

## **CONSUMER WELFARE FUND**

### **1. INTRODUCTION**

The Central Excise and Salt Act, 1944 was amended in 1991 to enable the Central Government to create a Consumer Welfare Fund where the money which is not refundable to the manufacturers, etc. is being credited. Consumer Welfare Fund was created in 1992 with the objective of providing financial assistance to promote and protect the welfare of the consumer, create consumer awareness and strengthen consumer movement in the country, particularly in rural areas. The Department of Consumer Affairs operates the fund, setup by the Department of Revenue under the Central Excise and Salt Act, 1944.

The Consumer Welfare Fund Rules were notified in the Gazette of India in 1992 and Guidelines were framed in 1993. Under the Consumer Welfare Fund Rules, any agency/organisation engaged in consumer welfare activities for a period of three years and registered under the Companies Act, 1956 or any other law for the time being in force, village/mandal/Samiti-level cooperatives of consumers, industries State Government etc are eligible for seeking financial assistance from the Fund.

The advent of globalization, market economy has expanded areas that need intervention on behalf of the Government to protect the interest of consumers. Consumer Welfare Fund Guidelines were accordingly revised in 2007 to suit to the present day requirements. A sum of Rs. 17.00 crore only is available currently in the fund. An amount of Rs. 39.50 crore was utilised 2013-14.

Schemes currently funded from Consumer Welfare Fund:-

#### **1. SETTING UP OF CONSUMER CLUBS IN SCHOOL/COLLEGES.**

This scheme was launched in 2002, according to which a Consumer club can be set up in each Middle/High/Higher Secondary School/College affiliated to a Government recognised Board or University. A grant of Rs.10,000/- per consumer club is admissible under the scheme. This scheme has been decentralized and transferred to the Government of States/UTs w. e. f from 1.4.2004. Proposals can be submitted under the scheme to the Nodal Officer in the Food, PD & Consumer Affairs Department of the respective States/UTs by eligible organisations/VCOs. Funds are transferred to the Nodal Officer in the State on receipt of the list of schools from the State. The scheme is presently under revision.

#### **2. CREATION OF CHAIRS IN INSTITUTIONS/UNIVERSITIES.**

- (i) A chair on Consumer Law and Practice was sanctioned to national School of India University (NLSUI), Bangalore at a cost of Rs. 90,00,000 with the objective of the Chair is to act as a "Think Tank" for the research and policy related issues on Consumer Law and practice.
- (ii) A chair was also sanctioned to National Law Institute University, (NLIU) Bhopal for establishing chair professorship in Consumer Protection and Consumer Welfare
- (iv) The Tamil Nadu Dr.Ambedkar Law University, Chennai has been sanctioned for creating Chair of Excellence of Consumer Law and Jurisprudence.

### 3. SUPPORTING CENTRE OF EXCELLENCE AT IIPACENTRE FOR CONSUMER STUDIES

#### About the Centre

In view of the emerging global markets, information explosion and the concern for good governance coupled with rising expectations of the people for better services, quality goods, availability of choice, value for money and quick redressal of complaints, there is a universal emphasis for protection and promotion of consumer rights and interests. Keeping this in view the Centre for Consumer Studies was set up at IIPA, New Delhi in 2007 under an MoU with the Department of Consumer Affairs, Government of India. The Centre is funded by the Department of Consumer Affairs, Government of India. The Centre's primary objective is to act as a "*think tank*" for research and policy related issues on consumer protection and consumer welfare. The aim of the Centre is to perform, facilitate and promote better protection of Consumers' rights and interests with special reference to rural India. During a short span of time, the Centre has done pioneering work in the area of consumer protection and consumer welfare and is recognized as a "Centre for Excellence". The Centre works in close collaboration with the central government, various state governments, VCOs and other stakeholders to promote consumer welfare.

The Centre for Consumer Studies keeps abreast of the long-term policies, to position itself as a major contributor to the identification of issues and priorities as well as solutions to ensure better protection of the consumers. Its success largely depends on close networking, cooperation, teamwork and shared knowledge with not only government organizations, but also by building up partnership with various other institutions and organizations. The vision is to create a professional centre which allows the government to govern better and to create opportunities to maximize the benefit to the consumers.

