

Consumer Protection Regime in Pakistan

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Why consumer protection?

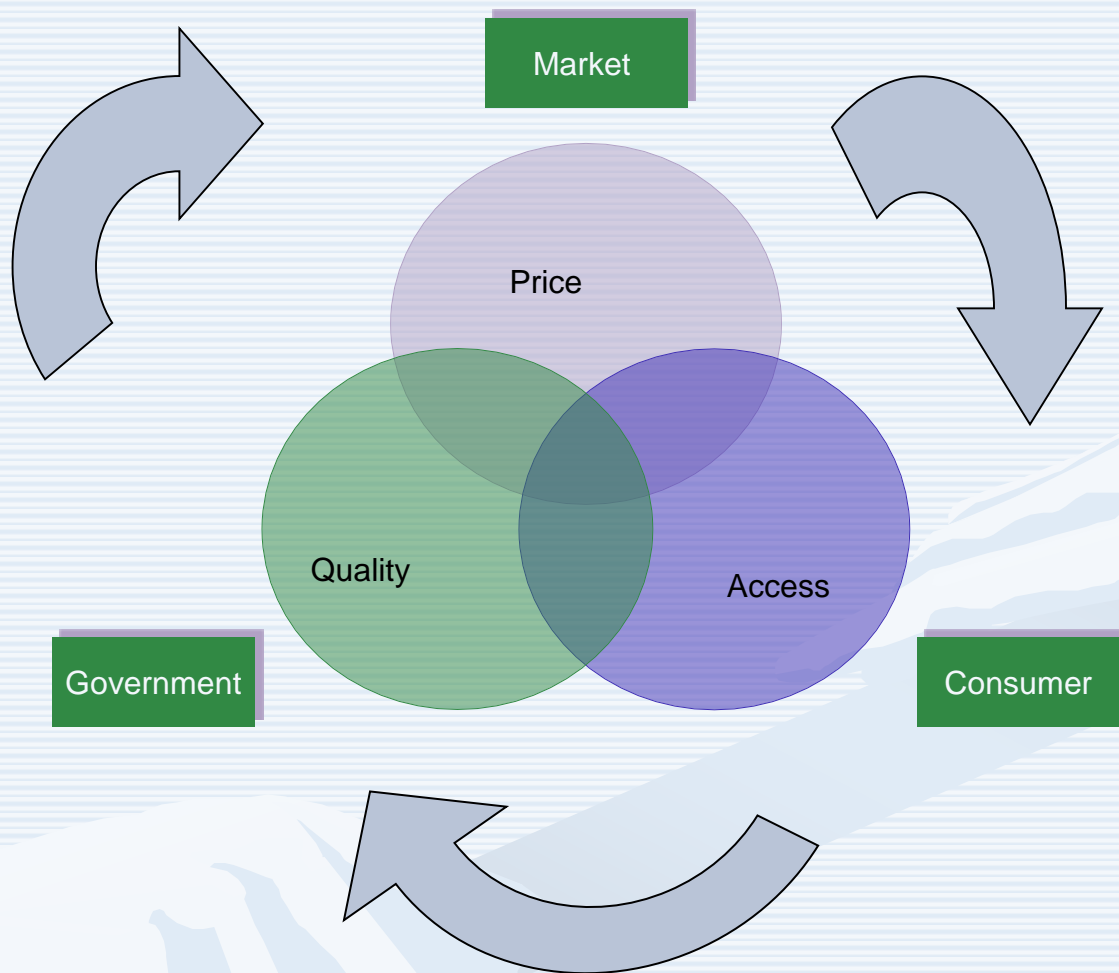
- “Consumption patterns and life styles are powerful determinants of social class and status”(Max Weber)
- Global Merchandise Imports grew from \$2 Trillion-\$5Trillion(1980-1995)-source-WDR 1998.
- Role of credit
- Market failure
- Information asymmetries
- Better informed seller and less informed buyer.
- Solution-Long Run-competition
- Short Term-Consumer Protection.

Consumer Rights and Responsibilities

Consumer Rights	Consumer Responsibilities
<ul style="list-style-type: none">• Right to Basic Needs• Right to Safety• Right to be informed• Right to Choose• Right to Representation/be Heard• Right to Redress• Right to Consumer Education• Right to Healthy Environment	<ul style="list-style-type: none">• Critical Awareness• Social Concern• Environmental Awareness• Solidarity

CONCEPTS

- Government regulation to protect consumer interest-Disclosure of information about product and services &Product liability, fraud and unfair trade practices.
- Institutional setup-Councils, Courts and civil society organizations.
- Stakeholders- Government, Consumers, Civil Society and Business.



DEFINITIONS

- Consumer
Buys or leases a product and hires any service for consideration except for commercial purposes and includes any beneficiary of the service.
- Product
Movable property except actionable claims and money and includes stocks and shares ,electricity, gas and water but does not include money, investment securities and things in action.
- Service
Facilities, Advice or Assistance e.g. Medical, Legal and engineering-exceptions are personal; contract, Non-Professional service e.g. palmistry or astrology and service related to delivery of judgment or arbitration.

