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28 January 2003

## REPORT

on the Commission communication "Consumer Policy Strategy 2002-2006"  
(COM(2002) 208 – C5-0329/2002 – 2002/2173(COS))

Committee on the Environment, Public Health and Consumer Policy

Rapporteur: Phillip Whitehead



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## PROCEDURAL PAGE

By letter of 7 May 2002, the Commission forwarded to Parliament a communication on Consumer Policy Strategy 2002-2006 (COM(2002) 208 – 2002/2173(COS)).

At the sitting of 2 September 2002 the President of Parliament announced that he had referred the communication to the Committee on the Environment, Public Health and Consumer Policy as the committee responsible and the Committee on Budgets, the Committee on Economic and Monetary Affairs, the Committee on Legal Affairs and the Internal Market and the Committee on Women's Rights and Equal Opportunities for their opinions (C5-0329/2002).

The Committee on the Environment, Public Health and Consumer Policy had appointed Phillip Whitehead rapporteur at its meeting of 18 June 2002.

The committee considered the Commission communication and the draft report at its meetings of 9 December 2002 and 22 January 2003.

At the latter meeting it adopted the motion for a resolution by 39 votes to 2, with 0 abstentions.

The following were present for the vote: Caroline F. Jackson, chairman; Mauro Nobilia, Alexander de Roo and Anneli Hulthén, vice-chairmen; Phillip Whitehead, rapporteur; and. María del Pilar Ayuso González, Hans Blokland, David Robert Bowe, John Bowis, Philip Bushill-Matthews (for Avril Doyle), Martin Callanan, Dorette Corbey, Chris Davies, Anne Ferreira, Karl-Heinz Florenz, Laura González Álvarez, Robert Goodwill, Françoise Grossetête, Cristina Gutiérrez Cortines, Jutta D. Haug (for Béatrice Patrie), Heidi Anneli Hautala (for Patricia McKenna), Marie Anne Isler Béguin, Christa Klauf, Eija-Riitta Anneli Korhola, Bernd Lange, Peter Liese, Giorgio Lisi (for Giuseppe Nisticò), Jules Maaten, Minerva Melpomeni Malliori, Jorge Moreira da Silva, Emilia Franziska Müller, Riitta Myller, Ria G.H.C. Oomen-Ruijten, Dagmar Roth-Behrendt, Guido Sacconi, Karin Scheele, Ursula Schleicher (for Marialiese Flemming), Horst Schnellhardt, Inger Schörling, María Sornosa Martínez, Catherine Stihler, Astrid Thors, Antonios Trakatellis, Elena Valenciano Martínez-Orozco and Kathleen Van Brempt.

The opinions of the Committee on Budgets, the Committee on Economic and Monetary Affairs, the Committee on Legal Affairs and the Internal Market and the Committee on Women's Rights and Equal Opportunities are attached.

The report was tabled on 28 January 2003.

## MOTION FOR A RESOLUTION

### European Parliament resolution on the Commission communication "Consumer Policy Strategy 2002-2006" (COM(2002) 208 – C5-0329/2002 – 2002/2173(COS))

*The European Parliament,*

- having regard to the Commission communication (COM(2002) 208 – C5-0329/2002)<sup>1</sup>,
  - having regard to Article 95 and Article 153 of the EC Treaty,
  - having regard to the report from the Commission on the 'Action Plan for Consumer Policy 1999-2001' and on the 'General Framework for Community activities in favour of consumers 1999 - 2003' (COM (2001) 486)<sup>2</sup>,
  - having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on the Environment, Public Health and Consumer Policy and the opinions of the Committee on Budgets, the Committee on Economic and Monetary Affairs, the Committee on Legal Affairs and the Internal Market and the Committee on Women's Rights and Equal Opportunities (A5-0023/2003),
- A. Considers the proposed Consumer Policy Strategy as a clear statement of three key overarching and strategic objectives, but is disappointed that its introduction has been delayed far beyond the Commission's practice in previous triennia,
- B. Appreciates that this strategy does not include food safety issues which are the basis of a separate legislative strategy embodied in the agreed establishment of the European Food Safety Authority with its own Management Board and Executive Director, and regrets that the lack of a permanent site has caused additional budgetary constraints,
- C. Welcomes the range of actions proposed in the Rolling Programme contained in the Annex, but reminds the Commission of the ambitious nature of previous action lists with deadlines that have not always been adhered to, and thereby stresses the importance of a regular update and review of these proposed actions by the Commission which shall be sent to the Council and European Parliament in the spirit of scrutiny and implementation now endorsed by both the Commission and Council,
- D. Commends the Commission for concluding that completion of the Single Market is a priority, that obstacles to realising its full potential still remain, and that buying across borders widens consumer choice,
- E. Whereas the consumer policy strategy should take greater account of social changes, such as the new age structure, the greater role of women and the integration of ethnic

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<sup>1</sup> OJ C 137 E, 8.6.2002, p. 2-23

