONSIBILITIES

Structure

- 10.0 Objectives
- 10.1 Introduction
- 10.2 Consumer Responsibility
 - 10.2.1 Citizen as Consumer
 - 10.2.2 Ethical Consumer
- 10.3 Consumerism
 - 10.3.1 Spread of Consumerism
 - 10.3.2 Use of Advertising and Unfair Trade Practices for Promotion of Consumerism
 - 10.3.3 Consumer Empowerment
- 10.4 Consumer Responsibility
 - 10.4.1 Higher Income Consumers
 - 10.4.2 Gender
 - 10.4.3 Urban-Rural
- 10.5 Methods of Inculcating Consumer Responsibility
- 10.6 Let Us Sum Up
- 10.7 Key Words
- 10.8 Some Useful Books
- 10.9 Answers to Check Your Progress Exercises

10.0 OBJECTIVES

This unit helps you to explore and define the area of consumer responsibility and its various aspects. This is a new concept but the necessity of developing and defining this aspect of consumer behaviour is increasingly being felt by all sections of society. After studying this unit, you should be able to :

- understand the concepts of **Consumer, Citizen and Ethical Consumer**;
- describe the past, present and future of the consumer profile and the emerging role of consumer responsibility;
- define and differentiate between the types of consumer responsibility;
- list the effects of exercising consumer responsibility at various levels of society and environment, and
- attempt an assessment of the essential conditions for ensuring responsibility.

10.1 INTRODUCTION

Modern consumers are under pressure from all quarters — from governments, environmentalists, activists, industry and even at the market place. The consumer is accused of over consumption and of causing environmental destruction. Consumers are also under pressure to behave responsibly.

In the consumer/seller relationship, duties and responsibilities of producers as well as consumers have begun to be clearly defined. Consumers are now expected to assume responsibility not only for exerting their individual and collective rights, but also show through their attitudes and behaviour patterns, responsibility towards the environment, other consumers and future generations.

Till very recently, the market forces have decided the direction and spread of Consumerism, reducing the consumer to a more or less passive role. Along the way not only has the consumer been defrauded, manipulated and exploited by the industry but the environment has also been damaged.

Progressive urbanization has been used by the market forces to delink the consumer from the environment. Urbanization has also destroyed accountability in community living and forced people to lead anonymous lives. This has eroded the code of responsible behaviour in society.

Consumerism in its modern manifestation is a by-product of western life-styles. The spread of media and communication networks has, however, helped it to spread to the less developed nations, in more insidious and destructive ways. Keeping all this in view, the concept of consumer responsibility should be introduced to the Indian Consumer immediately. This should have a salutary impact on the growing market economy in India as well as on its environment.

10.2 CONSUMER RESPONSIBILITY

Consumer responsibility can be divided into three phases. Initially, the consumer was supposed to be concerned only with value for money, information and production of consumer goods.

In the second phase, the aware consumer challenged the large corporations and their marketing strategies and advocated consumer cause.

In the third and the current phase, the consumer is expected to be aware of the environmental implications of each product on the market shelf and be aware of his/her duties and responsibilities as a consumer and as a citizen.

Currently, the crucial area of concern is the question of consumer priority. In other words, this means what the consumer should look for: Whether to purchase cheaper and more easily available products or to look out for fair trade practices, environmental costs and public health.

The ethical and ecological facts of consumer behaviour have helped to evolve the concept of consumer responsibility.

A responsible consumer is a person who exercises his/her discretion with the full awareness of the implication of his/her right to choice, and is accountable or answerable to other consumers and to the environment for his/her purchase decisions.

10.2.1 Citizen as Consumer

For our purpose we need to examine the concept of Citizen as Consumer. A person's range of activities and interactions extends from his/her home to the market place as a consumer. But as a citizen, the area of his/her activity expands to encompass not only what he/she can carry from the market to his/her home for personal use, but what he/she can give in return to society and to the environment. This involves not only action but also the decision not to act in a certain established or acceptable manner. For example, as a user of market commodities he/she takes partial responsibility for garbage disposal. Or

if he/she is a car owner, s/he automatically assumes responsibility for reduction of pollution as far as possible, by either choosing to use it only when absolutely necessary, or by using lead-free (unleaded petrol).

Following are some of the areas where consumer intervention can influence the market to act responsibly towards the consumer. For that the consumer should always check correct weights and measures, dates of manufacture and expiry, pricing and ingredient labelling, inclusion of quality marks (ISI, Agmark, Eco-mark), warranties and guarantees etc., before making a purchase.

This is the first dimension of the consumer’s responsibility as a citizen. His/Her other dimension of responsibility is to environment which is global and thus makes him/her a citizen of the world. This awareness of environmental issues determines the choice of products which provides negative environmental impact. For example use of Chloro Fluoro Carbon (CFC) - free air- conditioners and refrigerators. It also involves a conscious rejection of non-biodegradable packaging, and minimal use of chemicals at home.

10.2.2 Ethical Consumer

The term ‘ethics’ means values, principles or rules of conduct followed by an individual, group or a culture as a whole. It is a science of values and by applying these values the consumer can mobilise responsible responses in the industry, the government agencies and the market place. The ethical consumer buys and invests appropriately and ethically. Price is not the only priority for him/her; ethical behaviour means one is doing what is right and good in most situations for most people. **An Ethical Consumer is also a green consumer.**

The evolution of a consumer into a **green consumer** means that the consumer exercises his/her vote, not only in favour of market responses to his needs, but also the individual’s responsibility towards the environment. **Green consumer can convert the power of the consumer into a force for positive action to protect the environment.**

A green or ecological consumer asks what is the product’s quality, what is its long term impact not on his pocket alone, but on health, environment and on distant parts of the world. S/He also raises the question of need and wants to know how or why, the product is needed and on what ground.

Check Your Progress 1

Note : i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) Define Consumer Responsibility.

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2) Give an example to explain the concept of ‘citizen as consumer’?

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3) Who is an ethical consumer?

4) Who is a Green Consumer?

10.3 CONSUMERISM

As long as social and civilized modes of existence have been in operation, consumer has been in its centre. The early consumer behaviour was characterized by mutual trust which was reflected in the barter system. Societies in the past, depended upon mutual exchange of skills in the market place rather than value for money. Some amount of quality control was inherent in this system.

As the market economies began to develop and spread, consumer behaviour also altered. Consumer began to be progressively distanced from the details of production process, the environment or the natural resources. As a result, s/he began to have less control over his/her life and became increasingly dependent on the market.

Due to the consumer's initial dependence and trust in the veracity of the written words, the consumer began to accept printed information about consumer, goods as a mark of quality, leaving the door wide open for exploitation on that count. It also encouraged the market forces to make exaggerated claims, and to give false, fraudulent and misleading information. The growth of this pattern of market conduct exploited and victimised the consumer in every possible way in the name of selling him/her convenience, choice, availability and fulfilling him/her needs in the least complicated way.

Packaging gained precedence over the product. Sales tactics became more important than quality, consumer psychology was analysed for the benefit of the producers and the sellers. Advertising was used not only as a means of promoting availability, but also, ironically for indulging in false claims and fraudulent trade practices. Advertising sold concepts, not products. For example bath soaps are sold not for their hygienic, cleansing or environment-friendly qualities but as symbols of 'beauty' and status.

All this reveals the progressive decline in consumer responsibility with the consumer's role becoming increasingly passive over the years.

10.3.1 Spread of Consumerism

Inherently, all societies are based on a give and take principle. However, modern societies have created an imbalance between the giver and the taker. The basic giver has been nature and its resources. Human societies singly minded and increasingly have taken more from nature than ever before.

Development, industrialisation, technological advancement have all used natural resources mercilessly. What has caused the imbalance is that man has taken from nature without showing any sensitivity or regard towards its conservation or preservation. In short, **man's relationship with nature has not been sustainable**. The more a society has shown evidence of "advancement" the more it has exploited and manipulated nature.

One way of determining the range and extent of consumption is the use of energy and natural resources. The developed countries of the North have 25% of the world's population, but consume 75% of all energy, 79% of all commercial fuels, 85% of all wood products and 72% of all steel products. They also generate nearly three fourth's of all carbon dioxide emissions.

At the present time, the world is perceived to be divided into two halves— Northern and Southern. This division is indicative of the Northern half which, for maintenance of its standard of living and quality of life, is dependent upon the southern half of the hemisphere. This is because it contains three-fourth's of the world's natural resources in forest cover, water, bio-diversity, wild-life, minerals and oil resources.

However, this dependence of the North has not ensured a good life for the inhabitants of the south. This has been for various sociological and historical reasons. At present it is beginning to be realised that the world needs more equitable distribution and use of its resources and new environmental and market strategies. Sustainable technologies also have to be evolved if all mankind is to enjoy the beneficence of nature.

The consumers of the North are now being pressured to act with responsibility and opt for sustainable consumption patterns, so that sustainability in production can be maintained by the south.

Consumerism surfaced in all its negative connotations in the North and then through the spread of market economy and globalisation of market forces, it has spread to all parts of the world. Underdeveloped and developing nations have been swamped by obsolete technologies and alien cultural inputs dislocating their traditional way of life.

The reach of consumerism has been so invasive that it has dislocated large populations in rural and less industrialised parts of the world's areas and replaced environment friendly methodologies with consumer items.

10.3.2 Use of Advertising and Unfair Trade Practices for Promotion of Consumerism

The greatest tool of consumerism has been aggressive advertising. Its development and spread has been parallel to industrial and technological progress of society. Business community maintains that the onset of commercialism has improved the quality of general life.

Commercialism has indeed added to convenience and material comfort. Advertising is perceived by them as a necessity for promoting new products and keeping the consumer informed about availability and choice in the market. Advertising has put down its roots and has spread with the help of economic and political power. The consumer has to evolve an agenda to control the market forces whose ultimate aim is to turn citizens into consumers.

