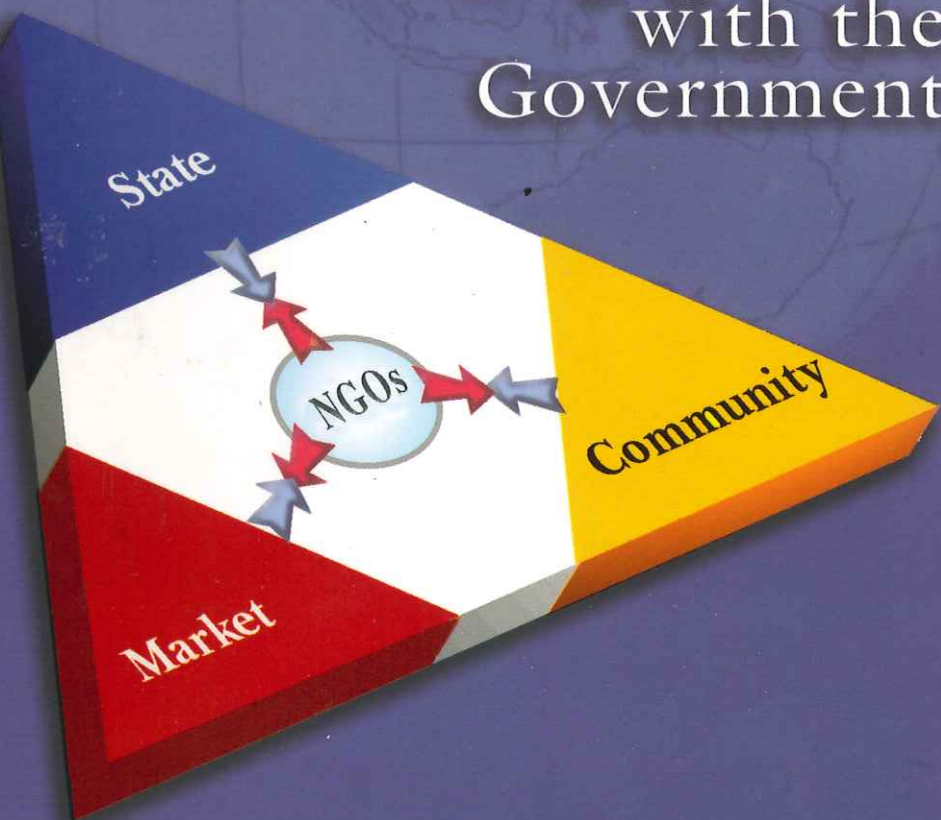


CONTESTED SPACE?

FOMCA's
Engagement
with the
Government



Josie M. Fernandez

First published in 2004

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Josie M. Fernandez and FOMCA

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Fax : 603-78771076
e-mail : fomca@po.jaring.my
Homepage : www.fomca.org.my

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List of Abbreviations

ASCOM	Association of School Canteen Operators Malaysia
CAP	Consumers Association of Penang
CFO	Certificate of Fitness for Occupancy
CPA	Consumer Protection Act
ERA Consumer	Education and Research Association for Consumers
FAO	Food and Agriculture Organisation
FOMCA	Federation of Malaysian Consumers Associations
GMO	Genetically-modified organism
IPRs	Intellectual property rights
MDA	Malaysian Dental Association
MDTCA	Ministry of Domestic Trade and Consumer Affairs
MMA	Malaysian Medical Association
MPS	Malaysian Pharmaceutical Society
MOSTE	Ministry of Science, Technology and the Environment
MTUC	Malaysian Trades Union Congress
NCWO	National Council of Women's Organisations
NGO	Non-governmental Organisation
PAC	Pahang Association of Consumers
PCA	Perak Consumers Association
SCA / SFTCA	Selangor Consumers Association (later known as Selangor and Federal Territory Consumers Association)
TNC	Transnational corporation, also multinational corporation
UNICEF	United Nations Children's Fund
WHO	World Health Organisation
WTO	World Trade Organisation

About FOMCA

The Federation of Malaysian Consumers Associations, which is better known by its acronym FOMCA, is a national non-governmental organisation that is voluntary, non-profit, non-political and civic-oriented. It is the umbrella body of registered consumer associations in Malaysia. FOMCA which was founded on 10th June 1973 links the activities of consumer associations in Malaysia as well as at the international level and works towards strengthening consumer protection through lobbying, networking, representation, campaigning and education.

FOMCA's work is focused on empowering consumers in the context of a developing country with a growing consumerist society. In this regard, it goes beyond the traditional role of consumer protection in the marketplace, which has been called the "value for money" approach. Instead, FOMCA advocates a "value for people", "value for the environment" and "value for money" paradigm.

The formation of numerous consumer associations by the early 1970s such as the Selangor Consumers Association, Consumers Association of Penang, Consumers Association of Sarawak, Consumers Association of Negeri Sembilan, Consumers Association of Kedah, Perak Consumers Association and Consumers Association of Malacca resulted in the Government calling for the establishment of a federation for consumer associations to coordinate their advocacy activities. As a result, FOMCA was formed under the leadership of the former Director of Information, Dato' Mohamed Sopiee Sheikh Ibrahim at a general meeting held in Alor Setar, Kedah from 10th to 11th June 1973.

The main objectives and roles of FOMCA are to:

- Serve as the coordinating, consultative and advisory

agency of its registered member consumer associations in Malaysia,

- Address and advocate the consumer interest in order to promote consumer welfare.
- Resolve consumer issues through policy development and advocacy.
- Provide representation for member associations to deal with the Government.
- Disseminate consumer information and undertake consumer education.

The constitution of FOMCA prohibits the federation and its members from engaging in commercial and political activities. The member associations are required to pay annual subscription fees of RM 100 and need to provide annual financial and programme reports.

The supreme authority of FOMCA is vested by its constitution in the annual delegates' conference which must be held by 30th June each year. The current membership of FOMCA constitutes 15 affiliates. The election of its General Council must be held biennially. The council is responsible for managing the day-to-day affairs of FOMCA, which it undertakes through an administrative office staffed by professionals.

FOMCA is registered with the Registrar of Societies and its office is currently in Petaling Jaya, Selangor.


Foreword

Non-governmental organisations (NGOs) have been playing an important role in every aspect of the development process as stakeholders of the nation. Nevertheless, this role has always been debated between government and NGOs. The relationship and the interaction between the two stakeholders have been crucial to NGOs' advocacy activities. The NGOs have always had to live in a thorny embrace with the authorities. Although their valuable contributions have not been ignored, NGOs are frequently labelled as a narrow interest group and seen as gadflies who challenge the government and the market.

However, FOMCA as an independent, non-profit and non-political organisation, believes that the tripartite relationship between government, NGOs and the private sector has significantly contributed to Malaysian consumers and communities. Moreover, FOMCA has been an important actor in community mobilisation and consumer empowerment. Certainly this can be seen in the case studies discussed in this study.

I would like to express my heartfelt gratitude to the writer Josie M. Fernandez, a pioneer citizen advocate, consumer journalist Rash Behari Bhattacharjee and the research team consisting of Subramaniam Munusamy, Sharon Nobel and Yarina Ahmad for seeing this seminal work to its fruition. Indeed, FOMCA takes pride in publishing this valuable study on NGO engagement with government, which could be a resource book for government agencies and NGOs. The team's efforts would be amply rewarded if this study inspires more such work on the contributions of NGOs to modern Malaysia.

It is FOMCA's sincere hope that this study will help enhance the quality of engagement between the Government, NGOs and the private sector for the advancement of human-centred development.

A handwritten signature in black ink, appearing to read 'Marimuthu Nadason', with a long horizontal line extending from the bottom of the signature.

MARIMUTHU NADASON, AMP, PJK

President

FOMCA

June 2004

Preface

A prudent and efficient public policy development and administrative machinery is central to good governance. Conversely, the absence of sound public policy development entails huge costs in national resources and public welfare.

The role of NGOs in engaging with the Government to ensure that the interests of the weakest segments of society are protected cannot be under-estimated. The consumer movement in Malaysia serves as a fine example of such an engagement spanning economic, developmental and social dimensions in the national life. For this reason, the Institute of Governance, Canada chose FOMCA as a case study for government-civil society engagement in social policy development.

Undoubtedly, the engagement between the NGOs and government is complex and subject to much debate. While some see NGOs as a bulwark against the misuse of governmental authority, others view it as an indispensable partner of the government, playing a complementary role in public affairs. At times, this engagement has turned acrimonious, so it is vital to understand that NGOs give expression to society's core needs and concerns and aspirations. By doing so, we can ensure that their voices are not smothered.

The case studies in this book amply demonstrate the important role that FOMCA has played in contributing to the formulation, review, fine-tuning and overhaul of public policies, all aimed at improving consumer welfare.

Indeed, FOMCA was established as a result of a government directive for the nascent consumer movement in the country

to organise itself into an apex body with which the authorities could liaise for a meaningful engagement with consumer organisations.

Since FOMCA's establishment in June 1973, it has pursued the formulation of consumer protection legislation, codes, guidelines and mediation bureaus for safeguarding consumer welfare. FOMCA and its affiliates undertake consumer education activities in schools and for the public. A range of publications and campaigns addressing local and global issues have generated public awareness.

The Government has given increasing priority to consumer protection over the last three decades. In response to calls from FOMCA and other consumer groups, the Ministry of Domestic Trade and Consumer Affairs (MDTCA) was created in 1990. The creation of a separate consumer ministry gave a major boost to consumer protection. Prior to its establishment, consumer protection was gaining momentum through institutional, legislative and educational mechanisms.

The multiplicity of contemporary consumer issues poses major challenges to FOMCA and the Government in ensuring maximum consumer protection. These issues include globalisation and liberalisation, changes in the ICT field, unsustainable consumption behaviour, privatisation and new forms of poverty.

These new challenges make it even more important for constructive engagement among Government, NGOs and business despite having to confront difficulties, obstacles and possible failures.

This study is a modest attempt at examining Government-NGO engagement through the experiences of FOMCA. Although I have tried to do the subject justice, the reader may find some areas inadequately discussed. This is due to constraints of time and resources that prevented a more extensive examination of the subject.

I am indebted to FOMCA for the opportunity and encouragement to produce this seminal work on the consumer movement's engagement with the Government. I would also like to record my gratitude to Rash Behari Bhattacharjee for editorial assistance, Subramaniam Munusamy, Sharon Nobel and Yarina Ahmad for research support and my family for sustaining me during this work. Any omissions or mistakes are solely mine. I would welcome comments and suggestions for future work in this area.

Josie M. Fernandez
Kuala Lumpur and Penang
June 2004

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CHAPTER 1:

THE CONCEPT OF CONSUMER PROTECTION

The notion of *caveat emptor*, a Latin term for “buyers beware”, was inherent in the earliest forms of exchange of goods or services. Two millennia ago, ancient Mesopotamia, China and India all used to enforce laws against short weighting, adulteration and harmful products. Islam, centred as it was in mercantile Arabia, spelled out business ethics as well as structures to protect consumers, such as the institution of a *mohtasib*, an ombudsman with magisterial power. (Ali Qadir, 2001)

The Hittites developed a consumer code: Thou shalt not poison thy neighbour's fat. This meant food should be safe, clean and wholesome. The principles underlying this code are the basis of today's food legislation, which is an important component of consumer protection. *Caveat emptor* was the principle that formed the foundation of the early organised consumer movement.

With the development of the consumer movement, a new concept, *caveat venditor* or “sellers beware”, gathered momentum. It was a warning to traders that the voice of consumers demanding for their rights in the marketplace was growing.

When the pioneers of the modern consumer movement began to get organised at the turn of the 20th century, they were driven by a vision for economic and social justice. The impetus for this vision was born out of trade union activism in the United States. One of the earliest such groups, the US National

Consumers' League, organised consumer boycotts against sweatshops, child labour and other inhuman conditions under which consumer products were made. These pioneers of the consumer movement saw the act of consumption as a weapon in the battle for economic and social justice.

During the Great Depression of the 1930s, American consumer groups did not just focus on providing information on product tests and prices of goods. They also saw that addressing unfair labour practices was fundamental to consumer welfare. They recognised that all the technical information cannot give access to food, clothes, education and healthcare if people remain poor.

After the Second World War, the free market began to flourish in industrialised countries and consumers were inundated with an abundant array of goods and services. The consumer movement began to shift its focus from pricing and poverty to questions of safety and choice of goods and services in the marketplace. This wave of consumerism responded to the growing needs of a consumer society. When the organised consumer movement expanded from the US into Europe, campaigns against unfair market practices began to mobilise support for the movement.

Ralph Nader, the world's best-known consumer advocate, took on another dimension of consumerism. In the 1960s, he began to investigate the practices of multinational corporations which were expanding rapidly. Nader continues his crusade against unethical business practices and poor governance by the state.

Although the consumer movement was to embrace broader developmental concerns later, testing, product information and fair pricing have remained the compelling priorities of traditional consumer associations from the 1960s until today.

