

Refreshing Consumer Welfare in India: Opportunities for Participatory Democracy

Dr. Rajesh Tandon

Written for festschrift for Pradeep S. Mehta

Today

In 2017, India is the largest democracy (with more than 850 million voters), the second largest populous nation (nearly 1.3 billion, soon to overtake China in less than a decade), and in purchasing power parity (PPP) terms, India became the world's third largest economy (surpassing Japan) in 2014. More importantly, median age of India's population is still below 25 years, with a huge youth bulge likely to continue for another five decades. More Indians have mobile connections (nearly one billion) than access to toilets.

The reader may wonder, what does all this have to do with the topic of this chapter? Plenty:

- India's consumer base, in sheer numbers, is one of the largest in the world.
- India's production base has expanded considerably, with a mosaic of international, corporate, small and informal enterprises.
- With service sector contributing to nearly 60% of GDP, services of a wide range have expanded to include private providers of all types.
- With rapidly growing literacy rates, enrolment rates in secondary and tertiary education, Indian population is far more educated today than ever before.
- Indians are the second largest users (or consumers) of Facebook, after USA. Use of WhatsApp and other forms of social media has also grown rapidly.

Consumer movement in India, however, continues to be weak, and sporadic.

Why is it that the consumer movement in India has remained a weak link in what is now a widely expanded and significantly impactful civil society in India?

As strength, voice and impacts of Indian civil society grew over the past four decades, why did this segment of civil society remain underdeveloped?

Yesterday

Let us briefly review the history of consumer movements in the Asian region, and India, over the past five decades.

The first, and perhaps the most vibrant, consumer association was that which came into being in Penang, Malaysia in 1970: CAP, or Consumers Association of Penang (<https://www.consumer.org.my/>). It has maintained a significant presence, expanding its outreach beyond the country since then. Its scope of consumer education has expanded to include financial, digital and legal awareness as a consumer. Its active presence in the international consumer movement has been acknowledged.

After the emergency ended in 1977, several new civil society associations and non-governmental organisations emerged in India. Among them, Consumer Education & Research Centre (CERC) in Ahmedabad (<http://cercindia.org/>) was set up in 1978. In addition to promoting consumer awareness, this Centre took up legal cases and litigation as a powerful means of improving the behaviour of producers, both from the private and public sectors.

Around 1983, two other civil society organisations dedicated to consumer welfare emerged – Consumer Unity & Trust Society (CUTS) in Jaipur and Voluntary Organisation in Interest of Consumer Education (VOICE) (www.consumer-voice.org) in Delhi. The former focused a great deal initially on consumer awareness, and the latter on product testing to check the veracity of claims by producers.

In response to consumer concerns, and some advocacy by Indian consumer groups, the Government of India passed legislation – the Consumer Protection Act in 1986. Consumer courts and consumer councils followed from this legislation. By late 1990s, CUTS focused more on international trade and development issues in the face of globalisation and World Trade Organisation (WTO). CERC began to face resource constraints.

Post liberalisation in the early 1990s, the Indian economy grew rapidly, particularly in the first decade of the 21st century; a large number of ‘white

goods' became available, with dominance of Korean and Chinese companies; and many international companies expanded or entered the Indian market in several market segments – vehicles, digital gadgets, clothes, and more recently food products.

Private provision of hitherto considered basic services has also grown rapidly in the past decade. Primary, secondary and tertiary education is being provided by the private sector (albeit notionally non-profit) to more than half the student population in the country. Coaching centres now recruit sixth graders as well. Private sector in health care was always significant, now even more so, with international clientele in metro locations. Water, sanitation, housing – all affordable, of course – are being 'out-sourced' to private providers. Courier services have decimated post office business. Micro-finance is the new messiah for financial services. Private provision of transport services – road and air, for sure – has outpaced other forms. Tourism and entertainment industry (hotels, restaurants, travel agents, tourist guides, etc.) have also expanded in the private sector, both formal and informal. To add further to this growth of available supply of goods and services to millions of consumers in the country, add the new 'angel' of online, digital advice, service and product shopping.

Where was Indian civil society focused on consumer welfare? Why did this segment of civil society not grow in the 1990s and in the 21st century as rapidly and effectively as these other segments catering to the consumer? This, despite the fact that Indian society was experiencing during this period phenomenal growth of consumers, consumerism and consumerist policies!

In my view, two explanations may be worth exploring.

First, many civil society leaders, founders and supporters have always considered government as the primary provider of basic goods and services. This mind-set grew in the 1970s, and remained strong even in the 1980s and 1990s. Most civil society organisations focused on government policies, schemes and programmes for the poor, especially rural poor. Policy advocacy and mobilisation campaigns targeted government institutions at national and provincial levels. Somewhere in the Indian societal psyche and that of Indian civil society and its supporters, the non-governmental lens, focused on

government, remained stuck. Unlike in other countries, where the non-profit lens has been used by civil society to consistently pay attention to for-profit private sector. Additionally, Indian civil society remained largely focused on rural (including tribal) poor communities, even as urban populations of poor, and other non-poor households, increased rapidly. This may partly explain why boycott campaigns (such as those against Union Carbide batteries after the Bhopal gas disaster) do not get much traction in India. Call for a protest against a government agency, and lots of buses quickly get burnt!

Second, there is a long history of state capture of social movements and issues in India, whereby governments of the day enact legislation and devise schemes to address some societal concern, and civil society generally thinks that the new legislation and agency are now sufficient to take care of those concerns. Something similar happened in respect of consumer concerns after the 1986 Act came into being. Awareness generation of consumers is now state-sponsored, through the “Jago Grahak” (Awake Consumers) campaign.

The result is: Consumption and consumer aspects of Indian society remain largely neglected.

