



DG HEALTH AND CONSUMER PROTECTION

Ex-post evaluation of the impact of the Consumer Policy Strategy  
2002-2006 on national consumer policies

FINAL REPORT

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**Contact person for this tender:**

D. Spaey, Van Dijk Management Consultants, +32 (0)2 641 00 75, [dsp@bvdmc.com](mailto:dsp@bvdmc.com)

*CPEC Brussels contact address:*

Rue de la Sablonnière 25, B-1000 Brussels

Tel: +32 (0)2 2750100, Fax: +32 (0)2 2750109, email: [petra.van.nierop@ghkint.com](mailto:petra.van.nierop@ghkint.com)

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<i>Prepared by</i>	<i>Dominique Spaey, Van Dijk Management Consultants</i>
<i>Checked by</i>	<i>GHK</i>
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## Executive Summary

The focus of the study is the ex-post evaluation of the impact of the Consumer Policy Strategy 2002-2006 (COM (2002) 208 final) on the definition and implementation of national consumer policies in the Member States.

The impact of the EU consumer policy strategy on national policy is examined through the actions and opinions of both national policy makers and national stakeholders with an interest in consumer policy, notably consumer and business organisations.

To that end, views of main national stakeholders (business and consumer organisations) as well as national governments and agencies were sought: 75 representatives of national authorities in charge of consumer policy, of consumer organisations and of business organisations responded to a written survey or were interviewed. Information was collected from all 25 countries, and a review of the relevant national documentation and of literature on Europeanisation was also carried out.

The findings of the evaluation are presented below as summary answers to the nine evaluation questions.

### 1. Has the EU consumer policy strategy encouraged Member States to develop national consumer policy strategies? Has the EU strategy influenced the timing, scope and format of the national strategies?

The EU Strategy has directly encouraged the new Member States (MS) to put a consumer policy strategy in place. Whilst this is not the case for the old MS, they nevertheless took account of the EU Strategy to ensure compatibility between the national policy and that of the EU and/or to improve their national strategy. It is also acknowledged that some of the Strategy components or the previous EU consumer strategies have contributed to the convergence of national and EU policies.

The component of the EU strategy that has the greatest effect on the national policies or strategies is the implementation of EU legislation. The new MS also consider that the EU Forums and conferences and the ECCG and CPN meetings have substantial influence.

The principal effect of the EU Strategy has been on the scope of national policies and strategies, i.e., either ensuring that the policy areas of concern are included or at least making the national policy compatible with the EU Strategy. Two other effects that are much more limited and concern especially the new MS are:

- The timing effect, i.e., the multi-annual character of the EU Strategy has inspired a similar approach for the national strategies
- The format effect, i.e., the presentation of the EU Strategy as a specific document has inspired the national decision makers to adopt a similar approach.

### 2. Have the objectives of the EU strategy been reflected at national level? What major differences can be detected?

The responses to the survey and the interviews show the diversity of the interactions between the EU and the national levels. These interactions are explained under Question 4 regarding the convergence between EU and national consumer policies. They also indicate that it might be more appropriate for a number of MS to speak about objectives that are 'shared' instead of 'reflected' (a word that could suggest a one-way influence).

Three of the main objectives of the EU Strategy are largely shared by the MS: the high common level of consumer protection, the effective enforcement of consumer protection rules and the involvement of consumer organisations in the development of national policies. The integration of consumer concerns in other relevant policy areas and the knowledge base that inspires consumer policy are objectives that are respectively less and much less shared at national level. This indicates two possible future areas of cooperation at Community level, including exchange of best practices.

The new MS place more emphasis on the involvement of consumer organisations in the national policies: indeed this refers to a need for these countries. The new MS devote even less attention than the old MS to the integration of consumer concerns in other relevant policy areas and to the knowledge base that inspires consumer policy.

The MS are very interested in the effective enforcement of consumer protection rules, and the new MS identify some improvements needed to ensure such enforcement in terms of resources, cooperation and monitoring.

When considering the influence of the MS on the priorities of the EU Strategy, the new MS are generally more satisfied than the old MS and in terms of the specific groups, public authorities are more satisfied than the other stakeholders. While it remains that EU consumer policy actions are adopted as a result of dialogue and co-decision with national policy makers in the Council and national parliamentarians in the EP, there is a mixture of very significant influence from a few 'precursor' countries, with a rather marginal influence from other countries

### 3. Whether Member States have produced a strategy or not, has the EU strategy had an impact on national consumer policies?

The EU Strategy has had an impact on national consumer policies, although the influence of domestic policy priorities, public concerns and EU membership was slightly greater. By and large, while the domestic concerns and priorities remain important in the definition of the national policies, the European dimension is almost as important, either directly via the EU Strategy, or indirectly due to EU membership and its effects notably in terms of enforcement of EU legislation.

The new MS consider their EU membership as having the greatest influence, followed closely by the EU Strategy and the priorities of their domestic policy. The position of the Strategy amongst the other factors which have an impact must be appraised from two perspectives:

- Direct effect: without the EU Strategy, the majority of respondents state that their national policies would have been different, but only to a limited extent.
- Indirect effect: indirectly EU membership is acknowledged as having an important effect on the national policies.

### 4. Have EU and national consumer policies diverged or converged over the period?

Two-thirds of the respondents note a convergence of national and EU objectives, issues and policy instruments between 2002 and 2006. The respondents from the new MS note a convergence more frequently than those from the old MS that balance between convergence and status quo. The exception to this is the policy instruments for which a majority identified a convergence.

Despite the convergence, national agendas remain focused on different priorities. This could be interpreted as a factor which limits the impact of the EU Strategy. However, it also shows a potential for future convergence between MS, on policy instruments rather than on issues of interest in consumer policy that probably reflect more the specific domestic concerns.

By and large, the convergence results from influences between the EU and the national levels such as:

- A direct influence of the EU Strategy on the national objectives, issues and policy instruments, which is the case for most new MS.
- A reference effect: several old MS state that when defining their national strategies or policies they take account of the objectives of the EU Strategy in order to avoid discrepancies or to improve their strategy.
- A more indirect influence since the national policies obviously refer to the EU legislation and its enforcement, which are part of the current EU Strategy and/or of previous strategies.

EU Strategy might also be influenced by the national level due to some bottom-up influence:

- The deepening of the Internal Market makes consumer issues more common to several or all MS, thereby pushing the national and EU policies to converge
- Some precursor countries have inspired part of the EU Strategy and so have contributed to further convergence between the EU and national levels
- The EU Strategy is influenced by the views of national policy makers, stakeholders and parliamentarians, through both consultation and formal co-decision.

### 5. Has the EU Strategy affected the development of indicators and benchmarks for consumer policy at national level?

A slight majority of respondents state that they use tools such as indicators and benchmarks to monitor consumer policy at national level. However, a lower proportion of respondents from consumer organisations and new MS share this view. .

One-third of the respondents specify which tools they use, which are mainly surveys and benchmarks, while indicators and consumer satisfaction indexes are less frequently cited. These respondents also indicate that the

EU Strategy is not a major source of inspiration for the use of monitoring tools - most use tools derived from domestic traditions and policy and from forums like the OECD. It is therefore recommended that activities like exchange on best practices and cooperation could be further developed and the role and added value of the EU substantially increased.

#### 6. To what extent, in each of the Member States, did initiatives at EU level determine national consumer policies?

The various EU initiatives and actions carried out as part of the EU Strategy did not influence the national consumer policies equally. Indeed the diversity of the national contexts and especially the extent to which EU legislation is enforced play a critical role.

The actions that are judged to have had the greatest effect on MS are:

- \* Safety of consumer goods and services, in both new and old MS
- \* Legislation on consumer economic interests, in the new MS
- \* Enforcement cooperation among MS, specifically in the old MS
- \* Information and data on the safety of goods and services, in the new MS
- \* Consumer information and education, in the new MS.

These EU actions are partially the same as the priority issues and policy instruments that are most shared among MS.

The actions that are judged not relevant or having had little effect are:

- \* Financial services, in the old MS
- \* Services of general interest, in the new MS
- \* Support to consumer organisations in their enforcement role, in the old MS
- \* Consumer information and education, in the old MS
- \* Support and capacity building of consumer organisations, for the consumer organisations which also refers to the perception of insufficient support both from the Commission and part of the MS authorities, compared to a growing number of tasks to carry out.

#### 7. How were national stakeholders involved in the elaboration and implementation of national strategies?

At the national level, stakeholders are nearly always involved in the definition and implementation of national consumer policy. While representatives from business are mainly involved through consultation, the consumer organisations appear to be more actively involved, through, e.g., participation in working groups or seminars in addition to the consultations.

Most stakeholders consider that their involvement, in particular in discussion groups or round-table discussions, leads at least to a better mutual understanding and at most to an agreement between stakeholders, both positions favouring policy acceptance.

Mechanisms also exist in the MS to consult on the EU strategy, but most frequently these mechanisms are not specific to the EU Strategy or to EU issues.

#### 8. To what extent was the strategy, adopted pre-enlargement, pertinent to the 'new' Member States?

Half of the stakeholders from the old MS and three-quarters from the new MS consider the Strategy has been pertinent to the new MS. Only a minority does not share this view. The other respondents either do not know or have no opinion.

The Strategy appears to have been particularly useful for new MS to develop their national policies and to conform to new regulatory and enforcement structures required under EU law.

With the exception of consumer organisations, only a minority of stakeholders considers that there are any specific aspects which are more relevant to new MS and which should be taken on board in the 2007-2013 Strategy.

Specific aspects mentioned include:

- Consumer education and information: well-informed consumers have a better chance to make their

voices heard.

- Differences in the level of consumer rights/protection between old and new MS.
- Development of solid consumer organisations, instead of a landscape of numerous small organisations.
- Further involvement of consumers in the national consumer policies through consultation structures.
- Support to development of market surveillance and to enforcement of the legislation protecting consumers.

#### 9. How can future strategies enhance the convergence of EU and national consumer policies, in terms of both process and substance?

Two-thirds of the respondents support further convergence. More particularly, representatives of consumers (80%), of industry (71%) and respondents (in general) from new MS (75%) indicated their support. Public authorities are more reserved with 52% wishing further convergence (45 % for old MS authorities and 62 % for new MS authorities).

Beyond this basic consensus on further convergence, the situation appears to be more complex: most of those in favour of greater convergence seem to consider their opinion as inherently logical and do not explain why or specify what should further converge. Others who are more reserved justify their positions more frequently.

Those in favour of further convergence refer to the necessity of progress of European integration and of the Internal Market or claim that further convergence will anyway result from the progress of enforcement of EU legislation.

Those who are more reserved claim the need for the national 'touch' in consumer policy or fear that further convergence might make them lose their high level of consumer protection.

Greater coherence of national policies might garner more support than greater convergence and thereby, paradoxically, contribute to further convergence.

Three-quarters of the respondents agree that it is possible to develop a more intensive cooperation between MS and the Commission in order to maximise synergies between national and EU actions.

Suggestions of possible ways to ensure future cooperation include:

- \* Extended and more systematic activities of the Consumer Policy Network, e.g., in the framework of the 2007-2013 Strategy.
- \* More intense cooperation on the enforcement of legislation, notably related to cross-border issues and to unfair commercial practices, and bringing enforcement and redress closer together.
- \* Regardless of the topic, cooperation should decrease, not increase, bureaucracy, and adequate resources should be foreseen.
- \* Cooperation related to the needs of the new MS.
- \* Dissemination of best practices.
- \* Stronger links within the Commission between DG SANCO, DG COMP and other relevant DGs enabling some MS to maximise synergies between national and EU strategies.
- \* More informal cooperation through informal meetings to discuss policies, their coherence and to define what an optimal level of convergence could be.

## **Conclusions**

The matrix below summarises the findings in four categories: the strengths of the EU Strategy, its weaknesses, the opportunities (favourable factors in the environment for the next strategy) and the threats (unfavourable factors in this environment for the next strategy).

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- The EU Strategy has encouraged new MS to develop a consumer policy strategy. It has also helped them to: <ul style="list-style-type: none"> <li>- Develop their national policies</li> <li>- Conform to new regulatory and enforcement structures required under EU law.</li> </ul> </li> <li>- The EU Strategy has been a reference framework for the old MS to ensure compatibility between their national consumer policy and the EU (scope effect) and to improve their policy.</li> <li>- The EU Strategy has directly and indirectly contributed, along with other factors, to a convergence of the objectives, policy issues and policy instruments of EU and national policies over the 2002-2006 period.</li> <li>- Three main objectives of the EU Strategy are largely shared by the MS: a high common level of consumer protection, the effective enforcement of consumer protection rules and the involvement of consumer organisations in the national policies.</li> <li>- The actions of the Strategy that had the greatest effect on the MS related to: safety of goods and services and related information, legislation on consumer interest, enforcement cooperation and consumer information and education.</li> </ul>	<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- MS are in favour of a more intense cooperation between MS and the Commission, notably concerning policy instruments such as enforcement and ADR, needs of the new MS, dissemination of best practices and exchanges on the policies and their coherence. This could contribute to further convergence of policies and to define what an optimal level of convergence could be.</li> <li>- Substantial support from the various stakeholders to further convergence of EU and national policies, on policy instruments rather than on priority issues of the consumer policy.</li> <li>- Actions are needed in support of consumer policy and consumer organisations in the new MS, notably: <ul style="list-style-type: none"> <li>- Increased consumer protection and awareness</li> <li>- Stronger consumer organisations</li> <li>- Further involvement of consumer organisations in the national consumer policies.</li> </ul> </li> <li>- There is room for the Commission to play a greater role – European added value - in working with the MS towards integrating consumer concerns in all relevant policy areas and further elaborating a knowledge base in support of consumer policy.</li> </ul>
<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Limited effects of the EU Strategy on the national ones regarding their multi-annual character and their format (a specific document), except in the new MS.</li> <li>- Limited direct effect of the EU Strategy on national policies (without the Strategy, differences would have been minor), more particularly regarding: <ul style="list-style-type: none"> <li>- The integration of consumer concerns in all relevant policy areas</li> <li>- The development of a knowledge base (including monitoring tools such as indicators and benchmarks) to support the development of the strategy.</li> </ul> </li> <li>- The actions of the Strategy that were judged not relevant or had little effect on the MS related to: financial services, services of general interest, support to consumer organisations in the enforcement, consumer information and education and support and capacity building of consumer organisations.</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>- MS want to preserve sufficient room for domestic agendas of the consumer policy, in some new MS as well. This is more concerned with the priority issues of the consumer policy than its instruments. This might represent a threat if the attitude would develop.</li> <li>- In spite of the overall consensus on further convergence of national and EU policies, some substantial differences in views might require further debate, notably: <ul style="list-style-type: none"> <li>- High common level of consumer protection across the EU versus appropriate level</li> <li>- Priorities of the consumer policy: safety of goods and services versus market transparency.</li> </ul> </li> </ul>

## **Recommendations**

### **Related to all MS, but with more emphasis in the new MS:**

1. Integration of consumer interests in all other relevant policy areas (e.g., telecom, financial services, services of general interest, etc.)

Commission: to initiate EU-wide exchanges with MS authorities and other stakeholders (through workshops, forums, etc.) on existing good practices concerning mechanisms of integration (decision, monitoring, etc.), resources, effectiveness, etc. and the ways and conditions to further implement these practices.

