

Chapter-1

Introduction

1.1 Consumer Protection: International Scenario: It is now universally accepted that the level of consumer awareness and protection is a true indicator of the development of the country and the progressiveness of its civil society. The reasons for universal acceptance of consumer protection, as often cited, are: the rapidly increasing variety of goods and services which modern technology has made available; the growing size and complexity of production and distribution system; high level of sophistication in marketing and selling practices in advertising and other forms of production; removal of personal relationship between buyer and seller as a result of mass marketing methods and consumers' increased mobility. Above all, the growing consumer awareness about their rights, consciousness and concern for value for money have contributed to the emergence of universal acceptance of the need for protection and promotion of consumer rights.

One could be forgiven for believing that consumerism was largely invented by Mr. Ralph Nader, the well-known American Advocate. History of protection of consumer rights by law has long been recognised as dating back to 1824. Every year 15th of March is observed as the World Consumer Rights Day. On that day in 1962 President John F. Kennedy called upon the U.S. Congress to accord its approval to the Consumer Bill of Rights. These rights are (i) right to choice; (ii) right to information, (iii) right to safety and (iv) right to be heard. President Gerald R. Ford added one more right i.e. right to consumer education. Later other rights such as right to healthy environment and right to basic needs (Food, Clothing and Shelter) were added. In India we have recently started celebrating 24th December every year as the National Consumer Rights Day.

In the history of the development of consumer policy, April 9, 1985 is a very significant date for it was on this day the General Assembly of the United Nations

adopted a set of general guidelines¹ for consumer protection and the Secretary General of the United Nations was authorised to persuade member countries to adopt these guidelines through policy changes or law. These guidelines constitute a comprehensive policy framework outlining what governments need to do to promote consumer protection in the following seven areas:

- i. Physical safety;
- ii. Protection and Promotion of the consumer economic interest;
- iii. Standards for the safety and quality of consumer goods and services;
- iv. Distribution facilities for consumer goods and services;
- v. Measures enabling consumers to obtain redress;
- vi. Measures relating to specific areas (food, water and pharmaceuticals) and
- vii. Consumer education and information programme.

Though not binding legally, the guidelines provide an internationally recognised set of basic objectives particularly for governments of developing and newly independent countries for structuring and strengthening their consumer protection policies and legislations. These guidelines were adopted recognizing that consumers often face imbalances in economic terms, educational levels and bargaining power and bearing in mind that consumers should have the right of access to non-hazardous products apart from promoting just, equitable and sustainable economic and social development. These U.N. guidelines for Consumer Protection can assist in the identification of priorities particularly in the light of emerging trends in a globalised and liberalised world economy.

The U.N. guidelines were never intended to be a static document and required to be revisited in the changed social, political and economic circumstances. On re-examination of U.N. guidelines in 1999 “ **sustainable consumption** ” was also

¹ General Assembly Resolution 39/ 85

included in the list which is certainly an important step in this direction. It would perhaps be apt to highlight that long back Mahatma Gandhi said that **“the rich must live more simply so that the poor may simply live”**. There cannot be a better expression championing the cause of sustainable consumption. The inclusion of sustainable consumption as a part of the UN Guidelines was hailed as the **‘ crucial next step’** in achieving the goals of sustainable development agreed upon in the Rio Summit. According to a spokesperson of the Consumers International, “ Consumer Protection has taken a pioneering stride into a greener future. This is the first major update of this Magna Carta of consumer rights since it was adopted...The decision... Marks a victory for consumers and provides an important tool which governments can use in developing and implementing effective action plans for sustainable development”.

It may not be out of place to mention that the increased internationalisation of cooperation is also a part of the globalisation process. Rules adopted for corporations trading in OECD countries for the protection of the interests of consumers can now be applied to their conduct for the protection of the interests of the consumers in non-OECD countries also. A new investment guideline from the OECD spells out principles to be applied by multinational corporations dealing with consumers. The Guidelines, which deal with fair business, marketing and advertising practices as well as safety and quality of goods and services lend themselves to consumer monitoring and campaigning. Possibilities for action include twinning arrangements in which groups from non-OECD countries work with groups from the home countries of multinational corporations to hold them accountable for failure to adhere to the Guidelines.

The activities of the Department in the area of consumer protection are guided by these guidelines.

1.2 Constitutionalism and Consumerism: Constitutionalism and consumerism both seem to be twin sisters with similar objectives. Constitutionalism, in a politically organized society, is concerned with the protection and promotion of an individual’s rights, dignity and welfare as a citizen.

Similarly, consumerism is concerned with the protection, promotion and welfare of the rights of the individual as a consumer, a client and a customer. In the final analysis, concern of both is the individual; whether as a citizen, a consumer, a customer or as a client. Constitutionalism provides policy framework, institutional mechanism, finances and functionaries for better service and empowerment of the citizen. On the other hand consumerism provides ways and means to demand quality goods, better services, better protection, empowerment, welfare and value for money. In a way, both are supplementary and complementary to each other. Constitutionalism promotes by way of constitutionally directed fundamental duties of a citizen, development of a scientific temper and spirit of inquiry and consumerism facilitates consumers to know about the products and services in detail in all its aspects. Finally, one may like to mention that constitutionalism as well as consumerism is an art and science for ensuring quality of life. Therefore, promoting consumerism is directly related with the promotion of constitutionalism. In a more practical perspective the focus of both is the good governance in all its dimensions *viz*; transparency, accountability, responsiveness, efficiency, effectiveness, economy etc. and at all levels – sectoral, local, regional and national with the vision to develop better society and thereby to guarantee better life.

1.3 Consumer Protection - Implications for Good Governance: An effective, efficient and fair implementation of the Consumer Protection Act is one of the conditions precedent for promoting the culture of good governance and thereby ensuring the better promotion and protection of the rights of consumers. If the rights of the consumer in relation to the quality of goods and services are assured and taken care of, then there will be no cause for complaints. This situation would certainly create an atmosphere wherein the clients, customers and consumers would feel satisfied with the things needed most by them. In this context, the concerns of good governance need to be mentioned briefly with a view to establish linkage with the concern of Consumer Protection Policies, Laws and Institutions. Generally speaking, the thrust of good governance movement, *inter alia*, is – efficiency, effectiveness, ethics, equality, economy, transparency,

accountability, empowerment, rationality, impartiality and participation. In view of these requirements of good governance, one can easily and with success establish the co-relation with the concerns of the Consumer Protection Law and policies. From the point of view of the concerns of the Consumer Protection Law, it may generally be emphasised that the concerns of consumer rights protection are to ensure fair trade practices, quality goods and deficiency-free services with information to consumers with regard to quality, quantity, potency, composition and price on their choice of purchases.

In view of the remedies available to the consumers under the Consumer Protection Laws there is no doubt that at the end of the day, if efforts of the operators of law and enforcement agencies are genuine and there is a sense of commitment, the culture of good governance would pervade wherein the consumers would feel highly satisfied and there would be no real cause for making a complaint or showing their dissatisfaction. Therefore, the proper and effective implementation of the laws, dealing with the protection of the consumers' rights would promote the cause and concern of good governance.

1.4 Consumer Protection in India: A Brief Background: It may be mentioned at the outset that any one interested in the task of consumer protection movement has to be well versed in various laws and not merely with the Consumer Protection Act, 1986. He should have knowledge of laws relating to Contract, Tort, Railways, Telegraphs, Telephones, Post, Air Travel, Insurance, Electricity, Water, Housing, Medicine, Banking, Finance, Engineering, Motor Vehicles, Hotel Industry, Entertainment, Cooperative Societies, Tourism Agencies, Sales Tax, Central Excise, Limitation, Transport etc. There is no limit to subjects, which may come before a Consumer Forum /Commission for decision. In addition, one should also be well versed with the laws relating to unfair trade practice and restrictive trade practices.

In India various Acts intended to protect the consumers against different forms of exploitation were enacted, such as, the Indian Penal Code, 1860; Indian Contract

Act, 1872; Drugs Control Act, 1950; Industries (Development and Regulation) Act, 1951; Indian Standards Institution (certification marks) Act, 1952; Drug and Magic Remedies (Objectionable Advertisement) Act, 1954; Prevention of Food Adulteration Act, 1954; Essential Commodities Act, 1955; Trade and Merchandise Marks Act, 1958; Hire Purchase Act, 1972; Cigarettes (Regulation of Production, Supply and Distribution) Act, 1975; Prevention of Black-marketing and Maintenance of Supplies of Essential Commodities Act, 1980; Essential Commodities (Special Provisions) Act, 1981; Multi-State-Co-operative Societies Act, 1984; Standard of Weights and Measures (Enforcement) Act, 1985; and Narcotic Drugs and Psychotropic Substances Act, 1985. Some significant consumer protection enactments of pre-Independence time are the Sale of Goods Act, 1930; Agriculture Produce (Grading and Marketing) Act, 1837 and Drugs and Cosmetics Act, 1940. The latest recruit to the list of laws having bearing on consumer protection is Competition Act, 2002.

1.5 Consumer Protection Act, 1986 (CPA): was enacted with an objective to provide better protection of the interests of the consumers, to make provision for the establishment of Consumer Councils and other authorities for the settlement of consumer disputes. This is indeed a very unique and highly progressive piece of social welfare legislation. The Act is intended to provide effective and efficient safeguards to the consumers against various types of exploitations and unfair dealings. Unlike other laws, which are basically punitive or preventive in nature, the provisions of the Act are compensatory. It is a matter of great satisfaction that we can legitimately boast that we now have in our country a statute, which provides more effective protection to the consumers than any corresponding legislation in force in countries, which are considered to be much more advanced and industrialised. CPA has been in operation for about 20 years. A number of deficiencies and shortcomings in respect of its operation have come to light thereby requiring amendments thrice, still leaving scope for further improvements. Despite all this, it is a handy weapon for consumers to ensure accountability of producers of goods and providers of services. In the International Conference on Consumer Protection held in Malaysia in 1997, the Indian

Consumer Protection Act was described as one **“which has set in motion a revolution in the field of consumer rights, the parallel of which has not been seen anywhere else in the world”**.

Important Features of the C.P. Act are (i) The Act applies to all goods and services unless specifically exempted by the Central Government. (ii) It covers all the sectors – private, public and cooperative. (iii) The provisions of the Act are compensatory in nature. (iv) It provides adjudicatory authorities, which are simple, speedy and less expensive. (v) It also provides for Consumer Protection Councils at the National, State and District levels. (vi)The C.P. Act is in addition to and not in derogation of the provisions of any other law for the time being in force.

