

The Ethical Corporation
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Lecture – 31
Consumers as Stakeholders and Consumer Protection

Hello, we are on our 7th week and this is our 31st lecture on the topic for this week this is Consumers. So, we will talk about the Consumers as Stakeholders and on Ethics of Consumer Protection; that is going to be our topic for this week.

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So we will see that this is how I have laid the agenda for this lecture at least; that we will first talk about the consumer as a primary stakeholder. And in fact, there are very important group that a business must be attention too.

But we will also talk about the harm that is imposed on this very important group; and therefore, that there is a need for consumer protection, so we will have to explain this. And then today we will start the ethics of consumer protection by introducing the idea of special set of rights that belong to the consumers, which you know as consumer rights. So, this is what will be the content of today's lecture.

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Consumer

- Who is a consumer?
- Any individual, group, or firm, who:
- (a) Buys goods with full or with part payment, or under any system of deferred payment, for use (and not for resale or for a commercial purpose)
- (b) Hires or avails services with full or part payment.

India:

Consumer Protection Act (CPA) 1986 ←

Consumer Protection Bill, 2019 (passed very recently)

The slide features a yellow background with a blue header and footer. A video inset in the top right shows a woman in a light blue shirt and dark pants shopping in a supermarket aisle, holding a red basket. The bottom right corner shows a woman in a colorful sari speaking. The footer contains several circular icons representing different organizations or services.

First of all, consumers, who are they? If you look at the definition given by the law, relevant law in our country namely the Consumer Protection Act 1986 which we call COPRA or the consumer protection bill of 2019 which has been passed very very recently, in fact, just a few days ago on 30th July 2019, it has been passed.

There you will find the definition is given like so; this is any person or a group or a business, a firm who buys goods with full or part payment or under any system of deferred payment, you know installments or some other kind of deferred payment scheme for use; now this is what is important, what separates consumers from commercial buyers is that these they buy goods or services for their own use.

A similar definition is given in terms of services. So, whether you are buying goods or services it makes us consumers. So, that includes all of us; if you have ever bought a toothpaste or a toothbrush, if you have ever bought a chocolate bar or a bag of potato chips that makes you a consumer. So, the issues that we will talk about today actually it touches all of us and therefore, the issue about consumer protection also we should all be able to relate to with very easy.

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Consumer as a stakeholder

- Consumers or customers are an important group of **primary stakeholders**
- Customer satisfaction is a corporate mantra. Many a company keep reminding its people that "there is nothing more important than the customers".
- Corporations:
 - (a) Train their employees to "remain connected" with their customers,
 - (b) Use customer satisfaction as a guiding principle: "To live and breathe customer satisfaction in every department",
 - (c) Ask its people to "listen" to the customers (feedback) and to continuously improve the value proposition.
- Banks now appoint "relationship managers" to build relationships with their retail customers, to assist them with financial and banking advices.

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The slide features a 3D white figure of a person carrying a blue folder and a green shopping bag. The text 'primary stakeholders' is circled in red, and the word 'CONSUMER' is written vertically in large, bold, black letters to the right of the figure. A woman's face is visible in the bottom right corner of the slide, appearing to be part of a video recording.

First of all let us understand that this is a very important group for business, you know we have been through the stakeholder theory. So, you can easily understand when I say that they are primary stakeholders; for a business or a corporation they are one of the primary stakeholders, very very important. They are not internal stakeholders, but among the external stakeholders they are definitely one of the very important groups. In fact, their importance is acknowledged by businesses and corporations that, you know customer satisfaction is one of the corporate mantras.

So, many company actually teach their employees, train their employees on something called customer satisfaction; and they try to drive in the idea that there was nobody more important than a customer for a business. So, you will find those kind of concepts being put to practice to various kind of trainings are, to remain connected, to understand the customer and their needs very well, to listen to the customers, you know in terms of feedback and then try to continuously improve the value of the product and so on.