2. EU-wide activities related to knowledge base and tools to support and monitor consumer policy
  - 2.1 Commission, possibly in partnership with some MS: to organise awareness-raising workshops for national authorities and stakeholders on knowledge-based consumer policy, including exchanges on good practices concerning indicators, consumer-satisfaction indexes, benchmarks and scorecards to monitor enforcement and impact of consumer policy.
  - 2.2 Commission and MS: to develop a more systematic collection, exchange, and analysis of data and information in support of the consumer policy. This concerns mainly: consumer behaviour patterns, market functioning, price surveys, market structures, consumer complaints, cross-border trade, benchmarking of MS consumer policies to identify the most effective and efficient practices, etc.
3. Other extended cooperation between the Commission and the MS authorities
  - 3.1 Commission and MS authorities: to extend the activities of the Consumer Policy Network and make them more systematic concerning, e.g.:
    - Exchanging on the implementation of the 2007-2013 Strategy and monitoring it
    - Addressing the specific needs of the new Member States, such as enforcement of legislation, capacity building of consumer organisations, market surveillance
    - Exchanging on the domestic consumer priorities and on the ways and conditions to ensuring more compatibility and coherence between them and with the EU Strategy.
  - 3.2 Commission and MS authorities: to develop a more intense cooperation on policy instruments such as enforcement of legislation (in particular related to cross-border issues and to unfair commercial practices) and assess what instruments work well and under which conditions.
  - 3.3 Commission and MS authorities: to develop informal cooperation through CPN to debate sensitive policy issues (e.g., high versus appropriate level of protection) with a view to paving the way for further convergence.
  - 3.4 Commission and MS authorities: to develop cooperation with a 'win-win' approach, i.e., with the objectives that it should help, not increase, bureaucratic duties and that the tasks involved should not exceed the available resources of the people involved.

### **Specifically related to the new MS**

4. Information and education of consumers for a balanced level of consumer protection and awareness throughout the Union

Commission and new MS authorities: to pursue and develop actions to inform and educate the consumer in these MS.

5. Stronger consumer organisations

5.1 New MS authorities: to increase their financial contributions to consumer organisations to help them develop information campaigns and monitor enforcement of Community legislation.

5.2 Commission and new MS authorities: to support the capacity building of regional, national and European

consumer organisations, for example, through training staff members (increase their competences so that they can intervene in the development of policies for which a technical background, like financial services, is required).

5.3 New MS authorities: to further involve consumer organisations in their national consumer policies through consultation structures.

5.4 New MS authorities: to raise awareness of business organisations on consumer-related issues and increase their involvement in the national consumer policies through consultation structures.

### **Specifically related to the EU consumer policy Strategy 2007-2013**

6. Adequately resourced - competences, skills and finances - consumer organisations to contribute effectively to the high level of consumer protection and to the enforcement of consumer protection rules

6.1 Commission: to ensure such resources for the EU level consumer organisations

6.2 MS authorities: to ensure such resources for national consumer organisations.

7. Commission: to increase the visibility of the different components of the Strategy that have had or might have an encouraging effect on the national policies/strategies like EU forums and conferences or ECCG and CPN meetings.

8. Commission: to monitor the impact of the Strategy on national consumer policies through better monitoring of national consumer policy and discussions with Member States through the CPN.

## 1. Introduction

### 1.1 Summary description of the evaluation questions

The assignment concerned the ex-post evaluation of the impact of the Consumer Policy Strategy 2002-2006 (COM (2002) 208 final) on the definition and implementation of national consumer policies in the Member States.<sup>1</sup> This comprehensive strategy for consumer policy at EU level refers to Article 153 of the Treaty on European Union and is based on three mid-term objectives:

- High common level of consumer protection;
- Effective enforcement of consumer protection rules;
- Involvement of consumer organisations in EU policies.

While the Terms of Reference (ToR) of this evaluation cover the impact of the Consumer Policy Strategy 2002-2006 (COM (2002) 208 final), we are aware that this strategy is the continuation of several initiatives<sup>2</sup> started in 1975 with the launching of the European Consumer Policy. The 2002-2006 Strategy had notably the aim of providing broad guidelines for the Commission's annual work plans and for the accession of new member states (MS).

The impact of the EU consumer policy strategy on national policy considers the different legislative and non-legislative activities carried out at EU level to develop, implement and enforce Community Consumer Protection. This impact is examined by looking at the actions not only of national policy makers but also of national stakeholders with an interest in consumer policy, notably consumer and business organisations. To this end, the views of principal national stakeholders (business and consumer organisations) as well as national governments and agencies have been taken into account.

The evaluation was expected to provide elements that may contribute to the development of a specific EU consumer policy strategy for 2007-2013. It was also expected to identify where the previous strategy was successful in fostering convergence between national and EU consumer policies and where it failed to capture national trends or even contradicted them.

The evaluation addresses the relevance, utility and effectiveness of the EU consumer strategy in the development of national consumer policies and policy strategies, in particular in relation to:

- The existence of specific national consumer policy strategies;
- The objectives of national consumer policy strategies, where they exist;
- The objectives of specific national consumer policies (legislation, financial action, policy initiatives);
- The involvement of stakeholders in the elaboration and implementation of national strategies;
- The indicators of national consumer policies.

To that end the evaluation responds to the following key questions:

- Has the EU consumer policy strategy encouraged MS to develop national consumer policy strategies? Has the EU strategy influenced the timing, scope and format of the national strategies?
- Have the objectives of the EU strategy been reflected at national level? What major differences can be detected?
- Whether MS have produced a strategy or not, has the EU strategy had an impact on national consumer policies?
- Have EU and national consumer policies diverged or converged over the period?
- Has the strategy affected the development of indicators and benchmarks for consumer policy at national level?

<sup>1</sup> This aim of the Strategy is not explicitly mentioned in the Strategy itself. However it was recognised in the Council resolution on the Strategy (COUNCIL RESOLUTION of 2 December 2002 on Community consumer policy strategy 2002-2006 (2003/C 11/01) OJ C11 of 17/01/2003) as follows: 'calls upon the Member States to ensure that the objectives of the consumer policy strategy are, where relevant, also taken into account in the national policies.'

<sup>2</sup> Including the Priorities for Consumer Policy 1996-1998 and the Consumer Policy Action Plan 1999-2001.

- To what extent, in each of the MS, did decisions at EU level determine national consumer policies?
- How were national stakeholders involved in the elaboration and implementation of national strategies?
- For all the above questions, to what extent was the strategy, adopted pre-enlargement, pertinent to the 'new' MS?
- How can future strategies enhance the convergence of EU and national and consumer policies, in terms of both process and substance?

## 1.2 A few considerations in the background of the study

We would suggest three considerations as a background for the study to better appraise the issues addressed.

It is important to position the issues discussed in the context of increasing cross-border consumer activities and deepening the Internal Market: the literature reviewed indicates notably that 'Rising levels of cross-border transactions generate demand for EC rules and dispute resolution'.<sup>3</sup> In this line, consumption and consumer protection are de facto being given a trans-national and European dimension and they become common concerns to the different countries. This is a factor favouring a common appraisal of the issues, a more important role of a European consumer Strategy and, finally, convergence of the national policies between them and with the European Union policy. We should also note that some European directives have directly facilitated cross-border shopping or at least consumer confidence at that level.

It is also important to present the relationships between the national and the EU levels as interactive. Some MS directly influence the EU level and the EU Strategy notably due to their extensive experience with consumer policy and the lessons they draw from this experience. The Strategy directly influences most of the new MS who had to conform to EU rules in order to become MS. The Strategy also reflects the EU legislation that indirectly influences domestic policies. But it should be considered that the EU legislation is affected by the views of national policy makers, stakeholders and parliamentarians (in the EP and MS), through both extensive consultation and formal co-decision. The links between the EU and domestic levels combine thus top-down and bottom-up impulses and procedures. Thereby these links contribute to the acceptability of Europeanisation as predominance of the EU-level policy and of European integration as convergence of national policies resulting from both national and EU-level impulses.<sup>4</sup>

When appraising the impact of the EU Strategy, one should be aware of the different meanings of the Strategy for the stakeholders concerned: the EU Strategy is a brochure providing a structured presentation of the EU pluri-annual consumer policy; the EU Strategy is this policy and its various components like the legislation and all the EU specific actions that are carried out. Among stakeholders, we have observed relatively divergent views on what the EU Strategy is and some stakeholders focus on the parts of this Strategy in which they are interested for domestic and other reasons.

## 1.3 Presentation of the content of the report

Chapter 2 focuses on the evaluation methodology.

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<sup>3</sup> Sandholtz W. and A. Stone Sweet, eds (1998) cited by M. Vink, What is Europeanization? and Other Questions on a New Research Agenda, Paper for the Second YEN Research Meeting on Europeanisation, University of Bocconi, Milan, 22-23 November 2002.

<sup>4</sup> This view of interactivity is confirmed by Kassim: 'Europeanisation, or the impact that the EU has had on the member states is very much in evidence, but Europeanisation does not necessarily lead to convergence; ... the MS have developed markedly different institutional arrangements for co-ordinating European policy, ... and the way policy is managed has been profoundly influenced by domestic features that go beyond the reach of the Union.' The national coordination of EU policy: must Europeanisation mean convergence? Dr Hussein Kassim, School of Politics and Sociology, Birkbeck College, University of London, Cahiers Européens de Science Po 5/2000.

It presents the methodology, its implementation, including data collection and data analysis. It concludes with a discussion on the strengths and weaknesses of the evaluation approach chosen.

Chapter 3 presents the evaluation results.

The first section presents the evaluation results as responses to the nine evaluation questions.

The second section presents the overall conclusions and the recommendations emerging from the findings.

The annexes (separate document) include the following:

- I. The evaluation specifications.
- II. The statistical tables of the survey.
- III. The results of the documentary review.
- IV. The list of respondents to the survey including interviewees.
- V. The survey questionnaire in three languages.

## 2. Study methodology

### 2.1 Presentation of the methodology

The methodology included the following components:

- Identifying the target audience of the survey;
- Developing the survey questionnaire;
- Collecting information through a desk review of a wide range of documents (see Annex III);
- Collecting information through the survey and interviews to ensure the required balanced evidence basis;
- Analysing and interpreting the information and data collected.

### 2.2 Implementation of methodology

The target audience of the survey was identified as follows:

The members of the Consumer Policy Network (CPN) and of the European Consumer Consultative Group (ECCG) were asked by Bureau van Dijk to indicate, for their country, four representatives of the national authorities and of business associations, and two representatives of the consumer organisations. The members of these two groups had been previously informed by the Commission about the evaluation. In some cases, the people from public authorities and consumer organisations were the members or alternates of these committees; in other cases they were external to them.

The evaluation team developed the survey questionnaire in consultation with the Steering Committee and tested it first on a few stakeholders. This testing phase helped to further clarify and improve the formulation of some questions.

The data collection process started with a desk review of:

- The national consumer policy documents;
- The report on the survey carried out by DG SANCO in 2005, including the national responses;
- Some literature on the subject of 'Europeanisation' of policies;
- Other relevant documents (see Annex III).

The other components of the data collection included the survey and the interviews. After several reminders, notably by DG SANCO itself, the distribution of usable questionnaires per MS and categories was as follows:

**Table 1: Distribution of usable questionnaires per MS and category of respondent/interviewee**

	<b>MS Authorities</b>	<b>Consumer org.</b>	<b>Business org.</b>	<b>Total</b>
<b>EU15</b>	20	14	13	47
<b>New MS</b>	13	11	4	28
<b>Total</b>	33	25	17	75

These figures are satisfactory for the descriptive statistical analysis carried out: the absolute figures secure an adequate representation of the different categories of respondents in old and new MS, with the exception of the business organisations in the new MS, due probably to a lower degree of involvement of these organisations in the issues dealt with by the study.<sup>5</sup> The representativeness is also reinforced by the fact that all respondents are official representatives of the organisations they belong to.

The response rates (valid questionnaires) to the survey and interviews<sup>6</sup> were also satisfactory as evidenced by

<sup>5</sup> Such lower degree of involvement is reflected by a higher rate of 'no' or 'I don't know' answers from this category.

<sup>6</sup> We interviewed 13 stakeholders. The main aim was to complement the survey in terms of countries covered (increasing feedback from Southern Europe) and of category of stakeholders (getting more views from business organisations). The interviews were reported as completed questionnaires.

the following figures:

- National authorities: 33 out of 74 people contacted, i.e., 45% or on average 1.3 responses per MS;
- Consumer organisations: 25 out of 45, i.e., 56% or on average 1 response per MS;
- Business organisations: 17 out of 39, i.e., 44% or on average 0,7 response per MS.

These response rates are satisfactory when considering they imply approximately one answer per MS from the authorities and consumer organisations, and considering the above-mentioned lower degree of involvement of the business representatives of new MS in consumer policy matters.

The data analysis proceeded as follows:

- Indicators and statistics: given the satisfactory numbers of responses to the survey, it was possible to undertake a descriptive statistical analysis using indicators to organise the information collected. Results from the surveys are extensively presented in Annex II. The added value of this approach was to provide a global picture based on quantitative scores as well as on detailed information from qualitative statements;
- Knowledge of van Dijk's staff and associated experts: the study team combined expertise in consumer policy issues and evaluation and managerial techniques. This knowledge, combined with a relevant understanding of the policy context, was used to analyse and interpret the information collected and to formulate conclusions and recommendations;
- SWOT analysis: this tool allowed synthesising the analysis by focusing on a diagnosis of the strong and weak points of the impact of the EU 2002-2006 Consumer policy Strategy and on the identification of the opportunities and threats. It was critical in formulating relevant recommendations;
- Brainstorming sessions: the evaluation findings have been discussed extensively among the members of the evaluation team and the experts, which contributed to a better interpretation of the findings and to a better structuring and summarising of the latter. The brainstorming sessions also served to draw conclusions, formulate specific recommendations and prepare, review and further refine the Final report.

### 2.3 Some considerations on the strengths and weaknesses of the evaluation approach used.

The response rate to the survey and the substance of the statements made by respondents and interviewees are overall satisfactory to obtain valid results, considering notably the representativeness of the respondents to the survey. One can always expect a higher response rate or more substance from the respondent's statements but the circumstances of this study have to be taken into account. Indeed comments made by respondents to the survey and by interviewees, and our own observations indicate that:

- Some people are tiring of surveys. This is illustrated by the fact that when people are requested to provide substantial information of a qualitative nature, only a few take the time to do so while most provide less than the requested information;
- Consumer organisations lack the resources and they and the representatives of industry have a 'field work' orientation that to some extent does not facilitate participation in such a survey. The questionnaire might have been more suited to policy makers than to consumer and business organisations. There was a higher proportion of 'no' answers or of 'I don't know' answers from these two categories;
- Some respondents do not differentiate between policy and strategy, do not seem to have detailed knowledge of the EU Strategy and do not see the difference between the overall approach and/or actions of the EU institutions related to consumer issues;
- Whilst the questionnaire focused on the impact of the EU Strategy on national policies, the respondents did not always understand the notion of impact in the same way. There is also an inherent complexity in the relationships between the national level and that of the EU, as evidenced by the debates on 'Europeanisation' referred to above;
- Three questions might have been misinterpreted by some respondents. They were the object of a particular consistency check of their answers;<sup>7</sup>

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<sup>7</sup> Q2 refers to the existence of a mechanism to consult on the EU Strategy: the mechanism referred to is usually the general consultation mechanism and not one specific to the EU Strategy; Q3 refers to the strategy document (often

- Question (Q9), which asked respondents to identify the actions at EU level that had the greatest effect on the country and to explain why, was answered with less substance than expected by the vast majority of respondents including those interviewed. Answering this question was indeed too demanding, in terms of time and analysis.

The issues referred to above have been addressed by checking the internal consistency of the completed questionnaires and by collecting more detailed information through interviews and documentary reviews in order to ensure a greater coherence. The combination of the three data-collection methods - documentary review, survey and interviews - has provided the evidence basis required.

The different data analysis methods were complementary and used iteratively, i.e., mutually comparing results and subsequently refining them. In a variety of issues, we have in particular observed significant consistency between the outcomes of the survey and interviews and those of the documentary review. Examples of this consistency are the convergence of national policies on policy instruments or the grouping or clustering of countries concerning their approach to the consumer policy and the relationship between their domestic consumer policy and the EU Strategy.

The overall reliability of the results is ensured by the satisfactory survey response rate, the quality and representativeness of the interviewees and other respondents to the survey, the consistency between the outcomes of the desk research, the survey responses and the interviews as well as the critical assessments and interpretation of the evaluation statements by the evaluation team and experts.<sup>8</sup> In particular, triangulation was undertaken by cross-checking:

- The types of information: quantitative, qualitative and contextual;
- The origin of information: the three categories of stakeholders consulted;
- The sources of information: documents, opinions of stakeholders and opinions of independent experts;
- The treatment of the information: detailed statistical treatment, cross-checking, content analysis of qualitative statements, etc.

