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**An Assessment of the Need for Effective Consumer  
Organizations in India and Japan within  
the Wider Concept of Globalization**

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*Visiting Research Fellow Monograph Series*

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## **Abstract**

It is an accepted fact that this Globalization has brought about a tremendous change in consumption pattern at all levels across countries and the overall purchasing power of consumers has increased. Prior to the enactment of different consumer protection acts, laws and growth of consumer activists and organizations in India and Japan, the doctrine of “Caveat Emptor” (buyer beware) was prevailing. But now the time has come for the doctrine “Caveat Venditor”(seller beware) to rule.

Consumerism merits the attention of one and all because it affects all of us as consumers.

All of us enjoy shopping. Whether we like it or not, spend a lot of time as consumers of goods and services. When we buy goods, eat in a restaurant, travel or seek the help of doctors, engineers or repairmen, we act as consumers.

We know that very often we do not get what we seek. Therefore, the so called Consumerism arises from widely shared feelings of consumers that they are ill served by their economy. In its most vigorous form, it produces outrage, sometimes stemming from the abuse of powers by the sellers, a situation that holds in many developing countries in a more visible form. Often this discontent arises from the market failure, unsafe products, dishonored promises, misrepresentation, deceptive advertising, frauds and failures of communication between buyer and seller. We know that most of the consumer problems originate in the inability or unwillingness of producers to satisfy consumer needs and interests. Some consumer problems are self-inflicted. Consumer needs and interests are extremely varied, differing among cultures, and also within cultures, from one individual group to another. In fact, the word consumerism implies a certain activist behaviour or attitude which is appropriate in recent times because consumers are paying more attention to their decision making in the market place. Therefore, we may say that this term consumerism connotes awareness among the people to raise their voice and demand a safe and better living. However, consumerism as a movement of consumers which makes them well aware of their rights and responsibilities and fight against odds.

We know that the new waved Globalization is creating new inequalities and challenges in every nook and corner of the world. Therefore, consumers world over, need to organize themselves to secure proper justice and to fight for their rights. The loud alarms, Consumer unite! Should be heard by consumers world over, otherwise, everywhere, throughout the world, across the countries, consumers are taken for a ride mercilessly.

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## Introduction

Consumers include us all. Indeed, we are the largest economic group in any economy, affecting and affected by almost every public and private decisions. But we are the only important group who are not effectively organized, whose views and voices are often not heard. We know that the new wave of Globalization is creating new inequalities and challenges in every nook and corner of the world. Therefore, consumers world over, need to organize themselves to fight for their rights and to secure proper justice. The loud alarms **Consumer Unite!** should be heard world over. Otherwise, everywhere, throughout the world, across countries, consumers are taken for a ride mercilessly.

It is an accepted fact that the Globalization has brought about a tremendous change in consumption pattern at all levels across the countries and the overall purchasing power of consumers has increased. Prior to the enactment of different consumer protection acts, laws, emergence of consumer activists and organizations in India and Japan, the doctrine of “Caveat Emptor” (buyer beware) was prevailing. But now the time has come for the doctrine “Caveat Venditor” (seller beware) to rule.

### Consumerism –The Origin And Growth

The protection of people against economic exploitation has existed for several centuries. England established standard measurements for wool and the first regulations regarding bread sizes were established in 1226 A.D. Sale of adulterated food and drink was subject to criminal penalties in the 14<sup>th</sup> century. The first consumer law was enacted in 1784 in Massachusetts followed by the law on weights and measures in 1790. In U.K. **Merchandise Marks Act** was passed in 1852 and in 1878, the first Weights and Measurement Act was passed. The well known **Sale of Goods Act** came into force in 1893.

In the middle of the 19<sup>th</sup> century, a section of consumers in England organized themselves to protest against exploitation of labour by the textile industry and they gave a call to boycott the buying of textiles manufactured by such erring companies. There were also similar moves by another section against employment of child and women labour and slavery. Towards the end of 19<sup>th</sup> century, there were sporadic attempts by consumers in the U.K., America and Europe to form buyers clubs in order to avoid middlemen and profiteering. These Buyers Clubs were like informal consumer co-operatives. Similarly, in India and Japan also, the origin of Consumer Movement was in the form of consumer co-operatives. Therefore, co-operatives are sometimes mentioned as the starting point of the Consumer Movement.

Consumerism merits the attention of one and all because it affects all of us as consumers. Consumerism arises from widely shared feelings of consumers that they are ill served by their

economy. In its most vigorous form, it produces outrage, sometimes stemming from the abuse of powers by the sellers, a situation that holds in many developing countries in a more visible form. Often this discontent arises from the market failure, unsafe products, dishonored promises, misrepresentation, deceptive advertising, frauds and failures of communication between buyer and seller. We know that most of the consumer problems originate in the inability or unwillingness of producers to satisfy consumer needs and interests. Some consumer problems are self-inflicted. Consumer needs and interests are extremely varied, differing among cultures, and also within cultures, from one individual group to another. In fact, the word consumerism implies a certain activist behavior or attitude which is appropriate in recent times because consumers are paying more attention to their decision making in the market place. Therefore, we may say that this term consumerism connotes awareness among people to raise their voice and demand a safe and better living. However, consumerism as a movement of consumers makes them well aware of their rights and responsibilities and fight against odds.

### **Consumer Organizations - What Are They?**

Consumers unite! Fight for your rights! Put an end to adulteration! Say 'No' to deceptive advertising! Grow as green consumers! Achieve sustainable consumption! are some of the slogans that all of us as consumers should learn to speak, spread and achieve. Indeed, it is a matter of great urgency that the consumers world over should be organized to face this changing and challenging Globalized world.

Consumer organizations are those organizations which are formed and framed by consumers to fight for their rights, to create awareness among fellow consumers about their responsibilities, to enhance consumer welfare through proper co-ordination with the governments and institutions. They might be working under different names such as Residents Welfare Associations, Associations for Consumer Guidance, Consumers Welfare Agency, Residents Union, Civic societies and Non governmental organizations. Such organizations are found throughout the world in almost all countries. But in some countries they are more united and aggressive and effective in safeguarding the interests of the consumer. The consumer organizations anywhere in the world should work with one point formula - **Consumer Safety and Welfare** through an active participation of consumer clan. Like the utterance of great scientific socialist Karl Marx's **Workers Unite World Over!**, consumers should be made to unite world over. This great task can be made possible only through the effective consumer organizations.

**When a consumer organization is formed, its first job is;**

- To provide consumer education which includes their rights and responsibilities.
- To share and exchange consumer related information.
- To promote co-operation and collaboration of all activities related to consumer protection and interests.
- To conduct research and product testing.
- To ensure the basic needs such as food, housing, health care and clean environment to every consumer.
- To develop the spirit and confidence among the consumers to represent their grievances.
- To educate consumers to think critically to make their own decisions and to gain strength to resist hazardous trends and practices.
- To work with communities to help them to solve their problems.
- To provide counseling and guidance in case of grievances.
- To organize programmes of public interest.

Any consumer organization with above said features will be an effective and successful organization. The developing world has been in quest of such effective consumer organizations which will be very pragmatic and beneficial to all sections of the society.

## **2. Rights and Responsibilities of Consumers**

Every year, March 15, is observed as **World Consumers' Rights Day**. It commemorates a historic declaration of four basic consumer rights by former US President John F. Kennedy on March 15, 1962. Those declarations eventually lead to international recognition by governments and the UNO. Over the years, these rights have been expanded and formulated precisely in the form of seven demands by the Consumers International, Malaysia.

### **1. The Right to Safety**

This means the right to be protected against products, production processes and services which are hazardous to health or life.

### **2. The Right to be Informed**

This means the right to be informed of the facts needed to make an informed choice or decision. The right to be informed now goes beyond avoiding deception and the protection against misleading advertising, labeling or other practices. Consumers should be provided with adequate information, enabling them to act wisely and responsibly.

### **3. The Right to Choose**

This right refers to the right to have access to a variety of products and services at competitive prices and in the case of monopolies to have an assurance of satisfactory quality of goods and services at a fair price.

The right to choose has been reformulated to mean the right to basic goods and services. This is because the unrestrained right of a minority to choose can mean a denial of share to the majority.

### **4. The Right to be Heard**

This means the right to be represented so that consumer's interests receive full and sympathetic consideration in the formulation and execution of economic policy. The right is being broadened to include the right to be heard and represented in the development of products and services before they are produced or set up: it implies a role, not only in formulating government policies, but also in economic fora and other organizations.

## **5. The Right to Redressal**

This means the right to fair settlement of just claims.

The right has been generally accepted since the early 1970's. It involves the right to receive compensation for misrepresentation or supply of shoddy goods or services where needed, free legal aid or an accepted form of redress for small claims should be available.

## **6. The Right to Consumer Education**

This means the right to acquire the knowledge and skills to be an informed consumer throughout life.

The right to consumer education incorporates the right to the knowledge and skills needed for taking action to influence factors that affect consumer decisions.

## **7. The Right to a Healthy Environment**

This means the right to a physical environment that will enhance the quality of life.

This right involves protection against environmental problems over which the individual consumer has no control. It acknowledges the need to provide and improve the environment for present and future generations.

For exercising rights, the consumers should know their following responsibilities:

- Consume less and not give into over consumption.
- To consume all kinds of energy and not to waste.
- To pay a reasonable price and not to encourage black marketing.
- To cooperate in a situation of shortage and not to hoard.
- To be alert and not be apathetic.
- To complain systematically and await redressal.
- Obtain full information regarding quality and price before making any purchase.
- Be careful about false and misleading advertisements.
- Purchase goods having ISI mark, Agmark etc as and where available for safety and quality.
- Obtain proper receipt/cash memo for the purchase made and guarantee/warranty card duly stamped and signed by the seller wherever applicable.
- Approach district forum, state commission or national commission for redressal of consumer grievances against sale of defective goods or deficient services or adoption of unfair or restrictive trade practices.

However, the **Consumer Protection Act of 1986** gives the following strength to the Indian consumer:

- To know about the quality and price of goods and services being paid for, so that you are not cheated by unfair trade practices.
- To be heard and be assured that consumer interest will receive due consideration at appropriate fora.
- To seek legal redressal against unfair or restrictive trade practices or exploitation.
- To be protected against the sale of goods and services which are spurious and hazardous for life and property.
- To be assured, wherever possible, access to a variety of goods and services at competitive prices.