A highly commercialised society pushes consumers towards short term convenience and pleasures and causes long term environment and cultural crises. **Resistance to over consumption has to come through assumption of consumer responsibility**. Aggressive advertising makes it difficult for consumers to lead environment-sensitive lives. It projects and promotes wasteful life-styles. Hence it is the consumer's responsibility to initiate economically and ecologically sound action. Advertising pushes new products into people's lives by promoting them as more efficient, stylish or convenient to use.

Aggressive advertising invades almost every aspect of urban living, creating needs where none exists. It persuades and manipulates people to buy what they do not need. This is also done through trade practices like contests, unbelievable discounts, sales promotion exercises, offering items free of charge for the main item purchased.

Imposition of commercialised attitudes dislocated the fragile relationship between humans and environment. It seeks to control people's lives, prompting them to initiate the lavish and luxurious life-style portrayed in the advertisements. On many occasions, such encouragement makes people lose sight of their eco-friendly cultural and approach to life.

The current Indian scenario has seen an increase in commercial advertising. As information and commercial technologies have grown so has advertising. Almost every aspect of our life has been invaded by one or the other form of advertising. Hand bills, hoardings, print media, TV commercials, telemarketing are a few such means. Every segment of society is targeted and manipulated. And every aspect of life is invaded by advertising. Its influence is so pervasive that consumers do not even realize the extent of change in their perception and attitudes. The greatest victims of this activity are the vulnerable sections of the society, namely children, non-literate, rural population and housewives.

10.3.3 Consumer Empowerment

Today's consumer is more acted upon than acting. Today's consumer's current profile is that of a passive, helpless, hapless, gullible individual who owes responsibility only to himself/herself. His/Her social, cultural, environmental national and global links are neither acknowledged nor supported. The market forces exploit and manipulate his/her desire for a good life and convenience by translating them into materialistic greed. Hence, it is necessary for a consumer and the society at large, to be aware of these practices.

The consumer of the future needs to become sufficiently aware so that he/she can use all avenues of self protection and empowerment available. The foremost and major area of his/her activity however, is under his/her individual control. Each and every consumer of whatever age, gender, class or region must assume personal responsibility for right consumer behaviour.

This is the only way in which one can regain control over his/her personal life and contribute towards improving the quality of the life of the community.

Following are some of the constructive ways in which the consumer can empower oneself:

- Most of the problems of today's consumer are associated with irresponsible consumption patterns. Hence, **the first step that a responsible consumer can take is to exercise restraint and discretion in purchase decisions.** Since advertising seeks to promote inappropriate and needless choices, the consumer should, when making a purchase, assess its necessity and need in his/her life. The consumer should make sure that the decision about a particular need is made by him/her and not the market.
- As far as possible, **none of his/her purchases should generate excess or non-biodegradable garbage. He/she should pay as much attention to the quality of packaging as to the quality of a product.** Individual and collective consumer action can ensure that the "Polluter Pays Principle" (PPP) comes into operation. For example, if an industry has polluted the environment in any way, then it must build into its infrastructure the remedies for reducing and controlling such pollution. The market must operate on either the PPP or the User Pay Principle (UPP).
- The consumer should create a **demand for durable, recyclable, repairable, reusable products.**

- The Consumer **should demand information about the products**. This information could be about pricing, ingredients, manufacture and expiry dates, environmental costs of products, nutrition and health related information, warranties and Guarantees.
- The Consumers must **educate himself/herself about his/her legal rights and availability of redressal mechanisms**.
- **An aware, alert, and conscientious consumer behaviour determines quality of life in a society**. Apathy, indifference, inaction on the part of the individual consumer, affects the others' rights in many ways.
- Collective or community inaction and lack of involvement affect functioning of public and government institutions and society in general. **Responsible consumer behaviour individually or collectively ensures smooth social functioning**.
- Consumers are also voters. Hence, **through exercise of informed choices about correct ideologies and objectives, consumers can ensure a politically healthy society**.
- Consumer Responsibility extends from clean backlanes of individual homes to global warming, deforestation, labour laws, corruption. **Everywhere consumer awareness halts negative action ensures quality of life**.
- **Consumers can and should assume responsibility for smooth and accountable functioning of public services**. Taking necessary action on infringement of consumer rights by public services and utilities or political systems also comes under consumer responsibility. Timely intervention, inquiry into malpractices, lodging of immediate protest by the concerned consumers to the appropriate authorities and responsible persons also means exercise of consumer responsibility.

Check Your Progress 2

Note: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) List the qualities of an ideal consumer behaviour.

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2) Mention any three harmful effects of advertising.

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3) State five constructive ways in which the consumer can empower himself/herself?

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10.4 CONSUMER RESPONSIBILITY

Exercise of responsibility shall be the ultimate choice of any aware consumer. Actually, it should be considered as one of the Fundamental rights of the Consumer.

The right to responsibility is emerging as a major area in the changing scenario of modern social structure. In fulfilling his/her responsibility the consumer seeks to make a conscious difference in the quality of life both of himself/herself and of the others. **The need for assumption of individual consumer responsibility increases with the empowerment of the disadvantaged sections of the society.**

The need for the right to responsibility comes at a time when consumerism has gradually created a chasm in the society forming the consumer into a passive person. The market too has reduced the capacity of the consumer to choose. What has happened is that the market players, namely the companies, using advertisement as a medium, pretended to take care of all consumer needs. It has supposedly prompted the demands of the consumers by even anticipating their needs. In doing so, only new needs were created. Many times, artificial needs were also developed.

The consumer should know that the market's target is his/her pocket, earnings and savings. Hence, **the first and foremost responsibility of the Consumers is to oneself.** This means that he/she should ensure value for his/her money spent on the purchase of goods or services.

Simultaneously, it becomes his/her individual responsibility to make the others aware of their own rights and responsibilities. None of his/her actions or choices should affect the rights and responsibilities of the other fellow consumers. In other words, any responsible consumer must not act in a selfish manner or for getting short term pleasure or profit.

Consumer's responsibility towards the society is fulfilled only when he/she assume responsibility as an aware and alert citizen. As a citizen, he/she must be aware of the relationship between the human society and the environment. He/She must behave knowing fully well that the environment is fragile enough and that it has to be carefully nurtured by each generation. By doing so, the future generations can benefit. **The consumer's responsibility as a Global citizen involves to think and act for not only nurturing the environment but also to reverse the damage done so far. This awareness of global responsibility is now becoming increasingly important and necessary.**

Hence the function of consumers' responsibility is to restore balance across the entire range of consumer activity. Consumer responsibility is a relatively new concept where the consumer is being made aware of his/her role and responsibility.

In short, the components of consumer's responsibility include:

- recognition of one's power and ability to control one's own consumption practices.
- creation of an environmentally friendly life-style, or what is called a, "greener life-style".
- awareness of accountability for one's actions and purchase decisions
- capacity for rationale thought

- Being a watchdog over the activities of the industries and businesses
- Demanding the standards and quality of the products.

All these would lead to the consumer acquiring more control and to be an ethical person (ethical consumer).

E.F. Schumacher, the economist and author of the classic book, “**small is beautiful**” said: “the goal of responsible consumerism should be the maximum of well being with the maximum of consumption”.

Consumers can be categorised according to their income levels, gender, age and location. They have their responsibilities accordingly.

10.4.1 Higher Income Consumers

Impact of consumerism is felt more among this group. Their purchase patterns are usually excessive and wasteful. They tend to purchase the latest products and invest money in non-essential, disposable and convenience products. In foods and beverages, their preference is for junk and fancy items. Besides, the group also generate maximum of non-biodegradable toxic and hazardous wastes.

So, it is the responsibility of this group to work towards environment protection as they are in a good position to influence the other sections of the population.

Educating the section of consumers who are urban poor exploited by the media’s advertisements is a major social responsibility of the higher income consumers. In urban areas, voluntary agencies and non-governmental organisations (NGOs) assume responsibility for protecting and promoting the rights. These, in fact, substitute for the general indifference observed of the higher income categories.

10.4.2 Gender

Consumer responsibility can also be understood to be gender specific. Traditionally women have been the reservoirs of cultural heritage and sustainable, consumption and production methods. They have been well versed in avoidance of waste, reuse, recycling, and have used alternate strategies of survival. **The innate compatibility of women and nature has been an accepted counter force to the negative aspects of consumerism. Empowerment of women** becomes, therefore, essential for devolving consumer responsibility.

10.4.3 Urban-Rural

Urban and rural sections of consumers owe mutual responsibility to each other. Consumption patterns of urban consumers can influence the production patterns of rural consumers. Wasteful consumption of natural resources in urban areas are seen to have a negative impact on the natural environment of distant regions. For example, consumption of wood in urban area is directly related to deforestation. The excessive use of energy by industry and urban consumer is the reason for building of large scale dams in the hilly regions. The building of a single dam causes dislocation at various human and environmental levels. Population is dislocated, agriculture and forest land is submerged, wildlife is disturbed and destroyed; cultural and architectural damage is also extensive.

Unaware rural consumers, specially in the agricultural sector indiscriminately use fertilizers and pesticides or remove forest cover for cultivation. If their traditional knowledge about their environment, wildlife and herbs, water conservation methodologies are acknowledged and documented, they can continue to use them for a personal, social and environmental benefit. If they are also made aware of how their resources are consumed

by distant urban consumers for negligible returns, then they can organise resistance as well as positive action. The Chipko Movement in the hilly areas of Garhwal is an example.

10.5 METHODS OF INCULCATING CONSUMER RESPONSIBILITY

Educational institutions as well as parents have a responsibility of inculcating responsible consumer behaviour in the young citizens. How to exercise choice, how to make value-oriented purchases, how to look out for quality, how to avoid being cheated can be advised by the consumer right educators. Responsible Consumer behaviour can be inculcated by teaching the young how to use public services and utilities: for example, conservation of electricity and water can be taught at home and in the institutions. Health-related lessons in nutrition become very useful for making of a responsible consumer. Another area of concern that can be taught is the ways of minimising pollution, and preserving green areas in and around home and places of work.

Check Your Progress 3

Note: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) List out the types of consumer responsibility.

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2) Very briefly state what measures can be taken to inculcate consumer responsibility among students.