<sup>2</sup> OJ not yet published

minorities,

- F. Whereas consumer policy in the applicant countries should be improved and insufficient attention is paid to opportunities for consumers to protect their interests and to function as fully-fledged players in the market,
  - G. Whereas, although interest groups have an important role to play in shaping consumer policy, the balanced participation of women, young people, the elderly and cultural minorities should be better anchored in policy,
1. Points out that the Strategy presented by the Commission goes four years beyond the period of the current legal basis, which expires at the end of 2003, and that the Commission will subsequently present a proposal for a new legal basis including the financial and budgetary provisions beyond 2003;
  2. Believes that it is problematic that the timeframe for the Strategy put forward runs to a different timetable than the legal basis and welcomes the Commission's statement to improve this situation ; believes, however, that it is not enough to better coordinate the Strategy with the legal basis and calls on the Commission to align the timeframe of the two;
  3. Points out that the current financial perspective, establishing expenditure ceilings for different headings of the budget, is valid until 2006 and, therefore, the actions contained in the Strategy, and in the forthcoming proposal for a new legal basis, should fit within that framework without restricting other policies under heading 3 (internal policies) of the budget;
  4. Recalls that if the actions contained in the Strategy, as and when included in the proposal for a new legal basis, should nevertheless go beyond the year 2006, the financial amounts will have to be confirmed either by an agreement on a new financial perspective or by annual budgetary decisions;

#### **Objective 1 - 'A high common level of consumer protection'**

5. Reminds the Commission that the principle of minimum harmonisation for consumer protection policy is enshrined in the Treaty (Article 153 (5)) but that measures should promote and develop a high level of consumer protection (Article 153(1) of the EC Treaty);
6. Strongly endorses the need for a high common level of consumer protection at the EU level but, notes concern over the uniform proposal to adapt existing EU consumer Directives 'from minimum harmonisation to full harmonisation measures', and therefore stresses to the Commission that the suitability of minimum or maximum harmonising provisions be appropriately assessed when amending existing legislation, or developing new legislation, on a case by case basis;
7. Urges the Commission to clarify and assess what proven national measures would be forfeited in any proposal that seeks to harmonise at a maximum level;

8. Harmonisation should not prevent Member States' legislations going beyond the common level of consumer protection as long as these measures do not interfere with the principles laid down in the EC Treaty. As long as a high harmonised level of consumer protection is not in place, consumers should not be deprived of the protection offered by their own national laws;
9. Calls on the Commission to decide on a case by case basis whether regulations should be used as the primary form of legal instrument for consumer protection legislation;
10. Calls for serious reflection over any further use of the mutual recognition and country of origin principles without first effectively setting and enforcing a high common level of consumer protection at the EU level;
11. A single definition of the main legal terms, such as consumer, consumer contract, etc. could contribute to a coherent consumer law;
12. All legislation should take the definition of the consumer as enshrined in the jurisprudence of the Court of Justice as starting point;
13. Any legislative proposal should respect the important criteria laid down in the Commission's better regulation package, more particularly:
  - the principles of subsidiarity, necessity and proportionality;
  - provision of substantial evidence of the need for Community action;
  - identification of the existing barriers hampering the internal market;
  - provision of adequate information about the impact on the relevant acquis communautaire and the main stakeholders concerned (i.e. business and consumers);
  - provision of sufficient evidence and guarantees as to viability and effectiveness of the measures to achieve the objectives sought;
14. All legislative proposals should have a single underlying pattern; utmost importance should be given to the preparation of legal texts. As a result, a clear identification of the problems to be solved must be provided for by the Commission before securing expert legal advice, proper consultation of the stakeholders and efficient impact;
15. Legislation, including private international law provisions, should be done on the legal basis provided by Article 95 and Article 153 of the EC Treaty;
16. Notes that Article 153 of the Treaty has only been used once as a legal basis for consumer protection legislation and asks the Commission to reflect on ways in which to ensure its greater use;
17. Supports the specific policy actions proposed within this Objective and places a particular priority on the following, either individually or as the intended consequence of framework Directives;
  - development of legislation on the safety of services,
  - revision of the Toys Directive,

- review of the efficacy of the existing CE mark system so that it more effectively guarantees conformity with EU safety requirements,
  - proposal for a Directive on Fire Safety in hotels as reiterated by the EP in its resolution of 4 May 1994<sup>1</sup>,
  - amendment to improve the EU Timeshare Directive to protect consumers against new market developments which circumvent the current provisions as called for by the Parliament in its resolution of 4 July 2002<sup>2</sup>,
  - extension of consumer protection measures from the air transport sector to other modes of transport, as called for by the European Parliament in the report on the air passenger compensation regulation,
  - establish optimum health and safety provisions in the current evaluation of chemical substances whilst ensuring the maximum use of in-vitro testing procedures;
  - amendment and extension of the Package Travel Directive;
  - promotion of consumer confidence in electronic commerce;
18. Calls on the Commission to guarantee universal and affordable access to high-quality services of general interest;
  19. Stresses the importance of a Single Market in retail financial services such as insurance, investments and banking being developed to the benefit of consumers;
  20. Establish a framework proposal on fair trading, which would contribute significantly to the further harmonisation of consumers' rights in the EU, and asks the Commission to present a legislative proposal for the framework directive as soon as possible;
  21. Urges the Commission to take all appropriate steps to initiate Community action to promote sustainable models of production and consumption;
  22. Calls on the Commission to raise the profile of Community ecolabels to enable consumers to make informed choices, in the knowledge that they can consume throughout the European Union products which comply with the highest European environmental standards;
  23. Stresses the need to ensure that consumers are fully and reliably informed about GMOs and the products, foods and feed produced therefrom so that they can make an informed choice of product and gain confidence in GMO products and technology;
  24. Reiterates its call, from the Parliamentary Resolution of 4 May 1999<sup>3</sup>, on the last Consumer Policy Action Plan, on the Commission to review and amend the existing EU Trademarks Directive so as to ensure that it is not applied to the detriment of