### 3. History and Present Status of Indian Consumerism

The consumerism in India is as old as trade and commerce itself. Indian history reveals that in various periods and regimes of different Kings and dynasties prior to the British rule, there were enactments to punish the dishonest and unfair traders and producers. During the middle ages, the dishonest traders had their hands cut-off and a trader selling shoddy goods was dragged around town with his wares tied around his neck! Indeed in 200 B.C. there were laws in India against food adulteration. The laws of Manu (a great classical philosopher) and Arthashastra of Kautilya (a great classical economist) also refer to the punishment to be awarded to dishonest traders. The British introduced some laws in India such as the Sale of Goods Act, Weights and Measurement Act which were being followed in England. Some organized efforts to protect consumers from the middlemen were made in the 1940s by eminent freedom fighters such as Sri. Tanguduri Prakasam, C. Rajagopalacharie in southern India. They started consumer co-operative stores to supply retail essential commodities. This became a social movement and the concept of consumer co-operative movement spread to different parts of the country. Today consumer organizations such as Mumbai Grahak Panchayat, Consumer Education and Research Center (CERC) in Ahemadabad under the guidance of Indian Ralph Nader, Professor Manu Bhai Shah are continuing this approach to consumer welfare by organizing seminars and workshops.

The origin and growth of consumer movement in India has many similarities to the movement elsewhere. In the 1960s, organizations such as **Consumer Guidance Society** of India, Mumbai was formed to inform and educate consumers on the quality of goods and services and to conduct simple tests on goods of daily consumption. Shortage in supply of essential commodities and unsatisfactory functioning of the public distribution system led activists to form consumer organizations in their towns and localities to ventilate their grievances to the authorities concerned. Several such organizations which were formed between 1970 and 1980 were concerned with the problems of inflation, food adulteration and public distribution system. These consumer organizations serve a useful purpose as voluntary vigilance groups in the market place.

The third phase of growth covering the period from 1981 to 1990 signifies the expansion and consolidation of the consumer movement in India. Especially after the enactment of **Consumer Protection Act of 1986**, there has been a spurt in the number of new organizations in the country.

The period from 1991 to 2000 A.D. is being considered as a period that empowered the Indian consumer. Consumer education, product testing, product safety and promotion were well activated.

Hence, the consumer movement in India has come of age. Consumer organizations have always felt since the movement started picking up in the 1970s, that there were benefits in

numbers. Beginning with less than 10 organizations in 1965, by 1996 established over 900 consumer organizations and today there are more than 2000 active consumer organizations all over the country.

\*Following Are Some Consumer Groups and Organizations Established During Different Years:

- Passengers and Traffic Relief Association (PATRA) 1915
- Women Graduate Union (WGU) 1915
- Women's India Association (WGU) 1917
- Triplicane Urban Co-operative Stores (TUCS) 1949
- Indian Association of Consumers 1956
- Gayathri Charitable Trust 1960
- Jyoti Sang Grahak Suraksha Vibhag 1962
- Bombay Civil Trust 1963
- Consumer Guidance Society of India (CGSI) 1966
- Baroda Citizen Council (BCC) 1966
- All India Bank Depositors Association 1968
- Surat Consumers Association 1969
- Karnataka Consumers Service Society 1970
- Visaka Consumer Council 1973
- Akhil Bharat Grahak Panchayat 1974.
- Trichy District Consumer Council 1976
- Consumer Education and Research Center 1978
- Mumbai Grahak Pachayat 1979
- Grahak Panchayat 1979
- Jagrut Grhak 1980
- Consumer Forum 1980
- Consumer Education Center 1982
- Voluntary Organization in the Interest of Consumer Education 1984
- Consumer Unity and Trust Society 1984
- National Center For Human Settlements and Environment 1984
- Consumer Guidance Society of Jamshedpur 1984
- Consumer Action Group 1985
- Consumer Cause 1985
- SMN Consumer Protection Council 1986
- Bombay Telephone Users Association 1989
- Federation of Consumer Organization of Tamil Nadu 1990
- Confederation of Indian Consumer Organizations 1991

- Gujarat Federation of Consumer Organizations 1992
- Consumer Coordination Council 1992

\* Emergence and Formation of Consumer Groups-published by CERC, Ahamedabad, India, 1992, page 29

In 1974, the then existing consumer organizations at the **Second All India Consumer Conference** had convened at Bangalore, stated that a time has come for the consumer organizations in India, not only to work in small groups but also to work with the help and guidance of a central agency so that Indian consumers can organize and voice their opinion to the government and act as a cohesive force to defend and faster their interests. This conference was determined to form a federation and its purpose would be to inform, educate and guide its affiliates to the greater advantage of the Indian consumer. Unfortunately, the central agency could not take off at that time because they did not have 7 members needed to sign as founder members. In 1989 some consumer activists once again tried to form central agency and in February 1991, the **Confederation of Indian Consumer Organizations** was formed in the **Second National Convention of Consumer Activists** in Delhi. The primary objective of CICO was to make the consumer movement a popular grass-roots movement. It was felt that the primary target of CICO should be facilitating the formation of state level federation of consumer organizations.

Consumers in India need more exposure to consumerism and consumer education. In a developing country like India, the consumer is at special risk while taking market decisions. As a consumer, one has to grapple with the problems of undernourishment, over population, poverty, unemployment, ill health and a host of other problems. Most often poverty which is considerably widespread, does not lend the consumer the necessary strength to question and to resist the attempts of victimization.

Today, an average Indian consumer is mostly poor, illiterate, ignorant, apathetic or just defeatist and continues to be at the receiving end. A recent study indicated that Indian consumers are cheated to the tune of Rs.20, 000 million\* a year, either by poor quality or less quantity or by overcharging the poor chap who is always at the receiving end. A survey conducted by Consumers Guidance Society of India in collaboration with the Health Department of Mumbai\*\* Municipal Corporation revealed that almost half of the samples of groundnut oil collected from various parts of the city were adulterated. Another report indicates that 20 to 50% of foodstuffs sold in the market are adulterated. The gradual increase in the liver cancer cases in certain parts of India has even been attributed to the adulteration in edible oil.

The condition of rural consumers is very miserable as they buy goods mostly in loose form and in small quantities without weighment. Most of these goods may not be of standard quality. It has generally been experienced by buyers in sub-urban areas. Shops in villages and hilly areas charge even more than Maximum Retail Price (MRP) on one pretext or the other. In urban areas also a lot of spurious goods are sold at the rates of genuine goods. Thus

cheating the consumers by rate difference by supplying low quality goods. However, much would depend upon the consumers to unite for awareness about their rights. **Consumer King** a concept of Benham, an economist of England is a myth in India because consumers are totally in the dark for reasons which are evident in developing countries. The reasons being:

1. Illiteracy
2. Lack of consumer education
3. Age old inherent submissiveness among consumers
4. Lack of knowledge about consumer rights
5. Innocence and implicit faith
6. Economic backwardness

All above said factors lead to take unwise decisions and improper purchasing.

\*Ministry of Consumer Affairs and Public Distribution, Survey, 2000

\*\*Bombay Municipal Health Survey, 1998

### **Instances of Improper Purchasing**

1. The buyer thinks that if he does not buy a certain commodity today he may not get another chance of buying the same tomorrow.
2. He may have money today and wants to exchange it for commodity because tomorrow he may need the money for something else.
3. He thinks that the first thought is the best thought. Similarly he thinks that the first choice is the best choice.
4. Thinking that the commodity he wants to buy is a necessity at home though it is not.
5. The buyer thinks many times that the commodity he is buying is cheaper.
6. On most occasions the consumer takes the recommendations of trader as genuine because he does not find time nor has the inclination to make enquiries.
7. On several occasions the consumer buys the article, which cannot be used by all the members of the family.
8. Buying a certain thing beyond the budget.
9. A consumer goes to the market for spending some time leisurely but returns with a commitment in buying.
10. The buyer most often does not consult his friends, relatives or neighbors who have already purchased and are using the commodity.

### **Some Suggestions for Proper Purchasing:**

1. Buying should not be frequent.
2. Buying should be regular at longer intervals.
3. Before buying there should be a plan. The plan should be the product of thorough discussions made in the family with every member including the children.
4. It is economical and time saving to buy materials based on optimum essential requirements. That is, if buying schedule is on monthly basis, the consumer should purchase the articles required for the whole month for the entire family making extra allowance for possible contingencies.
5. It is preferable to frequently change the trader to eliminate the possible bias, and personal obligations.
6. It is always better for a consumer not to carry excess money. This will perhaps temporarily avoid unnecessary buying.
7. It is always better to avoid credit purchases and purchases on hire purchase system because the consumer will always be at the losing end.
8. Consumer should not try to buy anything beyond his legitimate earning as possession of materials disproportionate to the persons legitimate earning leads to several problems.
9. He/She should be discrete and also consistent in buying and should resist temptations.
10. Among consumers in a community there should not be any personal prejudice in buying. By this we mean, it is not incumbent on a person to buy a TV or a fridge just because his neighbor possesses the same.

### **Consumer Protection Act of 1986 (COPRA)**

Presently, there are about 20 laws meant for protecting the consumer directly or indirectly. The UN guideline on consumer protection was adopted in 1985 by several countries including India and shortly after that in 1986, COPRA was adopted. The COPRA is one of the finest pieces of social welfare legislation enacted and it has no parallel anywhere in the world. This so-called Consumer Protection Act of 1986 established the right of the consumer to know about the quality, quantity, potency, purity, standard and the price of goods, so that they are guarded against unfair trade practices. Under this act the consumer has not only the right to lodge complaints against unfair trade practices, sale of defective or unsafe goods, charging of higher prices etc., but he can also move against unsatisfactory services and can obtain compensation from erring manufacturers and service providers varying from Rs.1 lakh to 20 lakhs.

The Consumer Protection Act of 1986 established a three tier structure for redressal of consumer disputes

1. The District Consumer Disputes Redressal Forum
2. The State Consumer Disputes Redressal Commission
3. The National Consumer Disputes Redressal Commission

The District Forum has jurisdiction to entertain complaints where the value of goods, services and compensation claimed (if any) does not exceed Rs.5 lakhs.

The State Commission has jurisdiction to entertain complaints where the value of goods, services and compensation claimed is more than Rs.5 lakhs and less than Rs.20 lakhs.

Similarly, The National Commission has the jurisdiction to entertain complaints where the value of goods, services and compensation claimed is more than 20 lakhs.

An amendment to the provision of COPRA in 1993 gave more strength to these courts and widened their scope. Consumer courts have taken decisions of far reaching significance. Banks and insurance services too have come under COPRA. The Supreme Court delivered in its November 13, 1995 judgments held that COPRA applies to medical practitioners as well.

As per the present rules, a consumer has to file his/her complaint at the place where the opposite party resides. This is not only inconvenient but also costly. The consumer should be allowed to file his/her complaint at the place where he/she resides.