The Centre seeks to network, with national and international agencies and interface with other stakeholders by serving as a bridging "think tank", with an intensive advocacy role. It acts as a forum for creating dialogue among policy-makers, services providers, representatives of various business establishments and their associations, professional bodies/associations, civil society organizations, educational/research institutions, economic and social development organizations as well as leading NGOs. It also acts as a storing and clearing-house for the exchange and constant flow of information, ideas and activities relating to consumer protection and welfare. The Centre closely works in association with the DCA, GoI, National/State Consumer Disputes Redressal Commissions and District Forums.

#### Activities of CCS

The CCS is envisaged as a Centre functioning with flexibility and openness. Its broad areas of focus comprise.

1. Advocacy, Policy Analysis and Research
2. Advisory and Consultative Services
3. Capacity Building, and
4. Networking and Information Exchange

During the last Seven years (2007-2012) the Centre has been engaged in a variety of activities and has emerged as a nodal centre for research, training and advocacy in the area of consumer welfare. It has carried out path breaking studies and also undertaken awareness campaigns down to the Panchayat and Village level in collaboration with various stakeholders apart from organising several training programmes. To achieve the aims and objectives, the Centre organized a variety of programmes during the period from **April 2013- March 2014**. During the period, the Centre organised a total of 32 Capacity Building Programmes. The focus of the programmes was to build the capacity of various stakeholders to administer the Consumer Protection Act, 1986, and also to educate and enhance consumer awareness at various levels. Capacity building initiatives during the period included Training Programmes, Workshops, Seminars and Conferences. The Centre organised a Workshop on “National Consumer Policy” in collaboration with Department of Consumer Affairs, Gol on December 10, 2013. Around 40 experts from various parts of the country participated in the workshop.

During the period the Centre completed 5 evaluation and research studies to assess the impact of various programmes/ schemes and also to build a database in the area. One of the Studies, “Evaluation of the Scheme on National System for Standardization” was sponsored by Bureau of Indian Standards. To disseminate information on various aspects of consumer protection and consumer welfare the Centre has brought out publications in the form of two books and five monographs. The faculty and research staff of the Centre published and presented a number of research papers on consumer protection on various platforms. Besides this awareness material in the form of e-newsletters, advisories, calendar was also published and widely circulated for general awareness and education. The Centre also maintains a website where useful information and publications for consumers have been uploaded. The Centre also participated in a number of promotional activities related to consumer protection throughout India and is representing on a number of Committees of Government of India on consumer issues. A State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP) has been set up to provide support to State Helplines. CCS, IIPA is also the nodal, agency to coordinate and monitor the activities of the State Consumer Helplines. The Centre also publishes Newsletters and Advisories to disseminate information among the consumers

1. Consumer Dialogue: Quarterly Newsletter
2. Consumer Connect: Quarterly Newsletter
3. Consumer Bulletin: Monthly Newsletter
4. Advisories for various sectors

## Website

To disseminate information the Centre maintains a website [www.consumereducation.in](http://www.consumereducation.in). It contains information about the activities of the Centre for Consumer Studies, publications and latest developments in the area of consumer welfare. All the publications of the center are also uploaded for the benefit of the consumers. The website also provides a directory of VCOs working for consumer welfare. The website is very popular among various consumer stakeholders.

## CCS on Facebook

The Centre is also using the social media to reach and educate the consumers. The Centre can be accessed on the facebook through the link <http://www.facebook.com/pages/Centre-for-Consumer-Studies/180858655313172>

The Centre staff also participates in various Promotional Activities to generate awareness among various stakeholders. Besides this Centre also produces Awareness Material in the form of Consumer Awareness Calendar and Greeting Cards etc. on consumer themes and having awareness message.

### 4. IEC PROJECTS WITH NGOS

Information, Education and Communication programmes for consumer awareness. VCOs/NGOs are provided financial assistance under this scheme to spread Consumer awareness & responsibilities.