GLOBALIZATION

- Mass Production.
- Mass consumption
- Information Flows
- Privatization
- Financial Flows
- Technology
- Cost Of Transportation
- Product Cycle
- Product standardization

POLICY FRAMEWORK

- Top-Down Approach-(Government Active)
- Bottom-up Approach (Grass roots level)
- COMPETITION And CONSUMER PROTECTION.
- Proactive And Reactive
- Legislation &Implementation.
- Objective Are Similar-consumer Welfare

STEPS TO CONSUMER PROTECTION

- Education
- Voluntary self regulation by firms
- Legislation & Implementation agency
- Enforcement
- In Pakistan ,other way round

INTERNATIONAL EXPERIENCE

- Increased role of civil society
- Business Ethics\Corporate Social Responsibility
- Special funds for consumer work
- Strengthening of local Authorities
- Better coordination between Authorities
- Resort to courts as a last resort
- Asian Financial Crisis

REGIONAL CONTEXT

- India: (1986-amended 2002)-Quasi-judicial redressal system-Professional services not included. Civil society active.
- China: (1994)AD-hoc development. Legal proceedings as a last resort after conciliation with business and association and arbitration.
- Malaysia-(1999)Comprehensive coverage of product liability, standards and product safety. Professionals, surveillance of product safety and allowing public groups to bring actions on behalf of individuals not included.

- Consumer Protection: Provincial Subject
- 1994-1998: Debate on Consumer rights Legislation in National Assembly and the Senate.
- 1995 : The Islamabad Consumer Protection Act
- 1997 : The North West Frontier Province Consumers Protection Act
- 2003 : The Balochistan Consumer Protection Act
- 2004 : The Sindh Consumer Protection Ordinance promulgated (lapsed)
- 2005 : The Punjab Consumer Protection Act

INSTITUTIONAL SET UP

- Provincial Consumer Protection Council
- District Consumer Protection Councils
- District Consumer Courts
- DCO as Authority

IMPLEMENTATION

SCOPE of PCPA 2005

- Defective products
- Defective and faulty services
- Unfair practices
- False, deceptive or misleading representation
- Bait advertisement
- Infringement of consumer rights

HOW TO LODGE A COMPLAINT

- On plain paper- Along with particulars, CNIC and details of complaint.
- No court fee
- Punjab Consumer Protection Council (PCPC)
Mail or deliver personally - refer to District Consumer Protection Council (DCPC).
- DCPC- Direct before Authority-Can refer to District Consumer Courts (DCC)
- DCC-Direct, Receive from authority,
- Website - <http://pcpc.punjab.gov.pk/>
- Referred to DCPC.

BENEFITS FOR CONSUMERS

- DAMAGES CAN BE CLAIMED.
- NO COURT FEE.
- PROTECTION AGAINST ALL products and services
- DIFFERENT FROM PRICE CONTROL SYSTEM-ESSENTIAL ITEMS.

JUDICIAL

In case of defective products or services.

- Damages (No Limit)
- Fine Up To One Hundred Thousand Rupees.
- Punish With Imprisonment Which May Extend To Two Years.
- Non Compliance Of Order-fine Not Less Than 5-20 Thousand Rupees And Imprisonment Not Less Than One Month And May Extend To Three Years.

QUASI JUDICIAL

Authority / DCO

Fine fifty thousand rupees in case of :

Non disclosure of components parts, ingredients, quality, date of manufacture and expiry date (where it is necessary)

- Non disclosure of capabilities or qualification of provider of any service (where is it necessary)
- Non issuance / fixation of price catalogue / list.
- Non issuance of receipt.

Alternative Dispute Resolution

- Pre-trial SETTLEMENT
- Mutually agreed with costs
- Confirmed BY COURT .