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10.6 LET US SUM UP

We have seen that the latest but the most important factor in consumer-related issues is **consumer responsibility**. Till very recent times, the consumer was perceived to be a totally passive unit of the market economy. Industry or the producers controlled and manipulated the market to exploit consumers on every front. However, in recent times, increasing Consumer awareness and education have all alerted consumers across the globe to the overt and hidden agenda of the market forces. Now a market place is not only a sellers' outlet. It is also a place which is influenced by consumer behaviour which is increasingly becoming responsible. Aided and supported by strong legislation, by

government's contribution to the development of standardization, and voluntary organisation activity, the consumer is sufficiently armed to take on the market. Product information now makes it possible for consumers to make informed and responsible choices. In recent times there has been a major shift in what is expected of consumers. It is now the consumer's responsibility to help control the mindless exploitation of environment for profit by the industry.

In short consumer behaviour which is veering towards assumption of responsibility can now seek to control the industry, the market and the environment, as well as, generate ethical and social norms. Consumers, singly and collectively, are becoming a force to reckon with. However, the exercise of consumer power must be coupled with full awareness of its responsibility. **The best way to get the industry and the market to act responsibly to changing consumer demands, is to tailor these demands to environmental realities and diminishing energy resources. The emergence of a green profile in the industry is directly related to consumer awareness in this regard. Development of ethical norms is being undertaken by consumer organisations at local, national and international levels.**

10.7 KEY WORDS

Ecology:

deals with the relation between organisms and their environment. It now includes humankind's dependence and relationship with environment.

Environmental Cost:

is the cost which the environment, industry or the producer pays for the production and the disposal process associated with any consumer product. This is usually not assessed in terms of money, but is associated with environmental depletion and degradation. Environmental cost is also borne by the future than the present generation of humans.

Polluter Pay Principle (PPP):

is a recently evolved concept where the person or the unit causing any kind of pollution, is held responsible. The polluter's payment can be either compensatory or the polluter can make amends by making changes in his consumption or production pattern, so that pollution is minimal.

User Pays Principle (UPP):

A consumer product can pollute the environment both during its production process, or while it is being used. Sometimes the pollution costs is divided between the polluter and the user. The user's contribution to handling the polluting effects of the product are mostly associated with its disposal.

10.8 SOME USEFUL BOOKS

Brown, Lester, R., *State of the World*. W.W. Norton and Company, New York and London, 1994.

Jacobson and Mazur, *Marketing Madness*, Westview Press, Boulder, San Francisco, Oxford, 1995.

IUCN (The World Conservation Union), UNEP, WWF (Publishers), *Caring for the Earth, A Strategy for Sustainable living*, 1991.

10.9 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) The term consumer responsibility means the exercise of discretion as well as full awareness of the impact of consumer choice on other consumers and the environment.
- 2) Responsibility of a consumer to take partial responsibility for garbage disposal or when he/she is using market commodities. If he/she is using a car, his/her responsibility means how best to minimise pollution or to minimise its use. (Other examples may also be given).
- 3) The ethical consumer buys and invests appropriately and ethically. Price is not the only, or the main criterion for him. Ethical consumer does what is right and good in most situations for most people.
- 4) "Green Consumer" is a person who exercises his/her vote, not only in favour of market responses to his needs, but also in favour of his/her responsibilities towards the environment.

Check Your Progress 2

- 1)
 - a) Frugality in purchase
 - b) Avoidance of waste in consumption
 - c) Recycling and Reuse
- 2)
 - a) Creating needs where none exist and persuading and manipulating people to buy what they do not need.
 - b) Promoting wasteful life-styles by projecting false choices and flooding the market with new products.
 - c) Creating disposal problems through use of excess packaging.
- 3)
 - a) Since advertising seeks to promote false choices, the consumer should, when making a purchase, assess its necessity and need in his/her life.
 - b) As far as possible, none of his/her purchases should generate excess or non-biodegradable garbage.
 - c) Consumer should demand as much information as possible, about the product, he/she decides to purchase.

Check Your Progress 3

- 1)
 - a) Economic Responsibility
 - b) Gender-Specific Responsibility
 - c) Age related Responsibility
 - d) Urban - Rural Responsibility
 - e) North - South Responsibility
- 2) Advertisers and the market target specific age segments for the sale of products. To counter unwanted advertisements and inculcation of wrong values, educational institutions and parents can promote responsible consumer behaviour in the young by teaching them to make informed choices in the market and to use public

services. For young consumers, consumption and disposal of paper is an important issue. Avoidance of waste could also be taught to them through conservation of resources like water and electricity.

- 3) Excessive consumption patterns in the North have generated problems of pollution and garbage disposal. The North has been largely responsible for depletion of ozone layer, green house effect, global warming, and threat to marine life.



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UNIT 11 EMPOWERING THE CONSUMER

Structure.

- 11.0 Objectives
- 11.1 Introduction
- 11.2 Rights of Consumers
- 11.3 Responsibilities of Consumers
- 11.4 Consumer Protection Measures
 - 11.4.1 Origin
 - 11.4.2 In India
 - 11.4.3 Definitions of Concepts in the Consumer Protection Act, 1986
 - 11.4.4 Measures recommended in the Consumer Protection Act
 - 11.4.5 Additional Measures for Consumer Protection
- 11.5 Role of Consumer Organisations
- 11.6 Role of Trade and Industry
- 11.7 Role of Government
- 11.8 Let Us Sum Up
- 11.9 Key Words
- 11.10 Some Useful Books
- 11.11 Answers to Check Your Progress Exercises

11.0 OBJECTIVES

The main objectives of this unit are to make you

- understand the meaning and implication of empowering consumers;
- identify the various components of empowerment;
- examine the role of consumer organisation in such an empowerment.

The purpose is to enable consumers to assert themselves against exploitation by creating awareness amongst them about

- their rights and responsibilities;
- the institutions and other mechanisms available for Consumer Protection; and
- to build their capacity and enhance their capabilities in this regard.

11.1 INTRODUCTION

Every citizen of India, young or old, rich or poor is a consumer of some goods or services from the time of his/her birth to death. It is, therefore, necessary that every consumer not only gets a full measure of the value for money he/she spends, but also that his/her interests are fully safeguarded in terms of

- goods without defects which are safe for use and
- services without any deficiency

As is well known, the providers of goods and services whose major aim is to maximize their profits, often do so at the cost of consumer either by selling defective or substandard goods or provide services which are not upto expectation, but are deficient in some respect or the other.

Empowering consumers, therefore, implies strengthening them both individually and collectively against such exploitation and other malpractices.

Consumers can assert themselves in this regard, they can demand and ensure redressal of their grievances relating to defects in goods and deficiency in services, only by creating an awareness amongst themselves about

- their rights and responsibilities as consumers
- the consumer protection measures
- the remedies available for enforcing their rights and for redressal of grievances and
- the strength of their own capacity to organise themselves individually and collectively to fight any exploitation by the providers of goods and services.

The various components of empowerment of consumer can, therefore, be identified as follows:

- Empowering through establishment of Rights
- Empowering through responsible action
- Empowering through knowledge and awareness
- Empowering through capacity building and strengthening of skills both individually and collectively.
- Empowering through legislation and providing of institutional framework for resolving disputes and grievances
- Empowering through networking and organisational effort
- Empowering through voluntary effort by trade and industry.

11.2 RIGHTS OF CONSUMERS

The generally accepted Rights of Consumers as contained in the **United Nations Guidelines** adopted by the United Nations on **9th April, 1985** are as follows:

THE RIGHTS OF CONSUMERS

The **right to basic needs** means the right to basic goods and services which guarantee survival. It includes adequate food, clothing, shelter, health care, education and sanitation.

The **right to safety** means the right to be protected against product, production processes and services which are hazardous to health or life. It includes concern for consumers long-term interests as well as their immediate requirements.

The **right to be informed** means the right to be provided about the facts needed to make an informed choice or decision. Consumers must be given with adequate information enabling them to act wisely and responsibly. They must also be protected from mislead-

ing or inaccurate publicity material, whether included in advertising, labeling, packaging or by other means.

The right to choose means the right to have access to a variety of products and services at competitive prices and, in the case of monopolies, to have an assurance of satisfactory quality and service at a fair price.

The right to be heard means the right to advocate consumers' interests with a view to their receiving full and sympathetic consideration in formulation and execution of economic and other policies. It includes the right of representation in governmental and other policy-making bodies as well as in the development of products and services before they are produced or set up.

The right of redress means the right to a fair settlement of just claims. It includes the right to receive compensation for misrepresentation of shoddy goods or unsatisfactory services and the availability of acceptable forms of legal aid or redress for small claims where necessary.

The right to consumer education means the right to acquire the knowledge and skills to be an informed consumer throughout life. The right to consumer education incorporates the right to knowledge and skills needed for taking action to influence factors which affect consumer decisions.

The right to a healthy environment means the right to a physical environment that will enhance the quality of life. It includes protection against environmental dangers over which the individuals have no control. It acknowledges the need to protect and improve the environment for present and future generations.

Protection and empowerment of consumers, in turn would depend upon the various measures that are taken to enforce each of the rights.

The following gives an outline of some of the possible measures.

Right of Safety

- 1) Measures and standards to ensure safety and quality of goods and services.
- 2) Facilities for testing and certification of essential goods and services.
- 3) Policies to ensure that manufacturers compensate for defective or hazardous products.

Right to Choice

- 1) Control of abusive and restrictive business practices.
- 2) Providing of after sales service and genuine spare parts to ensure reliability of the brands of goods produced.
- 3) Protection of consumers from unfair contracts and regulation of promotional markets and sales.

Right to Redress

- 1) Government setting up expeditious, fair, inexpensive and accessible avenues.
- 2) Companies resolving disputes in a fair, expeditious and informal manner. This can be done by setting up voluntary mechanisms such as advisory services and informal problem solving procedures for consumers' benefit.

Right to Information

- 1) Information for consumers on proper use and risks associated with certain consumer products.
- 2) Free flow of relevant information relating to consumer products.
- 3) Governments developing consumer information programmes in mass media aimed at rural and illiterate consumers.