### 5. SETTING UP OF COMPLAINT HANDLING/COUNSELLING/GUIDANCE MECHANISM.

#### i) National Consumer Helpline

National Consumer Helpline (NCH) was started in March 2005 under the aegis of the Ministry of Food, Public Distribution and Consumer Affairs, and was operating as a Public Service Project of the University of Delhi functioning from the premises of the Delhi School of Economics.

In April 2014, NCH was brought under the umbrella of the Center for Consumer Studies at the Indian Institute of Public Administration, New Delhi, operating from the premises of IIPA.

NCH provides telephonic advice, information and guidance to the public on issues related to Consumer Affairs and Grievance Redressal Methods. It has a geographical coverage across India. A person having an access to telephony is in the reach of NCH. The toll free number of NCH 1800 -11-4000 encompasses all to reach out to NCH. Internet savvy consumers can log in their complaints on NCH Website at any point of time. The project has a Centralized national helpline which is accessible from all nooks and corners of our vast country via telephony. Calls are received from remote areas like Andaman & Nicobar Islands and the far reaching Northeastern states of Sikkim, Nagaland, Manipur etc .

NCH has built its dedicated team of people, technology and information/ knowledge about what the consumer expects and wants. This is done by providing aggrieved consumers the names, addresses, telephone numbers, email IDs and other contact details of nodal authority of the particular companies or agencies for aiding in the resolution of complaints. This is done in a three-tiered fashion:

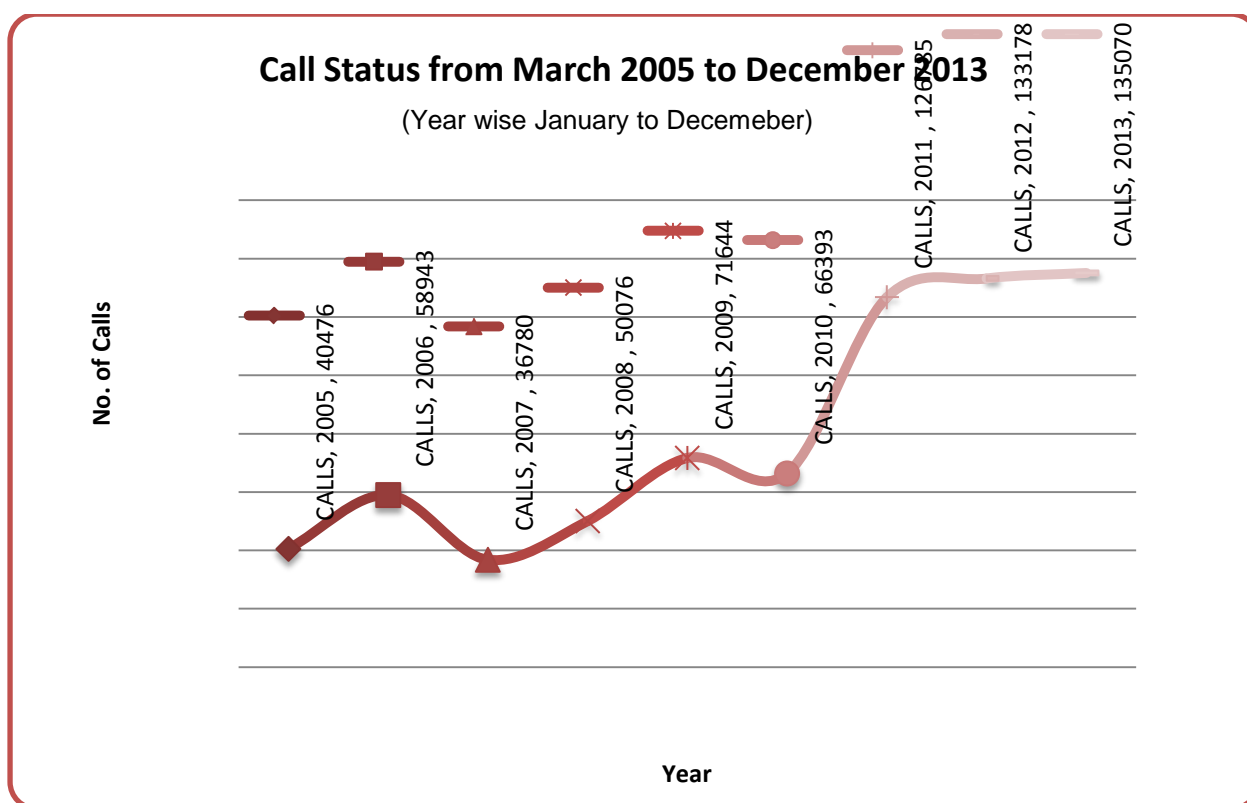
1. **First Tier:** The details of the company/ organisation which the consumer should approach are provided. Consumers are given the contact details of the relevant branch with whom they need to get in touch with.

