



GLOBAL INSTITUTIONS



Global Consumer Organizations

Karsten Ronit

ROUTLEDGE



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Global Consumer Organizations

As corporate activity continues to expand in line with the continued globalization of the economy, there is an increasing demand for establishing rules to regulate the trans-boundary activities of firms and their many and complex relations with consumers. Until now, sources of knowledge in this field have been scattered and unsystematic, and this volume fills an important gap in current literature.

The book:

- Provides a historical overview that traces the early attempts made before the Second World War to formulate elements of global consumer policy, highlighting key issues, and initiatives up to the 1980s.
- Outlines the groups of organizations that are responsible for dealing with consumer issues in areas such as trade and development, socio-economics and the environment, including the Organisation for Economic Co-operation and Development, World Trade Organization, International Monetary Fund, United Nations Conference on Trade and Development, and World Bank.
- Analyses the group of special intergovernmental organizations that address the problems of specific consumer segments, industries, and service providers, including the World Health Organization, International Telecommunication Union and World Tourism Organization.
- Evaluates current and future challenges and dilemmas facing consumer organizations and addresses the continuing issues of coordination between them.
- Studies the role played by organizations in the consumer movement as well as the contributions of organized business and the different initiatives of self-regulation.

Providing a much needed overview of this key area in international organization, *Global Consumer Organizations* will be of interest to students and scholars in a range of areas, including international political economy, international organizations, global governance, economic policy, and consumer behaviour.

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Global Institutions

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About the series

The “Global Institutions Series” provides cutting-edge books about many aspects of what we know as “global governance.” It emerges from our shared frustrations with the state of available knowledge—electronic and print-wise, for research and teaching—in the area. The series is designed as a resource for those interested in exploring issues of international organization and global governance. And since the first volumes appeared in 2005, we have taken significant strides toward filling conceptual gaps.

The series consists of three related “streams” distinguished by their blue, red, and green covers. The blue volumes, comprising the majority of the books in the series, provide user-friendly and short (usually no more than 50,000 words) but authoritative guides to major global and regional organizations, as well as key issues in the global governance of security, the environment, human rights, poverty, and humanitarian action among others. The books with red covers are designed to present original research and serve as extended and more specialized treatments of issues pertinent for advancing understanding about global governance. And the volumes with green covers—the most recent departure in the series—are comprehensive and accessible accounts of the major theoretical approaches to global governance and international organization.

The books in each of the streams are written by experts in the field, ranging from the most senior and respected authors to first-rate scholars at the beginning of their careers. In combination, the three components of the series—blue, red, and green—serve as key resources for faculty, students, and practitioners alike. The works in the blue and green streams have value as core and complementary readings in courses on, among other things, international organization, global governance, international law, international relations, and international political economy; the red volumes allow further reflection and investigation in these and related areas.

The books in the series also provide a segue to the foundation volume that offers the most comprehensive textbook treatment available dealing with all the major issues, approaches, institutions, and actors in contemporary global governance—our edited work *International Organization and Global Governance* (2014)—a volume to which many of the authors in the series have contributed essays.

Understanding global governance—past, present, and future—is far from a finished journey. The books in this series nonetheless represent significant steps toward a better way of conceiving contemporary problems and issues as well as, hopefully, doing something to improve world order. We value the feedback from our readers and their role in helping shape the on-going development of the series.

A complete list of titles appears at the end of this book. The most recent titles in the series are:

World Trade Organization (2nd edition, 2015)

by Bernard M. Hoekman and Petros C. Mavroidis

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by Ellen Chesler and Terry McGovern

