

New programme for consumers

European File

In May 1981 the Community's Council of Ministers approved a second European consumer protection programme.

Among the arguments justifying Community action in this area the following can be mentioned :

- the basic objectives of building Europe. The European Treaties confer on the Community the responsibility of promoting economic and social progress, and therefore the improvement of the quality of life, which, in turn, implies the protection of health, safety and the economic interests of the consumer;
- the introduction of a common market between Community countries, which involves the removal of customs tariffs, the opening-up of national markets and the free movement of goods and services between the ten Member States. This offers benefits for consumers in the form of greater choice, but also poses a problem: how can consumers be protected against possible faults in products coming from other countries? Perhaps through national legal provisions which are so divergent that they risk upsetting the single market that has been created? Or through European provisions which by harmonizing national regulations, bring closer together the competitive conditions which manufacturers are subject to and can also offer lower costs to those wishing to manufacture larger production runs and enable their products to meet the requirements of consumers in all member countries? Evidently, it is the second course which the Community has chosen by drawing up a number of

directives which aim both to remove non-tariff barriers to trade and to guarantee consumers the highest possible degree of safety and health.

The European consumer policy saw the light of day in 1972 when the Community's Heads of State and Government, meeting in Paris, recognized that economic growth should as a matter of priority bring about improvements in the quality of life, particularly through specific actions of benefit to consumers. One year later, the European Community had set up an Environment and Consumer Protection Service as well as a Consultative Committee of Consumer Representatives. In 1975, the first action programme was approved by Member States.

The principal objective of this first programme was to help consumers become better informed and thereby better able to deal with their trading partners in the market, i.e. the manufacturers, distributors, all those offering services, etc. Five consumer rights were proclaimed: the right to health and safety, the right to the protection of economic interests, the right of redress, the right to information and education, the right of representation. A large number of measures were decided upon at the European level to assure the realization of these rights throughout all member countries.¹ Six years later, the new European consumer protection programme confirmed these objectives and the right contained in the first programme, but also focused attention on two areas which were becoming increasingly important:

- In a situation of economic crisis marked by a levelling-off of earnings, permanent high levels of unemployment combined with the various repercussions of our dependence on imported energy, consumers naturally seek to obtain most benefit from their purchases. Whether buying goods or services — and the latter, whether they are private or public, absorb a growing proportion of household expenditure — consumers are more sensitive to prices, and look for quality. They wish basically to have more for their money. And they know that, through its agricultural and competition policies, the Community can to some extent influence price levels.

- Consumer protection always involves legislative and regulatory measures. But this defensive part of the work must be complemented by more positive action. The objective is to create conditions in which consumers can participate in the major decisions which concern them both as buyers or as users, and which determine their living conditions. By continuing to press their own interests and also being more aware of the interests of others, the problems they face and the general conditions of economic and social life, consumer representatives on the one hand, and representatives of manufacturers, distributors, suppliers of public or private services on the other, can conduct a dialogue, which without requiring the adoption of regulations, would offer greater guarantees to both sides (e.g. about professional ethics or after-sales service.)

¹ See *European file* No 13/79: 'The European Community and consumers'.

The new programme commits the Community therefore to:

- continue its consumer protection policy by continuing to work on matters such as prices and price disparities, and the quality and cost of services. The Community will accord growing attention to consumer interests in defining and applying its common agricultural policy, its industrial and competition policies, etc. It will continue – and develop more extensively – scientific investigations into some of the astonishing price differences which persist within the Common Market;
- extend consultation with all interested parties in the realization of these objectives, thereby giving greater encouragement to consumer organizations;
- create the right conditions for a better dialogue and greater consultation between consumer representatives, manufacturers and distributors.

While briefly recalling the principal results of the first European consumer protection programme, the following text outlines the priority actions which have been retained in the second programme.

Consumer health and safety

Under normal conditions of use, goods and services available to consumers should not present any danger. In the light of this principle, some thirty European directives have been introduced to harmonize Member State legislation to both protect consumer health and safety and to encourage the free movement of goods, which is hindered by disparate national regulations. Measures taken range from straightforward prohibition to the improvement of consumer information.

