



United Nations Conference on Trade and Development

Distr.: General
19 April 2024

Original: English

Trade and Development Board
Trade and Development Commission
Intergovernmental Group of Experts on Consumer Protection Law and Policy
Eighth session
Geneva, 1 and 2 July 2024
Item 6 of the provisional agenda

Enhancing the consumer movement: Means to facilitate the development of independent consumer groups

Summary

The need to engage stakeholders in the implementation of inclusive consumer protection policies was emphasized by the Intergovernmental Group of Experts on Consumer Protection Law and Policy at its first session. Consumer associations play a crucial role in representing the interest of consumers; educating, informing, advising and defending them; distributing essential goods and services; and contributing to the monitoring of markets. An overview of the evolution of modern consumer groups is provided in the present note. The roles and functions that consumer groups perform are described. The challenges faced in enhancing the development of consumer groups are presented, with reference being made to current international and regional initiatives targeting consumer groups. Policy recommendations for decision-makers are included and questions are proposed for discussion at the current session of the Intergovernmental Group of Experts.



I. Introduction

1. One of the objectives of the United Nations guidelines for consumer protection (hereinafter, the guidelines) is to facilitate the development of independent consumer groups.¹ The guidelines recognize the freedom to form consumer groups and other relevant groups or organizations and the opportunity for such organizations to present their views in decision-making processes that affect them as one of the legitimate needs of consumers.

2. The need to engage stakeholders is crucial in the implementation of the 2030 Agenda for Sustainable Development.² The Civil Society Forum that took place in the run-up to the fifteenth session of the United Nations Conference on Trade and Development (UNCTAD XV), in October 2021, is illustrative of that engagement. The forum provided an opportunity for representatives of participating organizations to discuss and share their views on issues related to the Conference, build consensus and finalize a civil society declaration,³ which was presented at UNCTAD XV. In particular, regarding inclusive consumer protection policies, this need was already recognized by the Intergovernmental Group of Experts on Consumer Protection Law and Policy, at its first session.⁴

3. Consumers are dispersed and lack expertise and resources when dealing with businesses. Only when consumers are organized can their voice be heard by decision-makers. This is where consumer groups and consumer associations⁵ fulfil an essential role in ensuring that markets are fair for consumers, as well as for Governments and businesses.

4. Consequently, at its seventh session, the Intergovernmental Group of Experts on Consumer Protection Law and Policy requested that the UNCTAD secretariat prepare reports and studies for the eighth session on enhancing the consumer movement as a means to facilitate the development of independent consumer groups.⁶ In this regard, the UNCTAD secretariat circulated a questionnaire and received inputs from 23 member States, one intergovernmental organization, two non-governmental organizations and two experts.⁷ Consumers International, the world federation for consumer groups, conducted a parallel survey using a similar questionnaire for which 36 replies were received. The aggregate results were shared by Consumers International with UNCTAD, and the conclusions were used in the present background note. The UNCTAD secretariat hosted a side event to the Consumers International Global Congress, held in Nairobi, on the same topic and gathered views of consumer groups from across the world, which further enriched this note.⁸

5. In this note, an overview is provided of the evolution of modern consumer groups, the roles and functions that consumer groups have and perform, the features they have in common and the challenges faced in enhancing the development of consumer groups. Reference is made to current international and regional initiatives that target consumer

¹ [A/RES/70/186](#), annex, para. 1 (e).

² [A/RES/70/1](#).

³ [TD/524](#).

⁴ [TD/B/C.I/CPLP/4](#).

⁵ Consumer groups are organized consumers that pool together resources to improve their economic interests. Consumer associations are non-governmental civil society organizations that represent consumers' interests and defend their rights in the marketplace. In practice, the line between the two is blurred and in most instances inconsequential. For the purpose of this background note, these terms are used interchangeably.

⁶ [TD/B/C.I/CPLP/37](#), chap. I.

⁷ Antigua and Barbuda, Argentina, Brazil, Chile, Czechia, El Salvador, Germany, Hungary, Ireland, Italy, Japan, Kingdom of the Netherlands, New Zealand, Panama, Paraguay, Peru, Poland, Serbia, Seychelles, South Africa, Spain, Thailand and the United States of America; the Eurasian Economic Commission of the Eurasian Economic Union; Consumers International and Mumbai Grahak Panchayat (India); and experts from South America.

⁸ See <https://unctad.org/meeting/consumers-international-global-congress-unctad-side-event-enhancing-consumer-movement>.

groups. Policy recommendations for decision-makers are included and questions are proposed for discussion.