For future evaluations, assuming a similar resource allocation, it might be appropriate to consider using a mixed approach, i.e., a simplified survey complemented by a few in-depth case studies illustrating in detail the mechanisms through which impacts are or are not generated. Such focus reinforces the evaluation itself as well as the subsequent communication of its outcomes.

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misunderstood), and Q5 asks whether objectives were reflected at national level: it is important that 'reflected' be interpreted as both directions reflection – like for a mirror – and not only as influence of EU level {on/or?} national level. The answers to these questions have required a particular consistency check.

<sup>8</sup> The charts presenting some striking figures of the survey and interviews do not indicate margins of error. This is not indicated here as the survey did not address a random population but rather representatives of organisations. We have however always taken into account a margin of security of +/- 10% meaning that differences smaller than 10% were not retained as significant.

### 3. Evaluation results

#### 3.1 Findings presented as responses to the evaluation questions

This section presents evaluation findings according to the nine evaluation questions included in the task specifications of the study (presented extensively in Annex I). These questions are numbered from 3.1.1 to 3.1.9. We often differentiate the responses of the organisations from EU15 and the New Member States (old MS and new MS respectively). This parameter has indeed revealed itself to be very important in this evaluation, and often more important than the differences between categories of respondents (public authority, consumer or business organisation).

##### **3.1.1 Has the EU consumer policy strategy encouraged Member States to develop national consumer policy strategies? Has the EU strategy influenced the timing, scope and format of the national strategies?**

To answer this question we address the following issues:

- Existence of national strategy documents;
- Encouraging effect of the EU Strategy on a comprehensive national policy versus one-off actions;
- Components of the Strategy with an encouraging effect on the national policy/strategy;
- Effects of timing, scope and format.

##### *Existence of national strategy documents*

The existence of national consumer strategy documents is a matter of debate. In 2005, following its survey of the MS, the Commission identified 19 countries that claimed to have a strategy document and two others that were planning one. Based on our documentary review and survey, the evaluation shows a lower estimate of 14 countries with a strategy document and a further three expecting to have one in the future:

- The 14 countries are CZ, DK, DE, ES, LV, LT, HU, NL, PL, SI, FI, SE, SK and UK (7 old MS and 7 new MS);
- The three countries that plan to publish a strategy document in the future are: AT, EE and IE.

The four countries that, according to the Commission's 2005 survey, also had a strategy document appear simply to have a policy:

- EL declared in 2005 to 'more or less' having a strategy document but there was no evidence of one during our study.
- FR declared it had one while the responses to the 2006 survey clearly indicate that, rather than a strategy document, it had a policy with a one-year or two-year time span.
- IT declared it had a strategy document common to the various parties involved in the consumer policy while the survey and interviews revealed no such document.
- PT declared that a strategy document was established in 2005 whilst it appears that a strategy document is still being developed.

Regardless of the exact figures this debate, seems to be a matter of interpretation, especially given the different understandings countries have of what it means to have a consumer policy strategy.

##### *Encouraging effect of the EU Strategy on a comprehensive national policy versus one-off actions*

The responses to the survey show a contrast between the new and the old MS: 71% of respondents from the new MS note such an encouraging effect, compared to 23% from the old MS. The consumer organisations also identify this effect slightly more frequently than the other two categories.

To explain the lower encouraging effect in the old MS, several EU 15 authorities<sup>9</sup> claim that they had a policy or

<sup>9</sup> Some statements made by interviewees and respondents are reproduced in the report for illustrative purposes and to support the analysis. In order to ensure the protection of confidentiality of these statements, their authors are only

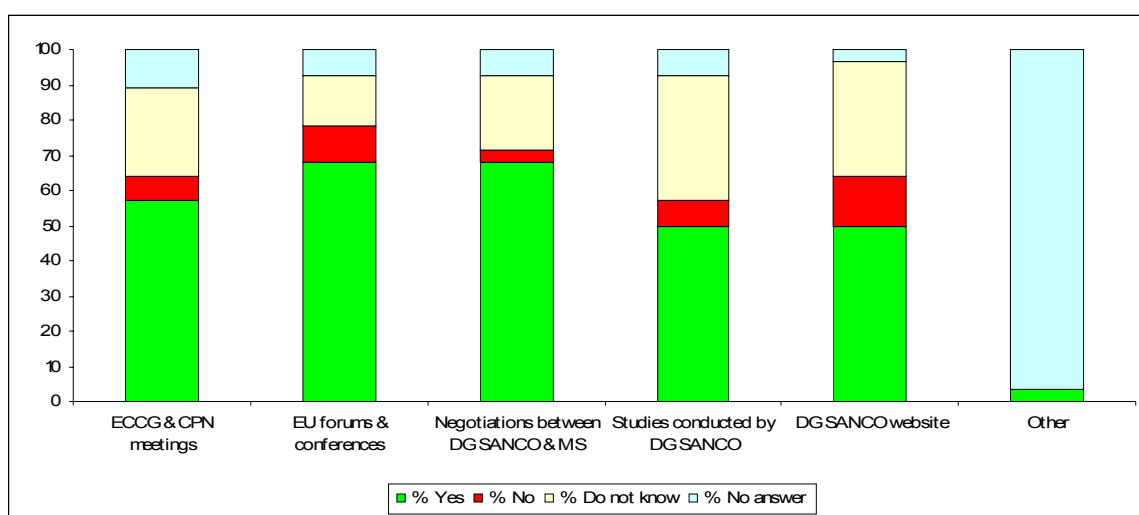
strategy in place well before the EU 2002-2006 Strategy or that this Strategy has not been decisive even where it confirmed national decisions or policies. Some also indicate that when developing their national policy, they took account of the European dimension to ensure compatibility. In one EU 15 country, the EU Strategy has provided the guidelines for the national policy whilst in another it helped in highlighting some of the current deficits in their national consumer policy.

Generally, the new MS refer to the EU framework for developing their strategy as illustrated by the following comment: 'When drafting a new Strategy, EU activities/documents play a major role and are always taken into account when relevant objectives are being set up and prioritised' (Authority-new MS).

As illustrated further on in this report, the (Community) acquis obligations of the new MS have influenced the extent to which they used the European Strategy. For the old MS, we will also see that whilst the 2002-2006 Strategy as such might have had a rather limited effect, some of its components, like legislation or the previous strategies, have contributed to making the national and EU policies converge.

Components of the Strategy that had an encouraging effect on the national policy/strategy

**Figure 1: Encouraging effect of the components of the EU Strategy on the national policy/strategy (N= 75) (Source: survey and interviews)**



The survey results show that overall, when looking at the different components of the Strategy, the negotiations between DG SANCO and the MS on the legislation have more frequently encouraged the MS to develop their national policy or strategy. The importance of these negotiations is illustrated by respondents as follows:

- 'What really matters are the preparatory work for the European legislation and the transposition of directives' (Authority-old MS).
- 'The most important influence on consumer policy and institutional structures has been the process of entering the EU' (Authority-new MS).

However, for the respondents from the new MS, their participation in EU forums and conferences had as much influence as the negotiations (68% each) followed by the ECCG and CPN meetings (57%). As one respondent states 'The above components helped us to focus on how to keep the national strategy in line with the EU strategy' (Authority-new MS).

Another respondent notes that 'The CPN is a new network and as such it does not influence our national strategy - although this may change as the CPN becomes a more established mechanism' (Authority-old MS).

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identified by two criteria: they originate in either the EU 15 or the EU 10 and they represent public authorities, consumer organisations or business organisations.

Concerning the meetings of the ECCG, opinions on its role might differ. One respondent mentions that *'the encouraging effect of the ECCG meetings could be stronger if the communication between NGOs and the national authorities was more formalised'*. (Authority-new MS) Another stresses that the role of the ECCG meetings has decreased: *'Being a member of the ECCG was highly regarded and had a real meaning in the past. In recent years, this body has become more and more bureaucratic and has lost its influence. It is more like a formal body'* (Consumer-old MS).

It should be noted that the majority of business organisations and 25% to 50% of consumer organisations do not know what components of the Strategy have had an encouraging effect on the national policies/strategies. This implies that these components should be made more visible to the stakeholders.

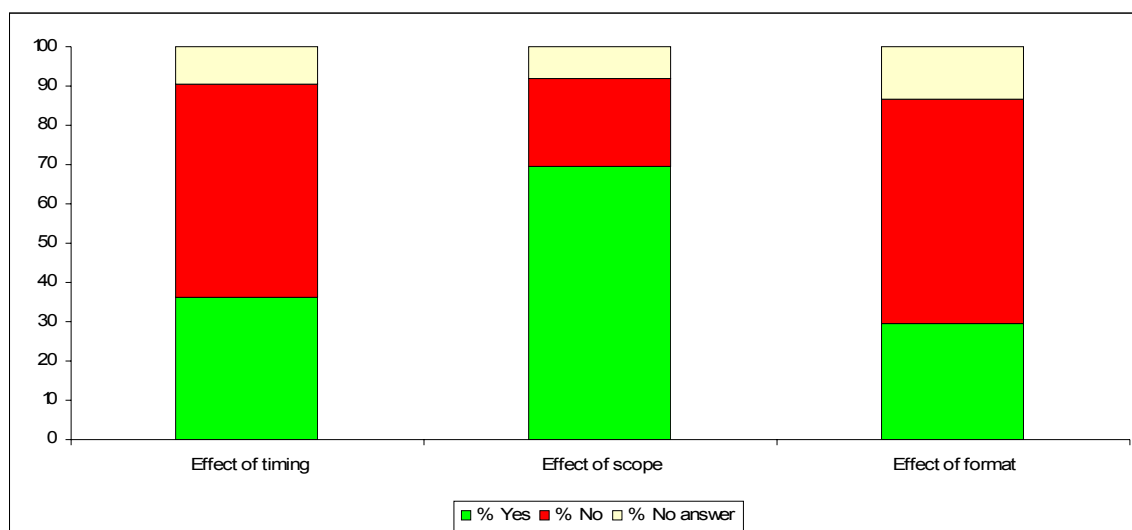
Effects of timing, scope and format

Three potential effects of the Strategy were examined:

- Effect of timing, i.e., the multi-annual character of the national strategies,
- Effect of scope, i.e., the national strategy and the EU one share the same policy areas,
- Effect of format, i.e., whether the presentation of the EU Strategy as a specific document has inspired the national decision makers to adopt a similar approach.

The graph below shows that overall there is a substantial effect on the scope of the national strategies, while the effects on timing and format are much more limited.

**Figure 2: Effects of timing, scope and format (N=75) (Source: survey and interviews)**



*Effect of timing (multi-annual):*

Among the 36% of respondents confirming this effect, two-thirds are from the new MS. There is no difference between the three categories of respondents. As indicated by one respondent *'Membership in the EU has strongly affected the timing and end date of the strategy i.e. the year 2006 to be in compliance with the timing of the European Strategy'* (Authority-new MS).

According to another respondent *'the national consumer strategy has been adapted to the time span of the EU strategy with a view to planning the new strategy for the years 2007-2013'* (Authority-new MS).

Several respondents from old MS state that their national programme is scheduled according to national parliamentary and governmental timings, notably legislative periods.

*Effect of scope (policy areas):*

The scope effect is again stated more often by new MS than by the older members (93% versus 55%). This

effect is related to the growing importance of the EU legislation and to the need to comply with the latter, as several respondents mention.

It is worth noting that even in countries with a long tradition of consumer protection, the scope of the EU Strategy has been taken into account, as illustrated by the following comments.

'In our country, the EU strategy has been properly studied to avoid any discrepancies between the EU and national strategies' (Consumer-old MS).

'Our strategy has improved considerably thanks to the EU strategy. It is, for instance, much better in terms of content, because more areas of concern have been taken on board. This is necessary because the consumer policy area expands all the time and more and more issues need to be taken on board' (Consumer-old MS).

The above does not mean that there are no differences between the EU and the national strategies:

'Most of the priorities in our country are reflected at the EU level, but there are some divergences. For example, concerns regarding the elderly and the care sector are more important than at EU level. In addition, more should be done with regard to environment policies and ethical matters which are crucial issues in our country at the moment' (Consumer-old MS).

'The scope of the national consumer policy is broader than that of EU's (e.g. including housing, public services)' (Authority-old MS).

'One of the priorities for our country is the energy policy (alternative energies to oil, etc.). Something should be done at the EU level but so far there is no strong policy in the field of energy' (Consumer-old MS).

The content of this effect is further detailed in the review of the other evaluation questions, notably Question 4 dealing with the convergence of EU and national consumer policies over the period concerned. However the comments above already show that further convergence of national and EU policies might be easier for policy instruments than for areas of focus of the consumer policy that often crystallises domestic priorities or concerns.

#### *Effect of format (specific document):*

This effect is mentioned by 29% of respondents, the majority of which (55%) originate in the new MS.

The limited importance of this effect is confirmed by the responses to the following hypothetical question:

*If the national consumer policy/strategy of your country is presented in a document, would you have had such document if there had been no EU strategy during this period?*

Overall 60% of respondents say that even without the EU Strategy, they would have had their policy or strategy presented in the format of a document, as it currently is. Such statement shows that for these respondents the format of the Strategy had little or no influence on the way in which they present their policy or strategy.

In summary:

The EU Strategy has directly encouraged the new MS to put a consumer policy strategy in place. Whilst this is not the case for the old MS, they nevertheless took account of the EU Strategy to ensure compatibility between the national policy and that of the EU and/or to improve their national strategy. It is also acknowledged that some of the Strategy components or the previous EU consumer strategies have contributed to the convergence of national and EU policies.

The component of the EU strategy that has the greatest effect on the national policies or strategies is the implementation of EU legislation. The new MS also consider that the EU Forums and conferences and the ECCG and CPN meetings have substantial influence.

The principal effect of the EU Strategy has been on the scope of national policies and strategies, i.e., either ensuring that the policy areas of concern are included or at least making the national policy compatible with the EU Strategy. Two other effects that are much more limited and concern especially the new MS are:

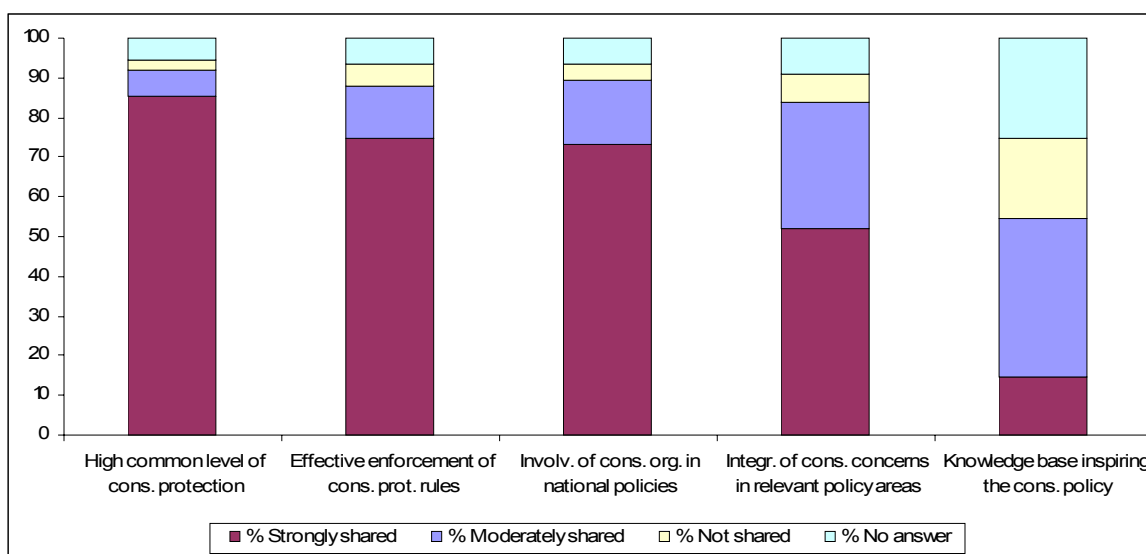
- The timing effect, i.e., the multi-annual character of the EU Strategy has inspired a similar approach for the national strategies
- The format effect, i.e., the presentation of the EU Strategy as a specific document has inspired the national decision makers to adopt a similar approach.