Banks these days, you may have noticed a point something called relationship managers; watch the term relationship managers, whose job is exclusively to manage the relationship with their customers, namely the bank customers, bank clients to build relationships. This is not a casual thing to say, to build relationships some trust issue is there; because the point is to assist them with financial and banking advice. So,

customers are definitely important that is what I am trying to say here, for a business and business understands it.

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The slide features a yellow background with a blue header and footer. The title 'Yet...harm imposed on them' is in bold blue text. A list of issues is presented with checkmarks and underlines. A blue umbrella icon with 'CONSUMER PROTECTION' written on it is in the top right. A video inset in the bottom right shows a woman in a colorful sari. The footer contains several logos, including the Indian National Emblem.

Yet...harm imposed on them

- Customers or consumers are often treated unethically, unfairly by business entities:
- ✓ Production: Unsafe, inefficient product and services: Food adulteration, medicine tampering, insurance fraud, banks embezzling funds of their clients
- ✓ Promotion: Unreliable marketing communication: Deception, distortion, intrusive, intentionally misleading,
- ✓ Pricing: Unfair, prohibitive, entrapment, misleading
- ✓ Labeling: Inadequate information, false labeling

Harm imposed on consumers by the businesses. A great need for consumer protection from unscrupulous businesses.

CONSUMER PROTECTION

Yet we find that unfortunately this very important group namely customers or consumers are often treated very unfairly, unethically and poorly by businesses. What we are talking about is, you know in we can understand it some examples on this; if you talk about products, then sometimes the products come out to be unsafe for use. You have paid good sum of money, but the product turns out to be unsafe; safety is a very big and important issue for a consumer.

Or the product could be inefficient, you know you thought it is, you bought a tool; but it does not function as it should that is an inefficiency built in. Then there are various other kind of production related problems; for example, you know unhealthy ingredients used, or some sort of additives used to adulterate, the medicine that you bought with trust is actually tampered, ingredients have been changed, insurance frauds, you know embezzlement in banks you know these are just common examples, I am picking up.

Similarly, there is a very big issue about how consumers are ill treated, poorly treated, exploited, manipulated through marketing promotion. Will spend a specific lecture on advertisement and the their effect or their harm that they can cause among the consumers. Similarly there can be pricing issues, we will try to show that and labeling; labeling means where the product will carry the information about the ingredients that

have gone in; whether there are any side effects, who should not take it for example and under what kind of conditions it should be taken etcetera.

So, sometimes we find that the entire labeling is false, something has been; for example, declared in the label as very very safe for consumption even by the babies and it turns out to be of something false claim or inadequate information. You know come if you are used to buying sweets in the coming festival days. So, just look around and ask yourself, how many of these sweet shops or how many of these sweets carry a label in terms of the product information.

Do you even know what has gone on in the making of those products, so inadequate information or no information whatsoever and so on. And as a result of that, harm is imposed on consumers. This is a very important term to remember, harm is imposed and sometimes that is done intentionally, uncaringly; therefore, we need to talk about the need for consumer protection.

I may remind you, that the law, the concerned law in our country is called Consumer Protection Law, all right. So, that has to be remembered, that there is something about Consumer Protection there is a very big need to protect the consumers from unscrupulous businesses.

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This harm we can, I will go into classifications, but we can take by harm what we mean is, it could be injury of some sort physical injury, it could be illness of some sort you know health compromised, it could be suffering physical, mental suffering caused by some service or some product. There are losses to be incurred, loss does not only mean monetary loss or financial loss; it could be the loss of self esteem or something else, we will give, try to give examples.

And even death, think about automobile accidents, car accidents; you know we have bought a car in good faith, but actually it is very unsafe. So, an accidents not an unfortunate accident, I mean something that is a, because of the fault in the engineering or the design of the car somebody lost their lives. So, that is a harm imposed. So, this is just to give you an idea that this harm to the consumers; this idea can be expressed to various examples; we have already talked about unsafe products and services, they can be deceptive selling.

