Ad Hoc Expert Meeting on Consumer Protection: The interface between competition and consumer policies

Geneva, 12 to 13 July 2012

Session 5: Discussion on the need to revise the UN Guidelines for Consumer Protection

Presentation
by Pradeep Mehta, Cuts International

The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
Proposals on expanding/clarifying the UN Guidelines on Consumer Protection, 1985

Ad Hoc Expert Meeting on Consumer Protection: The interface between competition and consumer protection policies

13 July, 2012, Geneva

Pradeep S Mehta
Secretary General
Para 79: The increased globalisation of the world presents consumers with both new possibilities and new problems. As capital, goods and services move more rapidly across borders, new measures are required to keep consumers adequately informed and protected in areas including trans-border data and information flows, cross border sales of financial services and food, products and advertising standards.

Following the Uruguay Round agreement, domestic norms with respect to IPR, food and product standards must already be reconciled with international norms. In addition, where effective competitive policies and enforcement are lacking, the economic gains from increased national and international competition do not always translate into meaningful benefits for consumers, who may be faced with fewer choices at higher prices.
1. Basic Services

• Access to basic services (health, water and electricity) is being reduced as a result of privatisation or deregulation.

• Guidelines could address issues such as continued provision of basic services at reasonable prices, as well as consumer representation in regulatory bodies.
2. Consumer Representation

- Growing recognition of the necessity to involve CSOs in all matters of social and economic development and as countervailing power against business

- Consumer representation is *essential* to ensure that public interest is taken into account in policy making (trade and regulatory standards)
3. Competition Policy

• Effective frameworks for competition are required at all levels to ensure that the gains from globalisation and regional integration are shared with consumers.

• Like the World Consumer Rights Day on 15th March every year, a World Competition Day should be observed on 5th December – the day when the Set was adopted by the UN.
4. Financial Services

• Access to bank and credit, private pensions insurance and financial inclusion have become much more important than ever before.

• Guidelines apply to *all* goods and services, their growing prominence and emerging problems need to be reflected in the guidelines adequately.
5. Access to Information

• Information is crossing borders as never before due to the IT revolution but they raise important issues, such as:
  – Data security; IPRs; control of offensive material; cultural impact, etc

• Guidelines could be expanded to address the new information paradigm and resultant expansion in economic activities
6. Access to Justice

• Governments are experimenting with new forms of small claim tribunals; alternative dispute resolutions; ombudsman scheme; procedural changes to include class actions or multiple litigation

• These developments need to be captured in the Guidelines *explicitly*
7. Regional Integration

- Deepening of regional integration agreements raises the concern that consumer issues may be subordinated to wider economic considerations.

- Guideline on this topic could encourage basic regional norms on optimal standards prevailing among the partners, rather than downsizing them.
THANK YOU

psm@cuts.org