Consumer Rights under the Act are as follows:

- (a) the right to be protected against marketing of goods and services which are hazardous to life and property;
- (b) the right to be informed about the quality, quantity, potency, purity, standard and price of goods or services, as the case may be to protect the consumer against unfair trade practices;
- (c) the right to be assured, wherever possible of access to 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 fora;
- (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.

1.6 Consumer Disputes Redressal Mechanism: It also provides for Consumer Disputes Redressal Adjudicatory bodies established at three levels i.e. District, State and National. They are known as District Forums, State Commissions and National Commission. District Forum is composed of a

President and two members (one member is woman). Every member of the District Forum shall hold office for a term of five years or up to the age of 65 years, whichever is earlier and shall be eligible for reappointment. Now graduation is the minimum educational qualification for a member. The State Commission is presided over by a retired or sitting High Court Judge. The National Commission is presided over by the retired or sitting Supreme Court Judge. The District Forum can adjudicate on the matter upto Rs. 20 lakh, State Commission up to one crore and National Commission above Rs. one crore. The proceedings before these adjudicatory bodies are regulated in accordance with the principles of natural justice. At present 605 District Fora and 35 State Commissions are functioning all over the country besides the National Commission in New Delhi. State Commissions and National Commission have started sitting in Circuit Benches also. Since 2005 complaints filed before the Commissions and forums are required to be accompanied with fee and payable in a manner as prescribed under Rule 9A of the Consumer Protection Rules, 1987.

1.7 National, State and District Consumer Protection Councils:

The Act provides for the establishment of the Consumer Protection Councils at the National, State and District levels. The objectives of these councils are to help the respective governments in adopting and reviewing policies for promoting and protecting the rights and interests of the consumers. The composition of these consumer councils is broad based. The citizens and organisations representing different interest groups having implications for consumer rights' protection are members of these councils along with Heads and representatives of the service providing institutions and representatives of the trade and business associations. It may not be out of place to mention that these Councils are constituted on public-private partnership basis for better feedback as an input for improvements in the policy and its effective implementation for better protection of consumers' rights.

1.8 Role of VCOs in Consumer Protection: The utility of VCOs in the area of consumer protection is second to none by virtue of their operational domain at the grassroots level. They are useful in many ways. They can

effectively contribute in promotion and propagation of the programmes and schemes relating to consumer education and awareness especially in rural areas. They can play the role of a catalyst to mobilise the rural communities in organising awareness activities such as consumer mela, road shows, *nukkad nataks etc.* The well-established VCOs such as CCC, VOICE, CERC, CUTS etc. are indeed playing appreciable role through their specialised activities such as comparative testing of consumer products and dissemination of information through their publications. Their role in helping the schools in running consumer clubs has already been accepted.

1.9 Consumer Awareness and Education: Education is the most powerful tool for the progress of the country. It is a social and political necessity. Undoubtedly, knowledge is power. It is education, which transforms the individual's personality, enriches the mind, sublimates the emotions and illuminates the spirits. Education leads to liberation – liberation from ignorance, subjugation, exploitation, superstition and prejudice. Education has a well-defined role in creating conditions of change. In today's fast moving world the frontiers of knowledge are enlarging with an incredible swiftness contributing to emergence of knowledge society. The importance of education in general and the consumer's education and awareness in particular, cannot be overemphasized. It goes without saying that informed, educated and aware consumers are assets to the society. Education and information bring independence, which in turn contributes to the growth and development of individual's personality. An informed and educated citizen is considered to be *sine quo non* for the success and well functioning of the constitutional democracy. Education and information help the consumers in making rational choice and protects their rights and interests from trade and business exploitation.

One of the dominant factors for the efficient functioning of national markets is the level of consumer awareness generated in the country. Where literacy rate is high and social awareness is greater, consumers cannot be easily exploited. Only two third of India's population is now literate. This may not be a very happy situation.

However, the good thing is that the growth of literacy has overtaken the population growth resulting in a decrease in absolute number of non-literates for the first time since Independence. National Literacy Mission and continuing education schemes are providing opportunity of learning to a large number of people in the country.

Given the current level of socio-economic scenario in the country and the infancy of the consumer movement, there is a need to educate consumers about their rights and responsibilities through a concerted publicity and awareness building programmes. The Department of Consumer Affairs has been taking a number of steps to spread consumer awareness in the country, also by involving other Departments under Central and State Governments, VCOs and consumer activists etc. to have a coordinated effort.

Creation of awareness among consumers about their rights at districts and Taluka level needs to be given high priority. People living in remote and rural areas do become victims of unlawful trade practices being adopted by wrongdoers, because of less education and poor knowledge. Similar approach is needed for North East States. In view of this, a national awareness programme requires to be launched aggressively at the districts levels with the help of State Government and local VCOs for the benefit of most vulnerable categories of consumers such as: (i) Women and children; (ii) Students; (iii) Farmers and rural families; and (iv) Middle and working class.

1.10 Internal Trade and Futures Markets: in the country have registered phenomenal growth by appropriate changes in the regulatory frame work i.e. by removing prohibition on futures trading and allowing the private sector initiative to take lead in setting up of the Commodity Exchanges. The Exchanges have been set up as For-Profit Company without any financial assistance from the Government and have broken even in the third year of their operations. Appropriate changes in the regulatory framework would provide further impetus to the commodity derivatives market and enable it to serve the economic purpose of price discovery and risk management. The externalities thus generated would

benefit various stakeholders of the commodity market. The endeavour of the regulator has been to ensure that these functions are performed in an efficient manner. An amendment to the Forward Contracts (Regulation) Act, 1952 has been proposed which seeks to provide financial and functional autonomy to FMC. The Act provides for generation of internal resources to meet the expenses towards regulation of the Commodity Derivative Markets. It is therefore suggested that amendments to the Forward Contracts (Regulation) Act, 1952 may be approved at the earliest. This would make FMC financially autonomous. And in due course there would be no need for budgetary support from the Government.

1.11 Quality Infrastructure and Standardisation: Globalization – Standardization – International Trade – Consumer Protection : Such linkages to safeguard consumer interests and support economic development, facilitate trade and improve the quality of life have never been so important as today, when the world moves towards a global economy driven by rapid technological changes. Standards are the strategic business issue of the first order, touching on such vital concerns of the country like quality, safety, environmental compliance and access to global markets. Thus making standards and standardization infrastructure, form a strategic imperative that simply cannot be ignored.

The role of standards to facilitate consumer protection and support economic development facilitating trade and improving the quality of life such as encapsulating new technologies in usable tools for the industry, is widely recognized. These benefits have been further reinforced by reference to standards in contracts, legislation, public purchasing and by using them as a basis for certification of both products, services and systems. Thus standards have gained an enviable position as instruments of consumer protection, commercial transactions and building competitiveness in the market place.

Recognizing the changing complexion of technologies and the shift of emphasis to quality, and with India trying to integrate its economy with that of global economy,

the inevitable consequence is the advent of competition for which we need to principally address:

- i. how best to respond to the market demand
- ii. how to keep pace with changes in technology
- iii. how to adopt to the political and economic changes
- iv. how to make standards better and faster
- v. how to meet specific demands for quality, safety and environment protection.

Therefore, to provide the desired quality infrastructure, we need to tackle the three pillars of the quality cycle – standards development, standards information and conformity assessment to achieve our goals for the 21st century.

A quality infrastructure operates on the basis of a number of components. The institutional form the system takes and the range of services supplied within the individual components must take account both of the consumers needs and also of its resources and limitations. The components are:

- i. Standardization
 - a. Standards Development
 - b. Standards Information
 - c. Metrology
- ii. Quality Assurance/Conformity Assessment
 - a. Testing
 - b. Inspection
 - c. Product Certification
 - d. Management Systems Certification
(ISO 9000/14000/22000/ 27001/OHSMS/etc.)
- iii. Regulation and Enforcement
Accreditation

1.12 Legal Metrology: In the Constitution of India, establishment of standards of weights and measures falls under entry 50 in List 1 – Union List of the Seventh Schedule and matters relating to weights and measures, except establishment of standards are in the Concurrent List, under entry 33-A. The Standards of Weights

and Measures Act, 1976 was enacted by Parliament **to establish standards of weights and measures**. The Standards of Weights and Measures (Enforcement) Act, 1985 was enacted by Parliament **to enforce the provisions of 1976 Act**. Thus the standards in respect of weighing or measuring instrument are laid down by the Central Government. Though the subject of enforcement is in the Concurrent List, enforcement of Legal Metrology for all practical purposes is done by the States only. The Weights and Measures laws envisage regulation of weighing and measuring instruments.

1.13 Methodology: The Working Group in its first meeting held on 13-7-2006 constituted four sub groups viz;(i) Consumer Awareness & Education, including Misleading Ads, (ii) Consumer Protection and Redressal Mechanism, (iii) Internal Trade & Futures Market (including pricing) and (iv) Quality Infrastructure and Standardisation including Legal Metrology. Each of these Sub-Groups has had 3 to 4 rounds of discussions. To review the progress of the work of these sub groups a meeting was taken on 14-9-2006 by AS (CA) with all the conveners of the sub groups. Advisor (Industry) Planning Commission who was also an invitee, contributed some valuable suggestions during the presentation. Secretary (CA) who later attended the Steering Committee on Industry of the Planning Commission on 22-9-2006 circulated a note on the direction emerging out of the discussions of the meeting for guidance of the sub-groups constituted by the Working Group for the Eleventh Plan. The second meeting of the Working Group was held on October 18, 2006 in which conveners of all the four sub groups made power point presentations on the salient features and major recommendations in their respective reports. As decided in this Working Group meeting, all sub groups conveners e-mailed their modified reports to their respective members seeking comments by 24.10.06. The draft report of the Working Group was further discussed in a meeting of Secretary (CA) with conveners of sub groups on 27.10.06 before finalisation for submission to the Planning Commission. It would be worth mentioning that the composition of the Working Group as well as the sub groups was representative of different and diversified individuals and institutions

drawn from public, private and voluntary sectors working in the interest of consumers.

