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CRITICAL ANALYSIS OF CONSUMER PROTECTION ACT 2019

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CONSUMERISM AND GLOBALISATION

India has a long-standing social and cultural heritage dating back to ancient civilizations such as Harappa³ and Mohenjo-Daro. The settling of Aryans in northern parts of India marked the end of a nomadic lifestyle. Throughout history, India has been primarily an agricultural economy, which has greatly influenced the cultural values of its people. Moral values and constructive activities have traditionally been emphasized in Indian society.

In contrast, Western countries, with their colder and harsher climates, have focused more on the development and accumulation of material possessions. India, on the other hand, has maintained a stronger emphasis on spiritual values, although external influences have led to an increased importance placed on material resources for sustenance.

Throughout its history, India has been subject to invasions and cultural influences from various groups, including Aryans, Islamic groups, the British, Portuguese, and French. These influences have played a significant role in shaping the existing culture, leading to a broader perspective that includes both spiritual and material aspects. Developing economies often encounter challenges in developing products and marketing practices that align with the principles of consumerism. Consumerism, as defined by Ralph Nader, revolves around protecting, preserving, and enhancing the quality of human life. It is a social movement aimed at safeguarding the rights and interests of consumers in their interactions with sellers.

Harappan civilization, developed the first accurate system of standardized weights and measures.

According to the concept of consumerism, sellers have the freedom to produce and market their goods as long as they do not pose any risks to public health and safety. Price discrimination should be avoided, ensuring equal treatment for similar groups of buyers. Sellers are allowed to employ various strategies to promote their products, as long as they do not engage in misleading or unfair practices.

Similarly, consumers have the right to refuse purchasing any item presented to them. However, consumers always have the concern that the products they buy should not pose any health risks. They expect the product they see during the selling process to be exactly the same as what was presented to them.

In summary, consumerism emphasizes protecting consumer rights and promoting fair practices in the marketplace, both from the perspective of sellers and buyers. It strives to ensure that products are safe and accurately represented, while allowing sellers the freedom to promote their goods within ethical boundaries. In the marketplace, sellers are in a far better position than purchasers if one closely examines the conventional rights of sellers and buyers. If the goods are of poor quality, a buyer's only option is to choose not to purchase the item or to resist falling for the incentives offered by the vendor. Traditional wisdom holds that a customer has the right to accept or reject any good that is provided to him, but in a world of scarcity, a consumer is frequently compelled to buy whatever is supplied in the market, regardless of the quality of the goods.

The consumerism movement gained momentum in the United States when John F. Kennedy presented a special message to Congress, highlighting the importance of protecting consumer rights. He outlined four fundamental rights for consumers: the right to safety, ensuring protection against hazardous products; the right to be informed, safeguarding against fraudulent practices by sellers; the right to



choose, guaranteeing access to a variety of high-quality products; and the right to be heard, ensuring consumer interests are represented in administrative tribunals.

Consumerism advocates for improvements in product quality and fair marketing practices to enhance the lifespan of buyers. Consumerists advocate for the implementation of controls on the ingredients used in manufacturing goods, as well as consumer representation in business organizations to protect consumer welfare. Consumer welfare entails representing consumer interests in the decision-making processes of businesses. Consumerists recognize that global resources are limited and emphasize the importance of respecting social values to foster peace and harmony between sellers and buyers.

The philosophy of "consumer is king" has been ingrained in India's market structure since ancient times. Manusmriti, an ancient text, laid down ethical regulations for sellers to ensure customer satisfaction and imposed punishments for unethical practices such as consumer exploitation. Mahatma Gandhi also emphasized the importance of the customer in the Indian economy, viewing them as the most important visitor who should be served with dedication. While ancient history did not specifically focus on consumer protection, it demonstrated India's response to consumerism.

