

**CONSUMER EDUCATORS NETWORK [CENET]**

**SYMPOSIUM ON  
CONSUMER EDUCATION & CONSUMER CLUBS**

**17<sup>th</sup> February 2007  
2.30 - 5.30 pm  
IAS Officers' Association Hall  
Bangalore**

**Reading Materials**

**About CREAT**

**Meaning and Need for Consumer Protection**

**Consumer Rights Defined**

**What are Consumer Responsibilities?**

**Meaning and Need for Consumer Education**

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**How to Start a Consumer Club?**

**Suggested activities/projects for Consumer Clubs**

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**Consumer Rights Education & Awareness Trust (CREAT)  
Consumer Care Society  
Indian Institute of Public Administration (Karnataka Branch)  
Bangalore**

## **About CREAT**

The Consumer Rights, Education and Awareness Trust (CREAT) was established in December 1993 with the objective of educating, empowering and protecting the interests of the consumers. It is registered, as a public charitable trust. Over the years CREAT has grown into an advocacy group concentrating on representing consumers in various decision-making bodies. At present CREAT is representing consumers in Central Consumer Protection Council, Working Group on Food Safety, Working Group on Misleading Advertisements, Food and Agriculture Department, Bureau of Indian Standards (BIS), Rajiv Gandhi National Quality Award Evaluation Committee, BIS, Consumers Affairs Committee Life Insurance Corporation of India, Central Silk Board (Silk Mark Advisory Committee), Consumer and Civil Affairs Committee, FKCCI, Bangalore, Telecom Regulatory Authority of India and Divisional Railway Users Consultative Committee, Bangalore.

At present CREAT is focusing on consumer protection & education, Trade and globalization, Good Governance, Right to Information, power sector reforms and Farmers' Rights. CREAT has established the First Consumer Information Centre (CIC) in the State of Karnataka. The CIC has a library, documentation center and a counseling cell.

Consumer Education activities of CREAT include setting up of student consumer clubs in schools and colleges, conducting debate and essay competitions, publishing materials on consumer education, involving students in surveys and research projects, organizing workshops on Consumer Education for teachers etc. CREAT is in the process of establishing Consumer Educators Network (CENET) and Student Consumer Action Network (SCAN) to promote consumer education.

The present collection is the first in the series Consumer Education to be published by CREAT. This is prepared to enable consumer groups and teachers involved in consumer education

*For more information:*

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# CONSUMER PROTECTION

## WHAT IS CONSUMER PROTECTION

Consumer Protection is equated with filing complaints in the Consumer Forum and getting compensation for defective goods, products and for deficiency in service. It is identified with the Consumer Protection Act (CPA). However consumer protection is a wide term and includes not only getting relief through legal means, but also ensuring a fair, safe and clean market. To put it simply consumer protection is ensuring:

- \*Physical protection against substandard and hazardous products that endanger life and health
- \* Adequate safeguards against deceptive and unfair trade practices
- \* Prompt action against abuse of monopoly position and or restrictive trade practices
- \* Continuous supply of essential commodities at reasonable prices and thus holding the price line
- \* Strict quality control of all consumer goods to promote consumer welfare, confidence and satisfaction
- \* Competition with a view to reduce prices, improve quality, and stimulate innovation and progress
- \* Consumer rights and privileges

## WHY CONSUMER PROTECTION

### ***We need consumer protection for the following reasons***

- \*Increasing danger to life and health of consumers from adulterated food and drugs and substandard consumer products
- \*Increasing incidence of short weighing, deceptive packing, profiteering, black marketing and mail order frauds
- \*Non-availability and spiraling prices of essential commodities
- \*Organized industry, trade and labour, defraud the unsuspecting, often illiterate, ignorant and unorganized consumer of his money's worth
- \*Deceptive and misleading advertisements and aggressive salesmanship force gullible consumers to buy goods they neither nor can afford
- \*Increasing technical complexity of modern goods, which makes consumer choice difficult and often impossible

## RIGHTS AND RESPONSIBILITIES OF CONSUMERS

Every one of us is a consumer. Right from the stage of embryo unto one's death and even after, all living beings are consumers. John F Kennedy, the former President of United States of America in his declaration to the US Congress on 15<sup>th</sup> March 1962 (observed as World Consumer Rights Day) said that 'Consumers by definition, include us all. They are the largest economic group, affecting and affected by almost every public and private economic decision. Yet they are the only important group whose views are often not heard'

Kennedy in his declaration outlined the first four Consumer Rights: the right to safety, right to be informed, right to choose and the right to be heard. Over the years the Consumers International has expanded these to eight. The right to redress and the right to consumer education were added followed by the right to healthy environment and the right to the satisfaction of basic needs.