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<sup>1</sup> OJ C 205, 25.7.1994, p. 6

<sup>2</sup>TA-PROV (2002) 0368

<sup>3</sup> OJ C 279, 1.10.1999, p. 23-84



consumer prices and choice;

25. Reiterates its call, in its Resolution of 4 May 1999<sup>1</sup>, on the last Consumer Policy Action Plan, for the Commission to promote the adoption of internationally recognised basic consumer rights within the modus operandi of the WTO thereby reconciling the consumer interest with the desire for economic growth through free trade, and reminds the Commission that these basic rights are: safety, information, choice, representation, redress, education, satisfaction and a clean environment;
26. Calls on the Commission to promote the use of labeling in the WTO as an instrument to ensure that consumers may be informed about the origin and production method;
27. Stresses the need for a pro-active policy from the Commission to ensure that the views of civil society are taken into account in the development of the EU's own input to international policy forums;
28. Encourages the Commission to continue to develop its knowledge and understanding of consumer attitudes throughout the EU and suggests that this could provide key evidence in shaping future policy initiatives;
29. Points out that a key strand of consumer policy should be the maximisation of consumer choice;
30. Emphasises the importance of the gender dimension as an integral part of consumer policy;
31. Calls for greater attention to be paid to target groups such as women, young people, the elderly, ethnic minorities and, in particular, immigrant women, in the formulation of policy;

## **Objective 2 - 'Effective enforcement of consumer protection rules'**

32. Welcomes the Communication's emphasis on effective enforcement of consumer protection law, and encourages the Commission to concentrate on strengthening uniform enforcement of existing legislation before proposing additional rules that might engender more legal uncertainty if unevenly applied;
33. Notes that unequal enforcement of consumer protection rules between national jurisdictions may lead to considerable distortion of competition in certain sectors, and calls on the Commission to include a thorough survey of this aspect in its programme of action;
34. Urges the Commission to come forward with a legislative framework for enforcement and monitoring co-operation between Member States as a priority;
35. Calls for clear and transparent arrangements to be made for annual reporting on progress in and the enforcement of consumer protection legislation;

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<sup>1</sup> OJ C 279, 1.10.1999, p. 23-84

36. Welcomes the proposal to establish comprehensive data and information systems building upon the RAPEX and EHLASS systems to provide accurate and comparable information on services and products and their effects on consumers; stresses that the maintenance of a data and information system must not be too complicated;
37. Endorses the greater priority given to European Consumer Centres (ECC), calls for their opening in every EU Member State and candidate country as a key priority, and encourages greater publicity of the services that they can provide for consumers; stresses that the consumer centres must be adequately funded;
38. Suggests that co-operation between ECC's and other networks such as EEJ-net and FIN-NET is strengthened;
39. Welcomes the fact that all of the candidate countries set to enter the EU in 2004 have adopted those parts of the acquis relating to consumer protection and have not requested transitional periods for implementation, but strongly urges the Commission to do the utmost in assisting the candidate countries in ensuring that the acquis is accurately and effectively enforced with all progress carefully monitored;
40. Observes that consumer policy is lagging behind in the applicant countries and that insufficient attention is being devoted to the scope for consumers to play their full role in the market;
41. Supports the Commission's intention to organise a special training seminar on enforcement of consumer policy with the candidate countries in the area of general product safety, and calls on the Commission to pursue similar initiatives for other consumer protection related Directives (for example those relating to the economic and legal interests of consumers);
42. Welcomes the Commission's proposals concerning measures and timetables in the field of alternative dispute resolution, as referred to in Objective 2 – effective enforcement of consumer protection rules;
43. The enforcement of consumer rights should take into account the different procedural laws of the Member states, anyhow, extra-judicial dispute settlement should be further promoted by means of a better co-operation between consumer organisations and Member States;
44. Asks the Commission to acknowledge the importance of protecting consumers from the dangers of passive smoking, and urges them to set an example by enforcing smoking restrictions within EU institutions and encouraging the banning of smoking in public places;
45. Suggests that regulatory impact assessments on proposed legislation should include assessment of the impact on consumers;
46. Insists that countries that flout EU consumer protection laws should be more rapidly and thoroughly penalised;

47. Considers that the mechanisms of the internal market operate effectively when consumer protection policy is based on Community rules, the implementation of which can also be monitored by scientific and analytical methods which do not allow fraud, the misleading of consumers or distortion of competition;