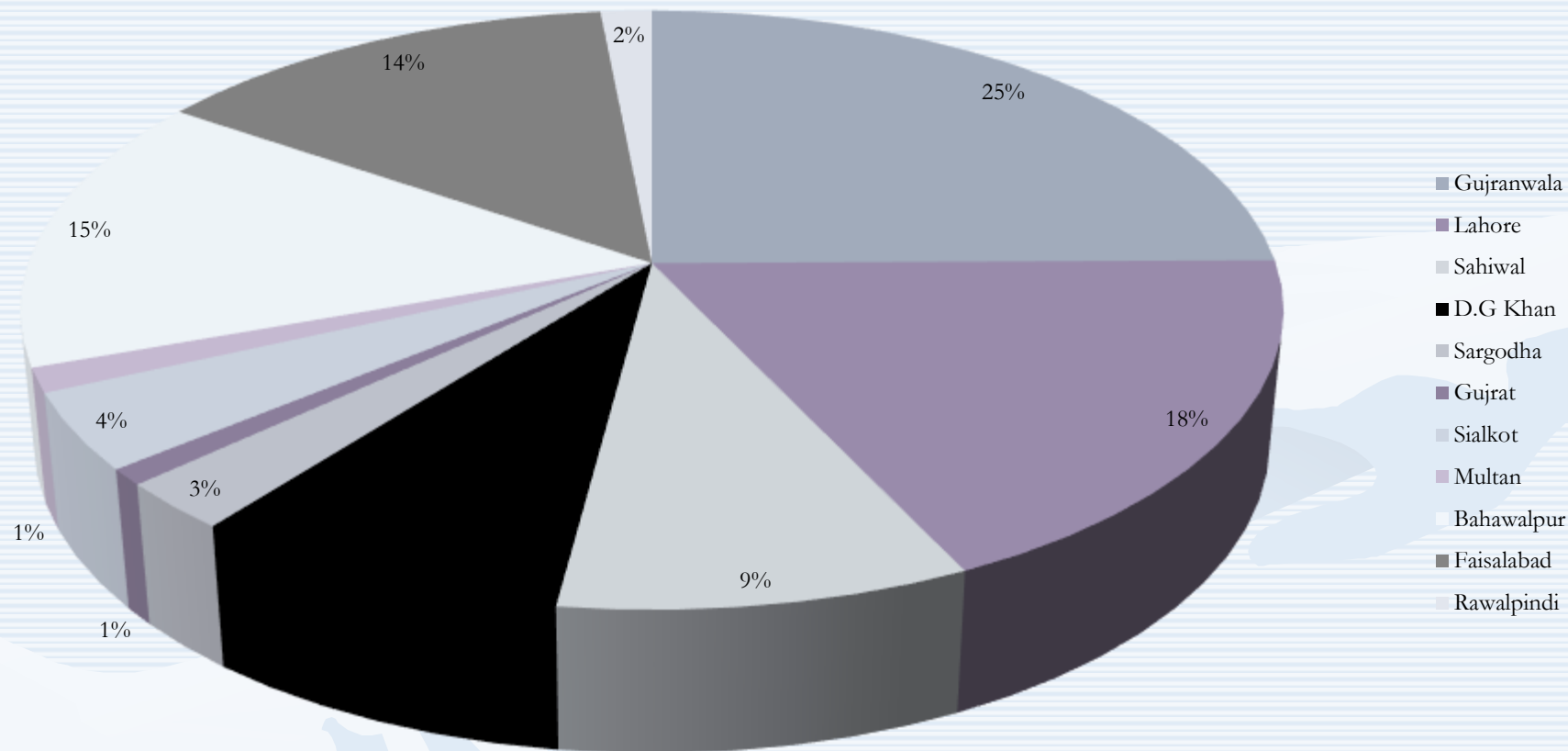
CIVIL SOCIETY

- Solidarity of consumers
- Pressure for change of culture
- Role of civil society
- Coordinate and work with government.

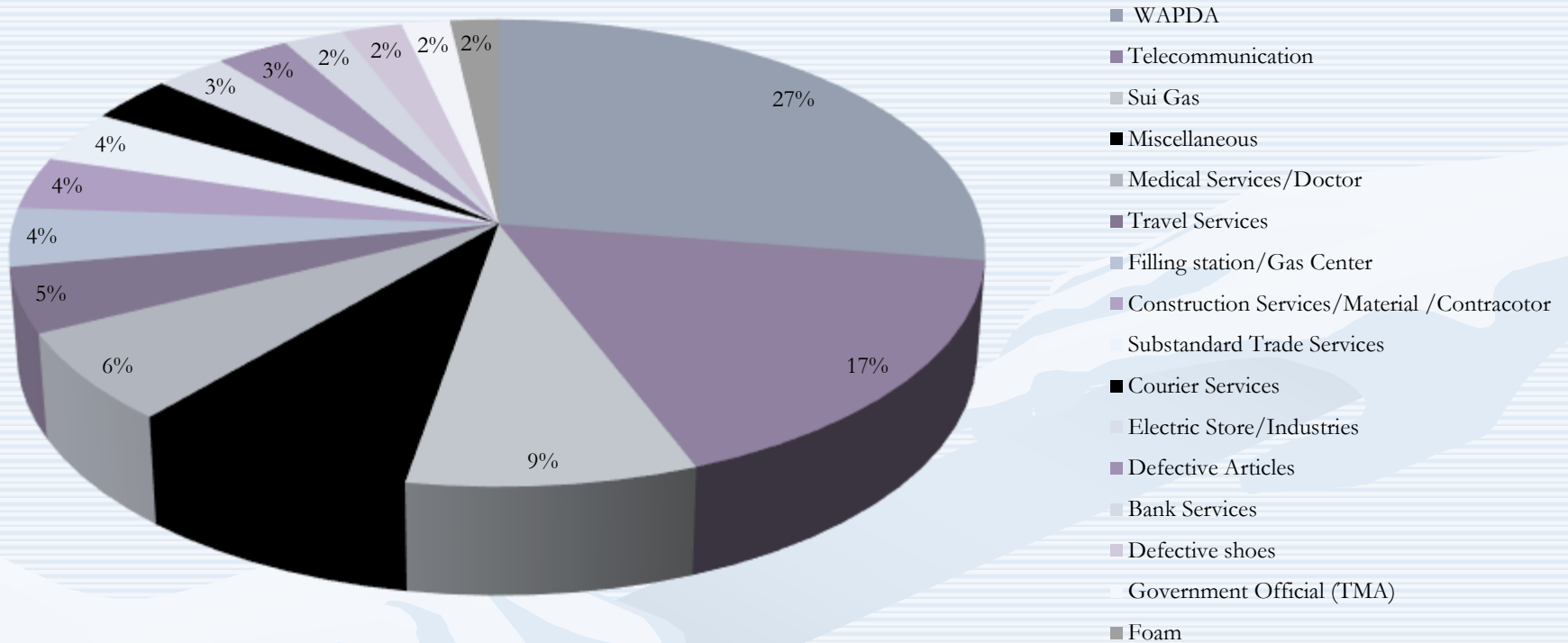
CHALLENGES

- Role Of Regulator-standards Control Authorities-Mohtasib organizations.
- Overlap with other laws-food & drug laws
- Funds For Sample Analysis
- Consumer Protection Policy
- Role Of Federal Government-intra-provincial Disputes.
- Evolution Of Law
- Role Of Civil Society