### 3.1.2 Have the objectives of the EU strategy been reflected at national level? What major differences can be detected?

The responses to the survey and the interviews show the diversity of the interactions between the EU and the national levels. These interactions are explained under Question 4 regarding the convergence between EU and national consumer policies. The responses indicate also that it might be more appropriate for a number of MS to speak about objectives that are 'shared' instead of 'reflected' (a word that could suggest a one-way influence).

The graph below shows how overall the objectives and other aims of the EU Strategy are shared by the MS.

**Figure 3: Sharing of objectives and other aims of the EU Strategy by the MS (N= 75) (Source: survey and interviews)**



The objective shared by most is the high common level of consumer protection: 85% of respondents confirm that this objective is shared. The second most shared objectives concern the effective enforcement of consumer protection rules and the involvement of consumer organisations in national policies. The integration of consumer concerns in all relevant policy areas is considered by around half of the respondents as a shared objective whereas for the objective of the knowledge base inspiring the consumer policy not even 20% considers this as a shared objective. .

This profile is generally valid while, however, the following exceptions have to be taken into account:

- The public authorities answer this question with greater frequency than the other groups.
- The opposite is true for the consumer organisations.
- The new MS answer this question with less frequency than the old ones, especially as regards the integration of consumer concerns in all relevant policy areas and the knowledge base for consumer policy.

Concerning the high common level of consumer protection, notably three old MS authorities fear that, for the purposes of harmonisation, their high level of protection might be lowered: *'in some case need for harmonisation makes it difficult to maintain a high level of consumer protection'* (Authority-old MS).

Others underline that the *'interpretation of "high level" may differ between the MS (Authority-EU 10)* or indicate that *'what constitutes a high level of consumer protection is not defined in the EU Treaty. The level of consumer protection will depend on individual pieces of legislation, whether it is national or European, and, in the case of EU legislation, whether it is a minimum or maximum directive'* (Consumer-old MS).

The only observed singular view - compared to the consensual claims in favour of a high common level of consumer protection - comes from the UK and stresses the difference to be made between a 'high' level of consumer protection and an 'appropriate' level taking account of other factors such as constraints on business,

the need for associated simplification in other areas, more effective enforcement, etc.

Concerning the effective enforcement of consumer protection rules, some new MS authorities make reference to improvements needed: 'with regard to the effective enforcement of consumer protection rules, there are some shortages at national level concerning resources and co-operation we want to improve'.

Even though not reflected statistically, this objective appears to be very important in the comments, probably more than the objective of a high level of protection, on which most MS agree. This is shown by comments made by two old MS authorities:

- 'A balanced scorecard is being developed to measure the performance of the consumer framework. One of three key objectives that we measure progress on is to have "A risk-based enforcement regime leading to high levels of compliance";'
- 'This has become much more central to proposals in our country, with an increasing emphasis on focusing on enforcing more effectively existing laws, rather than creating new ones. This has been a major area of focus for the Government and stakeholders over recent years.'

The involvement of consumer organisations in the development of national policies is considered an objective of great significance. Several countries mention that they have a long history of involving consumer organisations, dating back to well before the EU Strategy (AT, BE, DK, FI, FR, LU, etc.) Others stress that representatives of consumer organisations do not always have the required competence to intervene in the development of specific policies for which a technical background is required (e.g., financial services). This would refer to the need for specific training targeting representatives of consumer organisations.

In some new MS, like Poland, there are views that the current level of involvement could be improved.

Consumer organisations indicate more often than the other categories that the national policies or strategy insufficiently reflects this objective.

The comments confirm that the integration of consumer concerns in all relevant policy areas is still more of a forward looking objective than a tangible reality and that the aim is improvement at that level.

There are however exceptions:

'in connection to the last Consumer Strategy a so-called Consumer Taskforce between various Ministries was established to ensure integration of consumer concerns in all relevant policy areas' (Business-old MS).

'A public organisation has a role in commenting on Government proposals. This enables us to provide advice to the Government on the impact of proposals on competition and consumers' (Authority-old MS).

As far as the knowledge base inspiring consumer policy is concerned, the survey and interviews highlight the following:

- For some countries the concepts of evidence-based and risk-based policy are clear. Others, particularly a majority of new MS, seem to confuse the concepts of knowledge to facilitate consumer policy making with providing information and education to consumers. This would require some awareness raising/training of stakeholders on the nature and modalities of knowledge-based policies;
- Some old MS authorities rightly observe that 'The claim for consumer research gains more national relevance but financial resources are too small.'

The following statement is a good summary of how the EU objectives are reflected in the national ones and how the EU Strategy is one of the sources of inspiration 'in drawing up national Consumer Policy Objectives and Strategic Policy Guidelines, attention has been given to the Consumer Policy Strategy of the EU, the Programme of Action for Scandinavian Consumer Co-operation and the consumer policy issues included in the Government Programme in various policy areas' (Consumer-old MS).

The issue of reflection can also be analysed from the other perspective, i.e., how well are the national priorities reflected in the EU Strategy.

Overall, 55% of the respondents are satisfied with the extent to which their national priorities have been reflected in the EU Strategy, 23% are dissatisfied (mostly consumer organisations) and the remaining 22% do not know or have not answered (mostly business organisations). There is thus an overall satisfaction but little enthusiasm. The share of satisfied respondents is higher in the new MS (71%) and from public authorities (67%). This is probably related to the fact that the national policies of a majority of new MS have been strongly inspired by the

EU Strategy during the Accession process.

There are 'precursor' countries influencing the EU Strategy: 'The national strategy can encourage the development of the EU strategy as well. Horizontal legislation, for example, is a Nordic way of legislating and now the EU is following the same approach' (Consumer-old MS).

One old MS authority mentions a 'process of mutual influence' notably in the field of support to consumer associations.

The convergence of priorities can also be explained by the fact that consumer concerns across Europe in the main policy areas are common and consumers face similar problems that need to be dealt with. In other words, 'in a European Union with 25 MS, it is difficult for a national policy to have a direct influence on the European strategy. However, the development of commerce within the Union (in particular electronic commerce) and the harmonisation of national legislations (particularly, related to deregulation and the opening of some markets to competition) mean that in general the consumers face the same issues from one country to another' (Authority-old MS).

Some respondents are more critical:

- 'The priorities are reflected but this is not due to the influence of the MS as the European Commission does not seem to know the actions developed by the MS' (Authority-old MS).
- 'Many of the goals that are found in our national strategy are found in the EU-strategy. This also reflects the fact that strategies are written in general terms' (Business-old MS).

In fact some countries claim a strong influence of the national policy on the EU Strategy, for others the influence is limited. The majority of opinions thus mixes very significant influence, from a few countries like Denmark or the UK, with more marginal influence from a larger number of countries. One should also bear in mind that all EU consumer policy actions are adopted as a result of dialogue and co-decision with national policy makers in the Council and national parliamentarians in the EP.

Question 4 discussed below specifically addresses the convergence of EU and national consumer policies.

In summary:

The responses to the survey and the interviews show the diversity of the interactions between the EU and the national levels. These interactions are explained under Question 4 regarding the convergence between EU and national consumer policies. They also indicate that it might be more appropriate for a number of MS to speak about objectives that are 'shared' instead of 'reflected' (a word that could suggest a one-way influence).

Three of the main objectives of the EU Strategy are largely shared by the MS: the high common level of consumer protection, the effective enforcement of consumer protection rules and the involvement of consumer organisations in the development of national policies. The integration of consumer concerns in other relevant policy areas and the knowledge base that inspires consumer policy are objectives that are respectively less and much less shared at national level. This indicates two possible future areas of cooperation at Community level, including exchange of best practices.

The new MS place more emphasis on the involvement of consumer organisations in the national policies: indeed this refers to a need for these countries. The new MS devote even less attention than the old MS to the integration of consumer concerns in other relevant policy areas and to the knowledge base that inspires consumer policy.

The MS are very interested in the effective enforcement of consumer protection rules, and the new MS identify some improvements needed to ensure such enforcement in terms of resources, cooperation and monitoring.

When considering the influence of the MS on the priorities of the EU Strategy, the new MS are generally more satisfied than the old MS and in terms of the specific groups, public authorities are more satisfied than the other stakeholders. While it remains that EU consumer policy actions are adopted as a result of dialogue and co-decision with national policy makers in the Council and national parliamentarians in the EP, there is a mixture of very significant influence from a few 'precursor' countries, with a rather marginal influence from other countries

### 3.1.3 Whether Member States have produced a strategy or not, has the EU strategy had an impact on national consumer policies?

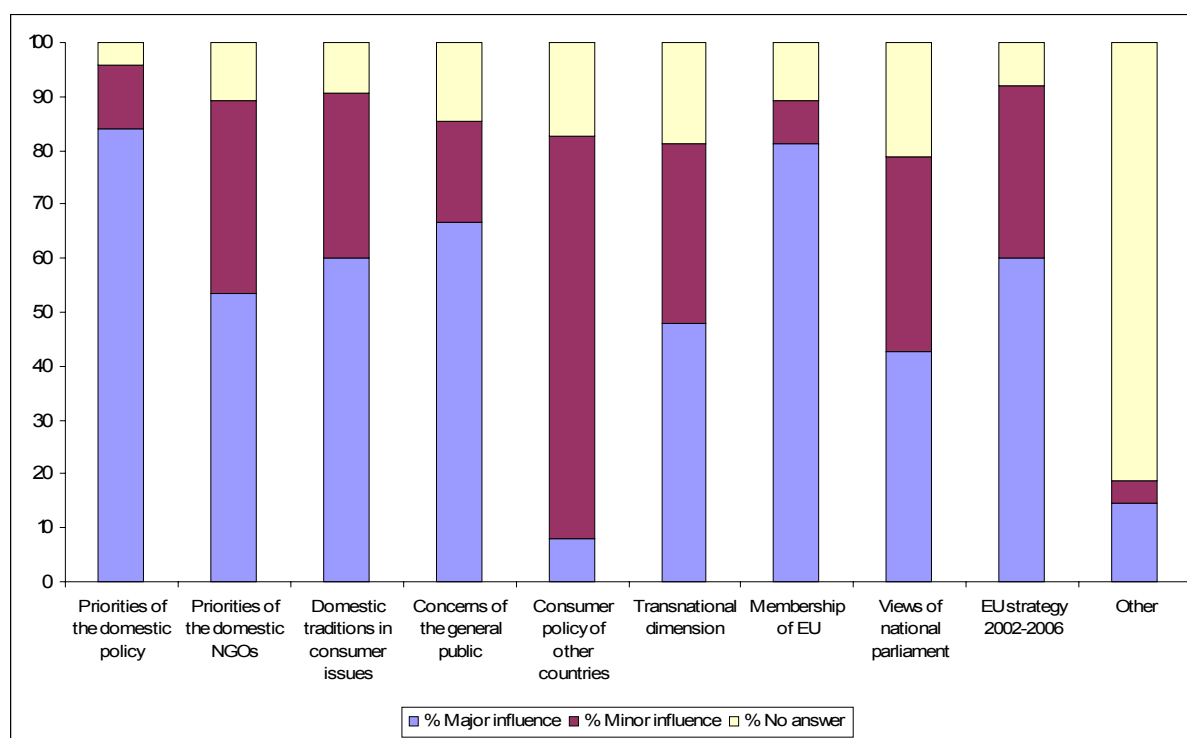
To answer this question, we addressed the following issues:

- Factors that have most influenced the definition of the national policies
- How different would the national consumer policy have been in the absence of EU Strategy?

#### Factors that have most influenced the definition of the national policies

The two factors that have the greatest influence are the priorities of the domestic policy and the membership of the EU (mentioned by 86% and 81% of the respondents respectively). After the concerns of the general public mentioned by 65% of the respondents, the EU Strategy is the fourth most-mentioned factor, cited by 61% of the respondents. The domestic traditions and cultures are mentioned by 60%. This is illustrated in the following graph.

**Figure 4: Factors having influenced the definition of the national policies (N= 75) (Source: survey and interviews)**



In analysing this question, we distinguished between the main domestic and European factors of influence on the national consumer strategy/policy:

- The main domestic factors included the priorities of the domestic policy, the concerns of the general public and the traditions/culture in consumer-related issues.
- The main 'European' factors refer to the EU membership, the 2002-2006 EU strategy and the increasing transnational dimension of the consumer issues.

The results of the survey indicate that the main domestic factors are mentioned just slightly more frequently than the main European ones: the respective averages of the respondents were 70% and 63%. This difference is marginal and points to the following: while the domestic concerns and priorities remain important in the definition of the national policies, the European dimension is almost as important, whether it is directly because of the EU Strategy, or indirectly due to the membership of EU and its effects, in particular, in terms of enforcement of EU legislation.

The influence of the EU membership differs according to the type of MS as follows:

- The accession process forced the new MS to define their consumer policies, by transposing the European consumer protection acquis into national legislation. In particular, the 'EU strategy 2002-2006' has had more influence on the new Member States than on the old ones: mentioned by 86% and 45% of respondents respectively;
- For several respondents of old MS, their country has a long history of an active national consumer policy. They define their policy from the priorities identified at national level but their policy is inevitably affected by the choices made at the European level.

The contrast suggested by the latter view should however be somehow nuanced: EU-consumer policy has existed since 1975 and the first directive dates from 1984. Also, all EU consumer policy actions are adopted as a result of dialogue and co-decision with national policy makers in the Council and national parliamentarians in the EP. The choices outlined at the European level are thus also influenced, indirectly, by the domestic priorities.

*How different would the national consumer policy have been in the absence of EU Strategy?*

This is a complementary approach usually called the 'counter-factual scenario': what would have happened if the situation had been the reverse of what it actually is, in this case in the absence of the EU Strategy?

Most of the respondents (61%) indicate that without the EU Strategy their national policy would have been different. Three-quarters of them state, however, that the difference would not have been important. Twelve percent believe absence of the EU Strategy would have changed nothing and 27% do not know or have not answered. This view of a substantial but often light impact is shared by 71% of respondents from the new MS.

The following comments properly illustrate the views expressed above:

- In the absence of EU Strategy, our national approach would not deal with some actions, such as implementation of EC legislation, cross-border co-operation, etc. Other objectives would have been about the same as they are priorities for consumer protection from our national perspective too (Authority-new MS).
- Without the EU Strategy, the national policy would have been very similar to what it currently is in terms of its objectives and instruments. The EU Strategy has inspired some legislation issues (development of standards). But it is difficult to judge what would have been different ( Authority-old MS).
- We might not have established a national consumer authority. Apart from the latter there would not have been significant differences (Business-old MS).
- The country has a strong consumer policy regime that has been developed over many years. The EU Strategy has reinforced some aspects of this, and introduced greater co-operation in terms of enforcement. The introduction of a general duty on unfair commercial practices has had an important impact. Beyond the impact of specific EU measures across the Community, the country has continued to pursue its own agenda as set out in the strategy document published recently - an agenda focused heavily on the links between effective competition regime and empowered consumers (Authority-old MS).

It is also worth mentioning the influence of some old MS on some newer member countries, e.g., as reflected by two new MS respondents:

- 'Without the EU Strategy, their national policy would have been the same thanks to the influence of the Swedish and Finnish policies.
- 'UK consumer policies have an influence, we have many projects with them'.

In summary:

The EU Strategy has had an impact on national consumer policies, although the influence of domestic policy priorities, public concerns and EU membership was slightly greater. By and large, while the domestic concerns and priorities remain important in the definition of the national policies, the European dimension is almost as important, either directly via the EU Strategy, or indirectly due to EU membership and its effects notably in terms of enforcement of EU legislation.

The new MS consider their EU membership as having the greatest influence, followed closely by the EU Strategy and the priorities of their domestic policy. The position of the Strategy amongst the other factors which have an impact must be appraised from two perspectives:

- Direct effect: without the EU Strategy, the majority of respondents state that their national policies would have been different, but only to a limited extent.
- Indirect effect: indirectly EU membership is acknowledged as having an important effect on the national policies.

