

The effectiveness of selected government agencies on consumer protection in Nigeria

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Keywords

Effectiveness, consumer protection, National Agency for Food and Drug Administration and Control (NAFDAC), Nigeria

Abstract

The purpose of this study was to examine the effectiveness of government agencies in protecting the Nigerian consumers in the process of selection, acquisition, and consumption of goods and services. The study used the National Agency for Food and Drug Administration and Control (NAFDAC) as case study. Primary and secondary data were used for the study. A questionnaire comprising of 5 questions was the instrument for primary data collection. The secondary data was collected from the periodic news release of the Agency. The sample of the study was drawn from the workers of the agency. Descriptive statistics such as frequency distribution and percentages were used to highlight the variables and test for effectiveness of the agency programmes.

The findings revealed that the Agency is competent and effective in most of their programmes but not very effective in some others. From the findings, the study concludes that for the Agency to be very effective in protecting the Nigerian consumers, it needs to beef up effort in some areas of their programmes.

Introduction

Consumers face a lot of problems in making their buying decisions as regards the product quality and performance (Ekanem, 2011). In the face of global economic difficulties, consumers cannot afford to spend hard earned money on products and services that do not give value for their money. It has been observed that consumers all over the world, but especially in developing countries, have been known to be victims of both producers and sellers in the market place (Monye, 2005). This victimization is mostly noted in the area of product quality, price and promotion. In Nigeria, for instance, most of the products offered for sale in the market are usually of low quality, high price and sometimes even a threat to life (Umenyi, 2007). Some have been known to have actually killed consumers. Examples are the killer beans of 1998 that took the life out of daily consumers and the menace of fake drugs that manifested in 1989 when malarial infected children were treated with fake chloroquine injections and in 1996 when Trovafloxacin (Trovan), a drug manufactured by Pfizer International Incorporated, allegedly killed 11 children and injured 181 others in Kano, Nigeria (Ketefe, 2011).

Consumers in Nigeria face more hazards in the market place than their counterparts in more developed countries. Majority of Nigerians in most cases are either ignorant or poorly informed concerning their rights (Salako, 2009). They are, more often than not, ignorant of the fact that they can seek restitution in regards to product failures in both quality and performance; that they have right to warranties and guarantees of the product they buy from their producers and sellers. Contrary to this, however, what we have is a scenario whereby the average seller in the Nigerian market will include in his receipt booklet some captions like *"No guarantee" or "No return of money after payment"*. Ketefe (2011), in reporting a statement credited to Umenyi, the Director General of Consumer Protection Council (CPC), reported that in Nigerian airports, scheduled flights are cancelled or late without notice or explanation to consumers. In the motor parks or bus stations vehicles are overloaded and passengers treated with levity. Patients die in the hospitals due to the carelessness and negligence of hospital staffs: fake, substandard and adulterated products abound in our markets. The need for protecting the Nigerian consumers has never been greater than as today.

With the present economic situation in the country, prices of goods have become astronomically high beyond the reach of many consumers. Many substandard goods have been imported into the country especially in the areas of auto-mobiles, electronics and electrical, drugs and food related products.

These products are imported into the country and are normally repackaged and sold to unsuspecting consumers. Even when they are aware of the non-performances of the product, they have proved to be ignorant of their right to demand for restitution. In the more developed countries, however, enlightened and awareness conscious consumers have proffered some measures to make sure that products to be offered in the market should, at least, meet a certain standard in quality and performance.

Manufacturers, on the other hand, want to offer those products from which they can at least make a certain amount of profit. Some unscrupulous manufacturers, if left on their own, can go to any length to ensure that they reap maximum profit from their products. In doing this, some of the antics they employ include; fixing global percentages of the product to be produced by each company; fixing global prices for the products and determining distribution strategies and decisions. A case in mind is the vitamins racket in America involving Hoff-Mann-La Roche Ltd, a Swiss Pharmaceutical giant, in which it was found out that they fixed global prices for all the vitamins based products in the American market (Post Express, 1999). And in Nigeria, the case of Chief Marcel Nnakwe, an Onitsha-based business man, who imported a container load of fake and expired chymoral tablets into the country (NAFDAC, 1998). Another is the case of Okunola, Adeyemo, and Egbele who were arraigned in March 2009 on a six count charge before a Federal High Court in Lagos, Nigeria for allegedly manufacturing a killer baby teething powder mixture, My Pikin in 2008 with the intention to cause death or grievous bodily harm to members of the public (Ketefe, 2011). Today it is widely accepted that the consumers need some protections because there is an imbalance in the power relations between consumers and producers of goods and services. This imbalance in power relations is exemplified by a number of factors which include consumers' lack of knowledge of the characteristics and technical components of goods; and the greater superior power of the producers (Ketefe, 2011).