Right to Consumer Education

- 1) Introducing consumer education in the basic curricula of the education system.
- 2) Education programmes particularly for the benefit of low income consumers in rural and urban areas.
- 3) Governments organising training programmes for personnel in education, mass media and other professions.
- 4) Business and Trade Sectors initiatives/participation in factual and relevant consumer education programmes.

Right to Representation

- 1) Governments to facilitate development of independent consumers groups.
- 2) Providing opportunities for consumer groups to present their views during appropriate times in the course of decision-making by the governments.

Right to Basic Needs

- 1) Adopting food safety measures, including safety criteria, food standards and dietary requirements, effective monitoring, inspection and evaluation mechanisms.
- 2) Adopting food standards of FAO, WHO, CODEX Alimentarius or generally accepted international food standards.
- 3) Improving the quality and appropriate use of pharmaceuticals through integrated national drug policies.
- 4) Developing national drug policies that could address procurement, distribution, production, licensing arrangements, registration systems and availability of reliable information on pharmaceuticals taking into consideration the relevant work and recommendations of the WHO.
- 5) Developing, maintaining and strengthening national policies to improve the supply, distribution and quality of drinking water.

Right to Health Environment

- 1) Adopting measures relating to use, production and storage of pesticides and chemicals and services.
- 2) Including health environmental information in the labels of pesticides and chemicals.

11.3 RESPONSIBILITIES OF CONSUMERS

Along with the Rights of consumers as described above, there are also certain responsibilities which devolve on every consumer so that he/she can take an active part in consumer

protection. For a long time now, the market has been ruled by the principle of **caveat emptor** (Customer beware!) but an alert consumer asserting his/her rights and exercising his/her responsibilities can change this to **caveat venditor** (sellers beware!). Various **consumer responsibilities** as identified by **Consumers International**, a world body of consumer organisations are described below.

Critical Awareness

- To be alert and questioning about the goods and services used.
- Not to be tempted by clever and misleading advertisements with exaggerated claims of products and services, but to critically examine the utility of the product of services and the guarantees and warranties attached to them.
- Examination of products and offer for services.
- Exercising of choice on the basis of comparison of relative merits of products and services, wherever such choice is available.
- Adopting an attitude of non-compromising quality of goods and services to ensure full value for money paid.

Being prepared to act

- To raise one's voice and protest against any form of exploitation by Trade and Industry or violation of any of the consumers' rights in regard to quality of goods and services he/she should be prepared to take action to enforce fair and just demands.

Social Responsibility

To be concerned about the impact of their consumption on other citizens, particularly in relation to disadvantaged groups, in local, national or international environments.

Environmental Awareness

To be sensitive to environmental degradation and pollution in order to prevent waste and ensure conservation of natural resources.

Solidarity

To be ready to join forces and act together to strengthen consumer movement and consumer protection measures through networking and campaign and advocacy programmes on various consumer issues.

Check Your Progress 1

Note: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) Name the Rights of Consumers mentioned in the Guidelines of the U.N. in 1985.

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- 2) Write a brief note on being critically aware of the Consumers' Responsibilities.

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11.4 CONSUMER PROTECTION MEASURES

11.4.1 Origins

It is obvious that if the Right of consumers as indicated above are to become legally enforceable, then it is necessary to have not only a suitable consumer protection legislation, but also an institutional machinery for redressal of consumer disputes and grievances.

The first historic move in this regard was made in the U.S.A. by the then American President, **John F. Kennedy**, in 1962, when he moved the **Consumers' Bill of Rights in the U.S. Congress**, with the following observation:

"If a consumer is offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened and national interest suffers."

Thus Consumers' interest was equated with national interest. Therefore, an awakened, alert and empowered consumer will be an enlightened citizen, contributing to the overall national productivity, welfare and economy.

Thus while the consumer movement and the empowerment of consumers took rapid strides in the United States, with persons like **Ralph Nader** and others taking up various issues on behalf of consumers, the Rights of consumers took an international shape only as late as on 9th April, 1985 when the U.N. General Assembly adopted the U.N. **Guidelines for Consumer Protection**, through a resolution. The move called upon governments to develop, strengthen and maintain a strong consumer policy and provide enhanced protection of consumers by enunciating various steps and measures around seven themes, viz.,

- i) Physical Safety
- ii) Economic Interests
- iii) Standard
- iv) Essential Goods and Services
- v) Redress
- vi) Education and Information, and
- vii) Health

These eventually formed the basis for spelling out the Rights of Consumers. While the guidelines do not go far enough, steps are on hand for further expansion of the guidelines. They nevertheless provide a sound basis for the development of consumer policy, both at the national and international levels. The U.N. Guidelines are not binding in any formal sense on countries, nor are they international convention or treaty, but they have considerable moral persuasive value.

Coming now to consumer protection measures available in our country, attention may first be drawn to certain provisions of the Constitution of India which, apart from mentioning in its preamble that the state shall ensure the dignity of the individual, also has the following provisions:

- **Article 21** states that no person shall be deprived of his life or personal liberty except according to procedure established by law (**the fundamental right to live**).
- **Article 32** gives every citizen the right to approach the Supreme Court to enforce his or her fundamental rights (**the right to enforce fundamental rights**).
- **Article 47** directs the state to raise the level of nutrition and the standard of living and improve public health (of the citizen).

While **Articles 21 and 32 are Fundamental Rights**, **Article 47** comes under the **Directive Principle of State Policy**.

- **Article 226** stipulates that the High Court can issue writ on any matter connected with Fundamental Rights.

All the above Constitutional provisions **not only empower the citizens in general terms but also empowers them as consumers**.

The next important consumer protection measure that empowers consumers substantially is the **Consumer Protection Act** which was enacted in India in 1986 very soon after the adoption of the U.N. guidelines for Consumers in April, 1985, and is considered as **one of the most unique legislations of the world for consumer protection**.

The objective of the Act as stated in the legislation itself is to provide for better protection of the interest of consumers and for that purpose to make provision for the establishment of Consumer Councils and other authorities for the settlement of consumer disputes and for matters connected therewith.

11.4.3 Definitions of Concepts in the Consumers' Protection Act 1986

The basic legislation on consumer protection empowers the consumers by vividly defining the different terms and concepts connected with consumers:

- a) **"complainant"** means—
 - i) a Consumer; or
 - ii) any registered voluntary consumer association
 - iii) the Central Government or any State Government, who or which makes a complaint;
 - iv) one or more consumers, where there are numerous consumers having the same interest;
- b) **"Complaint"** means any allegation in writing made by a complainant that—
 - i) an unfair trade practice or a restrictive trade practice has been adopted by any trader;
 - ii) the goods bought by him or agreed to be bought by him suffer from one or more defects;
 - iii) the services hired or availed of or agreed to be hired or availed of by him, suffer from deficiency in any respect;
 - iv) a trade has charged for the goods mentioned in the complaint a price in excess

of the price fixed by or under any law for the time being in force or displayed on the goods or any package containing such goods;

- v) goods which will be hazardous to life and safety when used, are being offered for sale to the public in contravention of the provisions of any law for the time being in force requiring traders to display information in regard to the contents, manner and effect of use of such goods with a view to obtaining any relief provided by or under this Act;
- c) **“Consumer”** means any person, who :
 - i) buys any goods for a consideration which has been paid or promised or partly paid and partly promised, or under any system of deferred payment and includes any user of such goods for consideration paid or promised or partly promised, or under any system of deferred payment when such use is made with the approval of such person, but does not include a person who obtains such goods for resale or for any commercial purpose; or
 - ii) hires or avails of any services for a consideration which has been paid or promised or partly paid and partly promised or under any system of deferred payment and includes any beneficiary of such services other than the person who hires or avails of the services for consideration paid or promised or partly paid or partly promised, or under any system deferred payment, when such services are availed of with the approval of the first mentioned person;

Explanation: For the purposes of sub-clause (i), **“commercial purpose”** does not include use by a consumer of goods bought and used by him exclusively for the purpose of earning his livelihood, by means of self-employment;

- d) **“Consumer dispute”** means a dispute where the person against whom a complaint has been made, denies or disputes the allegations contained in the complaint;
- e) **“defect”** means any fault, imperfection or shortcoming in the quality, quantity, potency, purity or standard which is required to be maintained by or under any law for the time being in force or under any contract, express or implied, or as is claimed by the trader in any manner whatsoever in relation to any goods;
- f) **“deficiency”** means any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained by or under any law for the time being in force or has been undertaken to be performed by a person in pursuance of a contract or otherwise in relation to any service;
- g) **“goods”** means goods as defined in his Sale of Goods Act i.e. every kind of movable property other than actionable claims and money and includes stocks and shares growing crops, grass, and drugs attached to or forming part of land which are agreed to be served before sale or contract of sale.
- g) **“unfair trade practice”** means a trade practice which, for the purpose of promoting the sale, use or supply of any goods or for the provision of any service, adopts any unfair method or unfair or deceptive practice including any of the following practices, namely:

the practice of making any statement, whether orally or in writing or by visible representation which

- i) falsely represents that the goods are of a particular standard, quality, quantity, grade, composition, style or model;
- ii) falsely represents that the services are of a particular standard, quality or grade;
- iii) falsely represents any re-built, second-hand, renovated, reconditioned or old goods as new goods;
- iv) represents that the goods or services have sponsorship, approval, performance,

characteristics, accessories, uses or benefits which such goods or services do not have;

- v) represents that the sellers or the supplier has a sponsorship or approval or affiliation which such seller or supplier does not have;
- vi) makes a false or misleading representation concerning the need for, or the usefulness of, any goods or services;
- vii) gives to the public any warranty or guarantee of the performance, efficacy or length of life or of any goods that is not based on an adequate or proper test thereof;

Provided that where a defence is raised to the effect that such warranty or guarantee is based on adequate or proper test, the burden of proof of such defence shall lie on the person raising such defence;

viii) makes to the public a representation in a form that purports to be :

- i) a warranty or guarantee of a product or of any goods or services; or
- ii) a promise to replace, maintain or repair an article or any part thereof or to repeat or continue a service until it has achieved a specified result.

