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EXPLORING THE DECLINE OF VOLUNTARY CONSUMER ORGANIZATIONS IN TAMIL NADU

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ABSTRACT

Voluntary consumer organizations (VCOs) play a vital role in safeguarding consumer rights, spreading awareness, and ensuring fair market practices. In Tamil Nadu, these organizations once thrived as key agents of consumer protection, advocacy, and education. However, recent trends indicate a significant decline in their active functioning and public engagement. This study aims to investigate the underlying reasons behind this downturn. Using a mixed-methods approach comprising interviews with organization members, surveys among the public, and analysis of secondary data, the research identifies critical factors contributing to the decline. Key findings suggest that inadequate financial support, limited government cooperation, lack of trained personnel, diminishing volunteer interest, and weak public outreach are among the primary causes. The study also highlights systemic challenges such as bureaucratic hurdles, political interference, and poor accountability mechanisms. Based on these insights, the paper recommends policy reforms, capacity-building initiatives, and improved coordination between stakeholders to revive and strengthen the role of VCOs in Tamil Nadu. This research contributes to the discourse on consumer rights advocacy and offers a framework for revitalizing grassroots participation in consumer movements.The main aim of the study is to identify the reasons behind the decline in active functioning of voluntary consumer organizations in Tamil Nadu. Both primary and secondary data are extensively used in this study. Then, the primary data was collected through the questionnaire method from the VOC. For collecting necessary data, 76 organisations have been collected in Tamil Nadu by using Simple random sampling technique.

Keywords: Consumer Protection, VCOS, Promoting Awareness, Consumer Advocacy, Lobbying, Empowering Consumers, Volunteers, Consumer Welfare

1. INTRODUCTION

A group of consumers and social activists have come together to establish a Voluntary Consumer Organization (VCO), driven by a shared vision to protect and empower consumers. With a strong foundation of passionate individuals, the VCO aims to promote fair market practices, educate consumers about their rights, and advocate for policy changes that benefit society as a whole. Through collective efforts, the VCO plans to deliver impactful consumer protection activities, including education programs, complaint resolution services, and research initiatives. By working together, the organization strives to create a more equitable marketplace, hold businesses accountable, and ultimately enhance the well-being of consumers in the community. They provide information, education, and complaint resolution services, advocate for consumer rights, and lobby for policy changes to ensure fair market practices. By empowering consumers and promoting awareness, VCOs play a vital role in safeguarding consumer welfare.

2. STATEMENT OF THE PROBLEM

A Voluntary Consumer Organization can be started to protect and promote consumer interests, empower individuals with knowledge, and advocate for fair market practices. By filling gaps in consumer protection, Voluntary Consumer Organization can educate consumers about their rights and responsibilities, promote transparency, and foster a more equitable marketplace. This initiative can ultimately lead to better consumer outcomes and a stronger, more informed consumer community. One major reason for their failure is the lack of funding and resources. Without sufficient financial support, VCOs struggle to sustain their operations, build capacity, and deliver services to consumers. Additionally, poor management and inadequate training of staff and volunteers can lead to ineffective leadership, planning, and decision-making, further exacerbating the problem. The establishment of numerous voluntary consumer organizations each year, many fail to sustain themselves, leading to a lack of effective consumer advocacy and support. This study seeks to understand the root causes of this decline, exploring factors such as funding constraints, inadequate leadership, and insufficient community engagement.

2.1. OBJECTIVES OF THE STUDY

- To analysis the reasons behind decline in active functioning the voluntary consumer organizations
- To identify the Strategies for strengthening inactive voluntary consumer organizations

3. DATA SOURCES

The study employs a mixed-methods approach, combining both primary and secondary data to achieve comprehensive insights. Primary data was collected through governing body members of voluntary consumer organizations using a structured questionnaire. Secondary data was gathered from various sources, including books, journals, research projects, and online resources, providing a theoretical foundation and contextual understanding of the topic. The integration of both data types enables a thorough analysis and informs the study's findings and recommendations.

4. SAMPLING DESIGN

The researcher identified 117 voluntary consumer organizations across Tamil Nadu that were registered more than 10 years ago but are currently not functioning. As a result, the registration of these organizations is in the process of being canceled. The researcher selected 38 organizations across Tamil Nadu, one from each district. Simple random sampling technique was applied to select the 38 organizations. From each of the chosen organizations, two governing body members were selected for data collection ($2 \times 38 = 76$), resulting in a total sample of 76.

The study focuses on the governing body members of Voluntary Consumer Organizations (VCOs) in the district, specifically targeting Presidents, Vice-Presidents, Secretaries, Joint Secretaries, and Committee members. A well-structured questionnaire was used to collect data from 76 organizations.