### 3.1.4 Have EU and national consumer policies diverged or converged over the period?

To answer this question, the following issues are addressed:

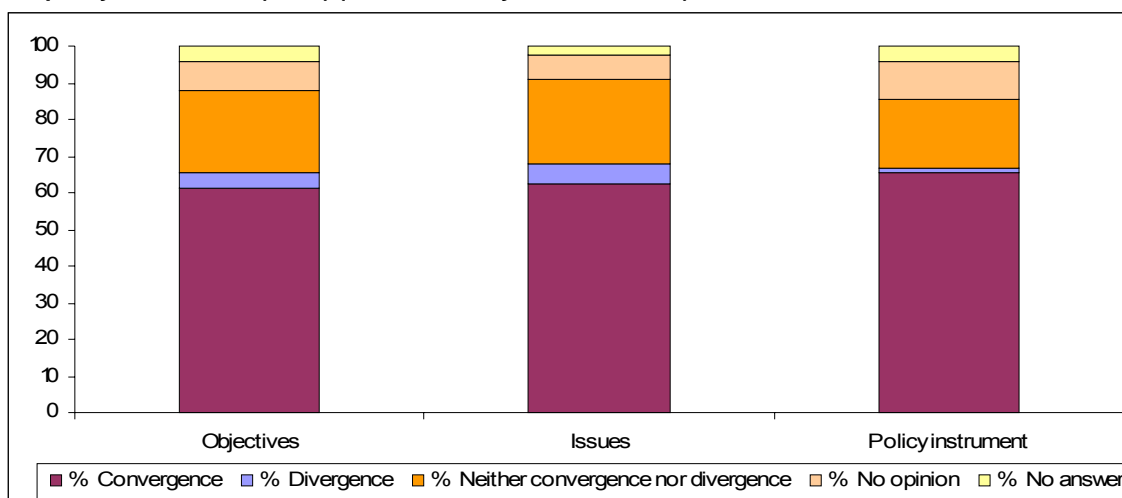
- Objectives, issues, policy instruments: convergence or divergence between 2002 and 2006?
- MS priority issues and policy instruments.

#### Objectives, issues, policy instruments: convergence or divergence between 2002 and 2006?

By issues we refer to, e.g., safety of products and services, consumer empowerment, competition policy, services of general interest, etc.

By policy instruments we refer to, e.g., legislation, public enforcement, alternative dispute resolution (ADR), information, education, etc.

**Figure 5: Convergence or divergence between 2002 and 2006 of EU and national consumer policy objectives, issues and policy instruments (N=75) (Source: survey and interviews)**



On average, 63% of respondents note a convergence of national and EU objectives, issues and policy instruments, and 21% mention a status-quo (neither convergence nor divergence). Four respondents note a divergence and 9% to 15% have no opinion or do not answer. The differences of views concerning objectives, issues and policy instruments are marginal.

The detailed analysis of the figures shows that:

- The majority of the respondents who noted a convergence originate from the new MS. The opinions from the old MS are balanced between convergence and status-quo, except for the policy instruments for which a majority identified a convergence;
- More than the other stakeholders, the public authorities noted a convergence of the objectives (73% versus 52%) and of the policy instruments (79% versus 55%).

These not very surprising results are illustrated by the following comments from new and old MS:

- Our national policy is closer to the EU in 2006 than it was in 2002 mainly because of the harmonisation process completed in 2004. In addition, the relevant policy instruments are being put in place to implement consumer rights more effectively (Authority-new MS).
- When drafting the new National Program, which occurred at the same time as the accession to the EU in 2004, we set the same aims and objectives as those included in the EU Strategy. This has however not always been accompanied with all necessary policy instruments. It is still necessary to strengthen public enforcement measures and to introduce an effective ADR scheme for consumers (Authority-new MS).
- Overall the national policy is closer to the EU policy in 2006 than it was in 2002. The EU policy has had the greatest influence in the field of services of general interest and also in the development of alternative (consumer) dispute resolution systems as well as in the reinforcement of the power of the agents of the ministry (possible injunctions and actions in suspension since a 2005 regulation allowing for the enforcement of the 2006/2004 regulation related to cooperation) (Authority-old MS).
- We are closer to the EU on issues such as product safety and services of general interest and more distant with regard to sustainable consumer developments (Authority-old MS).
- As markets become increasingly globalised, it is natural that there is more convergence of issues across borders. This is one of the key reasons why the issues faced by EU consumers and policy instruments developed at EU level become more similar. The key for the future will be to extend such convergence through more effective co-operation with states outside of the EEA (e.g., by maximising the potential benefits to be gained through effective implementation of Article 18 of the CPC Regulation) (Authority-old MS).

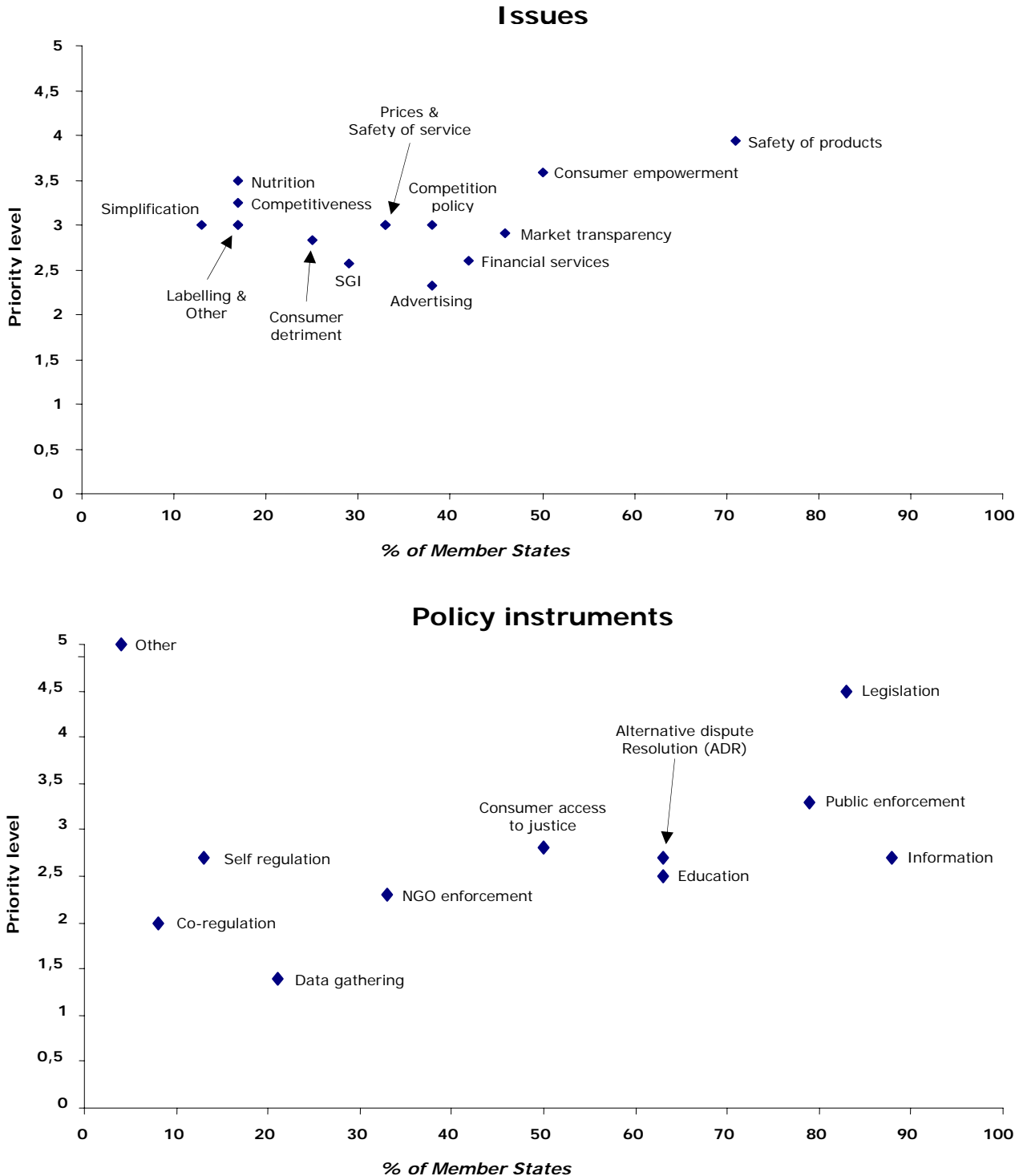
#### MS priority issues and policy instruments

Despite the convergence, there also remains diversity among MS regarding their priority issues and policy instruments. This is evidenced by the graphic representation (see below) of some responses of the MS to the DG SANCO survey of 2005.<sup>10</sup>

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<sup>10</sup> Survey of Member States on consumer policy priorities – Main findings, 2005

**Figure 6: Mapping of MS priority issues and policy instruments (N=24) (Source: EC survey of Member States on consumer policy priorities – Main findings, 2005)**



The first figure on priority issues shows that two issues (out of thirteen) can be considered as 'shared priorities', i.e., considered as priorities by a majority of MS: Safety of products (70% of countries) and consumer empowerment (50%). The remaining issues are considered by a minority of countries.

When looking at the policy instruments in the second figure, it appears that shared priorities are more numerous. Six of them (out of eleven) are favoured by at least 50% of the countries, even if the degrees of priority might not be so high: legislation (mentioned by + 80% of MS), information (nearly 90%), public enforcement (nearly 80%), ADR and education (+ 60%) and consumer access to justice (50%).

A majority of respondents (in particular respondents from the new MS, consumer and business organisations) believe that a further convergence of national consumer policies is possible and relevant. There is a need for further convergence (or at least further coherence between the national policies) to make the Internal Market effective and have a 'European consumer'. Nevertheless, most MS also believe that sufficient room should be left for national policy as the contexts of the MS are not always comparable. A distinction should be made between convergence resulting from EU legislation and convergence of the national consumer policies that remain influenced by domestic issues. Convergence also appears easier when it concerns implementing policy instruments (e.g., legislation, enforcement, redress, information and education, etc.) rather than policy issues, as the latter might be steered by specific domestic priorities: e.g., the elderly, environment, ethics, housing, energy, etc.

By and large, the convergence results from influences between the EU and the national level, like:

- A direct influence of the EU Strategy on the national objectives, issues and policy instruments, which is the case for most new MS
- A reference effect: several old MS countries state that when defining their national strategies or policies they take account of the objectives of the EU Strategy to avoid discrepancies or to improve their strategy
- A more indirect influence since the national policies obviously refer to the EU legislation and its enforcement which are part of the current EU Strategy and/or of the previous ones

EU Strategy might also be influenced by the national level due to some bottom-up influences:

- The deepening of the Internal Market means that consumer issues are common to several or all MS more often; the national and EU policies are therefore pushed to converge
- Some precursor countries have inspired part of the EU Strategy and so have contributed to further convergence between the EU and national levels
- The EU Strategy is influenced by the views of national policymakers, stakeholders and parliamentarians, through both consultation and formal co-decision.

In summary:

Two-thirds of the respondents note a convergence of national and EU objectives, issues and policy instruments between 2002 and 2006. The respondents from the new MS note a convergence more frequently than those from the old MS that balance between convergence and status quo. The exception to this is the policy instruments for which a majority identified a convergence.

Despite the convergence, national agendas remain focused on different priorities. This could be interpreted as a factor which limits the impact of the EU Strategy. However, it also shows a potential for future convergence between MS, on policy instruments rather than on issues of interest in consumer policy that probably reflect more the specific domestic concerns.

By and large, the convergence results from influences between the EU and the national levels such as:

- A direct influence of the EU Strategy on the national objectives, issues and policy instruments, which is the case for most new MS
- A reference effect: several old MS countries state that when defining their national strategies or policies they take account of the objectives of the EU Strategy in order to avoid discrepancies or to improve their strategy
- A more indirect influence since the national policies obviously refer to the EU legislation and its enforcement, which are part of the current EU Strategy and/or of previous strategies

EU Strategy might also be influenced by the national level due to some bottom-up influence:

- The deepening of the Internal Market makes consumer issues more common to several or all MS, thereby pushing the national and EU policies to converge
- Some precursor countries have inspired part of the EU Strategy and so have contributed to further convergence between the EU and national levels
- The EU Strategy is influenced by the views of national policy makers, stakeholders and parliamentarians, through both consultation and formal co-decision.

### 3.1.5 Has the EU Strategy affected the development of indicators and benchmarks for consumer policy at national level?

To answer the question, the following issues were addressed:

- The use of specific tools to monitor the national consumer policy, such as indicators, surveys, benchmarks, etc.
- The sources of inspiration for the tools.

#### Use of specific tools to monitor the national consumer policy, such as indicators, surveys, benchmarks, etc.

Of the respondents, 56% state that they use tools for monitoring, whilst 41% indicate that they do not make use of such tools and 3% do not answer. The majority of respondents from the new MS (54%) indicate that they use no monitoring tools. The same applies to the representatives of the consumer organisations (48% responding No versus 44% indicating Yes) which may reflect the needs of these organisations for more information and possibly for training. Most of the public authorities and business representatives indicate that they are using monitoring tools (61% and 65%).

Only 26 of the 42 respondents confirming the use of monitoring tools specify the type of tools they use. The table below presents in decreasing order of importance the tools mentioned.

**Table 2: Tools used to monitor the national consumer policies (N= 26) (Source: survey and interviews)**

<b>Tools</b>	<b>N° of times indicated</b>	<b>Comments</b>
<b>Surveys</b>	17 by 10 countries	The surveys are general or deal with consumer complaints, possibly sector specific
<b>Comparisons- Benchmarks</b>	14 by 10 countries	These comparisons/benchmarks consider the legislation or the policies in other countries. Several countries refer expressly to the work of the OECD Committee for Consumer Policy, which is considered to be very useful
<b>Indicators</b>	7 by 5 countries	E.g., balanced scorecards, indicators related to sustainable consumption, etc.
<b>Consumer satisfaction index</b>	5 by 2 countries	See blue box below
<b>Other</b>	3 by 3 countries	Very diversified and 'light' tools such as exchanges of information, training seminars and collecting information on the activities of different stakeholders

The Danish experience of consumer satisfaction indexes is worth being presented in detail (see the blue box below).

In 2004, 2005, and again this year the Danish Consumer Agency undertakes a multidisciplinary study on consumer satisfaction in the great majority of relevant Danish markets. In conjunction with specific market analyses, this study provides an initial pointer as to which markets are working well, and which may require extra inputs to improve the overall conditions for consumers. This knowledge is used to launch targeted interventions addressing specific consumer problems – and to prevent new ones arising, be they concerned with opaque markets, rotten apples in the trade barrel or lack of complaint facilities. The level of consumer satisfaction in a market is determined by a wide range of factors: is the range on offer easy to assess? Do the traders stick to the rules, and is it possible to get a dispute etc. resolved quickly and effectively? The analysis of consumer satisfaction in Denmark focuses on the market conditions that consumers encounter in practice. For this purpose, the National Consumer Agency has developed a method of measuring consumer satisfaction based on three sets of indicators - transparency, consumer confidence and complaint facilities - which together constitute an index of consumer satisfaction. The position of a market in the Consumer Conditions Index (CCI) is an indication of what consumers think of being a consumer in that particular market at this precise moment. In this way, the CCI can be a tool for trades, companies and authorities in their efforts to create the highest possible level of consumer satisfaction in Denmark.

### Sources of inspiration for the tools

Forty-nine of the 75 questionnaires (65%) did not include a response to this query. The 26 persons that did respond provided the following information.

**Table 3: Sources of inspiration for the tools used to monitor the national consumer policies (N= 26) (Source: survey and interviews)**

<b>Source of inspiration</b>	<b>N° of times indicated</b>	<b>Comments</b>
EU exclusively	3 by 3 countries	Tools mentioned include surveys, indicators and collecting information on stakeholders' activities.
EU partly	8 by 4 countries	Tools listed include comparisons, surveys and indicators. The role of OECD as source of inspiration/best practice is mentioned several times.
Not EU	22 by 11 countries	Tools indicated include mainly comparisons, surveys, indexes and indicators. Most countries state that their domestic traditions and policy have acted as their main source of inspiration.

