

EMPOWERING THE RURAL CONSUMER : AN ANALYSIS



Political Science

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ABSTRACT

The burgeoning transnational market system with its characteristic feature of free and competitive interplay of corporate forces has led to the rapid expansion in production of goods and services and subsequent over flooding of the market with the same. This has resulted in the direct interface between the consumer and the producer. Both the consumer and the producer act as key players in the globalised market system. But the rural consumers vis-a vis the urban ones are impugned by poverty, poor literacy and unemployment which mar their level of consumer awareness. The rural consumers, thus, fall easy prey to unfair trade practices like hoarding, black marketing, and adulteration of food, pesticides, drugs and the like. They are not really aware of consumer protection laws and the mechanisms in place to redress their grievances. Therefore to empower the rural consumers and fulfil their normal and legitimate expectations with regard to the goods they purchase and services they avail, a consumer movement is the urgent need of the hour. For mobilizing such a movement, the State, PRIs, Civil society, NGOs should work as partners, educating and sensitizing people about the dynamics of consumerism.

INTRODUCTION

"Consumption is the sole end and purpose of all production and the interest of the producer ought to be attended to, only so far as it may be necessary for promoting that of the consumer" Adam Smith

The process of globalization has resulted in the restructuring of the world. Globalization can be popularly understood as an economic process which aims at gradual removal of barriers to trade and investment between nations. It has integrated the global network of trade, communication, immigration and transportation. Market has become the hinge point of all crucial transactions to usher in growth and development. The market is over flooded with goods, commodities and services, which has catapulted both the role of the consumer and the producer. Market engagements have mobilized and activated consumerism. *Consumerism can be understood in two senses. In the first sense it contemplates that an ever expanding consumption of goods is advantageous to the economy. In the second sense it is a modern movement for the protection of the consumer against inferior or dangerous products, misleading advertisements and unfair pricing etc.* Consumer movement in India is still in an infant stage and its success depends on educating the consumers about their rights and responsibilities.

Rural Consumer Vis a Vis Consumerism

When we take the case of the rural consumer we find he is disengaged and indolent when it comes to consumerism. He lacks awareness about consumer issues and is thereby exploited. Several structural problems are involved here which not only obstruct consumerism but are important causes of consumer exploitation also. Illiteracy, poverty and unemployment are notable causes of such exploitation. A substantial number of rural populations i.e. 25.7% remain below poverty line in comparison to 13.7% urban population (Planning Commission GOI 2014). In a similar fashion the literacy rate is 68.9% vis-à-vis 85% in urban areas (Directorate of Census Operation 2011). Due to these problems the rural consumers remain ignorant and unorganized. The rural consumers lack information about composition, quantity, conditions of use and terms of purchase while buying a product. They are also ignorant about quality certifications (for ex ISI, MRP, AGMARK etc) of products. Therefore the rural consumer is cut off from consumerism and is heavily exploited.

The rural consumers become vulnerable to the shortcomings of the market. He easily becomes a victim to black-marketing, hoarding, duplicity of branded goods, defective seeds, adulterated pesticides and exploitation by service providers. The vulnerable sections are mainly women, children and farmers. Monopoly is also a cause of consumer exploitation. In markets where only one or few producers or sellers operate the consumer is more vulnerable as he is forced to purchase the product or avail the services. The rural consumer faces

a critical situation when in need of essential commodities like life saving drugs and food items without which the consumer cannot do. The consumers in such areas are charged with exorbitant price and provided low quality products. The epithet "Consumer is the king of the market" is a misfit in case of the rural consumer.

CONSUMER PROTECTION ACT 1986 (COPRA)

COPRA is an institutional mechanism to combat consumer exploitation. The Consumer Protection Act was enacted on 24th December 1986. It is the principal legal remedy available to the consumers. This is an important Act which seeks to provide better protection of the interests of the consumers. It is a benevolent, unique and highly progressive piece of social welfare legislation providing for simple, speedy and less expensive remedy for the Redressal of consumer grievances in relation to defective goods and deficient services (IIPA study: 2009). Consumer Protection Act is a weapon in the hands of consumers to fight against exploitation by traders, manufacturers and sellers on one hand and providers of services on the other. It has acknowledged the rampant consumer abuses, including those of the government owned public utilities like telephones, transport, power etc. These utilities, in the first place, were created as state monopolies ostensibly to protect consumers. It makes provision for the establishment of Consumer Councils and other authorities for the settlement of consumer disputes. Unlike other laws, which are basically punitive or preventive in nature the provisions of the Act are compensatory.

To provide cheap, speedy and simple redressal to consumer disputes, three tier quasi-judicial machinery is set up at each District, State and National levels called District Forums, State Consumer Disputes Redressal Commission and National Consumer Disputes Redressal Commission respectively. These quasi-judicial bodies are required to follow Principles of Natural Justice to provide quick and speedy justice to the consumers. The time period for redressal of consumer grievances is 90-150 days.