In the post-war period, this expanded view of the consumer movement's responsibilities was already being expressed by some western consumer leaders. The late Peter Goldman of the United Kingdom reminded consumer leaders, "It is not right that people in Africa, Latin America, Asia and Eastern Europe die of hunger, while the US and Europe pile up food mountains". (Consumers International, 1998) In recognition of these concerns, mainstream northern consumer groups provided financial support for the initial growth of consumer associations in Asia.

From the 1970s, however, soon after Third World consumers began to get organised, some differences emerged in the primary concerns of consumer groups in the North and the South. The paradigm of consumption as the focus of consumer protection dominated the work of the mainstream Western consumer movement. On 15th March 1962, when US President John F. Kennedy moved the Bill of Consumer Rights, he recognised consumers as an important economic group in the American economy. The four rights that Congress recognised were:

- right to safety,
- right to choice,
- right to information, and
- right to be heard.

By 1983, the differing concerns between the North and the South saw the expansion of the four consumer rights to eight consumer rights. The additional four are:

- right to basic needs,
- right to redress,
- right to consumer education, and
- right to a safe and healthy environment.

These rights were added when the first World Consumer Rights Day was celebrated in 1983. "Consumer rights are about eradicating poverty and social injustice," said Anwar Fazal, the founder of the World Consumer Rights Day, in an interview with this writer (2000).

Consumer groups in developing countries, such as Brazil, pointed out one right: the right to basic needs. Without access to basic needs, all other rights are not attainable. These rights formed the framework for policies on consumer protection.

In 1985, the General Assembly of the United Nations adopted the UN Guidelines for Consumer Protection. The Guidelines represent an international regulatory framework for governments to strengthen consumer protection nationally.

In the face of accelerating globalisation, consumer protection becomes even more important. Consumers face new challenges and threats. Consumers are confronted with goods and services flooding local markets as never before. However, they lack the skills and information for making purchasing choices that are safe, reflect value for money, and for workers and the environment. For consumers whose consumption is limited by their low purchasing power, other social problems arise. Unequitable consumption brings socio-economic problems for developing countries (including rising crime). Globalisation has entrenched consumers in unsustainable patterns of consumption, and is a growing concern in developing countries.

The forces of globalisation are also transforming social and welfare systems in developing countries. The privatisation and liberalisation of essential services such as health care and water supply are creating serious consequences for the quality of life particularly for marginalised consumers. Additionally the

slashing of public welfare budgets in structurally adjusted countries has given rise to unemployment and an increase in inflation.

Protection of consumer welfare is therefore crucial. The protection of the under-consumers or the marginalised in both developing and industrialised countries is a vital responsibility of the State. The function of the State as the collector and disposer of public revenue is also an important concern of consumers.

The rights-based paradigm has been embraced by the consumer movement worldwide. Some countries like Malaysia have now accepted the eight rights in the definition of consumer protection and welfare.

As enshrined in the 1985 UN Guidelines for Consumer Protection, the concept of consumer protection is about human development. John F. Kennedy's first four rights saw the consumer only as a customer. But with the addition of four other rights, the customer is a citizen-consumer whose basic needs for survival are central to a wholesome quality of life. The other rights matter very little in conditions of poverty and deprivation.

This is why the role of the state is central in developing the social, political and economic conditions that guarantee the basic needs of its citizen-consumers.

It is only when basic needs are satisfied that consumer protection moves on to another level - exercising the other rights in the market economy. In view of this expanded interpretation of consumer rights, the consumer movement, particularly the Third World groups, were able to find common ground with other citizens' movements that have been growing

With the growth of human consumption and societal integration, the notion of basic needs has also changed. It is now useful to define basic needs at three levels, moving from the most fundamental to more abstract:

1. *Survival*: Food, water, essential healthcare, sanitation, clothing, shelter;
2. *Capabilities*: Education, energy, transport, communication, security, access to resources;
3. *Civic*: Access to information, political participation.

The first is necessary for survival and to live a long and healthy life. The second tier relates to integration with society and the capacity to avail opportunities, to excel and to improve one's quality of life. Finally, the rights-based paradigm appreciates that underdevelopment is primarily due to political exclusion, and so freedom from poverty and underdevelopment relies on being able to participate in policy-making. Thus the third tier relates to the underlying structures that can hinder consumer rights.

Source: Ali Qadir (2001) The State of Consumers in Pakistan

since the 1980s. Notably, they began to link with the proliferation of environmental, health and women's organisations around the world. These linkages were hastened by both planned events like the Earth Summit of 1992 and disasters like the Bhopal industrial gas tragedy in 1987 and the SMON tragedy of the 1960s and 70s in Japan linked to the drug clioquinol.

The consumer movement also linked up with farmers groups

as the two movements began to understand the common roots of the consumption dilemma, and worked together to promote their mutual welfare. In Japan, the Seikatsu women's consumer cooperative linked up directly with farmers in the 1980s to bring healthy and affordable produce to consumers. Today, many consumer groups are actively engaged with farmers organisations on the issue of genetically engineered foods.

Groundbreaking publications like Rachel Carson's *Silent Spring*, and Schumacher's *Small is Beautiful* helped to define new areas of activism for the consumer movement, including pesticide abuse and later runaway biotechnology. The environmental movement gave impetus to the ethical consumption movement by raising questions about the impact of consumption choices on other consumers and the planet.

Another shining example of consumer power centred around the anti-tobacco lobby. Consumer groups took up anti-tobacco campaigns in the 1980s and 1990s by monitoring the industry and raising awareness of the damaging effects of tobacco consumption. A number of landmark judgments against tobacco companies helped to galvanise public and official action to curb tobacco promotion and use.

The concept of consumer protection from a basic needs approach has linked the consumer movement to human rights and other civic organisations. The issue of governance became particularly important in the 1990s when the consumer movement started looking at the effects of corruption on consumer welfare. This concept has continued to evolve and today it includes concerns over telecommunications, financial services and trade.

CHAPTER 2:

STATE-NGO RELATIONS

The state's role is central in the rights-based approach to consumer protection. The state has obligations to eradicate poverty, practise good governance, formulate and implement policies and so forth. But what is the state?

The discourse on what the 'state' is has not stopped since the time people began organising themselves into communities and established rules to govern their behaviour. The numerous definitions of the state reflect the historical and political period the discourse on the state is taking place.

Some of the notable definitions are:

- "An aggregation of different families and villages, organised for the purpose of providing facilities for the promotion of a happy and prosperous life" - Aristotle
- "A people organised for law within a definite territory" - Woodrow Wilson
- "An association which, acting through law as promulgated by a government endowed to this end with coercive power, maintains within a community territorially demarcated the universal external conditions of social order" - R.M. Maciever

These earlier definitions all point to a convergence of the concept that is well-encapsulated by Lipson (1993):

The State is the institution through which the dynamics of politics are organized and formalized. The state consists of citizens with their rights

and duties, institutions and jurisdictions, principles and power. It is a network of structured relationships.

Lipson distinguishes the “State” from “government”:

Every state has its government, and the latter signifies those specific persons who hold official positions and wield authority on behalf of the state. Government therefore implies a distinction within the state between the rulers and ruled. (Ali Qadir, 2001)

The term NGO is used throughout this book. Shinichi Shigetomi (ed.) describes in *The State and NGOs: Perspective from Asia* (2002) the major attributes of an NGO.

For an NGO to have legitimacy, its decision-making process must be independent of the Government. An NGO must be: (1) non-governmental, (2) non-profit-making, (3) voluntary, (4) not ad hoc, (5) altruistic, and (6) philanthropic.

The phenomenal growth of NGOs in developing countries in the last three decades of the 20th century mirrors the changes in the political environment of many of these countries. Democratic systems of governance replaced authoritarian rule. These changes created spaces for civil society. But the spaces have not always come easily. It has to be contested except of course when it is conceded or the state has abdicated.

NGOs are often referred to as the third sector, after the public and private sectors. NGOs in developing countries perform varying functions such as delivering services, creating economic activities and carrying out advocacy work. The functions of NGOs are primarily determined by the needs and situations in the countries where they operate.

The functions undertaken by NGOs are determined not only

by their philosophy and ideological orientations and financial resources, but also by the economic and political spaces available to them.

When the state, market and community fail to deliver the resources and services to meet the needs of citizens, NGOs can be seen accessing that economic space. Conversely, if the state, market and community supply more resources and services to the citizens, the economic space for NGOs proportionately shrinks.

One of the state's primary functions is to provide the basic needs of its citizens, including food, housing, health and education. The market's role is to supply adequate quantities of goods and services efficiently and at a low cost. The community on its part caters for social needs through such activities as religious giving and other philanthropic ventures. Citizens also benefit from sharing community-owned resources such as forests, parks and irrigation systems.

Bangladesh, where extreme poverty has crippled human development, for example is one of the countries in Asia which ranks among the top countries in terms of the extent of NGO activities providing services and economic activities. Some of these NGOs such as BRAC are very large, employing 15,000 staff, and its services reach 5 million people. The state depends on NGOs to supply public services due to a severe lack of resources. There are close to 3 million NGOs in India; about 56,000 in Pakistan, 400,000 in Thailand and an equal number in the Philippines. In Sri Lanka, Sarvodaya connects with 7,000 villages. The Orangi Pilot Research in Pakistan reaches 1.5 million urban slum inhabitants.

Global communications have helped to define similar ideals within NGOs even if their functions differ. "An indication of

the similarities is the existence of a host of keywords, such as 'participation', 'community development', 'empowerment', 'sustainable development' and 'women', which seem to be emphasised, albeit to varying extents, by NGOs around the world". (Shigetomi, 2002)

A major factor that must be addressed in any discourse on NGOs is how the political space determines the operations of NGOs even if their ideals are universal. Indeed some scholars have stated that the vibrancy of a country's NGO sector may indicate the social development and political characteristics of the state.

Being weak in resources, Bangladesh depends on NGOs to supply essential services and to eradicate poverty. In such a situation, the Government has no reason to prohibit the activities of NGOs. They have nothing to expect from the state and therefore have no incentive to launch political activities. The net result of these factors is the existence of vast economic and political spaces in which NGOs are very active. Because the state is weak, NGOs can receive funds directly from international donors and implement projects with local authorities.

In the Philippines, the Aquino administration expanded the political space for NGOs, and this led to a marked increase in political activism. However, unlike in Bangladesh, NGOs in the Philippines believe that the state has an important role to play in the distribution of resources. The hegemonic political force can appoint its own members to important administrative positions, so that NGOs compete with other forces to secure political influence. As a result, political activism is seen as imperative to influence the decision-making process. (Shigetomi, 2002)

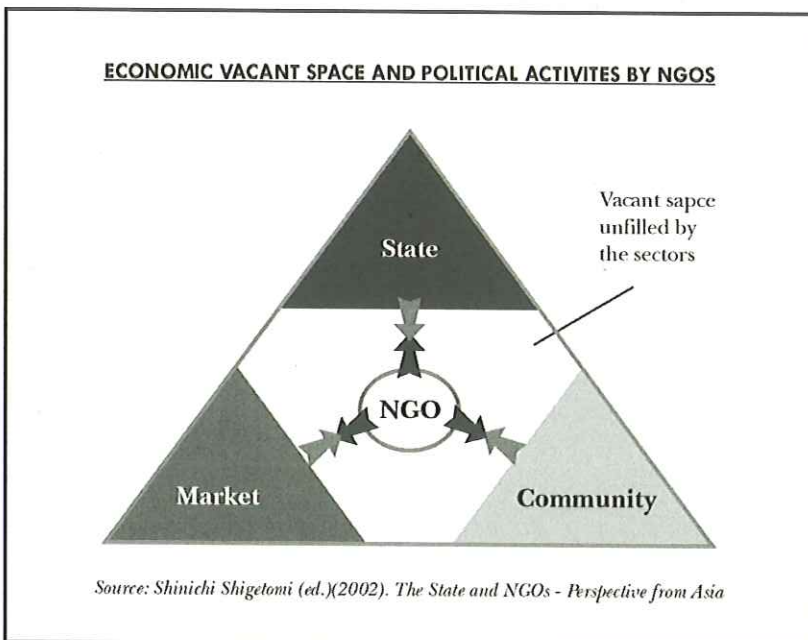
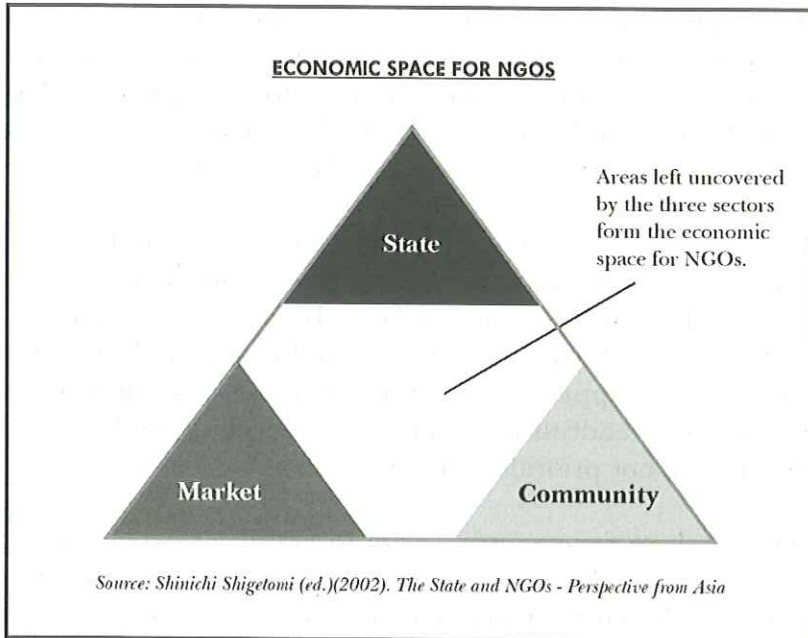
The foregoing discussion which has touched on the spaces for the proliferation of NGOs would be incomplete if State-NGO relations are not raised. How NGOs manifest themselves, bring about policy reforms or achieve their goals and ideals is contingent on their relationships with the state. This is more so in the case of the advocacy activities of NGOs.