To discourage filing of fictitious complaints by some individuals and to generate some revenue by the consumer courts, a consumer filing complaint should be made to deposit a small amount. This amount would be forfeited in the event the case is either dismissed or decided in favour of the other party. The object of COPRA is to provide cheap and quick remedy but not free remedy. Their slabs are suggested: The value of which is below Rs. 1 lakh, Rs.100 to be paid along with the complaint, if the value is below Rs.5 lakhs, the fee could be Rs 200 and if the value exceeds Rs. 5 lakh, the fee would be Rs.300.

In 1995, the Central Government announced financial assistance to strengthen consumer courts and assistance would be released subject to decrease in the pendency of cases. The Planning Commission in India has agreed in principle to provide one-time financial assistance of Rs. 61 crore to the state governments to strengthen the infrastructure of the consumer courts.

The working group on 'taking consumer movement to rural areas' recommended that each consumer organization should adopt at least 10 to 20 villages. It underlined the need for educating rural consumers especially the farmers about redressal of their grievances. The union government introduced a bill to amend COPRA in Rajya Saba on April 24, 2001 and it was amended in 2002.

Presently, the most important consumer protection laws in India are;

## **Sale**

Indian Sale of Goods Act, 1930

**Foodstuffs**

Agricultural Produce Grading and Marketing Act, 1937

Fruits Products Order, 1946

Prevention of Food Adulteration Act, 1954

**Drugs etc.**

Drugs and Cosmetic Act, 1940

Drugs and Magic Remedies Act, 1954

Insecticide Act, 1968

**General**

Essential Commodities Act, 1955

Companies Act, 1956

Trade and Merchandise Act, 1958

MRTP Act, 1969

Indian Patents Act, 1970

Standard Weights and Measures Act, 1976

Bureau of Indian Standards Act, 1986

Household Electrical Appliances Quality Control Orders, 1981 and 1988

Delhi Apartment Ownership Act, 1986

Consumer Protection Act, 1988 and Amendment Act, 1993

#### **4. Activities of Consumer Organizations in India and the Attitude of Government**

Enactment of law itself is not enough to safeguard the rights of consumers unless it is followed up by the creation of awareness of such legislation and sustained efforts for its effective enforcement. It is in these areas that the role of consumer organizations assumes greater significance.

Awareness is essential for consumers and it is equally important for the shopkeepers, traders and manufacturers of consumer items. To be made aware of the rights of consumers, relevant regulations and powers of intervention granted to consumers and consumer organizations. The mission of consumer organizations in India is the promotion and protection of rights and interests of consumers. They are actively engaged with related issues at the local and national levels. These include;

- Violations under the Food Adulteration Act
- Deficiencies in public distribution system
- Environmental pollution
- Awareness programme in educational institutions
- Consumer awareness and publicity campaigns
- Publication of books and literature on consumer activism
- Free advice regarding redressal of consumer complaints
- National workshop on women empowerment
- National workshop on fertilizers and pesticides
- Convention of WTO negotiations and consumer
- Symposium on globalization and consumer in India
- Street plays and dramas on deceptive ads, short weights, adulteration, price cheating and a number of such day to day consumer problems.

Consumer organizations represent consumer problems through the following government and non-government bodies:

- Central Consumer Protection Council
- State Consumer Protection Council
- National Consumer Disputes Redressal Commission
- Consumer District Forum
- Patent Officer
- Bureau of Indian Standards
- Federation of Indian Chamber of Commerce and Industry

- Confederation of Indian Industries
- Confederation of Indian Consumer Organizations

In India, consumer organizations no doubt have registered an impressive growth. In quantitative terms, the growth seems to be quite encouraging. But the way they are functioning is quite disappointing. Most of these organizations suffer from lack of funds, potential volunteers, continued support of the members, leadership with vision etc.

Once the objectives are framed, the consumer organizations have to enroll members which will not only help the organization to expand but also to strengthen financially. A large membership will add to the collective strength for effective working. It is important that a nominal fee has to be charged as membership fee at the time of enrollment and also periodically, as monthly or annually. If an expanding organization requires more money for its activities, it can take up some research projects and get them sponsored by the Consumer Affairs Departments of the state or central government. Organizations can run a laboratory through which it gets income by testing the suspected products brought by the consumers. Other sources can be from publications and fund risen from the public.

The most important requirement for an organization is the manpower. Therefore, it requires a good number of active volunteers to carry out its activities. Any organization with good intention would attract more people to join the organization.

Since the consumer movement is basically a **Demand for Justice Movement**, every consumer has a right to protest such as:

Written protest

Protest march

Fasting in protest

Street plays and dramas. If it is made through consumer organizations, it will be more effective.

It was with the passage of pro-consumer legislation and the setting up of relevant agencies and councils, even at the highest levels in the government that consumers could rest assured that, for the most part, the products that reach them have been produced and distributed under conditions which take account of the health and safety of consumers and the old law of the jungle, **Let The Buyer Beware** has been partially replaced. In India, unlike the developed countries, problems are not merely of the quality of goods and services produced but even greater problem is that of the availability of these goods to the masses. Thus rationing of essential commodities is a daily occurrence, not restricted to wartime scarcities and shortages.

Indeed, quite a lot of initiatives have been taken by the government enacting a number of

laws to protect the consumer. The prevention of Food Adulteration Act of 1954 and the Essential Commodities Act of 1955 were the early enactments that independent India gave to its consumers. In 1956, it also started a national agency called the Indian Association of Consumers with the financial backing of the planning commission and the involvement of many eminent personalities like Mr. G.L.Nanada, Mr. Shegal and Mrs. Susheela Nayar.

The Government of India has been playing a very vital role in protecting consumers and encouraging consumer organizations. The louder voice of some dissatisfied consumers made the government at last to implement a separate comprehensive piece of legislation protecting the consumer, and in 1986 the Consumer Protection Act was passed.

In 1986, the Government of India amended a number of laws to empower the consumer and registered consumer organizations to file complaint in the court. Among them, the Drugs and Cosmetics Act 1940, the Agricultural Produce, Grading and Marketing Act 1937, the Prevention of Food Adulteration Act 1954, the Essential Commodities Act 1955, the Monopolies and Restrictive Trade Practices Act 1969 and Standards of Weights and Measures Act 1976.

In 1991, the parliament amended the central excise and customs laws to provide for the establishment of **Consumer Welfare Fund** for making available grants for reimbursing legal expenses incurred by a complainant or class of complaints in a consumer dispute after its final adjudication and for making any other purpose recommended by the central consumer protection council. The Ministry of Consumers Affairs and Public Distribution has started awarding First, Second and Third cash prizes to the tune of Rs 50,000, Rs 25,000 and Rs. 10,000 respectively to the best performing consumer organizations in India. Thus the Government of India has been encouraging consumerism and consumer organizations in the country.

The various measures taken by the Government has aroused a lot of expectation among the consumers. In the last few years, a major thrust has been given to the consumer protection programme and a number of additional steps have been taken to protect the interests of the consumers. The Department of Consumer Affairs along with the Department of Administrative Reforms and Public Grievances has brought out 62 citizens charters in ministries having public contacts. The department regularly monitors retail prices, wholesale prices of essential commodities as part of its monitory activity to safeguard the interests of the consumers.

Indeed, the laudable effort of the Government of India is the great enactment of Consumer Protection Act of 1986 which provided for the establishment of central consumer protection council, the state consumer protection councils and the district consumer protection councils. Over all, the attitude of Indian Government towards consumerism and consumer organizations is encouraging.

## 5. History and Present Status of Japanese Consumerism

Consumers of Japan have crossed and faced the different stages of their economy since the end of World War II. The postwar economic history of Japan can be divided into four periods. The later 1940s all of the 50s constituted a period of recovery when the top priority of economic policy was given to shortages and inflation. The rapid economic growth in the country started in 1960s and the major emphasis was laid on product safety. As the consumers of Japan began to enjoy relative prosperity in the 1970s and 80s, the focus of policy came to be directed towards consumer credit, special types of selling and investment. Last ten years make the fourth stage of the development of consumer law in Japan against the backdrop of a collapsed bubble economy of the 1980s and efforts to carry out deregulation.

It is to be remembered that since the early postwar period, the hopes and frustration of Japanese consumer organizations have been conveyed through rich and revealing metaphor drawn from Japanese history. In one of the oldest examples, housewives in their consuming capacity are compared with the distressed wives of feudal times who would seek refuge from their husbands await divorces at special Buddhist temples known as *kakekomidera*. Like the hapless wives, who have been abused by their spouses, early postwar consumers frequently become victims to the unscrupulous practices of powerful business groups. Unlike their historical counterparts, however, disgusted consumers lacked a place where they could “run to” (*kakekomu*) for refuge.

The establishment of a consumer *kakekomidera* at the national government level that would address the specific concerns of consumers while giving them routinized access to the policy making system was one of the primary objectives of early postwar consumer organizations.

The forerunner of early postwar consumer organization was the *Kansai Shufuren*, that is, **Kansai Federation of Housewives’ Associations**. In October 1945, Mrs. Higa Masako, a Christian activist and educator, led a group of fifteen women from a suburb of Osaka to the offices of the local rationing authorities to protest the lengthy delays in supplying rations. The women took the officials to task for pilfering the public rice supply and claimed for the timely resumptions of rations to consumers. That is why, the *Shufuren*, which are popularly known as Housewives Consumer Unions are often symbolized ‘**A Rice Scoop**’. However, this incident was one of the first examples of what was later called as the “Give us back our rice *furoshiki* movement”, a campaign that attracted consumers all over Japan. This campaign was also led by Mrs. Higa, who was very much spurred by overwhelming encouragement from fellow consumers, formed a small women group that eventually expanded into the *Osaka Shufu no Kai*, i.e., Osaka Housewives Association. In 1949, the association merged with twenty nine other local women’s groups to form the *Kansai Shufuren*. *The Kansai Shufuren* promoted international peace, an end to black marketeering and inflation, the reform in the

rationing system and a number of other issues that symbolized the association's origins in the wake of wartime destruction.

Among the programs of the organization, the most successful was the "Housewives' Shop" (*Shufu no mise*), designation for exemplary local retailers. Over time, the retail practices improved in the market as shopkeepers began competing for the designation as a way to attract consumers. Meanwhile, the women who chose the designations acquired an unprecedented sense of power over a distribution system that had long been viewed as immune to consumer control. The "Housewives' Shop" campaign spread quickly to other parts of the country and widely regarded as one of the movement's most effective market oriented tactics which changed the behavior of traders and business class.

