

Consumer Rights and Law: Challenges and Issues in the Globalized World

¹Dr.E. N. Sivadasan, ²Dr.Rajani P.

¹Research Guide, Mahatma Gandhi University Kottayam

² Assistant Professor Grade II, Department of Commerce, M.P.M.M.S.N.Trusts College, Shoranur-679122
Email.- rajanipuzhakal@gmail.com

Abstract: *Globalization has opened new transit for consumers. It brings it with the concept of trade liberalization exemplify, the free movement of goods and services in different parts of the world due to borderless market. This eventuality resulted in free entry of goods from abroad without restriction and this will bring negative impact on consumers. The main object of this article is to find out the true sense of globalization and consumer and to know “how does globalization affect consumer”? and which rights given to consumer to protect them from negative effect of globalization”?*

Key Words: *Consumer, Consumer rights, Service provider.*

1. INTRODUCTION:

In the age of globalization most of the economic decisions are taken by the market. Globalization implies the opening of local and nationalistic perspective to a boarder outlook of an interconnected and interdependent world, with free transfer of capital, goods, services, technologies across national frontiers. It has opened new opportunities for consumers. It has made variety of goods, services, product and technology available to the consumers. However, the same have also made the consumers vulnerable to new forms of unfair trade and unethical practices. In a world of borderless markets, national public authorities are faced with question about how best to protect their consumers from the unhealthy competition and misleading advertisements. They must decide whether current rules and practices are applicable and sufficient to protect consumers and if they are not, they must expand and implement effective scheme for consumer protections.

Definition of Consumer

Every citizen of a country is a consumer. The Consumer Protection Act 2019 defined a consumer as “any person who buys, hires or avails of any goods or services for a consideration, which has been paid or promised or partly paid or promised or paid under a system of deferred payment. It also includes any user of such goods or a beneficiary of such services”.

A consumer is an individual who acquires goods or services for direct use or ownership rather than for resale or use in production and manufacturing.

2. REVIEW OF LITERATURE:

Hiram.C.Barksdale and William R.Darden (1972) have conducted an exploratory study in which they used a national sample of consumers to determine consumer response to business policies and practices. Consumer perceptions of the marketing system and its operations are analysed and used generally to suggest some implications for marketing management.

S.N.Singh (1988) in his study “Consumer Protection Legislation- A Critique” illustrate the provisions of various consumer protection laws in India. The scope of different laws and the functions and powers of various authorities have been discussed in detail. The author has pointed out the difficulties in the implementation of the provisions of the MRTTP and the COPRA,1986.

Shilpa K. Bendale (2002) in her research paper opined that, “The Indian Industries are facing major challenges within the industry due to competition”. Most of the organizations changed their faces into joint ventures of multinational corporations. Most of the industries turned to produce global volumes of their products and become the joint ventures of big ones.

Kalpna and Natarajan, (2008), studied “Measurement of Consumer Protection Awareness among public”. The objective of the study was to find out how far the “Consumer Protection Measures Act” has reached the public. The study concluded that even though people are aware of consumer protection measures available in India, the usage of the measure is very bad. The reason behind it was that the public are fundamentally not comfortable with law, rule, court, etc. It is the time to reconstruct the system and see that it reaches the people in smooth manner.

Khanooja (2010) said that the consumers agreed that they have been cheated in their purchase in one way or the other. Majority of the consumers when cheated took no action.

3. METHODOLOGY:

Being an explanatory research, the study was based on secondary data. Secondary data were collected from Government publications, statutes, journals, articles, newspapers and from websites.

4. GLOBALIZATION EFFECTS ON CONSUMER:

The globalization has benefited consumers many ways but it is not without drawbacks. Some researchers see globalization has positive impact in a consumerist society and benefit to shopkeepers of more things to buy and services to get in global world. But others are more critical, seeing globalization as imperialism of the developed world over the developing and underdeveloped nations.

5. POSITIVE EFFECTS OF GLOBALIZATION ON CONSUMER:

Globalization opened new market for consumers. It's easy for consumer to buy product that is not available in their own country. It increased the product variety for consumers. Globalization has brought multiple producers and corporations competing among economy. This is beneficial to the consumer as the quality of goods and services will increase and price of product decrease. Thus free trade under the globalised system reduced the existing trade barrier among nations which will enhance consumer choice, secure peaceful international trade relations and spread of new technologies around the world.

