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

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

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The need to revise the UN Guidelines for Consumer Protection?

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Motivation for revision of the Guidelines

Since the last revision of the Guidelines, some things have changed:

- The iPod had not yet been invented.
- We were not yet in the situation where more than 1 billion people have mobile phones but yet do not have bank accounts
- Facebook did not exist for another 5 years.



And some things remain unchanged:

- About 1 billion people have unsatisfactory access to potable water and more than 2 billion have unsatisfactory access to proper sanitation
- With an estimated 925 million hungry people in the world, almost 1 in 7 people go hungry everyday



Thus, the UN Guidelines need to address:

- technological advances
- the Guidelines tend to refer to consumers who have 'economic/purchasing power' while extreme poverty excludes many people from accessing certain basic services- water (Sec H), energy = NON CONSUMERS
- CI's principle of 'access to basic needs " to be incorporated into Art 3 of the Guidelines which lists 'the legitimate needs'



Technological advances

Amendments to existing parts of the guidelines:

- Post-purchase safety information/ manual to be online to serve second hand markets
- •No to removing functions from game consoles, changing terms of use once products are bought
- Facilitating universal access to the Internet
- Enabling competition from generic drugs



A new section on Consumers in the Digital Age

- Increasing the availability of knowledge based works
 - -Public domain, open access, free government works
- Expanding fair use of works by consumers
 - -Copyright exceptions, cutting digital locks
- Fairer enforcement practices
- Privacy, neutrality, diversity, standards.



Priorities

- Competition- Many competition issues lie upstream from the retail consumer
- Competition policy interfaces with consumer welfare but competition policy needs to deal with matters on concentration of industry structures - eg European energy market
- International agreements that 'legalise' anti competitive practices need to be reviewed, eg export subsidies that allow agricultural dumping affecting food security



Priorities

• 'Legitimate needs' indicate the important roles of consumer organisations. To facilitate these roles:

-in policy formulation- consumer organisations participating in regulatory processes eg. public hearings;

consumer representation

- in addressing grievances- consumer organisations handling consumer complaints; representations in the Board of dispute resolution system

there needs to be clear provisions in the Guidelines on government financial support for consumer organisations



Conclusions

- Need to define 'consumer'
- Extending general principles (Art 3) to include access to basic needs
- Introducing a new Article Consumers in the digital age
- Upstream competition policies that impact negatively on consumers need to be reviewed
- Sectoral expansions: energy, financial services
- Clear provisions on government support for consumer organisations





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