### **Objective 3 - 'Involvement of consumer organisations in EU policies'**

48. Suggests, in the context of the Commission's White Paper on European Governance<sup>1</sup> (COM(2001) 428), that guidelines should be established to distinguish bona fide consumer groups from those that masquerade as such whilst being funded by industrial interests. Therefore, basic requirements for consumer organisations, including safeguards for their internal transparency and democracy, should be established;
49. A better co-operation between consumer organisations and business interests should be created by establishing an organised dialogue on EU and member states level;
50. The Consumer Policy Strategy justifiably attaches great importance to the need for a more comprehensive, systematic and continuous effort to develop a suitable consumer knowledge base as an essential tool for policy makers. This will help ensure closer involvement of consumer organisations within the legislative process;
51. Reiterates and strengthens its call, in its Resolution of 4 May 1999<sup>2</sup> on the last Consumer Policy Action Plan, for the systematic integration and representation of consumer representatives in EU policy making;
52. Calls upon the European Commission and Member States to ensure and improve the representation of consumer interests in standardisation, at European, national and international level, and suggests, in the case of the latter, that measures should be taken to develop systematic and direct consumer participation in international standardisation bodies complementing consumer representation as part of national delegations that are tied to national "consensus" positions often determined by industry;
53. Calls, in connection with consumer protection through international institutions, particularly the WTO, for an on-going dialogue with consumers' organisations to enable consumers to participate effectively in international standardisation;
54. Encourages the Commission to continue and develop existing forums such as the EU Consumer Committee, Annual Assembly of consumer associations and the Trans Atlantic Consumer Dialogue;
55. Notes with concern the results from the latest Internal Market Scoreboard which shows that overall only 52% of EU consumers are correctly aware of their rights under Internal Market legislation, and urges the Commission and the Member States to

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<sup>1</sup> OJ C 287, 12.10.2001, p. 1

<sup>2</sup> OJ C 279, 1.10.1999, p. 23-84

improve ways of communicating these to consumers and thereby enabling consumers to become more empowered;

56. Calls on the Commission to continue to promote the use of EU education programmes to enable consumers to be aware of their rights as well as responsibilities; stresses to this end the importance of the swift implementation of on-line interactive educational tools which are readily accessible for all;
57. Encourages the development of consumer information campaigns in all appropriate media and suggests that a proper evaluation is carried out after each campaign to ensure that consumers are getting the information they need, when they need it;
58. Calls for additional attention to be devoted to young people and information campaigns aimed at them, with the aim of preventing not only tobacco consumption but also, in particular, drug use and excessive consumption of alcohol;
59. Stresses the need for continuous action in training the personnel of consumer organisations through the responsible agencies in the Member States, for instance in the areas of general management, public relations and consumer law, and for consumer groups from Member States and candidate countries that do not have a traditionally strong basis of active and independent consumer action to be particularly targeted;
60. Notes the findings of the Commission's 2002 progress report of the candidate countries<sup>1</sup> (COM(2002) 700), that there is a need for assistance to be given to the development of consumer organisations in some countries, including financial support which should form part of the 2004 budget, and strongly suggests that the integration of consumer organisations from the candidate countries into the EU Consumer Committee and all training courses for EU consumer organisations are some of the actions that the Commission should take in this regard;
61. Calls for greater attention to be devoted to, and a specific programme targeted at, consumers and for independent organisations to be established in the applicant countries;
62. Calls on the Commission to urgently come forward with a proposal to establish a new general framework for Community activities in favour of consumers;

#### **New: Objective 4 - Integration of consumer protection objectives into all relevant EU policy areas**

63. Regrets the weakness with which this key horizontal objective is put forward by the Commission in its proposed Communication on Consumer Policy Priorities 2002 - 2006 and, given the importance of consumer policy to the daily life of all EU citizens, calls on the Commission to set as one of its key objectives, at the highest political level, the integration of consumer interests into all EU policy areas;

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<sup>1</sup> OJ C not yet published.

64. Calls for discussions within the Convention and subsequent IGC to address the need to reinforce Article 153 of the Treaty by calling for the systematic integration of consumer policy into all EU policy areas with particular reference to the needs of disadvantaged and vulnerable consumers;
65. Draws attention to the important role that consumer protection policy and consumer organisations have in devising policy in order to ensure that a range of aspects, values and principles are put forward. Considers that it is important to strengthen the involvement of women, particularly immigrant women, in these consumer organisations to achieve a better balance in the shaping of consumer policy;
66. Urges the Commission to publish regular reports on the integration of consumer policy into other EU policies and encourages it to develop the Inter-services group on consumer policy into a systematic consultation tool within the Commission;
67. Records its disappointment with the Council's decision to restructure the Council dealing with consumer affairs by integrating it with Employment, Social Affairs and Public Health policy, regrets the absence of any consultation over this, and notes with disquiet the effect of this on the integration of consumer concerns in the development of the Internal Market where they will inevitably be subordinate;
68. Instructs its President to forward this resolution to the Council and Commission and the Parliaments of the Member States.

## EXPLANATORY STATEMENT

It would be good to report that the stylish Consumer Policy Strategy 2002 - 2006<sup>1</sup> marked a critical staging post in the long march of consumer policy through the institutions of the EU. It is not quite that, when the special Council dealing with Consumer Affairs has been amalgamated with others, with different priorities and without noticeable consultation. Nevertheless the Communication is the long-awaited route map for the next triennium, and there is nothing tepid about its three key priorities, sparsely described, limited in scope, and capable of execution. The previous Communication was delivered earlier in its time scale, but featured a more general prospective; a more powerful voice for the consumer throughout the EU; a high level of health and safety for EU consumers; and full respect for the economic interests of EU consumers. These were well-intentioned objectives but were they well executed? The White Paper on Food Safety of 2000 marked a turning point for the food sector and led to the introduction of the general food law regulation and the creation of the European Food Safety Authority. This is set to produce a new culture of openness, transparency, accountability and improved stakeholder representation. Food policy, though, is no longer incorporated into the Commission's Consumer Strategy Paper. The Commission's record must therefore be judged elsewhere. As for the other objectives set in 1999, progress is more difficult to assess. The Commission has itself carried out an evaluation of the previous Action Plan, and concluded that any future initiative should be more flexible, strategic and stress 'the importance of effective integration of consumer dimension in all relevant EC policies' (COM(2001) 486)<sup>2</sup>.