The sampling methodology facilitates a thorough insight into the perspectives of governing body members in Voluntary Consumer Organizations (VCOs) concerning the factors contributing to the decline of VCOs, allowing for a nuanced understanding of the challenges they face.

5. FRAME WORK OF ANALYSIS

After data collection from Voluntary consumer organizations members the important information were tabulated and analyzed by using tool like mean score analysis and factor analysis.

5.1. AREA OF STUDY

The study covers the entire state of Tamil Nadu, with one Voluntary Consumer Organization (VCO) selected from each district for data collection, providing a representative sample of VCOs across the state.

6. REVIEW OF LITERATURE

- Narayana Swamy L, T. Likhita, (2023) in their article "Consumer Movement in India: Emerging Trends, Problems and Structural Implications", shows that the 2019 Consumer Protection Act in India was expected to spark a consumer movement, but it hasn't gained momentum. Although the Act has led to a surge in consumer organizations (now 600-800), the movement is hindered by inactive organizations, lack of unified action, and limited consumer participation. Consumers blame organizations for lacking education, while organizations cite insufficient funds and blame the government. The movement's elitist nature and neglect of rural consumers are concerns. Key needs include consumer education, specialist support, and voluntary health groups' involvement.
- John Davis (2023) in his article "Voluntary Consumer Organizations and Consumer Protection in the Digital Age". This study examines the role of VCOs in addressing digital consumer protection issues, such as online privacy, cyber fraud, and digital literacy. The paper discusses the initiatives and campaigns launched by VCOs to protect consumers in the digital marketplace.

7. DATA ANALYSIS AND INTERPRETATIONS

Reasons behind Decline in Active Functioning the Voluntary Consumer Organizations

To know the reasons behind decline in active functioning the voluntary consumer organizations, twenty seven variables were selected and the respondents were asked to state their opinions about the variables at five point scale with options strongly agree, agree, neutral, disagree and strongly disagree with scores 5,4,3,2 and 1 respectively.

Before applying the data for factor analysis, sampling adequacy was tested using KMO and Bartlett Test and the result is shown in table.

Table No. 1

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.852	
Bartlett's Test of Sphericity	Approx. chi. square	2007.623
	df	78
	Sig.	.000

Table No. 2

Rotated Component Matrix

SI. No	Variables	Management	Government Policies	Consumers	Volunteers	Financial	Technological Changes
1	Ineffective Planning	.818					
2	Decisions were not made on Time	.758					
3	Insufficient Leadership and Governance	.695					
4	Lack of Proper Relationship Maintenance with Consumers	.611					
5	Lack of Ability to Increase Membership	.606					
6	Insufficient Grants		.748				

7	Restrictions on Foreign Funding		.722				
8	Many Legal Frameworks in Functioning VCOs		.696				
9	Political Interference		.636				
10	Insufficient Consumers Aware about VCOs			.734			
11	Consumers Dissatisfaction with VCOs Services			.673			
12	Consumers Discourage from Taking Action and Seeking Redressal Against Unfair Trade Practices			.627			
13	Consumers Disinterest about Consumer Protection Activities			.574			
14	Lack Of Training				.710		
15	Inadequate Recognition and Motivation				.678		
16	High Financial Motives				.659		
17	Poor Budgeting					.501	
18	Financial Mismanagement					.777	
19	Limited Financial Resources					.642	
20	Government Policies Affect The Fund Rising					.588	
21	Highly Dependence on Government Grants					.656	
22	Outdated Technological Infrastructure						.513
23	Cyber Security Treats						.540
24	High Cost in Acquire Updated Equipments						.498
25	Lack of Transparency						.708
26	Concentrated in Urban Areas						.609
27	Inadequate Infrastructure						.781
	Initial Eigen Value	5.176	1.500	1.098	5.150	2.469	1.438
	% of variance	39.814	11.537	8.443	34.334	16.462	9.584
	Cumulative %	39.814	51.351	59.794	34.334	50.796	60.380

KMO and Bartlett's test of sphericity of produces the Kaiser-Meyer-Olkin Measure of sampling adequacy. The value of KMO will be greater than 0.5 if the sample is adequate. The KMO value was 0.852. So the sample is adequate.

The factor analysis narrated the twenty seven variables into six important factors namely “Management”, “Government Policies”, “Consumers”, “Volunteers”, “Financial” and “Technological Changes”. All these six factors interpreted the governing body members of Voluntary Consumer Organizations to the extent of 60.380 per cent.

The most significant factor was “Management”. It consists of five variables with the Eigen value of 5.176 and the variance was 39.814 per cent.

The second significant factor was “Government Policies”. It consists of four variables with the Eigen value of 1.500 and the variance was 11.537 per cent.

The third significant factor was “Consumers”. It consists of four variables with the Eigen value of 1.098 and the variance was 8.443 per cent.