The North Atlantic Treaty Organization (2nd edition, 2015)

by Julian Lindley-French

Governing Climate Change (2nd edition, 2015)

by Harriet Bulkeley and Peter Newell

The Organization of Islamic Cooperation (2015)

by Turan Kayaoglu

Contemporary Human Rights Ideas (2nd edition, 2015)

by Bertrand G. Ramcharan

The Politics of International Organizations (2015)

edited by Patrick Weller and Xu Yi-chong

Acknowledgement

This book project began many years ago, in my mind at least, when I discovered that relatively little had been written on the role of organized consumers in national and international policy-making, and that this complex policy field evolved through the contributions of many public and private actors. I further noticed that scholarly interest in organized consumers, and consumer policy more broadly, lagged far behind the interest in organized labor and environmental groups. Perhaps it was easier to develop sympathies with suppressed workers and their cause, or with environmental activists and their struggles, than with consumers who endeavor mainly to improve their position within the market economy, rather than challenge the economic system as such. While this lacuna in research and its possible backgrounds somehow lingered in my mind, it took me many years to move into studying consumer policy and its various actors more concretely; but, following the publication of two books on Danish consumer policy, I decided to analyze the work of global organizations. Although national consumer policies have their distinct features, it is increasingly difficult to separate domestic from international domains.

Over a number of years, I have reflected on this project and discussed certain aspects with colleagues during sabbaticals at McMaster University (William D. Coleman, Robert O'Brien, Tony Porter), Elliott School of International Affairs (Harvey Feigenbaum, Martha Finnemore, Susan K. Sell), Yale University (Graeme Auld, Benjamin Cashore, Connie McDermott), and the University of Washington-Seattle (Peter May, Aseem Prakash). In addition, I have had many talks on similar issues with old friends and colleagues, such as Bob Reinalda and Volker Schneider; I am grateful to all for discussions and helpful comments. Thanks also go to my colleagues at my home university, to Jørgen Dejgård Jensen for discussing different aspects of nutrition and consumer policy with me, and to Martin Marcussen for sharing his

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Along the way I have participated in other projects on international organizations, public policy, and organized business, and they have informed my research and added important perspectives to the study, although at times they have also distracted my attention and slowed down the process of writing. It was when I signed a contract with Routledge in the series *Global Institutions* that I found a suitable format for analyzing the role of the many different Global Consumer Organizations – embracing intergovernmental as well as non-governmental organizations – and was able to make real headway. As series editors, Rorden Wilkinson and Thomas G. Weiss have been most optimistic and encouraging throughout the process, and made many useful suggestions. I also owe thanks to the anonymous reviewers of the manuscript and to Nicola Parkin at Routledge for chasing me and seeing the project through the different stages of production.

Karsten Ronit
February 2015

Abbreviations

ACSoMP	WHO Advisory Committee on Safety of Medicinal Products
ACVFG	Air Crash Victims Families Group
AFI	Alliance for Financial Inclusion
API	Advance Passenger Information
ASC	Aquaculture Stewardship Council
B20	B20 Coalition
BARMA	Business Action for Responsible Marketing and Advertising
BCBS	Basel Committee on Banking Supervision
BIAC	Business and Industry Advisory Committee to the OECD
BIPM	International Bureau of Weights and Measures
BIS	Bank for International Settlements
CBD	Convention on Biological Diversity
CCC	Clean Clothes Campaign
CCN	Consumer Citizen Network
CCP	Committee on Consumer Policy (OECD)
CCW	Consumer Cooperatives Worldwide
CFS	Committee on World Food Security
CGAP	Consultative Group to Assist the Poor
CI	Consumers International
COPOLCO	ISO Committee on Consumer Policy
COPs	Conferences of the Parties
CSD	United Nations Commission on Sustainable Development
CSPI	Center for Science in the Public Interest
CUTS	Consumer Unity & Trust Society
DESA	United Nations Department of Economic and Social Affairs

DITC	Division on International Trade in Goods and Services, and Commodities
EC	European Community
ECOSOC	Economic and Social Council (UN)
ESC	Education for Sustainable Consumption
ESOMAR	World Association for Social, Opinion and Market Research
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FIA	Fédération Internationale de l'Automobile
FinCoNet	International Financial Consumer Protection Organisation
FLO	Fairtrade Labelling Organizations International
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSC	Forest Stewardship Council
FTC	Federal Trade Commission
G20	Group of Twenty
GATT	General Agreement on Tariffs and Trade
GCET	Global Code of Ethics for Tourism
GFEI	Global Fuel Economy Initiative
GILF	Global Industry Leaders Forum
GMO	genetically modified organisms
GOTS	Global Organic Textile Standard
GPFI	Global Partnership for Financial Inclusion
GPU	General Postal Union
GRID	Global Regulators-Industry Dialogue
GSTC	Global Sustainable Tourism Council
GSTO	Global Sustainable Tourism Organization
HAI	Health Action International
HCMi	Hotel Carbon Measurement Initiative
HIS	Cluster of Health Systems and Innovation
IAA	International Advertising Association
IACC	International AntiCounterfeiting Coalition
IAC-DESD	UN Inter-Agency Committee for the Decade on Education for Sustainable Development
IACFO	International Association of Consumer Food Organizations
IAEA	International Atomic Energy Agency
IAIS	International Association of Insurance Supervisors
IAPA	International Airline Passengers Association