One of the well-known campaigns of the movement to protect the consumer interests was a rally organized by Tokyo housewives to demand the removal of defective matches from the market place (*Furyo matchi tsuiho taikai*).

During the early postwar period, when electricity was in short supply, matches were an indispensable household commodity controlled by the rationing system. Since rations often fell short, consumers were frequently reduced to purchasing them at highly inflated prices on the black market (Takada 1979:60). Matches were not only expensive and hard to come by, but many of them would not even light when struck. After failing to extract a promise from manufacturers and local authorities to rectify the problem (Shufurengokai 1973:12), Mrs. Oku Mumeo, the brainchild of this movement and a small group of supporters arranged for consumers to exchange their defective matches for good ones at a rally scheduled for September 3, 1948 in the Shibuya ward of Tokyo (NHK 1980:12).

The event which was widely covered by the media was an enormous success (Oku 1988:177). The organizers collected an entire truckload of defective matches, obtained a public apology from the manufacturers in attendance, and extracted an agreement from officials representing the Daily Necessities Department (*Nichiyohinka*) of the Ministry of Commerce (*Shokosho*) and the Economic Stabilization Board (*Keizai Anteihoibu*) to regulate the quality of matches in the future (Takada 1979). Heartened by the effectiveness of the campaign, Oku with her supporters organized Shufuren (*Nihon Shufurengokai*, Japan Federation of Housewives' Associations) in October 1948. Her political philosophy has heavily influenced Shufuren in its efforts to protect the right of both women and consumers. However, she was a major figure in the establishment of prewar women's co-operative organizations.

Another important contemporary consumer movement was the **National Federation of Regional Women's Organizations** (*Zen Nihon Chiiki Fujinkai Rengokai*), or *Chifuren*, an association of regional women's and their constituent local women's groups (*fujinkai*). By 1951, the *fujinkai* had formed regional federation in more than 70 percent of the prefectures. In the year 1952, The National Federation of Regional Women's Association (*Chifuren*) was duly established under the leadership of Yamataka Shigeri, a leading activist in the prewar *fujinkai* and a suffragist associated with Ichikawa Fusae. Today, *Chifuren* has more than 6

million members. Over the past three decades or so, however, *Chifuren* has been increasingly recognized as one of the leading and active consumer advocacy organizations in Japan.

In 1964, the **Livelihood-school movement**, a voluntary activity was inaugurated. In every elementary school district, groups of 50 to 100 housewives formed livelihood schools to have meetings and discussions of problems. This created more awareness about the consumer movement and moved local governments to establish consumer affair offices.

An epochal event in the history of consumer movement in Japan was the agitation in September 1970 by Livelihood Schools against double pricing system and boycott of colour televisions. The success of this agitation was in terms of price being slashed. However, women's decade has given a new impetus to the consumer movement in Japan.

While discussing the history of Japanese consumerism, the role of consumer co-operative movement should be highlighted. The history of Japanese consumer co-operative movement extends back to the Meiji era. Many of the early co-operatives were organized by the workers of large corporations and all were formed as a consumer controlled counterbalance to the increasing power of big business interests during a period of rapid industrialization.

Unlike their postwar counterparts, the prewar co-operatives had consisted primarily of men. In the later years the co-operative movement consequently attracted some leading female activists such as Hiratsuka Raicho, Oku Mumeo, Nomura Katsuko and Hani Motoko. Many of these women embraced the socialist co-operative principles established in 1844 by England's Rochdale Society of Equitable Pioneers. But these co-operatives were suppressed by the state following outbreak of hostilities with China (Nomura 1973:3).

The consumer co-operatives quickly reappeared during the occupation period and performed useful functions in the local distribution of scarce goods and services. They also helped educate consumers in coping with economic scarcity. By 1947, there were roughly 6500 small co-operatives around the country boasted a combined membership of about 3 million people (KSS 1997:48). Now the Japanese consumer co-operative movement is one of the largest in the world with roughly 44 million members (Keizaikikakucho 1997:3).

## **\*\*The Growth of Consumer Groups and Organizations**

Year	Nationwide Groups	Local Groups Prefecture	Local Groups Within City and Towns
1975	33	306	2034
1980	29	371	3119
1985	29	420	3876
1990	31	418	4105
1995	31	457	4157
2000	27	412	4382

\*\* Patricia L. Maclachlan, *The State, Market and Consumer Protection-Product Liability Japanese Style*. Centre for International Affairs and the Edwin O.Reischauer Institute of Japanese Studies and Cabinet Office of Japan Government body. \*\* Question survey, and 2004. and Members of Shodanren CJ, Feb 2, 2004, pp 24

### **National Consumer Organizations:**

- Japan Home Nutrition Research Society 1960
- Japan Agricultural Co-operative Union Women's Council 1951
- Housewives' Association 1948
- New Japan Women's Association 1962
- National Council for Urban Development Corporation Apartments Residents' Association 1974
- National Union of Tenants Associations 1997
- National Consumer Union 1979
- National Federation of Consumers' Association 1974
- Japan Association of Consumer Affairs Specialist 1977
- National Young Judicial Scrivener Council 1970
- National Federation of University Co-operative Associations 1957
- ZENROSAI National Federation of Workers and Consumers Insurance Co-operatives 1957
- Tokyo League of Regional Women's Organizations 1948
- Japan Organization of Consumer Affairs Specialist 1993
- Nippon Association of Consumer Specialists 1988
- Consumers Union of Japan 1969
- Japanese Consumers' Co-operative Union 1951
- Japan Seinendan Council 1951
- Japan Federation of Women's Organizations 1953
- Liaison Committee of Japan Mothers Congress 1954
- Central Council of Labourer Welfare 1949
- Privacy International Japan 1994
- Association for Rectifying Unfair Tax System 1977
- National Federation of Regional Women's Organizations 1952

### **Local Organizations:**

- Aichi Prefecture Liaison Committee of Consumers' Organizations
- Ishikawa Prefecture Liaison Committee of Consumers' Organizations
- Iwate Prefecture Liaison Committee of Consumers' Organizations
- Ehime Prefecture Liaison Committee of Consumers' Organizations
- Okayama Prefecture Liaison Committee of Consumers' Organizations
- Kanagawa Prefecture Liaison Committee of Consumers' Organizations
- Kita-kyusyu City Committee of Consumers' Organizations
- Kyoto Liaison Committee of Consumers' Organizations

- Gunma Prefecture Liaison Committee of Consumers' Organizations
- Saitama Prefecture Liaison Committee of Consumers' Organizations
- Tokyo Liaison Centre for Consumers' Organizations
- Chiba Prefecture Liaison Committee of Consumers' Organizations
- Osaka Prefecture Central Liaison Committee of Consumers' Organizations
- Nagano Prefecture Liaison Committee of Consumers' Organizations
- Tottori Prefecture Consumers' Congress
- Maebashi City Liaison Committee of Consumers' Organizations
- Fukui Prefecture Liaison Committee of Consumers' Organizations
- Yamanashi Prefecture Liaison Committee of Consumers' Organizations

Besides, the government has established **National Consumers Affairs Centre (NCAC)** of Japan in October 1970. This was recognized as an independent administrative agency in October 2003.

In recent years, consumer protection laws have enacted around the world including clear statements concerning consumers' rights. Similarly, Japan too has the Consumer Protection Fundamental Law. The purpose of the law is "to secure the stability of and improvement in the consumption life of the people through facilitating a comprehensive promotion of the protection and the enhancement of consumer interest" (Article 1). To achieve the purpose, the law specifies the obligations of business and governments at all levels as well as the role to be played by consumers (Article 2-5).

The Consumer Protection Fundamental Law requires the central government to establish all legislation and take all necessary fiscal measures to ensure achievement of the law's objectives (Article 6). The law also sets forth a number of specific objectives that the government must work to achieve as follows:

- Prevention of Danger (Article 7)
- Ensuring Correct Weights and Measures (Article 8)
- Establishing Proper Standards (Article 9)
- Proper Labeling (Article 10)
- Securing of Fair and Free Competition (Article 11)
- Promotion of Edification and Education (Article 12)
- Reflection of Public Opinion (Article 13)
- Establishment of Testing and Inspection Facilities (Article-14)
- Establishment of Complaints Handling System (Article 15)

The central government has established the Consumer Protection Council as required by article 18 of the Consumer Protection Fundamental Law.

By studying the resolutions adopted by the Consumer Protection Council, one can

understand the content and basic thrust of Japan's consumer protection policy. Besides, the social policy council has also been established in accordance with the requirements of the Consumer Protection Fundamental Law. Council members include representatives of the business community and consumers as well as academics. This council's task is to carry out studies and discussions concerning basic consumer protection issues. The government formulated the Product Liability Law of 1994 as well as the Consumer Contract Law of 2000 on basis of reports prepared by this council.

Article 7 of the Consumer Protection Fundamental Law seeks to protect consumers from danger. The principle laws in this category are as follows:

### **Foodstuffs**

Food Hygiene Law 1947

Agricultural Chemical Control Law 1948

Law Concerning Preservation of Safety of Animal Feeds and Quality Improvement 1953

Law Concerning Special Measures to Prevent the Poisoning of Food Products in the Distribution System 1987

Law Concerning the Regulation of Chicken Processing Plants and the Inspection of Chickens 1990

### **Pharmaceuticals and Chemicals**

Poisonous and Deleterious Substances Control Law 1950

Pharmaceutical Affairs Law 1960

Law Concerning Regulation on Inspection and Manufacturing of Chemical Substances 1973

### **Household Products**

Explosives Control Law 1950

Gas Utility Industrial Law 1954

Electrical Appliance and Material Safety Law 1961

Law Concerning Preservation of Safety of LPG and Appropriate Transactions 1967

Consumer Product Safety Law 1973

Law for the Control of Household Products Containing Harmful Substances 1973

### **Automobile**

Road Trucking Vehicle Law 1951

### **Housing**

Fire Prevention Law 1948

Building Standard Law 1950

Law Concerning Maintenance of Sanitary Building Environment 1970

Though there are a number of laws pertaining to consumer safety and welfare, the above mentioned laws are the core consumer protection laws, highlighted with the main purpose of explaining the present status of consumerism in Japan.

The Japanese consumers are generally averse to getting involved in lawsuits because it is so expensive, time consuming and bound with red tape. Even though there were a few major cases which involved a large number of victims throughout Japan. For example SMON disease case in which large number of consumers fell in victim to the side-effects of a drug and the Toyota Trading case in which the company had engaged in particularly egregious misconduct to the aged people. In these cases, the main emphasis was not so much to arrive at a final resolution in court, but to raise the level of public awareness. However, along with the awareness consumers need better access to the judicial system so that they can more easily make use of lawsuits to press their demands. In order to achieve this, consumers should actively involve themselves in one or the other consumer organization and the organizations should unite themselves. It is interesting to note that such a step is already taken by the consumer organizations and as a result, at present, in Japan, Shodanren and Japan Consumers Union are found in forefront.

