

Building a Consumer Sovereign Trading Pattern

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It is said that consumer sovereignty exists in a market economy. This implies the possibility of the consumer behaving in the market at his will. On the other hand it appears that the producers operate only with the object of maximizing their profits. Although the producers and consumers seem to behave like this, as a perfect competition situation is not in force in a modern economy, the concept of consumer sovereignty has become confined to a name sake utterance. It is possible to be that the consumer is often caught in the grip of the producer and the trader.

Even for an economy motivated by the market forces a powerful Authority is required for the protection of the consumer whether it is a state-sponsored organization or a organizations created by the civil society provided it has legal authority.

The history of consumer protection legislation can be traced to the past. It was in 1883 that the Sale of Goods Act in the United Kingdom was passed. However the provisions made by this Act for consumer protection could be seen only in a few limited areas. This was subjected to an amendment in 1979. Later protection required by consumer in bulk purchases and debt agreements were absorbed into.

In United States of America, the role of civil society in consumer protection is striking King, President Kennedy identified four consumer right in 1962.

I. The right to safety

This emphasizes the consumer's right to purchase goods which are not harmful to his life or health.

II. The right to be informed

This right has established the right of protection from dishonest and deceitful advertising

and emphasizes the moral right of the consumer to have access to the true information about the goods.

iii. The right to choose

No trader has a right to obstruct the consumers right of choice and compel him to consume. This implies the consumers right of consumption in accordance with his preference.

iv. The right to be heard

This has established the right of the consumer to be protected from the injustices to which he is subjected.

In addition to this the consumers right of living and working in an environment which is not adverse to his health and life, also was added later.

The introduction of a strategy for the protection of the consumer (the United Nations guidelines for consumer protection) was adopted on 15th April, 1985. this led the international community to take several steps for the protection of the consumer with a view to achieve the following objectives:

- Assisting its member countries to possess and maintain consumer protection measures.
- Development of a production and distribution environment in keeping with the consumer needs and preferences.
- Persuading the producers and distributors to follow a higher level of moral practices.
- Assisting the prevention of irregular trading practices that are harmful to national as well as international consumers.
- Expansion of the need of creating independent consumer groups
- Encouragement of international assistance in consumer protection
- Guaranteeing the safety of the market economy based on consumer sovereignty

However in the process of the International Communities attempts to protect the consumer Sri Lanka also has engaged herself in the protection of the consumer through the implementation of the following measures:

- Establishment of the Sri Lanka Bureau of Standards
- Enactment of Consumer Protection Act No. 1 of 1979
- National Environmental and Traffic Regulation No. 16 of 1979
- Consumer goods Act No. 26 of 1980 and the price control enactments.
- Drugs and Cosmetics Devices Act No. 27 of 1980
- Sri Lanka Institution of Standards Act No. 06 of 1984.
- Sri Lanka Standardization Act No. 6 of 1986
- Fair Trading Commission Act No. 1 of 1987.

Of the above the most significant measure is the protection of Consumer Act No. 1 of 1979. This has established the consumers right to relief and assistance. This Act was amended several times and among them following should be mentioned.

In 1980 Section 33 (a) was amended to provide for the establishment of a Consumer Protection Fund. The Parliament allocates money for this fund. In addition it is possible to obtain funds for the promotion and strengthening them of consumer protection organization with the recommendations of the Commissioner.

In 1987 the Act was amended by giving a new definition to the terms "goods".

This indicates the attempt to strengthen the nature of legal protection expanded to the consumer several times in keeping with the social needs.

Enforcement of regulations in accordance with the consumer protection Act is the responsibility

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of Commissioner of Internal Trade. A Consumer Relief Division has been established under this Department and the process of settling disputes is entrusted to this Division. The Consumer has the opportunity of taking judicial action for relief with no cost to him, through the Consumer Relief Division. It is necessary to go to courts for this purpose. The Consumer Relief Division, considers the possibilities to bring about an agreement between the parties to the dispute and give suitable solutions.