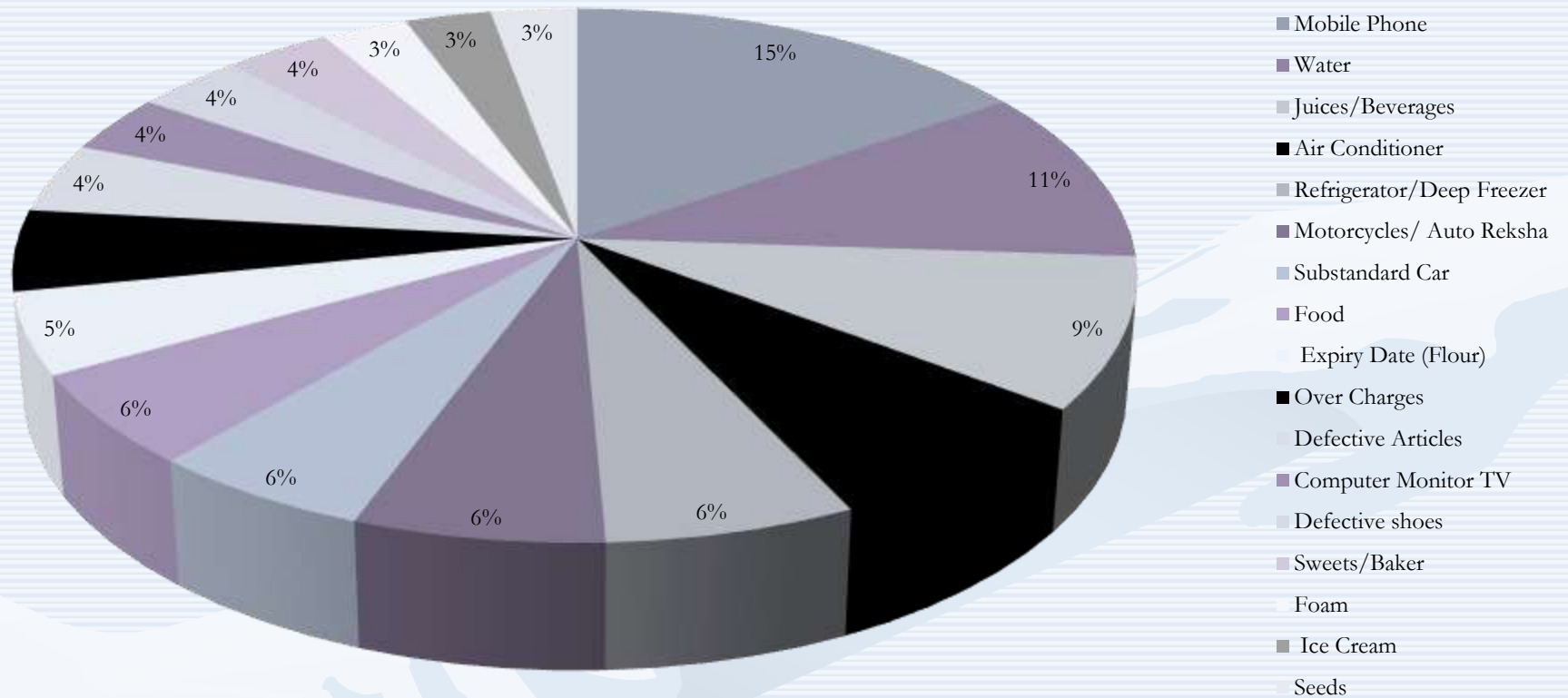
District-wise Distribution



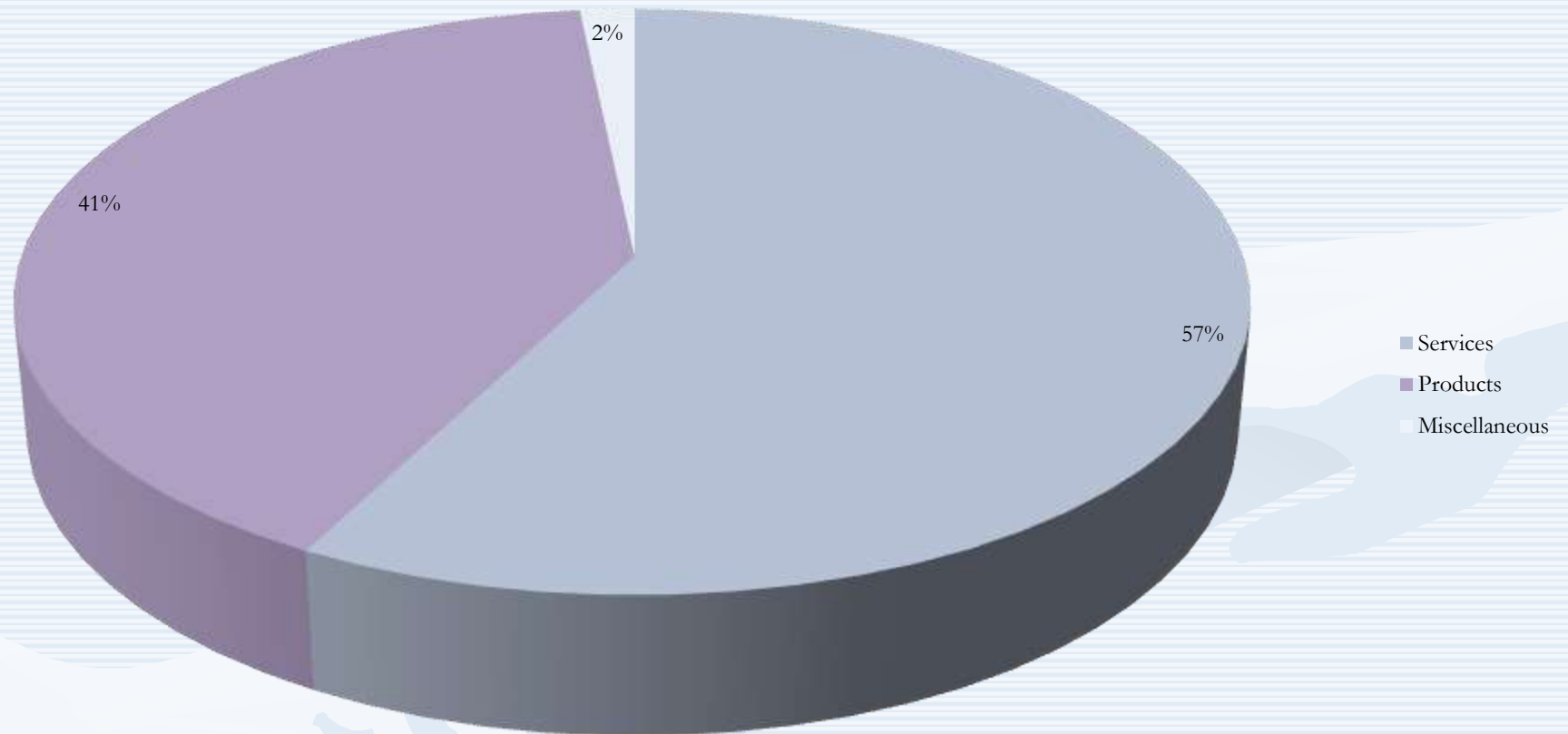
Distribution of Complaints (Service-wise)