II. Evolution of consumer groups

6. Throughout history, there have been spontaneous consumer protests around food.⁹ Industrialization could be said to have ushered a more distinct notion of consumer rights as it brought about a separation between producers and consumers. In the early years, the movement took the form of consumer cooperative shops in France, Germany, Italy and the United Kingdom of Great Britain and Northern Ireland. Soon after, India and Japan instituted the cooperative model, although instances of cooperative financial institutions have been reported as early as the thirteenth century.¹⁰

7. During the nineteenth century, a new concern involved enlarging access to the consumption of goods and services, giving birth to national consumer leagues in Europe and North America.¹¹ In 1928, the Consumers Union was created in the United States of America and became the first modern consumer association, focusing on testing and review of consumer products. The model of selling publications that were independent from advertising and thus reputable proved profitable and was exported to other economies, such as Belgium, the Kingdom of the Netherlands and the United Kingdom. At its peak, the magazine *Which?* of the United Kingdom reached 1 million subscribers.¹² Associations in other European countries followed a combined model of subscriptions and public subsidies, as was the case in Austria, Norway and Sweden.¹³ The Indian Association of Consumers was established in Delhi in 1956 with government support and, in 1966, the Consumer Guidance Society of India was established in Mumbai to test and report on the quality of foodstuff and the handling of consumer complaints.¹⁴ In order to pool resources, International Consumer Research and Testing was created in 1990 and currently operates as a global consortium of over 30 consumer organizations that collaborate on research and testing of consumer products and consumer services.¹⁵

8. In the transition economies of Central and Eastern Europe, the expense involved in testing made it difficult to establish and sustain product testing magazines on a stable basis, even in large markets such as the Russian Federation. Consumer associations in this region have often drawn legitimacy from local “clubs”, sometimes based around home economics associations, which allowed for consumer associations to have direct contact with the public, preceding the arrival of the market economy.¹⁶

9. The development of a consumer “movement” worldwide can be traced by observing the spread of membership in Consumers International.¹⁷ The initiators of Consumers International in 1960 were five associations from Australia, Belgium, the Kingdom of the Netherlands, the United Kingdom and the United States. The first cohort of members totalled 16 countries. By the 1980s, over 50 countries were represented in the membership. During the late twentieth century, consumer associations took off in Asia, Africa and Latin America and membership reached 225 associations from 115 countries by the year 2000 and, since then, has been maintained approximately at that level.

⁹ UNCTAD, 2017, *Manual on Consumer Protection*, UNCTAD/DITC/CPLP/2017/1 (United Nations publication, Geneva), p. 24.

¹⁰ Trentmann F, 2016, *Empire of Things: How We Became a World of Consumers from the Fifteenth Century to the Twenty-first*, Allen Lane, London.

¹¹ Hilton M, 2008, The death of consumer society, in: sixth series, *Transactions of the Royal Historical Society*, vol. 18, p. 213.

¹² UNCTAD, 2020, *Report on Consumer Associations*, UNCTAD/DITC/CLP/2019/2 (United Nations publication, Geneva), p. 3.

¹³ Ibid.

¹⁴ Gupta M, 2018, *Chronological progression of consumerism as a movement*, *International Journal of Research in Social Sciences*, p. 1218.

¹⁵ See <https://www.international-testing.org/>.

¹⁶ UNCTAD, 2017, p. 24.

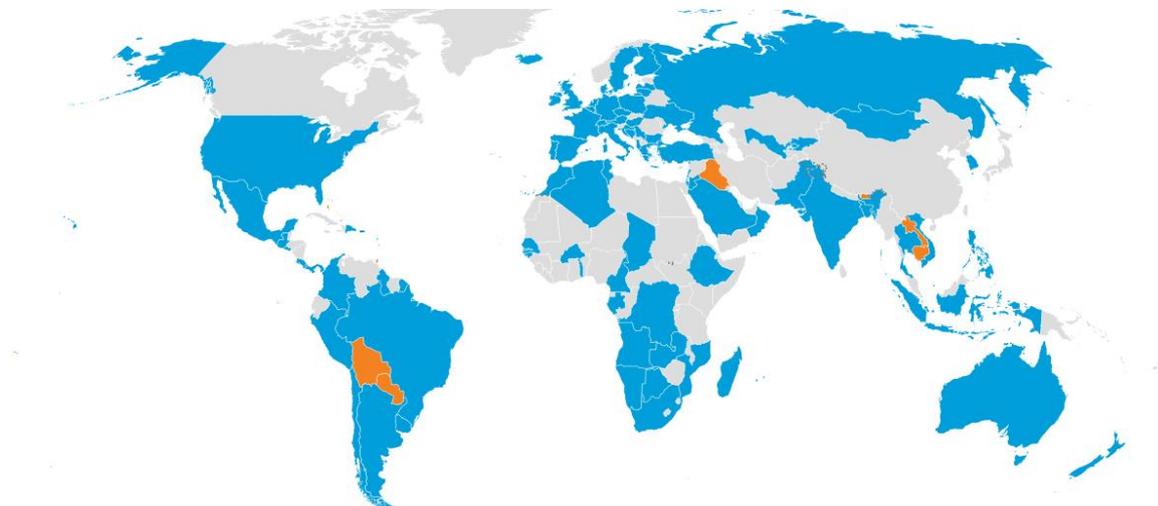
¹⁷ See <https://www.consumersinternational.org/who-we-are/>.