The preamble to the Consumer Protection Act of Sri Lanka embodies three objectives

- i. Formalisation of Internal Trade,
- ii. Provision of Consumer Protection,
- iii. Introduction of Fair Trading Ethics.

Part I of the Act contains the provisions regarding the Commissioner and the Deputy Commissioner while Part II deals with special powers of the Commissioner. However the Department of Internal Trade is naturally entrusted with the functions given below:

- i. Settlement of disputes between consumers and traders,
- ii. Punishment of traders who do not follow the consumer Act through judicial procedure,
- iii. Educating the consumer regarding consumer's rights and duties,
- iv. Extension of activities relating to consumer protection,
- v. Organization of consumers through consumer societies,
- vi. Educating the traders about the traders' responsibilities and duties.

It is possible to evaluate the attempts so far made by Sri Lanka to protect the Consumer. The Department of Internal Trade is engaged at least to a certain extent in educating the consumer through their seminars, publications, and discussions. Further there is an increase in the number of complaints made to the Consumer Relief Division. It is not wrong to state that the Consumer Protection Division can handle 1500-2000 complaints a year, if the present Division is continued with the same vigour. However in the matter of settlement of consumer and trader disputes Department of Internal trade has experienced a slow progress. Mostly programmes for Trader and Consumer Education are limited to develop the International Consumer Day al-

though attempts to form these into projects are also in the process. Under this situation even if the Department of Internal Trade is privatized, it is an essential condition to maintain a legal basis to protect the consumer under this trading environment. On the other hand, the fact that there is a possibility of reorganizing the Department of Internal Trade and thereby raise its efficiency and minimize costs.

It is appropriate to draw the attention to a number of measures that can be adopted to protect the con-

- b. It is also essential to create organizations to reach a wider consumer group, in the civil society with the aim of protecting the Consumer. Accordingly, the awareness of the consumer can be raised. Specially seminars targeting schoolchildren are important. It is possible to contribute to the mission of protecting the consumer by exposing the injustices to which the consumer is subjected, through the media. On the other hand it is possible to direct the busi-



sumer in a society that has reached the zenith of 21st century. They are:

- i. Should expand the legal powers and the independence of the Commissioner of Internal Trade. Specially it is necessary to free the Commissioner General from the political grip of the relevant Ministry which has been the practice in other countries. The reason for the non of many state inefficiency institutions in countries like Sri Lanka belonging to the third world is the political interference.
- ii. Should remodel the Consumer Protection Act which is in force with new amendments, to suit 21st Century. The possibilities of bringing the services sector also under the law should be examined.
- a. It is possible to promote the existing Consumer Relief Division. The efficiency of the staff should be raised. The institutional facilities provided to them are not sufficient at all. Therefore if action to privatize this Division is not possible, it is necessary to increase institutional facilities and should retain a set of more efficient officers in the Consumer Protection Division.

ness community to consumer protection in an organized manner. For this it is essential to have consumer organizations and groups emerging from the Civil Society. The British Rail Passengers Group while representing the interests of the passenger on one hand, it has contributed to promote efficiency in the British Railway Service on the other hand. It is also appropriate to highlight the significance of the consumer protection struggle launched by Ralph Nodir in the United State. In response to his struggle the Ford Finto Company won forced to withdraw all their Ford Finto Motor Cars from the market.

Reference Books and Documents

- i. Report of the National Price Commission
- ii. Reports of the Standards Institution
- iii. Consumer Protection Act No. 1 of 1978
- iv. National Environmental and Traffic Regulations of No. 26 of 1979
- v. Consumer Trade Act No. 26 of 1980 and Price Control Acts.
- vi. Drugs, cosmetics and Devises Act No. 27 of 1980.
- vii. Sri Lanka Standards Institute Act No. 6 of 1986
- viii. Sri Lanka Standardisation Act No. 6 of 1986
- ix. Fair Price Commission Act No. 1 1987