## CONSUMER RIGHTS DEFINED

**Right to satisfaction of basic needs** means that consumers are to be protected from unethical and illegal practices in the provision of health care, food, housing, water and other basic services. It also means that consumers should have access to basic, essential goods and services

**Right to safety** means that consumers are protected from products or services which are dangerous or unsafe or whose use might cause injury to others

**Right to Information** means that consumers should be given all necessary information about the goods and services they acquire. It also means the right to be protected against dishonest or misleading advertising and labeling

**Right to Choice** means consumers should be able to acquire only the things they need. In other words it means that consumers should be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality

**Right to Representation** means that consumers should have the facility to participate in the development of policies, which affect them. It also means the right to be heard

**Right to Redress** means that consumers should be provided with speedy and accessible means to enforce their legal rights

**Right to Consumer Education** means that consumer laws are written in language that is easily understood. It also means the right to acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities

**Right to a healthy environment** means that consumers are protected from environmental pollution. It means to live and work in an environment, which is non-threatening to the well being of present and future generations

## CONSUMER RESPONSIBILITIES

*Rights cannot exist without responsibilities. Consumer responsibilities include the following:*

**Solidarity:** The responsibility to organize together as consumers to develop the strength and influence to promote and protect our interest.

**Critical Awareness:** The responsibility to be more alert and questioning about the price and quality of goods and services we use.

**Action:** The responsibility to assert ourselves and act to ensure that we get a fair deal. As long as we remain passive consumers, we will continue to be exploited,

**Social Concern:** The responsibility to be aware of the impact of our consumption on other citizens, especially disadvantaged or powerless groups whether in the local, national or international community.

**Environmental Awareness:** The responsibility to understand the environmental consequences of our consumption. We should recognize our individual and social responsibility to conserve natural resources and protect the Earth for future generation.

*(Consumers International, 1987)*

## CONSUMER EDUCATION

What is consumer education? This is not an easy question to answer. This is because consumer education means different things to different people.

\*To an ordinary consumer, education is viewed as information to help him make choices of goods and services in the market place.

\*A businessmen views consumer education as activities that assists in selling services and products

\*A bureaucrat views consumer education as a programme to complement and supplement laws and regulation that fosters trade competition. They believe that a healthy competition and an educated body of consumers will ensure protection for the consumers.

\*A consumer advocate sees consumer education as providing information to consumers to protect them from fraudulent trade practices and exploitative market operations

\*And an educator sees consumer education as development of skills and knowledge that assist consumers to play their role effectively in the market place

## DEFINITION OF CONSUMER EDUCATION

**Consumer education is a process by which consumers:**

- ✎ Develop skills to make informed decisions in the purchase of goods and services in the light of personal values, maximum utilisation of resources, available alternatives, ecological considerations and changing economic conditions*
- ✎ Become knowledgeable about the law, their rights and methods of recourse, in order to participate effectively and self-confidently in the market place and take appropriate action to seek consumer redress*
- ✎ Develop an understanding of the citizens' role in the economic, social and government systems and how to influence those systems to make them responsive to consumer needs*

*(US Department of Education, 1980)*

## WHY DO WE NEED CONSUMER EDUCATION?

Consumer education is a combination of all the above-cited views-and more. Consumer education is about 'Living and Sharing'. It involves knowledge, skills, values and social responsibility. There are four aspects to consumer education. And these four aspects also provide the four core reasons why we need consumer education.

### **Informed Choice**

Consumer education must be functional. The business of living in this modern world is complex and can be bewildering. We must learn to obtain information of goods and services, discriminate between different sources of information, understand the psychology of selling and advertising, learn to shop wisely, distinguish between needs and wants, understand the alternatives of conserving and saving rather than buying and consuming

### **Value Systems**

Consumer education must include the development of a value system. We must learn how to share and care. Consumers are not individuals insulated away from the rest of the country. They are part of the society. Consumer education must enable the consumer to understand that individual consumer decisions have broad social impact and influence on such important things as the overall allocation of resources within the society. Such education should enable consumers to consider seriously and carefully the environmental and social impacts of their economic decisions and the sustainability of the eco-system in supporting life on this planet.