10. With the expansion of industrialization in the 1970s, 1980s and 1990s, consumer associations emerged in Africa, Asia and Latin America. The Kenya Consumers Organization, the Consumer Council of Zimbabwe, the Housewives' League of South Africa and the Institute for Consumer Protection in Mauritius were established in the late 1970s.¹⁸ Following the establishment of various consumer groups at the State level, the Brazilian Institute for Consumer Protection¹⁹ was created in 1987. A vibrant consumer movement in India was further boosted by the adoption of the country's first consumer protection law in 1986.

11. According to the most recent information received for the UNCTAD world consumer protection map, 90 countries reported having consumer associations (figure 1). For example, South Africa reported that the country has 211 consumer associations; Peru has 103; Germany, 70; Argentina, 46; Czechia, 6; and Ireland, 1. There are currently over 600 consumer groups in India.²⁰ In some countries, there is no organic relationship between Government and consumer groups. In other countries, consumer associations may be dependent on Government.²¹

Figure 1

Countries with non-governmental consumer organizations and associations*



* The boundaries and names shown and the designations used on this map do not imply official endorsement or acceptance by the United Nations.

Source: UNCTAD, world consumer protection map, available at <https://unctad.org/topic/competition-and-consumer-protection/consumer-protection-map> (accessed February 2024).

Note: Blue indicates "Yes" (90 countries); orange indicates "No" (12 countries); light grey indicates no data.

III. Roles and functions of consumer groups

12. The guidelines recognize the role of consumer groups as an authoritative voice and representative of consumer concerns. Consumer groups are indispensable in improving consumers welfare in an inclusive manner, whether as a dependable partner for Governments in the development and implementation of consumer policies or as a trusted ally for consumers in need. The United Nations guidelines thus set the establishment of consumer groups as an objective and the freedom to form them as a legitimate interest of consumers. The guidelines also ask Member States to encourage consumer groups to

¹⁸ Gwitira JC, 1997, African consumer movement, In: Brobeck S, ed., *Encyclopedia of the Consumer Movement*, ABC-Clio, Santa Barbara (California), United States, pp. 11–19.

¹⁹ See <https://idec.org.br/>.

²⁰ Singh G, 1997, Indian Consumer Movement, In: Brobeck S, ed., *Encyclopedia of the Consumer Movement*, ABC-Clio, Santa Barbara (California), United States, pp. 312–316.

²¹ UNCTAD, 2017, p. 24.

monitor adverse practices (para. 21,) let them play a role in advertising, marketing and addressing misleading environmental claims (para. 30) and to cooperate with them and businesses in formulating codes of marketing and other business practices (para. 31). Regarding dispute resolution and redress, consumer groups are invited to further the understanding of consumers and business on avoiding disputes, dispute resolution and redress mechanisms available to consumers, as well as where consumers can file complaints (para. 41).

13. The guidelines also foresee a wide range of involvement in consumer education efforts for consumer groups and other relevant civil society organizations. This can include information programmes on the environmental impact of consumption patterns (paras. 42 and 45.) The importance of community participation, which often involves civil society groups putting forward consumer interest, is emphasized in paragraph 72, on water, and paragraph 76, on energy, in chapter V, section K (“Measures relating to specific areas”) of the guidelines. Finally, in chapter VI (“International cooperation), Member States are asked to facilitate cooperation among consumer groups and other relevant civil society organizations, particularly on sustainable consumption (para. 92).

14. While references to them are spread apart in the guidelines, the role of consumer associations that emerges is not to serve as a repetition of government activities, but rather as an essential complement to ensure fair and inclusive markets that respect and champion consumers’ rights. Whereas Governments represent the public good and businesses represent profit-making, consumer groups represent the actual interests of consumers. This means that in instances where Governments are asked to balance conflicting interests, consumers need an authoritative spokesperson if that balance is to be fair.

15. The shared responsibilities between Governments and consumer groups in consumer policy is not at odds with the principle of subsidiarity, used in some jurisdictions, such as Germany.²² The principle argues that actions should be taken closest to the consumer, so the Government does not act unless it is more effective than consumer associations in a given situation. This principle is useful when articulating the relationship between Government and consumer groups.

16. The UNCTAD *Manual on Consumer Protection* and the *Report on Consumer Associations*²³ identify the different functions that consumer groups fulfil, which are summarized in section A below.