1.14 Scheme of Presentation: The report is divided in five chapters. Chapter -1 is Introduction and provides information on some conceptual linkages such as Consumer Protection International scenario, Constitutionalism and Consumerism, Consumer Protection – Implications for Good Governance, Consumer Protection in India-Brief Background etc. This chapter also provides Methodology and Scheme of Presentation. Chapter –2 gives an account of Tenth Plan Allocations and Achievements. Chapter –3 deals with Policy Paradigms and Strategy for Eleventh Plan. It provides policy shift by way of stipulated policy aim and objectives and also highlights thrust areas and strategy for action. Chapter-4 is about the need of HRD through Training Intervention for effective and efficient implementation of programmes, schemes and activities adopted during the Eleventh Plan to achieve the objectives. Main suggestions and recommendations of the Working Group are provided under chapter-5. This chapter also provides Budget Estimate, and Need for Strengthening the Department of Consumer Affairs in view of increased workload over the years.

The Executive Summary of the Working Group report is provided in the beginning of the report to facilitate quick and easy reading of the recommendations and suggestions.

Chapter-2

Tenth Plan - Thrust and Achievement

2.1 Review of Tenth Plan: To assess the impact of multi-media campaign a survey study was commissioned through ORG Centre for Social Research by the C&AG. In a survey conducted in July-August, 2005 in 25 States / UTs covering 48,732 consumers, 6237 complainants, 249 manufacturers/ service providers, 39 NGOs and 34 laboratories, the survey found that only 34% of respondents were aware of consumer rights whilst as high as 82% were unaware of the CP Act. Nearly 49% of the aware consumers claimed to know of the Act only in the last 4 years although it had been in existence for the past 20 years. Only around 13% of the respondents reported as being aware of the existence of any redressal agency. Out of the 6657 complainants before consumer courts interviewed in the survey, 48% stated that their knowledge of redressal agencies was through electronic media, 61% was through print media and 68% through friends/relatives. Only 4.9% claimed NGOs as their source of awareness. These details have been flagged consciously to enable measurement of progress against these benchmarks as we go along. **(Annexure I)**

2.2 Consumer Awareness Thrust Area and Enhancement in Budget: Consumer awareness and protection has been recognized as a major thrust area for the Government of India consequent to a decision taken in the 50th National Development Council (NDC) meeting held on 21-12-2002.

It is relevant to mention here that during the Tenth Plan, the allocation of the Department of Consumer Affairs was merely for **Rs.55.00 crore** for the entire Plan period out of which **Rs.15.50 crore** was for consumer protection and awareness. The allocation year-wise for consumer awareness during the Tenth Plan and actual expenditure incurred thereof may be seen at **Annexure II**. It may be seen from **Annexure II**, from a level of Rs.3.05 crore for consumer awareness in 2002–03, due to the unstinted support of the Planning Commission, the allocation for

this activity saw an upward revision to Rs.69.97 crore in 2005-06 and Rs.69.40 crore in the terminal year of the Tenth Plan.

The Consumer Awareness intervention of the Department under plan support has been supplemented through resources from the Consumer Welfare Fund but due to erratic inflow into this fund, it is considered advisable not to place too much dependence on this source of funding in the future.

2.3 Multi-media Campaign (2005-07): With the substantial increase in resources from the year 2005-06, the Department was able to draw up an ambitious multi-media campaign on consumer awareness after enlisting the services of three top advertising agencies in the country, duly following the bid procedure.

It had been fondly hoped that this media campaign of the Department would be designed and guided by these empanelled advertising agencies (M/s Mudra, Rediffusion and Everest). However, whilst their contributions did initially enrich the consumer awareness campaign, their performance started limping due to perceived lack of inducement and creativity since as per existing advertising policy of the Central Government, steered by the decision of the Committee of Secretaries in its meeting on 19.2.1991, all advertisement to the media by Government Departments have to be routed through the Directorate of Audio Visual Publicity. This policy has been strictly complied with by this Department, although not agreeing to it in spirit.

Considering the dimension and nature of the consumer awareness campaign, the Department has in the past, attempted to secure a more liberalized dispensation, taking this proposal to the Empowered Finance Committee on 17-1-2006 and to the Cabinet Committee on Economic Affairs on 22-6-2006 without much success. Notwithstanding this, the need for more flexibility in operating a sustained multi media campaign of this nature will continue to be underlined since it is inextricably linked to the dynamics of the campaign.

2.4 Physical Outcome in Tenth Plan (2002-07)

Schemes operated by the Department of Consumer Affairs during the Tenth Five Year Plan

(a) One Time Grant of 2004-05 to States/UTs for strengthening the infrastructure of Consumer Fora.

The establishment of and providing all necessary infrastructure to make the Consumer Fora fully functional is the sole responsibility of the concerned States/UTs. However, in view of the financial position of States/ UTs, the Central Government has extended financial assistance to States/UTs under the scheme of One Time Grant of 1995, amounting to Rs. 61.80 crores and released during 1995-99, for strengthening the infrastructure of 458 District Fora and 32 State Commissions that had been established by 1995. As a measure to further extend financial assistance to States/UTs to strengthen the infrastructure of District Fora and State Commissions, which were established after 1995, a grant of Rs. 10.20 Crores was released during 2004-05 to States/UTs to strengthen the infrastructure of 53 District Fora and 3 State Commissions.

(b) Scheme for Computerisation & Computer Networking of Consumer Fora in the Country - Confonet Project

A Scheme for computerization and computer networking of consumer fora (Confonet) was launched in 2004-05 at a cost of Rs. 48.64 cores is being implemented through the National Informatics Centre (NIC) as a turn key project to be completed in three phases over a period of three years from 2004-05 to 2006-07. This scheme aims to provide IT solutions to achieve e-governance, transparency and efficiency in the working of the consumer fora for time-bound redressal of complaints. An amount of Rs. 15.00 crores was released to the NIC in 2004-05 and a further amount Rs. 9.06 crores has been released to the NIC in 2005-06 under this scheme. An amount of Rs. 20.00 crores had been earmarked for this scheme under BE 2006-07. As per information furnished by the NIC, it has already supplied computer hardware and software to 300 District Fora and 25

State Commissions during 2005-06 and that it is already imparting training to the users in those consumer fora where the hardware and software' have been supplied. As the scheme is required to be completed by 31-3-2007, the NIC proposes to cover the remaining 300 District Fora and 9 State Commissions during 2006-07.

(c) Construction of Building of National Consumer Disputes Redressal Commission (National Commission)

The National Commission is presently functioning from rented premises. With the addition of posts of Members, the National Commission would be able to operate more benches. To provide adequate space for operating all the benches of the National Commission, it was decided to construct a new building for the National Commission. The scheme of construction of this building was approved by the SFC of the Department of Consumer Affairs in 2003-04. The building called Upbhokta Nyaya Bhawan is to be constructed by the CPWD, as part of the integrated building complex coming up in the INA in New Delhi. The scheme involves a total expenditure of Rs.11.00 crore, which was to have been spent by the CPWD over the period from 2004-05 to 2006-07. The CPWD have, however, not been able to commence construction of the building citing delay in obtaining necessary clearances for starting the construction. The issue of delay in the construction of NCDRC Building was also considered by the Standing Committee of the Parliament and it was suggested by the Committee that while entering into any agreement with CPWD, a specific penalty clause be inserted in it for non-performance of the contract so that the project can be completed in a time bound manner. The CPWD proposed to commence construction during 2006-07 and be able to complete it by 2008-09. Accordingly, an allocation of Rs. 3.50 crore has been made for this scheme under Budget Estimate 2006-07.

(d) Integrated Project on Consumer Protection

The Scheme of 'Integrated Project on Consumer Protection' has been formulated by the Department of Consumer Affairs to provide further financial assistance to

States/UTs for meeting only the critical gap in infrastructure in order to make District Fora and State Commissions fully functional as also to enable States/UTs to take proactive measures to further strengthen consumer protection. The EFC of the Department of Consumer Affairs had approved the scheme in August 2005 involving an expenditure of Rs. 85.00 crore which is to be operated during the remaining part of the Tenth Five Year Plan viz. up to 31st March 2007. Against this, the Planning Commission has allocated Rs. 46.00 crore only. This has been reflected in the funds allocated under BE 2006-07. The Ministry of Finance has approved the scheme in June 2006 and has prescribed the guidelines, which are to be observed while extending financial assistance to States/UTs under this scheme.

It has been specified by the Ministry of Finance, that the contribution of the States/UTs would be measured in terms of the cost of land on which the building of the District Fora or the State Commission, as the case may be, is being created as permanent assets. Where the States/ UTs do not contribute towards cost of the land, the share of Central assistance would be restricted to non-building assets. Accordingly a committee headed by Additional Secretary (CA) has in consultation with the IFD of the Department and State/ UT Governments already realised sanctions to the tune of Rs.13.5 crore to State/UT Governments against both building and non building assets. Proposals of other States/ UTs are under process, subject to compliance of requirements like submission of utilization of previous grants etc.

(e) Setting up of the National Consumer Protection Authority (NCPA)

It is proposed to establish a National Consumer Protection Authority (NCPA) to fill in the impending gap in legislation to be caused by repeal of the MRTP Act with the Competition Act 2002, regarding those unfair trade practices being hitherto dealt by the MRTPC and also to take care of consumer products safety and misleading advertisements aspects. The proposal for establishment of the NCPA is under process. A token provision of Rupees One Crore has been allocated for this purpose under BE of 2006-07.

(f) Weights and Measures -- Strengthening of Infrastructure: To strengthen the legal metrology wings of the States and the UTs so that they may ensure correct measurement in commercial transaction and protect the interest of consumers. To achieve the objective of the scheme a sum of Rs.10.00 crore provision has been made in the Tenth Five Year Plan. This is meant for supply of secondary standard balances to the states and UTs.

(g) Modernization of Regional Reference Standards Laboratories (RRSLs): To augment the infrastructure of RRSLs and to create new testing facility a provision is Rs.1.25 crore in the Tenth Plan was made. This was utilized for the purpose to approve the models of weights and measures, verify legal standards of States/ UTs and to undertake calibration of measuring instruments for private industries and also to conduct training courses on legal metrology.

(h) National Test House (NTH): To provide services to the industries in the field of testing and evaluation of materials and products of all engineering branches a provision of Rs.6.50 crore was made in Tenth Plan for the purpose to provide machinery and equipment in all the six regional laboratories

(i) Strengthening of FMC and regulation of market: The scheme of strengthening of FMC was introduced in 2005-2006 of the 10th Five Year Plan. In the first year of the Scheme because of various technical problems the full potentiality of the scheme could not be realised. 2006-2007 is virtually the first year of the scheme when the scheme has been launched in its full potential. The objective of the plan proposal is to strengthen and enhance the capabilities of the FMC in terms of expertise, resources and operational flexibility to meet the challenges of rapidly growing commodity trading.