Interactions between individuals, groups or societies take place within a set of social rules. All societies have a system of rules governing and regulating their members. The state establishes a set of rules that it applies uniformly to all its constituent societies across the boundaries, and which it enforces in the name of safeguarding 'the public interest'. Some of these rules regulate private interactions among its citizens, such as meetings. Others regulate the distribution of resources. These rules and laws determine the "political space" and "economic space" for NGOs respectively.

NGOs can change the political space available to them through advocacy, and some of them make this function central to their operations. Other NGOs choose to focus on the economic space and gear their activities towards providing services. For example, in countries where economic growth has brought wealth to the people, such as in Singapore and Taiwan, there has been little political space for decades. In the case of Taiwan, advocacy NGOs have focused on the democratisation of governance and decision-making processes with some success.

The political and economic spaces are not the only factors that demarcate the boundaries of NGO work. How NGOs utilise these spaces depend on a number of factors such as culture and religion, and the leadership and capacity of the NGOs.

Where political and economic spaces may be available, factors such as religion and culture may impede the optimisation of



these spaces by NGOs. This can be seen in Kelantan, which is governed by the Islamic party, PAS. For example, progressive women's organisations find it difficult to champion gender-related causes in the state. In 1991, the Kelantan government banned traditional performances such as the *Wayang Kulit*.

These scenarios may sometimes change under dramatic circumstances, as happened during the Asian financial crisis of 1997. In South Korea, Thailand, Indonesia and Malaysia, NGOs launched campaigns like "Buy Local", fundraised for the nation by appealing to the patriotic spirit of the citizens and began to address issues like safety nets and food security which were not prioritised in better times.

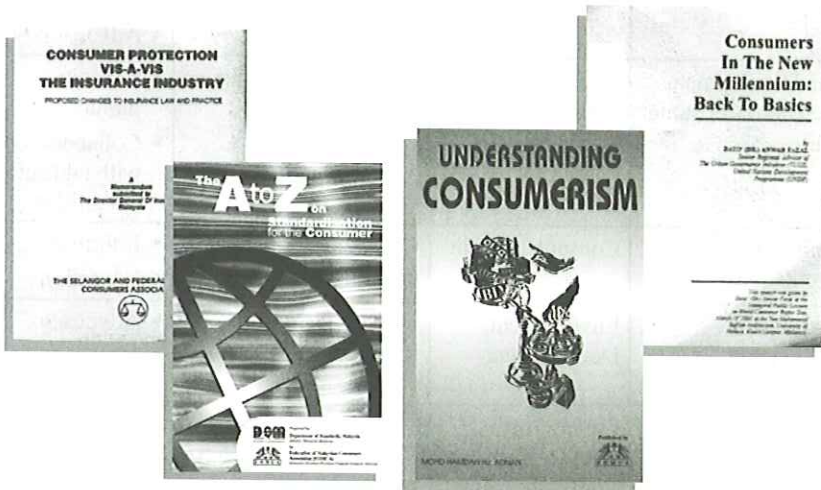
Many of these factors are relevant to FOMCA's experience in engaging with the Government. This reality influenced the quality of the engagement as well as the strategies employed, and FOMCA, like other NGOs, learnt to navigate in the waters of state-NGO relations.

CHAPTER 3:

THE CASE STUDIES - A SUMMARY

The consumer movement is critical to the development discourse as it is a force for social justice, protection of human rights and sustainable living and development. The FOMCA case studies portray the metamorphosis of consumer organisations from fringe middle class groups into an important development movement.

FOMCA's activities are based on the basic needs paradigm as enshrined in the bill of consumer rights and the 1985 UN Guidelines for Consumer Protection. As the case studies illustrate, FOMCA uses a mix of strategies to achieve maximum consumer protection: advocacy, education, media, targeted communication, mobilisation and capacity building. Boycotts, public protests and demonstrations have not featured prominently in FOMCA's strategies. Such strategies are popular forms of consumer protest elsewhere but may pose difficulties in the Malaysian context.



For the purposes of this study, the following case studies were selected:

Case	Policy	Area of Consumer Welfare	Strategy
The National Consumer Policy 2002	Consumer Protection	Protecting Eight Consumer Rights	<ul style="list-style-type: none"> Advocacy Information Consultation
The Consumer Protection Act 1999	Consumer Protection	Protecting Eight Consumer Rights	<ul style="list-style-type: none"> Advocacy Education Media Mobilisation
The Campaign against Indah Water Konsortium's Billing System	Privatisation	Access to Basic Needs	<ul style="list-style-type: none"> Mobilisation Public Participation Media
The Patient's Charter	Health Policy: Patient-Health Provider Relationship	Rights to Basic Needs, Information, Safety	<ul style="list-style-type: none"> Collaboration with Professional Organisations Communication
The Housing Development Act 2002	House Ownership	Rights to Basic Needs, Safety and Quality	<ul style="list-style-type: none"> Education Communication Information Advocacy
The Development of School Consumer Clubs	Consumer Education	The Right to Consumer Education	<ul style="list-style-type: none"> Capacity building Collaboration with education authorities
Reforming Credit Regulations	Consumer Credit	Consumer Protection on Credit	<ul style="list-style-type: none"> Information Education
Promoting Sustainable Consumption	Environment, Development	The Eight Consumer Rights	<ul style="list-style-type: none"> Advocacy Education
The Taman Negara Advisory Council	Environment, Development	The Right to a Safe and Healthy Environment	<ul style="list-style-type: none"> Advocacy Media

The National Consumer Policy 2002

The National Consumer Policy which is a statement premised on sustainable consumption and development provides the framework and establishes the principles for the formulation of consumer protection legislation. There are very few areas of governance that do not have relevance to consumers, so a national consumer policy serves to address anomalies between the policies of different agencies.

FOMCA had for over two decades advocated the adoption of a national consumer policy for Malaysia. The Ministry of Domestic Trade and Consumer Affairs (MDTCA), which was established in 1990, responded to FOMCA's call in 1999 for a National Consumer Policy. FOMCA played a significant role in seeing the National Consumer Policy to its fruition, particularly through its expertise and consultation with its affiliates, which it brought to the National Consumer Advisory Council.

The National Consumer Policy was launched in July 2002 by Dato' Seri Abdullah Ahmad Badawi, the then Deputy Prime Minister, who is the Prime Minister today.

The Consumer Protection Act, 1999

In 1978, FOMCA urged the Government to promulgate a comprehensive Consumer Protection Act as the then existing consumer-related statutes did not adequately protect Malaysian consumers. In May 1981, FOMCA organised a national seminar entitled "Law and the Malaysian Consumer".

In order to create awareness on and galvanise public support for a comprehensive Consumer Protection Act, FOMCA organised seminars in various states throughout the 1980s. In 1987 the Government announced that it was in the process of

drafting the Consumer Protection Act. FOMCA was invited to be a member of the drafting committee for the act. The work was taking far too long to move forward, so by 1999, FOMCA changed its strategy from advocacy to mass mobilisation. FOMCA launched a signature campaign in March 1999, targeting two million signatures. The strategy worked. The long awaited bill reached parliament and came into force in October 1999. FOMCA was disappointed that a number of key proposals such as health, housing and food were not included in the Act.

The Campaign Against Indah Water Konsortium's Billing System

The privatisation of waste water treatment to Indah Water Konsortium (IWK) began to smell foul in 1996. IWK's billing system and the lack of transparency regarding its services came under scrutiny when consumers in Malaysia realised that they were being billed for services for which they were yet to be provided. There appeared to be an element of double-billing as the consumer would have to pay for the water used for various purposes and then charged again for discharging that same water. Even more unsatisfactory for consumers was the fact that the bills were written in codes that were not clear to the consumer.

A public outcry against IWK was soon evident. FOMCA acted quickly. A campaign for a million signatures against IWK was launched in 1996. Consumers were not going to pay IWK bills. The reasons for this action were compiled into a memorandum for the Ministry of Housing and Local Government. The response to the signature campaign was overwhelming and the target of one million signatures was reached. Other NGOs collaborated in this campaign. The strategic media campaign by FOMCA was central to the campaign's success. The response from the Government was swift. The then Prime Minister, Dato'

Seri Dr. Mahathir Mohamad said that the effects of privatisation should not burden the public and therefore the Government would look further into the issues concerning IWK's charges.

Soon meetings took place between the Government, IWK and FOMCA. The effective use of various strategies such as public participation and the media yielded results. A new billing system was introduced, sealing a victory for Malaysian consumers.

The Patient's Charter

Consumers are concerned over the growing commercialisation of the health sector. Among the strategies FOMCA has used over the years to articulate consumer reservations over trends in the healthcare sector was to launch The Patient's Charter on 1st March 1993 and relaunch it a decade later on 25th March 2003.

The Patient's Charter advocates universal ideas and a high standard of healthcare which the Government, healthcare providers and consumers must strive to achieve. More specifically, the Patient's Charter recognises the relationship between a healthcare provider and a patient as privileged and sacrosanct. The Patient's Charter evolved over a period of 3 ½ years with discussions and meetings between consumer groups, the Malaysian Medical Association (MMA), Malaysian Dental Association (MDA), Malaysian Pharmaceutical Society (MPS) as well as individuals.

The strategy of engaging professional organisations in a process of partnership and dialogue resulted in the successful adoption of the Charter. The Government, through the MDTCA facilitated the signing of a Memorandum of Understanding between FOMCA, MMA, MDA and MPS. At the relaunch of the Patient's Charter FOMCA stated that the Charter would

serve as an educational tool embodying the code of medical ethics and protection of the rights of patients.

The Housing Development Act

The highest number of consumer complaints received by FOMCA and its affiliates are related to housing. In response to the problems faced by house buyers, FOMCA held public forums and seminars, and submitted proposals and memorandums to the Government. FOMCA, the Housing Developers Association Malaysia (HDAM) and the Ministry of Housing and Local Government jointly organised a landmark seminar on "Build and Sell: its effects on consumers" in April 1992.

FOMCA's memorandum for the 1997 Budget to the Ministry of Finance stressed that it is the Government's responsibility to provide enough low-cost houses to lower and middle-income earners. In June 1997, FOMCA sent a complaint letter to the Ministry of Housing and Local Government that addressed defects in the Sale and Purchase Agreement (S&P Agreement). This was because house buyers often suffered with S&P Agreements that required 100% payment before the issuance of the Certificate of Fitness for Occupancy (CFO).

The efforts of FOMCA and other organisations such as the House Buyers Association have brought changes to the existing regulations. The financial institutions and banks introduced a one percent subsidy on interest for housing loans below RM100,000 in October 1992. This has helped to lighten the burden of a high interest rate for lower income consumers. The Ministry of Housing and Local Government also agreed to the amendments in the Housing Developers (Control and Licensing) Act 1966. These were enacted in Parliament and

came into force on 1st December 2002.

The Development of Consumer Clubs in Schools

A FOMCA affiliate, the Selangor Consumers Association (SCA), initiated and developed school consumer clubs in Kuala Lumpur and Selangor in the 1980s. Other affiliates such as the state consumer associations in Pahang and Negeri Sembilan soon began to establish school consumer clubs after SCA's successful efforts.

With the support of the Selangor Education Department, the SCA started by giving talks in schools, addressing secondary school students in particular. The talks awakened the interest of students in a few schools in Kuala Lumpur and soon, many others set up consumer clubs. The SCA also ran campaigns to educate young consumers on the dangers of junk food, MSG and smoking. The junk food campaign was especially successful as some schools banned the sale of junk food. However, a police permit for a student rally against junk food was denied.

The SCA worked closely with the Association of Canteen Operators Malaysia (ASCOM), the parent-teacher associations of the schools and especially the Ministry of Education. Outside of Kuala Lumpur, the SCA District Liaison Committees initiated the consumer activities in schools.

Working closely with the Ministry of Education and the State Education Department was crucial for SCA to establish consumer clubs in schools.

Reforming Consumer Credit Regulations

Consumer credit is a central aspect of contemporary consumer culture. Consumer credit transactions have tremendously increased over the years in Malaysia. Although it has served the country's economy by increasing consumption, it also has an adverse impact on consumers and the economy. Consumer debt which is a highly profitable part of broader market operations, has compromised consumer sovereignty.