In India, consumerism emerged organically due to the prevailing socio-economic conditions, rather than through a specific social movement. To instill faith in the consumerism movement, it became necessary to safeguard the interests of buyers through social mechanisms. Consumerists advocate for measures to improve the quality of products and provide unadulterated goods at reasonable prices, aiming to enhance the quality of life for consumers. However, technology and marketing have also introduced complexities and challenges for consumers. The wide range of available products can lead to confusion, as consumers may not possess the expertise to assess the

quality of a commodity, such as evaluating its electrical or nutritional aspects.

The economic conditions in our country often lead to a sense of dissatisfaction among consumers as their purchasing power diminishes in relation to the value of the rupee.

This impact is particularly felt by the poor and middle-class segments of society. Inadequate production and a flawed distribution system are the root causes of this economic discontent and social problems, which can be addressed through social change.

To tackle these issues, consumerism and the legal framework surrounding it can play a crucial role in providing a reasonable solution that benefits both buyers and sellers, ultimately contributing to the coordinated economic growth of the nation. Consumerism is one of the many legal texts and constitutions among the many Dharmaśāstras of Hinduism. Law aims to recognize the position of consumers in a commercial world and ensure that the legal system, both in terms of substance and procedure, is designed in a way that establishes a fair and reasonable balance between buyers and sellers.

The issue is not giving unreasonable rights to the consumer but striking a balance between the rights of buyer and seller in the present commercial world.

In India, there is a significant number of educated and affluent consumers who have the potential to drive consumerism by opposing malpractices in the marketplace and addressing issues such as rising commodity prices that affect different sections of society disproportionately. The introduction of new products raises concerns regarding health, safety, and redundancy, especially considering the large population below the poverty line.

It is crucial for us to voice our protest against unchecked price increases, particularly when it comes to harmful commodities, but protests alone may not be sufficient. There is a need to establish an independent



regulatory body to monitor and control price rises. A new institution dedicated to protecting the rights of both buyers and sellers, as well as producers and manufacturers, is necessary.

Some businessmen argue that consumerism is burdensome for consumers, as it restricts their practices and reduces choices. However, this perception misunderstands the essence of consumerism as a social movement aimed at resolving strains within the complex socio-economic system. Consumerism⁵ provides an opportunity for businessmen to consider their responsibilities towards society and contribute to the production and distribution of legitimate, quality commodities. It encompasses not only the protection of consumer rights but also the provision of essential elements such as clean drinking water, pollution-free air, and adequate healthcare, which are vital for the general welfare of the community. Therefore, achieving consumerism requires the implementation of social welfare measures.

Globalisation

Globalisation can be defined as a phenomenon where regional countries, societies and culture integrate through communication and trade at global level. The term "economic integration" typically refers to the process of integrating underdeveloped or developing economies with international economies through various means such as trade, social and economic order that encourages the acquisition of goods and services communication, transportation, foreign direct investment, and the adoption of new technology. This integration facilitates the exchange and circulation of ideas, languages, and popular culture among nations.

The term "globalisation" was initially used in the field of education in 1930 according to the Oxford Dictionary. It gained popularity in the 1960s when economists and social scientists began using it more widely. Charles Taze Russell, an American entrepreneur, is credited with coining the term "corporate giants" in 1897. The United Nations

ESCWA6 defines globalisation as the reduction and removal of barriers between national borders to facilitate the flow of goods, capital, services, and labor, although significant barriers still exist for the movement of labor. Essentially, globalisation is a socio-economic process that involves both economic development and cultural exchange. The terms "internationalisation" and "globalisation" are sometimes used interchangeably, but internationalisation primarily refers to international trade and relations without including the flow of trade and labor, whereas globalisation encompasses both aspects. The origins of globalisation can be traced back to transnational trade in China when it established trade relations with Europe and Asia. The French Revolution and the American Revolution, which occurred between 1776 and 1789, led to the overthrow of military states and the establishment of welfare states that prioritized business interests.

International law was created as a result of the industrial revolution and the rise of integrated interests. However, other academics claim that ancient civilizations like the Indus Valley Civilization are where the history of globalization begins. Han and Roman dynasties frequently conducted commerce together.