The main components of the scheme “strengthening of the FMC” are :

- (i) to strengthen FMC through training cum capacity building programmes;

- (ii) upgrade of IT facilities required for real time regulation of commodity futures markets;
- (iii) assist National Exchanges and the State Governments to build network of connectivity between commodity exchanges and Agricultural Produce Markets Committees (APMC) for dissemination of spot and futures market prices for the benefit of farmers and other stakeholders and;
- (iv) Implement programmes/ campaigns for generating awareness about commodities futures trading benefits among all stake holders especially farmers.

2.5 Consumer Awareness – Major Thrust: The major thrust in consumer awareness through Plan funds during the ongoing Plan period has started only from 2005-06 since earlier, the consumer awareness activities lacked cohesion due to inadequate availability of funds. In consultation with the I&B Ministry, an inter-ministerial Multi-Media Committee was put in place for overseeing a multimedia campaign. In the current year, the media campaign has taken a more structured shape. A Media Plan delineating proposed activities against available funds during the year, is now in position. Apart from the Multi Media Committee, an Empowered Committee has also been set up now under the Chairmanship of Secretary (CA) to approve the annual Media Plan and to guide the campaign.

Out of this campaign has been born the ‘**Jago Grahak Jago**’ brand which has now become a recognizable name to the literate consumers in the country, having been used in a blitz print media campaign, in English, Hindi and regional languages.

Consumer awareness was carried out simultaneously through the electronic media, largely through 30 second spots on T.V. and radio jingles on topics ranging from MRP to Gold Hallmarking, BIS / ISO certified products, expiry dates and consumer rights. All through the campaign, whilst information on consumer courts have been disseminated, the focus has been on empowering the consumer to enable him on taking informed decisions, advising him on in house redressal mechanisms available with retailers, manufacturers and service providers, before

he chooses to take his grievance before a consumer forum. This has been a deliberate strategy in order to avoid a deluge of complaints in consumer redressal fora which would first need to have its existing infrastructure strengthened before being in a position to handle higher volume of cases.

However, despite the involvement of professional advertising agencies for contributing inputs, the campaign has gone through periods of highs and lows due to waning interest of the empanelled advertisement agencies because of what they see as a non-remunerative package deal.

The campaign is being sought to give a fillip through further consultations with the Ministry of I&B for production of TV programs. In order to extend the spread of the campaign, outdoor publicity has been included in the Media Plan. Close involvement of State/UT Governments and PRIs is being sought through Central assistance to States / UTs from the current financial year. Under this scheme, funds to the tune of Rs. 10-15 crores are being proposed to be released to States /UTs to facilitate translations / dubbing of existing media materials into local languages and for outdoor publicity including 'hat' campaigns and innovative programmes. The need is to provide higher allocation to States/UTs for building consumer awareness in regional languages during Eleventh Plan.

2.6 Advocacy: Consumer awareness is also being targeted through NGO/VCO interventions supported through the Consumer Welfare Fund created in 1992 under the Central Excise and Salt Act, 1944. Assistance from this Fund has been extended for national level or pan India programmes on consumer awareness by NGOs/VCOs. The following are some key schemes being supported through CWF:

(i) Consumer Awareness in Schools: Consumer education has been gaining popularity in the Universities/ Colleges/ Schools and has been receiving greater attention from the print/ electronic media. The Department of Elementary Education and Department of Secondary & Higher Education

in the Ministry of Human Resource Development and State Governments need to be involved to include consumer protection/ consumer education in the school curriculum since youth is the bedrock of our future.

A scheme was launched in 2002, according to which a consumer club is to be set up in each Middle/High/Higher Secondary School/College affiliated to a government recognized Board/University. This scheme has been decentralized and transferred to the State/UT Governments with effect from 1st April 2004. Till the end of March 2006, 4661 consumer clubs have been sanctioned in the States of Andhra Pradesh, Tripura, Maharashtra, and Gujarat. Orissa, Rajasthan, Karnataka, Tamil Nadu, Jammu & Kashmir, Haryana, NCT of Delhi, Punjab, Sikkim, Lakshadweep, Himachal Pradesh and Arunachal Pradesh.

(ii) Promoting involvement of Research Institutions/ Universities/ Colleges etc, in consumer protection and welfare: Bureau of Indian Standards organizes education utilization of standards programmes in various polytechnics and engineering colleges to educate the students at college level. Efforts are being made to increase the number of such programmes and popularize them.

This scheme has been launched with a view to sponsor research and evaluation studies in the field of consumer welfare, to provide solution to the practical problems being faced by the consumers, to sponsor seminars/workshops and conferences on consumer related topics and to provide necessary inputs for the formulation of policy/programmes/schemes for protection and welfare of the consumers. Proposals received from Universities/Colleges/ Research Institutions for conducting seminars, conferences, workshops, consumer festivals, research/evaluation studies are processed to sanction grants and then publish results of such studies in the form of books, monographs and pamphlets on consumer education and awareness.

The Indian Institute of Public Administration (IIPA), New Delhi, has been identified as the nodal organization to administer the scheme. Till March 2006, 291 applications were received and 95 applicants have been recommended for sanction of grant.

(iii) Training Workshop for University/ College Teachers: IIPA as the part of the above scheme, *inter alia*, evolved a training workshop on “ Consumer Protection and Consumer Welfare” of five day duration for University and College Lecturers and was able to organize six such training workshops. About 142 lecturers/ readers of the Universities and Colleges of different states have so far attended the programme. The major objective of the programme is to create resource persons on a long-term basis in Universities and Colleges in the area of Consumer Protection with a view to provide fillip to the consumer education and awareness programmes in educational institutions. There is a positive response on the impact of such programmes because these resource persons have started activities relating to consumer protection in one form or the other in their respective institutions.

(iv) National Consumer Help line: A National Consumer Help line project has been established in coordination with Delhi University, Department of Commerce on 15-3-2005. Consumers from all over the country can dial toll-free number 1800-11-4000 and seek telephonic counseling for problems that they face as consumers. Maximum calls received from this Help line are found to be related to telecom, courier, banking, insurance, financial services etc. On an average 6000-7000 calls are received every month by the NCH from more that 25 States and UTs.

(v) Consumer Online Research and Empowerment (CORE) Centre: A Consumer Online Research and Empowerment (CORE) Center has been set up in collaboration with Consumer Coordination Council (CCC). The

CORE Centre is intended to provide the most scientific and effective system of collection and dissemination of consumer related information to generate consumer awareness and empowerment of all sections of the society. It also provides e-counselling and mediation for consumer problems. The CORE project was formally launched on 15th March 2005. Total number of hits on CORE website is 47 Lakh till October 2006.

(vi) Comparative Testing of Consumer Products and Services: VOICE Society, New Delhi, has been sanctioned a five year project for Comparative Testing of Products and Services with the objective of ensuring product quality and safety, by executing an MoU with the Department. The project includes regular monitoring of Quality Standards of products and Services through comparative testing, publication and marketing to disseminate information to consumers through the magazine '**Consumer Voice**' in English and Hindi. A total of 10 products were taken up for testing during the first year. These include Chilli Powder, Potato chips, Disinfectant fluids, Jams, Health drinks, Lipsticks, Mosquito repellants, Mono pump sets, Juicer Mixer Grinders, Colour T.V. The comparative testing is undertaken in six NABL accredited labs according to operational norms and procedure approved by government.

The comparative testing of consumer products is also done by Consumer Education and Research Centre (CERC) at its in-house laboratory in Ahmedabad. The categories of products tested include food and pharmaceuticals, electrical appliances and cosmetics and medical devices. The results of the testing are disseminated through their magazine 'Insight' published once in two months. Government provided support when the lab was set up and another project to support this work is under consideration.

2.7 Evaluation: All the schemes in the Department have been regularly subjected to internal evaluation through regular meetings of project specific monitoring committees involving senior officers of DCA and important

stakeholders. Each project has also been furnishing their outputs through monthly returns and magazines.

Apart from this, external evaluation of projects which have completed two years of functioning, is expected to be taken up shortly. The Interim Report of an impact study of consumer awareness campaign assigned to IIMC, Delhi, has just been received. The salient features of this Interim Report are as follows:

- Out of a total of 12 states, 37 districts, 144 villages targeted to be covered by the study, the interim report has offered its findings on 5 states, covering 15 districts and 60 villages in Delhi, Maharashtra, Karnataka, Madhya Pradesh and West Bengal.
- Over 60 percent in 4 states stated that they were aware of the consumer awareness campaign. In West Bengal, this percentage was 47.
- Awareness was highest in Delhi at 75.4 percent, Maharashtra 74.45 percent, Karnataka 65 percent and Madhya Pradesh 62.4.percent.
- In all states, TV was said to be the major source of information about the consumer awareness campaign or the JAGO GRAHAK JAGO campaign except in Madhya Pradesh where Radio took second place. In all the states, the next source of information was the Print Media. The summary of interim report is at **Annexure- III**.
- Survey findings of seven more states are awaited.

Chapter – 3

Policy Paradigm and Strategy for Eleventh Plan

3.1 Vision: The vision of the Department in the area of Consumer Protection and welfare is to raise the level of consumer awareness to a level achieved by developed countries and make all providers of services and producers of goods fully responsive to the needs of consumers. Our vision also includes an aspiration for our country to play a lead role in the area of consumer awareness and protection not only in the developing world but also in the international scene, on equal terms.

3.2 Policy Aim: Aim of the Policy is continuity with comprehensive change in paradigm so as to usher in an enabling consumer protection environment for boosting the confidence of the consumer in governance process as well as in markets in partnership with central and state government institutions, business and trade organisations, VCOs and *pro bono publico* with emphasis on PPP.