The latest Communication does attempt to do just that. Flexibility is introduced with a short-term rolling programme clearly outlined in the Annex which lists proposed forthcoming actions from the Commission with indicative timetables under the related objectives. But we have seen grandiose action lists before (notably the Annex to the White Paper on Food Safety with its proposed 84 action points). The Commission assures us that this will be reviewed regularly in the form of a Commission working document allowing for any modifications or additions that may arise. Your rapporteur stresses the need for the Parliament to send a clear message to the Commission that it will be monitoring the Annex and expects to be kept up to date on its review.

A strategic approach is evident in the three overarching and mutually inclusive objectives that the Commission has identified for 2002 - 2006:

- A high common level of consumer protection
- Effective enforcement of consumer protection rules
- Involvement of consumer organisations in EU policies

### **A high common level of consumer protection**

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<sup>1</sup> OJ C not yet published.

<sup>2</sup> OJC not yet published

No-one would contest the objective for EU policy to strive towards a high common level of consumer protection, but views will differ on what a 'high common level' means in practice. It would appear from this Communication and recent statements made by Commissioner Byrne himself<sup>1</sup>, that EU consumer legislation should be set at a level of maximum harmonisation. This is further reinforced by the recent proposal on Consumer Credit. Your rapporteur does not dispute the fact that consumer protection legislation to set a minimum level of agreed EU wide measures has, in some sectors, created an uneven arena for consumers as well business. One most notable example would be the EU Timeshare Directive. But your rapporteur would urge caution in over stressing the negative impact of minimum harmonisation measures and the positivity of maximum harmonisation. Each case should be judged on its own merits and assessed in terms of what effect any downgrading of existing and well treasured standards would have. The Commission's latest surveys on cross-border shopping in the EU<sup>2</sup>, highlights its drive to remove existing barriers to the mass development of cross border trade. Only 13% of EU consumers made a cross-border purchase in the last 12 months, with very few actually made via the internet, and 45% of businesses questioned felt that harmonisation would increase their sales (particularly in the areas of commercial practices, advertising and other consumer protection legislation). However in the race to develop common standards any proposal for maximum harmonisation should not be set at minimum levels of existing standards. The proper control and protection of Consumer Credit, for instance, is not just a Single Market issue, it is about the protection of the citizen as well.

The Commission also proposes a one size fits all approach on the further use of the Country of Origin principle in conjunction with mutual recognition. With a high common level of consumer protection properly enforced throughout the EU, this would be the appropriate approach to take. But this is not yet the state of play. Consumer groups are increasingly concerned that this would only exasperate the present situation and undermine the high levels of protection operated by businesses in some Member States who would struggle to compete with those that adhere to lower standards in other Member States.

The restriction on the number of words prevents the rapporteur commenting in detail on the great list of proposed actions within this Objective. But your rapporteur would like to highlight the need for action in the timeshare, fire safety, toys, services and transport policy fields. The Commission should also be reminded of the Parliament's calls for action from its resolution on the previous Consumer Policy Action Plan, most notably in the areas of trademark legislation and WTO policy.

### **Effective enforcement of consumer protection rules**

Setting a high level of consumer protection throughout the EU can be good, or it can be merely grandiloquent. The failure to enforce legislation renders the whole act null and void. Proper transposition of EU legislation and its effective enforcement are therefore paramount.

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<sup>1</sup> Speech by David Byrne, European Commissioner for Health and Consumer Protection. "The Single Market - delivering a promise". Annual Assembly of Consumer Associations, Brussels, 8 October 2002

<sup>2</sup> Public Opinion in Europe: Views on business-to-consumer cross-border trade, 14 November 2002. European Commission Press Release, 15/11/2002, IP/02/1683

The latest Internal Market Scoreboard<sup>1</sup> shows a continued improvement of Member States' implementation of EU legislation but only five Member States meet the targets set at the Barcelona European Council in March 2002 on implementation rates. More needs to be done. It is not an encouraging progress from the other ten nor an inspiring prospect for the ten who will join them.

In the Commission's latest progress reports on the candidate countries, all those countries which will join in 2004 have provisionally closed their negotiations on the acquis related to the Consumer Policy chapter and have not requested any transitional arrangements. This is to be commended but the relative infancy of consumer policy in the candidate countries must not be overlooked. For instance, in its Handbook on 'Consumer Policy and Consumer Organisations in Central and Eastern Europe 2000'<sup>2</sup>, Consumers International found that the accession countries are often lacking both in terms of finance and personnel to ensure enforcement of consumer policy. The urgency for the Commission to play an active role in guiding the accession countries in effective implementation and enforcement measures should therefore not be underestimated.

### **Involvement of consumer organisations in EU policies**

An informed consumer is an empowered consumer. If a consumer knows of their rights, and responsibilities, then they are able to reap the full benefits of the Single Market and beyond. Recent surveys have shown that only 52% of consumers are correctly aware of their rights within the Internal Market<sup>3</sup>. Therefore, there is a real priority for the Commission to continue to develop new and existing means of communication to consumers of all ages and all sections of society, and to ensure that any such information meets consumers needs and requirements. The rehabilitation of the ECCs, and their expansion in the wider Union must be welcomed in this regard. EU funded initiatives, such as the Comenius project on 'Consumer education and teacher training - developing consumer citizenship', must also be encouraged and developed further as means to make consumers aware not just of their rights, but also their responsibilities, for instance, in appreciating the environmental and social impact of their purchases.