Muslims and Jews began travelling to other regions of the world to market their wares during the mediaeval era, and there was a fusion of culture, ideas, and traditions. In essence, this was a time of discovery. In China, where the postal service was initially developed, people began to communicate more and trade languages. Some academics also credit colonization with establishing pre-globalization regions. In Asia, Latin America, and Africa, colonies were expanding.

After the First World War, the pre-globalization era finally came to an end, and the world experienced the Great Depression and financial crisis from 1920 to 1930. After one of five regional commissions under the jurisdiction of the United Nations Economic and Social Council.



the Second World War, globalisation finally took hold, leading to the independence of

nations like Sri Lanka, India, and South America. As more and more states attained independence, their own independent governments worked to forge trade ties with other countries. International bodies including the United Nations, European Union, UNICEF, and many others were founded to regulate ties between nations. As trade contacts and communications between the nations developed throughout time, infrastructure development, tax and tariff control, and the emergence of multinational corporations all followed.

Globalisation Culture and Consumerism

Globalisation emerged in the 20th century with the removal of trade barriers and the promotion of free market systems. It fostered competition among sellers, focusing on product quality and services. Consumers worldwide gained access to a wide range of choices, lower prices, and increased product quality as businesses aimed to satisfy their customers. Globalisation facilitated the manufacturing of products in locations with low labor costs and their distribution anywhere in the world, leading to significant growth in the fashion industry and contributing to the rise of consumerism. Consumers now have the flexibility to select from various alternatives at affordable prices, resulting in heightened expectations. Marketers have witnessed the expansion of product types within existing markets, such as laptops and touch-screen mobiles, as well as the integration of similar products like touch-screen tablets and laptops.

To comprehend the impact of globalization on consumers, ethnic groups, and citizens, it is necessary to analyze the foreign exchange markets and trade patterns specific to the region. Marketers face challenges when promoting their goods in diverse parts of the world to cater to different ethnic groups and cultures.

Globalization is a process that fosters cultural exchange and similarity through trade, immigration, and the sharing of information and ideas. However, the effects of this phenomenon on cultures and individuals are often not fully understood or recognized

In the contemporary world, globalization plays a significant role in shaping consumption patterns and promoting homogeneity. Local traditions have taken a backseat as consumption behavior aligns more with lifestyles, social groups, and age demographics. The fast food industry in India, for example, has experienced

Galazka & Grzelak, 2013. The Tendencies of Food Consumption in Poland on Background of Global Conditions, Economic Yearbook of the Kujawsko-Pomorska University in Bydgoszcz, tremendous growth, indicating a preference for standardized goods that contribute to market development and lower prices in developing economies.

The food industry serves as a clear example of the effects of globalization. Technological advancements, increased mobility, the establishment of international retail chains, and the standardization of offerings have all influenced food consumption. The rise of the internet has facilitated free and affordable global communication, leading to the sharing of experiences and influencing consumer preferences. Movie trends, multiplexes, and food blogs on social media platforms have also impacted consumer choices, ultimately drawing people towards a modern and convenient lifestyle.

Globalization has influenced consumer behavior in three key aspects: the market environment, the means of satisfying needs, and the hierarchy of needs. The market environment has witnessed the establishment of hypermarkets, supermarkets, and fast food restaurants, along with legal protections for consumers, all within the retail and service industry. The second aspect pertains to brand management and the expansion of consumer shopping and eating



habits. The third aspect reflects the adoption of Western culture in Indian society, leading to the incorporation of Western lifestyles. Research suggests that a significant number of young consumers are drawn to supermarkets due to the convenience of finding a wide range of goods in one location, attractive offers, and effective communication strategies employed by retailers.

The process of globalization has notably accelerated the growth of fast food restaurants, particularly in the United States. In 1970, there were only 30,000 fast food outlets, but by 2004, that number had increased to a staggering 233,000 outlets across various locations

Globalisation and the extreme deregulation of economic ties have raised consumer awareness of food and health. State-level actions on organizational structures in the domain of food safety are being taken in response to the ongoing consumer demand for food safety solutions. Children are being taught in schools about the relationship between environment and diet and how it affects health.