In the light of the above, government all over deemed it necessary to set up laws guiding trade practices as part of their constitution. To ensure that these laws are kept and adhered to, certain government agencies were set up to oversee the activities of both the producers and the consumers and make sure that everybody is adequately protected. In Nigeria, such government agencies include the Standard organization of Nigeria (SON) and the National Agency for Food and Drug Administration and Control (NAFDAC) and the Consumer Protection Council (CPC).

Literature Review

A consumer is the ultimate user of a product or service; the person who derived the satisfaction or the benefit offered (Norman and Stapleton, 1981). The above definition implies that a consumer may not necessarily be the person who buys the product, but the person who actually uses up the value of the product thereby exhausting its exchangeable value. Okefor (1995) defines a consumer as anybody who uses up a product that is produced, thereby exhausting its exchangeable value. A consumer can be seen as that person who engages in the physical activity of evaluating, acquiring, using or disposing of goods and services (Olufokunbi and Adetayo, 1998).

A consumer is that person who buys a product for the purpose of consumption because he believes that the product's value can satisfy the needs or felt deprivation for which it is bought. The consumer as such has certain rights and claims to make if the product fails to give the desired satisfaction.

Consumer protection on the other hand is defined as the effort made either by the consumer himself, the government, and/or independent organizations to protect the consumer from the unscrupulous practices of businesses in their quest for profit. It is the organized efforts of consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated in the acquisition of their standard of living (Kotler, 1997). Going further, he stated that this organized effort is called consumerist movement, which he defines as "an organized movement of citizens and government to strengthen the rights and powers of buyers in relation to sellers". Norman and Stapleton (1981) called it "consumerism" which they defined as the movement by individuals and pressure groups designed to ensure that consumers' interests are safeguarded.

Consumer protection, is the effort made either by the consumer himself, by government agencies or independent organizations to protect the rights of consumers to basic needs; the right to safety of the products and services; the right to be informed adequately concerning the product usage and properties;

the right to choose; the right to be heard; the right to know the basic ingredients in a product; nutritional quality and value of food, the freshness of products and the true benefits of a product (Wikipedia, 2012).

Historical Background and Functions of National Agency for Food and Drug Administration and Control (NAFDAC)

It is the duty of all Governments to protect the health and welfare of the citizens. This is essential to social development (Salako, 2009). The challenge in this regard, apart from that of providing treatment facilities for the sick, is to prevent the hazards arising from unwholesome foods, ineffective, substandard and adulterated drugs, toxic and corrosive cosmetics and chemical as well as contaminated water. In Nigeria, this is the responsibility of the Federal Ministry of Health. Within the Ministry and until 31st December, 1992, that responsibility revolved on the Department of Food and Drugs Administration and Control (FDAC). The birth of the National Agency for Food and Drugs Administration and Control as a parastatal of the ministry was necessitated by the need to overcome a number of difficulties that had militated against the attainment of the goals of the former FDAC Department. These difficulties arose from the encapsulation of the Department within the Ministry and were inevitably linked with the normal bureaucratic ministerial positions with its attendant bottlenecks among other factors.

Another very important reason for the establishment of NAFDAC was the need to separate the control functions of the former FDAC which relate to inspections, product registration and regulations, as well as evaluation and control of product quality from its functions relating to the production, procurement, supply and distribution of drugs. NAFDAC was thus established by Decree No.15 of 1993 (commencement date 1st October, 1992) as a parastatal of the Federal Ministry of Health to carry out among other things, all the control functions of the former FDAC while the service functions remain within the ministry. The challenges confronting the agency in its onerous task of promoting and protecting public health can, therefore, be summarized as follows:

To ensure that food and drugs and other regulated products imported into the country meet prescribed standards of safety, quality and efficacy; To prevent the dumping of substandard and unwholesome regulated products into Nigeria; To ensure that local manufacturers of regulated products operate in accordance with the requirement of Good Manufacturing Practice and that their products meet acceptable International Standards; To combat the phenomenon of product faking and counterfeiting, a phenomenon that has assumed international dimension and significance; To ensure that regulated products, particularly food products processed from primary agricultural materials are free from harmful chemical residues such as pesticides residues etc; and to ensure that regulated products, particularly dairy products and sea foods products are free from harmful pollutants such as radioactive materials arising from nuclear accidents.