6. NEGATIVE EFFECTS OF GLOBALIZATION ON CONSUMER:

The growing power of Transnational Companies has profoundly altered the structure and functioning of international economy. These corporations and their global strategies have become major determinants of trade flows, location of business and other economic and industrial activities of the world. Globalization has promoted increase in the consumption of quality and variety products. Before globalization people used to consume locally-available products, but with globalization people use many products that have been produced in foreign countries. Another negative impact globalization is that it destroys cultural unity and integrity of nation. The multinational companies will develop a consumer culture which is against societal values and regional development.

Due to globalization people who belonging to different cultures will get a chance to interact with each other that promote a homogeneous set of values and beliefs but it causes loss in economic traditions and cultural values. The rich and educated consumers alone understand the marketing strategies of global business. Most of the consumer decisions are influenced by advertisements. Ordinary consumers are not aware of their rights-to be informed about product quality, price, protection against unsafe products, and access to variety of goods at competitive prices, consumer education and other rights that are guaranteed to consumer by national and international statutory agencies.

7. CONSUMER RIGHTS:

In the 20th century, the presence and influence of the market grew dramatically in consumer life. Mass and industrial production came into being, giving the consumer world an entirely new facet. This over-dependence on the market and the intrinsic profit motive in mass production and sales has given manufacturers and dealers a good reason to exploit consumers. Consumers not only do not get value for their money but also often have to suffer losses due to market manipulations.

8. CONSUMER RIGHTS AND CONSUMER PROTECTION ACT:

The consumer protection Act 2019 specifically listed the rights of consumers. It is very effective in protecting consumers if implemented in letter and spirit. Consumer rights include:-

- The right to be protected against the marketing of goods, products or services which are hazardous to life and property.
- The right to be informed about the quality, quantity, potency, purity, standard and price of goods, products or services so as to protect the consumer against unfair trade practices.
- The right to be assured, whenever possible, access to a variety of goods, products or services at competitive prices.
- The right to be heard and to be assured that consumer's interests will receive due consideration at appropriate fora

- The right to seek redressal against unfair trade practice or restrictive trade practices or unscrupulous exploitation of consumers
- The right to consumer awareness
- A consumer has a right to be protected against products, the production process and the marketing of goods and services that are hazardous to their life and property. Under globalization, consumers have no control over the production of goods or commodities they use. For instance, the chocolates or syrups we consume may be manufactured in countries as far as the U.S. or Australia. Consumers in India have no control over or knowledge of the manufacturing practices of those countries and to rely completely on import regulations of the Indian government and food labeling. This makes the consumer no guarantee of their right to safety.
- Every day, manufacturers are discovering newer ways of cheating consumers. Unscrupulous market practices are finding their way into consumer homes, violating consumer rights and jeopardizing their safety. It is to protect consumer interests that consumers have been given the right to obtain redress. In India, we have a redress machinery called Consumer Courts constituted under the Consumer Protection Act (2019), functioning at national state and district levels. But it has not effectively check the unfair practices of the market including misleading advertisement in print and online media.
- Consumer education empowers consumers to exercise their rights. For example, the pharmaceutical industry, to boost its sales, offers free samples of medicines and even free luxury holidays to physicians to influence them to use their brands and give them preference over other brand name. Consumers generally depend upon their doctors for medication and use the medicine prescribed by their physician without knowing the effect of the medicine they use. Consumer education can play a crucial role in protecting consumers against such dangers.
- A consumer has the right to know how the product has been prepared, whether it has been tested or not, if environmentally-sound techniques and resources have been used in its production processes, what kinds of chemicals are used into its manufacturing and what could be their impact on consumer health.
- Consumer should have right to free choice from variety of option provided by different companies from which to choose.
- The consumer can complaint and seek relief on any unfair contract or unfair trade practice adopted by any trader or service provider and has charged for the goods or the services a price in excess of the price already agreed or fixed. The consumer can also seek relief from any deficiency or defect to the services or goods bought.
- Consumer should be protected from misleading advertisement. Misleading advertisement in relation to any product or service, means an advertisement ,which –
 - (i) Falsely describes such product or service or
 - (ii) Gives a false guarantee to, or is likely to mislead the consumers as to the nature, substance, quantity or quality of such product or service or
 - (iii) Conveys an express or implied representation which, if made by the manufacturer or seller or service provider thereof, would constitute an unfair trade practice or
 - (iv) Deliberately conceals important information.
- The consumer must be protected from unfair trade practices. For the purpose of promoting the sale, use or supply of any goods or for the provision of any service such as
 - (a) Falsely represents that the goods are of a particular standard quality, quantity, grade, composition, style ,model
 - (b) Falsely represents any re-built, second-hand, renovated, reconditioned or old goods as new goods
 - (c) Falsely represents that the services are of a particular standard or quality
 - (d) Represents that the goods or services have sponsorships, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have
 - (e) Gives to the public any warranty or guarantee of the performance efficacy or length of a product or of any goods that is not based on an adequate or proper test thereof