Globalization has brought about significant economic, social, and technological transformations worldwide, which have greatly influenced consumer habits and preferences. There is a global trend where consumers seek convenience and time-saving consumption options, often opting for processed foods over traditional cooking methods and compromising on food quality. However, some researchers argue that globalization

has also motivated consumers to prioritize foods that are minimally processed, nutrient rich, and flavourful. These consumers prefer cooking at a relaxed pace using fresh fruits and vegetables.

This transformation is intriguing, as consumers tend to apply their experiences to material possessions, prompting food producers to create new products that cater to consumer demands. Restaurants, for instance, entice consumers with attractive offers, unique menus,

and appealing interior designs to provide a comfortable dining experience. In essence, globalization can be seen as a process in which national and international markets merge to form a single global market, leading to the homogenization of consumption patterns and changes in consumer food behaviour. Factors such as mobility, technological advancements, the expansion of international chains, and standardization of offerings have all impacted food consumption. It is evident that globalization has significantly influenced consumer behaviour, with a preference for fast food accompanied by comfortable seating arrangements and novel experiences that complement material possessions. However, globalization has also given rise to the emergence of domestic and ecological food products to meet the diverse needs of consumers.

The globalization has its own disadvantages which are discussed as below; Multinational corporations are often criticized for their exploitative working conditions, disregard for environmental concerns, unequal distribution of resources, and lack of ethical practices. Some economists argue that international organizations such as the World Trade Organization (WTO), World Bank, and International Monetary Fund (IMF) prioritize the interests of developed countries and corporate entities over the well-being of society.

These international organizations are primarily focused on promoting economic growth, neglecting other important factors such as Gross National Happiness. It is important to recognize that a country's Gross Domestic Product (GDP) does not necessarily reflect its true progress and can exacerbate income inequality, benefiting the wealthy while marginalizing the poor. Multi-national companies often establish their manufacturing units in developing countries to take advantage of cheap labor, resulting in increased corporate control over the economy at the expense of civil society associations. The privatization of media has further hindered the proper communication of social and ethical perspectives, leading to the erosion of cultural traditions.



Globalization has influenced people's mindset, driving them towards a materialistic way of life. Success is often equated with material possessions, and individuals are increasingly attached to social media, leading to a loss of genuine human connections. International organizations have also been criticized for compromising individual and national independence.

Many economists' express concerns that globalization may escalate tensions and potentially lead to conflicts over limited resources, even sparking a third world war. Critics argue that the globalization process primarily benefits large corporations and global institutions, failing to effectively address the needs of the poor. Income inequality has been exacerbated within and between nations, as highlighted by the United Nations Development Programme's 1992 report, which revealed that 20% of the world's population controlled 82.7% of global income.

Furthermore, globalization has had detrimental effects on the environment, including widespread deforestation driven by the demand for disposable products and the overuse of natural resources due to population growth, resulting in the loss of biodiversity. According to renowned scholar Kalbessa, the current international law allows transnational corporations to pursue their interests worldwide, leading to detrimental consequences. In Nigeria, for instance, globalisation has been responsible for the depletion of rainforests through the establishment of industries that destroy natural habitats and disrupt the livelihoods of peasant farmers. This deforestation has resulted in drier climates, as the absence of trees reduces atmospheric moisture and lowers groundwater levels. Furthermore, continuous pollution and industrial activities have contributed to the depletion of the ozone layer.

Globalisation has also caused various forms of environmental pollution, generating physical and chemical agents that pose harm to human, animal, and plant life, disrupting natural processes in the environment.

The activities of oil industries, including exploration, production, refining, and transportation, have caused social and ecological disruptions. Examples of such destruction include explosions from seismic surveys, floods, pollution from pipeline leaks, and the installation of industrial infrastructure. The NNPC9 (Nigerian National Petroleum Corporation) reported in May 2010 that out of the 192 billion standard cubic feet of gas produced during that period, over 145 billion cubic feet were flared. Gas flaring is highly detrimental to the environment and contributes to food insecurity, diseases, skin cancer, and extreme climatic conditions.