You have been sold an item and you have been completely deceived about its right quality. Poor quality or product or service, you know you bought in good faith with good amount of money; but after one use the product just, you know completely goes to nothing or the cloth that you have bought loses all its color for example. Misleading pricing ok, so you thought it actually cost this much, but then there are these hidden costs or something surreptitiously put in.

Adulteration we have already talked about, we will speak about advertisement and counterfeit products also; you know I mean, it looks like the original, it is the packaging is such that it is very easy to think that this the original and pay hefty price for thinking that this is a origin by turns out to be a counterfeit. So, these are all kinds of losses, harm intentionally imposed on the consumers.

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Product liability: Johnson & Johnson and faulty Hip Implant, 2019

May 2019, Texas, USA : Johnson & Johnson agreed to pay about \$1 Billion to resolve most lawsuits claiming it sold defective metal-on-metal hip implants "Pinnacle", that ultimately had to be removed. For, being defective, the implants left patients unable to walk and in pain. From 2003 to 2013, the "defective" Pinnacle hip implants were marketed by the company, and were inserted in patients.

Issues: **Personal injury and product liability.**

In India, there is a Government Court order for J & J to pay Rs 20 Lakhs to 1 Crore to patients who used its faulty ASR hip implants, a product that came after Pinnacle. It is alleged that leak of cobalt-chromium ions from the implant into the body has led to serious health complications, including metal poisoning of the blood, debilitating pain, and damage to body organs.

So, therefore, there is a lot to say about this, I am going to give you some quick examples here about the liability in this case, the responsibility in this case and the kind of harm that have been, has been imposed on the consumers by corporations. I will take some very recent examples. So, here is Johnson and Johnson a very well-known company and the case about it is faulty hip implant.

So, this is May 2019 we are talking about, when as you can see the news report said, that Johnson and Johnson has agreed to pay about 1 billion US dollars to resolve most of the lawsuits that have been brought against it. Now, what do the lawsuits claim, they claim that Johnson and Johnson sold defective metal on metal hip implants, the products name was Pinnacle.

In fact, such was the hip implant that not only did not do its job; see when there is hip implant inserted the patients expect that after recovery, they would be able to walk once more; not only the patients could not walk because this were defect, but there was terrible pain. So, this is the result of using the hip implant and also it have to be removed; I mean it was so uncomfortable, that there had to be another operating procedure to take that faulty hip implant out of the patients body.

So, there are two of procedures have been done, operations have been done on the patient at the patients cost, plus the discomfort and other side effects so on. So, this is the major issue here and clearly the company has been held as liable for causing this harm to the

consumers. For how long, for about 10 years the defective product was sold and to was marketed by the company and inserted in the patients by the doctors.

So, this is it. So, the issue here is, the personal injury caused to the patients, physical injury and product liability, who was liable the company, whose product it is. And now in India we had a similar case also and it is a Johnson and Johnson again and there this time the faulty hip implant is ASR, which came out after Pinnacle.

And whenever it wherever it has been inserted in the patient there have been some complications. So, the Government has ordered, Government of India has ordered Johnson and Johnson to pay say about from 20 lakhs to 25 lakhs to a 1 Crore to the aggrieved patients; to the patients who are suffering because of this. And the, to talk about the harm, the issue was that the cobalt chromium ions from the CBN plant actually permeated, it is a leakage inside the body.

So, body organs have been damaged, it has caused some poisoning of the blood and of course, there is pain; nobody wants this, when you think about hip implant you do not think about it. So, this is about product liability and the corporates role in that.

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Johnson & Johnson, and Asbestos

2019: Pharmaceutical giant Johnson & Johnson is under criminal investigation by Federal Authorities, USA, for concealing possible Cancer risks of its Baby Powder. It failed to inform the customers that its talcum powder contained asbestos, which causes a form of cancer called *mesothelioma* linked to asbestos exposure.