## **6. Activities of Consumer Organizations in Japan and the Attitude of Government**

To know the activities of consumer organizations in Japan, the government led National Consumer Affairs Center's activities are also viewed along with the Japan Consumers Union and Shodanren.

### **Activities of NCAC:**

#### **1. Information Network**

NCAC gathers information via a consumer online network which connects local consumer centers across the country. This system, called **PIO-NET** (Practical living Information Online Network), stores data on topics including consumer complaints and inquiries received at NCAC and local consumer centers and product related accidents in the host computer at NCAC. This information is analyzed at NCAC and provided to the general public, media and relevant ministries and agencies.

Local consumer centers also use PIO-NET exclusively help them answer complaints and inquiries.

#### **2. Consumer Counseling**

NCAC receives and handles complaints and inquiries mainly about consumer-related issues but also more broadly, in relation to people's lives in general.

Consumer counselors who are experts in their fields answer inquiries from consumers and handle complaints on all aspects of consumer life, including products and services in an objective manner.

Besides handling complaints and inquiries from consumers, NCAC also handles cases that are rather difficult for local consumer centers, acting as the core consumer center. The number of forwarded cases has been increasing rapidly since 2001.

#### **3. Providing Information through Various Media**

The NCAC takes up consumer problems more broadly related to the overall welfare of people. As such, it provides vitally needed information on problems related to overall national life in order to stimulate and raise consumer awareness and to prevent damages and injuries.

The NCAC employs media such as magazines, press conferences, informative materials,

TV, educational leaflets, booklets and the Internet websites.

In addition to programs and activities directed towards consumers at large, NCAC provides relevant information related to people's life to local consumer centers and consumer groups throughout Japan, thereby giving vital support to their work.

#### **4. Research & Surveys**

NCAC conducts various surveys and research concerned with consumer affairs. In order to convey the results of these surveys and researches to consumers, NCAC publishes the quarterly journal *Kokumin Seikatsu Kenkyu* (Studies on People's Lives). Furthermore, NCAC annually publishes *Kokumin Seikatsu Doko Chosa* (Survey of Trends in People's Livelihood) which is a survey of the activity and awareness of housewives in the area of daily living.

#### **5. References**

There are reference libraries available for general browsing at the Sagami-hara and Tokyo offices. There is a sizable reading room that can accommodate many visitors.

#### **6. Product Testing**

NCAC conducts scientifically credible product testing for the following purposes:

- to facilitate handling complaints stemming from product-related accidents.
- to probe the causes of product-related accidents.
- to find out if a product adversely affects the physical safety and lives of people.
- to redress consumer damage from product-related accidents.
- to prevent damage from product-related accidents from spreading.
- to prevent similar product-related accidents.

To accomplish purposes, three kinds of tests shown below are conducted:

##### **1. Product testing to determine accident causes**

This type of test is mainly carried out when NCAC is commissioned by local consumer centers to facilitate handling complaints stemming from product-related accidents and to probe accidents causes.

##### **2. Product testing to verify product safety, hygiene environmental consideration, and other factors**

The main purpose of this test is to examine whether products may adversely affect the physical safety and lives of people or are likely to cause product-related accidents. All

the test results are publicized through press conferences, websites, and *Tashikana Me* (Critical Eye). The results are also utilized to make policy recommendations to the administrative authorities and request product improvements.

### 3. Product testing to handle public needs

This type of test is conducted at the request of public bodies to help handle individual disputes. Joint tests and technical cooperation are carried out with product testing departments in local consumer centers.

All test results are provided to public via media such as magazines, websites and TV programs.

## 7. Educational Training

NCAC implements a variety of education and training programs directed towards staff members and counselors who work in local consumer centers, in order to increase their knowledge and expertise regarding different aspects of consumer issues. Specifically, NCAC aims at improving preventive measures so as to eliminate accidents, and to more effectively provide relief to consumers who suffer from damages or injuries. To handle the evolution of information technology, NCAC started to provide new programs regarding Internet related problems.

## 8. International Exchange

Since consumer affairs are a common global issue, NCAC systematically collects related information from overseas and transmits information about trends in consumer issues and activities of related entities in Japan.

The Planning and Coordination Division is in charge of this field and responsible for editing the monthly report, containing related information from overseas, publishing the newsletter for abroad, and assisting visitors from overseas.

Through these activities, NCAC verifies the trends in consumer issues around the globe.

## Japan Consumers Union

Japan Consumers Union was established in the year 1969 (*Nihon Shohisha Renmei*). The major objective of this organization is to combine both education and advocacy functions. This consumer organization is indeed a special organization because it was formed by Takeuchi Naokazu, a former bureaucrat from the Ministry of Agriculture. This organization is financed exclusively by proceeds from its publication, *Shohisha* report (consumer report).

Right now its membership is more than 4000. This organization is most radical and controversial and it is almost like Ralph Nader's group. It generally avoids any association with its ideological adversaries and relies on marked oriented tactics.

### **Shodanren/Consumers Japan**

In order to organize fragmented consumer groups, Shodanren CJ was established in December 1956 as a National Liaison Committee of Consumers' Organizations. At present, the 24 national consumers' organizations and the 19 local liaison committee of consumers' organizations (List available in chapter 5) are affiliated to Shodanren. Individual members of these organizations amount to 30 million consumers. Though the head office is located in Tokyo, its affiliated members are spread all over the country. As wide as its membership reach, so are the confederation's activities. Its main job is consumer advocacy.

Japanese consumer organizations are very active right from the beginning. In 1950 itself, Shufuren had established the Basic Commodities Research Department (*Nichiyohin Shinsabu*), the first of its kind in Japan. Under the leadership of pharmacist and consumer activist Takada Yuri, the department armed Shufuren with scientifically derived information that helped legitimize the organization's demands. Product testing marked an important step forward in Shufuren's efforts to strengthen its power of persuasion.

During seventies also most of the prominent consumer organizations fought against inflation, black marketing and food adulteration.

Shodanren, being a confederation of consumer federations has been a member of Consumers International since 1978. It prepared a project in 2003 to try to counter the increase in consumer-related damages, address the frequent occurrences of corporate misconduct and to enhance the impact of consumer opinions on policy making process. It also works hard to foster dialogue between its members and helps to reinforce member organizations.

Japan's newly revised Consumer Protection Fundamental Act is in the pipeline. Shodanren will play an active role in carrying out a range of activities to ensure that the views of the public are well reflected in this plan. This organization will engage in discussions relating to an appropriate law by taking into account the role of consumer organizations in Japanese economy.

In the area of food safety, Shodanren maintains good ties with relevant government departments such as the Food Safety Committee, the Ministry of Agriculture, and the Ministry of Health, Labour and Welfare. It has also worked on strengthening its response to the public's comments in relation to food issues.

It also takes into account the WTO negotiations (Agricultural Division) when providing information to and discussions with the National Diet members and other government

authorities.

In promoting the fair competition, Shodanren will continue to strengthen its activities with a view to reform Japan's Anti- Monopoly Law as well as to review the various bylaws in relation to fair competition.

Research and analysis of environmental issues (e.g. the prevention of global warming) and making this information available to the general public is also a priority for Shodanren.

Studies and discussions of financial policy and social security are also at the forefront of confederation's activities. It examines tax burden, pensions, welfare and medical administration and their impacts on consumer.

Shodanren works closely with Consumers International on campaigns, studies, projects, seminars and consumer surveys. It also organizes annual conferences on food safety and environmental issues.

In this globalized world, Shodanren recognizes the importance of regional and international participation and co-operation in addition to its national work on consumer issues. In order to strengthen the ties between Consumers International and North Asian countries, the conference is arranged which is scheduled to be on 2<sup>nd</sup> September 2005 in Tokyo. The areas that will be covered in the conference are food safety, international trade and environmental protection and e-commerce.

Many organizations of Shodanren have started framing new activities to facilitate consumer networking. Consumer advocates are adopting the state of technology to facilitate the networking efforts. The fax machine, for example has become a technological staple for many consumer organizations. Some consumer organizations have started using internet facility to receive complaints and to sort them out. Shuferen was one of the first organizations to set its own web page. Unfortunately, for financial and personal reasons, some organizations have been reluctant to computerize.

## **Major Activities of Shodanren**

### **1. The vision of consumerism**

The vision of consumerism includes three themes to represent and to address consumer issues more strongly in challenging the globalized world.

1. Measures to counter the sharp increase and diversification of consumer related damages.
2. Measures to counter the frequent occurrences of corporate misconduct.
3. Measures to enhance the impact of consumer opinions on policy making processes.

In addition to this, organizations of Shodanren have rearranged their directions to realize the above issues. In order to make this a concrete vision, Shodanren will strive to set up

opportunities for mutual dialogue between consumer organizations and strengthen the 2004 issues while attaching importance to the viewpoint supporting the reinforcement of organizations and finance as well as the development of human resources within consumer organizations.

Shodanren has reviewed and rearranged its major roles in consumerism and is committed to fulfill the following roles:

1. To deal with the Government consumer council, study policy and make proposals concerning major policy issues.
2. To perform lobbying and other wide ranging campaign activities concerning major policy issues.
3. To reinforce networks involving key figures and specialists to carry out various activities
4. To provide information and opportunities for mutual exchange between member organizations.
5. To carry out various international activities.

## **2. Support activities to form networks of private organizations**

Shodanren will carry out activities to ensure the opinion of the general public that is reflected in the consumer affairs fundamental plan prepared in response to the Consumer Protection Fundamental Law. It will participate in arguments concerning the lawsuit system for consumer organizations and make necessary proposals during this period. At the same time it also supports activities to form networks of private organizations that can exercise such proposals.

## **3. Food safety and food problems**

Shodanren will participate in risk communications concerning the area of food safety and endeavor to further such communications.

## **4. Other activities**

1. Shodanren has continuously strengthening its activities for the purpose of establishing an environment for fair competition including proposals for the rectification of the Anti-Monopoly Law and review of various bylaws concerning fair competition.
2. It will proceed with the collection and provision of information concerning environmental issues such as the prevention of global warming and energy problems.
3. With regard to taxation, financial policy and social security, it will positively advance the

implementation of its activities while repeatedly conducting studies and exchanges of opinions concerning the existence of tax burdens. These will include the pension and consumption tax system as well as the social security system, including the welfare and medical administration areas.