It is evident that globalisation, particularly in the context of oil industries, has had significant negative impacts on the environment, leading to a range of ecological and social challenges.

Globalisation has brought about a significant challenge in the form of electronic waste, which has become a growing concern worldwide. Electronic waste refers to discarded secondary computers, mobile phones, and other electronic devices. This issue has been highlighted by Achim Steiner, the UN Under-Secretary-General and Executive Director of the UN Environment Programme. Steiner states that globalisation has led to a massive increase in electronic waste, with a substantial amount being dumped in Asia and Africa. For instance, it has been reported that approximately 100,000 computers arrive at the port of Lagos each month. Unfortunately, a significant portion of these imports, including old televisions and mobile phones, end up in African landfills or open-air incinerators. This rapid cycle of technological advancement renders older machines obsolete within a short period, resulting in a surplus of unwanted products. Developing countries often face the challenge of compromising their environmental regulations when it comes to handling e-waste. This situation has allowed developed countries to exploit the situation by dumping their electronic waste in these developing nations, disregarding the negative impacts on both the citizens and the environment. Improper handling of e-waste leads to the release of



harmful toxins, posing serious health risks to the population. Consequently, the unusable and unserviceable e-waste ends up in dumpsites, which are then frequented by impoverished individuals, such as scavengers, who search for materials that can be sold. In Lagos State, for example, it is estimated that approximately 53,600 metric tonnes of e-waste are dumped annually, including a staggering amount of discarded computers, printers, monitors, and television sets.

India and Globalisation

In 1981, India faced lot of difficulties with respect to balance of payment. The exports lagged considerably behind and imports of oil were increasing at a higher rate leading to trade deficits at astronomical heights. In 1991, India underwent a significant policy change known as Liberalisation, Privatisation, and Globalisation (LPG) in response to the country's economic challenges.¹⁰ This new policy aimed to dismantle regulatory and bureaucratic controls and create a more market-oriented environment, integrating the Indian economy with global markets. Prime Minister P.V. Narsimha Rao introduced economic reforms that marked a departure from the socialist model that had guided the Indian economy for years. This period, from 1990 to 1991, heralded a new era of economic growth and positioned India as an emerging economic powerhouse.

The key measures implemented as part of the LPG policy were as follows:

Currency devaluation: The value of the Indian currency was reduced against major international currencies to address the balance of payment crisis.

Privatisation: Public sector undertakings were sold to private players, facilitating the process of globalisation.

Industrial liberalisation: Industrial policies were relaxed, eliminating the need for government permission to establish industries beyond 25 kilometres from cities.

Foreign Direct Investment (FDI): FDI was allowed in all sectors to promote employment, capital flow, and overall GDP growth.

Abolition of the MRTP Act: The Monopolies and Restrictive Trade Practices (MRTP) Act was abolished as part of the liberalisation process.

Opening the doors to multinational corporations (MNCs) was considered essential, as it would bring in additional resources, advanced technology, improved management practices, and more efficient manufacturing processes. This step not only boosted investment and increased domestic production but also led to a rise in exports. Integration into the global economic market was seen as crucial for India's economic prosperity. However, it is important to acknowledge that the challenges and risks "Globalization and its impact on Indian economy." International Journal of Research - Granthaalayah, 5[6], 544-549. (2017) associated with such a process of globalisation have not been fully comprehended.¹¹ Globalisation has indeed brought significant benefits to India, particularly for consumers and the economy. One of the key drivers of change was Foreign Direct Investment (FDI), which had a profound impact on the cultural, political, social, and economic aspects of the country following the 1991 policy reforms. The Indian industry experienced substantial globalisation, leading to an improved Gross Domestic Product (GDP) and a favourable position in the world economy.

FDI played a crucial role in attracting foreign investments, particularly in industries such as business process outsourcing (BPO), pharmaceuticals, petroleum, and manufacturing. This influx of foreign investments contributed to the growth of the Indian economy and provided employment opportunities for a large number of people, ultimately aiding in poverty reduction. Additionally, the development of the IT industry in India resulted in the emergence of skilled professionals who served European and US clients. Many foreign companies took advantage of India's highly talented workforce at lower costs by leveraging communication technologies such as email, internet,



and voice over IP for outsourcing knowledge-worker operations.

