

*Intergovernmental Group of Experts on Consumer Law and Policy*

*(IGE Consumer)*

2nd SESSION

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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 lackadaisical 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)

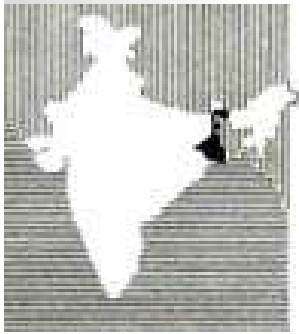


# Bank Fraud

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?

## OUTCOME

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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For more, please visit

[www.cuts-international.org](http://www.cuts-international.org)