3.3. In view of the above stated policy paradigm, the objectives of the consumer protection policy are:

- To launch comprehensive, pro-active and aggressive implementation of existing laws, programmes, schemes etc. to achieve their objectives and purpose;
- To review and modify existing laws, programmes and schemes to make them socially relevant and purposeful;
- To extend and expand the existing programmes, schemes and activities to reach out to every nook and corner of the nation;
- To evolve new initiatives, *inter alia*, new legislations, schemes, programmes and activities to further boost **consumer movement as a national mission**;
- To develop cooperation, coordination and partnership amongst all stakeholders including central and state government institutions, business and trade organisations, VCOs and *pro bono publico* for effective implementation of consumer protection programmes, schemes and activities with emphasis on PPP;

- To give thrust on promoting and facilitating consumer awareness and education to empower consumers so that they can protect their rights;
- To promote internal complaint redressal mechanism as an Alternate Disputes Redressal (ADR) system and strengthen the existing consumer grievance redressal commissions and fora for effective consumer justice administration;
- To lay strong emphasis on systems improvement for enhancing the accountability of producers of goods and providers of services through strengthening of quality infrastructure and standardisation including legal metrology;
- To develop and promote, finally, the culture of respect for consumers' rights, interests and welfare.

To achieve the above policy objectives, emphasis will be given on the following dimensions of consumer protection during the Eleventh Plan.

3.4 Consumer awareness and education: Taking into account the prevailing socio-economic scenario in the country and the infancy of the consumer movement, there is a strong need to educate consumers about their rights and responsibilities. Creation of awareness among consumers about their rights in the entire country needs to be given high priority. People living in the remote and rural areas do often become victims of unlawful trade practices being adopted by wrongdoers due to lack of education and poor knowledge. To give impetus to the consumers' right of education and awareness a national awareness programme requires to be launched aggressively at the district and sub-district levels with the help of State Government, Educational Institutions, Local VCOs, self help groups, PRIs and Urban Local Bodies (ULBs) with particular emphasis and focus on rural areas and most vulnerable sections of consumers. Consumer awareness and education needs to be pursued with appropriate plan/schemes and activities designed on the principle of PPP and using the entire medium available for the purpose. Plans, schemes, activities and strategies recommended/suggested by the sub-group on this aspect are summarized below.

- **Publicity Campaign:** this has to be more result oriented so that individual consumers on their own or with the help of consumer groups get complaints resolved without much loss of time, energy, efforts and expenditure. It should feature real life cases with particulars of complainants, opposite parties, issues involved, effective resolution of the complaint and the time within which they have been resolved with all hard facts, names and other details.
- The campaign should be effective and useful by inspiring confidence among the consumers that they are not helpless and they are able to get effective redressal. Campaigns should be appealing, focussed and effective. Slogans having a punch can be used. The campaign so far has been identified by its slogan 'Jago Grahak Jago' with the intention of waking up consumers to their rights. In the Eleventh Plan, the campaign could graduate to a higher level where consumers are exhorted to **"ASSERT RIGHTS, PURSUE REMEDIES."** The connotation of the slogan hence would be that the campaign has a dynamic dimension and has progressed beyond the wake up call to consumers.
- Another important aspect is to let the campaign give information to the consumers about leading judgments/orders passed by the National Consumer Disputes Redressal Commission (NCDRC), and the State Consumer Disputes Redressal Commissions (SCDRC), which will inspire confidence among the consumers and complainants that our consumer adjudicatory bodies are effective. This could be done by way of releasing such judgments in T.V. and Radio through dramatized serials.
- In order to make the multi media campaign more broad based and dynamic a scheme may be worked out to support experienced VCOs in running their own media units on different areas of specialization like print, radio, T.V., folk media, etc. so as to be integrated into the campaign at central and State/UT levels.

- **Consumer Education:** What is needed is a holistic policy for consumer education and better re-sourcing of activities geared towards consumer education. There are many opportunities for delivering consumer education and lot of good work has already been done across the country. There is a need to find out how all the present initiatives relate to each other. There is also a need to look at best international practices. Consumer education is still a poorly understood concept. A coordinated approach is needed to get the best from all involved. The main stakeholders – government departments, industry, consumer groups, education and advice providers, interest groups and community agencies – need to work together.

The following are some of the steps that need to be taken:

- To begin with we should target particular groups of the population and prioritise the needs of those with specific gaps.
- One needs to ensure that consumer education is accessible, appropriate, flexible, adaptable and relevant.
- There is a need for introducing consumer education in the basic curricula of the education system.
- Incorporate certain values in consumer education, like concern for finite resources of the planet and the environment.
- Strengthen the consumer club scheme with coverage of 20,000 Colleges and 50,000 High/Senior Secondary Schools by the end of Eleventh Plan.
- Educational programmes need to be flexible and responsive in nature. Consumer education can be made more relevant when linked to different situations such as at school, at home, while in a public place, etc. Locally, peer education can be an effective tool. Parent education programs and family support programs can help parents in good decision making on behalf of their wards.
- An effective consumer education programme should also cover training of teachers belonging to schools, colleges and universities to enhance

their exposure to content and ideas relevant for consumer education.

- Consumer education programmes should be flexible in nature – able to respond to the needs of specific groups of consumers.
- Key community figures can also provide consumer education, in the form of peer education.
- Effective consumer awareness efforts depend on the participation of individuals and organizations from various walks of life. The media have a strong role to play, as do community organizations, educational institutions, VCOs and religious groups.
- It is further strongly recommended that a system needs to be evolved at the Planning Commission level for the transfer of 20 per-cent of the Publicity budget of the Central Ministries to DCA to facilitate its task of Consumer education and awareness.
- Consumers in rural areas are less aware of their rights than the urban compatriots. Hence a concerted effort may be made to rope in organized groups like Self-Help Groups/ Women associations/ student-teacher community etc. to reach out to people in rural areas.
- Existing advocacy initiatives under the CWF should be continued and strengthened.

3.5 Consumer Protection and Redressal Mechanism: With a view to strengthen the existing consumer protection and consumer grievance redressal mechanism, focus should be given to (i) strengthening the redressal mechanism (ii) building strong consumer information system (iii) consumer empowerment and (iv) review of laws relating to consumer protection. In the light of the experience gained with the working of the consumer adjudicatory bodies important changes in the legal provisions – substantive and procedural should be introduced with a view to make the consumer justice delivery system efficient, effective and economical. Measures to strengthen redressal mechanism includes appointment of Presidents and Members in advance to fill up future vacancies; minimum infrastructure and staff; performance evaluation of the Presidents and the Members; disposal of cases within stipulated time etc. In addition, in-house redressal mechanism will be

promoted for redressal of consumer grievances within the departments / organizations.

An office of Consumer Protection Officer should be created in all the departments and organizations having public interface, with the responsibility to take care of consumer grievances. Emphasis should also be given on the implementation of the Citizens' Charter. The observance and implementation of IS/ ISO 10002 Quality Management- Customer Satisfaction in departments providing public services should be promoted. The idea of social audit and performance grading in relation to the working of internal grievance redressal system should be pursued. In addition to the above emphasis should be given on the following:

- ❖ Consumers, even if they are aware of their rights, hesitate to go to consumer forums because of inordinate delay and also procedural technicalities. Hence, institutional mechanism for alternate redressal mechanisms, out of court settlements, may be encouraged.
- ❖ Apex Industry associations and representative bodies of organized sector may be approached to motivate their member units to set-up in-house complaint redressal mechanisms. They should be encouraged to follow ISO 10001, 10002 and 10003 suites for internal and external complaint redressal systems.
- ❖ Regulatory bodies for specific industries like Banking, Electricity and Insurance have set a good example by using their regulatory powers to ensure that company level redressal mechanisms are set up as the first point for resolutions of consumer complaints. They have also set up ombudsmen as intermediary adjudication mechanism, which provide out of court settlement of grievances. Ombudsman system in banking and insurance sectors has been very useful while some State Electricity Regulatory Commissions have also set up ombudsman recently. There is need to develop and set-up ombudsman in other areas like Telecom and Cable, Travel and Tourism, Medical Services, Domestic Appliances, Financial Services, Housing and Real Estate among others.

- ❖ Many State Governments give low priority to Consumer Welfare and are also not in a position to make enough provisions in their budget for taking initiatives. The Tenth Plan Schemes to strengthen infrastructure of consumer fora/ Commissions, like the Integrated Project and Confonet, should be continued into the Eleventh Plan for better gains.
- ❖ DCA has already started projects like CORE and National Consumer Help line to address consumer complaints. These are basically catering to urban areas. Their network/reach could be expanded through linkage with self-help groups/women's associations /panchayats etc. Alternatively States should be encouraged to start their own help line and link it to the national help line.
- ❖ Organizations like IMA may be involved to create a standard code on medical ethics on doctor–patient relationship and health care. The Ministry of Health and Family Welfare may consider establishment of in-house complaint redressal systems for patients' complaints at all private and public nursing homes, hospitals and medical service establishment. There is also a need to develop a system to handle complaints of medical negligence of medical imperative in the medical services sector.

3.6 Internal Trade and Futures Market: The vision of the Department in this area is outlined in the declaration of the Prime Minister in his address to the nation on 24th June 2004, as follows:

“ The Indian farmer has also suffered from too many controls and restrictions. There are far too many internal barriers to trade that must go. We must also examine those aspects of our policies that prevent a creative interaction between farmers and agro-industries. I would like to see the creation of a single market across the country for both manufactured and agricultural product with encouragement of agro-industry linkages.”

There are a number of constraints in the way of smooth internal trade and creation of a common Indian market, which have to be addressed.

To promote and develop commodity futures markets the Eleventh Plan has to focus, *inter alia*, on the following areas:

- (i) Forward Markets Commission should be strengthened and restructured so as to provide for financial and operational autonomy.
- (ii) The various regulations under the Forward Contracts (Regulation) Act, when it is amended, should be finalized.
- (iii) The participation of Mutual Funds, FIs and Banks in the Commodity Futures Market has to be allowed. Banks, cooperatives and non-banking financial institutions should be allowed to play the role of aggregators on behalf of the small farmers.
- (iv) States should adopt model APMC Act and remove all trade barriers to facilitate integration of fragmented markets.
- (v) National level Spot Electronic Exchanges should be promoted as an alternative to the existing fragmented spot markets for agricultural commodities and non-agricultural commodities. Such a national level platform would help transcend regional and state boundaries and also provide transparent and efficient trading platform.
- (vi) Modern warehousing infrastructure backed by appropriate legal framework for negotiability of warehouse receipts with facility to transfer titles electronically needs to be developed. The Warehousing (Regulation and Development) Bill, 2005 should be passed by the Parliament and statutory provisions for regulation and development of modern warehousing infrastructure should be put in place.
- (vii) Quality certification standards should be prescribed for all the commodities based on international standards. The standards prescribing grades, quality parameters and testing procedures should be finalised /harmonized with the

prevailing international standards. BIS and AGMARK may be requested to update and harmonise standards for the list of 31 commodities identified as important from the future trade point of view.