India's market industry experienced significant growth thanks to the introduction of advanced technology. Globalisation also facilitated an increase in exports, with Indian companies expanding their businesses beyond national borders and gaining popularity for their products. Prominent examples include Reliance Industries, Tata Motors, Mittal Steel Industries, Infosys, and the Aditya Birla Group. Additionally, India saw a rise in the export of food items, as well as an increase in the consumption of fast food, soft drinks, and meat within the country.

The cultural landscape of Indian society underwent a significant transformation due to globalisation. Access to television expanded to approximately 90% of the urban population by 2009, leading to widespread exposure to different cultures and ideas. In summary, globalisation has had a positive impact on India, driving economic growth, increasing exports, attracting foreign investments, and bringing about cultural changes in society.

Fashion industry went through tremendous change post 2000s. People started welcoming international brands like Gucci, Nike, Reebok, Woodland, H&M and 11 Government of India, Export-Import Policy Statement, July 3, 1991 adopted their fashion styles. Globalisation has had a significant impact on the education industry, fostering collaborations between foreign and Indian universities across various fields. This has led to the exchange of knowledge and expertise. Moreover, schools are increasingly promoting student exchange programs, enabling foreign students to learn about Indian culture and society, while Indian students have the opportunity to study and immerse themselves in foreign cultures. Traditional education in India is undergoing a transformation, moving from formal classroom programs to more informal approaches. The transition from an industrial

society to an information society is driving this shift. Public schools have embraced elearning, distance education, and overseas training programs to enhance the learning experience.

Globalisation has also played a role in advancing women's rights and opportunities in the workforce. Women have gained recognition for their rights as human rights at a global level. Technological advancements have empowered women, enabling them to demand better wages, improve their social status, and achieve professional growth both within their homes and in corporate settings. Positive Impact Globalisation has turned out to be boon for Indian economy in following ways:

GDP has increased from 5% to 7% during the period of 1993 to 2001. In 2006-2007, it was found to be 9.2%.

The Reserve Bank of India stated Indian foreign exchange reserves as \$ 35.83 billion in 2016.

The cumulative inflows from 1991 to 2006 were \$ 43.29 billion which shows a good rate of growth for a developing economy.

India's share was 55% in Global Outsourcing market in 2010.

In 2005, India obtained the place of fourth position in market capitalisation.

In 2015, it was detected that India had 100 billionaires who were making

Negative Impact

According to census data, the number of child labourers in India increased from 11.28 million in 2001 to 12.59 billion. Poverty and lack of security are the main factors contributing to child labour. The rise of the private sector driven by profit motives post-liberalization has led to an increase in child labour.

The agricultural sector, which was once the backbone of the economy, was largely neglected after liberalization. Despite significant public investment in other sectors, the agricultural sector suffered, leading to its decline and causing unemployment among



farmers, which in turn had a negative impact on the overall economy.

The scarcity of jobs and lack of job security in the modern era have contributed to the perpetuation of crimes, dowry systems, and unemployment.

In 2015, Forbes reported that India had 100 billionaires. However, one of the negative impacts of globalization has been the widening wealth gap, with the rich becoming richer while the poor continue to face increasing poverty.

India demonstrates a tremendous fortitude, which history—both modern and ancient— has amply attested. P.V. Narsimha Rao's economic reforms had a significant impact on the economy of our nation. But we can't completely copy the Western Model of government in order to operate our country because doing so could lead to disaster in times of economic downturn and financial crises. Our economy must be liberalised, privatised, and made more global, but not at the expense of our Indian culture. Indianization of our economic structure should be pursued. Indian economic system has been integrating largely with Western economic forces but we are losing our identity. Bureaucratic system has taken a toll on our democracy and wholesale transplantation of Western technology and consumeristic culture based on the principle of profiteering cannot be a solution to the problems.