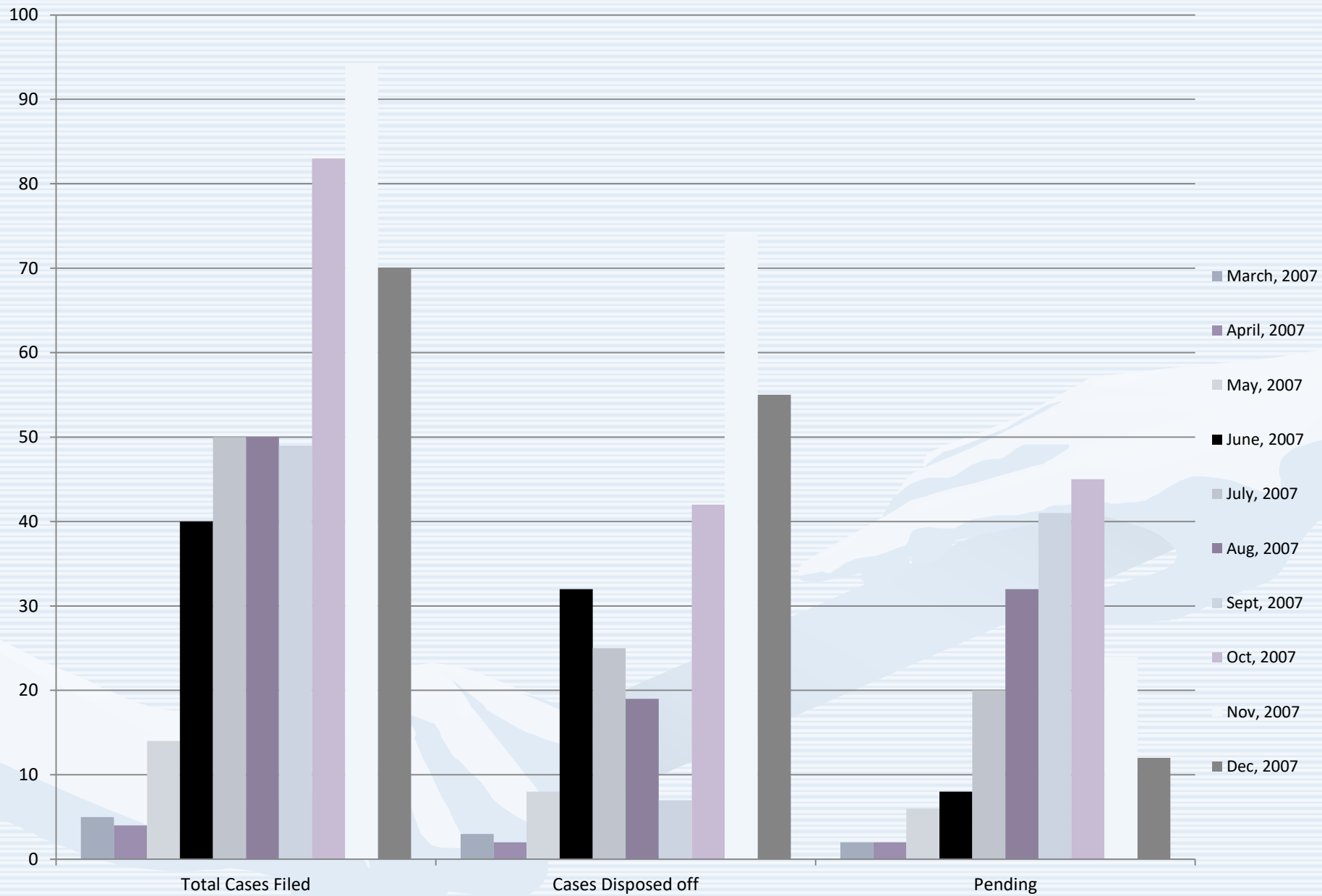


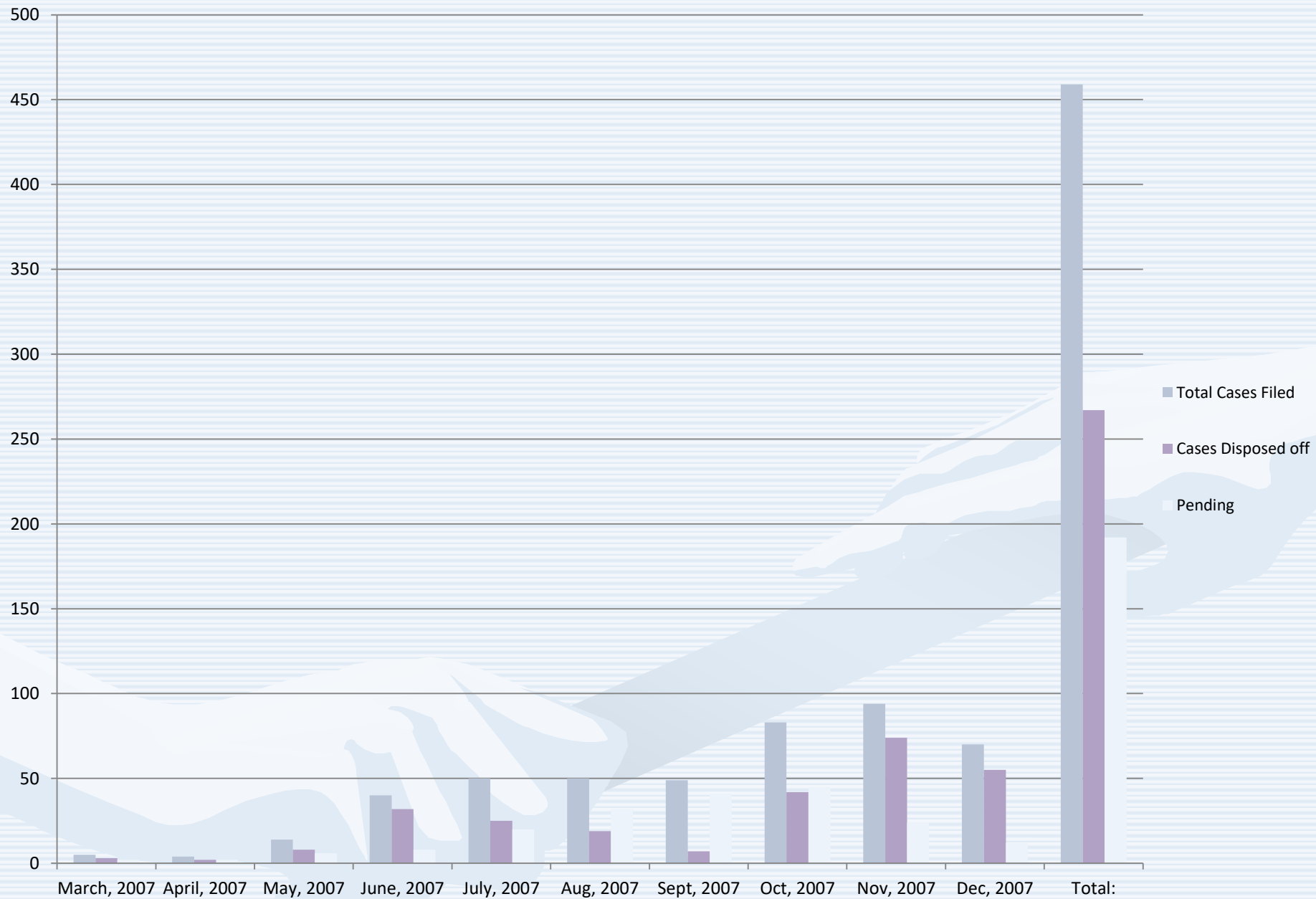
Distribution of Complaints (Product-wise)