PROBLEM AREAS

The three tier consumer forums set up under the Consumer Protection Act are in urban areas which makes it difficult for rural consumers to approach the forum. Moreover, though the forum has been set up as special courts, the non-extension of their benches in rural areas makes their accessibility a big problem leading to poor public participation (see Cheria) Redressal platforms as a means to forge consumer activism, their extension to rural areas and involvement of PRIs in consumer education and awareness should be urgently realized and acted upon.

There were several other provisions incorporated in earlier enactments to protect the interests of consumers such as The Sale of

Goods Act, 1930, The Indian Contract Act, 1872, Agricultural Produce, (Grading and Marketing) Act, 1937, Drugs and Cosmetics Act, 1940, Drugs (Control) Act, 1950, Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954, Prevention of Food Adulteration Act, 1954, Essential Commodities Act, 1955, Essential Services Maintenance Act, 1968, Trade and Merchandise Marks Act, 1968, Standards of Weights and Measures Act, 1976, Bureau of Indian Standards Act, 1986, The Monopolies and Restrictive Trade Practices Act, 1969etc.

Whatever be the provisions, the rural consumers need to be educated heuristically to benefit from these provisions.

CONSUMER EDUCATION- A POTENT TOOL FOR EMPOWERMENT OF RURAL CONSUMERS

In this complex marketplace the consumer is overloaded with increasing amounts of information and an expanding choice of complex products and services. As a consequence they are more exposed to fraud and require a wider range of skills and knowledge than ever before. As Professor Li Shaomin has observed, "when millions of people experiment with new ways to make money without moral self-constraint, the chance of new products that can evade existing testing methods is pretty high (Xin, Stone: 2008)." Consumer education is therefore a potent tool for empowering rural consumers as it would equip them with information and skills necessary to meet challenges posed by the markets. According to Wells and Atherton consumer education can be defined as: ".....a process of gaining skills, knowledge and understanding needed by individuals in a consumer society such that they can make full use of consumer opportunities presented in today's complex marketplace" (Wells, Atherton :1998). Consumer education is an important tool for consumer protection. It generally covers one or more of the following areas: consumer protection, consumer skills to help them make more informed decisions and protection of public interest which relates to environmental and social issues. Consumer education would certainly help develop consumerism.

President John F. Kennedy (US Congress 1962) had remarked: "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." John F. Kennedy had equated the rights of the ordinary American consumer with national interest. He gave the American consumer four basic rights- The Right to Safety, The Right to Choose, The Right to Information, The Right to be Heard. Later President Gerald Ford felt that the four rights constituted in Kennedy's Bill of Rights were inadequate for a situation where most consumers are not educated enough to make the right choices. So he added the Right to Consumer Education, as an informed consumer cannot be exploited easily.

AGENTS OF CONSUMER EDUCATION

We have a centralized institutional framework for consumer education, under which the central government develops consumer education policies which reach local areas through local governments or through regional networks. Other market players and stakeholders actively involved in consumer education include:

1. Consumer organizations and other civil groups whose objective is to promote consumer education. Ex- Voice (New Delhi) Common Cause (New Delhi) Consumer Guidance Society of India (Mumbai), Akhil Bharatiya Grahak Panchayat (Mumbai)

2. Industry and trade associations and individual companies.
3. Universities and educational institutions.

1. Teachers' associations.
2. Family and parents associations.
3. Media

The provision of information and advice relating to consumer protection is mainly the task of government and consumer organization. Yet the objective of raising consumer awareness involves a broader range of stakeholders like teachers, media and civil society.

The above mentioned agents play the following roles:

1. They organize campaigns on various consumer issues to create social awareness.

2. They organize training programmes for the consumers and make them conscious of their rights and modes of redressal of their grievances.

3. They bring out periodicals and other publications to enlighten the consumers about various consumer related developments. For instance, VOICE publishes a bi-monthly magazine called "Consumer Voice" which covers a wide variety of subjects of importance to the consumers.

4. They provide free legal advice to their members on matters of consumer interest and help them to take up their grievances with the District Forum, State Commission and National Commission set up under the Consumer Protection Act.

5. They interact with businessmen and Chambers of Commerce and Industry for ensuring a better deal for consumers.

6. They launch Public Interest Litigation (PIL) on important consumer issues. Public Interest Litigation means a legal action initiated in a court of law regarding a matter of general public interest such as ban on a product injurious to public health.

It is important to note that most of these organisations/agents operate in urban pockets and rural consumers are deprived of their services. Corporate Social Responsibility of industrial firms should focus on consumer education in rural areas.

CONSUMER EDUCATION THROUGH MEDIA ENGAGEMENTS

In a big country like India, given the scenario of economic disparity and level of education and ignorance in rural areas, educating rural consumers remain a gigantic task. Government has taken up a number of media initiatives in creating consumer awareness in the country as a part of Consumer Awareness scheme. The slogan 'Jago Grahak Jago' has now become a household name as a result of publicity campaign. Both electronic and print media is used to educate the consumers about their rights and responsibilities. The media is used to focus on consumer related issues such as -Grievance Redressal system, Alternate Dispute Redressal system, Weights and measures, Marking Quality Certifications (ex MRP, ISI, Hall-Mark) and Rights of consumers.

