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TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services, and Commodities
Expert Meeting on Consumer Interests, Competitiveness,
Competition and Development
Geneva, 17–19 October 2001
Agenda item 3

**THE ROLE OF CONSUMER AND COMPETITION POLICIES IN
ENHANCING COMPETITIVENESS AND DEVELOPMENT**

Outcome of the Expert Meeting

The Expert Meeting made the following proposals on issues which should be taken into account in UNCTAD's work on consumer interests, competitiveness, competition and development.

1. The Expert Meeting offered the opportunity for an enriching exchange of expertise and experiences on the relevance of competition law and policy and consumer protection policies for enhancing competitiveness in developing countries and economies in transition. The discussions covered member countries' relevant experiences in matters of consumer protection and competition policy, including privatization and deregulation of public sector utilities; the implications of globalization for cross-border anti-competitive practices; and public policy and capacity-building for rule-making and enforcement. The importance of national and regional traditions and cultures was stressed as the background against which the content and the implementation of consumer protection and competition laws should be defined.

FINDINGS

2. Whilst recognizing that globalization and deregulation of goods and services markets may have the potential to improve the circumstances of consumers in many countries, the meeting also recognized that these processes pose major challenges when markets fail to protect consumers and access to redress mechanisms. The challenges posed by competition among developing countries to attract foreign investment, as well as the permeability of frontiers to unwarranted imports in some countries, were noted as deserving particular attention in this regard.

3. It was recognized that privatization and deregulation in developing countries (particularly the least developed countries among them) and the drive to limit the role of Governments in the market place may go hand in hand with regard for consumer interests and the need for an institutional and legal framework for consumer protection. It was pointed out that in some cases privatization and deregulation have been effected with scant regard for consumer interests and often in the absence of an institutional and legal framework for consumer protection. The processes of deregulation and liberalization have thus exposed consumers in developing countries and economies in transition to unsafe products and services and fraudulent business practices.

4. It was further recognized that national regimes for consumer protection would need to protect consumers and promote sustainable consumption patterns without imposing undue constraints on business, in order to achieve the development and growth of effective markets.

5. It was noted that properly implemented competition and consumer policies can make a key contribution to competitiveness and sustainable development.

6. In the light of these findings the Expert Meeting made the following recommendations for consideration by the Commission on Trade in Goods and Services, and Commodities at its sixth session, to be held in Geneva from 4 to 8 February 2002.

A. At the national and regional levels

7. Governments are invited to take the necessary steps to implement the UN Guidelines on Consumer Protection (1999) as a matter of urgency and in this regard incorporate the consumer protection dimension into their macroeconomic policies and legal frameworks. In this respect, Governments should also take account of the interests of consumers and actively negotiate on their behalf when entering into binding international agreements.

8. Governments should develop and maintain competition and consumer protection policies which are mutually reinforcing, with a view to promoting consumer welfare, competitive markets, competitiveness and development.
9. Governments should take into account consumer views and interests at all levels of policy- and decision-making processes and in this respect they should create specific channels and mechanisms for dialogue with consumers and their representative organizations. It was suggested that Governments should adopt mechanisms to delegate to civil society certain reconciliation and consumer arbitration powers.
10. In applying consumer protection laws and other regulations Governments should take due care to ensure that measures benefit all sectors of the population, particularly the informal sector and the poor.
11. Bearing in mind the need to reach rural areas and illiterate consumers, Governments should, as appropriate, develop and/or encourage the development of consumer information and education programmes.
12. Governments should take the necessary steps to establish consumer courts.
13. Governments are invited to take measures with a view to combating the production and marketing of poor-quality and unsafe products, including the development of black markets for the sale of such products.
14. Governments should take the necessary steps to include consumer education programmes in the curriculum of formal and non-formal education.
15. Enterprises should obey relevant laws and regulations of the countries in which they do business and conform to the appropriate provisions of international standards.
16. Enterprises should conform to the provisions of the UN Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, particularly section D, "Principles and rules for enterprises, including transnational corporations".
17. Each private sector organization should adopt a code of conduct for its members in order to promote ethics, subject to competition laws.

18. Consumer associations and representatives should, for their part, familiarize themselves fully with the UN Guidelines on Consumer Protection in order to be able to play their role of educating consumers, particularly those in the informal sector, thereby contributing to the implementation of those guidelines.

19. Consumer associations are encouraged to be proactive in their interaction with government and intergovernmental agencies and with businesses in order to advance and safeguard consumer views and interests.

20. Consumer associations should develop joint regional training and information programmes in cooperation with government, business, international organizations, and academic and other civil society organizations in order to create synergies for promoting consumer welfare.

B. At the international level

21. UNCTAD should call upon the international development partners to provide technical and financial assistance in the field of capacity-building at the human resource and institutional levels for the formulation and enforcement of consumer policies. In this respect, financing organizations and external donors are invited to make voluntary contributions in support of those objectives.

22. The Expert Meeting noted with appreciation the important and useful work done by UNCTAD in the field of competition law and policy and consumer protection.

23. UNCTAD should strengthen its institutional machinery and promote consumer interests with a view to monitoring implementation of the UN Guidelines on Consumer Protection.

24. UNCTAD should convene Expert Meetings on the protection of consumers and regulation of public services and on international mechanisms for consumer protection, including in relation to cross-border transactions, cross-border fraud, e-commerce, etc.

25. UNCTAD should, upon request, provide member countries with technical assistance in adopting or reforming and better enforcing consumer protection and competition laws and in implementing the UN Guidelines on Consumer Protection as expanded in 1999. Resources permitting, UNCTAD should also assist consumer organizations in this respect.

26. UNCTAD should cooperate with other relevant international organizations and consumer associations with a view to taking stock of ongoing work, disseminating information and creating synergies towards an integrated approach for more effective implementation of the UN Guidelines on Consumer Protection.

27. Some experts recommended that UNCTAD should further study the interface between competition, consumer interests, competitiveness and development by focusing on how markets can integrate the informal sector, work better for the poor and generate growth, employment and export opportunities.

28. UNCTAD should develop and maintain a website network on consumer protection containing information on existing consumer protection activities, policies, organizations and legislation, including regional and international agreements containing consumer-related provisions.

29. UNCTAD should develop a model law or laws on consumer protection.