A. Functions fulfilled by consumer groups

(a) Representation of the interests of consumers

17. Successful market regulations require inclusive and transparent processes that consider consumers’ interests. This means that Governments and sectoral regulators regularly engage with consumer groups, as well as public bodies and representatives of other stakeholders to improve legislative, regulatory and institutional initiatives. Such engagement can take the form of formal or informal consultations. A good practice is to establish formal consultative frameworks to assist Governments and sectoral regulators in policymaking and implementation, by gathering and articulating consumer associations views, suggestions and proposals. Another good practice is for Governments to establish regular annual meetings with the widest number of consumer associations active in a country to take stock of issues of concern for consumers and maintain open communication channels with consumer associations.

²² Submission by Germany.

²³ UNCTAD, 2017, p. 24, and UNCTAD, 2020, p. 3, respectively.

18. Some examples are the National Consumer Congress in Australia,²⁴ Consumer Advisory Committee of Czechia,²⁵ the National Consumer Council of France,²⁶ the National Council of Consumers and Users of Italy²⁷ and, in Peru, the well-established National Integrated System for Consumer Protection and the more recent National Consumer Congress.²⁸ Brazil includes consumer associations as part of its National Consumer Protection System, alongside federal, regional and municipal consumer authorities, the police and public prosecutors, under the coordination of the National Consumer Service.²⁹ The Consultative Group to Assist the Poor produced a detailed toolkit, for market conduct supervisors of financial services, that includes a tool on how to set up national consumer advisory panels,³⁰ which could be applied to other sectors.

(b) *Educating and informing consumers*

19. Respondents to the questionnaire circulated by the UNCTAD secretariat recognized the privileged position that consumer groups hold regarding education and information campaigns. The large networks of consumer groups and their close relationship with consumers allow them to tailor their awareness-raising campaigns to consumers' needs and understanding. Consumer associations use all available channels to reach consumers, namely:

(a) Public outreach, including talks, mini workshops and annual nationwide consumer educational programmes for young people, as well as contests and community projects

(b) Social media campaigns, forging direct contact with consumers, with wide dissemination and multiplier effects

(c) Publications, surveys and polling, in the form of infomercials, brief flyers, handbooks, guides and school curriculums

(d) Briefing papers newsletters and media or press conferences

(e) Testing and test reports.

20. This is one of the most common functions of consumer associations, shared by all respondents to the UNCTAD questionnaire, of which four examples from different regions are provided here. In 2019, the Consumers Association of Singapore launched a price comparison application called "Price Kaki" that allows consumers to compare the retail prices of groceries, household items and hawker food. Using a crowdsourcing mechanism, users registered with the application can track price changes of popular items, such as instant noodles and instant coffee, and thereby make more informed purchasing decisions even if they have limited time or are unaware of market prices. The application is also available for fuel prices and complements government actions, such as recent guidelines by the Competition and Consumer Commission of Singapore on price transparency.³¹

21. Since 2014, the Chilean consumer association, Trainers of Youth Consumer Organizations, has hosted a Centre for Educational Resources for Responsible

²⁴ Held by the Australian Competition and Consumer Commission; see www.accc.gov.au/about-us/conferences-events/national-consumer-congress.

²⁵ Czechia, response to UNCTAD questionnaire.

²⁶ See <https://www.economie.gouv.fr/cnc>.

²⁷ Italy, Ministry of Business and Made in Italy; see <https://www.mimit.gov.it/index.php/it/mercato-e-consumatori/tutela-del-consumatore/associazioni-dei-consumatori/cncu>.

²⁸ Under the National Consumer Protection Authority of Peru, available at <https://www.gob.pe/indecopi>; see also <https://www.gob.pe/institucion/indecopi/noticias/860630-el-indecopi-organizo-el-i-congreso-nacional-de-consumo-dirigido-a-capacitar-a-las-asociaciones-de-consumidores-en-el-pais>.

²⁹ See <https://www.gov.br/mj/pt-br/aceso-a-informacao/perguntas-frequentes/consumidor/sistema-nacional-de-defesa-do-consumidor>.

³⁰ Izaguirre JC, Dias D, Duflos E, Brix Newbury L, Tomolova O and Valenzuela M, 2022–2023, *Tool 9: Consumer advisory panels*, In: *Market Monitoring for Financial Consumer Protection* (CGAP toolkit), Consultative Group to Assist the Poor, Washington, D.C.

³¹ Association of Southeast Asian Nations (ASEAN), 2022, *ASEAN Guidelines on Consumer Associations*, Jakarta, p. 19.