The fourth significant factor was “Volunteers”. It consists of three variables with the Eigen value of 5.150 and the variance was 34.334 per cent.

The fifth significant factor was “Financial”. It consists of five variables with the Eigen value of 2.469 and the variance was 16.462 per cent.

The sixth significant factor was “Technological Changes”. It consists of six variables with the Eigen value of 1.438 and the variance was 9.584 per cent.

8. STRATEGIES FOR STRENGTHENING INACTIVE VOLUNTARY CONSUMER ORGANIZATIONS

Table No. 3

Sl. No.	Strategies for Strengthening inactive VCOs	Mean Score	Rank
1	Identify the New funding Sources	**4.07**	**V**
2	Establishing good leadership and Governance	**3.72**	**VII**
3	Forming Alliances with other VCOs	**3.57**	**VIII**
4	Recruiting and Retaining the Skilled Volunteers	**4.50**	**II**
5	Monitoring and Evaluating the regular activities	**3.85**	**VI**
6	Organizing the Regular Functioning for Consumer Protection	**3.71**	**IX**
7	Properly update the new technologies	**2.82**	**X**
8	Maximum utilize the resources	**4.71**	**I**
9	Increase memberships and enhance Consumer Satisfaction	**4.29**	**III**
10	Proper planning and timely decision-making	**4.14**	**IV**

Source Primary Data

The strategy rated most effective is the maximum utilization of resources (mean score 4.71), highlighting its central role in revitalizing VCOs. Recruiting and retaining skilled volunteers (4.50) follows closely, underlining the importance of human capital. Increasing memberships and enhancing consumer satisfaction (4.29) ranks third, showing that member engagement and service quality are key. Proper planning and timely decision-making (4.14) is also critical, reflecting the value of strategic foresight. Identifying new funding sources (4.07) indicates the need for financial resilience. Monitoring activities (3.85) and leadership and governance (3.72) suggest moderate impact, while strategies like forming alliances (3.57) and organizing regular consumer protection functions (3.71) are seen as less influential. The lowest-rated strategy is updating with new technologies (2.82), possibly due to limited access or perceived relevance.

9. FINDINGS OF THE STUDY

- The factor analysis narrated the seventy seven variables into six important factors namely “Management”, “Government Policies”, “Consumers”, “Volunteers”, “Financial” and “Technological Changes”. All these six factors interpreted the governing body members of Voluntary Consumer Organisations to the extent of 60.380 per cent.
- The strategy rated most effective is the maximum utilization of resources (mean score 4.71), highlighting its central role in revitalizing VCOs.. The lowest-rated strategy is updating with new technologies (2.82), possibly due to limited access or perceived relevance.

10. SUGGESTIONS

- The governing body members of Voluntary Consumer Organizations should regularly attend programs and stay updated on the Consumer Protection Act and legislative measures. This will enable them to make informed decisions, provide effective guidance, and strengthen their advocacy for consumer rights.
- Governing body members of Voluntary Consumer Organizations (VCOs) play a vital role in protecting consumer rights and promoting consumer welfare. With dedication, passion, and commitment, they can drive positive change and empower consumers. Their efforts can help VCOs function effectively and successfully.
- Consumer volunteers should be time mindful, perceptive, and patient, with the ability to sense cheating or fraud. They should communicate directly and effectively, resisting excessive tolerance for delays or criticism, to provide better support and advocacy for consumers.
- Voluntary Consumer Organizations (VCOs) should focus on addressing wrongdoings and unfair practices, rather than targeting specific individuals. By separating issues from personalities, VCOs can maintain a professional and objective stance, effectively advocating for consumer rights and promoting positive change.
- Review existing government policies for Voluntary Consumer Organizations (VCOs) to ensure they receive sufficient support to function effectively. Provide dedicated funding and tax incentives to VCOs, enabling them to sustain their operations and promote consumer welfare.
- Government Offer capacity development training to VCO staff and volunteers, enhancing their skills and knowledge in consumer protection. Establish formal consultation mechanisms for VCOs in policy formulation, ensuring their voices are heard and concerns addressed.
- Look into issues in leadership and poor management that may lead to inactivity.
- Examine whether people are aware of VCOs and willing to participate in their activities.

11. CONCLUSION

The decline in the active functioning of Voluntary Consumer Organizations (VCOs) in Tamil Nadu is influenced by multiple interconnected factors. Lack of funding, poor leadership, and limited volunteer support have significantly weakened their operations. Many VCOs also struggle with outdated practices and low public awareness. Weak institutional backing and policy gaps further add to their challenges. As a result, their role in consumer protection has reduced over time. Strengthening VCOs requires better planning, capacity building, and increased stakeholder participation. Government support and technological adoption can help revive their activities. Overall, a strategic and collaborative approach is essential to restore their effectiveness.

CONFLICT OF INTERESTS

None.

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