2. **Second Tier:** Information is concentrated on the regulatory authorities, government officials or mediators like Ombudsman.
3. **Third Tier:** The courts are brought into the picture only when the first two tiers are exhausted. Consumers are advised to approach the Consumer Forums, State or National Commission as per the requirement of the complaint.

NCH has successfully completed its nine year of operations and during this period NCH has been working in the area of consumer awareness and protection of consumer rights and responsibilities and various spheres of consumers' welfare

### CONVERGENCE:

Although NCH has the mandate to offer telephonic advice, information and guidance to consumers across the country, it has been extending support to the complainants and to companies ( service providers) through its Convergence program. NCH has been actively pursuing the Convergence process over the last few years, and has enrolled the voluntary participation of around 200 companies/ organizations in sectors including Banks, NBFCs, Insurance, Telecom, Electricity, Couriers, Consumer Durables and a variety of other sectors. This model, is an alternate dispute redressal mechanism, and NCH has partnered with those compnies who adopt a proactive approach to efficient consumer complaint resolution.



**Sectoral Distribution of Calls received @ NCH**  
**Period - April 2013- March 2014**

Top Ten Sectors		
S.No.	Sectors	%Age
1	Products ( Primarily Consumer Durables)	23.16
2	Telecom	16.11
3	Banking	5.53
4	e-Commerce	5.18
5	Education	3.89
6	LPG/PNG	3.32
7	Insurance	2.96
8	Automobile	2.74
9	Weights & Measures	2.19
10	Legal	1.84

i) **CONSUMER ONLINE RESOURCE & EMPOWERMENT (CORE) CENTRE**

This is a project is an initiative taken by the Ministry towards web based Consumer Awareness & Protection programme aimed at identification of consumer problem and their redressal through institutional approach and utilizing the vibrant information technology method is another project sanctioned under the scheme. The project to run by Consumer Coordination Council (CCC).

iii) **State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP)**

The Department of Consumer Affairs, Government of India in partnership with the Centre for Consumer Studies, Indian Indian Institute of Public Administration, New Delhi has set up a National Nodal Agency known as the State Consumer Helpline Knowledge Resource Management Portal (SCHKRMP). The Knowledge Resource Management Portal is coordinating and monitoring the activities of State Consumer Helpline's, (SCH) and providing solutions and advisory services to these helplines, maintaining knowledge and convergence. The Knowledge Resource Management Portal is working in close coordination with various state governments and other stakeholders.

The responsibilities of the Knowledge Resource Management Portal comprise of the following tasks:

1. Coordination of activities of SCHs;
2. Monitoring of activities of SCHs;
3. Provision of IT-infrastructure and knowledge-management;

4. Provision of training; and
5. Preparation of campaign materials:

**The following states have already set up the State Consumer Helplines (SCHs):**

► Madhya Pradesh	► Gujarat	Haryana
► Tamil Nadu	► Odissa	Uttar Pradesh
► Bihar	► Sikkim	
► Maharashtra	► Rajasthan	

**An agreement has already been signed with following States for setting up of SCH and sharing of IT Portal hosted at IIPA:**