The company has been sued more than 15,000 times on this ground by customers who claim that its Baby Powder was responsible for their ovarian cancer. Over the past three years, jurors have awarded a total of more than \$5 billion to people who blame the powders for their cancers.

Some of these lawsuits have turned up internal memos as far back as the 1960s and '70s that contain warnings from company scientists that asbestos detected in J&J's talc was a "severe health hazard" that could pose a legal risk for the company. [ET, July 13, 2019]

The company is fighting back to sidestep the issue.

Dangers of hidden asbestos

Here is another case with Johnson and Johnsons some of you probably know about this, again a very recent one which is still under investigation by the way. Of course, Johnson and Johnson is known for many of its products, but the one that we are talking about is it

is Baby Powder. Johnson's baby powder are very well known and widely used product. What is the problem?

The problem is, that now investigation showed that the talc powder actually had asbestos and asbestos is known to cause a form of cancer called mesothelioma. And people have claimed and it is not a small figure, you know it is a very large number more than 15000 times. The company has been sued on this ground, that people who are claiming that prolonged the use of talcum powder of Johnson and Johnson is responsible for their ovarian cancer.

And over the years, the law, the courts have also awarded compensation on this ground. In fact, the more serious allegation is that, some of this investigation apparently show that Johnson and Johnson sort of knew about this; there are internal memos which have warned the company that there is asbestos and that there is severe health hazard that could pose risk to the company from the customer side.

Obviously, as I said this is an ongoing case you can read about it; but the company is also fighting back, specifically it is trying to sidestep the charge that they all along knew about the dangerous element in their talc powder. Because the main complaint here is the company knew, but they did not even bother to inform the customers; for years after years the company has sold its product without warning the customers about the risk, and they have imposed a risk on the consumers.

So, there is liability, charge of liability and also charge of intentionally, knowingly putting people at risk; which the company is contesting. So, this is the scenario with Johnson and Johnson.

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AMRI Hospital Blaze, Kolkata, Dec 9, 2011

- 91 people died of smoke inhalation or suffocation from a fire that started in the hospital basement.
- Most of the dead were the unfortunate invalid, infirm patients who were admitted for treatment and were not in a position to move by themselves and died either from burns or from toxic fume inhalation in their sleep.
- Some of them were in critical care at the top 5th floor and were wired to medical equipments.
- Fire started in the basement, which was cluttered with inflammable things, and hazardous chemicals. The fire engulfed one ward after the other, and filled the wards, stairwells and corridors through the air-conditioning ducts of the centrally air-conditioned building.
- Batteries of smoke alarms were removed, no smoke warning lights, no fire exits, no fire safety equipments.

This is a story that is in India, in Kolkata in fact; I have given the date and the year as well you can see. And it happened in a hospital, in a rather crowded area of Kolkata; the result is not very good, it is a hospital fire incident which took the lives of some 91 people. Not to mention the kind of the number of people who were injured or somehow were completely stressed out because of this. Fire incident it happened in a hospital, naturally the victims where the patients who have been brought there for cure of a treatment.

And many of them or some of them were in the intensive care or critical care unit which was at the very top floor at the hospital and they were wired to the medical equipments. So, as such they were invalids, they were confined to bits, patients being patients; then there were some who were acutely dependent on equipment. So, they were, they had no chance of moving by themselves.

In the scenario, the fire started at night and in the basement, which people have pointed out was cluttered with inflammable things, and hazardous chemicals. And if you read the reports of that time, you will also find that apparently they have been warned by a fire brigade authorities; they have been asked to declutter the basement, nothing was done.

The fire when it started it sort of spread from ward to ward; the problem was that it was a centrally air conditioned building. It was like a cube closed from all sides, so apart from the fire there was the risk of smoke inhalation and that is what caused the date of many

actually. Then there was this really upsetting evidence that surfaced that, batteries of smoke alarms were removed because it makes noise.