From these findings we can draw three conclusions that have also directly inspire recommendations:

- Monitoring is clearly an area where the Commission can bring added value in terms of coordination of current activities and initiating new ones;
- The proper dissemination of some types of monitoring tools used (e.g., comparisons, benchmarks and surveys) across the MS has a strong potential to increase cooperation and coordination between MS and the Commission (best practices, etc.);
- Initiatives could also be proposed by the Commission in the area of indicators and consumer satisfaction indexes where the experiences of some MS could be exploited.

In summary:

A slight majority of respondents state that they use tools such as indicators and benchmarks to monitor consumer policy at national level. However a lower proportion of respondents from consumer organisations and new MS share this view.

One-third of the respondents specify which tools they use, which are mainly surveys and benchmarks, while indicators and consumer satisfaction indexes are less frequently cited. These respondents also indicate that the EU Strategy is not a major source of inspiration for the use of monitoring tools - most use tools derived from domestic traditions and policy and from forums like the OECD. It is therefore recommended that activities like exchange on best practices and cooperation could be further developed and the role and added value of the EU substantially increased.

### **3.1.6 To what extent, in each of the Member States, did initiatives at EU level determine national consumer policies?**

This question is answered through the identification of:

- The EU actions that had the greatest effect on the MS national consumer policies
- Those that were not relevant or had little effect on the MS national consumer policies.

#### Actions that had most effects on MS

The actions selected are those mentioned by at least 45% of the respondents.<sup>11</sup>

<sup>11</sup> This threshold has been retained instead of 50% to take account of the responses to this survey question that was less substantial than expected.

**Table 4: EU Actions that had the greatest effect on MS (N= 75) (Source: survey and interviews)**

<b>Greatest effect on MS</b>	<b>Old MS</b>	<b>New MS</b>	<b>Public author.</b>	<b>Consumer org.</b>	<b>Business org.</b>
<b>High common level of consumer protection</b>					
Safety of consumer goods and services	√	√	√	√	√
Legislation on consumer economic interests		√	√		
<b>Effective enforcement of consumer protection</b>					
Enforcement cooperation among MS	√		√		
Information and data on the safety of goods and services		√	√		
<b>Proper involvement of consumer organisations in EU policies</b>					
Consumer information and education		√	√		

In summary, the actions that are deemed to have had the greatest effect on MS consumer policies are:

- Safety of consumer goods and services for all categories of respondents
- Legislation on consumer economic interests,<sup>12</sup> in the new MS and for public authorities: the effect occurs more frequently in new MS due to the absence of legislation before and the public authorities are clearly more aware than the other stakeholders.
- Enforcement cooperation between MS, in the old MS and for public authorities
- Information and data on the safety of goods and services, in the new MS and for public authorities
- Consumer information and education,<sup>13</sup> in the new MS (68% versus 27% in the old MS) and for public authorities (55% versus 33% for the other stakeholders). This reflects that the bulk of information work is carried out only in the new MS; the relevance to the old ones is thus limited

It is interesting to note that these EU actions are partially the same as the priority issues and policy instruments revealed by the 2005 DG SANCO survey previously mentioned in this report.

#### Actions that were not relevant or had little effect

It should be clear to the reader that these are actions that have little effect on national consumer policies, not little effect in themselves.

The actions selected are those mentioned in at least 25% of the samples concerned.<sup>14</sup>

<sup>12</sup> The judgement concerns the legislation in general and no specific EU action in particular.

<sup>13</sup> The information gathered does not permit distinguishing between information and education.

<sup>14</sup> A lower threshold, than for the actions with most effects, has been retained to take account of a positive bias in the answers from the new MS and nevertheless be able to focus the areas where progress is possible and/or needed.

**Table 5: EU Actions that were not relevant or had little effect on MS (N= 75) (Source: survey and interviews)**

<b>Not relevant or little effects on MS</b>	<b>Old MS</b>	<b>New MS</b>	<b>Public auth.</b>	<b>Consumer org.</b>	<b>Business org.</b>
<b>High common level of consumer protection</b>					
Financial services	√			√	
Services of general interest (SGI)		√		√	
<b>Effective enforcement of consumer protection</b>					
Support to consumer associations	√			√	
<b>Proper involvement of consumer organisations in EU policies</b>					
Consumer information and education	√		√		
Support and capacity building of consumer organisations				√	

Some of these results might be affected by the fact that some respondents have a view on consumer policies that does not cover in enough detail some sectors like e-commerce and financial services.

In summary, the actions considered irrelevant or with little effect are:

- Financial services, at least in the old MS and for consumer organisations. No specific EU actions are concerned, but one respondent (Business-old MS) states that **'the regulations are too un-flexible - for instance regarding information to consumers. The result is that consumers are overloaded with information, they accept sales conditions without reading them and they don't get the protection intended'**.
- Services of general interest, in the new MS and for consumer organisations
- Support to consumer organisations in their enforcement role, in the old MS and for consumer organisations. The 'limited effect' judgement is based on the fact that consumer associations facing an ever-growing complexity of tasks are perceived or perceive themselves as rather short (in some cases shorter than previously) of financial means, both from the Commission and the MS authorities. This perception is less common in the new MS than in the old ones.
- Consumer information and education, in the old MS (30% versus 7% in the new MS) and for public authorities (27% versus 17% for the other stakeholders). This reflects that the bulk of information work is carried out only in the new Member States, so the relevance to the old MS is limited
- Support and capacity building of consumer organisations, for the consumer organisations, which also refers to the above-mentioned perception of insufficient support both from the Commission and part of the MS authorities, compared to a growing number of tasks to carry out.

When interpreting the above results, it is important to take into account the diversity in terms of national policy contexts and the extent to which EU legislation is enforced (which usually conditions the very appearance of effects of the EU actions). The following statements by respondents illustrate some aspects of these diverse national contexts:

**Most effects occur when an issue is new (e.g., e-commerce) or when national legislation has to be modified: until now, the only possibility available to the Ministry agents was to draw up a report and to send it to the court that had the sole competence to commence legal proceedings. Now these agents may ask the professionals to conform with the consumer protection rules and they can refer the dispute to the civil courts to put an end to illicit practices (Authority-old MS).**

**Generally speaking, legislation is only as good as the extent to which it is efficiently enforced. The second objective [of the EU Strategy i.e. the effective enforcement of consumer protection] is therefore vital and has a strong**

place within our national policy. Enforcement cooperation gave a more European focus to our strategy. We had to set up a new mechanism, it provides a powerful instrument (Authority-old MS).

The Regulation that grew out of the Commission proposal for a legal basis for administrative co-operation is the most significant action at EU level for the country. We had already had a good history of cross-border co-operation with enforcement agencies having strong and effective co-operation mechanisms. The Regulation effectively formalises these relationships and widens and deepens the co-operation with new MS (Authority-old MS).

We did not have a national consumer legislation enforcement authority; as a consequence of EU legislation we are now establishing one (Business-old MS).

The fact that part of the respondents (in particular in old MS) consider the support offered both by the Commission and the MS to consumer organisations as not relevant or having had little effect is illustrated by the following statements.

When looking at the action 'support to consumer associations', we consider that DG SANCO's support has been reduced because the number of applications to European projects has decreased and bureaucracy has increased: it has become mandatory to apply with projects that include partners from 12 to 15 countries (Consumer-old MS).

There should be mechanisms for financially supporting Consumer Organisations and to make them more efficient. Otherwise the consumer movement remains weak, powerless and fragmented (Consumer-new MS).

In summary:

The various EU initiatives and actions carried out as part of the EU Strategy did not influence the national consumer policies equally. Indeed the diversity of the national contexts and especially the extent to which EU legislation is enforced play a critical role.

The actions that are judged to have had the greatest effect on MS are:

- \* Safety of consumer goods and services, in both new and old MS
- \* Legislation on consumer economic interests in the new MS
- \* Enforcement cooperation among MS, specifically in the old MS
- \* Information and data on the safety of goods and services in the new MS
- \* Consumer information and education in the new MS.

These EU actions are partially the same as the priority issues and policy instruments that are most shared among MS.

The actions that are judged not relevant or having had little effect are:

- \* Financial services, in the old MS
- \* Services of general interest, in the new MS
- \* Support to consumer organisations in their enforcement role, in the old MS
- \* Consumer information and education, in the old MS
- \* Support and capacity building of consumer organisations, for the consumer organisations which also refers to the perception of insufficient support both from the Commission and part of the MS authorities, compared to a growing number of tasks to carry out.

### **3.1.7 How were national stakeholders involved in the elaboration and implementation of national strategies?**

To answer this question the following issues are addressed:

- The frequency and modalities of involvement of the stakeholders
- The effects on the policy acceptance
- The consultation on the EU Strategy

### Involvement: frequency and modalities (who, how?)<sup>15</sup>

Twenty-five representatives of consumer organisations and 17 business representatives responded to the question on their involvement in the definition and implementation of the national consumer strategy/policy. The large majority (92% and 88% respectively) indicate they are involved in these processes.

Whilst the business representatives seem to be mainly involved through consultation, the consumer organisations appear to be more actively involved through, for example, their participation in working groups or seminars, in addition to taking part in consultations.

A new approach is the organisation of public consultations, which are different from the more {classically used/traditional} consultation process as they involve a higher number of parties and use a less formal approach. The public consultations are mainly practiced by the UK and the Commission.

### Effects on acceptance

The results of the survey show that 83% of stakeholders (consumer and business representatives) feel that their involvement and participation has had a positive effect on their acceptance of or adherence to the national policy. However the consumer representatives mention this effect less frequently than their business counterparts (76% and 94% respectively).

The above two groups have different interests in participating in the definition of the policy: usually, consumer representatives believe that the consumer policy is not sufficiently in favour of the consumers while business representatives want to water down some consumer protection initiatives.

Their involvement, in particular in discussion groups or round-table discussions, offers a good opportunity to discuss the motives behind positions, leading at least to a better mutual understanding and at most to an agreement between stakeholders.

It is very important to have the stakeholders involved as active players, since in the end they are the ones that have the responsibility to implement the policies. If the stakeholders - mainly business and consumer organisations - are not supportive and do not feel 'ownership', the various proposals will not achieve the desired impact (Business-old MS).

The development of a Consumer Strategy is closely linked to broader issues which are politically very high profile in the country. These include, for example, the importance of competition to the economy and growth in productivity, the burdens placed on business by regulation and the need to balance these concerns with adequate consumer safeguards. As a result, business and consumer groups have a valuable role to play in advising on strategy in this area (Authority-old MS).

### Consultation on the EU Strategy

Most of the Member States carry out consultations on European proposals (not specifically for the EU Strategy) and this is made through the usual consumer policy consultative bodies:

Conseil de la Consommation in Belgium, Luxemburg and France; Consumer Policy Committee (SER-CCA) within the Social Economic Council (SER) in the Netherlands, Consiglio Nazionale dei Consumatori e Utenti (CNCU) in Italy; Standing Committee on Consumer Affairs in Denmark and Finland; Consumer Consultative Committee in Cyprus; Consumer protection Council in Estonia; National Consumer Council (ESK) in Greece; Advisory Body on Consumer Protection as well as Market Surveillance Council in Hungary, Consumer Strategy Group in Ireland, National Consumer Rights Protection Board in Lithuania, Consumer Affairs Council in Malta, Council of Fair Trade Practices in Poland; Social and Economic Council in Portugal; National Council for Consumer Policy in Slovakia; Expert Council for Consumer Protection in Slovenia.

Austria, Czech Republic, Germany, Latvia, Spain and United Kingdom did not mention any dedicated consultative body but they mention the existence of consultation procedures to involve stakeholders in discussion and negotiations on consumer policy issues.

Some countries have specifically referred to a consultation process on the EU strategy: Denmark has an EU

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<sup>15</sup> On this aspect of involvement, we consider the responses from the consumer and business organisations, and not those from public authorities, to minimise any positive bias.

special advisory Committee discussing the EU strategy, The Swedish Ministry of Agriculture, Food and Consumer Affairs regularly (about 4 times a year) organises meetings with stakeholders to report and consult on EU-related policy issues.

Several respondents also highlight the role of ECCG in promoting the circulation of EU proposals and requesting opinions.

In summary:

At the national level, stakeholders are nearly always involved in the definition and implementation of national consumer policy. While representatives from business are mainly involved through consultation, the consumer organisations appear to be more actively involved, through, e.g., participation in working groups or seminars in addition to the consultations.

Most stakeholders consider that their involvement, in particular in discussion groups or round-table discussions, leads at least to a better mutual understanding and at most to an agreement between stakeholders, both positions favouring policy acceptance.

Mechanisms also exist in the MS to consult on the EU strategy, but most frequently these mechanisms are not specific to the EU Strategy or to EU issues.

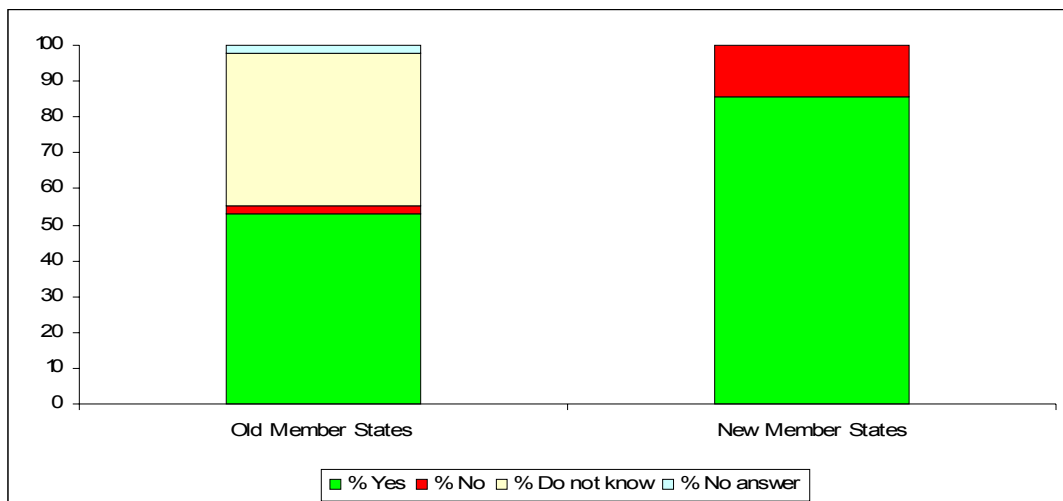
### 3.1.8 To what extent was the strategy, adopted pre-enlargement, pertinent to the ‘new’ Member States?

To answer this question, three effects of the EU Strategy are considered:

- Its usefulness to define a consumer policy
- Its usefulness to conform to EU regulatory and enforcement structures
- The existence of specific issues relevant to the new MS to be addressed in the 2007-2013 EU Strategy

#### Usefulness in defining a consumer policy

**Figure 7: Usefulness of the EU Strategy for the new MS in defining a consumer policy (N= 47 old MS and 28 new MS) (Source: survey and interviews)**



As illustrated by the above figure, old MS found the strategy useful while new MS found it very useful.

The following statements confirm this view.

From contacts with organisations of these countries we know that consumer policy existed only in a rudimentary form (Consumer-old MS).

As already mentioned the EU Strategies are always taken into account and thus are useful for setting our national priorities (Authority-new MS).

It has made it easier to make sure that national strategies follow the principles in the EU, which is important in a global world and a step forward in the process of harmonisation of the consumer policy which is essential to ensure free movements in the internal market (Business-old MS).

The main goals of the EU strategy 2002-2006 helped the authorities to indicate national goals for consumer protection strategy, in particular development of the legislation on consumer protection; strengthening of the institutional framework of consumer protection; consumer education by implementing the National Consumer Education Programme; strengthening of the role of non-governmental consumer organisations in the area of consumer protection (Authority-new MS).

The strategy has been very useful as a basis for the government to proceed with the harmonisation of the national legislation with the requirements of the internal market and to improve the level of consumer protection (Authority-new MS).