9. PROTECTING CONSUMER RIGHTS:

For protecting the interest of consumers, consumer rights have gained significance over the years. Previously the principle of “Caveat Emptor” (let the buyer beware) had the tendency to exempt the seller from the liability. But, over decades, another competing internationally recognized principle named “Caveat Venditor” has been evolved which means ‘Let the Seller Beware’. Consumer Protection Bill 2018 has introduced many provisions to keep up with the emerging market trends and aims to simplify the consumer dispute adjudication process by including provisions for

electronic filing and provisions for hearing or examination through video conferencing. The Bill certainly is a step forward towards protecting the rights and interests of consumers. Some remedial measures for consumer protection are:-

- Organizations, NGOs, institutions and agencies allied to consumer movements should hearten administrative advocacy in settling consumer disputes so the hitch of case pendency and delay in case disposal can be avoided.
- Government should come up with varieties of plans to establish and manage laboratories, equipped with latest available international standard technologies, for testing samples of consumer goods with a view to determining their quality, purity and relative merit.
- Government should be pro active towards the cunning policies of MNCs to exploit the consumer.
- Government should make efforts to create a consensus for global consumer policy.
- Judicial activism should be increased in consumer related issues also and parental role should be played by the Supreme Court for consumer redressal agencies.
- Administrative advocacy should be encouraged in order to reduce the burden of consumer redressal agencies.

10. CONCLUSION:

Faced with increased opportunities of choice in the global market, the consumer is exposed to similar risks that he has to manage in the local market, the national protection system is no longer sufficient to cover the complexity of the situations. Consumer education, information and empowerment are to play a key role in raising their confidence and boosting cross-border transactions. In this context it becomes very important the joint action at regional and global level, in order to avoid any disputes which may occur in international trade relations and related to consumer rights and protection. With expanding global trade, the challenge of protecting consumers from unsafe food, pharmaceuticals, and consumer products has grown increasingly salient, necessitating the development of new policy and action plan.

REFERENCES:

1. Singh.S.N (1987) "Consumer Protection Legislation- A Critique", Journal of Indian Law Institute, Vol.29, No.3.
2. Hiram. C. Barksdale and William. R. Darden (1972) " Consumer Attitude Towards Marketing and Consumerism", Journal of Marketing, Vol36, pp.28-35.
3. Dr.Shilpa K. Bendale, (2002), Global Competitiveness and Indian Industry Response, Editor-Dr. D. G. Girdhari, Globalization and Indian economy (Issues, strategies & Perspective), Publisher :- Apritim Publication, Aurangabad.
4. Khanooja, R. (2010). Educational Programmes and Consumer Welfare. In S.S. Singh, Suresh Misra & Sapna Chadah (Eds.), Consumer Education and Empowerment p.187 - 199. India. New Delhi: Indian Institute of Public Administration & Abhijeet Publications.
5. Meenu Agrawal (2006), Consumer Behaviour and Consumer Protection in India, (New Delhi: New Century Publication.)
6. Avtar Singh (1994), Law of Consumer Protection -Principle and Practices, (Delhi: Eastern Book Co).
7. Consumer Protection Act 2019
8. <https://www.consumersinternational.org/who-we-are/consumer-rights/>