So, and it disturbs the sleep of some patients etcetera, this is what was said. So, batteries of smoke alarms were removed, there was no indication or no alarm; there was no smoke warning lights, no fire exits and no fire safety equipments in the hospital. So, this is not a product, but this is a service organization where people have come for treatment and here is a lot of things that were omitted, missed out or some carelessness on the part of the service provider and as a result harm was imposed on the consumers, here harm is even the lives.

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Consumer issues in India

- **Food adulteration**: Just to increase the profit margin ✓
- ✓ **Milk**: Diluted with water, adulterated with detergent, fat, and urea (FSSAI Study 2012)
- ✓ **Honey**: Often with water and sugar
- ✓ **Spices**: In Turmeric, carcinogenic 'metanil yellow', in chili powder, red brick powder, etc. ~~Vegetables dipped in~~ carcinogenic colours.
- ✓ **Ice-cream**, several harmful substances. Serious public health implications.
- **Counterfeit products**: A product fraud. Fake.
- **Poor after-sales service**:
- **Wrong weight and measures**:
- **Faulty repairs**: ✓
- **Shoddy construction**: ✓
- **Delay in delivery**:

JAGO GRAHAK JAGO

So, this is a tremendous cost to pay. I have talked about these big incidents; but then you need to remember that I mean even when we do not have a face of incorporation to blame or a service provider to indict, there are number of issues that actually pervade our lives as a consumer. I am talking about say everyday issues such as food adulteration, you know unfortunately we have this problem where people do not even care, do not even think twice before they put start put toxic things, poisons in food that will be ingested; this cannot be done without knowing.

So, it is an intentional sort of a crime. Milk, honey, spices, ice cream you know, we know that there are these adulterations possible and sometimes these are done with very toxic and dangerous substances. For example, in turmeric carcinogenic substances are added,

just for the volume, for the color, for an extra amount of profit knowingly. Then as I have mentioned, there are many other issues; for example, wrong weight and measures, you know the weights that are used or the hand held weighing and so on.

For example, faulty repairs you pay the amount for repair, but actually nothing is done either willfully, intentionally or because at the person has no proper knowledge proper training and so on. Shoddy construction is a very big complaint from the consumers who buy purchase real estate; they shell out a huge amount of money and then they realize that the construction actually is worth nothing. This is these are many of these issues are well known. So, I am not going to spend some time over this, but just to show you that these do happen.

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Banker Gets 13 Years Jail For Cheating customers in Singapore

2019: Kale Jagdish Purushottam, an Indian-origin private banker, who had siphoned USD 10 million from accounts of Barclays Bank clients between June 2010 and January 2013, was sentenced to 13 years jail in Singapore, after he pleaded guilty to 20 forgery and cheating charges, and another 30 charges under the Computer Misuse Act.

- In an attempt to pay back his former clients, Kale, 43, forged signatures to siphon off USD 10 million from his present clients, and made more unauthorized transactions to recover and replace the sum but ended up with extra losses of at least US\$10 million instead.

[NDTV, July 5, 2019]

This is a yet another case, that also shows that there are unscrupulous businesses and there are unscrupulous business persons. This is a well known case of taking away from the clients, the customers there is a bank banker who has taken money from previous customers to pay back his other customers. None of this is his money and he knows that very well. So, that is a very first clause of banking that you do not really compromise the honesty and that is what he has done. So, there are a number of customer's issues where we can clearly say that customers need protection.

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The issues are ethical in nature

- Through the normative lens of 'good' or 'bad', or ethically right and ethically wrong.
- There are value concerns here, and judgments may be passed on the nature of the behavior by the business in question.
- Also, can be approached from the perspective of 'rights' and 'duty'.

Normative basis:

- **CONSUMER RIGHTS**, vis-a-vis corresponding the **DUTY of BUSINESS** towards the customers
- **DUTY of CONSUMERS vis-a-vis RIGHTS of a BUSINESS.**

The slide features a yellow background with a blue and orange header. A video inset in the bottom right corner shows a woman with glasses and a pink and blue patterned top. The slide also includes a navigation bar at the top and a logo at the bottom left.