The role of genuine consumer groups is paramount and must be further encouraged and developed through funding as well as training initiatives. It is worrying to note that the Commission has reported a decline in the number of proposals submitted under the budget line established in the general framework for Community activities in favour of consumers (Decision No. 283/1999/EC)<sup>4</sup>. The Commission attribute this to a better definition of actions to be financed in the call for projects and also the requirement for matched funding from the Member States. The Commission should pay close attention to developments here and seek to ensure that EU funds are directed at those groups that need it the most. With this budget line due to expire in 2003, the Commission, must as a priority, come forward with new proposals.

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<sup>1</sup> Internal Market Scoreboard: European Commission press release of 11/11/2002, IP/02/1644

<sup>2</sup> Consumer Policy and Consumer Organisations in Central and Eastern Europe. Office for Developed and Transition Economies, 2000, p. 112

<sup>3</sup> Internal Market Scoreboard: Ten Years Internal Market without Frontiers, 11 November 2002. European Commission Press Release of 11/11/2002, Memo/02/231

<sup>4</sup> OJ L 034, 9.2.1999, p. 1-7



Again, the issue of enlargement should not be overlooked. The PHARE CICPP II programme has been of great benefit in improving the functioning of consumer organisations in the accession countries and increasing the awareness of consumer law and policy amongst the general public. But such objectives now need to be an integral part of the Commission's future work with the active incorporation of consumer organisations in the accession countries into all initiatives on offer for the existing Member States.

### **The need for an additional objective on the mainstreaming of consumer policy objectives**

The need to stress the integration of consumer protection objectives into all relevant EU policy areas comes across with an uncertain note in the Commission's text. Since the last Action Plan progress has been made in this regard, most notably in the reform of competition rules (the Block Exemption) for the car sector, the creation of an Inter-services group on consumer policy to improve co-ordination within the Commission, and the reform of the consultative Consumer Committee. In the Annex, the Commission does propose to build upon this progress in developing a comprehensive impact assessment mechanism. But your rapporteur proposes that the need to mainstream consumer objectives throughout EU policy should be given centre stage and therefore made into a strategic objective of its own. The ultimate impact assessment, over these three years, will be of the Commission itself.

## **OPINION OF THE COMMITTEE ON BUDGETS**

for the Committee on the Environment, Public Health and Consumer Policy

on the communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions : Consumer Policy Strategy 2002-2006  
(COM(2002) 208 – C5-0329/2002 – 2002/2173(COS))

Draftsman: Anne-Karin Glase

### **PROCEDURE**

The Committee on Budgets appointed Anne-Karin Glase draftsman at its meeting of 18 July 2002.

It considered the draft opinion at its meeting of 9 December 2002.

At this meeting it adopted the following conclusions unanimously.

The following were present for the vote: Terence Wynn chairman; Anne Elisabet Jensen vice-chairman; Anne-Karin Glase draftsman; Ioannis Averoff, Joan Colom i Naval, Manuel António dos Santos, Bárbara Dührkop Dührkop, James E.M. Elles, Salvador Garriga Polledo, Anne-Karin Glase (for Edward H.C. McMillan-Scott), Jutta D. Haug, Wilfried Kuckelkorn, Guido Podestà, Kyösti Tapio Virrankoski, Ralf Walter and Brigitte Wenzel-Perillo.

### **CONCLUSIONS**

The Committee on Budgets calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Points out that the Strategy presented by the Commission goes four years beyond the period of the current legal basis, which expires at the end of 2003, and that the Commission will subsequently present a proposal for a new legal basis including the financial and budgetary provisions beyond 2003;
2. Believes that it is problematic that the timeframe for the Strategy put forward runs to a different timetable than the legal basis and welcomes the Commission's statement to improve this situation ; believes, however, that it is not enough to better coordinate the Strategy with the legal basis and calls on the Commission to align the timeframe of the two;

3. Regrets that the Strategy presented does not already attempt to assess or quantify the financial and budgetary implications of the actions proposed, some of which are new, and which go beyond the duration of the current legal basis;
4. Points out that the current financial perspective, establishing expenditure ceilings for different headings of the budget, is valid until 2006 and, therefore, the actions contained in the Strategy, and in the forthcoming proposal for a new legal basis, should fit within that framework without restricting other policies under heading 3 (internal policies) of the budget;
5. Recalls that if the actions contained in the Strategy, as and when included in the proposal for a new legal basis, should nevertheless go beyond the year 2006, the financial amounts will have to be confirmed either by an agreement on a new financial perspective or by annual budgetary decisions.

## **OPINION OF THE COMMITTEE ON LEGAL AFFAIRS AND THE INTERNAL MARKET**

for the Committee on the Environment, Public Health and Consumer Policy

on communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions  
Consumer Policy Strategy 2002-2006

(COM(2002) 208 – C5-0329/2002 – 2002/2173 (COS))

Draftsman: Marianne L.P. Thyssen

### **PROCEDURE**

The Committee on Legal Affairs and the Internal Market appointed Marianne L.P. Thyssen draftsman at its meeting of 10 September 2002.

