Intergovernmental Group of Experts on Consumer Law and Policy
(IGE Consumer)

2nd SESSION
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Monday, 3 July 2017
Afternoon Session

Agenda Item 3 c. The protection of vulnerable and disadvantaged consumers

Presentation by
CUTS Internacional
Consumer Unity & Trust Society

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Disadvantaged and Vulnerable Consumers

Two case studies: Debt Relief Movement
Behala Oil Tragedy
RIN MUKTI Andolan (Debt-Relief Movement)

- 1969- Nationalisation of Banks turning bank officials into lackadasical staff

- Misappropriation of Funds under 20-Point Programme and Larger Multi-purpose Scheme (LAMPS)

  **Victims:** Backward Communities

- Cases of cheating, fraud and harassment
THE MOVEMENT

April 14, 1984 South Rajasthan: CUTS grassroot activists organise a rally in Mavli, Udaipur.
Support from political parties, and private and public institutions.

June 3, 1985: Writ petition filed in Supreme Court

Demands
1. Orders restraining banks to dispossess backward communities (scheduled caste and tribals) from their lands
2. Restore the lands of tribals and harijans to their possession
3. Direct a commissioner of the Court to enquire into the affairs of the respondents (banks in this case)
Bank Fraud

1. Banks and co-operatives grossly violated the conditions of loan amount, subsidy and interest rates to be charged under welfare schemes

2. Fake loans were advanced to many in the community
Outcome

• Miseries of these backward communities and the atrocities by the bank officials on the poor exposed

• Supreme Court ordered stay on auction of lands and belongings of debtors
Behala Oil Tragedy

- **Edible Oil Adulteration**: Mixing of Tricresyl Phosphate and Rapeseed Oil to give it pungency like in Mustard Oil

- **Source**: “Garib (poor) Bhandar” Ration Shop in Behala, Calcutta

- 2,500 cases of “Ascending Toxic Neuropathy”-type of paralysis reported

- Ration shops work under the supervision of the Food & Supplies Department while the Prevention of Food Adulteration Act under the Mayor of Calcutta: Whose responsibility?
Mounting pressure led the Chief Minister to act:

- Ordered the Mayor of Calcutta to prosecute the ration shop owners under Indian Penal Code and PFA Act
- Anti-adulteration drive launched in the State
- Free treatment and Rs 500 compensation for the victims

- CUTS files a class action complaint in National Consumer Dispute Redressal Commission under Consumer Protection Act, 1986 (COPRA)

- Medical Board established, vitamins prescribed as treatment etc and better compensation ordered.

- A parallel criminal case led to life imprisonment for owners of Garib Bhandar
CONCLUSIONS

• The poor are more vulnerable and helpless than the well off in a society, hence need stronger support from the state
• Alas, we find the state unable to properly support the poor in such cases because they are voiceless
• Law helps the poor but need external support from civil society groups
• Therefore the imminent need to strengthen the consumer movement to protect and promote the rights of the poor

POSTSCRIPT
Must say that the State does provide many ex ante supporting measures to the poor on an affirmative basis.
Thank you,

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www.cuts-international.org