IAPO	International Alliance of Patients Organizations
IATA	International Aviation Transport Association
IBFAN	International Baby Food Action Network
ICA	International Co-operative Alliance
ICANN	Internet Corporation for Assigned Names and Numbers
ICAO	International Civil Aviation Organization
ICC	International Chamber of Commerce
ICIUM	International Conferences on Improving Use of Medicines
ICN	International Competition Network
ICPEN	International Consumer Protection and Enforcement Network
ICPSC	International Consumer Product Safety Caucus
ICRT	International Consumer Research & Testing
IFBA	International Food and Beverage Alliance
IFC	International Finance Corporation
IFPMA	International Federation of Pharmaceutical Manufacturers & Associations
IHR	International Health Regulations (WHO)
ILO	International Labour Organization
IMC	International Maritime Committee
IMF	International Monetary Fund
IMO	International Maritime Organization
IMPACT	International Medical Products Anti-Counterfeiting Taskforce
IMSN	International Marketing Supervision Network
INCSOC	International Network of Civil Society Organisations on Competition
INFE	OECD International Network on Financial Education
INFOSAN	International Food Safety Authorities Network
IOCU	International Organization of Consumers Unions
IOSA	IATA Operational Safety Audit
IOSCO	International Organization of Securities Commissions
IPC	Interagency Pharmaceutical Coordination group
IPCC	Intergovernmental Panel on Climate Change
IPPC	International Plant Protection Convention
ISA	International Federation of the National Standardizing Associations
ISAGO	IATA Safety Audit for Ground Operations
ISEAL	International Social and Environmental Accreditation and Labeling
ISO	International Organization for Standardization

ITA	Information Technology Agreement
ITU	International Telegraph Union
ITU	International Telecommunication Union
IWGPS	Intersecretariat Working Group on Price Statistics
KPCS	Kimberley Process Certification Scheme
MAC	Multi-stakeholder Advisory Committee
MCCA	Ministerial Council on Consumer Affairs
MNC	multinational corporation
MNE	multinational enterprise
MSC	Marine Stewardship Council
NCUC	Non-Commercial Users Constituency
NGO	non-governmental organization
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
OHCHR	Office of the High Commissioner for Human Rights
OICA	International Organization of Motor Vehicle Manufacturers
OIE	World Organization for Animal Health
PAN	Pesticide Action Network
PIC	Pharmaceutical Inspection Convention
PIC	Pharmaceutical Inspection Co-operation Scheme
QSM	Quality Assurance and Safety of Medicines
SARPS	Standards and Recommended Practices
SCP	Sustainable Consumption and Production
SOLAS	International Convention for the Safety of Life at Sea
SPS	Sanitary and Phytosanitary Measures
StB	Simplifying the Business
TACD	Transatlantic Consumer Dialogue
TBT	Technical Barriers to Trade
The Code	Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism
TJN	Tax Justice Network
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UMC	Uppsala Monitoring Centre
UN	United Nations
UN DESD	UN Decade of Education for Sustainable Development
UN Habitat	United Nations Human Settlements Programme
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNCCD	UN Convention to Combat Desertification