The committee considered the draft opinion at its meetings of 5 November and 3 December 2002.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Giuseppe Gargani, chairman; Willi Rothley, Ioannis Koukiadis and Bill Miller, vice-chairmen; Marianne L.P. Thyssen, draftsman; Paolo Bartolozzi, Ward Beysen, Charlotte Cederschiöld (for The Lord Inglewood), Michel J.M. Dary, Bert Doorn, Janelly Fourtou, Marie-Françoise Garaud, Evelyne Gebhardt, Malcolm Harbour, Heidi Anneli Hautala, Hans Karlsson (for Carlos Candal), Carlos Lage (for Maria Berger pursuant to Rule 153(2)), Kurt Lechner, Klaus-Heiner Lehne, Neil MacCormick, Toine Manders, Hans-Peter Mayer (for Rainer Wieland), Arlene McCarthy, Manuel Medina Ortega, Marcelino Oreja Arburúa (for José María Gil-Robles Gil-Delgado), Dagmar Roth-Behrendt (for François Zimeray), Anne-Marie Schaffner, Diana Wallis, Joachim Wuermeling and Stefano Zappalà.

## CONCLUSIONS

The Committee on Legal Affairs and the Internal Market calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. The better integration of consumer policy into all other EU policies should be based on the principles of the single market, such as the country of origin-principle and the mutual recognition. Moreover, this should not lead to delay the Lisbon objectives, the achievement of which will be of benefit to both consumers and businesses.
2. Given the importance of consumer policy to the daily life of all EU citizens, the integration of consumer protection in all policy areas should be set as a fourth objective of the Consumer Policy Strategy.
3. The European model of consumer policy cannot be a mere combination of all different approaches taken in the member states, but should be a sound mixture of these methods, elaborated with optimum legal advice; this harmonisation of consumer laws should go as far as necessary to guarantee that business, with particular attention for SME's, and consumers act on an equal footing.
4. Harmonisation should not prevent Member States' legislations going beyond the common level of consumer protection as long as these measures do not interfere with the principles laid down in the EC Treaty. As long as a high harmonised level of consumer protection is not in place, consumers should not be deprived of the protection offered by their own national laws.
5. A single definition of the main legal terms, such as consumer, consumer contract, etc. could contribute to a coherent consumer law.
6. All legislation should take the definition of the consumer as enshrined in the jurisprudence of the Court of Justice as starting point.
7. All legislative proposals should have a single underlying pattern; utmost importance should be given to the preparation of legal texts. As a result, a clear identification of the problems to be solved must be provided for by the Commission before securing expert legal advice, proper consultation of the stakeholders and efficient impact.
8. On the basis of detailed expert advice consolidated legislative proposals should secure optimum co-ordination of the provisions of civil law directives and do away as far as possible with the problems, which arise when those directives are implemented in conjunction with national civil codes.
9. Legislation, including private international law provisions, should be done on the legal basis provided by Article 95 of the EC Treaty.
10. Within the framework of objective 3, consumer organisations must be involved in EU consumer protection policies. Therefore, basic requirements for consumer

organisations, including safeguards for their internal transparency and democracy, should be established.

11. A better co-operation between consumer organisations and business interests should be created by establishing an organised dialogue on EU and member states level.
12. The enforcement of consumer rights should take into account the different procedural laws of the Member states, anyhow, extra-judicial dispute settlement should be further promoted by means of a better co-operation between consumer organisations and Member States.
13. Any legislative proposal should respect the important criteria laid down in the Commission's better regulation package, more particularly:
  - the principles of subsidiarity, necessity and proportionality;
  - provision of substantial evidence of the need for Community action;
  - identification of the existing barriers hampering the internal market;provision of adequate information about the impact on the relevant acquis communautaire and the main stakeholders concerned (i.e. business and consumers);
  - provision of sufficient evidence and guarantees as to viability and effectiveness of the measures to achieve the objectives sought.
14. Consumer protection legislation should also confer on competitors a recognised status in law. Competitors should be guaranteed the right to take legal action and effective right of appeal in cases concerning.
15. The Consumer Policy Strategy justifiably attaches great importance to the need for a more comprehensive, systematic and continuous effort to develop a suitable consumer knowledge base as an essential tool for policy makers. This will help ensure closer involvement of consumer organisations within the legislative process.

21 January 2003

## **OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS**

for the Committee on the Environment, Public Health and Consumer Policy

on the Commission communication "Consumer Policy: Strategy 2002-2006"  
(COM(2002) 208 – C5-0329/2002 – 2002/2173 (COS))

Draftsman: Alexander Radwan

### **PROCEDURE**

The Committee on Economic and Monetary Affairs appointed Alexander Radwan draftsman at its meeting of 26 August 2002.

It considered the draft opinion at its meetings of 5 November 2002, 3 December 2002, 20 January and 21 January 2003.

At the last meeting it adopted the following conclusions by 20 votes to 4, with 12 abstentions.