- (viii) Nationwide awareness campaigns to create awareness among various stake holders like farmers, stockists, importers, exporters about the useful role played by Commodity Futures Markets and how they can derive benefits from these markets should be launched. Consumer cells, self help groups and institutions of village panchayats can be used to generate awareness. Training and capacity building of these institutions would help enhance awareness among all stakeholders.
- (ix) The network to link APMCs, rural markets/hats, panchayats and Commodity Futures Exchanges for dissemination of spot and futures prices should be built during the XI Plan to benefit the farmers. The electronic and print media should also be extensively used for the purpose of price dissemination.
- (x) The rapid growth of the Commodity Futures Markets would in the short as well as long run require trained manpower. To meet the future man power requirement the subject commodity derivative market need to be introduced in various business schools, agricultural universities and post graduate courses. FMC should collaborate more actively with agricultural universities and specific MoUs to be signed with agricultural universities for knowledge sharing. Ministry of HRD should design a suitable curriculum on commodity futures trading to be adopted by various Universities.
- (xi) Pending Amendment to APMCs Act of the State Governments, a central legislation governing the spot markets across the country be enacted to enable and streamline trades in all commodities from any part of the country without the requirement of multiple compliances in respect of each State.
- (xii) Panchayati Raj Institutions and agencies dealing with rural development could play a pivotal role in creating awareness about the futures markets at the village level.

- (xiii) Options in goods and certain types of derivatives and derivative products like index futures, weather options, etc. be permitted.
- (xiv) Adoption of VAT by all the States should be expedited so as to bring uniformity in tax structures of different States.
- (xv) Transactions in the Commodity Derivative Markets need to be considered at par with the Security Market Derivatives for the purpose of Section 43(5) of Income Tax Act and other tax concessions.
- (xvi) A uniform /centralized dispute resolution mechanism is the immediate need in respect of all State APMCs and all States should adopt uniform arbitration process for agri-commodities spot markets.

Some of the above issues can be addressed by appropriate regulatory interventions; however, creation of market awareness, development of human resource base, price dissemination, strengthening of the Forward Markets Commission would require resources from the Central Government. The total requirement for the XI Plan has been estimated at Rs.10155 lakhs. Besides about Rs.250 Crore to be evenly spread over the first three years of the XI Plan would be required to implement the ADB Project during the XI Five Year Plan.

3.7 Quality Infrastructure and Standardisation including Legal Metrology:

The post independence period demanded special emphasis on standardization and quality in order to assist systematic and efficient growth of industry. The erstwhile Indian Standards Institution was set up in 1947 as the National Standards Body of India, with an exclusive mandate to prepare and propagate standards for the industry in line with our national priorities and thereby facilitate consumer protection. The Bureau of Indian Standards (BIS), its successor, was established in 1986. In the same year important consumer related legislations like Consumer Protection Act, 1986, Essential Commodities Act, 1986, the Standards of Weights & Measures Act and Packaged Commodity Laws were enacted to take care of the interest of the consumers. Protection of the interest of consumers

therefore, became one of the major concerns of the Government. The Department of Consumer Affairs is the nodal department to promote standards of goods and services, standards in weights & measures, regulation of packaged commodities, maintenance of essential commodities, etc. On the request of the Central Government, some State Governments have created separate Departments/ Directorates of Consumer Affairs and, wherever it has not been feasible to do this, at least the name of the Departments have been changed to include Consumer Affairs/ Consumer Protection for the awareness of the general public. The sub group in its report has made detailed recommendations concerning areas such as i) Establishment of a National System for Standardization; ii.) Establishment of a National System for Conformity Assessment and Compliance; iii.)Strengthening of Domestic Regulation; iv.) Legal Metrology – Strengthening & Capacity Building and v.) Human Resource Development/ Capacity Building.

3.8 Public Private Partnerships:

Public Private Partnerships (PPPs) combine the resources of government with those of private agents (business or not –for-profit bodies) in order to deliver goals. There are different forms of PPPs including contracting out of services, business management of public utilities and design of hybrid organizations for risk sharing and co production between government and private agents. It gives rise to a series of ideological and managerial choices. These concern the relationship between private actors and the state, the extent to which businesses and not-for-profits bodies should substitute for government and the costs and benefits of different public-private solutions. The terms public, private, and partnership are overworked, individually and collectively, their meanings are contingent on context. The US interpretation of PPPs covers a variety of instruments through which government involves businesses and not-for –profit bodies in the realization of public policy goals.

PPPs arise from the make or buy decisions that governments face. Governments can choose to realize societal goals directly, through public employees and

collectively controlled facilities (the make decisions) or indirectly by means of business and not for profit organizations (the buy decision). The buy decision leads to a choice among the five main forms of public-private partnership, namely public leverage, contracting-out, franchising, joint –ventures and strategic partnering. The development of these relationships between the state and private actors gives rise to a phenomenon of hybridity. This refers to an organization that has both public and private orientation. PPPs seem to offer the solution to public policy problems. This creates third party government and includes the contractual relationships between governments and not for profit bodies, especially in social welfare provisions. Governments around the world have made greater use of private actors to design, manage, and deliver public policy during the later part of the 20th century. This was motivated variously by the prescriptions of new public management reform programme introduced as a result of government ideology or pressure from international agencies, and social, economic and cultural changes.*

The Department of Consumer Affairs has a very delicate role in such initiative as it needs to be completely unbiased towards the consumer and should not be seen to be associated with big business houses or with industry leaders in a manner that they are insulated from any kind of conflict of interest between the consumer and the providers. However, while maintaining the unbiased character of the Department and also its commitment towards the consumers, there is also a need to build a strong Public Private Partnership in various activities in our country. The link to build these initiatives is similar to the citizen’s charter campaign, which was launched by the Government in the year 1996, which needs to be further strengthened and made viable in our local context. There are several initiatives where the Industry and their associations have approached the Department of Consumer Affairs to build bridges between the provider and the user. Based on such initiatives, the Department is of the view that in the XI Plan, there should be more partnership building exercises by organizing regular consultation with the interested parties so as to develop a transparent mechanism to ensure Quality

* See generally Chris Skelcher “*Public-Private Partnerships and Hybridity*” *The Oxford Handbook of Public Management* ed. Evan Farlie et al Oxford University press, 2005 pp. 347-370

Services and Products at the market place. The PPP is to be consumer centric and needs to be such that it delivers a strong relationship not only for prompt complaint redressal but also sharing of information in terms of performance and delivery systems.

One of the areas for such a partnership in Consumer Affairs would be the setting of a national level mechanism similar to the Better Business Bureau in USA, which mediates between consumers and companies with respect to consumer problem and disputes. The Ministry would like to set up such a mechanism to solve consumer problems and grievances outside consumer courts through a partnership with apex industry bodies. **(Annexure-IV)**. One eminent project of this nature has been the one first sanctioned to FICCI.

3.9 Concurrent Evaluation:

Concurrent Evaluation mechanism on the impact of programmes, schemes and activities adopted and implemented during the XI Plan period will continue to be subjected to evaluation mechanism. In addition, formal evaluation studies will also be commissioned from time to time as a part of continuous monitoring system established at the DCA with a view to suggest improvements to achieve XI Plan period objectives.

Chapter – 4

Human Resource Development through Training Intervention

4.1 Role of the Department of Consumer Affairs: The Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution, Government of India, is the nodal department to formulate policies, schemes and strategies in the area of Consumer Protection and Consumer Welfare and to provide necessary support, hardware and software, as required from time to time to achieve the policy objectives. To achieve the task of creating conducive environment for empowerment of Consumers in the real sense is also the responsibility of the Department.

The Department is also engaged in supporting Training Institutions in organization of Training Programmes in the area of Consumer Protection and related areas. The institutions such as IILM and NITS are organizing training programmes in their respective areas of specialization. The training programmes for the members of the State Consumer Disputes Commissions, Presidents and Members of District Consumer Disputes Fora are being organized through IIPA since 1992. So far, more than 50 such training programmes have been organized. In addition, the department is also organizing conferences, workshops, seminars and conventions for different stakeholders with a view to get the feedback and promote better consumer education and awareness so that interests of Consumers are better protected. Now the Department is planning in a big way to embark on training in a systematic manner to provide greater emphasis for better results.

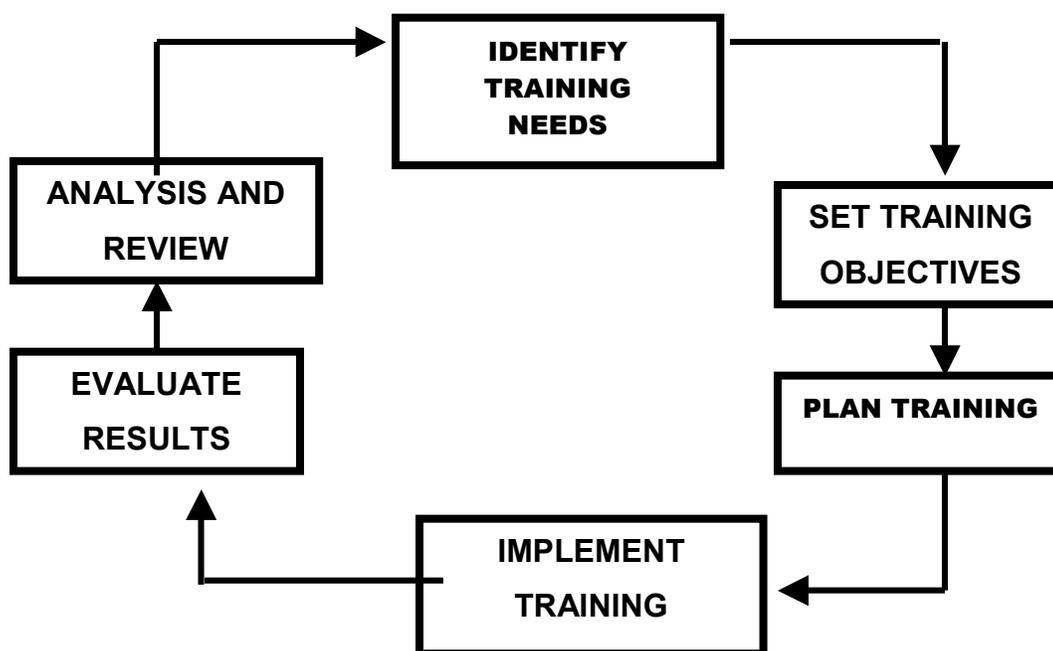
4.2 Importance of Training: Training has been defined as "... the systematic development of the knowledge, skills and attitudes required by an individual to perform adequately a given task or job".² It clearly implies that the

² Michael Armstrong, A Handbook of Personnel Management Practice, reproduced in Personnel in Practice, Currie, Donald: Blackwell Business (Oxford, UK); 1997.

role of training is to improve the overall performance. The term 'performance' is, therefore, interwoven with training. It should also equip the personnel for appropriate responses to emerging challenges. The emphasis of training should be on 'doing' rather than 'knowing' only. Training must also achieve a synthesis between improvement of the individual's competencies and promotion of organisational objectives.

