



The Consumer Voice in Europe

# Building trust, consumer protection & TTIP

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# BEUC in a nutshell

- The European Consumer Organisation was founded in 1962 by consumer organisations from 6 countries.
- Umbrella organisation for 40 national consumer organisations, from 31 European countries.
- Mission = to promote consumer interests in EU decision making.
- Priority working areas: Consumer rights & enforcement, digital rights, food, financial services & sustainability.

# Standards, rules, future legislation

- Differentiation between standards in strict sense of the word vs consumer protection standards, which actually refer to laws or “level of protection” (rules)
- BUT, in fact there are three levels relevant to TTIP debate:
  - Current consumer protection legal framework
  - Future law-making
  - Technical standards

# Current consumer legal framework – benefits trade deal vs EU Single Market

- Assessment if TTIP positive or negative for consumers should not be reduced to economic arguments (especially if numbers are hotly debated)
- Benefits of EU Single Market:
  - For business & consumer: reduction of unnecessary costs because of lower administrative burdens & reduction of costly duplications
  - BUT consumer benefits are also common standards
    - protection on basis of hazard and not risk;
    - precautionary principle;
    - made on basis of broad societal consensus and engagement (thus able to “build trust”)

# Consumer legal framework – Mutual recognition

- Existing laws will not be changed but unclear what this means in context of mutual recognition:
  - No changes to existing laws but risk of weakening of level of protection
  - Short term risk: products on the market that do not comply with their legitimate expectations of compliance with EU rules
  - Long term risk: EU rules to be watered down under business pressure

# Consumer legal framework – labelling

- Risk: use labelling as means to overcome differences in protection standard
- To be considered in labelling debate:
  - Overload of information => labelling needs to be smart & for necessary information
  - New logos have to be tested for understanding among representative users, taking into account cultural differences
  - Labelling should not replace government action: “Contains endocrine disruptor” not necessarily understandable or desirable
  - Safety issues should not be a question of consumer choice. People expect goods to be safe and rely on their authorities to protect them against unsafe products.
  - Labels should not put burden on consumer, e.g. GMO free

# Future law-making – regulatory cooperation

- Need to expand reflection about consumer benefits of TTIP beyond existing rules, to future *freedom to regulate*
- Essential for “building trust”
- Regulatory cooperation:
  - Regulatory chill: Opportunity to slow down decision-making process
  - Opportunity to influence
  - Regulatory sovereignty: influence other jurisdiction to mingle with decision-making procedure before involvement EP or Member States

# Future law-making – discussion on reg. cooperation allowing to “build trust”

- “This kind of cooperation would be focussed on technical rules”, blog commissioner Malmström
  - => actual text: “regulatory acts which determine requirements or related procedures [...] concerning their characteristics or related production methods, their presentation or their use”
  - => actual text: Regulations & Directives
- Exclusion of specific areas from regulatory cooperation => not mentioned in legal text proposal, the scope is very broad



# Standards – EU-US differences

- Standard can be perceived as Technical Barrier to Trade (TBT) but also linked to consumer protection legislation (e.g. toy safety)
- Recognition of unique system in EU to develop standards => legal recognition of participation of consumer organisations in EU vs. lack of consumer participation in US standardisation system
- In the US, no known coordination of consumer representation in the many hundreds of Standards Development Organisations (SDOs)



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