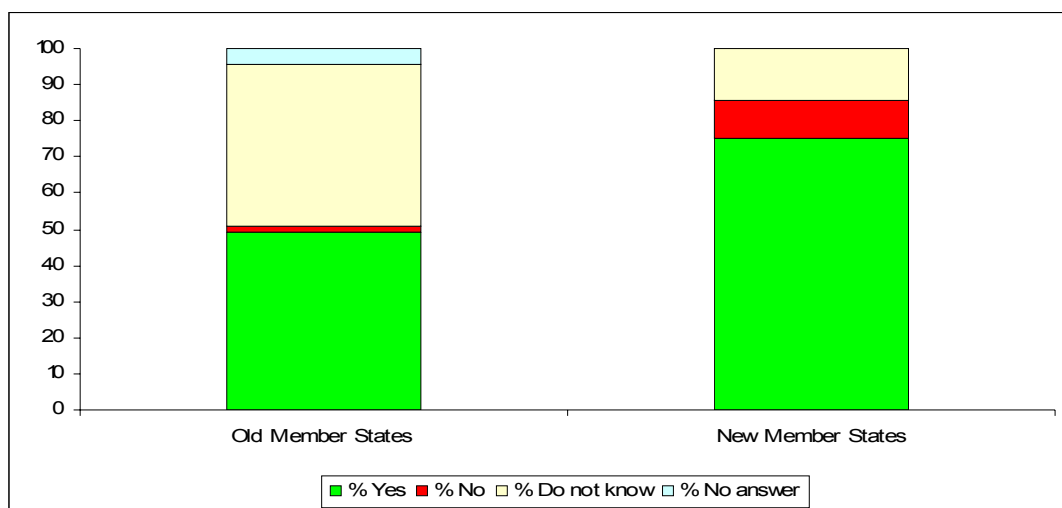
Considering that they [the new MS] had to start from scratch, it was probably helpful. Also it fosters more coordination and harmonisation between them than otherwise: they can all draw from the same model, there is more coherence (Business-old MS).

It gives them a goal to reach and indicates the steps to go further. We have been contacted by consumer associations from new member states who are asking about the way we are operating. They ask for advice and information on how to influence government decisions (Consumer-old MS).

Strategy of EU provided wider view on problems of consumer protection and thus enabled a higher protection also on national level (Authority-new MS).

Usefulness of the EU Strategy to conform to EU regulatory and enforcement structures

**Figure 8: Usefulness of the EU Strategy for the new MS to conform to EU regulatory and enforcement structures (N= 47 old MS and 28 new MS) (Source: survey and interviews)**



Again, old MS found the strategy useful to conform to EU regulatory and enforcement structures while new MS found it very useful to that end.

The following statements illustrate the opinions expressed:

This [i.e. conforming to EU regulatory and enforcement structures] is however resulting from the application of the different treaties of the E.U. (Authority-old MS).

This strategy has been useful to us as we had to harmonise our legislation on the protection of the consumer in the areas of health, safety and economic interests (Authority-new MS).

The Strategy was an important source for information and for defining a consumer policy consistent with the future demand for more harmonisation also on consumer policy (Business-old MS).

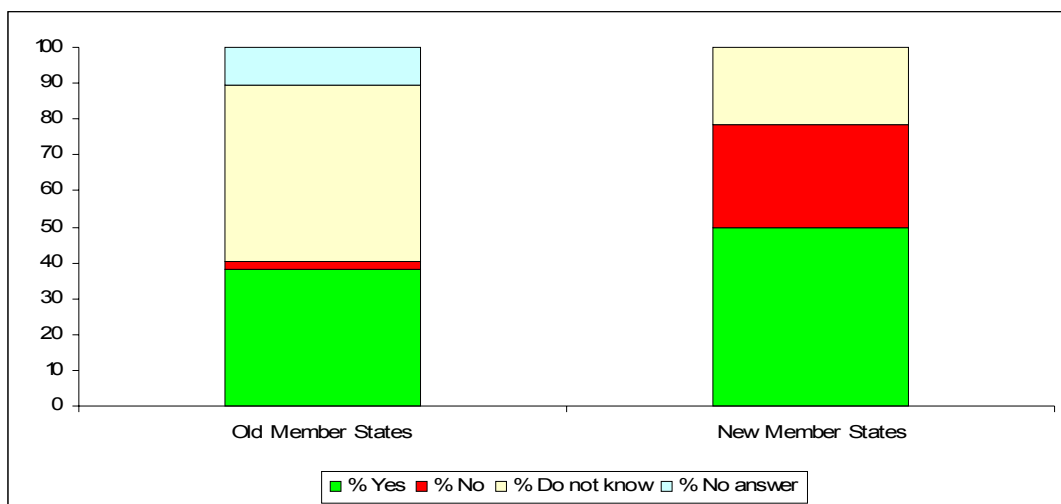
To my surprise I have heard about several examples that old regimes' better legislation was scrapped, even if the directives were minimal, as focus has been on business and export development (Consumer-old MS).

Instead of usefulness, one should talk about need. Some new MS are lagging behind in the area of consumer protection. Their basis for protection is minimal or even non-existent. Therefore they need a framework to achieve the required standards and the Strategy will be useful in the very long term (Business-old MS).

It has provided a clear and well-classified material on the basis of which it was possible to verify and propose our goals and use practical indications how to carry them out. It has definitely helped to establish the enforcement of horizontal dimension of consumer protection as one of the priorities (Authority-new MS).

Specific issues relevant to the new MS to be addressed in 2007-2013

**Figure 9: Existence of specific issues relevant to the new MS to be addressed in the 2007-2013 Strategy\_(N= 47 old MS and 28 new MS) (Source: survey and interviews)**



A majority (60%) of respondents from the old MS does not know or did not respond. Thirty-eight percent consider there are some specific issues relevant to the new MS to be addressed in 2007-2013.

In the new MS, 50% of the respondents consider there are some specific issues to be addressed, whilst 29% do not agree and 21% do not know.

Among the stakeholders, there is a majority of consumers (64%) who consider there are some specific issues to be addressed while this view is shared by only 36% of authorities and 24% of business representatives.

Specific issues mentioned include:

- To improve consumer education and information: well informed consumers have a better chance to make their voice heard (Consumer-old MS).
- To ensure and speed up the implementation of Universal Service Obligations (Consumer-old MS).
- To balance the differences in the level of consumer rights/protection between old and new MS (Business & Consumer-old MS).
- To further involve the consumers in the national consumer policies through consultation structures

(Consumer-all MS).

- To support the development of market surveillance and the enforcement of legislation protecting consumers (Authority-old MS).
- To support the development of solid consumer organisations, instead of the present landscape of numerous small organisations, specifically through providing organisations with an appropriate level of funding or resources (Consumer-all MS, Authority-new MS).
- To place a higher focus on product safety: it is essential to raise awareness about this issue in the new MS (Consumer-old MS).
- To analyse consumer protection in particular sectors of the financial market and to formulate basic principles or minimum standards of consumer protection on the financial market at EU level (Authority-new MS).

Some specific issues for the new MS are well described by a representative of Authority-new MS:

The markets of new MS often suffer from distortions deriving from basic market failures such as the lack of competition, weak institutional structures, lack of market surveillance and enforcement and lack of effective redress mechanisms. These are the same problems which most of the old MS were facing in the past and which they have by now overcome to a great extent. Therefore, the consumers in new MS often suffer from more serious problems than consumers in the old MS. These differences are not always very well reflected in the EU Strategy and need to be further addressed.

In summary:

Half of the stakeholders from the old MS and three-quarters from the new MS consider the Strategy has been pertinent to the new MS. Only a minority does not share this view. The other respondents either do not know or have no opinion.

The Strategy appears to have been particularly useful for new MS to develop their national policies and to conform to new regulatory and enforcement structures required under EU law.

With the exception of consumer organisations, only a minority of stakeholders considers that there are any specific aspects which are more relevant to new MS and which should be taken on board in the 2007-2013 Strategy.

Specific aspects mentioned include:

\*Consumer education and information: well-informed consumers have a better chance to make their voices heard.

\*Differences in the level of consumer rights/protection between old and new MS.

\*Development of solid consumer organisations, instead of a landscape of numerous small organisations.

\*Further involvement of consumers in the national consumer policies through consultation structures.

\*Support to development of market surveillance and to enforcement of the legislation protecting consumers.

### **3.1.9 How can future strategies enhance the convergence of EU and national consumer policies, in terms of both process and substance?**

To answer this question, the following issues are addressed:

- Possibilities and relevance of further convergence of national consumer policies and implications at national and EU levels.
- Possibility of a more intensive cooperation between the MS and the Commission, to maximise synergies between national and EU actions.

*Possibilities and relevance of further convergence of national consumer policies and implications at national level and at EU level*

Overall, a majority of 65% considers that a further convergence of national consumer policies is possible and relevant. Twenty-three percent do not know and 12% do not think this is possible or relevant.

Respondents from the new MS and consumer and business organisations from old and new MS are even more frequently in favour of such convergence (75%, 80% and 71% respectively). Public authorities are less in favour (52% on average, 45% for authorities of the old MS and 62% for those of the new MS) and have the highest percentage of opposite views (21%).

Most of those in favour of more convergence seem to consider their positive opinion as inherently logical whilst those who are more reserved tend to justify their position. This is illustrated below.

It is not very clear what should be understood as consumer policy: a partial alignment of law and further ongoing harmonisation can be imagined as reasonable. Still there are sections which should stay national, because not all the problems in the Member States are comparable (Authority-old MS).

Minimal harmonisation is not satisfactory while maximal harmonisation (all fields of civil and commercial law and of procedure) seems unrealistic. Full targeted harmonisation seems therefore to be the best way to progress. Such a principle-based approach could be used for different categories of products (Business-old MS).

It is absolutely necessary. Rules that diverge between MS continue to exist and are probably an obstacle to more European integration and to the emergence of a European consumer. Therefore it would be appropriate at national level to transpose faithfully the European regulations concerned, and in particular to avoid implementing stricter rules (Business-old MS).

To some extent - there must remain a possibility to act locally (Authority-new MS).

National priorities should be maintained while they will be complemented by common priorities. But the consumers should never lose their level of protection (Consumer-old MS).

Yes further convergence is necessary. But it will take place anyway, when MS comply with all the EU legislation. Things will go forward; you cannot stop the process of convergence (Authority-old MS).

Yes and no. I am sceptical about the idea of maximum harmonisation. There is a need for convergence, to make the Internal Market effective, but it should not go too far. Member states need to retain a level of discretion, and keep their traditions in that field (Authority-new MS).

The potential problems which consumers face in one MS are not necessarily the same as in another country. Therefore there is a question whether there is scope and need for further convergence of national policies. MS need to retain the possibility of giving priority to specific problems which arise on their territory. To achieve more coherence of national consumer policies would be more important than to achieve more convergence (Authority-new MS).

There is still a lack of coordination between MS. Policies are too national. If we are serious about the Internal Market there is a need for more harmonisation and real coordination (Business-old MS).

A majority of respondents and interviewees are in favour of further convergence of national consumer policies. The public authorities, more particularly from the old MS, are a bit more reserved.

Those in favour of further convergence refer to the necessity of progress of European integration and of deepening the Internal Market or claim that further convergence will anyway result from the progress of enforcement of EU legislation.

Those who are more reserved claim there is a need for the national 'touch' in consumer policy or fear that further convergence might make them lose their high level of consumer protection.

According to one respondent, more coherence of national policies might garner more support than more convergence and thereby, quite paradoxically, contribute to further convergence.

#### Possibility of a more intensive cooperation between the MS and the Commission, to maximise synergies between national and EU actions

Overall, 73% of respondents indicate that more intensive cooperation is possible, 7% do not consider it possible and 20% do not know. Between the old and new MS and between categories of respondents, the differences are marginal.

The following statements illustrate the possible ways of future cooperation as well as some statements limit it:

The Consumer Policy Network could be the framework for more intense cooperation, i.e., more systematic and more concrete (the Commission would like to involve the MS more) in particular in relation to the 2007-2013 Strategy (Authority-old MS).

More intense cooperation between MS and the Commission should be developed with regard to the enforcement of legislation in the framework of the Single Market and to enhance consumers trust (Authority-new MS).

This cooperation will necessarily become increasingly intense due to the enforcement of Regulation 2006/2004, which will characterise the concrete cross-border problems faced by the consumer and the most frequent unfair commercial practices. This will in turn allow for adjusting the policy of revision of the Community Acquis and for developing a more intense cooperation between MS and the Commission (Authority-old MS).

Cooperation between national consumer protection agencies would contribute to development and spreading of best practices (Consumer-new MS).

The work within the Consumer Protection Co-operation (CPC) and the CPN network are excellent fora in this respect. CPC exchanges will improve the cooperation on a formal level. Time will tell if there is a need for the kind of informal cooperation that ICPEN Europe gave opportunity for (Authority-old MS).

The Government welcomes the objectives of the proposed EU Strategy on consumer protection (linked with health) 2007-2013. However, we have argued for a separated programme [separating health and consumer protection] as we believe there are more credible long term synergies with competition policy. Consequently, stronger links within the Commission between DG SANCO, DG COMP and other relevant DGs would be valuable and would enable the country to maximise synergies between national and EU strategies (Authority-old MS).

Cooperation already exists, but what is missing are more informal ways of cooperation. There are lots of formal meetings about legislation, but there should be more informal meetings where we discuss policies, and where discussion is easier. Fora and debates are also essential elements of good cooperation (Authority-new MS).

Yes, a more intense cooperation is possible, but it will be difficult because the MS tend to question the European policy when it touches a specific aspect of the domestic policy. There are sensitive issues (e.g., service directive being discussed for years) and this raises doubts about the true will of MS to arrive at a single European market (Business-old MS).

The focus on redress has also been welcome, along with the creation of the ECC-Net. The focus in future needs to be on bringing these facets of the landscape (enforcement and redress) closer together for the benefit of EU consumers (Authority-old MS).

From our point of view, the cooperation between the Commission and the MS is sufficient. Moreover, there are possibilities to influence the proposals by the Commission later, when these are being discussed in the Council (Authority-new MS).

Critical is the way it is done - resources are small and getting smaller, cooperation can't take the most of people's time. Cooperation should help, not increase bureaucratic duties (Authority-old MS).

The current Commission dynamics generates a lack of receptiveness regarding the opinions of the MS. The DG SANCO proposal for a common programme for the 2007-2013 Strategy has been rejected, not because of the opinion of some MS (that had opposed) but on the basis of the EP opinion (Authority-old MS)

These statements thus propose different ways to ensure future cooperation and of these we have retained the following:

- Extended and more systematic activities of the Consumer Policy Network, e.g., in the framework of the implementation of the 2007-2013 Strategy;
- More intense cooperation on the enforcement of legislation, notably related to cross-border issues and to unfair commercial practices, and bringing enforcement and redress closer together;
- Regardless of the topic, cooperation should decrease, not increase, bureaucracy and adequate resources should be foreseen;
- Cooperation related to the needs of the new MS;
- Dissemination of best practices;

- Stronger links within the Commission between DG SANCO, DG COMP and other relevant DGs enabling some MS to maximise synergies between national and EU strategies;
- More informal cooperation through informal meetings to discuss policies.

In summary:

Two-thirds of the respondents support further convergence. More particularly, representatives of consumers (80%), of industry (71%) and respondents (in general) from new MS (75%) indicated their support. Public authorities are more reserved with 52% wishing further convergence (45 % for old MS authorities and 62 % for new MS authorities).

Beyond this basic consensus on further convergence, the situation appears to be more complex: most of those in favour of greater convergence seem to consider their opinion as inherently logical and do not explain why or specify what should further converge. Others who are more reserved justify their positions more frequently.

Those in favour of further convergence refer to the necessity of progress of European integration and of the Internal Market or claim that further convergence will anyway result from the progress of enforcement of EU legislation.

Those who are more reserved claim the need for the national 'touch' in consumer policy or fear that further convergence might make them lose their high level of consumer protection.

Greater coherence of national policies might garner more support than greater convergence and thereby, paradoxically, contribute to further convergence.

Three-quarters of the respondents agree that it is possible to develop a more intensive cooperation between MS and the Commission in order to maximise synergies between national and EU actions.