Latest figures from Bank Negara show that in November 2003, total current balance outstanding due from credit cardholders had hit RM10.34 billion, compared with RM9.37 billion at the end of 2002 and RM3.59 billion in 1997. The figures also showed that total amount overdue (for more than six months) was RM1.52 billion at the end of November, up from RM1.2 billion at the end of 2002, and RM1.0 billion in 1997 (New Sunday Times, 25th Jan 2004).

The common forms of consumer credit are private money lending, pawn broking, hire purchase, personal bank loans and credit cards. Today, a high percentage of suburban and rural consumers use pawnbroking, personal money lending and hire purchase services.

Consumers have been victims of fraudulent advertising, excessive interest and other charges, oppressive contract terms and provisions, tampering of goods given as security and harassment by repossessioners and illegal moneylenders. In the last 30 years FOMCA has persistently addressed these problems through public forums, seminars, memorandums, press conferences and continuous dialogue with the Government.

The meetings, public forums and media coverage have yielded results. The Government introduced the Banking and Financial Institutions Act 1989 (BAFIA), which came into force on 1st

October 1989. The MDTCA accepted FOMCA's recommendation for a code of ethics for repossessioners covering hire purchase and finance companies in Malaysia on 13th August 1992.

The battle to improve the regulatory regime over credit and enhance consumer knowledge on matters related to credit is far from over.

Promoting Sustainable Consumption

Sustainable consumption promotes: (1) improvement in the quality of life (2) the fulfilment of basic needs (3) minimising pollution, waste, toxic emissions (4) the use of renewable resources rather than limited natural resources, and (5) the protection of the needs of future generations in the consumer decisions of today.

However a major obstacle to the practice of sustainable consumption is the modern consumption culture, epitomised by 'conspicuous consumption'. FOMCA is harnessing consumer power to promote sustainable consumption through an environmental citizenship and public education programme. On World Consumer Rights Day in 1996 (March 15), FOMCA launched the Sustainable Lifestyles programme. It networks with like-minded groups to promote sustainable consumption.

In 1997, FOMCA participated actively in a Household and Sustainable Consumption Survey among the middle class in selected countries in Asia. FOMCA undertook the survey on Malaysia. The findings of the survey have been widely used in FOMCA's consumer education activities and for advocacy work for the formulation of sustainable consumption and development policies.

FOMCA played a key role in the development of the National Consumer Policy (2002) which is based on the principles of sustainable consumption and development.

In 2002, FOMCA submitted a memorandum on sustainable consumption to the MDTCA. The memorandum was discussed in July 2002 at the annual dialogue session of the ministry held with business, professional and consumer organisations. The ministry responded positively to the FOMCA memorandum by agreeing to address the following: promotion of sustainable consumption in consumer education programmes, ethical trade practices, advertising, water, credit card debt, public transportation and smoking.

The Taman Negara Advisory Council

Taman Negara covers some of the world's oldest rainforest and is Malaysia's premier National Park. Unfortunately in 1987, the "unthinkable" happened. The Government privatised the public services of Taman Negara to an institution called River Park in January 1987.

The concern for the return on capital investment and the interest to make profit soon transformed its role from that of a conservation park for scientific interest, research, study and recreation to a commercial profit-making venture, exposing its biodiversity to degradation. The Ministry of Science, Technology and Environment (MOSTE) as well as FOMCA soon received many complaints from tourists about the park's poor services.

FOMCA lodged an official complaint on the privatised Taman Negara services with MOSTE which was highlighted by the media. FOMCA followed up with a memorandum to MOSTE in January 1988 urging it to set up the Taman Negara Advisory

Council, Taman Negara Task Force and Taman Negara Development Fund. In May 1988, FOMCA was invited to a meeting which decided to form the Taman Negara Advisory Council, to which FOMCA was named.

FOMCA also worked hard to engage local and overseas volunteers to assist the Council with technical expertise. The Government announced its decision to halt the privatisation of Taman Negara's facilities before handing over management of the park to the Department of Wildlife and National Parks.

SAVING WASTE

Fomca calls for action to tackle garbage recycling problem

RUBBISH never ceases and the rate of growth continues to rise. It is not only a waste of money but also a waste of time and effort. It is a waste of space and a waste of resources. It is a waste of the environment. It is a waste of the future.

He also called for a joint effort by government agencies and the private sector to tackle the problem of trash recycling. Commenting on a new report, secretary-general of the United Nations Environment Programme (UNEP), Mr. Brundage said that the world is now facing a crisis of garbage. He said that the world is now facing a crisis of garbage. He said that the world is now facing a crisis of garbage.

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FOMCA: SET UP CLAIMS COURT QUICKLY

KUALA LUMPUR, Wed.

The Federation of Malaysian Consumers Associations (Fomca) wants the Government to speed up the setting up of the long-awaited small claims court.

Fomca secretary-general Hamdan Adnan said today that the Government should not delay the project any longer.

"Consumer associations had sought the establishment of a small claims court since 1972 and until today, there is still no sign of it."

The court should be set up as soon as possible," he said.

Enoch Hamdan urged the Government to discuss the structure of the court with all concerned parties before implementing the project.

He said the court was of public interest and the Government should be less "secretive" about it.

"The court is for the public and I don't see any reason why the Government can't discuss with the public," he added.

Enoch Hamdan said through public discussions, the Government would be able to draw up a good model of a small claims court suitable for the country.

He said Fomca fixed a date last year to meet the Minister of Justice Datuk Dr. James Ongkili regarding the structure of the court but the meeting was postponed because of the Sabah crisis.

Since then, Fomca had failed in its attempts to make another appointment to meet the Minister.

Meanwhile, the Chief Justice of Malaysia Tan Sri Abdul Hamid Omar said draft legislation to provide for the setting up of the court was ready.

However, he declined to disclose details on it and



Enoch Hamdan... called for public discussions

to the Ministry of Justice for approval.

"The draft has been prepared but I can't comment on it now. It is a Government secret," Tan Sri Abdul Hamid said.

A Ministry of Justice spokesman said the Ministry had not received the draft legislation.

Datuk Ongkili had announced in February last year that the Government was studying a proposal to set up the small claims court.

He said study was for a year and if the court was feasible, a Bill on the matter would be tabled in Parliament.

The small claims court is expected to handle cases involving less than \$2,000 and to function without the presence of lawyers.

Tan Sri Abdul Hamid had said recently that former civil servants or individuals of good character would be appointed to judge cases.

He said uninvolved cases would be referred to magistrates.

The court, he added, would be located in an area easily accessible to the public, especially the

Thursday, May 16, 2002 Friday, May 17

LOCAL NEWS

CONSUMER RIGHTS PROMO CONTESTS

Fomca invites young people to enter an essay writing and poster contest on consumer rights issues

By SHIKIN SHUHANN SHUKOR

DO you know your rights as a consumer? "Usually," would be a safe answer as Malaysians tend to fret a bit but do nothing about it.

Perhaps, this is due to the public's lack of awareness on their rights and the laws that protect them as consumers.

The chance has now come again to do just that as a creative way, and to do so will win some great prizes.

In line with the 71st dan Minggu Pengusaha "Yongus 2002" from July 26 to Aug 1, the Federation of Malaysian Consumers' Associations (FOMCA) and the Domestic Trade and Consumer Affairs Ministry will organise an essay writing and poster drawing competition.

The competition, from May 15 to June 30, is inspired by the success of the contest held during the World Consumer Day last year.

For this year's competition, both the essay writing and poster drawing contests will have two categories.

The first category of the essay writing contest is open to those aged between 13 and 18 years while the second is open to those above 19 years of age.

For the poster drawing contest, the first category is open to children below 13 while the second is for those aged between 13 and 19 years.

At a Press conference yesterday, FOMCA president, Prof. Datuk Mohd Hamdan Adnan said the contest is to give consumers a chance to voice their opinions, to vent their



SHOW YOUR TALENT: Hamdan posing next to the contest banner

dissatisfaction and frustration to consumers. "Apart from that, we hope the event might help raise the level of awareness among students and the public," he said.

This present was the Ministry's assistant director of consumer affairs, Zahara Shabdan.

FOMCA deputy president Marimuthu Nadarajah added that previous entries touched mostly on sustainable development.

Other issues included get-rich-quick schemes, misrepresentation and spending patterns and mass public transportation.

Marimuthu said they want to get more participants this year as they plan to measure the level of awareness among consumers on consumer-related issues.

For this purpose, three topics have been listed up for both categories.

Participants can choose to write or draw

on these topics, namely "Consumers' Responsibilities Towards Property of the Country", "Consumers' Responsibilities Towards Businessmen's Rights" and "Consumers' Responsibilities Towards the Environment".

The top winners for both essays will receive RM1,000. The first and second prize winners will each receive RM400 and RM200 respectively.

They are also going out 10 consolation prizes of RM100.

All entries must be in Bahasa Melayu or English. Entries should be sent to: FOMCA, 11, Jalan 1/11, Bangunan SAG, Petaling Jaya, 47300 Petaling Jaya.

For enquiries, click www.fomca.org.my or call 63-78762009.

Fomca: Set minimum speed limit

KUALA LUMPUR, Wed. — The Government should conduct a study on the need for a minimum speed limit for vehicles, Federation of Malaysia Consumers' Association (Fomca) president Hamdan Adnan said today.

Besides regulations and limits on speeding, a minimum speed limit was also needed to prevent accidents on roads, especially on expressways, he said.

He was commenting on the spate of fatal road accidents over the past week.

Encik Hamdan also suggested that the Government introduce the use of different lights for heavy vehicles to enable other motorists to determine whether such vehicles were approaching them or travelling ahead, especially at night.

Let royal commission investigate crisis, says Fomca

PETALING JAYA, Fri: The authorities should set up a royal commission to investigate the water crisis.

Federation of Malaysian Consumer Associations (Fomca) secretary-general N. Marimuthu said the authori-

ties should also not rush into any privatisation agreement of water treatment or distribution facilities.

"Puncak Niaga has misled the public and has shown that it is unable to ensure sufficient water supply," he

said in a statement today.

Although he praised the idea of a National Water Council, he said the council would be a toothless tiger if water rights remain with the states.

Referring to Puncak Ni-

aga executive chairman Datuk Rozali Ismail's statement that the ammonia in river water could have been treated with chlorine, he asked: "Since ammonia is not an issue, why were the water treatment plants closed?"

NGOs want air pollution index made public

PETALING JAYA, Thurs: Three non-governmental organisations and a political party want the Air Pollutant Index (API) readings to be made public with the return of the haze.

Malaysian Nature Society chief executive officer Dr Low Hin Yang said the public has the right for clear information on the haze.

"Insufficient information on haze not only confuses the

public, but will also scare away tourists," he said.

Education and Research Association for Consumers president Marimuthu Nadarajah described the decision not to release the API readings as a very selfish move.

Allran said the government should realise that the people have a right to know what is really going on instead of shrouding them in a cloud of uncertainty.

DAP secretary-general Lim Kit Siang said the government's decision not to release the readings so as not to "drive away tourists" is deplorable.

"This is a short-sighted policy believing that in the world of instant communications it is possible to keep potential tourists in the dark about the return of the haze problem in Malaysia and Southeast Asia," he said.



Marimuthu... a selfish move

Privatisation to blame for water shortage, says Fomca

Petaling Jaya, Wed. The Federation of Malaysian Consumer Associations (Fomca) today blamed the government's privatisation of basic necessities for the

water shortage problem. Its secretary-general, N. Marimuthu, said "this is what happens if we privatise to unknown bodies". He said before the pri-

vatization of the water treatment plant to Puncak Niaga (M) Sdn Bhd, the government should have investigated the company's capability. "Furthermore, Puncak

Niaga should have prepared itself to face this unexpected water crisis and it should overcome the problem as soon as possible," he said. Marimuthu said Selangor

Waterworks Department which is going all out to alleviate water woes in the Klang Valley by purchasing a big ultrafilter plant, should have had this idea earlier.

LAUNCH OF SELANGOR WATER WATCH

FOUR consumer groups have come together to set up the Selangor Water Watch to monitor and raise concerns on water problems in Selangor.

They are the Federation of Malaysian Consumers Associations (Fomca), the Education and Research Association for Consumers Malaysia (ERA Consumer Malaysia), Consumer Association of Selangor & Federal Territory (PPSWP), and Consumer Association of Klang.

In a Press statement, Fomca vice-president T. Indrani said the four groups are concerned that the Selangor Waterworks Department is unable to reduce the non-revenue water problem, which gives rise to poor quality and loss of water and high tariffication of water.

Selangor Water Watch will be launched tomorrow by Professor Datuk Hamdan Adnan, president of Fomca and also president of PPSWP.

FOMCA TO SUBMIT QUERY ON UNLAWFUL CLAUSES IN CONSUMER BILL

IPOH, Sun: There are between 50 to 60 clauses in the Consumer Protection Bill which are not clear and do not serve the interests of consumers.