In discharging the above functions, the Agency envisages that its activities will be evident in all sectors that deal with food, drugs, cosmetics, medical devices, bottled water and chemicals to the extent of instilling extra need for caution and compulsion to respect and obey existing regulations both for healthy living and knowledge of certain sanctions for default.

To determine the effectiveness of the Agency in discharging their functions in protecting the Nigerian consumers, this paper investigated the effectiveness of the government Agency (NAFDAC) on consumer protection in Nigeria. The research work examined the organizational set-up of the agency, its activities and programmes and their ability to manage the problems encountered by Nigerian consumers in the Nigerian market. As such the objectives of the paper were to: determine the effectiveness of the Agency in terms of the following programmes of the organization; consumer complaints investigation; factory inspection visits; import and export inspection; registration and certification of products; market survey; and public awareness campaign and identify and determine the programme/programmes where consumer protection is most needed.

Methodology

The study covered the activities of the selected government agency which is the National Agency for Food and Drug Administration and Control. The corporate headquarters of NAFDAC is at plot 1057, Ikeja crescent, off Oyo Street, Area 2, Section I, Garki, Abuja. The paper used primary as well as secondary sources of information. To generate the primary data, the questionnaire approach was used. Under this

approach, detailed questionnaire was administered to workers in the agency. However, the secondary data were collected from published articles from the official publications of the organization.

The sample was drawn from all workers of the government protection agency using stratified and random sampling techniques. A questionnaire was designed and administered to a total of randomly selected 15 respondents. Five (5) respondents were selected from each of the three levels of management.

The dependent variable of the study, effectiveness, was measured by the number of times the agencies were able to carry out the independent variables. The independent variables were the various programmes of the agencies which include registration and certification of products, factory inspection, consumer complaints investigation, import and export inspections, public awareness campaigns and market survey. In order to achieve this, descriptive analysis was employed in the study using frequencies, mean, and percentage distribution.

Data Presentation, Analysis And Discussion

The first segment is the analysis of the different programmes of NAFDAC. It also examined the influences of these programmes on effectiveness of the organization. Effectiveness will be measured by the number of times the organizations is able to carry out or implement the programmes.

A sample of 15 respondents from the organization was surveyed. The data in table 1 show the respondents according to their management levels.

Table1: Distribution of Respondent on Management Level of NAFDAC

Variables	Respondents
Top level managers	5
Middle level managers	5
Low level managers	5
Total	15

Source: Survey 2013

NAFDAC Programmes

The data in table 2 show the various programmes from which the respondents were asked to pick the programmes they run in their Agency. These include the following programmes; Consumer complaints investigation, Factory inspection visits, Import and export inspection, Registration and certification of products, Market survey, Public awareness campaign. From the table, one can see that all the respondents from NAFDAC agree that their organization implements all the programmes with exception of one which is market survey.

Table 2: Distribution of Respondents on Consumer Protection Programmes

Programme	NAFDAC Frequency	
Consumer complaints investigation	15	100
Factory inspection visits	15	100
Import and export inspection	15	100
Registration & certification of product	15	100
Market survey	0	0
Public awareness campaign	15	100

Source: Survey 2013

Programme Effectiveness

Organizational Programme Frequency indicates the agency's programme effectiveness which were measured based on the number of times they were able to carry out the programmes and they are presented into three sub-section namely; Organizational Programme Frequency; Consumer Complaints Cases and Number of cases treated.

(A) Organizational Programme Frequency

The data in table 3 show that for inspection visits, 20% of the respondents agreed that the organization is able to implement this programme between 21 and 30 times on the average and that their organization is able to carry out inspection visit as from 31 times and above. For certification of products, 13.3% of the respondents agreed that their organization, carry this out between 21 and 30 times, while

86.7% agreed with at least 31 times. While in import inspection programme, 13.3% of the respondents agreed that the organization is able to carry out import inspection between 11 and 20 times in a year. About 26.7% agreed that the organization carry out this programme for between 21 and 30 times in a year, and 60% agreed with at least 31 times. For public seminars and workshops, 13.3% of the respondents agreed with 21-30 times while 86.7% agreed with as from 31 times and above. None of the respondents ticked for market survey showing that the organization does not implement it as one of their programmes.