4. It will support activities aiming to further enhancement and reinforcement of consumer-related and food safety administration of the local autonomies.

The Government's attitude towards consumer organizations is not very cordial and not harsh too. It does not encourage court actions but does encourage consumers to be well informed about their rights, safety and welfare. In this context, the government has established **The National Life Center** to collect information of dangerous product and train specialists on consumer affairs. It is associated with more than 260 consumption life centers. The center has strong intention to help consumers by providing information and counseling. Among them, publication activities, assisting lawyers who bring the consumer suits to court are important. Hayashida (1995) describes this kind of information as **Frightening to manufacturers**. Many ministries opened offices for handling consumers' claims: for example, the Ministry of Welfare for Medication, the Ministry of International Trade and Industry (MITI) for manufactured goods and the Ministry of Agriculture for food. Municipal governments are also following the lead of the National Government in this regard. Another example is the formation of **Consumer Federation** to oppose black market practices particularly those that raised consumer product prices. Besides, a number of bodies are established. Among them the notable is **Price Agency and Economic Stabilization Board**.

While understanding the Government's attitude towards consumer organizations, one has to take a glance on the **National Consumer Affairs Center of Japan**. The mission of the NCAC is to improve and stabilize consumers' lives. Since its functioning in 1970, NCAC has answered consumer inquires; published a wide variety of information including the results of product testing. As a core of the network of 490 consumer centers run by the local governments across the country, NCAC gathers information on a variety of consumer issues and analyzes them. It works to gather information pertaining to the great changes in daily living and life styles brought about by globalization, the current advances of the information society and deregulation in Japan. Thus, NCAC works to gather and provide on a wide range of issues to respond to economic and social changes as they rise and establish consumer network.

Since consumer affairs are a common global issue, NCAC systematically collects related information from overseas and transmits information about trends in consumer issues and activities of related entities in Japan.

From the tables shown in the next pages, one can understand the number and membership of consumer organizations, year of establishment and their legal status in Japan.

**Survey of Consumer Organizations in Japan Conducted by Policy Bureau  
of Cabinet Office  
Quality of Life, FY, 2004**

**Table 1. Number of Consumer Associations and Membership**

	National level organizations	District level organizations	Local level organizations	Total
Number of organizations	80	331	2414	2825
Membership (000)	11919	1429	1569	

Note: Some of the members are doubly counted among national, district and local organizations.

**Table 2. Number of Organizations by Size of Membership**

Membership	National level organizations		District level organizations		Local level organizations		Total			
	Accumulated membership		Individual membership		Units	Shares (%)	Units	Shares (%)	Units	Shares (%)
	Units	Shares (%)	Units	Shares (%)						
1 ~ 9	0	0	7	10.9	8	3.1	101	4.4	109	4.2
10 ~ 99	4	16	30	46.9	86	33.7	1293	55.9	1379	4.2
100 ~ 999	6	24	16	25	45	17.7	738	31.9	783	30.5
1000 ~ 9999	2	8	6	9.4	75	29.4	160	6.9	235	9.2
10000 ~	13	52	5	7.8	41	16.1	21	0.9	62	2.4
Total	25	100	64	100	255	100	2313	100	2568	100

Note: Only those organizations, of which the membership is reported are included.

**Table 3. Number of Organizations by Year of Establishment**

	National level organizations	District level organizations	Local level organizations	Total	Year average
Before 1949	5	29	154	188	
1950s	9	77	205	291	29
1960s	6	42	266	314	31
1970s	14	65	766	845	85
1980s	7	27	471	505	51
1990s	9	39	358	406	41
2000s	30	51	163	244	49
Not clear	0	1	31	32	
Total	80	331	2414	2825	

**Table 4. Number of Organizations by Legal Status**

	National level organizations	District level organizations	Local level organizations	Total
Incorporated company	2	11	9	22
Foundation	4	15	4	23
NPO	32	57	72	161
Others	2	2	3	7
Total	40	85	88	213

Note: 'Others' include social welfare organizations, intermediate corporations and associations of consumer cooperatives.

Source: Basic survey of consumer organizations, Japan Cabinet Office Policy Bureau, May 27, 2005

(1) Interests of Consumer Organizations

\*According to the survey carried out by asking the organizations to choose up to three out of 11 designated items, the result shows the percentages of the following three items are especially high:

Environmental Issue	68.0%
Food Issue	57.7%
Consumer's Enlightenment and Education	56.3%

(2) Activities of Consumer Organizations

Hold Seminar, Tour etc.	82.9%
Organize Bazaar / Charity Sale	37.3%
Issue Newsletter and Publication	37.1%
Research Activity	29.3%
Collective Purchase	24.8%

(This percentage is overwhelmingly high)

1. National-Level Organizations

Hold Seminar, Tour etc	72.5%
Research Activity	60.0%

The followings are also high:

Issue Newsletter and Publication	63.8%
Issue Pamphlet, Leaflet etc	43.8%

Based on the above, we can conclude the national-level organizations have been actively carrying out advertising and enlightenment's activities. Moreover, the following activities are carried out more than other organizations.

Establish Consumer Complaint Centre	22.5%
Introduce Lawyer, the Relevant Consumer Centre	20.0%

District-Level Organizations

Hold Seminar, Tour etc	84.9%
Issue Newsletter and Publication	56.5%
Research Activity	42.0%
Issue Pamphlet, Leaflet etc	27.5%

(This percentage is the highest)

3. Local-Level Organizations

Bazaar	40.9%
Collective Purchase	25.6%
Recycling Activity	24.3%

\* Basic survey of consumer organizations, Japan Cabinet Office Policy Bureau, May 27, 2005

## 7. Comparison between Indian and Japanese Consumer Organizations

Comparative study of consumer organizations between India and Japan throws a light on their effectiveness in safeguarding consumers as well as their weakness to be upgraded for their effective functioning to face this global market scenario.

- Though India has an ancient history of consumer protection, consumer movement had its beginning only in the early part of this century. But they were mainly highlighted as freedom movement agitations. For e.g. The Swadeshi Movement\* 1905 to 1911- boycott of foreign goods with the slogan “Be Indian Buy Indian” and Dandi March\*\*, March 12, 1930 to May 18, 1930- protest march on the imposition of tax on the manufacturer of salt. These two agitations were lead by Mahatma Gandhi, the father of India. In the later part of this century that is after gaining independence in the year 1947 consumer organizations slowly started emerging. Similarly, consumer organizations in Japan emerged immediately after the end of World War II which is in the year 1945. This comparison shows that in both the countries consumer movement emerged almost simultaneously. Besides, the concern of leaders of consumer movement both in India and Japan was the basic problems relating to day to day living.
- It is learnt that consumer movement in Japan made its initial progress under the leadership of women (Mrs. Higa, Mrs. Mumeo Oku, Hiratsuka Raicho, Nomura Katsuko, Hani Motoko and others). Women’s decade has given a new impetus to the consumer movement in Japan. But in India women have hardly involved in consumer movement since they are illiterate (\*female literacy 54.16%), ignorant and submissive in their nature.
- Even today, most of the consumer organizations in Japan are managed by women activists. But in India still women is bounded to household activities and her participation is rarely found. Hence consumer organizations in India are male oriented.

\*Indian Economy by Rudar Dutt and Sundaram, 2005, S. Chand, New Delhi, Page 2

\*\* Indian National Movement, Sharma and Agarwala, 2001, New Delhi, page 97-100

- Due to wide range of transportation and communication network, we don’t find specific rural areas in Japan. Countryside consumers enjoy the benefits what their counterparts are enjoying in towns and cities. But this is entirely different in India. Rural people are curtailed by the facilities that are made available to urban people. Hence rural consumers are ignorant of consumer protection activities. Therefore, we find neither consumer activists nor consumer organizations in rural areas. But in Japan local level organizations are as strong as prefecture level organizations.

- When we compare the number, we find a huge difference between these two countries. There are more than 4700 consumer organizations in Japan whereas there are only 2000 consumer organizations in India. It is ridiculous to note that for a country with 1030 million populations, this small number is insufficient whereas with a small population of 130 million, Japanese have organized quite sufficient consumer organizations.
- It is also notable that there is a glaring difference between the number of the members of a Japanese organization and an Indian organization. It is found that the smallest number is 80 and largest is 1.4 million\* in Japan. Whereas in India the smallest is only 8 and largest is only 50,000. \*\*
- It is learnt that when compared to India, Japanese organizations are not more active. However, the researcher found that they need not be because Japanese consumers are well placed with high quality goods and services. Since Japanese society is based on trust and harmony, conflict should be avoided in their philosophy. So consumers dislike fighting. But in India organizations have to be active because of innumerable consumer problems such as food-adulteration, drug-adulteration, environmental pollution, price cheating, defective weights and measures and so on.
- Today, all over the world, the top priority of consumer organizations is the protection of environment. The researcher is very much impressed with what Japan has achieved regarding the same. Simultaneously they have given equal importance to sustainable consumption. This can be noted through the theme of the 2005 World Exposition, Aichi, Japan. The theme was **Nature's Wisdom** through which they have given a call to the world for the protection of Global Environment. Unfortunately consumer organizations in India are yet to achieve the same.

\*Membership information, Shodanren CJ 21.07.2005

\*\*Consumer Survey by Ananda, Mysore Consumer Awareness Council, 2004

- Organizations in India have been publishing a good number of magazines and handouts to spread consumerism. But in Japan publication activities are less when compared to India. Since Japanese are well aware of their rights and responsibilities, the influence of journals and publications may not be effective.
- The growth of consumerism in any country depends on the updating of existing consumer protection laws and regulations. The government of Japan is doing this job whenever is necessary. For example, The Product Liability Law, Consumer Contract Law and Consumer Protection Fundamental Law were amended in recent years. But in India consumer organizations are struggling hard to convince the government to get the job done.
- In recent years, door to door sales for the promotion of product has become a menace. In order to control this Japan has enacted a separate law i.e., Door to Door Sales Law in

1976 which was amended in 1996 and 2000. But such a law is not found in India and the consumers are cheated at the door step. Therefore Indian organizations are aspiring for such a law.

