

The Union Budget and Consumer Expectations

Ever since the Union Ministry of Finance started to have pre-budget consultations with representatives of various sections of the society, consumer organisations have been able to put forth their views and expectations in the Union budget.

In this year's meeting held recently some 20 consumer groups were called to represent the consumers across the country. During the three-hour session consumer groups tried to impress upon the finance minister on various issues ranging from wage freeze to setting up of price monitoring commission.

The basis for the discussion was a memorandum prepared by the Consumer Coordination Council (a Coalition of consumer groups) submitted to the finance minister. Consumer activists demanded proper involvements and representation to voluntary consumer organizations in regulatory bodies like telephones, insurance and electricity.

As for the banking and insurance sector, consumer activists suggested that the recommendations of the various committees be implemented in true spirit.

It was brought to the notice of the finance minister that much of the recommendations of the Goiporia Committee were not implemented by banks though agreed to.

Consumer representatives demanded that in every wage negotiation/settlement to be held with bank unions, there should be conditions for improvement of customer service.

For example, it was demanded that banks should extend their working hours, open more ATMs without restriction on numbers as imposed by bank unions etc.

In the wake of the large scale financial scams and exploitation of the small investors, the minister was asked to ensure proper regulatory mechanism and its effective implementation.

Consumer activists were very critical about the unsatisfactory working of the present regulatory bodies like SEBI, CLB etc.

Consumer activists wanted the finance minister to allocate provision in the budget for setting up separate investor protection tribunals at least one in each state. It was also demanded that banks should be asked to withdraw the appeals filed in the court challenging the award of banking Ombudsman in favour of customers.

However, the demand for compulsory deposit insurance scheme for deposit with companies, non-banking financial institutions and Nidhi companies was turned down by the minister.

Consumer groups wanted the finance minister to allocate sufficient funds to set up regional benches of the Monopolies Restrictive Trade Practices Commission (MRTPC) in each state.

They also demanded setting up of a mechanism to prevent manufactures taking consumers for a ride by printing high prices on packages.

There was a heated debate about the circulation of soiled currency notes of Rs. 1,2 and 5. Consumer activists said that even public sector banks were refusing to accept these currency notes. They urged the minister to take steps to mitigate consumers' difficulties in this area.

In his reply, the finance minister said the government was not printing currency notes of these denominations and the notes were being replaced by coins. He accepted that there was shortage of coins and arrangements were being made to mint more coins.

The minister said shifts in the mints were increased so also their production capacity. He assured that over a period of time soiled currency notes will disappear. However, he assured that action will be taken on any bank or government bodies which refuse to accept soiled currency notes.

Other issues related to consumer protection were also discussed in the meeting. For instance, consumer organizations wanted the finance minister to prevail upon the government to enact the access to Information Bill which is awaiting clearance.

It urged the minister to ensure that all departments in the government publish their respective Citizen's Charter and implement them in true spirit.

The finance minister was surprised when it was brought to his notice that none of the recommendations made by the consumer groups last year was taken into account while formulating the budget.

One only hopes that this is not repeated this year. Though not all, at least a few of the worthy recommendations need to be taken into account while the budget is formulated. Otherwise these pre-budget consultations will be meaningless.

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