### **Recognition of responsibilities and rights**

In pursuing the daily business of living, we play three distinctive roles as workers, consumers and citizens. Sometimes such roles can impinge and may be in conflict with another. As a consumer, we want to buy goods that are safe and durable. As workers, we may be contributing to the production of shoddy goods and goods that have build-in obsolescence. It is important to articulate and understand both our responsibilities as well as our rights as consumers. This will help to iron out possible conflict of rules and bring about greater harmony in the relationship.

### **Catalyst for action**

Consumer education must catalyze action. They must become aware of the available avenues of consumer complaint redress and learn to use them for their benefit. Most important consumer education should help develop the intellectual processes of inquiry and problem solving, motivate participation and social concern in promoting not only value for our money but also value for us as human beings.

## **OBJECTIVES OF CONSUMER EDUCATION PROGRAMME**

- ✎ To guide students in budgeting their money and to distinguish needs from wants
- ✎ To help students obtain all the information available to make a good decision based on a variety of choices so as to get value for their money
- ✎ To develop critical awareness when purchasing goods, especially food
- ✎ To develop an understanding of the benefits of nutritious foods
- ✎ To instill a sense of hygiene
- ✎ To help students take action when things go wrong

### **CONSUMER EDUCATION AND STUDENTS**

#### **Consumer education helps students to**

**Be skilled in decision-making**

**Develop a sense of responsibility for the safety and health of family members**

**Understands how values and attitudes influence personal and family decisions**

**Identify and effectively use resources available to meet family needs**

**Be confident, competent consumers**

# STUDENTS AS CONSUMERS

## Specific Concerns

How can students achieve their rights as consumers?

How can we best equip students to deal with the rapidity of technological and social change, to learn how to solve their own problems and those of others in short, how to survive?

How we can teach students to see the acquisition of material wealth and possessions in perspective as an aid to living but not as an end in itself, which destroys spiritual values?

How can they learn to defend themselves in an unequal contest against manipulation and exploitation by manufacturers, retailers and advertisers who use their powers of persuasion to exert an irrational influence?

How can we achieve for them a safer and healthier environment at home, at school, at play, in public places?

How can parents be tactfully and sensitively educated so that the best interests of students are taken into account?

## Specific Solutions/Suggestions

Legislations and standards (Example for safety)

Controls and Codes of Practice (example in advertising)

Consumer education as the basis for wise choosing and decision making, for the development of scrutiny, skepticism and self-defense

Cooperation and collaboration

Action and involvement of children

## **HOW TO START A STUDENTS CONSUMER CLUB**

Starting a Students Consumer Club is not a difficult proposition. Provided, you have the will and commitment to the cause of consumer protection. If planned well, students can themselves be made to take all necessary steps for the formation of the Club. The basic requirements of a Students Consumer Club are as follows:

The School Management's approval and commitment

One or two teachers to coordinate

Students drawn from various classes

A local consumer organization to assist and coordinate

Volunteers from consumer organizations to handle classes

Consumer education materials, modules, training kits etc.

### **Step I**

The teachers who are trained in consumer issues should take the initiative and get the approval of the school management for the formation of consumer clubs. The Head of the Institution may be made the President of the Consumer Club.

### **Step II**

The trained teachers should explain to the students the need for consumer clubs, its activities, its uses and advantages. A list of students who are interested in joining the club should be prepared. This should be updated as and when new students join the school

### **Step III**

A formal meeting of all teachers, head of the institution and a few senior students should be organised to finalize the date of inauguration of the club

### **Step IV**

It is better an outside person is invited to inaugurate the club. A noted consumer activist will be ideal. He or she should inaugurate the club and also be able to explain the activities of the club.

### **Step V**

A core group of the club should be formed. The core group should be representative and include students from all classes of the school. The core group should meet often and along with the help of consumer organization and its members should finalize the programme for the future. The programme may be decided for the forthcoming quarter, half year or for the entire year.

Since the activities of the consumer club should not interfere with the students academic studies, it is better the activities are planned starting from August to December.

### **Step VI**

After the inauguration the Club should prepare a Membership Application Form. A small membership fee should be collected from the students. We suggest it should be Rs.10 (Rupees Ten per month) The coordinating teachers should collect the membership fee and maintain a separate account for the same. It should not be clubbed with the finances of the school. Student members of the club should be trained in maintaining accounts of the club

### **Step VII**

The club should conduct at least one program/event in a month. At the conclusion of each event the students with the help of the coordinating teachers should write a report. The event for the month of December should be the concluding event.