Table 3: Distribution of Respondents of NAFDAC on Programme Frequency per year

Programme	Frequency & Percentage				Other Remarks
	0-10	11-20	21-30	31 & above	
				12	88.0%
Inspection visits	-	-	3	20.0%	
Certification of product	-	-	2	13.0%	13
Import inspection	-	2	4	26.7%	9
Public seminars & workshop	-	-	2	13.3%	13
Market survey	-	-	-	-	-

Source: Survey 2013

(b) Consumer Complaints Cases

This sought to know the number of cases that the organization receives on the average in a given year and the number of cases treated conclusively in the same year. The data in table 4 show about 6.7% of the respondents agreed that they receive less than 20 consumer complaints cases in a year. About 6.7% also agreed that the organization receive between 21 and 40 cases of consumer complaints in a year. About 40% agreed with between 61 and 80 cases a year, while 46.7% agreed with as from 80 to 100 cases in a year.

The data in table 5 also show that 6.7% of the respondents agreed that the organization treats between 11 and 20 cases in a year. About 6.7% also agreed that the organization handles between 21 and 30 cases on the average in a year. However, 40% agreed with between 31 and 40 cases in a year, while seven agreed with at least 41 cases in a year.

Table 4: Number of Cases Received by NAFDAC in a Year.

No of Cases	0-20	21-40	41-60	61-80	81-100	101& above
Frequency & Percentage	1(6.7)	1(6.7)	-	6(40)	7(46.7)	-

Source: Survey 2013

Table 5: Treated of Cases of NAFDAC in a Year.

No of Cases	0-10	11-20	21-30	31-40	41& above
Frequency	-	1	1	6	7
Percentage	-	6.7	6.7	40	46.7

Source: Survey 2013

Discussion of Findings

The research findings indicate that the Agency has been very effective in most of its programmes on consumer protection. This is especially noted in the areas of import inspection, certification of product and inspection visits. However, response from the respondents and information available from secondary data indicate that in some of the programmes they have not been very effective. This is noted in the areas of consumer complaints investigation and market survey. The number of cases received in a given year is far greater than the number of cases treated conclusively in that same given period. For instance, in 1997, out of the 62 cases received by NAFDAC they were only able to push about 8 of them to tribunal for trial. This gives us a ratio of 1:7 approximately. Another factor revealed from the findings is the non-challant attitude of the consumers themselves. This may be due to literacy level in the country, the unnecessary protocol and bottleneck involved in channeling their grievances to the appropriate authorities and

sometimes unsatisfactory ways of settling these complaint cases like asking the companies or importers to pay meager sum of money to the aggrieved consumers.

Conclusion

Human lives are increasingly dependent on the quality of products and services. Serious human inconvenience, economic waste, loss of life and damage to the environment do occur as a result of quality failures of materials, products and services. Hence the need for consumers to be protected cannot be over-emphasized. To ensure that standards in product and services are kept, the government set up some organizations or agencies to check on the activities of producers, importers and sellers. The effectiveness of one of these agencies (NAFDAC) was evaluated on the basis of the consumer protection programmes being implemented by them. These consumer protection programmes include consumer complaints investigation, factory inspection visits, import and export inspection, registration and certification of products, market survey and public awareness campaign. Findings revealed that the government protection agency NAFDAC was effective in most of their programmes on consumer protection especially in the areas of import inspections, certification of product and inspection visits. However it noted that in some of their programmes like consumer complaints investigation and market survey, they have not been very effective. It was also noted that the consumers themselves show apathy to their situations.

Recommendation

The following recommendations will be useful in enhancing the effectiveness of government agencies on consumer protection activities: There should be effective enforcement of existing legislative and regulatory provisions; Provision of health facilities for the populace will also go a long way in helping to protect the consumers especially in the areas of drugs and food; Education and enlightenment of the population should also help at least in sensitizing the consumers to their rights and benefits; Government effort at poverty alleviation should also be strengthened; There should also be establishment of essential mechanisms for adherence to national obligations under international treaties with respect to institution and supply of controlled substances and products and finally the protection agencies should try and extend most of their activities to all the states in the country including the rural areas.

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