My point here is more than that, I want to establish to you that these issues are not just legal, but they are also ethical in nature. In fact, we can talk about then this actions being good, bad most of them the examples that have shown are bad. And using those we can talk about the corporations being bad, service providers being bad or the person business the person in the business being bad.

There are value concerns here, you know in the banker example I have mentioned about honesty, integrity and therefore, we can bring this value concerns here and judgments surely can be passed on the behavior of the people or the business in this question. There is a third angle from which we can talk about ethics or these issues being ethical in nature that would be the concept of rights and duty.

Specifically I will take this angle in the remaining part to talk about consumer rights, vis-a-vis the duty of business. Today we will not cover duty of business, but I would like to introduce that customer, the consumer rights. Similarly we will in the subsequent lectures, we will talk about the duty of the consumers vis-a-vis, what rights the business have. Remember I said duty and rights are tightly correlated concepts. So, this is one example of that.

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Harm imposed on the consumer: Utilitarian approach

- Negative consequence /disutility for the greater number: **Harm imposed on the consumers. Cannot be ethically right action.**

4 kinds of harm:

1. **Financial** : Money loss, not getting the value in return.
2. **Physical** : Health hazards.
3. **Psychological** : Feelings of inadequacies imposed, wrong body image, wrong social stereotypes, loss of self-esteem.
4. **Social**: Endorses consumerist culture, causes squalor and pollution, threat to public health.

Hidden social cost imposed on consumers by the Corporations: E.g. Massive Health expenditure from consuming tobacco, alcohol, adulterated food.

Businesses impose these on society and consumers, reap the benefit themselves, and do not pay or compensate the customer: **Not accepting the 'externalities'.**

I said before, the harm imposed on the consumer; if you want to look at the ethics of consumer protection, this is just an example. We, if we take the utilitarianism approach, remember the theory says that you know, what is the ethically desirable action the one to produce maximum well being, maximum good, maximum happiness for maximum number of people.

Now, in this case as you see, there is a negative consequence or disutility that is being produced for the greater number. Greater number in the sense, that if you look at who is happy when harm is imposed on the consumers; the only people who are happy might be the business whose making some profit out of that harm. But the general consumers their numbers obviously, will be more; then there is only an adverse effect for them.

So, it is disutility: harm imposed on the consumers and it cannot be approved by utilitarianism on this ground, because there is no major benefit coming out of this, that actually makes everybody or all concerned better off. Harm when you say or negative consequence when we say, we can easily classify it into four kinds. First is the usual, you know the financial kind of harm; we are talking about running into losses, we are knotting we are talking about not getting the value in return, what you have spent you have not received the value product in return.

There is also physical harm; physical harm, so injury is a great example, death of course and then health hazards that I have pointed out. So, and these are irreparable harm

sometimes, you know losing ones health is one of the biggest losses that one can incur. Similarly there is psychological harm; specifically use of product can lead to certain psychological damages, maybe there is a wrong body image somewhere, maybe there is a self esteem issue here.