### **Step VIII**

Each of the student clubs in the respective area/district should meet once in a year to have greater interaction.

## SUGGESTED PROJECTS FOR STUDENTS CONSUMER CLUB

It will be very difficult to suggest a set of projects to be taken up by a students consumer club. The activities depend on the local requirements, the ability of the students, resources available at their disposal and more than all the commitment of the management of the institution. However, the following are some of the activities that can be taken up by a student consumer club. The list is illustrative and not exhaustive. Over a period of time students will be able to come out with many projects.

- ✎ Students' safety in and around schools
- ✎ Road Safety, especially those around the school
- ✎ Cleanliness and quality of food available in the school canteen or nearby hotels
- ✎ Price survey of food items sold in and around the school
- ✎ Collecting information about the products and services which student's use like stationary items, chocolates, biscuits, ice cream etc.
- ✎ Identifying the methods of cutting down daily expenses of the students
- ✎ Survey or study on advertisements that are aimed at influencing students
- ✎ Putting up a Notice Board in the school exclusively for consumer issues
- ✎ Collect paper clippings on consumer rights and responsibilities
- ✎ Visits to nearby consumer organizations and watch their working
- ✎ Meet the officials of the Government connected with school education, transport, health care, civic amenities etc.
- ✎ Debate and essay competitions on the eve of World Consumer Rights Day (March 15<sup>th</sup>) and national Consumers Day (December 24<sup>th</sup>)
- ✎ Poster competition and poster exhibition

A small library to store books, magazines on consumer issues

## OPENING THE CONSUMER EYE

It is believed that meditation opens the 'third eye'. Likewise, consumer education should help to open the 'CONSUMER EYE' of the consumers. The consumer eye concept means that an informed consumer looks at a product critically and analytically, first from his own point of view as an individual consumer, then with the interest of the community at large in mind. (Consumer Education: A Resource Handbook, IOCU, Malaysia)

A consumer who has his 'consumer eye' open, analyses products on several basis like health, economics, product safety, legal and environmental considerations and social costs. Following are some of the questions that make a consumer open his 'consumer eye'

Do I really need it?

Can I afford it?

Is the price fair?

Is there a cheaper local substitute?

Does it have nutritional value?

Is it marketed in an acceptable manner?

Have advertisements influenced my decisions?

Is the quality acceptable?

Does the label give me the information I need?

Does it contain harmful additives?

Can I become addicted to it?

What will be its effect on my health in general?

If it is spoilt, can I return it?

If it is short weight, do I get my money back?

Do I use up foreign exchange?

Do I support an elitist trend by consuming this product?

Is the packaging a wasteful use of scarce resources?

Is the packing biodegradable?

What is the economic effect of buying foreign products?

Who are the owners, controllers and producers of this product?

(Adapted from IOCU Leaflet)

## **UNITED NATIONS GUIDELINES ON CONSUMER EDUCATION**

Governments should develop or encourage the development of general consumer education and information programmes bearing in mind the cultural traditions of the people concerned. The aim of such programmes should be to enable people to act as discriminating consumers, capable of making an informed choice of goods and services and conscious of their rights and responsibilities. In developing such programmes, special attention should be given to the needs of the disadvantaged consumers in both rural and urban areas, including low income consumers and those with low or non-existent literacy levels.

Consumer education should, where appropriate, become an integral part of the basic curriculum of the education system, preferably as a component of existing subjects.

Consumer education and information programmes should cover such important aspects of consumer protection as the following:

- \*Health, nutrition, prevention of food-borne diseases and food adulteration
- \*Product hazards
- \*Product labeling
- \*Relevant legislation, how to obtain redress, and agencies and organisations for consumer protection
- \*Information on weights and measures, prices, quality, credit conditions and availability of basic necessities and
- \*An appropriate, pollution and environment

Governments should encourage consumer organisations, and other interested groups including the media, to undertake education and information programmes, particularly for the benefit of low-income consumer groups in rural and urban areas

Business should, where appropriate undertake or participate in factual and relevant consumer education and information programmes

Bearing in mind the need to reach rural consumers and illiterate consumers, governments should, as appropriate, develop or encourage the development of consumer information programmes in the mass media

Governments should organise or encourage training programmes for educators, mass media professionals and consumer advisers, to enable them to participate in carrying out consumer information and education programmes

***(The UN Guidelines on Consumer Protection was adopted on 8<sup>th</sup> April 1985)***