The Federation of Malaysian Consumers Association (Fomca) will submit a set of questions on these clauses to the Domestic Trade and Consumers Affairs Ministry. Fomca secretary-general N. Marimuthu said today the clauses pertaining to consumer protection, especially those covering housing and health, need to

be clarified.

"Many consumers are frequently cheated in housing and health matters. With such matters not properly covered in the bill, it will be more difficult for the consumer to prove things if something were to go wrong," Marimuthu told the Sun here today.

He also said Fomca had pushed for the speedy implementation of the bill by launching its two million signature campaign in April, set to end in September.

So far, Marimuthu said, some 1.5 million signatures

have been received.

"By the uncertain and unfriendly consumer clauses in the bill, to be tabled for the second time tomorrow, it looks like Fomca will launch another signature campaign for a better consumer protection bill," he added.

On the appointment of tribunal members under the bill, Marimuthu said the ministry should also include women's representatives with some legal background as they decide on goods and services for the household.

'Consumer affairs councils need revamp'

Fomca: Members must address real issues affecting people

IPOH, Thurs: The Federation of Malaysian Consumer Associations (Fomca) wants a revamp of all state consumer affairs councils to better reflect the needs of the consumer.

These councils should have a fair representation of consumer organisations, instead of being filled with politicians and people with no knowledge of consumerism, Fomca president Prof Mohd Hamdan Adnan said today.

He said "these people, while wanting their seat, merely echo the Domestic Trade and Consumer Affairs Ministry's policies but do not address the real issues affecting consumers at large".

Hamdan wants better representation of consumer bodies or non-governmental organisations that are aware of consumer issues, such as the spiralling cost of essential goods and services, which need to be addressed.

"The next three months are crucial as next year's budget will be presented on Oct 17, the fasting month is approaching with the celebrations of Christmas and Hari Raya Puasa around the corner and the school holidays are beginning," he said.

"We are very sure the cost of essentials and other consumer goods and services will increase at least 20% to 30% in the next three months, and we need capable people in the state councils to address such important issues".

Fomca does not want councils that merely rubber-stamp the ministry's policies, with no power to stop inflation in the country. Hamdan said adding he will take up the issue with Minister Tan Sri Muhyiddin Yassin soon.

He was reacting to Perak unity and consumer affairs committee chairman Puan G. Rajoo's move to drop the Perak Consumers Association

(PCA) president Abdul Rahman Said Ali from the state consumer affairs council this year.

Hamdan said there are five consumer bodies in Perak - PCA, Consumers Association of Taiping (CAT), Education and Research Association for Consumers (ERA), Consumer Association of Hill Perak and the Kuala Consumers Association (KCA).

"All throughout, PCA, which is affiliated with Fomca, has been in the council, but suddenly it is booted out and replaced with KCA, which is only a small organisation," he said.

Hamdan believes that political manoeuvring has resulted in the ousting of Abdul Rahman and the inclusion of KCA, whose president is a close friend of Rajoo.

He also said he will send a protest letter to Menteri Besar Datuk Seri Dr. Raju Mohd Tahir Rodi Ghazali tomorrow over "this sudden move".

CHAPTER 4:

GOVERNMENT-NGO ENGAGEMENT IN A CONTESTED SPACE

Post-war growth of citizens' movements

Much of the second half of the 20th century saw the phenomenal growth of social movements particularly in Asia and other regions in the South. These organisations were unlike the independence movements of the first half of the last century. Parallel to the growth of the social movements was the dramatic change in the system of governance in many countries in Asia.

Organised social movements emerged as a response to the complex socio-economic issues confronting many countries that had embraced the classical paradigm of growth-centred development and industrialisation. The path of development taken by the South resulted in serious socio-economic and ecological challenges to governments and communities. This manifested in such forms as increasing poverty, deteriorating ecological systems, pervasive communal violence, unsustainable consumer lifestyles, the HIV/AIDS pandemic and unprecedented migration.

Search for effective engagement with governance structures

After the people won independence from their colonial governments, freedom fighters' organisations naturally waned in relevance. They were supplemented by quality of life organisations, such as health, social and philanthropic societies. Political organisations failed to meet the people's social development expectations as they focused on acquiring power

and strengthening their network base. To win support, the ruling parties focused on generating jobs, which gave space for the growth of trade unionism. Unions became the people's power base.

Also, the growing attention that the newly-independent nations paid to economic and social development resulted in the pursuit of, among others, the goal of universal education. This emphasis was to have far-reaching effects on society as the higher level of general education created an increasing awareness of individual and collective rights. This would partly explain the strength of the teachers' unions and the Labour Party in the then-Malaya in the 1950s and beyond.

Outside of employment issues, citizens found that they needed an avenue for articulating their concerns about the quality of their day-to-day lives. An early example of such consumer organising in the country is the establishment of the rate-payers' associations in the major towns. These organisations were raising many of the concerns that would be the bread and butter of the latter-day consumer groups, such as urban services, public amenities and distribution of resources. However, the term "consumer association" was not yet in vogue then.

The awareness of consumer rights is intrinsically linked to women's role as care providers. When women began to enter the workforce in larger numbers in the 1950s and 1960s, taking up jobs in rubber plantations, tin mines, in teaching, nursing and others, they began to express their concerns about the basic needs of their families and the community, such as food, shelter, healthcare, etc. About this time, the Women's Institute, the Sarakup Indu Dayak Sarawak, Family Planning Association and the National Council of Women's Organisations were formed, reflecting the growing concerns raised by women.

Faced with these new voices, the public administration began to feel the pressure for improving the quality of services, and to engage with these new social movements. Local authorities came under increasing scrutiny, and local council elections became a hotbed for discussions about a plethora of civic concerns. Unfortunately, local council elections had a very short lifespan, and local councillors today are generally political appointees.

A significant two-page government circular issued on 4th March 1965 urged all State Secretaries to involve District Officers in supporting the move to form consumer organisations. The circular spelt out very clearly the objectives of consumer groups. (New Straits Times, March 2002)

In the meantime, the pursuit of economic development began to impact on the livelihoods and lifestyles of Malaysians. Increasing mobility, higher incomes and growing urbanisation created new pressures for the people. Despite the criticism of the inadequacies of the growth-centred economic model that was becoming established, the powers-that-be continued to pour resources in that direction, to reap the short-term benefits of these economic activities, such as job creation.

From 1970, the influx of foreign direct investments, and the setting up of free trade zones to entice foreign capital to park in Malaysia began to rapidly transform not only the economic landscape, but also the social fabric of the country. Job recruiters began scouring the rural labour pool to supply workers for the new industries that were sprouting especially in Penang, Selangor and Johor.

The rural populace was enticed to the towns through the promotion of consumeristic lifestyles that came with the new employment opportunities. Rural girls and boys ventured to

the cities to earn an income to help support their families back in the villages. The prospects of urban living, including the shopping malls, cinemas and freer social interaction further induced them to make this move. This created a new pool of young urban consumers, which businesses were quick to tap. Ironically, although there was an increase in incomes, a host of other consumer-related problems began to surface. Hire purchase became the order of the day as incomes were hardly sufficient to support the workers' families back in their villages and maintain their new lifestyles at the same time.

These contrasts of development fuelled the growth of single issue movements in the 1970s and 1980s. Women's organisations took up equal pay and other gender concerns and environmental groups focused on resource degradation resulting from unbridled development. Consumer groups took on the inappropriate lifestyles that such economic activity was generating, and new forms of urban poverty were addressed by urban pioneers' groups. At the same time, the awareness of human rights began to shift and expand, creating a push factor for people to organise themselves for self-protection.

A number of these NGOs focused on advocacy, championing causes like social and gender equity, economic reform, labour and human rights, healthcare reform and other governance issues. They are sometimes labelled political NGOs.

Dichotomy in quality of life

By the 1960s, the economic planners could see that in order to bring the benefits of development to the people, they needed to attract vast amounts of capital investment. So, the economic environment was reformed through the introduction of pro-investment policies like 100% profit-repatriation for foreign direct investments, pioneer status relief, maintaining a low wage

regime and discouraging trade unionism.

These measures were naturally very attractive for investors and succeeded spectacularly in creating jobs and putting money into people's pockets, planting the seeds of a consumeristic culture.

However, the social and development policies that were adopted, while they addressed broad goals like universal healthcare, education and infrastructure development, lagged in key areas like the protection of basic rights, a safety culture, protection of the environment, developing quality standards, etc.

Looking just at consumer concerns by way of illustration, there is to date no functioning product recall mechanism; weak enforcement makes laws related to industrial pollution ineffective; and severe degradation of potable water quality in several states has taken place.

Civil society movements affected by curbs on political space

As NGOs witnessed the shortcomings of the government's development agenda, they naturally articulated their concern about the unfulfilled social development potential of the nation. These comments were often expressed in reference to basic rights. Unfortunately, the authorities reacted negatively to some of the feedback, viewing the NGOs as political opponents rather than acting on the constructive criticism provided.

The Communist Insurgency that erupted in the late 1940s, the growing visibility of opposition leaders in the urban centres, rising student activism, the power of trade unionism and the pressures created by socio-economic disparities kept the Government busy from time to time.

In its anxiety to neutralise its political opponents, the Government put up a series of coercive laws to curb civil liberties. The Internal Security Act 1960 (ISA), the Police Act 1967, the Official Secrets Act 1972 (OSA), the Universities and University Colleges Act 1974 and the Printing Presses and Publications Act 1984 were put in place in succession. In doing so, it has stifled constructive dialogue with social reform groups. The space for organised public representation had been steadily narrowed as a result. All along, the Government has defended the need for these laws in order to maintain a harmonious social environment and political stability to ensure that development continues unhindered.

Mandatory Registration

All organisations in Malaysia are required by legislation to be registered with one of the following regulatory agencies:

- The Registrar of Societies (ROS);
- The Registrar of Companies (ROC);
- The Registrar of Business (ROB);
- The Trustees' Office;
- Department of Social Welfare, Ministry of National Unity and Social Welfare;
- Department of Trade Unions, Ministry of Human Resources; and
- Ministry of Youth and Sports

A Directory of Development Based Non-Profit Organizations in Malaysia (1999) shows that these entities are registered with one of the following: Registrar of Societies, Registrar of Companies, Registrar of Business or the Trustee's Office.

Champions of social justice find voice in citizens groups

Interestingly, as the regulatory and political environments became intolerant of dissent, the constraints on civil liberties have radicalised some elements of the NGO sector. While the democratic space for the right to association and freedom of expression have been curtailed through legislative measures, new kinds of social movements emerged in the late 1980s and early 1990s in some areas such as human rights, indigenous people's rights, migrants' rights and political rights. In addition, NGOs that were already involved in civic issues, such as ERA Consumer, broadened their scope of work to include the issues that were newly coming into the field of vision of the citizens movement.

To cope with this restricted environment, NGOs took up issues that did not have a direct political party link. Women's issues such as domestic violence became an avenue for articulating the need for a more equitable gender relationship. Similarly, women as consumers provided an approach for renegotiating unjust social equations.

Some consumer groups also contributed to this new evolution in civil society, and began to measure consumption behaviour against such standards as labour practices, impact on the environment and so on. This is when the notion of green consumerism and ethical consumption gained popularity.

Citizens movements elsewhere influence local groups

The growth of global trade and commerce spurred economic activity and with it technological and communication advances in this heady period. Soon these changes in other parts of the world began to have an impact on local social movements. The development of the women's and the environmental movements

make an interesting study of this interaction.

The growth of the feminist movement in the 1970s and 1980s, the blossoming environmental movement in the North and South, the expansion of western consumer movements into the South all helped shape the new social movements in Malaysia.

International agreements fuel growth of social movements

Along with political independence and the emergence of more democratic regimes to replace colonial power structures, there was a flowering of Third World groups that articulated the development concerns of large segments of humanity. These views began to influence the international debates and were reflected in the resolutions and other instruments of international fora like the United Nations agencies.

Some of the landmark agreements and conferences are:

- Alma Ata on the goal of Health for All in 1978.
- UN Conferences on Women in Mexico in 1975, Nairobi in 1985 and in Beijing in 1995
- UN Guidelines on Consumer Protection, adopted in 1985 became a focal point for consumer organising.
- Montreal Protocol on Ozone-depleting Substances of 1987 focused attention on the effects of industrialisation on the environment.
- World Commission on the Environment and Development, which produced the Our Common Future Report commonly known as the Brundtland Report in 1987
- World Social Summit in Copenhagen 1995
- International Conference on Population and

Development in Cairo 1994

- Rio Summit 1992
- Kyoto Protocol on Climate Change 2002
- World Food Summit in Rome 1996
- UN Human Rights Conference in Vienna 1995
- World Conference on HIV/AIDS in Durban 2000
- WTO negotiations in Singapore, Seattle, Doha and Cancun

Like the citizens movements in many parts of the world, local NGOs too drew inspiration and direction from the declarations and networks that emerged from these international events and their commitments by governments.

Changing times for consumer groups

Not surprisingly, these global events rubbed off on consumer organisations, which began to feature such concerns as sustainable development, trade, human rights and women's issues in their agendas.