Tomorrow

So what can be done tomorrow? The answer to this question can be found in the various elements of the present context briefly enumerated earlier in this chapter, provided we view them from the lens of *participatory democracy*.

In a formal democracy like India, what does participatory democracy mean? Mahatma Gandhi’s political thinking and practice was centred around the idea of participatory democracy, which he articulated through the concepts of Swaraj and Swadeshi. Deepening democracy through citizen participation was also central to Jaiprakash Narayan’s agenda. JP’s belief was that without deepening democracy, only the elite would rule in the name of democracy. Political and economic power needs to be held and directly exercised by the people.

In a participatory democracy, development decisions about the use of public resources are applied towards common public goods on the basis of participation. Touching every aspect of political, social and economic life,

development defined by the people enables individuals to raise their capacities and provides an enlarged set of opportunities for them to realise their potential. It covers the state, civil society and markets, each of which is necessary to create, maintain and sustain development. The state creates a conducive legal, political and economic environment for individual and business capacities to flourish. The market plays the role of creating opportunities for people to avail, using their enhanced capacities. Civil society mobilises public opinion and people's participation in the social, political and economic canvas in order to sustain a just and equitable social order.

It is in countries where citizen engagement is permitted, or actually encouraged, that participatory democracy can best flourish. Legislation of trade unions, peaceful public demonstrations, freedom of the press and protection of the rights of *all* citizens are the seeds of participatory democracy. When spaces for citizen participation open up, citizens engage in designing, planning and implementing socioeconomic development programmes in their communities and localities. Citizens participate in monitoring government, in demanding transparency, in conducting social audits, in micro-level planning, in mapping and enumerating city settlements, in conserving water, protecting forests and greening wastelands. As consumers, citizens can participate in demanding equity, efficiency and accountability of decision-making from market forces as well.

Direct citizen participation becomes participatory democracy only when other democratic checks and balances are also in place. These include rule of law, a free press, plurality of political parties, free elections with secret voting and, as a consequence, representative democracy. Participatory democracy adds value to representative democracy. It is about making elected representatives (and markets) more accountable for their words and actions, more responsive to citizen concerns.

The rise of citizen participation has coincided with the new era of globalisation. With the 'demise' of the former Soviet Union, free market approaches to economic development gained ascendancy. Globalisation was triggered by the 'triumph' of capitalism, facilitated by new information technology (IT) and supported by rapid cross-border movement of capital.

The vast majority of people in the Southern countries, including India, have become losers in this era of rapid and unregulated globalisation. Free market expansion has further marginalised vulnerable and poor households; local control over natural resources has shifted to distant, global hands; citizens have come to be viewed only as 'consumers'.

As usual, it is those who benefit most from the status quo who feel the most threatened by change. Those who have benefited most from representative democracy and globalisation are not only the elected representatives; it includes the "free market" (business houses, corporates, mass media, etc). These classes feel they are in the best position to determine public policy because only they have access to the full facts. They rarely understand the impact of these policies at the community level. The concerns and aspirations of ordinary citizens, especially the most excluded, are barely heard and rarely acted upon by these elites. These elites have kept themselves sheltered from the voices of ordinary citizens for a long time.

Increasing competency of organised civil society is instrumental in bringing to the forefront these 'missing voices', providing a space for them to be heard and recognised, nurturing notions of active citizenship. Civil society organisations can promote meanings and expressions of democracy and participation that are practised and learnt daily, from the perspective of the excluded and marginalised. They help build participatory democracy through citizen participation that goes beyond the formal, mandated form of democracy – to one that is spontaneous, self-initiated, and a daily practice, and includes the poor and marginalised.

Given the above perspective of participatory democracy, the Indian consumer movement and its foundational champions like Pradeep Mehta can consider undertaking several types of activities. CAP's current thrust of activities provides a useful set of ideas, worth exploring.

- Start with Gandhi's gospel – needs vs wants
- Promote consumer awareness among youth, use new media
- Enter schools, colleges and universities with clear messages
- Focus on critical basic services – health care, water, food, education
- Partner with academia to undertake research

References:

Nigel Martin and Rajesh Tandon (2014), *Global Governance, Civil Society and Participatory Democracy: A View From Below*, Academic Foundation, New Delhi

Rajesh Tandon and Mohini Kak (eds) (2007), *Citizen Participation and Democratic Governance: In Our Hands*, PRIA, New Delhi

Stiglitz, Joseph E. (2002), *Globalisation and Its Discontents*, W.W. Norton & Company, New York

The Hunger Project (in partnership with UN Democracy Fund) (2013), *2013 State of Participatory Democracy Report* (available at <https://stateofparticipatorydemocracy.files.wordpress.com/2013/09/2013-state-of-participatory-democracy-english.pdf>)

Author bio:

Dr Rajesh Tandon is an internationally acclaimed leader and practitioner of participatory research and development. He founded Society for Participatory Research in Asia –PRIA (www.pria.org), a voluntary organisation providing support to grassroots initiatives in South Asia and continues to be in Chief Functionary since 1982. He was appointed Co-Chair of the prestigious UNESCO Chair on Community Based Research and Social Responsibility in Higher Education (www.unescochair-cbrsr.org), for two terms (2012 – 2016 and 2016 – 2020). The UNESCO Chair grows out of and supports UNESCO's global lead to play 'a key role in assisting countries to build knowledge societies'.

A renowned authority on participatory research, he has championed the cause of building organisations and capacities of the marginalised through their knowledge, learning and empowerment. He has contributed to the emergence of several local, national and international groups and initiatives to promote authentic and participatory development of societies.

Dr. Tandon has authored more than 100 articles, a dozen books and numerous training manuals on democratic governance, civic engagement, civil society, governance and management of NGOs, participatory research and people-centred development.