If such purported warranty or guarantee or promise is materially misleading or if there is no reasonable prospect that such warranty, guarantee or promise will be carried out:

- ix) materially misleads the public concerning the price at which a product or like products or goods or service, have been, or, are, ordinarily sold or provided, and for this purpose, a representation as to price shall be deemed services has or have been sold by sellers or provided by suppliers generally in the relevant market unless it is clearly specified to be the price at which the product has been sold or services have been provided by the person by whom or on whose behalf the representation is made;
- x) gives false or misleading facts disparaging the goods, services or trade of another person.

Explanation : For the purposes of clause (1), a **statement** is that:

- a) expressed on an article offered or displayed for sale, or on its wrapper or container; or
 - b) expressed on anything attached to, inserted in, or accompanying, an article offered or displayed for sale, or on anything on which the article is mounted for display or sale; or
 - c) contained in or on anything that is sold, sent, delivered, transmitted or in another manner whatsoever made available to a member of the public,
- shall be deemed to be a statement made to the public by, and only by, the person who had caused the statement to be so expressed, made or contained;
- 2) permits the publication of any advertisement whether is any newspaper or otherwise, for the sale or supply at a bargain price, of goods or services that are not intended to be offered for sale or supply at the bargain price, or for a period that is, and in quantities that are, reasonable, having regard to the nature and size of business, and the nature of the advertisement.

Explanation : For the purposes of clause (2), “**bargaining price**” means —

- a) a price that is stated in any advertisement to be a bargain price, by reference to an ordinary price or otherwise, or
- b) a price that a person who reads, hears or sees the advertisement, would

reasonably understand to be a bargain price having regard to the prices at which the product advertised or like products are ordinarily sold;

- 3) Permits—
 - a) the offering of gifts, prizes or other items with the intention of not providing them as offered or creating impression that something is being given or offered free of charge when it is fully or partly covered by the amount charged in the transaction as a whole;
 - b) the conduct of any contest, lottery, game of chance or skill, of the purpose of promoting, directly or indirectly, the sale, use or supply of any product or any business interest;
- 4) permits the sale or supply of goods intended to be used, or are of a kind likely to be used, by consumers, knowing or having reason to believe that the goods do not comply with the standards prescribed by the competent authority relating to performance, composition, contents, design, constructions, finishing or packaging as are necessary to prevent or reduce the risk of injury to the person using the goods;
- 5) permits the hoarding or destruction of goods, or refuses to sell the goods or to make them available for sale or to provide any service, if such hoarding or destruction or refusal raises or tends to raise or is intended to raise, the cost of those or similar goods or services.
 - i) “restructure trade practices” means any trade practice which requires a consumer to buy, hire or avail of any goods or, as the case may be, services as a condition precedent for buying, hiring or availing of other goods or services.

11.4.4 Measures recommended in the Consumer Protection Act

Setting up of Central and State Consumer Protection Councils with the object of perfecting the rights of the consumer, such as

- a) the right to be protected against the marketing of goods and services which are hazardous to life and property
- b) the right to be informed about the quality, quantity, potency, standard and price of goods or services as the case may be, so as to protect the consumer against unfair trade practices
- c) the right to be assured, whenever in trouble, access to a variety of goods and services at competitive prices
- d) the right to be heard and to be assured that consumers interests will receive due consideration at appropriate forums
- e) the right to seek redressal against unfair trade practices or restrictive trade practices or unscrupulous exploitation of consumers and
- f) the right to consumer education.

Setting up of a three tier Consumer Disputes Redressal agency with the following components :

- i) **District Consumer Disputes Redressal Forum**—for claims upto Rs. 5 Lakhs
- ii) **State Consumer Disputes Redressal Consumer** — for claims from Rs. 5 to Rs. 20 Lakhs
- iii) **National Consumer Disputes Redressal Consumer** — for claims above Rs. 20 Lakhs

The District Forums have original jurisdiction while the State and National Consumers have original, appellate and revisional jurisdictions.

The Act also specifies the following remedies to :

- a) remove the defect pointed out by the appropriate laboratory from the goods in question;
- b) replace the goods with new goods of similar description which shall be free from any defect;
- c) return to the complainant the price, or, as the case may be, the charges paid by the complainant;
- d) pay such amount as may be awarded by it as compensation to the consumer for any loss or injury suffered by the consumer due to the negligence of the opposite party;
- e) remove the defects or deficiencies in the services in question;
- f) discontinue the unfair trade practice or the restrictive trade practice or not to repeat them;
- g) not offer the hazardous goods for sale;
- h) withdraw the hazardous goods from being offered for sale;
- i) provide for adequate costs to parties

Apart from the above, the Consumer Protection Act also provides the manner in which complaints shall be made and the procedure to be followed by the Redressal Forums in processing the complaints and the nature of orders indicating any of the remedies as indicated above. The Rules made under the Act, specify the procedure to be approved by the National Consumer Council on appeals filed before it.

11.4.5 Additional Measures for Consumer Protection

In addition to the Consumer Protection Act, there are also a number of other legislations/ rules which provide legal empowerment for consumer as listed below:

- 1) The Indian Penal Code, 1860
- 2) The Indian Contract Act, 1872
- 3) The Sale of Goods Act, 1930
- 4) The Essential Commodities Act, 1955
- 5) The Prevention of Food Adulteration Act, 1954
- 6) The Agricultural Produce Grading and Marking Act, 1937
- 7) The Prevention of Black-Marketing and Maintenance of Supplies of Essential Commodities Act, 1980
- 8) The Standards of Weights and Measures Act, 1976
- 9) The Standards of Weights and Measures (Packaged Commodities) Rules, 1977
- 10) The Food Corporation Act, 1964
- 11) The Drugs and Cosmetics Act, 1940.
- 12) The Drugs and Cosmetics (Amendment) Act, 1964
- 13) The Drugs and Cosmetics Rules, 1945
- 14) The Drugs (Control) Act, 1950

- 15) The Drugs (Prices Control) Order, 1987
- 16) The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
- 17) The Trade and Merchandise Marks Act, 1958
- 18) The Monopolies and Restrictive Trade Practices Act, 1969
- 19) The Motor Vehicles Act, 1988
- 20) The Central Motor Vehicles Rules, 1989
- 21) The Bureau of Indian Standards Act, 1986
- 22) The Indian Telegraph Act, 1885
- 23) The Indian Telegraph Rules, 1951
- 24) The Indian Electricity Act, 1910
- 25) The Indian Electricity Rules, 1956
- 26) The Electricity (Supply) Act, 1948
- 27) The Railways Act, 1890
- 28) The Railways Act, 1989
- 29) The Railways Claims Tribunal Act, 1987
- 30) The Environment Protection Act, 1986
- 31) The Banking Regulation Act, 1949
- 32) The Insurance Act, 1938
- 33) The Hire Purchase Act, 1972

Check your Progress 2

Note : i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

- 1) List out the salient features of the Consumers' Protection Act 1986.

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- 2) Who is a 'Consumer' according to the Consumers' Protection Act 1986?

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11.5 ROLE OF CONSUMER ORGANISATIONS

While individual consumers can empower themselves through becoming aware of their rights and responsibilities and the remedies available to them for enforcing these rights, much can be achieved through collective action for strengthening consumer movement by voluntary consumer organisation, by organising campaigns and advocacy programmes on various consumer issues, as also by training and capacity building of individual consumers.

Such consumer organisations can bring out appropriate publication, such as manuals and magazines as also pamphlets and leaflets in local languages, highlighting various aspects of consumer protection in different areas, with reference to the respective legal provisions, rules, regulation and procedures and educate the consumer regarding his/her rights and responsibilities.

They can also organise workshops, seminars and training programmes not only on consumer related topics but also in building up the capacities and skills of individual consumers on various management and other techniques besides communication and information skills to enable them to take a more effective part in the consumer movement.

More importantly, they can help, guide and train individual consumers in representing their grievances and disputes before various Consumer Disputes Redressal forums. The organisations can also join hands with the people in collective class action besides launching Public Interest Litigation on important consumer issues.

They can interact effectively as consumer groups with trade and industry organisations, such as Chambers of Commerce and Federations for ensuring a better deal for consumers by evolving appropriate codes of conduct and business ethics.

11.6 ROLE OF TRADE AND INDUSTRY

Trade and industry whether producing and selling goods or providing services cannot function in isolation. They have to realise that their survival depends on consumer satisfaction. They have, therefore, to evolve a code of conduct and business ethics through discussions with consumer groups and organisations.

They have to ensure that the quality of their products are according to prescribed standards and that they are safe and priced reasonably. They have to voluntarily ensure that they do not adopt any unfair or restrictive trade practices to exploit the consumers.

They have also to ensure that the quality of their products conform to the standards of weights and measures and that their packaged commodities, conform to the prescribed rules and regulations containing all relevant information about the product.

They have to voluntarily evolve and adhere to certain ethical standards and code of conduct in advertising their goods and services to avoid misrepresentation and misleading of consumers.

They have to ensure that their products and services carry appropriate guarantees and warranties and that these are scrupulously honoured whenever defects and deficiencies are pointed out by the consumer.

They have also to ensure courteous behaviour towards customers and provide proper and effective after sales service where required.

11.7 ROLE OF GOVERNMENT

Last, but not the least, as enjoined in the Constitution of India, Governments have necessarily to play a vital role in protection and empowerment of consumers.

Government should ensure establishment of an effective and responsive Administration which is not only citizen-friendly but is also transparent and accountable. It should evolve proper groups in training various consumer related policies.

Governments should take appropriate consumer-friendly initiatives in all public activities and services provided by the State either directly or through various public sector and other autonomous bodies and organisations.

Governments should provide adequate support to voluntary non-government organisations and thereby strengthen and promote a healthy consumer movement.

Governments should ensure strict enforcement of various consumer protection laws, regulations and rules and set up appropriate mechanism for citizens' involvement both for monitoring and for obtaining appropriate feedback.

Governments should set up appropriate Regulatory Bodies and/or Price monitoring or Public Litigation Commission to ensure their cost effective functioning and provide representation for consumer organisations in such bodies.

