

# EUROPEAN BACKGROUND INFORMATION COMMUNITY

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BACKGROUND NOTE

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## CONSUMERISM IN EUROPE

European consumers are rapidly achieving the same status as their American counterparts, although there is no European Ralph Nader. Both the European Common Market and its national governments are developing laws to protect consumers.

### National Action

Consumer reform in Europe originated along national lines, with some countries like Britain, Denmark, and Germany generally ahead of others. In Britain, there is a special prices and consumer protection ministry headed by a cabinet officer. Ireland and the Netherlands plan similar government departments. Britain is also considering setting up a national consumers' agency designed to give consumers a voice in government policy making.

Other countries have strengthened consumer protection laws. Germany, for instance, now has a strong law on credit sales and others on food quality and hygiene. Food advertising that makes health claims is forbidden in Germany. The Netherlands also has an advertising code for the printed media.

All nine Common Market countries produce television programs for consumer awareness and protection. Denmark started them in 1954, France in 1961, and Belgium in 1966. Others followed. The nine member states assign varying importance to consumer broadcasts. Less than an hour of broadcasting time a month is devoted to consumer affairs in France, Belgium, the Netherlands, Italy, and Ireland. Danish, German, and British "consumer time," on the other hand, far exceeds that figure. Italy's major consumer program was canceled by the Government due to the controversy it aroused.

#### Move Toward a European Consumer Policy

Thanks to the Common Market, European shoppers find their stores stocked with foods, wines, and other goods from all nine countries. But, variations between member states' consumer laws and the speed with which each country is moving to increase consumer protection poses problems for the Community. The divergence in national standards throws a stumbling block in front of free trade. An Italian refrigerator company wishing to export elsewhere in the Community, for example, would have to make different lots to meet the specifications required by each of the nine countries. Consequently, the overall cost of the product would be higher than if only one model were acceptable everywhere.

Last year, the European Community mounted a major drive to protect consumer interests. An Environment and Consumer Protection Service was set up to coordinate, organize, and give impetus to the Commission's work in this field. The Commission is also advised on future proposals by a consumer advisory committee of EC consumer group representatives and experts. As a first step toward harmonizing member state consumer efforts, the Commission drafted a preliminary EC consumer information and protection program which is currently under study by the Council of Ministers. The program sets the following priorities for action over the next three years:

- EC action to harmonize and improve national health and safety standards for a wide range of goods, especially foodstuffs and dangerous products
- elimination of unfair and deceptive advertising, contracts, and the supply of unsolicited goods
- provision of legal recourse for the consumer
- requirements for more complete labeling information
- establishment of fair pricing practices.

The Community has already begun to unify standards throughout the Community. Council directives have, for example, set hygiene standards for meat trading, limited animal feed stuff additives; subjected potentially dangerous substances, such as hexachlorophene, to stiff packaging and labeling laws, and established common automobile safety standards for lights, exhaust emissions, brakes, inspections, doors, and noise levels, for instance. EC action has also made it easier for Common Market nationals to make auto insurance claims anywhere in the Community.

Other Community policies also benefit consumers. Through the agricultural policy, for instance, food costs less in the Common Market than anywhere else in the industrialized world. The EC competition policy is helping to ensure Europeans a broad choice of goods at reasonable prices through Commission intervention in such cases as restrictive sales agreements and price fixing. For instance, the Commission banned agreements in the record industry that made identical records cost much more in Germany than in France. EC sugar producers were fined \$10.9 million for not passing the benefits of free intra-Community trade to consumers.