The following were present for the vote: Christa Randzio-Plath, chairman; José Manuel García-Margallo y Marfil, Philippe A.R. Herzog and John Purvis, vice-chairmen; Alexander Radwan, draftsman; Generoso Andria, Hans Blokland, Armonia Bordes, Renato Brunetta, Hans Udo Bullmann, Ieke van den Burg (for Pervenche Berès), Manuel António dos Santos (for Peter William Skinner), Jonathan Evans, Carles-Alfred Gasòliba i Böhm, Robert Goebbels, Lisbeth Grönfeldt Bergman, Mary Honeyball, Christopher Huhne, Othmar Karas, Piia-Noora Kauppi, Christoph Werner Konrad, Wilfried Kuckelkorn (for Giorgos Katiforis), Werner Langen (for Ingo Friedrich), Astrid Lulling, Thomas Mann (for Brice Hortefeux), Helmuth Markov (for Ioannis Patakis), David W. Martin, Hans-Peter Mayer, Miquel Mayol i Raynal, Fernando Pérez Royo, Peter Michael Mombaur (for Ioannis Marinos), Bernhard Rapkay, Charles Tannock (for Mónica Ridruejo), Helena Torres Marques, Bruno Trentin, Theresa Villiers. .

## CONCLUSIONS

The Committee on Economic and Monetary Affairs calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

### Paragraph 1

welcomes the Communication's emphasis on effective enforcement of consumer protection law, and encourages the Commission to concentrate on strengthening uniform enforcement of existing legislation before proposing additional rules that might engender more legal uncertainty if unevenly applied;

### Paragraph 2

invites the Commission as a rule to apply the principles of minimum harmonisation whenever drafting further legislation in this field, taking into account the possibility of doing so on the basis of essential requirements, using voluntary European norms as a point of reference and of mutual recognition limiting full harmonisation to clearly special cases, in each of which there is to be a well-founded justification why the principle of mutual recognition would not serve its purpose

### Paragraph 3

notes that unequal enforcement of consumer protection rules between national jurisdictions may lead to considerable distortion of competition in certain sectors, and calls on the Commission to include a thorough survey of this aspect in its programme of action;

### Paragraph 4

calls on the Commission to widen the scope of the proposed impact assessment, so as to include the effect of consumer protection rules on the economy, and on small and medium-sized businesses in particular, in view of the Lisbon goal of rendering the EU the most competitive and dynamic economic region in the world until 2010 ; an appropriate level of consumer protection must in this respect strengthen and not undermine this objective;

### Paragraph 5

emphasises, while fully endorsing the principle of guaranteed standards of safety and quality, that excessive consumer protection rules risk imposing an unreasonable administrative or legal burden on businesses, especially where such rules lead to a de-facto reversal of the burden of proof, and that the ability of consumers to make their own judgement must be strengthened, and transparency (particularly of the product and of rights, duties and the level of protection) is the basic precondition for this;



## **OPINION OF THE COMMITTEE ON WOMEN'S RIGHTS AND EQUAL OPPORTUNITIES**

for the Committee on the Environment, Public Health and Consumer Policy

on the Commission communication "Consumer Policy Strategy 2002-2006"  
(COM(2002) 208 – C5-0329/2002 – 2002/2173(COS))

Draftsperson: Ria G.H.C. Oomen-Ruijten

### **PROCEDURE**

The Committee on Women's Rights and Equal Opportunities appointed Ria G.H.C. Oomen-Ruijten draftsperson at its meeting of 10 July 2002.

The committee considered the draft opinion at its meetings of 5 November 2002 and 3 December 2002.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Anna Karamanou, chairperson; Marianne Eriksson and Olga Zrihen Zaari, vice-chairpersons; Ria G.H.C. Oomen-Ruijten, draftsperson; María Antonia Avilés Perea, Regina Bastos, Lone Dybkjær, Ilda Figueiredo, Marie-Hélène Gillig, Lissy Gröner, Karin Jöns, Christa Klaß, Rodi Kratsa-Tsagaropoulou, Astrid Lulling, Christa Prets, Amalia Sartori, Miet Smet, Patsy Sørensen, Felekna Uca and Sabine Zissener.

## CONCLUSIONS

The Committee on Women's Rights and Equal Opportunities calls on the Committee on the Environment, Public Health and Consumer Policy, as the committee responsible, to incorporate the following points in its motion for a resolution:

- whereas the consumer policy strategy should take greater account of social changes, such as the new age structure, the greater role of women and the integration of ethnic minorities,
  - whereas consumer policy in the applicant countries should be improved and insufficient attention is paid to opportunities for consumers to protect their interests and to function as fully-fledged players in the market,
  - whereas, although interest groups have an important role to play in shaping consumer policy, the balanced participation of women, young people, the elderly and cultural minorities should be better anchored in policy,
1. Emphasises the importance of the gender dimension as an integral part of consumer policy;
  2. Calls for greater attention to be paid to target groups such as women, young people, the elderly, ethnic minorities and, in particular, immigrant women, in the formulation of policy;
  3. Draws attention to the important role that consumer protection policy and consumer organisations have in devising policy in order to ensure that a range of aspects, values and principles are put forward. Considers that it is important to strengthen the involvement of women, particularly immigrant women, in these consumer organisations to achieve a better balance in the shaping of consumer policy;
  4. Calls for greater emphasis on and a specific programme targeted at consumers to enhance their awareness and the establishment of independent organisations in the applicant countries;
  5. Calls for the creation of a clear, transparent structure for annual reporting on advances in and enforcement of consumer legislation;
  6. Calls for extra attention to be paid to enhancing young people's awareness as consumers through information campaigns targeted at young people, focussing to a greater extent not only on the prevention of smoking but also on the excessive use of alcohol;
  7. Calls on the Commission to guarantee universal and affordable access to high-quality services of general interest;
  8. Points out that, owing to the way society is structured, women are at particular risk of falling into debt and calls for appropriate protective and informative measures.