

NEW CONSUMER AND HEALTH POLICY PROGRAMME

Background

1. WHY NOW?

- Luxembourg Presidency wishes to accelerate work on Financial Perspectives 2007-2013 in the light of the referendums on the European Constitution.
- The Commission supports this approach and wants to provide all necessary input on time in order to facilitate discussions.
- Therefore, a programme has to be presented by the beginning of April 2005.

2. WHICH PROGRAMME?

- In order to reduce the number of programmes and simplify the presentation of the budget, the Commission has proposed to merge a number of programmes.
- A single financial Programme covering both Consumer policy and Public health will be presented under the heading "Citizenship" (heading 3 of the July Commission communication on financial perspectives).
- The financial programme will be a legal instrument, probably in the form of a draft Council and Parliament Decision. A communication setting out a broader Health and Consumer policy strategy will be presented at the same time as the proposed financial instruments.

3. HOW MUCH?

- The Commission foresees a doubling of the present envelope for actions to support consumer policy (up to 40 millions euros). This increase in funds is in large measure accounted for by the creation of a "European Consumer Centre/Institute".
- This centre would perform various tasks: for example, it would coordinate a network of independent researchers and analysts in order to provide an input for European and national consumer policies; it would co-ordinate the research work of consumer organisations, e.g. on prices and product comparisons; it would provide training courses for a) public authorities both policy makers and enforcers, b) consumer organisations; to co-ordinate further work on consumer education.

Issues for discussion

- Common themes and actions that cover both health and consumer policy should be identified, wherever possible.
- The new programme should build on the previous consumer policy strategy and financial framework decision 2003-2006, as well as on the previous public health programme.
- Consumer specific themes : possible broad areas to be covered:

- Improving and simplifying the legal framework (economic interests, safety, contract law, financial services) and completing the internal market.
- Enforcement of the existing acquis – cooperation between enforcement agencies, transposition; consumer organisations
- Consumer Empowerment – consumer advice and information; consumer education, Alternative Dispute Resolution (ADR), consumer redress; consumer organisations; dialogue; ensuring markets deliver pro-consumer outcomes.
- Improving the evidence and knowledge base (data collection, modelling, consumer detriment, research, statistics and market analysis) for consumer policy.
- Integration of consumer policy into other EU policies (competition; financial services; telecoms, SGI, International relations)

SPECIFIC QUESTIONS FOR DISCUSSION

UNICE RESPONSE TO THE COMMISSION DG SANCO'S CONSULTATION

Introductory comments:

UNICE is grateful for the possibility to comment but considers that more in-depth discussion on the new Health and Consumer Policy Strategy should have taken place with stakeholders. This is particularly important bearing in mind the proposed 100% increase in the budget and the period of time covered (until 2013) by the envisaged new programme.

• What should be the consumer policy priority objectives at European level?

The Consumer Policy Strategy must contribute to further enhancing the internal market and increasing prosperity in the enlarged Europe without imposing unnecessary burdens on companies. It must consider consumers/business as partners in the internal market and take into account its effect on competitiveness of companies. In this regard, proper implementation of existing rules and even enforcement are central.

UNICE supports the general approach recommended by the Commission to use, although decided on case-by-case basis, full harmonisation instruments in cases where legislation is justified and needed. The Commission should commit to this approach.

Priority areas:

- 1) Enforcement of existing and new legislation
- 2) Even transposition and implementation of legislation: special attention should be paid to the directive on unfair commercial practices, the general product safety directive and the regulation on enforcement cooperation
- 3) Review of existing EU consumer protection acquis should aim at simplification and reduction of regulatory burden to the extent possible. A clear and descriptive roadmap/plan on the review should be elaborated. It should not be made dependent on or delayed by progress on the EU Contract Law project
- 4) Promotion of alternatives to legislation (self-regulation)

- 5) Promotion of dialogue between business, consumers and public authorities (enforcers)
- 6) Consolidation and proper implementation of product safety regulations
- 7) Better regulation
 - Impact assessments of each proposal should be carried out
 - Solid and factual justification for new proposals should be provided
 - Adequate stakeholder consultation should be carried out
 - Better coordination among the relevant Commission services
- 8) Improved consumer data and statistics
- 9) Access to justice/redress : further promotion of ADRs
- 10) Consumer Education//Information (special focus on national level).

• **How can EU and national consumer policy strategies reinforce each other effectively?**

National strategies should put EU Consumer Policy Agenda on the front page of their strategies.

Coordination and mutual reinforcement is fundamental.

If not, national policies will remain dominant and isolate EU policy.

• **What do you see as potential synergies between Consumer and Health Policies?**

While these policies rest on different Treaty bases, with different levels of EU competence, there might be some synergies as consumer and health policies both contribute to boosting consumer confidence in the market and well-being of EU citizens. Also both policies have an impact on the functioning of the internal market and therefore this impact must always be evaluated in the policy-making process.

• **What lessons can be drawn of the recent enlargement and what special account, if any, needs to be taken of the recent and future enlargement?**

Recent enlargement has shown that most new Member States are very committed and willing to cooperate. Action should focus on:

- Correct implementation of the acquis
- Proper enforcement
- Full involvement of new members and their various stakeholder representatives in the EU decision-making process and promotion of dialogue with all stakeholders at both national and EU level

• **The definition of what constitutes a consumer organisation and financial support are the responsibilities of national authorities. How can the EU contribute more effectively to a European consumer movement?**

The consumer movement is widely different from Member State to Member State and divergences normally relate to questions such as representativeness, public-private funding, areas of expertise, legal status, etc.

Public empowerment of consumer associations must be justified. Public funding and public recognition should be given only if requirements on representativeness, independence, legitimacy, democratic process are respected.

EU should develop guidelines to define the minimum requirements that both European and national consumer organisations should fulfil to be eligible for funding and public recognition.

Eventually, consumer organisations should strive to be financed solely by private funding which ultimately guarantees full independence.

Before developing the above guidelines, the Commission could conduct a survey on the costs/benefits of public funding. At present, EU best practice and experience show us that self-funded consumer associations (e.g. in the Netherlands or the UK) can be strong and credible contributors and players in the development of policies that affect them.

⇒ Special remarks concerning the proposed creation of a EU Consumer Centre:

It is indispensable that further details about this Centre are provided prior to any assessment of its need and added value. Fundamental questions arise as the following:

What is the need for such a Centre?

What would be its exact tasks/role?

What would be its connection with/use for the decision making process?

How would stakeholders and more particularly business be involved?

Pending the responses to the various questions, it is questionable the justification for an ad hoc Consumer Centre. UNICE is supportive of the use of EU-level independent and unbiased consumer research and statistical data for the formulation of future consumer policy initiatives. However, we believe that prior to creation of new entities which risk increasing bureaucracy and costs, existing mechanisms such as independent scientific and academic centres should be further explored as well as the contribution and involvement of companies in collection of data.

⇒ Special remarks concerning the proposed doubling of the budget (up to €40 million):

What is the justification? Is the creation of the proposed Centre the only reason for the increase?

UNICE is the voice of more than 20 million small, medium and large companies. Active in European affairs since 1958, UNICE's members are 38 central industrial and employers federations from 32 countries, working together to achieve growth and competitiveness in Europe.

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