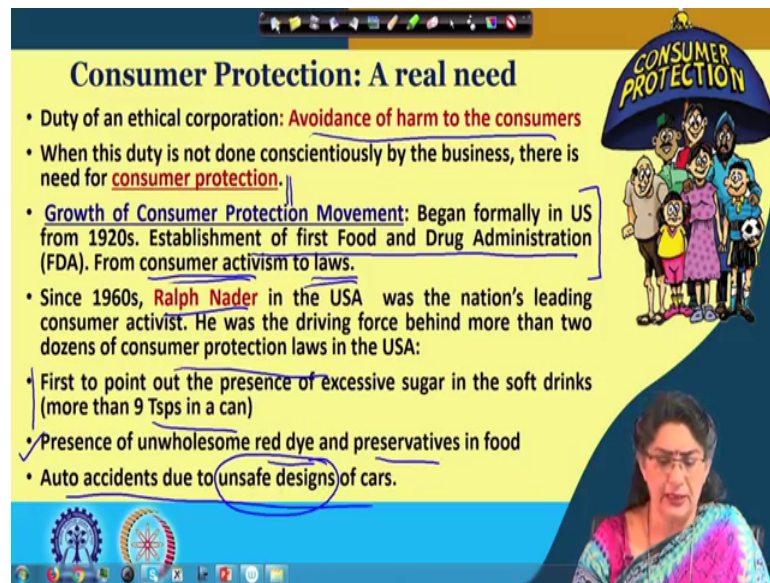
We will talk more about this, but certainly it is known that through this kind of business product, services, sometimes wrong social stereotypes are created these are all psychological damages. The social harm has been discussed in the literature as this, that in general it encourages a consumerist culture; you know to value somebody in terms of possession, in terms of objects possessed, how many things I have, not who I what I can do or what who I love, or whether I am kind, but how many things and what kind of things I possess.

And then general complain about the harm imposed and consumer is, through production, through the self-promotion, sometimes pollution is created and there is a public health rate in all of that; this is just to give you an idea about the harm; when we say harm that, there are various dimensions to it. I have already talked about the social cost and I will again go more detail about it; but we have talked about private cost versus the social cost. This is where it becomes applicable to, the hidden social cost is a harm imposed on consumers.

You know, for example, think about tobacco smoke; you know that there are direct smokers and there are indirect smokers, the problem is both of them are susceptible to some health issues, because of consumption of tobacco. So, the business whose selling the tobacco cannot excuse itself from being responsible for bringing some harm to the consumers; of course, the consumers are also responsible, but is not it that the tobacco selling industry is also responsible for this ok.

So, here the issue is that the harm is being passed down to the consumer often knowingly and business ripping the profit and it is not accepting the externalities. So, this is the issue about harm, which will not be ever accepted by utilitarian scheme.

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Consumer Protection: A real need

- Duty of an ethical corporation: **Avoidance of harm to the consumers**
- When this duty is not done conscientiously by the business, there is need for **consumer protection**.
- **Growth of Consumer Protection Movement**: Began formally in US from 1920s. Establishment of first Food and Drug Administration (FDA). From consumer activism to laws.
- Since 1960s, **Ralph Nader** in the USA was the nation's leading consumer activist. He was the driving force behind more than two dozens of consumer protection laws in the USA:
 - First to point out the presence of excessive sugar in the soft drinks (more than 9 Tsp in a can)
 - Presence of unwholesome red dye and preservatives in food
 - Auto accidents due to unsafe designs of cars.

The slide features a cartoon illustration of a family of six people standing under a large blue umbrella with the words 'CONSUMER PROTECTION' written on it. The background is yellow and blue, and there are various icons at the bottom.

I think I have made enough preambles to establish that there is need for consumer protection and that it is a real need. Businesses duty clearly is to avoid all kinds of harm to the consumer from their product or service usage; from the moment of purchase to the usage, there should not be any harm on the consumer.

The need for consumer protection became a major issue through a very spontaneous consumer movement, you know peoples movement it is started in the United States in the 1920s. In fact, that is when the very first Food and Drug Administration FDA was established in United States. And consumer activism started, from that activism the consumer rights related laws also came into being.

The name to remember as a consumer advocate, you need to remember the name of Ralph Nader who in the USA was the nation's leading advocate for consumer rights, he is the one whose responsible and behind more than two dozens of consumer protection laws in the United States of America. For example he was first to point out that in the soft drinks which was widely consumed in those times contain a excessive amount of sugar, which is not good for human body.

It he also did talk found out, that there are unwholesome ingredients in food; especially in terms of the preservatives or the color that are used. And then he was the one who was first to talk about that automobile accidents do not always happen because of the drivers

fault, sometimes it is because of the unsafe design of the cars; this was the case of Ford Pinto many of you probably know about that.

