

REPORT ON
SEVENTH SOCIALLY RESPONSIBLE
BUSINESS DEVELOPMENT
NETWORK

November 11, 2005

Socially Responsible Business Development Network

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ACKNOWLEDGEMENT

On behalf of Socially Responsible Business Development Network we would like to thank the presenters namely Mr. Prem Maharjan, General Secretary, Consumer Forum, Mr. Raju Chapagai, PIL Advocate, Propublic and Mr. Rabindra Man Shrestha, CEO, Himalayan Snacks and Noodles for their inspiring presentation.

Our thanks goes to all the participants who attended the seventh forum on Socially Responsible Business Development Network, who took time to participate, discuss and share their views, ideas and made this program a success.

EXECUTIVE SUMMARY

The seventh forum on Socially Responsible Business Development Network (SRBDN) took place at Yala Maya Kendra, Patan Dhoka on November 11, 2005. The Seventh forum theme was “**Consumer Protection Rights and CSR**”.

Mr. Prem Maharjan presented the history of consumer protection rights in Nepal and how it started. He stressed that still consumers are not aware of their protection right and there is no court to complain about any violation of the consumer protection act.

Mr. Raju Chapagai shared the legal aspects on consumer protection right. He also added that consumer rights protects the consumers in every aspect of day-to-day life such as informed about the prices while purchasing goods and services, maintaining their quality, etc.

Mr. Rabindra Man Shrestha shared his perception on consumer protection rights in Nepal. He said that Himalayan Snacks and Noodles has complied all the legal act of weight, manufacture/expiry dates, etc. He also mentioned that in every 3 months, the food inspector checks the necessary contents and informs them if it is correct or not.

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ACRONYMS

CDO	Central District Office
CEO	Chief Executive Officer
CPA	Consumer Protection Acts
CSR	Corporate Social Responsibility
HR	Human Resources
HRD	Human Resources Department
Ltd.	Limited
MD	Managing Director
NGO	Non Government Organization
PIL	Public Interest Lawyer
Pvt.	Private
SME	Small Medium Enterprise
SNV	Netherlands development organization
SRBDN	Socially Responsible Business Development Network
UN	United Nations

1. RATIONALE BEHIND THE MEETING

Corporate Social Responsibility (CSR) is part of an international drive towards transparency and accountability of business activities and a way of monitoring how business perform against environmental, ethical and social. A platform to share information, knowledge and experience on CSR was felt. The rationale behind the meeting was to have a well functioning knowledge and information-sharing network on CSR.

Objective of SRBDN

- Facilitate sharing information, experiences and ideas on Corporate Social Responsibility in Nepal.
- Facilitate identification of common interests and development of joint efforts and create synergy among facilitators, providers and donors.
- Cooperation between large organization, SME and NGOs
- Integrate CSR in education

2. OBJECTIVE OF THE SEVENTH FORUM

The objective of the seventh forum on SRBDN was

- To create awareness on consumer rights in Nepal
- To learn what are the legal perspective of consumer rights in Nepal.
- To share the perspective of both business house and consumer forum on the consumer rights in Nepal

3. PROCEEDINGS OF THE PROGRAM

3.1 Programme Overview

The Seventh Socially Responsible Business Development Network initiated by ActionAid Nepal and Lotus Opportunities took place at Yala Maya Kendra Hall, Patan Dhoka on November 11, 2005. The theme for the forum was “**Consumer Protection Rights and CSR**”.

Ms. Reema Shrestha Coordinator of the forum welcomed the entire guest. The SRBDN Forum has completed six forums so far and it has been a year since it has started. Till now, the forum has formed a yahoo group where the members get information and articles on Corporate Social Responsibility. 57 individual from different sectors (Private, NGOs, INGOs, Association) are the members in the yahoo group. She informed the participants that a working committee has been formed to improve the quality of the network where the first meeting was held on June 16, 2005. She also informed the participants that if anybody is interested to be a part of the committee are most welcome to contact her. Also, the website of the SRBDN was also launched on the same time. The website address of the network is www.srbdn.org.np.

Ms. Shrestha cited that CSR is about operating in a manner that positively impacts all its stakeholders and exceeds legal requirements. The working committee has decided to address the different stakeholders of a business in the forums like employees, consumers, environment, community etc.