The number of consumer organisations in the country grew, impelled by several factors:

- Consumer protection became a priority agenda of the government.
- The Ministry of Domestic Trade and Consumer Affairs was established.
- Government policies expanded the space for community-based consumer groups.
- Leadership changes took place within some existing consumer associations.

Good media exposure for consumer issues

Consumer organisations like FOMCA, ERA Consumer and CAP have received significant media coverage particularly on issues of pricing, quality and safety of products and services and the environment. More recently globalisation and trade issues have also captured the attention of the media. Whether the media was primarily driven to increase its popular appeal or to exercise its social responsibilities, the profile of the consumer movement was much enhanced.

Major news stories include pesticides in vegetables, privatisation of essential services, price controls on basic food items, housing issues and air and water pollution.

Forms of engagement with government

As the number and variety of NGOs grew, presenting many shades of arguments, positions and demands to the authorities, the Government saw that it could not ignore the citizen's voice for long. It then had to create systematic channels to engage with NGOs and so encouraged the establishment of representative and umbrella bodies. Bodies such as NCWO, FOMCA, the National Council for Child Welfare and the Joint Action Group Against Violence, were accorded recognition.

However, individual NGOs continued to engage with the authorities on their own. CAP and ERA Consumer, for example, sent memoranda to government bodies and were called for dialogue sessions by the ministries concerned.

NGOs often found the need to organise themselves into networks to engage with the various authorities when campaigns were launched to address pressing issues from time to time. Consumer organisations found common ground with

NGOs across a broad spectrum of concerns to push for government responsiveness and remedies. Among these were The Coalition Against the Bakun Dam, the Freedom of Information Network, the Save Sungai Selangor group and the Women's Candidacy Initiative.

One important form of NGO dialogue with the Government was the pre-Budget sessions held by the Finance Ministry. FOMCA regularly participated in these dialogues, using these occasions to highlight consumer concerns. For the 1999 Budget, for example, FOMCA urged the Government to keep services like health, housing, education and public transport within the reach of the average Malaysian. In that round, ERA Consumer asked for a bigger allocation for agriculture to ensure food security.

NGOs found the submission of memoranda to be a popular mobilising tool for gathering the inputs of its constituents to provide the authorities with substantive proposals for policy and legislative reforms. Some of these proposals would eventually be worked into the Government's policy formulation process. The consumer movement's persistent campaigning for tobacco control gradually found favour with the Government which introduced incremental curbs on tobacco advertising and sale. This was complemented by legislation banning smoking in schools, hospitals and air-conditioned premises. More recently, the Government has stepped up the war on tobacco with a RM100 million campaign to get school children to say 'no' to smoking. For the consumer groups that were involved, the decades-long struggle continues while they celebrate the small successes in their campaign.

Occasionally, consumer groups found new, exciting ways to enhance the visibility of the issues they were fighting for. A FOMCA memorandum and poster on its signature campaign

for the Consumer Protection Act was presented to the deputy minister of the MDTCA in May 1999 at the Parliament lobby and caught the media's attention. Consumer groups learnt to use a variety of such forms of engagement in order to garner greater support for their causes.

NGOs would typically begin their campaign on a particular issue by educating the stakeholders, including the Government. After some effort was expended, if the administration showed excessive lethargy over the issue, the NGOs would then step up the pace through various activities, such as public fora, publications, signature campaigns and on rare occasions public protests. At some point, the campaign could turn adversarial, and more forceful tactics, such as court action and boycotts would be employed.

Some occasions for engagement such as seminars can quickly come to a boil if consumer grievances are being discussed. During a seminar on housing laws organised by the SFTCA in 1999, the then minister was interrupted several times during his opening speech by angry house buyers, forcing him to cut short his speech and leave hurriedly.

Consumer organisations have since the 1970s found a platform for policy advocacy and participation in the process of governance through formal appointments in committees and agencies dealing with consumer concerns. FOMCA, more than any other organisation, has been appointed to many such bodies, giving it considerable space to influence policies.

But as the case studies reveal, participation by consumer groups (or for that matter by other NGOs) in developing and monitoring public policies is often a thorny affair.

Contested Space?

The spaces for engagement in the governance process have not come easily to FOMCA and other consumer associations. While the Government has recognised the role of NGOs in consumer policy development, some may argue that the space is a contested one.

FOMCA has been appointed to the National Consumer Advisory Council (formerly known as the National Consumer Protection Advisory Council) since its inception. It was even included at the highest level of political intervention in economic strategy such as the National Economic Action Council following the Asian Financial Crisis of 1997-98. Also, it takes up the consumer case as a member of institutions like the Banking Mediation Bureau.

This is in addition to more ad hoc forms of engagement discussed earlier such as participation in working committees and dialogues, submission of memoranda and reports and joint forums and seminars.

Different forms of engagement between the Government and NGOs entail rights and obligations that vary according to the nature of the arrangement. From the NGO perspective, the basis for such engagement is grounded in the fundamental right of citizens to interact constructively with their government for the protection of their political and civic rights. This is a perfect fit with the consumer right to representation which forms a cornerstone of the consumer cause. On the Government's part, it places such an engagement within specified terms of reference, essentially reserving the right of discretion to even engage with an NGO. Given these differing perspectives of their respective rights and obligations, it is unsurprising that neither party is normally satisfied with the outcomes resulting from such engagement.

The Government has actively involved FOMCA in policy development, regulatory reviews and consumer education, bringing much needed improvement to the state of consumer welfare in Malaysia. It has also appointed FOMCA representatives to numerous advisory panels on consumer-related areas, as has been briefly discussed. In this context, it can be said that it has not been difficult for FOMCA to seek dialogue with government agencies to address consumer policy issues and seek solutions to consumer problems.

However, even when dialogues do not end with success or meet FOMCA's expectations, the process provides space for continuous discussion and debate on policy matters and is much valued by NGOs like FOMCA. Though fraught with difficulties and disappointments, FOMCA has not been discouraged, and continues to dialogue with the Government with confidence in the process of NGO-government engagement. The development of the National Consumer Policy, the formulation of the Consumer Protection Act and changes to numerous consumer-related laws took many years of work to achieve.

Despite these successes, it needs to be stressed that consumer groups are at times "uncomfortable" with the continuous engagement with the government. This view was strongly articulated at a roundtable discussion that was called by FOMCA to debate a report by this writer on its engagement with the Government. The meeting, on 2nd August 2003, was attended by present and former leaders and staff of FOMCA and its affiliates and advisers. The MDTCA was unable to attend the discussion.

At the outset of the discussion, several consumer leaders drew attention to the fact that FOMCA is a government-initiated consultative body representing and protecting consumers'

interests. Within this framework FOMCA “works with the Government but not for the Government,” they concurred. Furthermore, some speakers at the roundtable viewed the 30-year engagement with the government as a relationship and not a partnership.

This view is more than mere semantics, and becomes pertinent in relation to the MDTCA's recently initiated “smart partnership” concept for engaging with other organisations and institutions for the promotion of consumer programmes. Perhaps while partnerships are acceptable for ad hoc consumer programmes or for the purposes of research, the notion of partnership does not go down well with consumer activists who have struggled for policy reforms and for advocating the consumer cause.

The activists pointed out that the government has “partnerships” with business. However, the nature of government-business partnerships is different in a number of significant ways from government engagement with social movements like FOMCA.

While a consumer organisation can enter a partnership or a contract with the Government to execute a consumer education programme, for example, it has to separate itself from that relationship when raising concerns like injustices or other lacunae in a particular situation. So, it is not surprising that the participants reiterated several times during the roundtable that “NGOs can have relationships with the Government but that it was difficult to develop NGO-government partnerships”.

The Government often uses the medium of partnerships to facilitate both dialogues and programmes, such as its consumer education seminars with consumer and women's organisations. It has described these relationships as “smart partnerships”.

However, it would be inappropriate to confine the role of the consumer advocate to a “partnership”. FOMCA’s struggle for a truly comprehensive Consumer Protection Act is a prime example. Since 1978, it had been pressing for the adoption of a Consumer Protection Act. After much groundwork, a draft bill was submitted to the Ministry in 1994. But five years later, the Bill had not even been tabled in Parliament, pushing FOMCA to launch a campaign in May 1999 “to enact and enforce the Act immediately”. Soon afterwards, the Ministry announced that the Bill would proceed to Parliament in July that year. However, the Bill was classified under the Official Secrets Act and details could not be released to the public, including FOMCA. Denying the public access to such an important piece of legislation using a coercive law is hardly a hallmark of “partnership”. Furthermore, it impinges on the consumer’s right to information.

Consumer activists at the roundtable pointed out that there is unequal power sharing when an NGO engages with the Government to develop policies, reform legislation or carry out programmes. NGOs therefore prefer to view this relationship as a strategic alliance, rather than a partnership.

Whether it is a partnership, an engagement or a strategic alliance, government-NGO relations are not without its pitfalls. Membership in a government committee, for example, gives the NGO an official, advisory status, and makes it party to any decisions taken. An instance where the NGO partner has come under criticism is the Malaysian Trades Union Congress’ participation in the Employees’ Provident Fund management board, where investment decisions and dividend payments are discussed. When these decisions are unfavourable to the public, the Government has cited the NGO representation as a convenient justification of public endorsement.

The Government can also engage an NGO as a consultant to conduct a study and produce a report on a particular issue, e.g. utilities or other services, privatisation, etc. Here, the degree of independence that the NGO can enjoy will depend on the terms of reference for the consultancy.

Advocacy of the consumer viewpoint without formal representation to a government body gives the NGO greater autonomy to state consumer concerns about the issue. Feedback on the privatisation of water supply is a relevant example.

In the first quarter of 1998, the Klang Valley experienced a water crisis that affected 350 housing areas and villages. The water supply situation in Penang and Malacca was also becoming critical. Water rationing was imposed in the affected areas. Especially vulnerable groups included high-rise dwellers, senior citizens, families with infants and the disabled.

FOMCA wanted the privatisation of water treatment and distribution facilities re-examined and the degradation of catchment areas and rivers to be stopped. As the situation became more critical, FOMCA and the Selangor and Federal Territory Consumers Association (SFTCA) took a vanguard position for the consumer interest to mobilise public and media support for collective action on this essential need. In addition to constant media statements calling on the Selangor state government to take immediate action to remedy the situation, FOMCA initiated a public forum for the worst-affected residents.

One landmark action was a plan by FOMCA and its affiliate SFTCA that if the State Government was unable to immediately solve the water crisis, FOMCA would take legal action against the Selangor Chief Minister for failing to discharge his duties effectively during the water crisis. FOMCA urged consumers

to join in a class action suit, to which 70 consumers responded. On 3rd June, 1998, at a public forum at Bandar Tun Razak sports complex to discuss the issue, 1,000 people were expected to turn up. FOMCA had obtained a police permit on 24th May to hold the forum, but to the public's dismay the permit was revoked on 2nd June, a day before the event. Although the Police Act 1967 provided for an appeal within 48 hours, this was not possible because the revocation was made 24 hours before the forum, and so depriving FOMCA of its right of appeal. Nevertheless, FOMCA did send an appeal at 1pm, 2nd June. By denying the permit, the state had lost an opportunity to obtain feedback from the community on a survival issue.

The wide media coverage for FOMCA's statements, a signature campaign it launched and the planned court action irked the state authorities. Following FOMCA's announcement of its intention to take legal action against the Selangor Chief Minister, the state government began to issue veiled threats by raising questions about FOMCA's objectives, registration status, funding and motives. There were insinuations over whether FOMCA was a political or consumer organisation.

In the wake of these acrimonious exchanges, the Chief Minister, who was a former minister of the MDTCA, described FOMCA's intention to sue the state government over the water crisis as akin to "biting the hand that feeds it" and made a reference to using the Government grants to threaten court action against it. The Government grants covered only 20 per cent of FOMCA's annual expenditure. In the interest of greater independence, in 1998, FOMCA decided not to accept any more government aid. When the relationship improved again, and more positive engagements were taking place, in 2003 FOMCA reverted to accepting some government assistance.

So, while there is room for dialogue with the Government on

public interest issues, that space becomes contested when the NGO "partner" decides to increase the intensity of its actions and the activities give the issues high visibility. Instead of a retaliatory response, the Government must learn to engage constructively with such NGO activism, for the greater good of society.

On another occasion, the Perak Consumers Association sought a court order in January 1998 to force the MDTCA to prevent the price of cooking gas from being jacked up. The Ministry's response was that it was considering court action against the PCA president for alleged defamation.

Fomca again rejects offer of RM60,000 grant

By K. PARKARAN

PETALING JAYA: Thanks but no thanks. That's the Federation of Malaysian Consumers Association (Fomca)'s final response to the Government's offer of the annual grant.

Its president Hamdan Adnan said Fomca was not cutting ties with the Government but had decided to reject the RM60,000, claiming there had been "undue" and subtle pressure on several matters.

"We are fed up with the attitude of some Domestic Trade and Consumer Affairs Ministry officials who think we have to be subservient just because of the grant.

"They must remember that it is the people's money. We are fed up with their condescending attitude towards non-governmental organisations. We

want to send a signal that we cannot be bought over and that we want to maintain our independence," said Hamdan in an interview.