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So, he is a hero coming from as far as the consumer rights are concerned. Now what you have in front of you are eight consumer rights that are upheld by United Nations; right to satisfaction, right to safety, right to be informed, right to choose, right to be heard. This is consumer complaint we are talking about right to redress; which means that, consumer complaints should be addressed; right to consumer education and right to healthy and sustainable environment in total it is eight consumer rights.

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Consumer Rights

- UN Consumer Rights: 1985, revised in 1999, 2015. ✓
- To these, European Union has added two more:
 - ✓ Right to safe and efficacious products
 - ✓ Right to truthful measurement and labeling ✓

United Nations: It is the duty of the Governments to protect the consumers, specially in the developing countries.

India's law and the legal consumer rights will be discussed in the next lecture.

Now, this was started, it was it came about in 1985 and since then it has been revised several times to update it, according to the need of the present time. When as far as European Union is concerned, they have adopted these rights as laws and European Union has added even two more; right to safe and efficacious products, right to truthful measures and labeling.

Labeling is a very big issue in European Union, specifically because they are very concerned about the genetically modified organism best food products; they do not want to take any risk regarding that, their consumers do not want to ingest anything that contains GMO etcetera. So, truthful labeling, not dishonest labeling; truthful measurement ok, so these are the rights.

United Nations said that, it is the duty of the Governments to protect the consumers; and they even mentioned that specially in the developing countries this seems to be a major problem. So, Governments of developing countries should be even more vigilant about protecting the consumers. I am going to talk about India's law and the legal consumer rights in our next lecture. So, this is just an introduction that I have done of the consumer rights.

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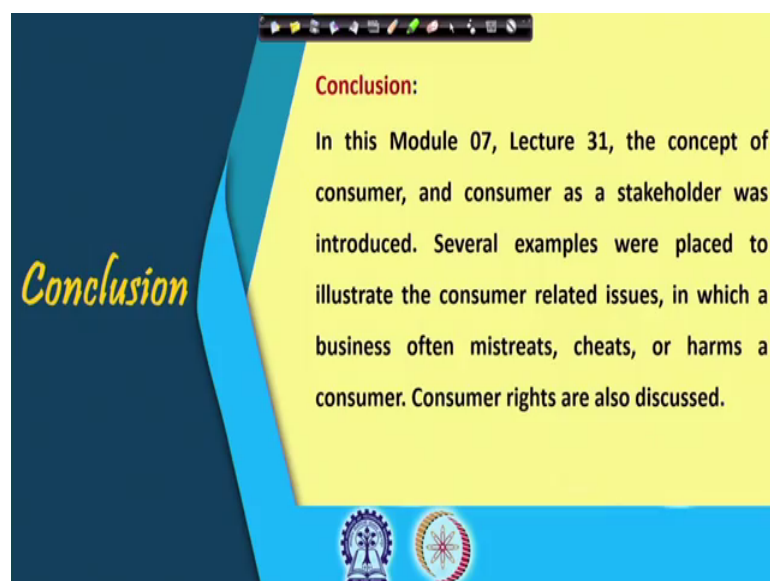


References:

- Department of Consumer Affairs, Food and Public Distribution. Government of India. Consumer Rights. <https://consumeraffairs.nic.in/organisation-and-units/division/consumer-protection-unit/consumer-rights>
- The Consumer Protection Act, 1986. Government of India. http://ncdr.nic.in/bare_acts/Consumer%20Protection%20Act-1986.html

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Conclusion:

In this Module 07, Lecture 31, the concept of consumer, and consumer as a stakeholder was introduced. Several examples were placed to illustrate the consumer related issues, in which a business often mistreats, cheats, or harms a consumer. Consumer rights are also discussed.

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But this is where today's lecture we are going to finish here.

Thank you very much.