Consumption,³² which comprises a public library, workshops and courses, a consumer school, educational campaigns materials and a social co-working space. The Spanish Confederation of Consumer and User Cooperatives and the Government of Spain host a school for circular consumption aimed at promoting responsible consumption patterns through consumer information and education, particularly for young consumers.³³ The Consumer Council of Zimbabwe educates consumers through lectures, newspaper articles and develops informative articles on various topical consumer issues and gives warnings on things to be alert to through the print and electronic media, focus desks, focus group discussions, workshops and seminars, to enable consumers to make informed decisions in the marketplace.³⁴

(c) *Advising and defence of consumers*

22. Most consumers approach a consumer association when faced with a dispute against a business. Providing legal counsel for consumer disputes is one of the basic functions most consumer associations fulfil. In Poland, consumer associations host a hotline providing free legal advice. The Peruvian Association of Consumers and Users provides advice and assistance on avenues for reparation and represents them before competent authorities.³⁵

23. In a growing number of countries, consumer associations are granted legal standing before jurisdictional bodies to defend consumers, either individually or (more commonly) collectively. The procedural right to launch damages actions on behalf of consumers is a cornerstone in ensuring access to justice for consumers.³⁶ In the context of voluntary peer reviews on consumer protection law and policy, UNCTAD has consistently welcomed and recommended that member States grant consumer associations the right to intervene in judicial proceedings on behalf of consumers.³⁷ In the margins of the 2023 Global Congress held by Consumers International,³⁸ the Consumers Association (Consumentenbond) of the Kingdom of the Netherlands delivered a workshop on collective actions targeting fellow consumer associations on the organization of successful collective consumer claims (see box 1).

Box 1

Do's and don'ts for consumer associations when starting collective action

Do's

1. Begin with a short and compelling narrative: why is the issue important for consumers and for your organization?
2. Know your position: with stakeholder mapping you gain insight into your influence and power vis-à-vis other stakeholders.
3. Take a multi-level approach: do not limit yourself to collective actions, put pressure on politics and regulators, change (inadequate) policies.
4. Engage as many consumers as possible, thus, strengthening your position versus other claim organizations, counterparties and before court.
5. Close ranks: make sure your organization and board “have your back”.

Don'ts

1. Don't rush things: take your time and make sure you get optimal results for

³² See <https://fojucc.cl/crecore/>.

³³ See <https://escuelaconsumocircular.es/>.

³⁴ See <https://www.ccz.org.zw/consumer-education/>.

³⁵ See <https://www.aspec.org.pe/%C3%A1reas-de-trabajo>.

³⁶ TD/B/C.I/CPLP/11, paras. 15 to 20.

³⁷ UNCTAD/DITC/CPLP/2018/1, page 23; UNCTAD/DITC/CPLP/2022/1, pages 14 and 17; UNCTAD/DITC/CPLP/2020/1 pages 46 and 50.

³⁸ See: <https://www.consumersinternational.org/consumers-international-global-congress-2023/>

consumers and your organization.

2. Don't do it alone: you lack in-house expertise? Seek partnerships with law firms, claim administrators, funders.
3. Don't make class actions a financial drain: cover your financial risk by working on a "no cure, no pay basis" and/or with a litigation funder.
4. Don't make yourself dependent: be in control of the recruitment campaign, assert influence over process strategy.
5. Don't work behind the scenes be visible, seek publicity with your recruitment campaign, become a leader not a follower.

Source: Consumentenbond (2023). [Workshop on building sustainable consumer organizations: Spotlight on collective claims](#). Presented at the Global Congress of Consumers International, 7 December.

24. More recently, consumer associations that comply with public quality criteria on respecting consumer rights and due process³⁹ may also provide alternative/out-of-court dispute resolution for consumers, such as conciliation and mediation.⁴⁰ For example, the Foundation for Consumers of Thailand established its Complaint and Legal Assistance Centre in 1996, which receives consumer complaints and mediates with businesses or files lawsuits when mediation is not successful. In 2021 alone, the Foundation for Consumers of Thailand provided advice to and received complaints from a total of 3,321 consumers.⁴¹ Several Portuguese authorized consumer alternative dispute resolution providers⁴² include the Portuguese Association for Consumer Protection, the oldest Portuguese consumer association, as one of the founding members.⁴³

25. Consumer associations advice also extends to counselling on goods and services, which is particularly relevant for financial services. In 2023, Brazil issued a notice to invest R\$20 million (US\$4 million) to support advice to overindebted consumers by consumer groups.⁴⁴

26. The United States encourages consumer associations to report complaints through a cross-border complaint platform, created as part of an initiative of the International Consumer Protection and Enforcement Network,⁴⁵ to gather and share consumer complaints about international scams. The promotion of the platform by consumer groups includes featuring a link in their institutional websites.

(d) *Distributing essential goods and services*

27. In relation to distribution facilities for essential goods and services, the guidelines ask Member States to encourage the establishment of consumer cooperatives and related trading activities, as well as provision of information about them, particularly in rural areas. Consumer groups have taken on this task, particularly in developing countries (see box 2).

Box 2

The experience of Mumbai Grahak Panchayat, India

Mumbai Grahak Panchayat, in India, is the largest registered voluntary consumer organization, with more than 30,000 families as members across State of Maharashtra and a head office in Mumbai. It started operating 49 years ago and currently has more than

³⁹ Quality criteria against which consumer dispute resolution and redress may be evaluated and regulated are proposed in TD/B/C.I/CPLP/11, para. 43.

⁴⁰ TD/B/C.I/CPLP/11, para. 24.