3.2 Consumer Protection Rights and CSR

First Presentation

A presentation on “Civil Society Perspective” was presented by **Mr. Prem Maharjan, General Secretary of Consumer Forum**. At the start Mr. Maharjan gave a brief history about the civil society, which initially started, from Europe and USA in 1960s. Later, Mr. John F. Kennedy introduced it as Consumer Awareness Factor on March 15, 1962. In 1981, Consumer Interpol was found which was known as UN Charter World in 1985.

Then in 1986, it was felt that Consumer Rights need to be finalized. At the meantime, India was also supporting the Consumer Law.

In Nepal, first Consumer Forum was started in 2043 BS by Mr. Man Mohan Adhikari, former politician which raised voice against the drought in the Kathmandu City. As a result, Government provided drinking water tanks in different parts of the Capital. Later in 2046 BS, Mass Protest said that there should be Human Rights before Consumer Rights. After that a draft on Consumer Protection Rights was presented to the Ministry in 2048 BS. Later in 2050 BS, they presented *Gyapan Patra* to the Ministry, then to the Prime Minister in Parliament. Finally in 2054 BS, the Consumer Law was introduced according to the UN. Out of the total 8 rights for consumers in UN two major rights were missing in the Nepalese consumer rights which were living in **healthy environment** and **satisfaction at work**. Mr. Maharjan express that the Consumer law in Nepal is yet not complete for any human satisfaction.

He also mentioned that if there is any complaints regarding the violation of consumer protection act in Nepal then there is no place to complain. The District Administrative Office does not take the responsibility of such cases and there is no punishment finalized by the Government to the Guilty. He suggested that a consumer court should be established in Nepal as soon as possible. He concluded by saying that there should be an awareness regarding consumer protection rights and proper punishment should be given to the guilty.

Second Presentation

The second speaker of the forum was **Mr. Raju Chapagai, PIL Advocate, Pro-public**. His presentation was about "*Consumer Rights Laws of Nepal*". Mr. Chapagai started with the Constitutional Mandate. Socio-economic justice is the goal of consumer justice. The primary responsibility is effective remedy for violation. There are International Human Rights Principles and special legislations for Consumer Protection Acts (CPA) and other acts. The consumer protection acts follow all the rules of constitution. Recognition and declaration to the consumer rights, discouraging monopoly, competitive,

transparency, accountability and responsible business fall under the basic characteristics of CPA. Though, Consumer Code is needed to materialize the rights.

Mr. Chapagai added that Consumer Rights protects the consumers in every aspect of day-to-day life such as informed about the prices while purchasing goods and services, maintaining their quality, etc. Line Ministry, Consumer Council, Compensation Committee, Inspection Officer, Monitoring Committee and Consumer Association fall under Institutional Mechanism under CPA.

Finally, Mr. Chapagain discussed on the different cases, which gave Judicial Response to Consumer Rights such as intervention for pure drinking water in 2001, etc. He said that tolerance culture is the weakness among the consumers. There is still a lack of effective consumer movement, faithful enforcement and compliance of consumer laws.

Third Presentation

The third speaker of the forum was **Mr. Rabindra Man Shrestha, CEO of Himalayan Snacks and Noodles Pvt. Ltd.** He shared his perception on consumer protection rights. Mr. Shrestha was of the view that there is still a misconception regarding private organization which are there for profit making only. He said that at present private sector are socially responsible and is balancing the legal matter, fulfilling labor acts and are also making profit. He said that to compete in this competitive market advertisement and giving gifts are necessary as part of the marketing strategy. This does not mean that the quality of that particular product is not good. Himalayan Snacks and Noodles has complied all the legal act of weight, manufacture/expiry dates, etc. He also mentioned that in every 3 months, the food inspector checks the necessary contents and informs them if it is correct or not.

Mr. Shrestha suggested that the Company Register Office should have a proper inspection mechanism of company/factory before giving them the license. As in the case of few carpet factories which produce cheap carpet which pollutes the air but the factory cannot afford the non-polluting dyeing machine. So they are neglecting the environment.

According to him the Consumer Protection Rights should also apply in the field of education, airlines, couriers etc.