► Puducherry	► Punjab
► Chhatisgarh	► Mizorum
► Karnataka	Andaman & Nicobar
► Himachal Pradesh	► Delhi

## 6. STATE CONSUMER WELFARE FUND

In order to promote consumer movement through the country, the State Government and Union Territory Administration have been impressed upon to create their own consumer welfare fund. For strengthening financial support seed money is provided to States/UTs at the ratio of 50:50. This ratio has been further enhanced to 90:10 in the case of 13 special category of States. The scheme has been enhanced with a big amount of Rs. 10 Crore as Corpus Fund by the Central Govt. as

Central Share in the ratio of 75:25(Centre: State). In case of special category States, the ratio will be 90:10(Centre: State). The Scheme was implemented in Madhya Pradesh, Kerala and West Bengal. A part payment has also release to State of Bihar, Odisha, Nagaland and Karnataka under this scheme.

## 7. Consultancy Projecton“Promoting Involvement of Research Institutions/ Universities/ Colleges etc. in Consumer Protection and Welfare”

### 1. Background

The Ministry of Consumer Affairs, Food & Public Distribution, Department of Consumer Affairs have sanctioned a Consultancy Project on Consumer Protection and Consumer Welfare under the Scheme on “**Promoting Involvement of Research Institutions, Universities, Colleges etc. in Consumer Protection and Welfare**”, to be executed by the Indian Institute of Public Administration, New Delhi over a period of 3 years,vide their sanction letter No. O-11011/49/2009-CWF dated the 13/17<sup>th</sup> March, 2009. The project is

for a total amount of ` 2,98,16,000/- (Rupees two crore ninety eight lakh and sixteen thousand only) spread over a period of 3 years i.e. 2009-10, 2010-11, and 2011-12. The grant has two components i.e. (i) ` 1,50,00,000/- for disbursement to the grantee institutions and (ii) ` 1,48,16,000/- as Consultation fee for conducting a number of activities.

## **2. Objectives of the Scheme**

### Primary Objective:

The primary objective of the Scheme is to facilitate and promote better protection of consumers' rights, interests and welfare by involving Research Institutions, Universities and Colleges by engaging them in research activities in the area of consumer protection and consumer welfare.

### Secondary Objectives:

- To enhance understanding of various aspects of consumer behaviour and implementation of consumer protection measures through applied research conducted by Research institutions, Universities and Colleges.
- To identify gaps in knowledge and conduct research to fill these gaps.
- To develop material for training and dissemination for use by academic institutions in their activities relating to consumer protection and consumer welfare.
- To promote knowledge links among educational institutions through (Research) Validation Seminars / Workshops etc. and publish and disseminate the findings of sponsored and other research studies undertaken by these educational / research institutions.

## **3. Activities Covered under the Scheme:**

- Grants to Research Institutions, Universities and Colleges for undertaking research activities.
- Organization of Validation Seminar on the findings of the Research Studies.
- Organization of Training Programmes on capacity building for Researchers in Consumer Protection and Consumer Welfare.
- In-house Research Studies on specific issues.
- Compilation of All India Directory of VCOs / NGOs.

## **4. Deliverables**

- Research Studies
- Training Programmes.



- Validation Seminars on the findings of research studies to be conducted by the Research Institutions.
- Publication of Trainers' Manuals/ Standardized Booklet/Monograph for awareness to be used by Academic Institutions.
- Compilation of State-wise All India Directory of Voluntary Consumer Organizations.
- Two In-house Research Studies during the three years of the Consultancy Project (2009-2012)

## 5. Component I – Release of Grants

During the period of three years six meetings of Evaluation Committee were held in which 96 proposals for conducting research in the area of consumer protection and consumer welfare from various universities, colleges, research institutions were considered out of which 43 proposals were approved.