⁴¹ UNCTAD/DITC/CPLP/2022/1, pp. 37–38.

⁴² Directorate General for Consumers, Portugal, <https://www.consumidor.gov.pt/>,

⁴³ See <https://deco.pt/>.

⁴⁴ Submission by Brazil.

⁴⁵ See <https://econsumer.gov> and <https://icpen.org/protecting-consumers-worldwide>, respectively.

3,500 active volunteers. Mumbai Grahak Panchayat is financially self-reliant, with no government or other funding from any national or international funding agency.

Mumbai Grahak Panchayat encourages consumers to form consumer groups of a minimum of 11 families on a self-help basis to collectively procure their monthly grocery items. There are currently 2,800 such consumer groups, totalling more than 30,000 consumers. Every month, Mumbai Grahak Panchayat supplies around 100 essential items to its members on a “no loss, no profit” basis. Direct and collective procurement enables savings of up to 25 per cent in grocery purchases. Mumbai Grahak Panchayat provides staples such as rice, sugar and wheat in cloth bags that members must return for reuse, thus reducing plastic consumption.

Source: Mumbai Grahak Panchayat, India, response to UNCTAD questionnaire.

(e) *Monitoring of markets*

28. Consumer associations are in close contact with the realities of markets, which places them in an advantageous position to contribute to monitoring and denouncing of unfair business practices to relevant public authorities. In some countries, such as Poland and the United States, consumer groups conduct testing of products, which can yield intelligence for monitoring of product safety.⁴⁶ In others, such as Germany, consumer associations that meet legal criteria can participate in the enforcement of consumer protection laws through injunctions before judicial bodies.⁴⁷

29. In countries where direct participation is not possible, consumer groups can serve as whistleblowers on issues encountered by consumers in markets, which is most relevant in countries without government authorities dedicated to consumer protection.

B. Features of independent consumer groups

30. Two conditions are commonly required to be met for an organization to be recognized as a consumer group: independence and representativeness.

(a) *Independence*

31. Consumer associations represent the consumer voice, and therefore need to be independent from businesses and from political parties. Article 12 of the Consumers International constitution indicates the independent role expected of consumer associations. This is a key factor to ensure their credibility in the discharge of their functions. Independence is a usual legal requirement for consumer associations to be considered as such by Governments. Indeed, most respondents to the survey conducted by Consumers International reported being independent from Government (see table). In countries where consumer groups are dependent on government authorities, this requirement does not apply.

Table 1

Responses to the question: What is the status of consumer groups in your country?

<i>Response category</i>	<i>Number of countries</i>
Independent of Government	31
Government degree of control	7
Fully funded by Government	1
Memorandum of understanding with Government	5

⁴⁶ Poland and United States, responses to UNCTAD questionnaire.

⁴⁷ Germany, response to UNCTAD questionnaire.

<i>Response category</i>	<i>Number of countries</i>
Partially funded by Government	12
Funding received from consumers	11
Funding received from other sources (businesses or philanthropic foundations)	16
No formal agreement with Government	9
Limited to no recognition by Government	5

Source: Consumers International, 2024 survey.

(b) *Representativeness*

32. A precondition for consumer groups to be consulted in decision-making processes is that they are perceived as legitimately representing the consumer voice. One source of legitimacy is a significant membership base. In countries with numerous organizations, it may be difficult for Governments to decide who should be considered for membership. As reported by the Consultative Group to Assist the Poor, some use an open application or expression of interest, while others invite specific candidates based on an internal vetting process. Either way, criteria should be transparent and objective, with latitude to achieve the right balance of expertise, experience and varied representation in groups, including for example gender and location.⁴⁸

33. Consumers have different and sometimes contradictory interests. It is thus important to consider the various categories of consumers that differ in relation to residence, income, employment, education, gender and age, when deciding on the representativeness of consumer groups. Special efforts should be made to ensure the representation of vulnerable and disadvantaged groups. For example, in public consultation processes in regulated sectors, tensions can arise between households that are connected to electricity and water grids, which benefit from lower tariffs, and households that are yet to be connected and for which connection charges are a real concern. In this context, the interests of non-consumers (those who remain disconnected) may be ignored, while those of existing customers are met.

34. Another source of legitimacy is the competence of consumer groups and the quality of their work. The horizontal nature of consumer policies requires specialized expertise to understand issues at hand and articulate plausible solutions.

35. Finally, laws and regulations often impose some formal requirements for consumer associations to be considered representative. This may include registration in a national registry with conditions, such as a defined lapse of time since establishment, formal organs and availability of reporting. The conditions set in France are provided as an example in box 3.