- Though the attitude of governments towards consumer organizations in both the countries is positive, none of the organizations is aided by the government for their activities. Hence, organizations are suffering from lack of funds. But at the same time, most of the dedicated organizations are reluctant to receive government aid thinking that it will be an obligation.
- In a developed country like Japan, it is easy for consumer organizations to have modern facilities like computer, internet and so on. But being a developing country India can not facilitate such network to every nook and corner of the country. Therefore, it is a great hindrance to consumer organizations in India.
- Researcher feels happy to state that COPRA of 1986 is highly regarded even by Japanese consumer activists who wish it to be existed in Japan too.
- Being national liaison committee of consumer organizations, Shodanren/CJ has framed its vision for future course of action and international exchange which will help consumers to face the globalized market. But in India, consumer organizations are yet to have global link to exchange their views and opinions. Close link with co-organizations around the world is a key tool to face the challenges of the changing globalized market place.

## 8. Guidelines for Consumer Organizations to Face the Globalized World

Due to Globalization and fast advancement in technology, new economic issues are emerging making the market place more complex. In such a market place consumer is get confused and mislead in decision making. This problem of consumer, inevitably, has to be tackled by the consumer organizations. Hence, the consumer organizations world over should develop an effective **Think Tank** to plan a taskforce to face the challenges ahead. The probable guidelines that could be followed by the consumer organizations of India and Japan to face the challenges of globalized world are:

- The United Nations Guidelines on the Protection of Consumers, endorsed at the United Nations General Assembly in 1999, added the principle of promoting sustainable consumption. It says: “All members and organizations of the entire society share responsibilities for sustainable consumption.”

Consumers can play a necessary role in promoting consumption based on a sustainable environment, economy and society. Consumer organizations are responsible for promoting public participation in sustainable consumption and should work together with the Government and the industrial and business communities to promote the same.

- Consumer organizations throughout the world should affiliate with Consumers International based in Malaysia to tackle international consumer issues. Consumers should be made known all about **Consumers Interpol** which was launched by Consumers International in the year 1981 as an international consumer policy network. Consumers International aim is to be fast, comprehensive and truly international, corresponds from a number of countries who have joined this network to inform the Consumer Interpol of a suspected hazardous products withdrawal in their home market as well as international.

- The spirit of consumer education that is to be followed by consumer organizations and the concerned authorities are given below by Consumers International as a charter for consumer action;

**C:** Critical awareness with consumers learning, how to distinguish needs from wants, how to ask informed question about price, availability, quality of goods and services.

**A:** Action and involvement with consumers being able to act on their own behalf backed by the confidence of knowledge and learning how to get a fair deal.

**S:** Social responsibility, consumers acting with concern and sensibility, aware of the impact of their actions on other citizens, particularly on disadvantaged groups.

**E:** Ecological responsibility with consumers thinking about the effects of their decisions on the physical environment, aware of the possible conflict between their desire to own things and the spoiling of our environment.

**S:** Solidarity with consumers realizing that their most effective action is through the information of citizen groups. Together such groups can acquire the strength and influence to make sure that adequate attention is given to consumer interests.

- Consumer organizations should insist the concerned governments to introduce compulsory consumer education as a part of education system. It helps younger generation with requisite skills in today's complex market place. The basics of consumerism should be taught at school level itself. Certificates, Diploma and Degree courses must be offered in consumer affairs with an assurance of employment.
- We know that pen is mightier than sword. No organization is complete without publications. A regular newsletters and magazines should be brought out periodically as the media communication between the consumer activists and consumers. Besides this, TV interviews of consumer activists and their programs, plan of action to solve consumer problems should be broadcasted.
- Consumer organizations should join their hands to establish **World Institute of Consumers (WIC)** exclusively to carry out research in all kinds of consumer problems world over.
- Consumer organizations should insist industrialists to set up a council for fair business practices which in turn will avoid mal-practices of traders. These councils should lay down a code of ethics for the traders.
- Obviously, producer is also a consumer. Hence, organization should enroll more and more manufacturers, traders and business community considering them as consumers which would make the organization more effective. However, such members should not violate the aims and objectives of organization.
- The list of dos and don'ts of the organization should be updated according to the changes of the economy.
- Organizations should take initiative to organize **Industry Trade Consumer Interface** for a dialogue between consumer bodies and traders organizations. If it provides workable results, it is indeed a thing of beauty and joy for consumers.
- Organizations should lobby the government to set up mobile consumer courts for rural consumers and special consumer courts for quick disposal of consumer complaints.
- Many economic policies as they exist today are working against the consumer. For example, if the banking industry decides to go on strike, the employees do not lose as they get their wages, the employer too has nothing to lose, it is only the consumer who faces the inconveniences. Therefore, organizations should insist concerned authorities to change such policies.
- Despite the package of legal measures, it is found that the trading and manufacturing lobby tries to subvert the protective laws. Government officials are often bullied into pressure to use their discretionary powers. The quality control inspection staff is also put under pressure not to prosecute offenders. Such things should be brought to public notice

by the consumer organizations to safeguard consumers.

- Since it is a computer age, organizations should try to computerize for quick interaction.
- Organizations should celebrate **World Consumers Rights Day** on March 15, every year to convey their solidarity. On the day, programmes arranged should be constructive and educative such as symposiums, workshops, exhibitions, rallies and discourse by experts especially on environmental awareness, which is the need of the hour.
- The organization should be willing to admit a mistake if proved with facts.
- The organization should be impartial and transparent.
- The members should set an example by practicing what they advice to consumers.
- Consumer activists should avoid lose talks. One should not give vague impression about what they speak and act.
- Organizations should be non-violent.
- Ignorance of law is not an excuse. So it must be the bounded duty of the organizations to study the existing consumer protection laws and amendments and enlighten the consumers.
- In most countries, services like telephone, electricity, water supply and public distribution system are managed by government agencies but there are so many complaints pertaining to these public utility services. Therefore, organizations should form a vigilance group to watch them.
- Organizations should act as a strong watch dogs and lobby governments to implement effective consumer protection laws when and where required instantly.
- Organizations should put pressure on governments to extend financial help for their activities since what they are working for consumers actually should have to be done by the governments. However, the organizations should try to finance themselves.
- The meetings of the organization should be regular, frequent and informal where the members are allowed to express freely and openly.
- There is too much political interference which misleads the organization. Most of the time the aims and objectives of the organization are disturbed by the political interference and weaken the strength of the organization. Therefore they should be non-political.
- Consumer organizations world over should campaign for the reduction of Global Burden of Malnutrition.
- Last but not the least, organizations should interact and co-ordinate with co-organizations. Co-ordination and working with national and international bodies will create Collective Consumer Search Capital (CSK) which would be useful for every consumer organization to spread the consumer movement world over and to face this changing and challenging globalized market scenario.

## **9. Kerton's Concept of Consumer Search Capital and Neelakanta's Concept of Consumer Decision Capsule – The Two New Gadgets of Consumerism**

Robert R. Kerton, Professor of Economics, University of Waterloo has developed a concept, which has come to be known as Consumer Search Capital (CSK). There is great hope for using this concept for our conditions in India to help make better consumer decisions. The concept CSK is defined as “the accumulated stock of decision making principles and data which can be used to increase the effectiveness of consumer decisions”. Since the concept CSK consists of a collection of searching and bargaining strategy that the consumer can employ in the market place, it ultimately determines the quantity received per unit of currency. The value of CSK is far larger than what seems to be at first examination.

The concept obliges us to give explicit attention to these consumer skills and strategies. The CSK must be regarded as a capital because first the skill give services overtime, and second time and resources are used to create this capital. The process of accumulation of decision-making principles must be viewed as an investment. Such investments are of two types i.e., private and collective CSK. The private CSK is created on an individual basis, where as collective CSK is in the form of consumer associations and government departments. Collective CSK is often far more economical compared to individual CSK, especially when there are economies of scale in the collection of information. To be more precise, some government departments would serve as collective CSK. The accumulation of CSK provides a better decision-making status to a consumer. This accumulation is possible through an organized system of consumer oriented education and information gathering.

As a prelude to this accumulation of CSK, let us take a look at existing conditions in India, which is still a developing country. Here we are constantly confronted with a number of unscrupulous market practices. Quality of products is always poor. Cost curve is on a constant upward move. Nefarious activities like adulteration and duplicating and faking with no exception to price cheating have become too common. If the consumer in India were to face such a complex developing situation he is to be initiated by individual and collective bodies including government agencies who act directly to mitigate the sufferings of the consumer, organizations who take on the role of a liaison between the individual consumer and government agencies. Part of the responsibility of educating the consumer lies more with the voluntary agencies as they have a better consumer problem and accumulate more CSK through experience and information.

In a developing country like India the consumer is at greater risk while taking market decisions. Because consumer in a developing country is exposed to the glittering and colourful standard of living that his counterpart in an advanced country enjoys and would desire to be placed in a similar situation. There is constant conflict between desire prompted wants and need based requirements. “Wants are insatiable”, says the economist. It is sure, but

in our Indian situation wants are many and resources are few. The gap between production and consumption, cost of production and price level has never been bridged and a balanced coordination of these factors, of production, resources, prices and management and distribution etc. have not been commensurate with each other.

In India more than 2/3 of the population is still illiterate and ill informed\*. As consumer at large has to grapple with problems of under nourishment, over population, poverty, unemployment ill-health and host of other problems, so the CSK has special importance. At the same time it needs special formulation to be lamented that, poor as we habitually become passive as an economic group with low CSK. Poverty does not lend the consumer the desired strength to question and to resist the attempts of victimization. We just let things pass and resign to a status of apathetic situation of futility. It is suggested earlier in this paper that voluntary organizations can do as much to be of service to the consumer as government agencies. And it is also economical and more effective to raise voices in a collective manner, which is bound to be heard, whereas a single voice ends pup in thin air. When consumers are united there is strength to be reckoned with which ultimately wins. The Consumers International in Malaysia, Australian Consumer Association and Consumer Education and Research Centre in India are some of the examples that could be cited for organized consumer movement which go to prove the importance of collective CSK as being useful in a developing country.

\*Central Statistical Report of India, 2004

The theory of CSK could be very profitable when applied to our conditions through consumer associations where collective CSK is embodied and this collective CSK does have significant effects on the progress of developing countries. This is also especially significant to people with low incomes. In a developing economy the market is flooded with an ever-increasing variety of goods, which also leads to more competition and subsequent dubious market transactions. This situation is again a better care for application of CSK concept. While trying to adopt Kerton's CSK methods to our developing situation, it is imperative to suggest certain more practical and adoptable techniques for consumer movement in our country. These techniques could be adopted at broadly three levels:

1. Individual
2. Collective
3. Government Sponsored

In the first place, awareness among consumer fraternity about their rights and privileges has to be created. This is best done through providing education followed by information. As an individual, a consumer can do well by gathering more information about the commodity

market; the standards and quality, production and distribution and unscrupulous market practices, allocation of budget based on priorities and needs. He should also make competitive studies of commodities he buys through available information and consultation with knowledgeable people and neighbors and make his purchases worthwhile. His principle should be that what he has bought is worthy of the unit of money spent.