4.3 Training in the field of 'Consumer Protection' needs to be directed to equip the different actors including providers of services and producers of goods with knowledge of various laws/rules/regulations and policy directives issued by various regulatory authorities from time to time, develop skill, in handling variety of consumer grievances with consumer friendly attitude to achieve consumer delight and minimize the occasion for consumer grievances.

In view of the large size and diverse nature of target groups -service providers and producers of goods, designing and coordinating training programmes at various levels is a difficult proposition. Thus, it is necessary to adopt a well-formulated strategy. An accepted strategy for ensuring training effectiveness is to adopt the Systematic Approach to Training (SAT). The process is depicted as:-



The above model provides a comprehensive schematic formulation to be adopted as a strategy for training. The model can provide an integrated framework to operate and also provide a clear direction to design and deliver quality training.

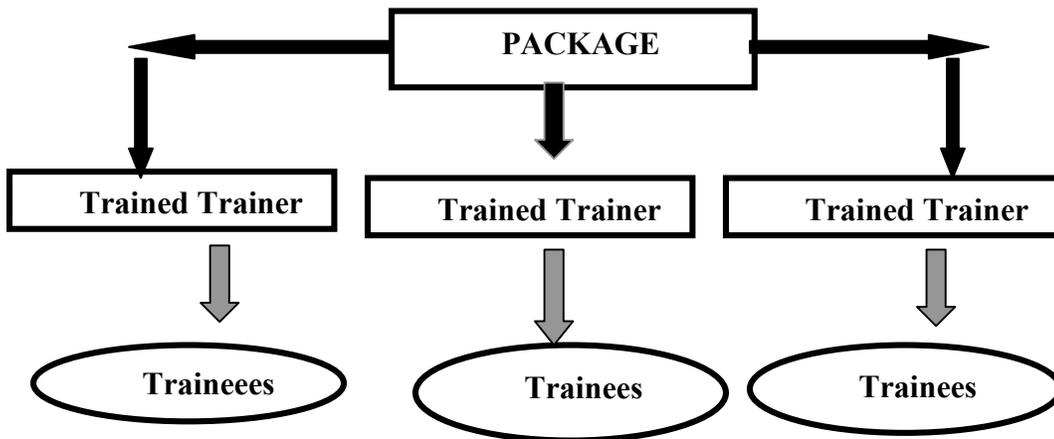
The first stage in the SAT model is to identify the target groups and assess their training needs. In relation to the Consumer Protection Act, the various functionaries that will need training as identified by the DCA at District, State, National and International levels may be seen at **Annexure-V**. Therefore, the precise training needs of each of the groups should be analysed using proven instruments for Training Needs Analysis (TNA). Thereafter, before designing, the training objectives should be formulated, which will specify what the trainee would learn as a result of undergoing the training. Based on the outcome of the TNA exercise and after framing of the training objectives, next stage in the SAT model is the design of training. Programme design must bear the stamp of being custom-made. Keeping the objectives in view the content has to be selected. This has to be sequenced as per the learning principles. Then comes the crucial factor of selecting appropriate training methods. The trainer has a wide range of training methods to choose from. A judicious mix of one or more methods should be adopted to suit each training programme. The next stage is implementation, when all the planning is put to action. The final part of systematic approach to training is to use suitable measuring techniques to assess:

- a) The quality of training provided;
- b) Whether this has resulted in improved performance; and
- c) Whether the training was worth doing.

4.4 Developing Training Packages: When catering to the training requirement of such a large number spread over the length and breadth of the country, we need to ensure minimum standard of delivery of training. To achieve this objective, a strategy could be the development and use of training packages. These are designed and developed to meet specific, identified training needs, of specific groups or cluster of groups. Each training package should include all material resources needed for delivering a particular course. Typically, this will

include handouts, checklists, exercises, visual aids and, wherever appropriate, video films. The packages also include guidelines on the process to be used for effective delivery.

The model discussed can be depicted as follows:



4.5 Approach: In light of the above discussions the following approach is considered suitable:

- (a) Develop a core group of trainers (around 60 trainers). They will be designated as certified trainers.
- (b) Identify two members of faculty at each State Administrative Training Institute, other specialized training Institutes at State level, apex training institutions in the field of Health, Banking, Electricity, Insurance & Housing etc. and to organize ToT for them on regional basis and also provide them with study material, training kit and list of core resource persons in specialized areas. ATIs at regional level may be identified viz; Mysore, Bhopal, Guwahati, Nainital and Jaipur. In addition, IIPA, New Delhi and BIS will continue their role in imparting training.
- (c) Trainers developed above will in turn conduct 1-2 courses under the supervision of core trainers developed at (a) above or may take assistance or consult core trainer, if necessary.
- (d) Peripatetic training be organized as per schedule plan on projected requirement.

4.6 International Training Programme: In view of the fast changing global scenario under the impact of liberalization, privatization and globalisation the need of international exposure of developed countries is required for the officials dealing with the consumer affairs in the Centre and State Governments and also Trainers in the field of Consumer Affairs. This will provide them an opportunity to have a feel of schemes and strategies adopted by those countries to protect consumer rights in addition to having experience of best International Practices, which may be adopted, in our country to strengthen consumer protection.

4.7 Programme Schedule: Training Programme Schedule for various Training Programmes mentioned as above will be worked out. Programme designs for Training programmes at District and State Levels will be completed by the state ATIs / identified regional ATIs.

4.8 Budget Estimate: Tentative number of programmes to be conducted in a year and their cost estimate may be seen as **Annexure-VI**.

Chapter – 5

Recommendations and Suggestions

5.1 This chapter presents summary of major Recommendations and Suggestions generally emanating from deliberations and discussions of the four sub-groups constituted by the Working Group. These are grouped as follows:

5.2 Policy Shift: In regard to policy on consumer protection, broad approach of the Working Group is on “**Continuity with Comprehensive Change**”(CCC). To achieve this, emphasis should be given on comprehensiveness, pervasiveness of policies, programmes, schemes and activities in their formulation and cooperation, coordination and partnership with all actors and players in implementation. Concurrent evaluation as integral part of schemes/programmes and timely introduction of corrective measures will be the guiding principle to be religiously and vigorously followed. To this end following are the recommendations:-

1. Formulation of a National Consumer Protection Comprehensive Policy in conformity with the CP Act; BIS Act, Weights and Measures Act and related laws with thrust on aggressive promotion of consumer rights protection and with focus on rural areas and deprived sections of consumers in active partnership with all actors and stakeholders.

2. Recognition of the existing consumer awareness campaign as a National Campaign in the Eleventh Plan (along the lines of e-governance campaign) since it cuts across all sectors and needs to be seen both at Central and State/ UT level through convergence of skills and resources drawn from all government departments.

3. National System for Standardisation to provide rational framework for development of unambiguous and reliable market/society driven standards

in areas of economic and social activities especially in areas affecting health, safety and environment and to notify national standards for the country. (Please refer to **ANNEXURE VII**)

4. National system for Conformity Assessment and Compliance to bring in complete synergy at the national level in areas of certification of products and services, accreditation and enforcement of standards will be adopted. (Please refer to **ANNEXURE VIII**)

5.3 New Legislations and Institutions: The recommendations in relation to New Legislations and Institutions are: -

(a) New Legislations

1. **National Consumer Protection Authority Act** It is proposed that a National Consumer Protection Authority (NCPA) be established to fill in the impending gap in legislation to be caused by winding up of the MRTPC as the Competition Commission of India (CCI) is not being empowered to deal with unfair trade practices, being hitherto dealt by the MRTPC.
2. **National Quality and Standardization Authority Act.** This Act would cover all operational provisions to achieve uniformity in approach for setting up standards and ensuring compliance thereof.
3. **A Central Legislation governing the spot markets** across the country will be enacted to enable and streamline traders in all commodities from all over the country;

(b) New Institutions

1. **National Quality and Standardization Authority** to work as an umbrella organization for deciding policy guidelines that would ensure

uniform approach for setting up standards and ensuring their compliance. All organizations involved in preparing standards would follow the common vision, worked out by the Authority.

2. National Consumer Protection Authority to be set up for inquiring into unfair trade practices and unfair trade practices committed with restrictive trade practices or monopolistic trade practices, or both, and for matters connected therewith or incidental thereto and to include consumer product safety and misleading advertisements etc.

3. National Electronic Spot Market should be promoted as an alternative to the existing fragmented spot markets for agricultural commodities.

4. National Enforcement Authority- for complete coordination of enforcement of all regulations at national level and also coordinate with other supportive organizations having a complementary role in the system as recommended below:

- (a) Product Recall System;
- (b) Better Business Bureau;
- (c) Consumer Product Safety Commission;
- (d) Special Verification Agencies and
- (e) State level enforcement authorities.

5. Internal Grievance Redressal System- Internal Grievance Redressal System will be promoted as the first step in the direction of efficient, effective and reliable mechanism for redressal of consumer grievances.

6. Ombudsman –the concept of ombudsman at the sectoral level *viz*; banking ombudsman, insurance ombudsman, electricity ombudsman etc. has been recognised and it has been suggested that on the same lines,

efforts should be made to establish ombudsman institution in other service sectors for redressal of consumer grievances.

7. **Special Verification Agency** under the Weights and Measures Act, 1976 to take up verification of sophisticated weighing and measuring instruments will be established.
8. **Standing Committee**-Consisting of Secretaries of the Central Ministries concerned will be set up under the Chairmanship of the Cabinet Secretary to coordinate the publicity campaign for consumer awareness.