Government should ensure establishment of appropriate standards and time limits for providing various services and provide prompt, effective and time bound redressal of consumers' grievances and complaints not only through formal institutional mechanism, but also through other informal conciliation procedures.

Check Your Progress 3

- Note: i) Use the space below for your answers.
 ii) Check your answers with the model answers given at the end of the unit.

- 1) Among the following organisations which one is connected with consumers.
 - a) NATO
 - b) CRY
 - c) FICCI
 - d) CGSI

- 2) How can Consumer organisations help the consumer movement?

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- 3) Why should the governments set up Price Regulatory Authority?

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11.8 LET US SUM UP

There cannot but be a better way to conclude than by quoting an observation of Mahatma Gandhi. He said this as this long ago as in 1934. This encapsulates the spirit of what empowerment of Consumers really means

“A Customer is the most important.

Visitor in our premises

He is not dependent on us.

We are dependent on him.

He is not an interruption of our work.

He is the purpose of it.

He is not an outsider in our business

He is a part of it.

We are not doing him a favour by

Serving him.

He is doing us a favour by giving us an

opportunity to do so”.

Consumers' empowerment is primary for the development of effective consumer movement. Though there are provisions in the Indian Constitution besides several pieces of Consumers Welfare Legislations, their efficiency can be realised only if the governments strictly enforce the provisions. An alert Consumer community is essential to help the governments to realise the strength of the Acts. To ensure this, the governments, the citizens and the trade and industry have to cooperate with each other. Consumer empowerment is vital for India to also increase the quality of goods exported because, in a liberalised and globalised world, international demand for Indian goods earns her much foreign exchange. Therefore, consumer empowerment is a necessary component of India's vital national interest.

11.9 KEY WORDS

Adulteration:	Mixing of spurious or inferior grade products with a standard or quality products
Appellate Jurisdiction:	The higher Court or forum can take up a matter already decided by the lower courts for reconsideration. The aggrieved party can once again appeal against a lower court's (Forum's) decision.
Code of Conduct:	Guideline or set of rules.
Manual:	Publication of an organisation that primarily gives directions and suggestions for the user to follow.
Original Jurisdiction:	The court or Forum can on its own take up a case for considerations.
Pamphlets:	Short write up for publishing and circulation.
Redressal:	Solution of a problem or ways to overcome a difficulty.
Trade:	Profession or activity.

11.10 SOME USEFUL BOOKS

Kamath, KPS, *Servants Not Masters, Karnataka Consumers' Forum*, Udupi, Karnataka, 1987.

Mathew, P.D., *Public Interest Litigation*, Indian Social Institute, New Delhi, 1996.

Ministry of Food and Civil Supplies, Dept. of Civil Supplies, Krishi Bhavan, New Delhi, The Consumer Protection Act, 1986.

11.11 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

1) The Right to safety

The Right to be informed

The Right to choose

The Right to be heard

The Right to redress

The Right to consumer education

The Right to healthy environment

2) To be critically aware is to be alert, conscious and question the genuineness of any product or service. It suggests a behaviour where you are not cheated or tempted by any clever offer that appears to promise more than what really exists in a product or by a service. By being critically aware, you develop a habit whereby you examine whether you actually need a product for your use. It also implies that you become more demanding and asks the manufacturer or trader, as the case may be, questions about the product in order to satisfy yourself. Thus, you would want more choices from which you could select. Being critically aware, you would also want only the quality or standard product and would reject any spurious or sub-standard one you may find in the market or being offered.

Check Your Progress 2

- 1)
 - a) Provisions for the establishment of Consumers' Councils institutions at three levels — District, State and National.
 - b) Clear and broader definitions of the consumer related provisions in the legislation.
 - c) Empowering by encouraging him/her to exercise his/her Rights as a consumer. This means making him/her conscious of the Rights and encourage assertiveness about protection of the Rights.
 - d) Right to Information and Consumer Education.
 - e) Suggestion of appropriate remedies for securing the Rights as Consumers. For more points, please refer unit 9 of this block.
- 2) Any person who consumes or buys or uses any goods or avails of any services for a consideration. In other words, it means any beneficiary of services or who enjoys the utility of goods purchased. It does not indicate any person who sells either goods or services.

- 1) CGSI : Consumer Guidance Society of India
- 2) Through collective action by mobilizing people through different methods such as conducting meetings, bringing out publications, organising film/video shows, training of volunteers in consumer protection measures and by creating awareness and interest among the people in consumer related activities.
- 3) Price Regulatory Authorities help the people by keeping the prices of various commodities/services at a reasonable and affordable level. They match the quality of goods offered with the prices charged. They prevent overcharging of the consumers by traders and thus help to curb exploitation by anti-social elements in the society. The authorities also educate the consumers by periodically publicizing the price lists, weights and measures and make them aware of their rights as consumers. They help the governmental authorities concerned in taking action against the exploiting elements.



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UNIT 12 SOCIAL ACCOUNTABILITY

Structure

- 12.0 Objectives
- 12.1 Introduction
- 12.2 Evolution of the Idea
 - 12.2.1 The Indian Context
 - 12.2.2 Social and Economic Basis
- 12.3 Social Objectives and Responsibility
- 12.4 Public Policy and Social Accountability
 - 12.4.1 Policy Framework
 - 12.4.2 Legislative and Judicial Process
 - 12.4.3 Growing Consumer Movement
 - 12.4.4 Industrial Administration and Political Process
- 12.5 Profession of Management and Public Policy Process
- 12.6 Corporate Ethics and Social Audit
- 12.7 Let Us Sum Up
- 12.8 Key Words
- 12.9 Some Useful Books
- 12.10 Answer to Check Your Progress

12.0 OBJECTIVES

The producers, manufacturers and providers of services are supposed to be conscious of their duties towards society. That is, their sole concern should not be profit only. With the emergence of industrial production the idea of social responsibility and accountability have become more important. At present there are pressures from the social, legal and judicial institutions in addition to those from the consumer and environment Movements to ensure social accountability. This unit is meant to make you aware of

- the concept and idea of **social accountability**, its growth and development in general and in the Indian context in particular,
- public policy, legal and judicial processes stimulating social accountability,
- industry and Management's response to public policy and other stimulants, and
- recent developments in the area of corporate social accountability.

12.1 INTRODUCTION

The concepts of **social responsibility**, **socially by responsible** and **responsive behaviour** are not new to Indian society. In earlier times life of individuals as members of the society, the relations between groups as also between citizens and the state were governed by a set of abiding values and informal codes. Indeed, even the social mechanism to promote and sustain social responsibility was provided by the society.

Today some commentators argue that the concept of Social Responsibility by producers and Corporate sector has lost its relevance. But others approvingly provide an array of widely varying descriptions. Some eminent economists consider profit (and profitability) as the near exclusive criterion for evaluating an organization. On the other hand, there is a growing volume of opinion that an organisations cannot operate with concern for profit alone.

While discussing the concept of social responsibility, many writers argue the need to provide an extended connotation of social responsibility so as to include not only profit-making industry and business organisations, but also service organisations. This is being done on the ground that all institutions in any society ought to fulfill and subserve social objectives, and thus be responsible and accountable to the society. Thus the concept is seen as a **link between society and social organisations**. Different aspect of such a linkage have been emphasized by different commentators. **R.H. Tawney** emphasizes the point that even economic organisations must satisfy criteria laid down by the society which are not purely economic.

E.F. Schumacher observes : “What is the meaning of democracy, freedom, human dignity, standard of living, self-realization, fulfillment?..... If economic thinking grasps this. If it cannot get beyond its vast abstractions such as the national income, the rate of growth, capital-output ratio, input-output analysis, labour mobility, capital accumulation and make contact with the human realities of poverty, frustration, alienation, despair, breakdown, crime, escapism, stress, congestion, ugliness and spiritual death, then let us scrap economics and start afresh”.

Relating social responsibility to problems of profitability, **Steven Dilley** maintains that “social responsibility is the performance of activities by a private enterprise without the expectation of direct economic gain or loss, for the purpose of improving the social well-being of the community or one of its constituent groups”.

Robert Anderson goes one step further by suggesting that “social responsibility is not necessarily non-consideration of profits, it is making profit in a socially acceptable way..... Social responsibility, then is the obligation to assess the effects of personal and institutional decisions (and ensuing actions) on the entire social system”.

If it is performance of statutory stipulated obligations, it cannot be considered performance of social responsibility. **Voluntarism** is considered a key characteristic of social responsibility.

12.2 EVOLUTION OF THE IDEA

The growing literature on corporate social responsibility speaks of the increasing relevance of the concept in contemporary times. Indian (and the Eastern) ethic as it can be referred to, reflect the diverse facets of social responsibility. The concepts of ‘GURUKULA’ (in the sphere of education); ‘ABHYUDAYA’ (that material growth should lead to social welfare) ; ‘NISHREYASHA’ (that all human/ social activity has as its common objectives, spiritual growth and fulfillment) ; ‘NISHKAAMA KARMA’ (performance of duty without expecting gains), or the later-day reiteration of ‘trusteeship’ and many other social, economic and religious tenets represent the ethos of social responsibility. Even the process to promote socially responsible behaviour is projected in the spiritual tenets such as DHARMO RAKSHATI RAKSHITAAM — promote and project Dharma, and it will protect you.

Sir Julian Huxley reinterpreted the concept of social responsibility as: “Man is an ion in the ‘cosmos’ — the ordered whole of the universe. Just as no organ of human body works for its own sake, no individual in society can work for his own sakes; he has a

transcendent purpose. Elaborating on this dimension of human evolution, Sir Julian Huxley observes: "Thus the evolutionary vision... illumines our existence in a simple, but almost overwhelming way.... It shows our kind (as) enthroned above matter, quantity subordinate to quality".