Box 3

Conditions for accreditation of consumer associations in France

Approval is granted to a consumer association that meets the following three conditions:

- The consumer association has been in existence for one year as of the date of application.
- During that year, the consumer association can show that it has been genuinely active in defending consumer interests (producing and distributing publications, holding information meetings and having opening hours).
- At the date of application, the consumer association has at least 10,000

⁴⁸ Izaguirre JD et al., 2022–2023

paid-up members, in the case of a national association, or a number deemed representative in the case of a local, departmental or regional association.

Source: See <https://www.service-public.fr/particuliers/vosdroits/F1126#:~:text=L'agr%C3%A9ment%20est%20accord%C3%A9%20C3%A0,d'une%20ann%C3%A9e%20d'existence.>

C. Challenges faced in enhancing the development of consumer groups

36. The challenges faced by Governments when enhancing the development of consumer groups are not exclusive to these groups, but rather common to the wider non-governmental landscape. They are the corollary of the features mentioned above. Such challenges relate to the areas described in the remainder of this section.

(a) *Strategic engagement*

37. It is difficult for the consumer movement to take root without some government encouragement. The requirement of independence from businesses and political movements precludes any financial incentives. Difficulties in setting up viable business models and professionalizing the staff of consumer associations are considerable. Indeed, respondents to the survey conducted by Consumers International reported that securing government support and engagement for dialogue is one of the most significant challenges they face.

38. The first step is to recognize, ideally in law, that consumer groups must be heard in participatory processes that affect them. This means that Governments need to set up mechanisms to regularly consult consumer groups and to recognize them as stakeholders in policymaking. Such strategic engagement will yield an accurate mapping of the consumer associations landscape in a country and allow a Government and consumer groups to conduct a needs assessment. Consumer protection authorities should cooperate among themselves to have a coherent approach. They can also conclude memorandums of understanding with consumer groups containing the obligations of each party. The Eurasian Economic Union is consulting on a draft recommendation for the involvement of consumer associations in consumer protection policymaking, expected for 2024.⁴⁹

(b) *Professionalization of staff*

39. Consumer associations rely heavily on the activism of people committed to improving the well-being of their fellow citizens. Many people are willing to invest time and effort for free, with volunteering serving as the basis of the consumer movement. This is one of the strengths of consumer associations and should be promoted. However, volunteering is intrinsically unstable as it depends on personal availability and is not suited to medium- and long-term activities. The professionalization of the membership of consumer associations is therefore to be encouraged.⁵⁰ To that end, since 2016, Peru has been implementing a plan for the strengthening of consumer associations.⁵¹

40. Governments and non-governmental organizations can facilitate training programmes for consumer groups on both the substantive issues of consumer protection, such as laws, regulations, procedures and case law, and on the managerial issues needed to run a successful consumer association, such as developing a business plan, communications and fundraising. The Argentine School of Consumer Education⁵² offers free online training, which is also targeted at consumer groups.

⁴⁹ Eurasian Economic Commission, response to UNCTAD questionnaire.

⁵⁰ UNCTAD, 2020, *Voluntary Peer Review of Consumer Protection Law and Policy: Peru*, UNCTAD/DITC/CPLP/2020/1 (United Nations publication, Geneva), p. 38.

⁵¹ See <https://elperuano.pe/noticia/47597-fortaleceran-asociaciones-de-consumidores-del-pais>.

⁵² See <https://www.argentina.gob.ar/produccion/defensadelconsumidor/escuela-argentina-de-educacion-en-consumo>.

(c) *Funding*

41. Achieving financial viability was ranked as the main challenge, as identified by members of Consumers International in its dedicated survey. The funding of consumer associations is a complex and unresolved issue in most countries. Ideally, they should be financially independent from Governments and businesses to preserve their credibility. However, this has proved challenging for consumer associations due to the low membership base and the difficulty in implementing a sustainable business model. As receiving funding from businesses is usually excluded, consumer associations that have succeeded in being financially independent from Governments have based their business model on, for example, membership fees, testing, publication subscriptions and a share of profits in collective actions in justice. There are various ways in which Governments can contribute to the financial viability of consumer associations, ranging from direct subsidies to project-based competitive grant funds.

42. Government funding of consumer associations can take various forms. Some governments dedicate part of their national budget to fund consumer associations, with a view to enhancing their establishment and development. This is the case of the Consumer Welfare Fund of India, a country with a vibrant consumer association community.

43. Other more nuanced options include dedicating a percentage of sanctions collected by a consumer protection public enforcement body and other enforcers to supporting consumer associations, as is the case in Italy and Peru. Another option is to release competitive funds for projects, which in some cases allow for handling ordinary expenses, such as Spain and the European Union. Germany also allows for donations to consumer groups to be tax deductible and exempts the revenues of such groups from corporate taxes on their turnovers, as is also the case in the United States.⁵³ South Africa provides funding to accredited consumer protection groups through the national lottery.