KEY ISSUES AND CHALLENGES IN CONSUMER EDUCATION

Challenges to Consumer education are discussed below:

1. Lack of overall strategies- We do not have an overall consumer education strategy. Even in countries where lifelong consumer education has been endorsed, little appears to have been done to implement programmes to support such learning. The consumer education programme is not holistic in nature like the national education policy covering primary to higher education. There is specific strategy for the rural consumer.

2. Need to enhance the quality of education provided- The quality of consumer education could be enhanced in terms not only of content, but also of delivery to reach the rural people.

3. Limited opportunities for education in school settings- Because of the limited time available in the school curriculum, it is not easy to find a place for consumer education. Governmental institutions do not always fully see the importance of consumer

education.

4. Lack of coherence in education initiatives- Although consumer education in taught, there is a general lack of cohesiveness with other relevant education policies, and it is implemented in a fragmented way.

1. Lack of sufficient self-motivation for both the educated and the educator- It is difficult for policy – makers to promote consumer education because both the educators and the educated are not very motivated to find and profit from the relevant educational opportunities and information.

5. Limited resources- All of these challenges require additional resources but these are limited in many countries.

SUMMARY AND RECOMMENDATIONS

RURAL CONSUMERS: NEED FOR EDUCATION AND EMPOWERMENT

In the emerging scenario, it is necessary to protect the rural consumers by educating them about their rights and empowering them to make decisions based on information about the goods and services and be a part of consumer movement. Awareness has to be created among the rural consumers. So far the consumer movement has largely been confined to the urban centres, and with the expanding rural markets, now the focus has to shift to protect the rural consumer. Consumer organizations and similar civil society groups have an important role to play in consumer education. They have the means to provide consumers with information and help them to make informed choices. Consumer information needs to be available at the right time and in the right place before or when purchasing decisions are made. It is also time to consider consumer education as part of the school and college curriculum.

RECOMMENDATIONS

a) We require programmes specially and strategically directed towards the education of rural consumers keeping in mind their socio-cultural and economic milieu. Most of the programmes are general in nature directed towards both urban and rural consumers.

b) Street plays and songs regarding consumer awareness would be meaningful.

c) Distribution of posters and pamphlets on the subject could be distributed involving a whole array of institutions like the gram panchayats, anganwadi centres, and self-help groups.

d) Publications about consumer issues could be brought out in vernacular languages for the benefit of ruralites. The publication of the Department specifically 'UPBHOKTA JAGARAN' should be brought out in regional languages and distributed to the elected representatives of the PRIs.

e) Community radios are primarily restricted to metropolitan and other big cities and towns. Community radios to convey socially important messages like consumer awareness, swachh bharaat, save the girl child etc could be instituted at district level in the interest of the local people.

f) The programmes implemented for the rural folks should be accompanied by necessary follow-ups.

g) Further, slogan, poster making and painting competitions on consumer issues in schools and colleges and their exhibition would increase people's awareness.

h) Like the road safety week, we can celebrate consumer safety week in the form of marches and special rebates to consumer on products.

i) Seminars, workshops and awareness camps are also quite

important in this regard.

j) We could have a Censor Board for certification of advertisements, so as to check misleading and nude ones.

k) The law should mandate that the celebrities endorsing a particular product should be first confirmed that its contents are eco and human friendly or else they would be held accountable and penalized.

l) Continuous and surprise checks and inspections by health inspectors on food and beverage industries would be an important step to safeguard the interests of the consumers. The products should not evade the testing methods.

m) Like Yoga and Environmental Education which are compulsory subjects in colleges with grading systems, we could have consumer education in the curriculum in a similar fashion. This could be repeated in the syllabus of High Schools also.

n) Eco clubs, sexual harassment cell, anti-ragging cell has become a compulsory feature of all higher educational institutions to be accredited by NAAC. Likewise we could also establish Consumer Clubs as a mandatory feature in educational institutions to advise on consumer problems.

ROLE OF PANCHAYATI RAJ INSTITUTIONS

To reach the rural consumers, the plan of action needs to be a concerted one exclusively to sensitize rural consumers. It is imperative to involve the panchayati raj institutions in not only educating consumers but also ensuring that fake and spurious products are not sold in the rural markets. These institutions can play a meaningful role in consumer protection and consumer welfare. The recommendations contained in the 20th Report of the Standing Committee on Food, Consumer Affairs and Public Distribution (14th Lok Sabha) on the subject 'Consumer Movement in the Country' needs to be effectively implemented. It recommended that the Department of Consumer Affairs should take the desired initiatives to involve panchayati raj institutions in various programmes related to consumer awareness. To sum up the rural consumer needs to be strengthened with an array of institutional supports (both formal and informal) to transform him from an apathetic consumer to a dynamic one.

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