UNCED	United Nations Conference on Environment and Development
UNCITRAL	United Nations Commission on International Trade Law
UNCTAD	United Nations Conference on Trade and Development
UNCTC	United Nations Centre on Transnational Corporations
UNDP	United Nations Development Programme
UNECE	United Nations Economic Commission for Europe
UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFCCC	United Nations Framework Convention on Climate Change
UNFPA	United Nations Population Fund
UNGPs	United Nations Guiding Principles on Business and Human Rights
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNISDR	United Nations Office for Disaster Reduction
UNITAR	United Nations Institute for Training and Research
UNODC	United Nations Office on Drugs and Crime
UNSCN	United Nations Standing Committee on Nutrition
UNU	United Nations University
UNWTO	World Tourism Organization
WBCSD	World Business Council for Sustainable Development
WCTE	World Committee on Tourism Ethics
WDC	World Diamond Council
WEF	World Economic Forum
WFA	World Federation of Advertisers
WFP	World Food Programme
WFTO	World Fair Trade Organization
WGTCP	Working Group on the Interaction between Trade and Competition Policy
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WSSD	World Summit on Sustainable Development
WTAAA	World Travel Agents Associations Alliance
WTO	World Trade Organization
WTTC	World Travel & Tourism Council
WWF	World Wide Fund for Nature

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Introduction

- **Defining an ill-defined field**
- **The diversity of global consumer organizations**
- **Outline of the book**

With the globalization of the economy and the expansion of corporate activity, there is an increasing demand for establishing rules to regulate the trans-boundary activities of firms and their many and complex relations with consumers. Following Polanyi's dictum that markets are embedded in many social relations and are not institution-free,¹ but need various forms of political intervention to unfold, function, adapt and reform, a variety of organizations become an object of scrutiny. Indeed, the global economy is supposed to work against a backdrop of rules enabling exchanges and the building of trust into different types of relations in the marketplace. Many of these rules are formulated, adopted and implemented in national and regional contexts, but in addition to these efforts, consumer policy has become a global concern, with activities at the level of global organizations. Although regulation does not automatically accompany and keep pace with economic globalization – a factor impeding the organization of global consumer policy – interesting developments can be observed.

There are several historical examples of consumer-related regulation in the global realm, but these precursors in various economic fields have not always been categorized as consumer regulation *per se*.² Globalization processes in the established capitalist economies have been significant in recent years, however, and the introduction of new market economies in the former socialist countries and the rise of the BRIC countries show that more countries and continents are becoming integrated into the world economy, epitomizing the trends towards globalization. Amid these developments, different global consumer organizations respond to new demands and address a rich diversity of issues.

2 Introduction

Defining an ill-defined field

Consumers – and consumer policies and consumer organizations – are hard to define in general, but also when they pertain to the global scene. Consumers are attributed different names in relation to a variety of products and services, and this gives us a hint about the diversity of markets and exchanges. Apart from the universal and all-embracing “consumers,” we find buyers, clients, customers, depositors, guests, passengers, patients, tenants, users, viewers, visitors, and many more that exist in different market settings. What essentially characterizes these consumer roles and functions, however, is the fact that they do not constitute a trade themselves, and unlike manufacturers and distributors,³ which are commercial users in the production and value chain, end-consumers are always buyers, not sellers.

In economic theory, a classic observation is that the seller generally has access to more and better information than the buyer, and information asymmetries between the two parties prevail.⁴ This situation is further exacerbated in the era of globalization, because consumers are less mobile than corporations and are often tied to their local context, while many corporations are engaged in trans-boundary operations and become increasingly global.⁵ Different strategies are available to correct these different positions of consumers and business. Efficient and transparent markets can provide consumers with more and reliable information, but improved information is not enough, and also various legal rights are needed to protect the consumers in a variety of markets.

Mapping different segments of consumers and their concerns is a highly complex process at the global level.⁶ Indeed, consumers form a vast and heterogeneous category covering the entire globe from the most affluent countries to the poorest corners of the world, and hence some consumers have access to, and purchase, a rich diversity of goods, while others are denied these opportunities. North–South cleavages are of great importance and filter into the work of global consumer organizations. In principle, these organizations need to address and encompass all continents to qualify as genuinely global,⁷ but there is not always full and equal coverage, and not all kinds of consumers and markets are embraced by these efforts.

Globalization is a process rather than an end stage, and before there was a global consumer policy, or at least the building blocks of it, there were – and still are – national consumer policies.⁸ These are certainly not in all countries, and are not equally mature, but national traditions and models emerged first. Gradually steps were taken to coordinate across countries and respond to common challenges, capacity was built