Issues

The following issues were raised in the seventh forum on consumer protection rights

- The consumers are still not conscious of the definition of consumer protection right. Students are not sure whether they are considered as a consumer or not.
- As the consumer court is missing in Nepal the consumers are not aware of where to complain or file a case about violation on consumer protection right and whether the guilty pays the compensation to the consumers or not.
- The other very important issue raised was why the consumer protection act is applicable to the Nepali products only and not for those products that are imported.
- Advertisement of products which are harmful should be discouraged such as alternate milk product for newborn babies is banned to encourage breast-feeding. Alternate product is necessary but not substitute.

Consumer Forum is aware about problems like there is law for Nepali products but are not applicable to imported goods therefore they are working with Custom Office so that all imported goods have to follow Nepalese Law. On this Federation of Nepalese Chamber of Commerce and Industries is also involved.

In Nepal Chief District Office decides the punishment on consumer violation and the victim are compensated accordingly but the process is very slow. When defining consumer all the citizens of Nepal are considered as consumers and even students are consumers.

4. MODERATORS WRAP UP

Ms. Reema Shrestha wrapped up the forum and said that the end learning of this forum is that

- There is a lack of awareness on consumer protection rights therefore consumer education and sensitization is needed.

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- The consumer court is important and is needed in Nepal
 - All sectors have to share responsibility and have to fight for consumer protection.

6. ANNEXURE

6.1 Program Schedule

Seventh SRBDN Forum Tentative Program Schedule

Date: 11th November, 2005

Venue: Yala Maya Kendra, Gaushala Hall
Patan Dhoka (near post office), Lalitpur

Theme: Consumer Protection Rights and CSR

2:45 - 3:00	Registration
3:00 - 3:10	Welcome by Ms. Reema Shrestha, SRBDN Coordinator
3:10 - 3:25	Consumer Rights Laws of Nepal By Mr. Raju Chapagain, PIL Advocate Propublic 15 minutes
3:25 - 3:45	Discussion Round 20 minutes
3:45 - 4:00	Civil Society Perspective By Mr. Prem Maharjan, General Secretary Consumer Forum 15 minutes
4:00 - 4:20	Discussion Round 20 minutes
4:20 - 4:35	Himalayan Snacks and Noodles and their perspective on consumer protection rights Mr. Rabindra Man Shrestha, CEO Himalayan Snacks and Noodles 15 minutes
4:35 - 4:55	Discussion Round 20 minutes
4:55 - 5:00	Wrap up
5:00 pm onwards	Networking / Tea Coffee

6.2 List of Participants

First Name	Second Name	Designation	Organization
Karuna	Bajracharya	Student	Ace Institute
Manish	Subba	Student	Ace Institute
Indrajit	Lahiri	CEO	Asian Paints
Rajendra	C		CECI
Saroj	Upadhyay	Executive Chairman	Cemeca
Prem	Maharjan	General Secretary	Consumer Forum
G. R.	Pant		CSIDB
Manisha	Subba	ED	Gobal Polytechnic Institute
Sneh	Sayami		Himal Media
Rabindra Man	Shrestha	Chief Executive Officer	Himalayan Snax & Noodles Pvt. Ltd.
Sujan	Raja		Himalayan Snax & Noodles Pvt. Ltd.
Subas	Risal	Consultant	ICRI (International Child Resource Institute)
Rajan	Lohani	Manager	Jana Uttham & Environment Electrical Vehicle P Ltd. (JEEV)
Niranjan	Adhikari	Student	Kathmandu School Of Law
Shobha	Pokharel	LLB Student	Kathmandu School Of Law
Sanita	Khadgi		Kumbershwor Technical School
Sovendra Raj	Joshi		Kushal Trade Links
Binod	Shrestha	Professor	KUSOM
Dominique	Morel	Financial services initiatives coordinator	Lotus Opportunities
Rajendra	Shrestha	Marketing Specialist	MEDEP

Bishnu	Ghartimagar		Nabin Hatekagat Udyog
Raju Prasad	Chapagai	PIL Advocate	ProPublic
Raman	Pant		Standard Chartered Bank
Pramesh	Aryal		Standard Chartered Bank
Anurag	Verma	Reporter / Researcher	The Boss
Netra	Sapkota	AID - DPA	USAID
Gopesh	Maskey		Vijay Deep
Lal Bahadur	Pokharel	Ex-police officer	