<b>Evaluation Committee Meetings</b>	<b>6</b>
First Year	3
Second Year	1
Third Year	2
<b>Proposals Approved</b>	<b>43</b>
First Year	15
Second Year	13
Third Year	15

## 6. Component II-In -house Activities under Consultancy Project

### I Capacity Building Initiatives

Under the Consultancy Project, IIPA has organized nine training programmes for the faculty members and researchers of universities and colleges in consumer protection and consumer welfare with an objective to sensitise them to take up research in the area of consumer protection and build a pool of trainers in the area. The training involves two components-one of research methodology and other on Consumer Protection. Through these training programmes a pool of 328 trainers/ researchers has been created.

#### List of Training Programmes Conducted (2010-2013)

Sl. No.	Programme	Duration	No. of Participants
1.	3 Day Training Programme on Capacity Building for Researchers in Consumer Protection and Consumer Welfare at Dr. B. R. Ambedkar College of Law, Visakhapatnam, A.P.	Jun 27-29,2010	30
2.	3 Day Training Programme on Capacity Development for Researchers in Consumer Protection and Consumer Welfare at	Aug.18-20,2010	25

	NetajiInstitute for Asian Studies, Kolkata		
3.	3 Day Workshop on Capacity Building for Researchers in Consumer Protection and Consumer Welfare at ChaudharyCharan Singh University, Meerut, U.P.	Sept.23-25,2010	53
4.	3 Day Training Programme on Capacity Building for Researchers in Consumer Protection and Consumer Welfare. at Management Development Academy, Jaipur, Rajasthan	Dec.28-30,2010	40
5.	3 Day Training Programme on Capacity Building for Researchers in Consumer Protection and Consumer Welfare. At Sri Venkateswara University Tirupati, A.P.	Feb. 02-04,2011	32
6.	3 Day Workshop on Research Methodology in Consumer Protection, Annamalai University, Tamil Nadu	April 18-20,2011	20
7.	3 Day Training Programme on Capacity Building for Researchers in Consumer Protection and Consumer Welfare. At M.L. & G.E. Society's ManikchandPahade Law College, Samarth Nagar, Aurangabad, M.S.	Oct. 12-14, 2011	56
8.	3 Day Training Programme on Capacity Building for Researchers in Consumer Protection and Consumer Welfare. At P. G. Department of Social Science Fakir Mohan University Balasore, Odisha	April 26-28, 2012	33
9.	Three Day Training Programme on Capacity Building for Researchers in Consumer Protection and Consumer Welfare in Collaboration with Maharaja Sayajirao University of Baroda, Vadodara Gujarat	Dec. 20-22, 2012	39
<b>Total:</b>			<b>328</b>

A Validation Seminar on Research Studies was organised on February 23, 2013 in which 14 research reports of the studies completed under the project were presented. More than 30 participants which included faculty members, researchers and policy-makers attended the seminar. The objectives of the seminar were to: share the findings of the research studies funded under the Consultancy Project on various issues of consumer protection; discuss the findings by various stakeholders; and identify gaps for policy intervention.

## II Publications

Under the consultancy besides the capacity building programmes, IIPA has also undertaking publication and documentation activities. Under the project two manuals have been prepared which are handy tool for the trainers working in the area. A VCOs directory has also been compiled under the project, which has been uploaded on the website [www.consumereducation.in](http://www.consumereducation.in)

Sl.No.	Name of Book	Name of Author/Editor
1.	Consumer Empowerment – Resource Manual for Consumer Clubs	UrvashiPande ManjariAcharya
2.	Consumer Empowerment A Resource Manual for Finance Management for Rural Women	UrvashiPande
3.	All India Directory of VCOs/NGOs	

## III Research Studies

One of the activities under the Scheme is to undertake inhouse research studies on consumer issues. Two research studies were undertaken and completed which as under:

1. Institutional Study of District Consumer Forums in Selected States
2. Spending Pattern and Changing Consumption Habit of University and College Students

### 8. SETTING UP OF CONSUMER PRODUCT TESTING LABORATORIES.

The focus of the project is as under:

- Utilising existing NABL accredited laboratories in India for Comparative Testing of various categories of products
- Publishing and popularizing consumer magazine containing consumer related subject to create informed consumers.
- To facilitate in developing &upgradation of National Standards based on scientific data and consumer preferences.

Presently three organisations are funded under this scheme.

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