He said the Government should know that protecting consumers was Fomca's ultimate objective, adding that it was neither pro-government or sympathetic towards the opposition.

"Many of us serve on a purely voluntary basis and we don't want to be used by any party," said Hamdan, a professor at the Institut Teknologi Mara.

He emphasised that the individual state consumer associations could collect their grants at a dialogue with the ministry next week but said Fomca would stay away.

In March, the ministry had advised Fomca to reconsider its decision not to accept the annual grant.

This writer recalls an incident in Kota Kinabalu, Sabah in the mid-1980s at a consumer education seminar by the Consumers Association of Sabah for village heads where the Chief Minister

delivered the opening address. He expressed his unhappiness at the high cost of essential food items in his state. Then, for no apparent reason, he lost his cool and ordered government officials there to return to work. As soon as the Chief Minister and officials left, electricity supply to the hall was cut off. The consumer leaders present conducted the session for the village heads in the darkened hall.

The Chief Minister's presence at the seminar was a positive sign of engagement with a consumer group. But his actions later underscores the fragile nature of the NGO-government relationship in the local political context.

However, all at the roundtable agreed that FOMCA's engagement with the Government has opened up the space for advocacy.

The issue of "co-option" cannot be ignored in any discourse on NGO-government engagement. The risk of co-option into government policy positions is a constant possibility. Is FOMCA moving too close to the powerful and away from the powerless consumers as it enjoys higher visibility in advocacy and more influence on consumer policies? Co-option in the case of FOMCA would compromise consumers' interests and concerns.

FOMCA maintains that it has not succumbed to co-option. While tensions have existed in the engagement with the Government, FOMCA has taken care to present the essential positions of the consumer case to the authorities. What therefore has been FOMCA's scope in protecting the interests of Malaysian consumers?

Since its formation, FOMCA has engaged with various ministries and government departments using different approaches.

These include:

- Ministry of Health - proposals for improving the consumer healthcare system, food quality control, pharmaceuticals, promotion of breastfeeding, child and maternal health, etc.
- Ministry of Education - inputs on development and promotion of consumer education in schools and institutions of higher learning.
- Ministry of Domestic Trade and Consumer Affairs - extensive consultations in the formulation of the Consumer Protection Act, Consumer Claims Tribunal and Fair Trade policy; consumer education; and domestic trade enforcement issues, including pricing and quality of goods and services.
- Ministry of National Unity and Social Welfare - inputs on policies and legislation affecting the welfare of children, the disabled and the elderly.
- Ministry of Housing and Local Government - constant feedback and substantive inputs concerning the review of the Housing Developers Act 1966.
- Ministry of Finance - regular feedback at the Annual National Budget dialogue sessions.
- Ministry of Science, Technology and the Environment - feedback on pollution problems and issues concerning the protection of the environment.
- Department of Standards Malaysia - continual inputs facilitating the process of formulating product standards.

FOMCA's representation in Councils, Commissions and Boards include:

- The National Advisory Council for Consumers (NACC)
- National Economic Action Council (NEAC)
- National Economic Consultative Council (NECC)

- National Council of Information Technology (NITC)
- Council of Public and Private Sector Co-ordination in Agriculture
- Council of Malaysian Standards and Accreditation
- Consumer Forum of the Malaysian Communications and Multimedia Commission
- Malaysian Design Council
- Human Rights Commission
- The Standards and Safety Board
- The Advertising Regulating Board
- Banking Mediation Bureau
- Insurance Mediation Bureau

FOMCA has been widely accepted by the government as well as the Malaysian public as the representative organisation advocating the interest of consumers. A MDTCA-commissioned survey in 2002 found that FOMCA is the most well-known consumer organisation in Malaysia. FOMCA's advocacy strategy has created broad awareness of consumer issues among both urban and rural audiences. In addition, media coverage for FOMCA has been decidedly positive, and its numerous memoranda, proposals and campaigns have had a significant effect on policy changes in Malaysia. Despite these successes, it is a reality that NGOs have to deal with the pressures of a contested space in their relationship with the Government.

CHAPTER 5:

'PULL-PUSH ENGAGEMENT' WITH THE GOVERNMENT

Major successes in engaging with the Government

FOMCA's fundamental assertion in its relationship with the Government is that the consumer voice must be heard and that adequate allowance for effective consumer representation must be made.

FOMCA has worked with the Government undauntedly to achieve the highest possible levels of consumer protection within the social, economic and political context existing in Malaysia. It has not been always possible, as the case studies show, to avoid acrimonious confrontation with the Government, which has to deal with the conflicting interests of consumers and business.

The involvement of FOMCA in the process of planning, implementation and assessment of policies, legislation and services for the protection of consumers provides the checks and balances to ensure that appropriate social and consumer policies are made. However, in view of the complexities of engaging with government, and the many possibilities for failure in the follow-through, implementation and monitoring stages, the level of FOMCA's involvement and efficacy does not always meet the expectations of consumers. It does not help that many important concerns are not done justice due to the limitations of FOMCA's resources.

It can be truthfully said that FOMCA's involvement does strengthen the democratic process by making government decisions more transparent, accessible and accountable to

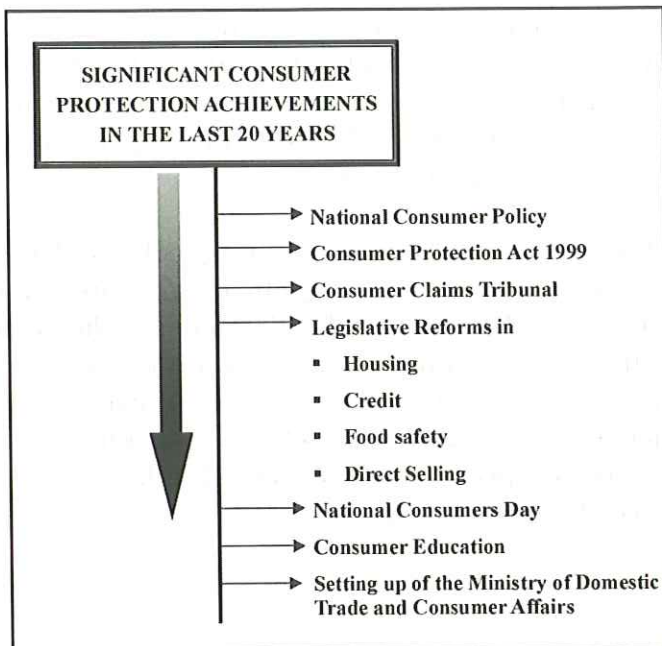
citizen-consumers.

In spite of the fact that there have been difficult periods in the engagement between the Government and FOMCA, the consumer federation can claim ownership for the development of a wide range of consumer-related policies and legislation.

Some of the major achievements of FOMCA in relation to the adoption of consumer-oriented policies by the Government are captured in the chart below.

Government measures

During the last two decades both the Government and FOMCA have played key roles in the development of consumer protection policies. The Eighth Malaysia Plan proposed to



achieve more progress in the areas of consumer education and consumer protection through the establishment of more school and community consumer clubs, enhanced implementation of the Consumer Protection Act 1999 and by carrying out a study for a Consumer Master Plan. These practical and policy-setting measures indicate the close attention that the Government has paid to the consumer interest and paves the way for a comprehensive and effective consumer protection regime to be developed by the Government.

This convergence of public policy-making and citizen activism for enhancing consumer protection has facilitated the engagement between Government and consumer NGOs. Several push-pull factors should be considered in the total picture of the engagement scenario.

United Nations Guidelines for Consumer Protection 1985

The UN Guidelines for Consumer Protection were adopted by the General Assembly on 9th April 1985. The Guidelines represent an international framework that governments can use for the elaboration and strengthening of consumer protection policy and legislation.

FOMCA used the Guidelines as a lobbying tool to seek the best possible consumer protection policies for consumers in Malaysia. The guidelines assisted in developing policies related to consumer safety and health, protection of consumers' economic interests, the right to make informed choices, consumer education, the need for effective consumer redressal mechanisms and specific measures related to food, medicines, water and other basic needs.

Impact of Globalisation on Consumers

Accelerating economic and cultural globalisation is impacting on consumers in all countries. One outcome that has been established through social development surveys such as the UN's Human Development Report is the link between globalisation and the increasing level of poverty on the one hand, and a culture of conspicuous consumption on the other. Globalisation, accompanied by trade liberalisation, privatisation of public services and the growing power and authority of transnational corporations (TNCs) is seriously undermining national resources, the role of the state and the social welfare and economic well-being of consumers. These trends were foretold in publications like C. Raghavan's *Recolonisation: GATT, the Uruguay Round & the Third World* (1990).

The new world trading order under WTO is firmly entrenched. The WTO framework of "free trade" which became the vehicle for linking "new issues" like services, intellectual property rights (IPRs) and investment policies to free trade rules posed further challenges for governments of the South and civil society.

A primary concern of the emerging economies has been that the so-called free trade agenda of the developed countries cannot be reconciled with social justice. The "level playing field" mantra touted by the free trade advocates, who claimed that the dismantling of protectionist barriers would benefit the poor countries more than the rich, by opening access to new markets, has been proven to be a spurious argument. In fact, the nascent economies would be severely handicapped by their lack of resources and economies of scale. In addition, the rich world's promises to open its markets to the poor have been found to be empty words time and time again, as the experiences in agricultural subsidies and steel tariffs, in the US and Europe have shown.

Given this scenario, consumers need to be adequately protected from the negative impact of these trends in globalisation, for example, on traditional food products, which are being supplanted by global fast food brands; on advertising standards, which are being rewritten by the global players and the loss of IPRs to giant conglomerates with enormous resources at their disposal.

Consumers need to be well informed about the forms that these globalised industries are assuming and protected from the impact of globalisation in new fields of information such as transborder data and information flows and cross-border movements of financial services. To navigate in this environment consumers need to not only learn the new rules of the game very quickly, they also need to develop new skills and aptitudes, and in addition, have the protection of adequate regulatory regimes.

NGOs like FOMCA began to play a critical role in confronting the challenges of globalisation as these issues began appearing on the radar screens of economists and development experts at least 20 years ago. FOMCA had to take positions on global trends and create public awareness of the effects of globalisation. It forged partnerships with other NGOs to unite the people to fight for their rights in a WTO-governed globalised world. In the 1980s, for example, FOMCA lobbied the Malaysian government to give its support to the WHO/UNICEF Code on the Marketing of Breastmilk Substitutes and the FAO Code on Prior Informed Consent. In these efforts, FOMCA networked with the International Baby Food Action Network and Pesticide Action Network Asia Pacific.

Following the Asian Financial Crisis of 1997, FOMCA tabled a resolution at the World Consumer Congress in Chile, 1997 on regulating speculative capital flows that caused the collapse of

East and Southeast Asian boom economies and great suffering to their people.

New Social Movements

The growth of NGOs in the 1970s and 1980s worldwide encouraged the formation of such organisations in Malaysia. Some of the groups that flourished in the 1980s were: consumer groups such as SCA, CAP, FOMCA and PAC, women's organisations like Women's Aid Organisation (WAO), Tenaganita, All Women's Action Society (AWAM) and political NGOs like the Angkatan Belia Islam Malaysia (ABIM) and Civil Rights Committee of the Selangor Chinese Assembly Hall. The Centre for Orang Asli Concerns and the PACOS Trust are among more recent NGOs that addressed the concerns of indigenous peoples. These NGOs played the role of democratic conscientisation on consumer rights, human rights, environmental and women's concerns and indigenous people's rights. This groundswell of civil society activism, however, suffered a decline after the mass arrests of a varied group of politicians, activists and social workers under *Operasi Lallang* in 1987.

Two national newspapers, *The Star*, an English daily, and the *Watan*, a Malay daily, which provided a forum for NGO discourses and statements, and which enjoyed a wide circulation, were among publications temporarily banned under *Operasi Lallang*.

Growing Consumer Activism

Consumer organisations have helped Malaysians to become aware of their individual and collective interests as consumers. They help the public understand their rights and

responsibilities as consumers and develop their capacity to assert their rights in the marketplace.

Recognising the potential of the consumer movement as a force for enhancing the people's welfare, both the Government and consumer associations devoted much attention to the generation of consumer awareness among the public. This spirit led to a strong growth in consumer activism in the 1980s.

Bourgeoning Middle Class

As the Government's modernisation programme, accompanied by capital-intensive economic development took root in Malaysia, it led to the expansion of a broad middle class base spread over the country's demographic range. Rapid urbanisation in the last three decades indeed brought unprecedented affluence to Malaysia until the Asian Financial Crisis of 1997.

The new middle class took to a lifestyle of conspicuous consumption. With their new-found wealth, they indulged themselves with luxury cars, plush homes and condominium living, overseas holidays and material comforts like gourmet dining. A FOMCA Household and Sustainable Consumption Survey in 1997 focusing on the middle class in Malaysia showed that as incomes increased, there was a dramatic increase in consumption of consumer goods.