As a collective example several organizations devoted to consumerism already exist in this country though in a very small number. According to Kerton, it is this collective CSK gathered through voluntary organizations can do yeoman service in our country. If consumer associations were to be more effective under an Indian condition they will have to be on a wider and more decentralized pattern. That means every individual consumer should have easy access to the organizations. The programmes of organization should be such that the consumers are primarily educated in matters of consumerism and get suitable and adequate information, which ultimately places them in a good state of defense. The consumer body should also try to use all available sources to disseminate useful information to the consumer in a better and acceptable fashion. This entails the production of simple, readable and illustrated materials which is helpful for the consumer.

The state government should have a greater responsibility towards the consumer. The consumer protection activity put forth by the governments is far too inadequate considering the magnitude of the problems that the consumer has to face today. It would be more appropriate that each state in our country has an autonomous, well-organized and adequately staffed expertise formed. The governments also on the other hand should examine the possibility of remodeling the existing educational structure to be more consumers oriented. In short it would be highly ideal if every consumer who goes to school has an opportunity to learn and as a consumer he has every right to safety, to be informed about protection and education. The government should also instruct the communication media under its control to intensify consumer-oriented programmes.

We know that active consumerism started from the US through high thinking great men like, John F. Kennedy, former President of the US in 1962. But the consumer guidelines being developed then were not much useful for consumers in the under privileged in developing countries. It is vital that we have to find a useful technique available to India; Consumer Search Capital is one technique we must deploy.

### **Consumer Decision Capsule: A Similar Concept Like CSK**

We need not say that present day market is complex with inconsistent information, highly fluctuating prices and stock positions. Consumer public is bound to be misled owing to these constrains. Decision-making is highly complicated and absolutely impossible. Therefore, Professor Neelakanta felt that the decision making of consumer would have been easier if

there could be a ready made model to provide him authenticated product information. In this article, an attempt is made to develop a model, which suits the consumer public in general.

It is evident that consumerism today has become a way of life for a citizen anywhere in the world. Whether well informed or ignorant, a consumer has to behave positively and register an economic gain in his day-to-day participation in the market place. Today's market is such a complex phenomena that a consumer is bound to get misled confused, react negatively and regret his unwise shopping. True, there are varieties of information sources, through ads that highlight and project a colorful image of the product range. But all that is unilateral in the sense that the fund of information at hand to the consumer today through ads is only commercial and profit oriented. A consumer before he actually buys a product has to scan the information available and use to his best advantage in making the most economical buying in relation to his budget. Because, today's market is so complex, with inconsistent information and highly fluctuating prices and stock positions. Decision-making is almost impossible or utterly difficult. This sort of complexity does not help the consumer in either planning his budget or making the purchase. His budget calculation may go wrong.

Due to advancement of science and technology there has been a fast changing market structure and the subsequent ruthless bombardment of audio-visuals to project the products through ads has put the consumer in a great dilemma. To understand the present day market situation, to plan his buying selectively and economically a consumer needs proper, processed product information at hand to help him make the purchase with proper decisions and have the satisfaction of good buying. His decision making would have been easier if only a consumer has access to a well prepared readymade model to provide him authenticated product information and help him make the decision, so that without much confusion he could buy the product and get the satisfaction of having made the most economic need based buying. But that question is how and where such authentic information is available to make proper decision. Hence, to solve this problem an attempt is made to collect information, process the same and make available to the consumer for the asking in a ready to use form. This we prefer to call Consumer Decision Capsule (CDC).

### **What is Consumer Decision Capsule (CDC)?**

To a layman a capsule mean a highly potent drug (antibiotic or otherwise) filled in an easily consumable form. To be more precise, to present anything in a capsule means a more complex material is simplified for use even by a child. On the same analogy a loud thinking is made in order to help consumer make wise decisions with the help of brief and precise information in capsules. These capsules are supposed to be in the form of handouts.

## **10. Policy Recommendation and Conclusion**

The ongoing reforms in the direction of Globalization are emerging as a potential challenge to consumers both in India and Japan. The Globalization paved the way for the advent of multinational corporations into the domestic economic scenario. The markets are now flooded with a number of products claiming each of their product as best one. The advertisement costs are mounting up, placing an unnecessary burden on consumers. The consumer today is a lot confused one struggling very hard for safeguarding his interests. Therefore, there is a great need for effective consumer organizations both in India and Japan. Now the question is; how to evolve effective consumer organizations and who could do that ? This study reveals an answer that it is a joint effort of consumers, organizations and the governments concerned.

There is a tendency that it is the bounded duty of a government to look after the welfare of the consumers. But the consumers should realize that they too have a role to play by following their responsibilities along with the rights. These rights and responsibilities should be made known to consumers by consumer organizations. The organizations should be made strong with the dedicated participation by the consumer clan. Simultaneously, government should take consumers into account while making policy decisions.

### **Some Important Suggestions for Policy Making are;**

- The large business houses especially those who are producing consumer products must have a consumer affairs cell at the highest level in their own business organization. This should be made compulsory by the concerned ministry. If necessary ordinance has to be passed and asked to follow the directions very strictly.
- Consumer meets should be organized regularly by traders and business houses on open invitation through advertisements published in newspapers and customers attending these meets should be invited to offer their complaints and suggestions in regard to the products and services of the company. The concerned governments should direct all the business houses to organize meets regularly and should be watched constantly.
- Business organizations and consumer bodies should regularly provide information in regard to self-regulatory or consumer protection activities to the media and that should persuade important newspapers to publish a regular feature on consumer affairs so as to promote consumer awareness.
- The concerned governments should instruct the concerned authorities through proper guidelines to introduce compulsory consumer education in schools and colleges to create consumer awareness among younger generation. Besides, it should also insist to conduct

workshops and seminars on consumer problems like, deceptive ads, price cheating, food and drug adulteration and environmental pollution. More information should be provided on existing consumer protection laws in the country, changing market scenario, globalization and consumer, multinational organizations and consumer as well as activities of Consumers International, Malaysia.

- Consumer organizations should provide counseling and guidance to the consumer, especially the needy one to handle a complaint either by arriving at a pre-trial negotiated settlement with the opposite party or by restoring to redressal mechanism effectively in an innovative way.
- Training programmes, workshops and orientation courses should be conducted by the consumer organizations to develop the understanding, knowledge and expertise on consumer protection provisions and keep abreast of the most recent facts or developments in the field with the support of the government.
- Arrangements should be made by both consumer organizations and governments for collaborative, participative and responsive relationship between the two for safeguarding consumer rights and promoting their welfare.
- The consumer organizations should be provided with adequate funds by the central and state governments to undertake consumer welfare programmes. It is appreciable to note that the government of Korea is doing this great job and the researcher wishes that the same should be followed by the governments of Japan and India. In the meantime, the governments should not expect the organizations to come under their clusters.
- The governments should encourage consumer organizations by awarding cash prizes to those who are highly dedicated. **Swami Vivekananda Award** in India is one such example to be noted here.

Consumer the world over is being mercilessly exploited by not one but several agencies reducing him to nothingness. Some advanced economies called consumer a king, but this term ends up in sarcasm. This worldwide melody of consumer exploitation that has turned from an academic to epidemic stage needs to be halted. But a consumer himself has to be more aware and active in his defense.

Indeed, a day will come that a good number of Ralph Naders will emerge not only in India and Japan but also in the whole world and consumer awareness will spread and consumer organizations will gain momentum to safeguard the interests of consumers. The term **Consumer Sovereignty** gains meaning and momentum in an economy only when consumer become sovereign and only when he can fulfill the dream of Benham (consumer king).

However, as consumers, all of us should join our hands and remember the bold words of Sri Swami Vivekananda, a famous saint and philosopher of India- **Arise! Awake! Stop not till the goal is reached.**

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Dr. Bettadalli C. Neelakanta is professor in the Postgraduate Department of Economics, JSS Institutions for Women, Saraswathipuram, Mysore, Karnataka, India and an executive secretary, Mysore Consumer Awareness Council [MYCAC], Mysore. As a consumer and family economics researcher, Neelakanta worked under Professor Robert R. Kerton of Waterloo University, Canada, who is an internationally reputed consumer researcher, Professor Dr. Dieter Witt, a reputed Home Economist in Germany and Dr. Madaiah, former vice-chancellor of Mysore University. Neelakanta received his M.A., Economics from the University of Waterloo, Canada in 1982 and M.A. PhD, from the University of Mysore in the year 1973 and 1988 respectively. He has been actively associating with various economic and voluntary consumer organizations in here and abroad as well. Recently, the University of Mysore has nominated him as the member of the board of studies in economics and the member of faculty of arts which are the two powerful bodies of the university. He has several publications relevant to family and consumer economics to his credit. Besides he has attended a good number of local, national and international conferences. On 30th November 1992 he was in Vienna, Austria, on an UN invitation to attend an international conference on “Family and Environment: A partnership” and presented a paper entitled FAMILY AS ECONOMIC UNIT INTERRELATING WITH ENVIRONMENT: INDIAN EXPERIENCES and successfully involved in workshop discussions. Between Oct 1, 1996 and Dec 31, 1996, he worked at the Technical University of Munich, Germany as DAAD scholar (visiting professor).

In the month of May 2004, he worked as visiting professor at the University of Waterloo, Canada on the Invitation of the Dean of Arts, Professor Robert R. Kerton on the Project entitled BUYING BEHAVIOUR OF URBAN CONSUMERS; A CROSS CULTURAL STUDY OF WATERLOO AND MYSORE.

Between May 2005 and August 2005, he worked as a Visiting Research Fellow on an invitation of the Institute of Developing Economies, Japan External Trade Organization, Chiba, Japan and successfully worked on the project entitled AN ASSESSMENT OF THE NEED FOR EFFECTIVE CONSUMER ORGANISATIONS IN INDIA AND JAPAN WITHIN THE WIDER CONCEPT OF GLOBALIZATION.

Dr. B. C. Neelakanta is associated with Consumers International of Malaysia and ACCI of the USA, and visited several universities in India, Canada, Germany, Austria, Switzerland, France and Japan.

Dr. Neelakanta has been a long time leader in the consumer movement. Indeed, he is always grateful to Professor Robert R. Kerton of Waterloo University, who has taken him to consumer field while he was his teaching assistant at Waterloo. Being an executive secretary of MYCAC he has been helping consumers to get their disputes redressed and instrumental in

conducting a number of seminars and workshops. Dr. Neelakanta has a big plan to take up an in-depth research in the field of consumerism.

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