- Foodstuffs:** European directives govern the labelling of foodstuffs (durability, additives used, etc.), the packaging (restriction on use of PVC), their presentation and advertising, and even sometimes the composition of certain products (honey, fruit juices, tinned milk, chocolate). Colouring matters and preservatives, residues and pesticides, erucic acid present in oils and greases have been the subject of provisions specifying maximum levels. From the monitoring of the application of these texts and their adaptation to technical progress, work also involves other measures dealing with aromatics, certain processing agents used on fruits, vegetables and cheese, baby foods, frozen foods, etc. In addition, the European Commission will examine the effects of certain foods on health as well as ways of improving consumer information in this respect.
- Cosmetics:** a European directive regulates the composition, labelling and packaging of beauty products. In this framework, the use of some 360 substances has already been banned. The directive will be adapted to technical progress, the control and analysis methods will be determined and other substances – antioxidants, hair dyes, ultraviolet filters, etc. – will be subject to prohibition or authorization measures.
- Pharmaceuticals:** several directives already control norms applicable to medicines, the use of colouring matters, marketing conditions, etc. New texts are being prepared

to restrict the advertising of pharmaceuticals and to control the use of hormones in stock rearing.

- Tobacco and alcohol: the European Commission will examine measures taken by Member States to limit the consumption of these products; it may present proposals dealing with, in particular, their advertising as well as consumer education and information in relation to them.
- Dangerous substances: in addition to directives governing the marketing, labelling and use of numerous toxic substances, there will be other proposals dealing with, in particular, the safety problems of cleaning products and other potentially dangerous preparations used in the home.
- Textiles: the European Commission will continue its studies into the inflammability of textiles and the use of fire-proofing substances or colouring matters which are sometimes dangerous to health.
- Toys: a draft directive on toy safety has been prepared; it will be complemented by more detailed texts on the prevention of poisoning, fire, electrocution and other accidents.
- Other manufactured products: some twenty directives already govern the safety of cars and trucks (shock resistance, pollution, etc.). The Community's preoccupations extend to the inflammability of materials used for the manufacture of furniture as well as products used for fitting out and covering buildings.

On top of these legislative measures, there is scientific research work as well as an information programme being conducted to help identify the principal safety problems and introduce new measures. The European Commission has proposed to national ministers the creation of an information system on the causes of accidents in the home. In addition, a rapid information exchange mechanism should facilitate the adoption of emergency measures, ranging from consumer information to market withdrawal, when it is found that foods are contaminated, that products contain a manufacturing fault, etc. The Commission will also try to take stock of and develop existing data banks on certain products, particularly chemicals. It will encourage the improvement of safety control methods for products by organizing information exchanges between specialized laboratories.

Economic interests of consumers

Numerous Community policies directly affect the economic interests of the consumer. For example, the European competition policy oversees unfair practices which could have an effect on prices, the common agricultural policy guarantees the security of Europe's food supplies and, apart from the relatively high cost of this objective, tries to keep price increases to a prudent level to help moderate the general increase of consumer prices. Community initiatives taken to counter changes resulting from the scarcity of raw materials, the expansion of data processing or the reduction of the working week also have repercussions on consumption patterns and the position of the consumer in relation to the manufacturer or distributor.

The Community also intends to draw up specific provisions relating to the consumer's economic interests and, especially, the least-favoured consumers. It is clear that the consumer should be able to exercise his rights before and after purchase and should be protected against certain abusive and unfair practices. The European Commission has already proposed to the Council of Ministers several directives relating to liability for defective products (proposal presented in 1976), door-to-door selling (1977), misleading advertising (1978) and consumer credit (1979). It has begun work relating to abusive clauses contained in numerous contracts presented to consumers, the terms of which the consumer is rarely in a position to discuss.

In the near future the Commission will take a particular interest in the service industries. The growth of this sector, the share it takes of the household budget and its position in the economy as a whole (employing around half of the working population) increases the need to strengthen the position of the consumer all the more so since the quality of services is more difficult to compare objectively than the quality of goods. This makes price comparisons more difficult and reduces the transparency of competition. Also, a wide range of services (transport, water, gas, electricity supplies, etc.) is supplied by public services and the consumer is unable to negotiate tariffs or change the supplier at will.

The European Commission will undertake initiatives to stimulate either through consultation or through legislative measures, the improvement of:

- commercial services linked to products, services whose impact becomes more significant the longer the life of the products. Whether it is a question of a car or of a refrigerator, guarantee conditions, availability of spare parts, the ease, cost and firmness of estimates, and the invoicing of maintenance work, all have a bearing on the purchase price to the consumer;
- commercial services not linked to a product (organized trips, insurance, consumer credit, etc.) whose importance to the consumer is also increasing;
- the relationship between consumers and public services and administrations of a commercial nature, particularly when their activities are conducted at the international level, as is the case, for example, in the transport sector.