E-commerce Consumers Protection in Globalised India

E-commerce, as defined by Roger Clarke, refers to the conduct of business using telecommunications and computer-based tools¹³. It involves the buying and selling of information, products, and services through computer networks. The advent of e-commerce has automated commercial practices by enabling the display of products online, facilitating order registration, online payment processing, and coordinating inventory and delivery. The growth of ecommerce globally has been remarkable, bringing about a revolution in the traditional process of buying

and selling goods and services. The expansion of e-commerce has had a significant impact, benefiting consumers through increased competition, competitive pricing, a wider range of available goods, and more convenient services.¹⁵ In the United States, e-commerce has particularly influenced the advertising of drugs, as manufacturers of medications for conditions like depression and headaches provide detailed information on their dedicated websites.

In India, e-commerce has provided businesses with the opportunity to bypass traditional intermediaries within the domestic market and gain access to global markets. With reduced transaction costs, e-commerce has led to a significant increase in the number of sellers and suppliers, fostering greater diversity and competition in the marketplace. As a result, e-commerce has emerged as a new form of entrepreneurship, encompassing existing companies, organizations, small businesses, and individual online traders. It is crucial to prioritize the protection of e-consumer interests at this stage, as it directly impacts the confidence of online consumers and contributes to the growth of online trade.

Consumer Interests and Risks in E-Commerce

Research has shown that e-consumers face various challenges when engaging in online transactions, including issues such as identity theft, unauthorized disclosure of private information, phishing attacks, bank account hacking, product misrepresentation, nondelivery of goods, and poor service quality. Online marketplaces like Amazon, eBay, and Flipkart have also been associated with reported violations of consumer interests. To understand the challenges faced by e-consumers in India, let's examine the eBay model, Helge Huffman,

Consumer Protection in E-Commerce, University of Cape Town,

Payment methods for Consumer-to-Consumer Online Transactions, Akron Law Review.

(2001), which has achieved remarkable success within a short span of time but has faced controversies related to consumer abuse and copyright infringement. eBay



operates as an online intermediary, where sellers independently list and sell their products and services through auctions or fixed prices, while eBay serves as the online marketplace. Although eBay does not directly engage in buying and selling, it earns revenue from sellers. However, it does not assume any responsibility in case of consumer interest violations and does not take responsibility for the items listed on its website. eBay has faced numerous legal disputes related to consumer interest abuses, particularly regarding fraudulent activities by sellers who fail to deliver products as described on the website. These issues can be attributed to the inadequate standard of care and protection provided to consumers.

The expansive reach of the virtual market has raised concerns regarding the location and legitimacy of online businesses, as well as the transparency of terms and conditions, warranties, return policies, and the security and privacy of transmitted information. In India, consumer rights are protected by the Consumer Protection Act of 1986, along with the Consumer Protection Rules of 1987 and the Consumer Protection Regulations of 2005. The judicial system has attempted to apply these laws to e-commerce disputes, but practical challenges remain. To receive protection under domestic law, all parties involved in transactions must be based within the country's jurisdiction. However, this approach does not cover the majority of e-commerce transactions where parties are located in different jurisdictions.

The Consumer Protection Act of 1986 does not explicitly address the role of intermediaries like eBay. It only covers vendors and manufacturers in relation to deficiencies in goods and services, leaving the accountability of online marketplaces such as eBay unaddressed. To hold intermediaries accountable, reference must be made to the Information Technology Act of 2008, which was enacted following the adoption of the UN resolution on the model e-commerce law.

However, customers are not entitled to any assistance under the same consumer statute.

Information Technology Act, 2008, Section 75, addresses the question of whether Indian Courts have jurisdiction over an offence committed outside of India by any person of any country, however it does not address the issue of consumer complaints. Thus, it is urgent to reform India's consumer protection laws to include the responsibility of online intermediaries.