5.4 Existing Legislations: Consequent upon the recommendations made, certain modifications in the Existing Legislations, are necessary, such as:

1. **Amendment of Consumer Protection Act, 1986** - There are a number of proposed Amendments relating to CPA including number of concepts under the definition section, such as Branch Office, inclusion of Goods likely to be hazardous, investor as a consumer, inclusion of the mandatory municipal services under the concept of service, expanding the definition of “deficiency”, extending the concept of UTP & RTP etc.
2. **Amendment of BIS Act, 1986** – Existing BIS Act would be amended to facilitate implementation of National Standardization Policy and National Conformity System – proposed herein.
3. **Simplification of Taxation Laws** – For a smooth flow of goods, it is necessary that comprehensive VAT should be implemented in all the states. There should be uniformity in all the state legislations and other local taxes should be discontinued. The Octroi acts as a barrier to the trade, so it should be abolished.

4. Amendment to the Forward Contracts (Regulation) Act, 1952.

5. Amendment to Weights and Measures Act, 1976 - to provide for Special Verification Agency (SVAs) to take up verification of sophisticated weighing or measuring instruments such as electric meter, blood pressure meter etc.

6. Review of various laws and regulations to address the new developments in the field of retailing like direct selling

5.5 Expansion of Existing Institutions

Existing Training Institutions under the Department of Consumer Affairs need to be upgraded to meet the future challenges in the area of consumer protection. In view of this, it has been recommended by the Working Group that the following Institutions be upgraded as Centers of Excellence with state of art facilities at par with similar Institutions of International level:

- 1. Indian Institute of Legal Metrology, Ranchi**
- 2. National Institute of Training in Standardisation, NOIDA**

5.6 Extension and Expansion of Existing Schemes: The implementation of the recommendations entails extension and expansion of existing Schemes and Programmes, such as:

- 1. Deepening and widening of Consumer Awareness Campaign** through Mass Media -by using print media, radio, T.V., creating topical issues, media unit set up by selected VCOs, internet, mobile outdoor publicity etc.

2. Existing projects like integrated project on filling critical gaps in infrastructure of consumer for a/ commissions and the Confonet Project on computerization and networking of these bodies, should be supported in the Eleventh Plan as well.
3. **The Scheme on “ Promoting Involvement of Research Institutions, Universities/ Colleges etc. in Consumer Protection and Consumer Welfare”** should be extended and expanded to cover more activities and institutions.
4. **Inclusion of course on consumer affairs** in the curriculum at graduate and postgraduate courses in colleges and universities.
5. **Intensifying campaign** for the promotion of company and (Industry) association levels standards to create quality consciousness
6. **Reviewing of items** identified for the purposes of health, safety and environment in order to ensure consumer protection and sustainable development.
7. **Creation of Chairs of Excellence, Centers of Excellence and Departments** in IITs, IIMs, NIITs, Central Universities and National Training Institutes for exclusive study, research and training in the area of Consumer Affairs.
8. **A Scheme for strengthening the Legal Metrology wing of States & UTs**, has been formulated by the Department of Consumer Affairs to strengthen State Enforcement machinery by providing standards equipment. This needs to be implemented.

5.7 New Initiatives: New Initiatives that need to be undertaken in the context of the recommendations are:

- 1. Establishment of a National System for Standardization;** to achieve harmonious development of standards and getting them recognized as being internationally acceptable for products and services which would involve:
 1. Uniform national standards through BIS, the national standards body;
 2. Adoption of standards and regulations prepared by regulatory and other SDOs as national standards by BIS working as the national standards body;
 3. Minimization of duplication effort and resource utilization;
 4. Harmonization of standards;
 5. Participation in international standardization; and
 6. Development of a National Standards Data Base.

- 2. Upgradation of WTO –TBT Enquiring Point:** In order to disseminate information related to TBT notifications through a web- enabled system to tailor the national standards for safeguarding the country’s trade and commerce.

- 3. Establishment of a National System for Conformity Assessment and Compliance that would include: (Annexure - VIII)**
 - (a) Opening up of BIS standards for certification by different accredited certification agencies;
 - (b) Mandating accreditation of all certification schemes by accrediting body;
 - (c) Upgrading third party laboratory testing facilities to international level;

(d) Enhancing the products and services covered under various conformity assessment schemes keeping in view the health, safety and environment issues for facilitating consumer protection;

(e) Strengthening compliance and enforcement at state level and through other supportive measures like:

- i. Product recall system;
- ii. Better Business Bureaus;
- iii. Consumer Product Safety Commission;
- iv. Strengthening infrastructure at state level.

4. Public Private Partnership – throughout the Eleventh Plan period the guiding principal at the operational level would be the PPP.

5. Horizontal Linkages – Active Partnerships and cooperation should be promoted amongst the departments having consumer face.

5.8 New Schemes: Following schemes are under finalization for setting up National level projects in collaboration with leading consumer organizations, industry associations and academic institutions like IITs, IIMs, IIPA, IIFT and reputed central Universities to provide consumer education training and research on a more structured and sustained basis.

- ❖ Instituting awards for various categories, including industry on the basis of their responsiveness to consumers and effectiveness of complaint management system at company level giving high visibility and value to each award through award functions presided over by eminent personalities.
- ❖ Setting up of Centers of Excellences in IITs, IIMs and other reputed Institutions for continuous studies/research in Consumer Protection.
- ❖ Facilitating Class action suits for major consumer problems in collaboration with leading consumer organizations.

- ❖ Supporting a network of private non-commercial laboratories for testing of food, petroleum and other common consumer products.
1. **Recognition and Awards-** to encourage active and meaningful participation of various stakeholders in consumer protection, various awards such as awards to activists and VCOs; consumer friendly business; consumer fora and commissions etc. should be instituted.
 2. **University and College Education** – Structured study on consumer affairs should be introduced as a part of syllabus in the universities and colleges especially in the faculties / departments of commerce, management, law, public administration, engineering, journalism etc.
 3. **Fellowships for Research:** Over the plan period fellowship for full time M. Phil and Ph.D scholars should be instituted in select universities to encourage original research on subjects of consumer interest. It is proposed to begin with a modest number of 100 fellowships in the first year to be increased each year by 25 to reach 200 fellowships in the final year of the Eleventh Plan.
 4. **Grants for Books and Journals to Libraries:** University, College and research Institutions including National and State Training Institutions' Libraries be given grants over the plan period to acquire books, journals and audio-visual material in the area of consumer affairs. The grant can be routed through UGC or National Book Trust.
 5. **Grants for publication of original works related to thrust areas-** The plan should give a philip to publications in areas relevant to consumer affairs.
 6. **Support to experienced VCOs to run media units** which will feed the multimedia campaign on consumer awareness at central and state/ UT level.

- 7. Testing Laboratories and assaying centers** under Hall marking should be supported through subsidies. In North East areas, such subsidies could be hiked to 50%.
- 8. Greater involvement of Government Departments** and concerned stakeholders will be promoted in development of standards.
- 9. Participation of consumer organization/ VCOs** and Scientific bodies should be enhanced in the next 5-year plan.
- 10. Strategy to deal with voluntary initiatives of the industry** by making available multiple certification schemes covering wide spectrum of products and services demonstrating conformity to national/international standards.
- 11. Campaign for promotion of certified products-** to ensure the quality of products and thereby protect the consumers.
- 12. Making accreditation of all conformity assessment bodies** operating in India mandatory by recognized accreditation bodies.
- 13. Inclusion of Quality Management in all professional courses** at graduation and post graduation level.
- 14. Nationwide awareness campaigns** to create awareness among various stakeholders like farmers, stockists, importers, exporters about the useful role played by Commodity Futures Markets and how they can derive benefits from these markets should be launched. The consumer cells, self help groups and institutions of village panchayats can be used to generate awareness. Training and capacity building of these institutions would help create awareness among all stakeholders.
- 15. Agriculture promotion programme** to support farmers with agri- inputs at appropriate prices, channelising the subsidies.

5.9 Evaluation: In addition to the existing internal evaluation mechanisms, emphasis will also be on an institutionalized system of formal evaluation

through independent professional agencies on a regular basis to enable mid term correctional measures.

5.10 Capacity Building: In addition, to the measures already suggested in paras 5.6 and 5.8 pertaining to college and school curriculum/ syllabus and student mobilization, a few other measures are suggested for Capacity Building. These are: -

1. Human Resource Development/ Capacity Building for Quality Infrastructure through:

1. Promotion of National Quality Campaign;
2. Capacity Building of SMEs & unorganised sector;
3. Strengthening laboratory infrastructure in BIS;
4. Training of Trainers in all fields amongst stakeholders;
5. Personnel Certification Programme;
6. Promoting of quality management in professional courses at graduate & post graduate level;
7. Capacity building of NGOs for comparative testing.

2. HRD through Training Intervention, so as to develop:

- a. A band of about 60 Certified Trainers, possibly two from each state/ UT;
- b. Designing standardized training package; and
- c. Conducting annually at least two Training of Trainer programmes at the National Level;

3. International Training Programme: In view of the fast changing global scenario the need of international exposure is required for the certified trainers and officials dealing with the consumer protection and consumer welfare. This will provide them an opportunity to have experience of best international practices, which should be benchmarked, in our country to strengthen consumer protection and consumer welfare.

5.11 Infrastructure: The recommendations in relation to strengthening and development of Infrastructure are: -

- 1. Strengthening the functioning of the Commissions and Fora** under CPA through adequate infrastructure and manpower etc.
- 2.** In view of the inadequate infrastructure at the state level, other measures for enforcement of legislation recommended are:
 - a. Product Recall System for mandatory certified items/ product withdrawal system for others.
 - b. More effective redressal system through a “Better Business Bureau” set up by Industry Associations like in the USA.
 - c. Facilitation of better enforcement by setting up bodies like “Consumer Product Safety Commission” as in the USA.
 - d. Capacity building in the states/UTs.
 - e. Appointment of Special Verification Agencies under Legal Metrology.
- 3. Strengthening of the Department of Consumer Affairs:** In view of the policy paradigm shift and increased workload, it is strongly recommended that the DCA should be strengthened in terms of manpower, infrastructure and office space to increase operational efficiency. A proposal to this effect is also under consideration of the government.

5.12 Budget Estimate for the XI Plan: For consumer protection programmes / schemes and activities the estimated budget is Rs. 4667.60 crore for the XI Plan period. Details of the budget estimates are given in **Annexure- IX**.