Suggestions of possible ways to ensure future cooperation include:

- \* Extended and more systematic activities of the Consumer Policy Network, e.g., in the framework of the 2007-2013 Strategy.
- \* More intense cooperation on the enforcement of legislation, notably related to cross-border issues and to unfair commercial practices, and bringing enforcement and redress closer together.
- \* Regardless of the topic, cooperation should decrease, not increase, bureaucracy, and adequate resources should be foreseen.
- \* Cooperation related to the needs of the new MS.
- \* Dissemination of best practices.
- \* Stronger links within the Commission between DG SANCO, DG COMP and other relevant DGs enabling some MS to maximise synergies between national and EU strategies.
- \* More informal cooperation through informal meetings to discuss policies, their coherence and to define what an optimal level of convergence could be.

### 3.2 Conclusions and recommendations

The EU Strategy and its components are best known by public authorities and less so by consumer and business organisations. Stakeholders seem to know about specific issues of EU Consumer Policy (most MS have a body that is consulted on European documents) whilst having a less precise overall understanding of the Strategy.

The category of MS (old versus new) is the principal differentiating parameter when assessing the influence of the EU Strategy on the development of national strategies or policies. This difference weighs more heavily than the category of stakeholder (public authorities, representatives of consumers and industry) as is further illustrated below:

- The EU Strategy<sup>16</sup> has helped the new MS in their accession. It was useful in defining their national consumer policy and conforming to EU regulatory and enforcement structures. Thus, new MS have by and large a very positive attitude vis-à-vis the effect of the Strategy even if some of them consider they have been influenced too greatly by EU and not sufficiently by more domestic concerns;
- Most old MS have a long tradition of consumer protection, built on domestic priorities but also influenced by their membership in the EU. They want to keep a certain freedom in defining their consumer policy and if the Strategy itself is not regarded as the main reference document (evidenced by the reduced ‘timing’ and ‘format’ effects of the EU Strategy on the national strategies) it has had some direct influence, e.g., to consider some new issues or policy instruments or to take more account of the European dimension of the consumer issues. The EU Strategy has, for example, reinforced some aspects of the national strategy or policy, contributed to the elaboration of legislation, encouraged the development of a national consumer authority, etc;
- The influences between the EU and the national levels are by and large diverse and complex. The EU Strategy has a direct influence on the national objectives, issues and policy instruments, which is the case for most new MS. There is also a reference effect: several old MS countries state that when defining their national strategies or policies they take account of the objectives of the EU Strategy to avoid discrepancies or to improve their strategy. A more indirect influence means that the national policies obviously refer to EU legislation and its enforcement that are part of the current EU Strategy and/or of the previous ones. Additionally, the EU Strategy is also influenced by the national level: the deepening of the Internal Market makes the consumer issues more often common to several or all MS, thereby pushing the national and EU policies to converge; some precursor countries have inspired part of the EU Strategy and so have contributed to further convergence; last but not least, the EU Strategy is influenced by the views of national policy makers, stakeholders and parliamentarians, through both consultation and formal co-decision.
- Further analysis of the views of the old MS on the Strategy leads to their classification into three groups:
  - The ‘precursors’ that estimate being more advanced in the area of consumer protection, having influenced the EU Strategy more than having been influenced by it, but recognising the effects of the Strategy and of their EU membership: DK, FI, SE, UK; (impact on EU Strategy);
  - The ‘autonomous’ that claim their consumer policy is mostly determined by domestic concerns and by the EU membership, i.e., the EU legislation and its enforcement, possibly forgetting that the EU legislation and its enforcement are part of the EU Strategy: AT, BE, DE, ES, FR, IT, LU, NL, PT; (impact of EU legislation);
  - Greece and Ireland: Greece appears to have been strongly influenced by the Strategy (impact of EU Strategy). Ireland seems to have been influenced by the Strategy but also refers to the ‘precursor’ countries as models.

Over the last four years, the objectives, policy issues and policy instruments of the EU and national strategies have shown increasing convergence. The objective most shared by the MS is the high common level of consumer protection, followed by the effective enforcement of consumer protection rules and the involvement of consumer organisations in national policies. This could be explained by the following factors:

<sup>16</sup> Including the negotiations on legislation, the EU forums and conferences, etc

- All MS must comply with EU legislation, which encourages convergence. There is now acknowledgement that EU legislation is negotiated between DG SANCO and the MS and adopted by MS, and these processes play an important role in influencing the national strategies. Also, the importance of the enforcement cooperation among the MS (Regulation 2002/2004) was highlighted by most old MS;
- Markets become increasingly globalised; consumer issues become increasingly cross-border which generates demand for EC rules and dispute resolution. Consumption and consumer protection are de facto being given a trans-national and European dimension and they become common concerns to the different countries. This is a factor favouring a common appraisal of the issues, a more important role of a European consumer Strategy and, finally, convergence of the national policies between them and with the European Union policy.

The objective of a high common level of consumer protection, largely shared amongst the MS, might become challenged by the concept of ensuring an appropriate level of protection. The latter also takes into account factors such as constraints on business, the need for associated simplification of the regulatory framework in other areas, more effective enforcement, etc.

Despite the apparent general consensus, some different views have also been expressed on the objectives included in the consumer strategy. For example, the majority of countries prioritise the safety of products and services whilst others consider that consumer policy has to focus more on the proper functioning of the markets and aim as a matter of priority at greater market transparency, increased competition, etc.

Two objectives of the EU Strategy were less shared by the national strategies or policies:

- The integration of consumer concerns in all relevant policy areas, which is at present more an objective than a tangible reality;
- The development of a knowledge base (including monitoring tools) to support the development of the Strategy. Among stakeholders there are currently different understandings of what the 'knowledge base' is: for some of them the knowledge base refers to detailed knowledge of the functioning of the consumer markets while for others it refers to the information and education of the consumer. In the future, the Strategy could therefore aim at developing a common understanding of the knowledge base in support of the consumer policy.

A majority of respondents (in particular respondents from the new MS, consumer and business organisations) believe that a further convergence of national consumer policies is possible and relevant. There is a need for further convergence (or at least further coherence between the national policies) to make the Internal Market effective and have a 'European consumer'. Nevertheless, most MS also believe that sufficient room should be left for national policy as the contexts of the MS are not always comparable. A distinction should be made between convergence resulting from EU legislation and convergence of the national consumer policies that remain influenced by domestic issues. Convergence also appears easier when it concerns implementing policy instruments (e.g., legislation, enforcement, redress, information and education, etc.) rather than areas of focus of consumer policies, as the latter might be steered by specific domestic priorities: e.g., the elderly, environment, ethics, housing, energy, etc.

For the 2007-2013 Strategy, the following specific issues have been identified for the new MS:

- Consumer education and information: well-informed consumers have a better chance of making their voices heard;
- Reduction of the differences in the level of consumer rights/protection between old and new MS;
- Further involvement of consumers in the development of national consumer policies through consultation structures;
- Support to the development of market surveillance and to the enforcement of the legislation protecting consumers; ensuring sufficient resources for cooperation and monitoring in these fields;
- Development of solid consumer organisations, instead of a landscape of many small ones.

The matrix below summarises the findings in four categories: the strengths of the EU Strategy, its weaknesses,

the opportunities (favourable factors in the environment for the next strategy) and the threats (unfavourable factors in this environment for the next strategy).

<p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- The EU Strategy has encouraged new MS to develop a consumer policy strategy. It has also helped them to:             <ul style="list-style-type: none"> <li>- Develop their national policies</li> <li>- Conform to new regulatory and enforcement structures required under EU law.</li> </ul> </li> <li>- The EU Strategy has been a reference framework for the old MS to ensure compatibility between their national consumer policy and the EU (scope effect) and to improve their policy.</li> <li>- The EU Strategy has directly and indirectly contributed, along with other factors, to a convergence of the objectives, policy issues and policy instruments of EU and national policies over the 2002-2006 period.</li> <li>- Three main objectives of the EU Strategy are largely shared by the MS: a high common level of consumer protection, the effective enforcement of consumer protection rules and the involvement of consumer organisations in the national policies.</li> <li>- The actions of the Strategy that had the greatest effect on the MS related to: safety of goods and services and related information, legislation on consumer interest, enforcement cooperation and consumer information and education.</li> </ul>	<p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- MS are in favour of a more intense cooperation between MS and the Commission, notably concerning policy instruments such as enforcement and ADR, needs of the new MS, dissemination of best practices and exchanges on the policies and their coherence. This could contribute to further convergence of policies and to define what an optimal level of convergence could be.</li> <li>- Substantial support from the various stakeholders to further convergence of EU and national policies, on policy instruments rather than on priority issues of the consumer policy.</li> <li>- Actions are needed in support of consumer policy and consumer organisations in the new MS, notably:             <ul style="list-style-type: none"> <li>- Increased consumer protection and awareness</li> <li>- Stronger consumer organisations</li> <li>- Further involvement of consumer organisations in the national consumer policies.</li> </ul> </li> <li>- There is room for the Commission to play a greater role – European added value - in working with the MS towards integrating consumer concerns in all relevant policy areas and further elaborating a knowledge base in support of consumer policy.</li> </ul>
<p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Limited effects of the EU Strategy on the national ones regarding their multi-annual character and their format (a specific document), except in the new MS.</li> <li>- Limited direct effect of the EU Strategy on national policies (without the Strategy, differences would have been minor), more particularly regarding:             <ul style="list-style-type: none"> <li>- The integration of consumer concerns in all relevant policy areas</li> <li>- The development of a knowledge base (including monitoring tools such as indicators and benchmarks) to support the development of the strategy.</li> </ul> </li> <li>- The actions of the Strategy that were judged not relevant or had little effect on the MS related to: financial services, services of general interest, support to consumer organisations in the enforcement, consumer information and education and support and capacity building of consumer organisations.</li> </ul>	<p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>- MS want to preserve sufficient room for domestic agendas of the consumer policy, in some new MS as well. This is more concerned with the priority issues of the consumer policy than its instruments. This might represent a threat if the attitude would develop.</li> <li>- In spite of the overall consensus on further convergence of national and EU policies, some substantial differences in views might require further debate, notably:             <ul style="list-style-type: none"> <li>- High common level of consumer protection across the EU versus appropriate level</li> <li>- Priorities of the consumer policy: safety of goods and services versus market transparency.</li> </ul> </li> </ul>

## **Recommendations**

### **Related to all MS, but with more emphasis in the new MS:**

1. Integration of consumer interests in all other relevant policy areas (e.g. telecom, financial services, services of general interest, etc.)

Commission: to initiate EU-wide exchanges with MS authorities and other stakeholders (through workshops, forums, etc.) on existing good practices concerning mechanisms of integration (decision, monitoring, etc.), resources, effectiveness, etc. and the ways and conditions to further implement these practices.

2. EU-wide activities related to knowledge basis and tools to support and monitor consumer policy
  - 2.1 Commission, possibly in partnership with some MS: to organise awareness-raising workshops for national authorities and stakeholders on knowledge-based consumer policy, including exchanges on good practices concerning indicators, consumer satisfaction indexes, benchmarks and scorecards to monitor enforcement and impact of consumer policy.
  - 2.2 Commission and MS: to develop a more systematic collection, exchange, and analysis of data and information in support to the consumer policy. This concerns mainly: consumer behaviour patterns, market functioning, price surveys, market structures, consumer complaints, cross-border trade, benchmarking of MS consumer policies to identify the most effective and efficient practices, etc.
3. Other extended cooperation between the Commission and the MS authorities
  - 3.1 Commission and MS authorities: to extend the activities of the Consumer Policy Network and make them more systematic concerning e.g.:
    - Exchanging on the implementation of the 2007-2013 Strategy and monitoring it
    - Addressing the specific needs of the new Member States, such as enforcement of legislation, capacity building of consumer organisations, market surveillance
    - Exchanging on the domestic consumer priorities and on the ways and conditions to ensure more compatibility and coherence between them and with the EU Strategy.
  - 3.2 Commission and MS authorities: to develop a more intense cooperation on policy instruments such as enforcement of legislation (in particular related to cross-border issues and to unfair commercial practices) and assess what instruments work well and under which conditions.
  - 3.3 Commission and MS authorities: to develop informal cooperation through CPN to debate touchy policy issues (e.g. high versus appropriate level of protection) with the eye on paving the way for further convergence.
  - 3.4 Commission and MS authorities: to develop cooperation with a 'win-win' approach, i.e. with the objectives that it should help, not increase bureaucratic duties and that the tasks involved should not exceed the available resources of the people involved.

### **Specifically related to the new MS**

4. Information and education of consumers for a balanced level of consumer protection and awareness all over the Union

Commission and new MS authorities: to pursue and develop actions to inform and educate the consumer in these MS.

5. Stronger consumer organisations

5.1 New MS authorities: to increase their financial contributions to consumer organisations to help them develop information campaigns and monitoring of enforcement of Community legislation.

5.2 Commission and new MS authorities: to support the capacity building of regional, national and European consumer organisations, for example through training of staff members (increase their competences so

that they can intervene in the development of policies for which a technical background is required such as financial services).

5.3 New MS authorities: to further involve consumer organisations in their national consumer policies through consultation structures.

5.4 New MS authorities: to raise awareness of business organisations about consumer related issues and increase their involvement in the national consumer policies through consultation structures.

### **Specifically related to the EU consumer policy Strategy 2007-2013**

6. Adequately resourced - competences, skills and finances - consumer organisations to contribute effectively to the high level of consumer protection and to the enforcement of consumer protection rules

6.1 Commission: to ensure such resources for the EU level consumer organisations

6.2 MS authorities: to ensure such resources for national consumer organisations.

7. Commission: to increase the visibility of the different components of the Strategy that have had or might have an encouraging effect on the national policies/strategies such as EU forums and conferences or ECCG and CPN meetings.

8. Commission: to monitor the impact of the Strategy on national consumer policies through better monitoring of national consumer policy and discussions with Member States through the CPN.

## Glossary

ADR: Alternative Dispute Resolution schemes: approach to resolving disputes through alternative dispute resolution schemes such as mediators or arbitrators, instead of going to courts

CCI: the Consumer Conditions Index is an indication of what consumers think of being a consumer in a particular market at a precise moment

Counter-factual scenario: evaluation technique consisting of a hypothetical set of situations of what would or could be, but not necessarily a truth statement

CPC Regulation: EU Regulation on Consumer Protection Co-operation that establishes a network of public authorities responsible for the enforcement of consumer protection laws (Regulation (EC) No 2006/2004 of the European Parliament and of the Council of 27 October 2004)

CPN: the Consumer Policy Network gathers representatives of competent national authorities. It aims at facilitating exchange of information and good practice between consumer policy makers in the Member States

DG COMP: Commission's Directorate General in charge of competition

DG SANCO: Commission's Directorate General in charge of health and consumer protection

ECCG: the European Consumer Consultative Group gathers representatives of consumer organisations and acts as a forum and advisory body to the Commission

ECC-Net: the European Consumer Centres Network is an EU-wide network that results from the merging of two previously existing networks: the European Consumer Centres or 'Euroguichets' and the European Extra-Judicial Network or 'EEJ-Net'

EEA: European economic area associating Iceland, Liechtenstein and Norway to the EU

EU Strategy: Consumer Policy Strategy 2002-2006 of the Union presented in the document COM (2002) 208 final

Full targeted harmonisation: only key aspects are harmonised with no possibility to go beyond or below; non-harmonised issues are left to mutual recognition

Horizontal legislation: legislation common to several sectors (e.g. time sharing, consumer goods, etc.), distinct from vertical legislation that is specific to a sector (e.g. credit)

ICPN: the International Consumer Protection Enforcement Network was founded in 1992 and at present consists of more than 30 countries worldwide, including the Nordic countries, the USA, Canada, Australia etc. As a forum it works to combat dubious cross-border marketing activities. ICPEN Europe was founded in 1999 as a European forum for national authorities responsible for the implementation of European consumer law. Members of this forum discuss viewpoints and look for joint ways to approach problems which may arise from the implementation of harmonised European law.

MS: Member States, of which new MS refer to the 10 states having joined the Union in 2004 and old MS refer to the 15 members that formed the Union until 2004

Risk-based enforcement regime: approach in which the burden of enforcement falls most on highest-risk activities and least on those with the best records of compliance.

SGI: services of general interest

SWOT: evaluation tool aiming at identifying the strengths, weaknesses, opportunities and threats of an activity, intervention, project, etc.

ToR: Terms of reference of the study i.e. technical specifications