Advice, help and legal action

The consumer whose interests have been harmed should not only be able to obtain redress — this is the objective of the directive mentioned above — but should be better advised and assisted so that his rights are effective. All over Europe, numerous experiments, sometimes supported by the Community, are under way to facilitate consumer access to justice and to simplify the handling of the most common or low-level disputes. The European Commission will maintain its support and extend it by publishing a study on the procedures and means of recourse available to consumers to deal with manufacturers, traders and public services. On this occasion, it will take stock of measures taken

in member countries to simplify and facilitate redress and the handling of individual demands, to develop amicable procedures and to enable consumer organizations to intervene in court.

Consumer information

To be able to make a more rational and certain choice, the purchaser of goods or services should be better informed as to the essential characteristics: the nature of the product, quality, quantity, energy consumption, price, etc. The European Commission is therefore encouraging:

- the generalization of information, by way of labelling, methods of use, etc. On the one hand by continuing to draw up proposals for directives relating to certain goods or services: texts relating to foodstuffs and to the energy consumption of electrical household appliances have already been proposed; others dealing with textiles and certain dangerous products are being prepared. On the other hand, by encouraging voluntary measures agreed between consumer representatives, producers and dealers;
- special development of information on prices, so as to increase market transparency, to strengthen competition and reduce inflationary tendencies. Information should deal both with the price-quality relationship (taking account of guarantees and after-sales service) as well as the prices themselves: labelling on the basis of common units of measurement (as outlined in the directive on foodstuffs), greater diffusion of the results of comparative tests, better publicity to enable potential purchasers to replace one product by another or obtain it cheaper in a neighbouring area. The European Commission may support such initiatives, also at the regional and local level, and will collect, examine and diffuse the information on price disparities;
- cooperation between organizations undertaking comparative tests, particularly when the latter deal with products or services marketed in more than one member country;
- general information for European consumers, by publishing periodical reports on their problems and measures taken in their favour in the Community, by increasing the flow of information to the press and by continuing to encourage exchanges of view between national and consumer organizations.

Consumer education

The consumer should be in a position to understand the mechanisms of the economy, to understand rights and powers, to make the most considered choices. The Commission will examine, together with Member States, ways of developing consumer education, both for young people and adults: at school, a European network of pilot schools has already been formed, by television, by study-holidays for the staff of consumer organizations, etc. Particular attention will be accorded to the least-favoured groups and to nutritional problems.

The promotion of consumer interests

In recent years it has been noted that consumer problems have been the subject of many lively debates within the European Parliament and the Community's Economic and Social Committee, a body where the consumers are represented. In addition, since 1973, the European Commission has also had a Consumer Consultative Committee. The promotion of the role of the consumer in the economic and social decision-making process must be taken further however. Consultation of consumers and users of public services must be extended and regular dialogue between consumer associations, manufacturers and trades promoted. Aid should also be increased to organizations representing consumers for two essential reasons:

- Consultation between all interested parties is a basic principle of the democratic operation of our society. It should be extended to consumers, particularly so since their problems, their aspirations and their behaviour are decisive in helping society to face up to the challenges with which it is confronted, e.g. the rising cost of energy and other raw materials, inflation, economic crisis, etc.
- In a mass market, the voice of the isolated consumer has little chance of being heard. In such a context, the development of representative organizations can help re-establish a balance between consumers, producers or distributors and to form between these different poles of economic life a dialogue which may help avoid the proliferation of regulations and administrative interventions.

With this in mind, the European Commission:

- will draw up a report on the current situation relating to consumer representation at the Community and national level;
- will continue to strive towards balanced representation of consumers within the specialized consultative committees which assist it, and will try to promote this representation in regard to the various national standards organizations, and encourage consultation between the European organizations representing consumers, producers, traders, etc.;
- will continue and, if possible, increase aid to European consumer organizations to help them make themselves better heard, and also to improve the training of their staff, particularly about Community policies.



The implementation of the second European consumer protection programme will extend over five years, from 1981 to 1986. The numerous actions which have been agreed upon show that the Community wishes to work in the interest of all Europeans and that the promotion of a better quality of life is one of its prime objectives ■



The contents of this publication do not necessarily reflect the official views of the institutions of the Community.

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