12.2.1 The Indian Context

Though the concept of social responsibility with regard to producers in its modern form is based on Western trade practices and has developed as an off-shoot of the process of industrialization and the consequent social problems, in the contemporary context, the Indian scene too provides an additional set of perspectives such as trusteeship, philanthropy, and philosophical postulates of caring for sharing with fellow human beings. The importance of social accountability in the Indian context is brought out by the current renewal of **Mahatma Gandhi's** philosophy of **trusteeship**. According to him the finest examples of trusteeship are those where all possessions are held in trust for the good of all progressively approaching the high spiritual state of mental renunciation. We can, in the Upanishadic expression, "renounce and enjoy". Mahatma Gandhi advocated that everyone's time, energy, effort and not just wealth ought to be held in trust for society. He added that persons with any degree of self-regulation and intelligent outlook could make a significant contribution to the noble cause of philanthropy. A number of businessmen in India responded to Gandhi's call for trusteeship.

12.2.2 Social and Economic Basis

Thus the evolution of the concept of Accountability in the West has had its parallel in India, not merely as a countervailing force to match the economic power of industrial organisations but also as a safeguard against state power evidenced through regulations and administrative omissions and commissions. Increasing degree of non-responsive behaviour on the part of organisations would generate pressures within the society resulting in state regulation through statutory measures. Increasing social and political legislations and administrative regulations (anti-defection, Lokayuta, monopolies, restrictive and unfair trade practices, industrial safety, consumer protection, bonded labour, environment, employment practices and conservation of energy) being witnessed in the Indian context reflects this process.

Social responsibility concerns are also emerging from the broader socio-economic processes and problems of equity and social justice. Whereas economic growth is measured in term of capital-output ratio and the rate of growth (GNP), value orientations such as social democracy, self-reliance, protective discrimination, standard of living, and quality of life of a community as a whole are brought into sharp focus and are considered of equal importance in the process of social development. Thus the purely economic link between 'share-holders' and production organisations is expanded so as to encompass all sections of the community as 'stake-holders' in the health and prosperity of the community.

As a result of this expanding horizon and the emerging linkages between institutions and the community, corporate organisations are increasingly becoming aware of the need, either through internal evolution or due to external pressures from the governments, citizens and interest group such as consumers, trade unions, environmentalists to organise and inform people on how aware and committed they are and they should be to their social responsibilities.

The Indian context is characterized by some significant landmark recommendations which marked the emergence and crystallization of the concept of social responsibility in modern times. The **Sachar Committee** (appointed by the Government of India in 1972) emphasised the need for (a) industry to become socially responsive and (b) recommended minimal standards and guidelines for legislation. The **Government of India Committee on Processual Justice** (chaired by **Justice V.R. Krishna Iyer** in 1973) observed, inter alia, that the economically weaker sections such as the workers in industrial dispute, with no

staying power are dragged to the courts of law and subjected to protracted litigation, whereas the corporate organisations meet the expenses from the corporate funds. It was in this context that the first ever **Social Audit** (1980) voluntarily undertaken by **Tata Iron and Steel Corporation (TISCO)** attracted the attention of the community.

Check Your Progress 1

Note: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) What do you understand by the concept of Social Accountability?

.....

2) What are the socio-economic basis of social accountability?

.....

12.3 SOCIAL OBJECTIVES AND RESPONSIBILITY

At a time when the nations all over have adopted industrialisation as an instrument of social development, industrial and business organisations have to recognize their broader social mission and commit themselves to the promotion of desired and directed social change. These social objectives form a broad spectrum, and encompass issues such as :

- a) value premises (industrial democracy; participatory management);
- b) atuning business ethics in a manner so as to shift from exclusive concern for profit and profitability as the hallmark of organisational excellence to promoting social welfare and development;
- c) moving away from the view that “social responsibility of business is to turn a social problem into economic opportunity, into well paid jobs, and into wealth”.
- d) moving away from practices such as management-sponsored trade unions, and shifting of units from regulated to less regulated areas;
- e) recognition that every business decision has implications for society;
- f) conformity to the spirit of law and compliance to statutory obligations;
- g) not allowing private and partisan interests to result in industrial sickness; and
- h) concern for not only the quality of work but also for quality of life of the community.

This canvas of linkages between corporate organisations and community can be seen as the **four factes of social responsibility**, namely, (a) involvement in community issues; (b) human resources development and utilisation (c) utilisation of material resources both renewable and non-renewable, and environmental contributions; and (d) product

or service contribution to the consumer, including safety, service and fair trade practices.

Indian managers have not as yet, and adequately, prepared themselves to accept the challenge of attuning social objectives with their organisational objectives.

The quality of work-life obtaining within industrial organisations in India is aptly reflected in two broadly conflicting attitudes obtaining between the managers and the workers. The managers perceive that if the managements 'exploited' the workers (and unions) until recently, it is the workers (and the unions) that are now exploiting the managers (and organisations).

The workers however perceive that what they have achieved during the recent decades is the result of their own effort: "What we have got today is the result of what we have fought for and won, managers (management) have not given us anything with grace".

The manner in which hazardous units are set up in populous locations in order to derive short-term benefits, the manner in which material resources of the community are being depleted without caring to recycle waste even in their own business interest; and, the manner in which environmental degradation has been contributed by the industry in India, are matched by administrative laxity not only in preventing such degradation, but by an equally lax implementation of laws in this regard.

Perhaps the Indian consumer has been one of the most exploited in the contemporary society, not only by the private sector, but also and perhaps more, by the monopolistic practices of the public sector industry and service organisations. The loss of support and 'protection' to the public sector in India is the immediate result. A positive approach towards social responsibility by the marketing professionals should lead them away from selling on the basis of untruths, false promises and fears, indecency, unfair advertising, restrictive practices, lavish advertising and public relations budgets, and generating artificial needs. Equally significant are the problems of (a) delivering services and goods (cheap, effective generic drugs as against costly and/or spurious branded medicines); (b) consumer safety; and (c) customer service, where we have yet to make a decent beginning. Though we now have professional codes and ethics, they have not proved effective enough. Thus came the Consumer Act of 1986. This legislation was passed amidst great expectations and was hailed by the consumers as an important land mark because for the first time it made even the public sector enterprises accountable to the people in the matter of their products and services. Consumer legislation which followed thereafter is seeking to remedy the problems. But, consumerism is growing; the relations between the consumer and business are getting bitter and antagonistic, with potentially adverse consequences to both.

12.4 PUBLIC POLICY AND SOCIAL ACCOUNTABILITY

The situation obtaining in India is admittedly complex and could be seen in terms of three sets of issue namely, (1) policy framework and practices; (2) legislation and judicial process; and (3) growing consumers' movement and action.

12.4.1 Policy Framework

Some policy components that are relevant for the consideration of issue of Social Accountability are rooted in the Constitution of India in the Preamble Statement and Directive Principles of State Policy. Public Policy regarding location of industries with a

view to removing regional imbalances and promoting development of backward areas, monopolistic and restrictive trade practices, consumer protection, conservation of natural resources and others have a direct bearing on the concept of Social Accountability.

Any review of the situation obtaining in regard to the practices of industry and business calls for empirical data. However, in the absence of such data, one has to take an overview of the existing practices. Thus viewed, the dominant "image" of the industry in India perhaps is such that the current practices are essentially focused upon profit and profitability without adequate concern for social responsibility and accountability. Perhaps it could also be argued that it is the practice of exceptional units which get into the media shaping the adverse image of the industry. But, in the ultimate analysis, it is the image that matters in influencing public attitudes and their intensity, in turn shaping public policy. The image of Indian industry can be summed up in one statement that it has no doubt contributed to the attainment of great economic heights irrespective of the variety of social and political constraints and regulations; yet it has not seriously engaged in social action spheres.

12.4.2 Legislative and Judicial Process

The very definition of social accountability should be outside the framework of law. Such an accountability should be voluntary but not statutory. However, if voluntary accountability is missing, legislation and legislated norms are imposed by the society. Thus, a spate of legislations has been enacted encompassing areas such as minimum wage, conditions of employment, hours of work, safety at work, effluent treatment, consumer protection and safety.

Although the role of judiciary primarily is interpretation of law and administration of justice, judicial dicta has gone far beyond legislated norms in regard to social accountability. The Supreme Court established the norms of vicarious liability on the premise that it would be a travesty of justice if the big business houses are allowed to defer the prosecution launched, and avoid facing the trial on the technical flaw..... for their alleged, deliberate and willful breach of the provisions of legislation such as the Water (Prevention and Control of Pollution) Act 1974. Similarly, the Supreme Court observed on a number of occasions how, especially the public sector corporations, (which are projected as model employers) fight needless litigations, raising needless objections, and adopting needless postures and procedures. The Supreme Court also passed strictures on several corporations for dragging on the litigation in order to harass the weaker sections in prolonged court battles. The Orissa High Court has given a historic decision when it held illegal the disconnection of telephones by the Telecommunication Department on the plea that bills have not been paid on the grounds that the consumer has disputed the bill and the dispute is not arbitrated upon.

At an entirely different level, people in high authority observed that unless continuous vigilance was maintained, the powerful links between bureaucracy and business and industrial houses which vitiate the system cannot be broken. Even the existing legislation is being tightened on several counts (e.g. imprisonment for default in repayment of public deposit; maintenance of proper provident fund accounts and its timely payment). The **Sachar Committee** emphasised legislated norms in order to promote better compliance of desirable standards. The **Committee on Processual Justice** recommended that expenses on litigation between employers and employees should be met from the corporate funds (with appropriate safeguards to avoid possible misuse).

12.4.3 Growing Consumer Movement

In the face of increasing legislation and judicial activism expanding the scope and substance of Social Accountability, the Indian situation is characterised by a spurt in organised consumer movement action to promote what may be called **socially acceptable behaviour** and standards on the part of corporate organisations.

There is a spurt in the voluntary consumer associations, to protect consumer interest. Most of these organisations, estimated to be 260 in number, seek to promote consumer protection and education by various means, including representation of individual consumer problems.

Even in the face of growing and aggressive consumerism, many corporate executives argue that while they are not opposed to corporate social responsibility, they insist that it is for the state to (a) provide social security and services, leaving the corporate sector to produce, and that (b) in the event of state insisting upon the corporations to meet social obligations, such obligations should be defined by law instead of leaving it to the business and industry to define it for themselves.

