

Globalization of Markets and Consumer Rights - An Analytical Study

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Abstract

As a result of economic reforms, a large capital flow helped making varieties of quality goods, and services, cheap telephone services, internet and computers, airline services etc. available offering choices in the free markets including 24×7 E-commerce to consumers. Along with this profit-driven market growth, new ideas, consumption culture shaping lifestyle changes are also increasingly seen like in developed economies as a result of development of multi-storied well-stored malls, super-

markets and other refurbishing markets with varieties of good and high-end products and services. This paper is a modest attempt to study about globalization and consumer rights.

Key words: Economic Reforms, Consumer rights, Globalisation of Markets

Introduction

It is a fact that profit- driven global market forces of all hues are in continuous search of consumer markets in every nook and corner because nation's growing consumer markets are very

lucrative and profitable as India's affluent and vast middle class consumers are becoming 'lifestyle-change-agents'. This asymmetric information through eyeball catching advertisements and publicity definitely act to the disadvantage of aam consumers as they do not help in making informed choice/ decision but only mislead. This rising menace of unethical and misleading advertisements by the producers of goods and services from cars to electronics to daily necessities of life goading the aam consumers to buy them or spur a demand is certainly a violation of consumer rights as enshrined in Consumer Protection Act, 1986.

Review of Literature

In India, the consumer rights movement is certainly not a new idea; it is as old as trade and commerce. In fact,

Kautilya's Arthashastra detailed many consumer protection rules and regulations to check exploitations by the trade and industry, particularly related to under-weights and measure, adulteration etc. with high lighting clauses for punishment for many offences in clear terms. **President, John F. Kennedy** remarked "If a consumer is offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose an informed basis, then his dollar is wasted, his health and safety may be threatened, and national interest suffers." Through a historic declaration in congress on March 15, 1962, he extended to American Consumers four basic consumer rights (choice, information, safety and the right to be heard).

Mahatma Gandhi said, “A consumer is most important visitor on our premises. He is not dependent on our business. He is an outsider on our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so.” Thus, both the consumers and producers are partners of growth and development. The recent data from the consumer courts in different states show that there is a direct relationship between literacy and consumer awareness. Aware, active and concerned consumers are an important part of civil society; it will pave the way for creating ethical marketing of products and consumer-oriented services **(Paul, 2014)**.

Challenges

India is the second fastest growing economy of the world, after China with 8 percent plus average GDP growth rate for the last few years before the recession hit. The rate of growth of consumerist culture is expected to increase but whether free-market activities without comprehensive regulatory regime under globalization are pure manna from heaven or a fiendish attempt to exploit consumer is a question that will be definitely debated for a long time.

After consumers end up buying inferior, unsafe, spurious, low quality, impure goods at higher prices from many retail outlets etc. In rural areas, marketers sell spurious, unsafe product which often pass off as originals by the dealers/retailers, particularly in weekly

Haats and Bazars to illiterates, uniformed and uneducated.

It is after said that in a free-market environment, consumers are the kings and/or sovereign since they have the option of when, where, how and what to buy from the market. But in reality, it may not always happen that way as the vulnerable consumers find them solve under mercy of powerful manufactures and traders. The spread of consumer rights education and awareness movements find their relevance and centrality. It is unfortunate that even after more than 25 years of passing of the Consumer Protection Act of 1986, and after more than 16 years of passing of the said Ruling, consumers rights are rampantly violated in the market.

Objectives of Study

Our study would try to

1. Present the present status of consumer rights protection in India.
2. Study about globalization of markets and consumer rights in Indian context.
3. Identify challenges and opportunities related to globalization of markets and consumer rights and
4. Suggest remedial measure for the identified problems.

Importance of Study

Fortunately, at the behest of the UN, the Indian Parliament legislated the Consumer Protection Act in 1986, much before the adoption of liberalization and privatization policy in 1991. In fact, India became one of the first few countries

in the world to have passed such a revolutionary legislation exclusively for consumer protection with three-tier machinery at

- ✓ district
- ✓ state and
- ✓ national level for redressing consumer grievances.

Now-a-days, consumer rights are violated frequency despite of having legislations. Hence, synergizing all the pro-consumer action programmes and strategies together can deliver the goods. Now the time has come when the legislature, the executive, the judiciary and the fourth Estate must come together and pro-actively work in tandem curbing the rising menace of market wrongdoings and

injustices in the era of globalization and liberalization of India market economy.

Conclusion

Some business in India have come together to adopt a code of conduct for regulating their own activities. Regulation of business through legislation is one of the important means of protecting the consumers. Consumerism has over the time developed into a sound force designed to aid and protect the consumer by exerting legal, moral and economic pressure on producers and providers in some of the developed countries. The success of consumerism lies in the realization of the business that there is no substitute for voluntary self-regulations. Little attention from the business will not only serve consumers interest but will also benefit them. The best possible solution is that the Consumers must be aware of their rights, join voluntary Consumer organizations, raise voice against exploitation and seek redress of their grievances in time.

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