Jurisdictional Issues in E-Commerce

Consumer protection in the context of e-commerce has become a complex issue due to the growth of cross-border transactions, which extends beyond domestic boundaries. Challenges such as the extraterritorial application of domestic consumer protection laws and the enforcement of foreign court judgments have emerged. Although numerous e-commerce cases occur daily, only a few are reported to the courts. This is primarily due to inconsistencies in jurisdiction and the inadequacy of existing domestic consumer protection frameworks.

The Consumer Protection Act of 1986, which is based on outdated presumptions, is not well-suited for the virtual marketplace where sellers are often located in different jurisdictions. Applying the current consumer laws to online cross-border transactions is extremely challenging. The virtual nature of the e-commerce market, which lacks fixed national boundaries, contrasts with the strict jurisdiction-based approach of domestic laws. Consequently, the Consumer Protection Act is not compatible with e-commerce transactions.

One of the most contentious jurisdictional issues relates to the location of the parties involved, which is often unknown in many cases. Websites and electronic addresses do not necessarily correspond to a specific geographic location. In the Indian context, it would be advisable to adopt a balanced approach, drawing from both the American and EU models, to promote the growth of e-business while ensuring adequate protection for e-consumers.



Consumer Protection Act, 2019 and E Commerce

The Consumer Protection Act of 2019 has been enacted to safeguard consumers in the realm of e-commerce. It introduces stringent provisions regarding advertisements and marketing practices to ensure fair business conduct. Sellers on virtual marketplaces are required to provide sufficient disclosure of relevant information, aiming to prevent unfair trade practices. The act also promotes secure methods of payment to minimize financial losses for consumers. Furthermore, it establishes a reliable redressal mechanism with the inclusion of Alternate Dispute Resolution methods as an alternative to litigation, particularly for long-distance transactions.

To enhance consumer protection, the Consumer Protection Act, 2019 mandates that electronic service providers must furnish the District Consumer Disputes Redressal Commissions with documents, information, or records related to any complaints received. This includes allegations of unfair trade practices, which encompass the sharing of consumers' personal information provided in confidence. The act grants the Central Government the authority to introduce rules and notifications specifically aimed at preventing unfair trade practices in the e-commerce space. This allows for future flexibility in issuing tailored rules for e-commerce platforms and aggregators, covering both goods and services, from a consumer protection perspective.

The Consumer Protection (e-commerce Rules) of 2019 are comprehensive and provide specific guidelines for e-commerce businesses, minimizing confusion. The rules outline the duties and liabilities of e-commerce entities, ensuring transparency and accountability. Additionally, e-commerce platforms are required to publish the contact details of grievance officers, enabling consumers to track their complaints effectively.

Conclusion

Consumers today have access to a wide range of opportunities and choices in both the global and local markets. However, the existing national consumer

policies are often inadequate to address the complexities arising from the consumption function. As consumers become more informed and educated, they are increasingly engaging in online shopping across the country. Nevertheless, the jurisdictional challenges posed by national consumer laws sometimes create confusion and uncertainty for consumers, impacting their purchasing decisions.

To address these issues, there is a need for collaborative efforts between countries at both the global and national levels. Consumer empowerment through education and access to information has played a significant role in shaping consumer behaviour.

However, the resolution of international trade disputes requires joint actions and Department of Consumer Affairs, The Consumer Protection e-commerce Rules (2019) coordination among nations. Although finding a comprehensive solution may be challenging, it is essential to establish a safe and protective environment for consumers worldwide. India, in particular, has made significant strides in the process of globalization, which has expanded opportunities and choices for consumers. However, to ensure a harmonious global marketplace, efforts should be made to overcome obstacles related to jurisdiction and establish effective mechanisms for consumer protection.

The Consumer Protection Act of 1986 had a number of jurisdictional problems relating to the redressal mechanism, and it was also unable to protect consumers in this globalised world due to a significant shift from traditional retail to online retail. As a result, new consumer legislation was required in order to give consumers the proper protection. Therefore, in order to ensure fair marketing practises in the virtual market, the Consumer Protection Act, 2019, made financial modifications and subject matter changes to the jurisdiction of the redressal mechanisms. It also created new practises that electronic service providers and sellers must adhere to.