Incidents like the Chasnala coal disaster and the Bhopal gas tragedy (where more than 2,000 persons died and many more disabled for life from toxic fumes) have suddenly brought into focus several other facets of community and industry interface, and expanded the canvas of social responsibility of industry from the consumer to the community, and from consumerism to voluntary social action. There is a wide-spread and an ever-increasing citizen initiative, articulation and voluntary action on behalf of the community. The following few instances illustrate the emerging and growing concerns of the community in India.

Baba Amte's plea for a reconsideration of the Narmada Valley Project in terms of its social costs, human suffering, ecological damage and financial burden; the Bombay Natural History Society's (BNHS) stand against the building of any project across the Narmada; popular agitations against the atomic power project at Kaiga and the COGENTRIX Project in Karnataka.

Consumer Education and Research Centre (CERC) has been established to be a landmark in promoting voluntary effort in enforcing socially responsive attitudes on the part of the corporate sector.

Organisations like Citizens Against Pollution (CAP), Centre for Environmental Concerns (CEC) function in most of the Indian cities and industrial centres besides the tribal-rural areas. These organisations protect the interest of unaware citizens who are adversely affected due to the indifference and high handedness of administrators promoting developmental activities like major irrigation projects.

12.4.4 Industrial Administration and Political Process

Voluntary action has expanded the scope of social responsibility and accountability from business and industry to public administration and the professions.

Corporate funding of political parties, economic growth through centralised planning and administrative regulation, corporate kick-backs, increasing number of units deliberately made sick and ever growing black-money or parallel-economy are some of the many dimensions that characterise the growing nexus between business and industry on the one hand and administration and political process on the other.

Having taken cognisance of the emergence and growth of this nexus and its adverse impact, society has started exerting pressure on public policy process with visible results. An instance is the legalization of political funding by the private sector brought about by an amendment (Section 293 A) of the Companies Act, (1956).

That such measures have not yielded the desirable impact, and that there is increasing public awareness and pressure on breaking this nexus is evident from facts such as campaign for (a) electoral reforms in order to free democratic process from the money power and the nexus between business and politics, and (b) rooting out corruption in administration. These issues are raised of in the **Vohra Committee Recommendations of 1995**.

12.5 PROFESSION OF MANAGEMENT AND PUBLIC POLICY PROCESS

In a rapidly changing situation there is bound to be a gap between social reality and public policy. Presently the Indian social situation is undergoing rapid social change. Industrialisation is one of the factors that has to be contended with. On the one hand there is a national cry for industrial development and an outcry against the evils of hazardous industrial growth. Hence the need for public policy to harmonise the diverse and often conflicting public interest and policy options.

An important prerequisite for such an harmonisation is the nature and quality of public debate. Issues of corporate social accountability are discussed and debate more in the society than in the corporate sector itself.

The disposition of the corporate managers towards social accountability is also indicated by their disinclination to share corporate financial data with the society. There was a distinct set of questions seeking information regarding expenditure incurred on various programmes of action considered by them as components of social accountability. The corporate managers belonging to public, private as also government have been unanimous in one respect i.e., their reluctance to partake financial information.

Such financial data was sought not with a view to converting the qualitative dimensions of social accountability into quantitative terms but merely as an indicator of the magnitude of the programme.

Though management in India is being increasingly professionalised, available evidence suggests that the managers have not as yet started participating in the debate on the concept, content and limits to corporate social accountability. In the absence of their effective and adequate participation, not only may they be foregoing a professional opportunity and initiative but also depriving public policy of their point of view. There is a lurking impression emerging out of available data that the managers in India are waiting for the society to legislate and are content with merely conforming to the legislated minimum of public policy. Such a disposition of managers creates an impression among the public that Indian managers no doubt have contributed to the attainment of great economic heights but have lost certain social sights.

There is an urgent need and immense scope for the profession of management in India to establish linkages between political freedom, economic growth and social development on the one hand and shaping public policy and translating policy into reality preferably on a voluntary basis in order to shape social reality in tune with the vision of the society.

Check Your Progress 2

Note: i) Use the space below for your answers.

ii) Check your answers with the model answers given at the end of the unit.

1) How does legislative and judicial process encourage Social Accountability?

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2) What is the role of consumer movements in the growth of Social Accountability?

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12.6 CORPORATE ETHICS AND SOCIAL AUDIT

The profession of management has to develop a code of ethics which should govern its professional role, and a mechanism for professional self-regulation in the interest of promoting harmony between industry and the community. In the absence of self-regulation, the society develops its own (statutory or coercive) mode of regulating its constituents.

The **Monopolies and Restrictive Trade Practices Act (1969)** has been able to create consumer awareness and a sense of responsibility in the trade and industry moving towards a better standard and quality of goods and services. Though the Commission is proving helpless in covering Public Undertakings, the aggressive judicial intervention on behalf of the consumers into the operations of public sector industry and business has started exerting pressure and has created the right impact. The aggressive campaign of consumer and other voluntary organisations, facilitated by competitive power politics of political parties is leading to a gradual withdrawal of 'protectionist' measures for the public sector.

Recognizing that social accountability and responsibility are concepts no more vague, and no more optional, the profession will have to operationalise the concept, and evolve a methodology and a mechanism for undertaking voluntary social audit, for **in the absence of such a voluntary social audit, we may perhaps end up in a paradoxical situation of "statutorily regulated social audit"**.

In this direction, initially a document on Corporate Social Accountability is needed to be prepared by representatives from industries. This document could serve as a framework for launching a movement towards "voluntary social audit". The first ever "Social Audit" undertaken and widely circulated by one of Tata Units, **the Tata Iron and Steel Company (TISCO)** was an effort to train for Democracy and represents a movement towards voluntary social audit. The **Administrative Staff College of India (ASCI), Hyderabad**, has taken the pioneering step of introducing the concept in a formal way through awareness, debate and operationalisation. The growing variety and complexity of organisations necessitate, however, not a single method of social audit, but a set of norms and a series of methodologies. Available data indicate that the Indian scene is amenable to "Social Audit" without having to make it a statutory requirement.

An attempt could be made in getting a few pioneering organisations representing various sectors like production, services, and public utility to meet, evolve and adopt social audit programmes on an experimental basis.

At the level of an organisations or professional group the following components could constitute **elements of social audit**:

- a. Development of an awareness and acceptance of social responsibility and accountability;
- b. Identification of areas of community relations and a series of priorities;
- c. Development of programmes in these prioritised social action areas;
- d. Quantification of success or failure vis-a-vis allocation of resources, human, financial and material;
- e. Development of a system of social responsibility accounting reliable enough to permit publication and an independent audit.

The sum and substance of social audit could thus have three facets, namely, whether an organisation is (a) aware of its social responsibilities and how such responsibilities are defined; (b) committed to carrying them out; and (c) successful in carrying out programme to translate these responsibilities.

Such a commitment could be measured in terms of (a) the degree to which policies were formulated, clarified and publicised; (b) programmes developed and defined; (c) resources invested in terms of money and personnel; (d) the sophistication of the monitoring process, and (e) the publication of programmes' results.

All said and done, a recognition of the need, and acceptance of the concept of social responsibility constitute the first basic prerequisite and a major achievement. It is, at once, both a challenge and a responsibility.

Check Your Progress 3

Note : i) Use the space below for your answer.

ii) Check your answer with the model answer given at the end of the unit.

1) Briefly comment on the social commitment of corporate sector in India? Give your own examples of Corporate Sector's contributions.

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12.7 LET US SUM UP

Despite the fact that today, commercial profit has become the primary concern of producers, importance of social responsibility and accountability remains relevant. It is particularly important for effective functioning of Welfare state.

In India social responsibility concerns are emerging from the broader socio-economic processes and problems of equity and social justice. Corporate organisations are increasingly becoming aware of the need. There had been legislative and judicial processes too that enforce accountability legally. Consumer movements are increasing their watch over the producers as well as public administration.

Corporate ethics by itself has not yet developed to the desired expectations in India. Professionals will have to operationalise the concept and evolve a methodology and a mechanism for undertaking voluntary social audit. In this an attempt can be made getting a few pioneering organisations representing various sectors like production, services and public utility to meet, evolve and adopt social audit programmes on an experimental basis.

Unfortunately, in India, so far the consumer has remained quite exploited not only by the private sector but also by the public sector. The professional codes are not being adhered to. Consumer legislation is seeking to remedy the problems however. But only legislation cannot achieve the results. On the one hand consumer awareness is growing but on the other, relations between consumers and business are getting bitter and antagonistic. This needs to be conciliated.

12.8 KEY WORDS

Corporate Sector: Consists of companies, industrial and established business houses,

and banks and other financial institutions. Members of the Corporate Sector are both in the Public and Private Sectors.

Public Sector Companies and Institutions: Institutions that are established for the common good of the people, out of social concern. Institutions falling under this are either wholly or partly controlled or managed by the Government whether at the centre or in the States. The opposite of the Public Sector is Private Sector.

12.9 SOME USEFUL BOOKS

Medawar, Charles, *The Social Audit Consumer Handbook: A guide to Social Responsibilities of Business to the Consumer*, Mac Millan, 1976.

12.10 ANSWERS TO CHECK YOUR PROGRESS EXERCISES

Check Your Progress 1

- 1) See Part 12.1
- 2)
 - a) Processes and problems of equity and social justice.
 - b) Linkages between institutions, community and corporate organisations.
See Part 12.2.2 for further details.

Check Your Progress 2

- 1)
 - a) Legislatures enact legislation encompassing areas and defining the extent of responsibility of the Corporate Sector.
 - b) Judiciary enforce law, (establishing case law), mixing responsibility on the corporate sector.
See part 12.3.2 for more details.
- 2)
 - a) Putting pressure on the state for enactment and enforcement of law.
 - b) By making people aware of the malpractices adopted by producers.
 - c) By interacting with and impressing on producers and providers of services about the counsellor's rights and expectations.

See part 12.3.3

Check Your Progress 3

- 1) It is still limited. For details see part 12.5