44. Consumer associations can also obtain grants from international development and other philanthropic institutions. For example, Consumers International has set up the Fair Digital Finance Accelerator, which trains a community of consumer advocacy groups in low- and middle-income countries and disburses subgrants.⁵⁴

45. The Consultative Group to Assist the Poor provides ample guidance for institutions aiming to fund consumer associations in the financial services sector.⁵⁵ The recommendations can also be useful for funders of consumer associations at large.

D. International cooperation

46. There are various regional and international initiatives among consumer groups, such as the ASEAN Consumer Associations Network, the Consumers in Action for Central America and the Caribbean, the Latin American and Caribbean Council of Consumer Organizations, the European Consumer Consultative Group, the Transatlantic Consumer Dialogue and the International Network of Civil Society Organizations on Competition.

47. The *ASEAN Guidelines on Consumer Associations* target consumer associations who initiate activities and guide Governments regarding strategic and operational support to be extended to consumer associations.⁵⁶ Consumers International is the global membership organization of consumer groups, although consumer protection government authorities can also be members. There are various federations of consumer groups at regional level. For example, Beuc is the umbrella group for 45 consumer organizations from 31 European countries.⁵⁷ The ASEAN Consumers Alliance Centre⁵⁸ was established in 2021 as a

⁵³ Submissions by Germany and the United States.

⁵⁴ See <https://www.consumersinternational.org/what-we-do/fair-finance/fair-digital-finance-accelerator/>.

⁵⁵ Duflos E, Griffin M and Valenzuela M, 2021, [Elevating the collective consumer voice in financial regulation](#), Working Paper, Consultative Group to Assist the Poor, Washington, D.C.

⁵⁶ ASEAN, 2022, *ASEAN Guidelines on Consumer Associations*, Jakarta.

⁵⁷ See <https://www.beuc.eu/>.

⁵⁸ See <https://aseanconsumersalliance.org/>.

federation of civil society organizations aiming to achieve the goals of the ASEAN strategic plan for consumer protection in the region.

48. Consumers associations regularly participate in the works of the International Standardization Office and are welcome at meetings of the Organisation for Economic Co-operation and Development, UNCTAD and the World Trade Organization. The European Commission hosts the Consumer Policy Advisory Group as the main forum to consult with national and European consumer policy consumer groups about the implementation of the New Consumer Agenda.⁵⁹

49. Just as national authorities, consumer associations are faced with consumer issues of cross-border and international nature, from digitalization to sustainability, their ability to engage at that level is limited. Some member States also asked that UNCTAD promote the participation of consumer groups in its intergovernmental deliberations, which is in line with the decision of the Intergovernmental Group of Experts on Consumer Protection Law and Policy⁶⁰ to welcome stakeholders, including consumer associations, to its annual meetings. UNCTAD regularly releases a list of non-governmental organizations participating in its activities, which comprise several consumer groups.⁶¹ Some suggested targeted training courses for consumer groups.

50. Consumer groups expressed interest in the funding opportunities that UNCTAD may provide. UNCTAD provides support to government authorities through technical assistance and capacity-building and, in this context, has provided capacity-building to consumer associations in the framework of technical cooperation projects. Some consumer groups asked that UNCTAD encourage member States to support the consumer movement. This note by the secretariat provides the background for discussion.

IV. Policy options and questions for discussion

51. Based on the United Nations guidelines for consumer protection and UNCTAD analysis and the inputs provided by member States and relevant stakeholders, a set of policy recommendations for policymakers to facilitate the development of independent consumer groups is proposed, as follows:

(a) Recognize the importance of enhancing the establishment and development of independent consumer groups as government priority.

(b) Establish a mechanism for government recognition of consumer groups, which allows their formal participation (advisory role) in policymaking, implementing education and information campaigns, advising consumers and facilitating dispute resolution and redress (in accordance with applicable rules), distributing essential goods and services and monitoring of markets.

(c) Establish formal and regular coordination and communication channels with consumer groups.

(d) Conduct national assessments of the state of consumer groups to identify existing barriers and capacity needs, partnering with academia and research centres where appropriate.

(e) Train members of consumer groups on substantive consumer protection law issues and encourage them to pursue training on managerial issues, such as developing a business plan and communications.

⁵⁹ See https://commission.europa.eu/strategy-and-policy/policies/consumers/consumer-protection-policy/our-partners-consumer-issues/consumer-policy-advisory-group-cpag_en#:~:text=The%20CPAG%20is%20the%20Commission's,of%20the%20New%20Consumer%20Agenda.

⁶⁰ TD/B/C.I/CPLP/4, chapter I.

⁶¹ See <https://unctad.org/civil-society>.

(f) Support the establishment and development of consumer groups, in accordance with the social, economic and environmental circumstances of the country and the needs of its population.

52. The following issues may be considered for discussion:

(a) What are the benefits and challenges in facilitating the establishment and development of independent consumer groups?

(b) What are the most efficient ways Governments can support the establishment and development of independent consumer groups?

(c) How can UNCTAD support the work of member States in protecting consumers and facilitating the establishment and development of consumer groups?