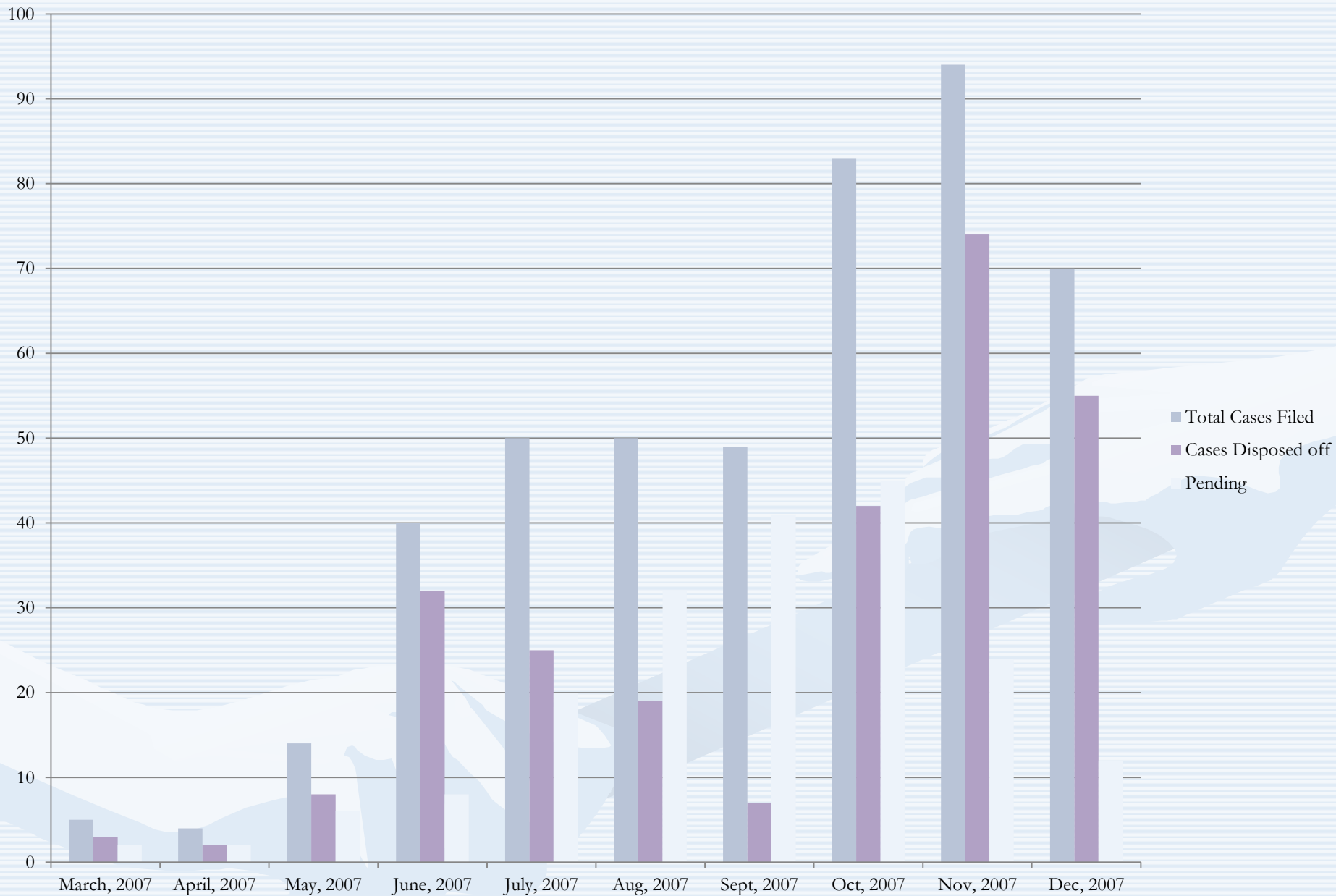
Sector-wise Distribution

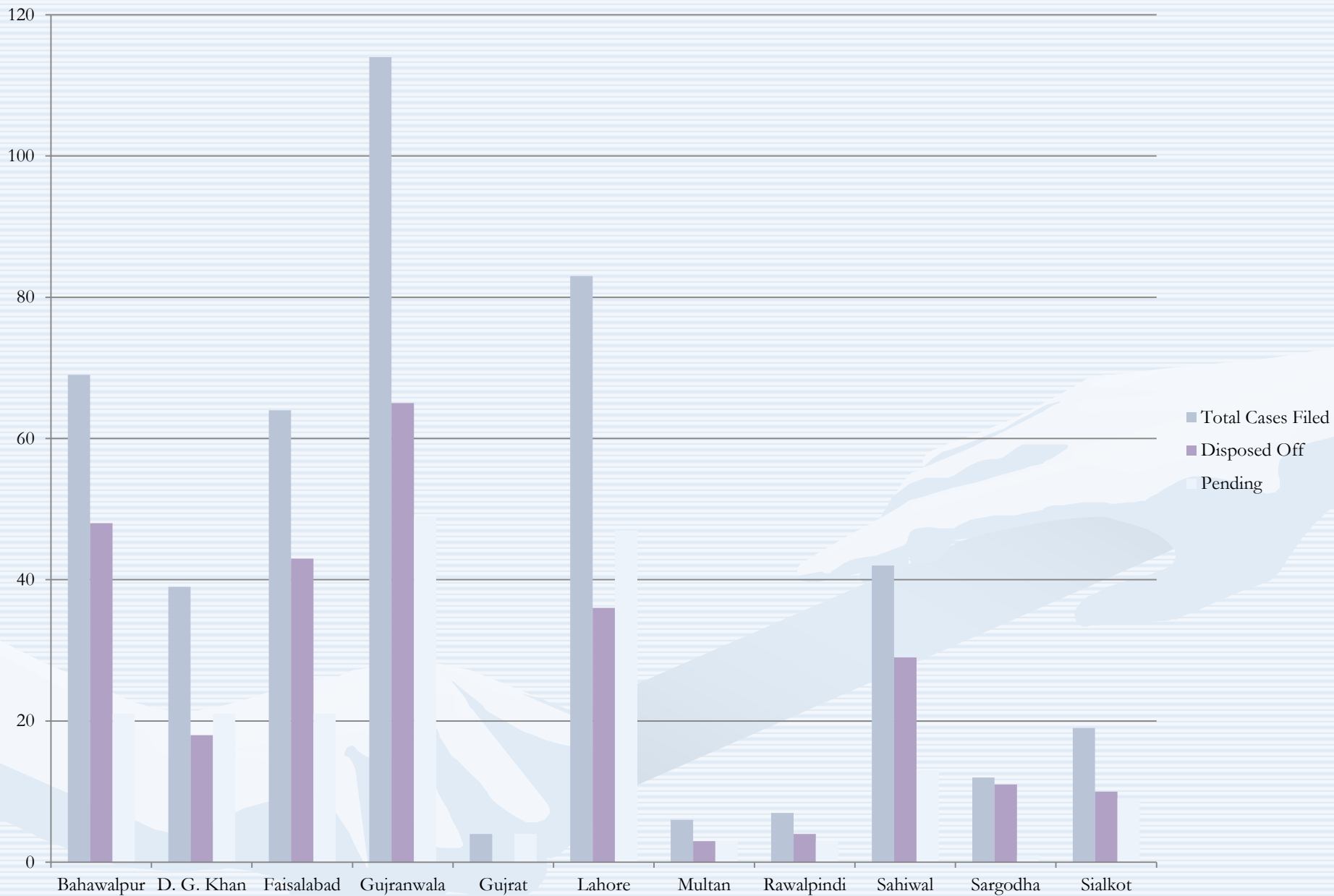


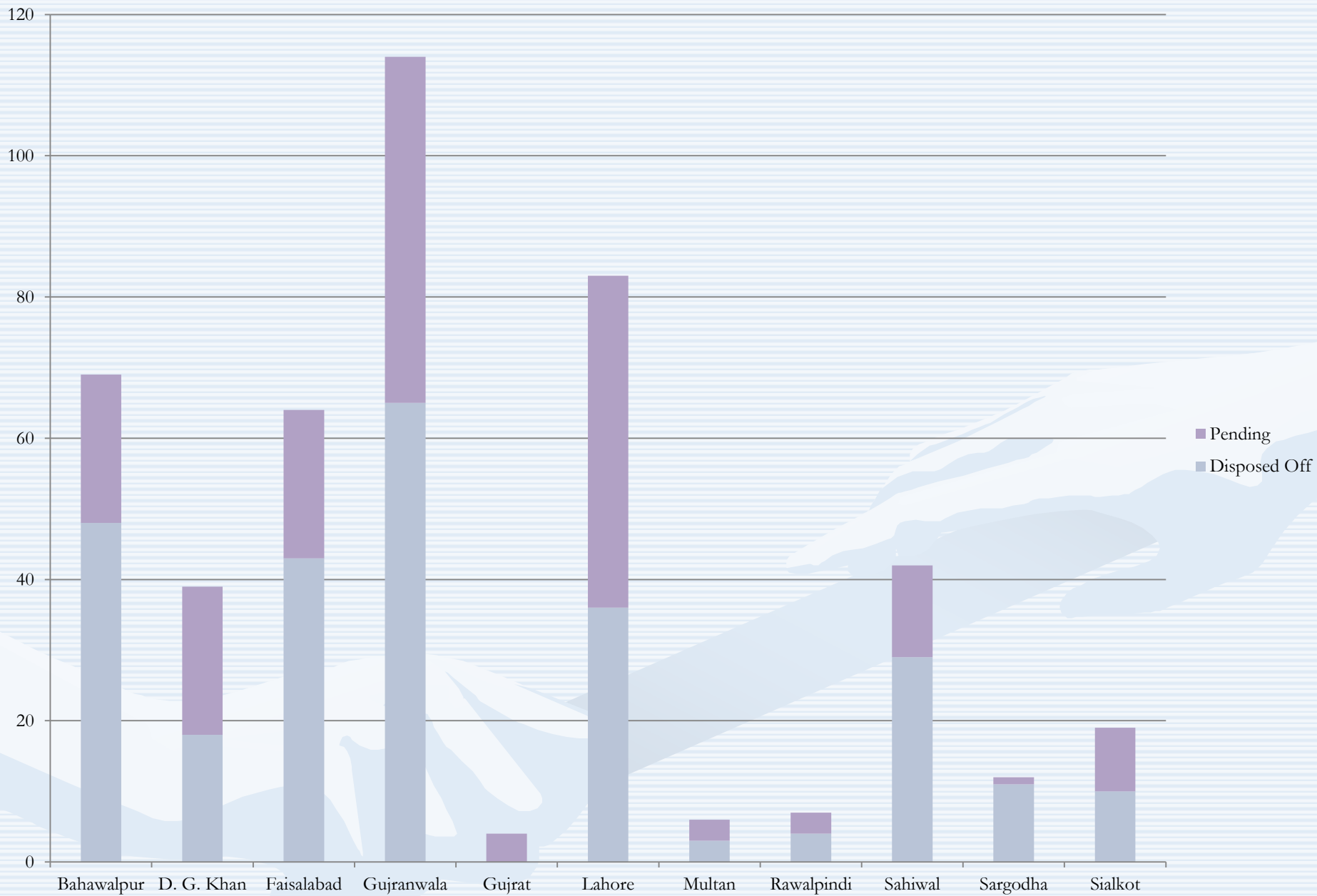












Conclusions

- Institutional Mechanism for Enforcement and Implementation of Legislation is in place.
- Legislation does not stand alone.
- Role of other stakeholder.
- **Awareness and Education.**



Thank You