

# **Consumer Education Responsibilities**

**Thom van Mierlo  
Social and Economic Council  
The Netherlands**

# Main elements

- Definition
- Relevance
- Consumer competences
- Education responsibilities

# What is consumer education?

- Equipping consumers with:
  - knowledge, attitudes and skills
  - ways of managing these
- Provided through education / instruction / information in widest sense
- Players: government, business community and consumer organisations

# Relevance of consumer education

- Tool for influencing, improving consumer behaviour
- Help for consumers choosing products, handling information selectively and asking the right questions

# Consumer competence levels

1. General competences: reading, writing and arithmetic

2. General consumer competences  
(elementary notions of consumer rights and duties)

3. Product and service related competences

# Two questions:

- Basic consumer legislation is essential, however: what is its relevance if consumer competence on level 2 is insufficient (new, complex markets)?
- There is a multitude of (information) initiatives on level 3, however: what is their effect if consumer competences on level 1 and 2 are insufficient?

# First things first

- Before setting out responsibilities of government and market players:
- First responsibility for consumer education rests with consumers themselves
- They should make effort to avail themselves of consumer education on offer ... to be a fully-equipped consumer

# Government Responsibilities

| Levels  | Key notions               |
|---|---------------------------|
| <b>1. General competences</b>                     | Education and information |
| <b>2. General consumer competences</b>            | Education and information |
| <b>3. Product and service related competences</b> | Information               |



# Government Responsibilities

## *Support*

- Encourages and supports consumer education (vulnerable groups)

## *Education*

- Provides level 1 and 2 competences through primary and secondary education
- Ensures consumer education accompanies legislation and financial instruments
- Monitors and evaluates consumer position and effects of government policy

## *Information*

- Provides information through various channels

# Government Actions

1. Agreement between employers, employees and government for a long-term approach to low-literacy (now 10%)
2. Electronic portal for questions on consumer rights and duties, quality marks and settlement of disputes; improved access to justice (in and out of court)
3. Database on notaries' fees, taxi fares, health portal etc

# Government Actions

- Integrated three-level approach on household finances
- Initiative for platform to help consumers be more money-wise. Partners from: financial sector, public information, consumer organisations and science. Action plan based on public survey.
- Inspiration for non-financial sectors?

# Market Players Responsibilities

| Players   | Consumer organisations         | Business community             |
|---|--------------------------------|--------------------------------|
| Levels  |                                |                                |
| <b>1. General competences</b>                     | None                           | None                           |
| <b>2. General consumer competences</b>            | Information                    | None                           |
|   | Highlighting trends / policies | Highlighting trends / policies |
| <b>3. Product and service related competences</b> | Information                    | Information                    |
|   | Self-regulation                | Self-regulation                |

# Market Players Responsibilities

- Highlighting socio-economic and social trends and assessing their impact on consumer position in general
- Bipartisan self-regulation: key word for product information (informative labelling, comparative testing and quality marks) and for GTC (dialogue-based ADR: successful Dutch Approach)

# Consumer Organisations Responsibilities

Helping consumers with purchase decisions based on adequate price and quality information

# Businesses Responsibilities

- Manufacturers are responsible for their product and communication: thus for relevant product information
- Retailers are responsible for providing this information and answering elementary questions on rights / duties
- Sector organisation is responsible for providing its members with information on rights / duties, transparency in markets and GTC; manuals for sales staff in shops

# Players' responsibilities

|   | Government                | Consumer organisations         | Business community             |
|---|---------------------------|--------------------------------|--------------------------------|
| <b>1. General competences</b>                     | Education and information | None                           | None                           |
| <b>2. General consumer competences</b>            | Education and information | Information                    | None                           |
|   |                           | Highlighting trends / policies | Highlighting trends / policies |
| <b>3. Product and service related competences</b> | Information               | Information                    | Information                    |
|   |                           | Self-regulation                | Self-regulation                |



# In a nutshell

- Education: pitched at level 1 and 2; government primarily responsible but market players may feel called upon to play part (highlighting trends and policies).
- Self-regulation: pitched at level 3
- For the rest: much (general and specific) information is needed

## **Strengthening links through consumer education**

- (Regular) consumer education will strengthen the link between consumer behaviour and consumer concerns
- This will also strengthen the link between consumers and entrepreneurs (CSR)