Given an expanding marketplace with a wide variety of goods and services and a pattern of increasing consumption, problems related to choice, quality and pricing are bound to arise. Both the consumer and the trader are treading new ground where established norms and recognised standards do not exist. Friction between business and consumers is therefore inevitable. For example, many condominium dwellers found that the

quality of services they received in return for the monthly management fees they were charged were not always up to their expectations.

Both the Government and the consumer movement have recognised that a fair marketplace with adequate consumer protection mechanisms is imperative for the consumerist society to function effectively. Segments of the middle class have begun to demand for fair policies, hazard-free products, adequate choice and consumer-friendly information about their purchases.

This is reflected in the increasing number of complaints made by mainly middle class consumers to consumer associations on malpractices they had encountered in the marketplace. These complaints propelled FOMCA and the Government to review existing policies and legislation related to consumer protection.

Media

Prior to *Operasi Lallang* in 1987, the media provided a forum for consumer groups to highlight issues related to consumer safety and protection - sometimes grabbing the headlines. Consumer leaders and consumer associations harnessed the influence of the media to protect consumer sovereignty.

The Government was often forced to respond to these issues raised in the media and sometimes even had to defend its actions. After 1987, with the shrinking of the democratic space for NGOs, media access became somewhat restricted.

However, FOMCA seems to have weathered this situation quite well, partly due to the favouring of Professor Datuk Mohd Hamdan Adnan, the former President of FOMCA, by the media. Also, since consumer issues affect the average person,

it is likely that the media has felt free to continue giving consumer groups space to discuss bread and butter issues.

Building Public Support

The strongest consumer organisations have been said to be those that have public support, for without this backing, the development and implementation of policies are bound to fail.

Several indicators could be used to gauge public support for NGOs. Among these are membership strength, attendance at NGO forums and seminars and financial support. Membership in consumer organisations has remained low, partly because they are “passenger organisations” to which complainants turn to when they need to solve consumer problems. Unlike trade unions, consumers therefore see no compelling reason to be permanent members of consumer associations. Neither does the public make donations to consumer groups as a matter of priority, according to Universiti Sains Malaysia’s Philanthropy Survey (Josie M.F. & Abdul Rahim Ibrahim, eds, 2002).

However, consumer seminars have commanded excellent participation from the public particularly when the issues discussed directly affect the pockets and health of consumers, such as housing, food, water, medicines, telecommunications and financial services.

The public attendance at FOMCA seminars and the media coverage of the policies FOMCA had been lobbying for demonstrate the extent of public collaboration in its work. When an organisation has public support, government agencies take note of its views.

Community Involvement

Community participation in NGO activities brings legitimacy, influence, power and insight to the campaigns, leading to the achievement of new policies and changes to legislation.

The development of school consumer clubs in Selangor and Pahang was possible because the district consumer committees within the SCA and PAC structures were involved in the planning and implementation of school consumer clubs. The effectiveness of the NGO role in consumer education is reflected in the broad reach of school consumer clubs in Selangor, 75% of which have been established by FOMCA and SCA.

The establishment of Pahang Association of Consumers (PAC) branches in many FELDA land resettlement schemes in the state is another outstanding example of how communities were mobilised to organise consumer power. Similarly, the Consumers Association of Sabah targeted community leaders and village heads in its consumer education programmes.

Civil Society Collaboration

Networking for a common cause is a popular tool for lobbying and advocacy. In the Indah Water Konsortium case, non-consumer organisations like residents associations, the social reform movement Aliran, and women's groups assisted with the signature campaign.

FOMCA has also collaborated with other NGOs in seeking reforms such as in the Abolish ISA Now! Campaign in 2000. Even the act of endorsing a campaign has its value in creating momentum for change. Another case is the joint memorandum protesting against the toll increase at three toll plazas in the

Klang Valley, where FOMCA joined the Malaysian Youth Council and union umbrella bodies like MTUC, CUEPACS.

Governance

A fundamental challenge facing every society is to create political, economic and social systems that promote human welfare, environmental sustainability, human rights, accountability, transparency and peace. Good governance is essential to the achievement of these goals. The appointment of FOMCA to various committees involved in reforming consumer-related laws is an example of good governance. But such appointments must be accompanied by greater transparency, less bureaucracy and more collaboration.

Setting up Institutional Mechanisms

As noted earlier, the Government has recognised that an institutional structure is indispensable for addressing the rapidly multiplying problems of a consumer-oriented society in a globalised marketplace.

This realisation led to the establishment of the MDTCA in 1990. Prior to this consumer affairs fell within the ambit of the Ministry of Trade and Industry, which naturally focused on its priorities.

The Government also set up the National Consumer Advisory Council, and State and District Level Consumer Councils in recognition of the importance of nurturing the consumer interest. These institutional mechanisms are tasked with providing avenues for settling consumer disputes and for promoting consumer education. However, consumer organisations feel that state consumer councils are set up for

political purposes as some of their members are political party appointees. Further, they are seen as competing with consumer groups by organising similar consumer education programmes. More recently, the Government has supported the formation of community-based consumer groups.

Reconciling Conflicting Interests

The primary role of the MDTCA is to promote domestic trade and at the same time ensure that consumers are protected adequately. The ministry understands its role as encompassing what seem to be conflicting pursuits, i.e. the promotion of trade, and the protection of the consumer interest. It says that its actions and decisions are guided by national priorities. The ministry promotes a tripartite relationship among government, consumers and business, to avoid acrimonious confrontation between conflicting interests and to seek solutions for the benefit of all parties.

Both FOMCA and trade representatives have expressed unhappiness over the tripartite relationship when the two quarters have taken opposing positions on issues such as food prices, quality of housing and water supply.

Responding to consumers' concerns

The case studies examined in this book, and the frequent statements of government officials in the media indicate that the Government is responding to consumer concerns. But the time taken to address pressing issues, and the nature of the solutions proposed have caused some concern to FOMCA and to Malaysian consumers.

For example, the Consumer Protection Act 1999, which has

significant shortcomings, is being reviewed, but until a more enabling legislation replaces the current one, consumers remain inadequately protected in key areas, notably housing and health. In addition, too much time has been taken to curb flagrant malpractices like the “get rich quick” schemes which continue to find new victims daily, and the slow action against hazardous products in the marketplace has frustrated FOMCA.

FOMCA is also unhappy that the development of new policies and laws has not kept up with the accelerating pace of globalisation. However, the Government continues to undertake legislative reforms in critical areas.

Initiating Policies and Legislation

Rapid developments in services and the advent of globalisation have created new forms of transactions that are still regulated by laws that apply to an outdated business regime. To name a few:

- many consumers are hardly aware of hidden charges and unfair contracts attached to credit card services;
- creative marketing of holiday packages can entrap unsuspecting consumers;
- time-sharing services are notorious for exclusion clauses that leave the investor stuck with a raw deal;
- regulations on pesticide residues in food remain naïve about aggregate consumption levels;
- inefficient services in many sectors are practically impossible to quantify for effective redress;
- electronic commerce opens unfamiliar territory for many users;
- unfair contracts remain unchallenged in many aspects of daily commerce; and,

- product liability rules offer dismally inadequate protection under existing laws.

In the last 10 years, however, the Government has updated many earlier laws and enacted new ones. But given the complexity of the issues stated above, the Government has to continuously initiate new policies and update and enact legislation to address the emerging situations.

The MDTCA has reviewed some 30 statutes that have elements of consumer protection in their scope. A comprehensive Consumer Protection Act was enacted in 1999 after over two decades of lobbying and campaigning by FOMCA.

More recently in the light of the impending WTO regime, the Government has introduced laws for ensuring fair trade, food safety and other concerns of the global marketplace.

Integrating consumer policies with national development

The Government has recognised that consumer policies need to be integrated with national development policies to enhance the quality of life of citizen-consumers.

The Malaysian Government is one of very few governments that celebrates a National Consumer Day and recognises the rights of consumers. Awards are given to effective consumer organisations, school consumer clubs and consumer leaders on The National Consumer Day which falls on July 26th.

Minimising governmental intervention

While the Government has shown strong commitment to consumer protection, the future direction is towards "self

protection as the best protection', meaning consumers cannot always depend on enforcing agencies to protect them. With adequate consumer education, the Government wants consumers to be able to take action themselves. The National Consumer Policy underscores this thrust towards self-protection.

Allocating resources

Providing financial assistance to NGOs is a responsibility of government, and this is done by a number of governments worldwide. Although the MDTCA has provided some financial support for consumer groups, especially to run consumer education programmes, this aid is sometimes used by the Government to curtail criticism of its performance. This was apparent during the 1998 water crisis discussed in Chapter 4.

Expanding the scope of FOMCA's work

To address the inadequacies in consumer policies and legislation, FOMCA has taken on the role of a policy reform advocate. The task is formidable - defining the issues, obtaining public support, campaigning and lobbying effectively, raising funds, obtaining and publishing information, carrying out consumer education, getting publicity and at the same time, protecting its independence. To execute this role, FOMCA has to deal with consumers, the Government and business. With the Government, it has to engage at the political, policy-making, legislative and administrative levels. With business, it has to educate, admonish and monitor compliance. And to consumers, FOMCA is an educator and protector. In addition, as a movement working towards a better future for society, FOMCA has to anticipate future crises.

The factors discussed here have dominated the push-pull scenario of FOMCA's relationship with the Government, but there are structural, social and cultural challenges that will need to be addressed, as discussed in the next chapter.

CHAPTER 6:

CHALLENGES TO CONSTRUCTIVE ENGAGEMENT

Government Bureaucracy

While the Government has supported the growth of consumer organisations, on the other hand, bureaucracy has not made it easy for FOMCA to influence the process of policy development. Consumer leaders constantly point out that the space and avenues for consumer grievances to be raised effectively are limited by cumbersome procedures, powerful bureaucrats, corruption and lack of political will.

The time taken for new policies or legislative reviews to be enacted is long. The Consumer Protection Act 1999 took 21 years, amendments to the Housing Development Act went through years of meetings, dialogues, memoranda and even protests by house buyers. The National Consumer Policy came into effect only in 2002, 17 years after the UN adopted its Guidelines for Consumer Protection.

Secrecy

Information is central to safeguarding the consumer interest. But access to official information in general and inquiries into the progress of policies and legislation have been made difficult by the Official Secrets Act 1972 and government employees' attitude of pre-emptive secrecy and self-censorship. This situation has delayed the development of effective consumer protection policies.

Misconception about NGOs

Criticism of government policies by NGOs has sometimes been seen as being anti-government or anti-ruling party. This misconception impedes free-flowing interaction with the Government because NGOs are afraid of being seen in a negative light. Such a perception works against the NGOs by closing doors to many meaningful opportunities for engagement. The mainstream media has also been guilty of reinforcing this misconception. Of late, however, some hope is seen in the changes to the political environment, and NGOs are being courted for their views on a number of public interest issues.

Poor knowledge base

Government officers responsible for consumer-related issues are not always familiar with the issues concerned. When contemporary consumer issues are brought to their attention, the lack of knowledge on these issues poses as an obstacle to effective engagement. Without the capacity to understand consumer issues, the officers are not able to address policy concerns. This situation, FOMCA has expressed repeatedly, stunts the growth of pro-consumer policies.

Lack of financial and human resources

Government departments dealing with consumer affairs are often not allocated the human and financial resources necessary to keep up with the increasingly sophisticated marketplace, contemporary consumer problems and changing consumption patterns and needs. As a consequence, areas like research, information, enforcement and training are compromised because the money is not made available.

For FOMCA too, the lack of human and financial resources has been a serious impediment to expanding its work and to

building a stronger institution with more effective reach. This remains a challenge for the consumer movement, and needs to be addressed if it hopes to remain vibrant in the future.

Effective political and civic engagement requires intellectual capital - meaning knowledge and understanding of issues, the ability to articulate problems and to present the consumer case convincingly. The failure to nurture this capital in schools results in a heavy cost for society in many areas of civil society leadership.

Speed

The ability to respond quickly to problems is important for averting further consumer injury. Every day, consumers are affected by hazardous products, dangerous medicines, contaminated food and environmental pollution, but the necessary action is often too little too late.

Additionally, the rapid liberalisation and deregulation of goods and services create new demands for consumer protection, including policies and instruments such as a Competition Act and an Office for Fair Trade. Consumer representatives like FOMCA, on their part need to develop the capacity to influence these mechanisms.

Public support

Public support is not always forthcoming as Malaysian society suffers from a fear syndrome, due to a number of laws that curtail civil liberties. It has been difficult to campaign for signatures for certain issues such as for a Freedom of Information Act. It does not help either that it is sometimes difficult to obtain permits for public protests against unfair policies and market practices.

FOMCA's affiliates

The affiliates have provided strength but also have their weaknesses. They are independent entities that pursue their individual work programmes and priorities. For example, as state consumer organisations, their mandate leads them to focus on very localised problems, leaving little resources for national and international issues. They would also engage for the most part with their state government and local authorities.

However, a number of state affiliates have remained small in size with poor human and financial resources. Therefore, they are unable to participate effectively in policy development and mobilizing collective action in the consumer interest.

Non-affiliates

Several consumer groups, notably the Consumers Association of Penang, the Muslim Consumers Association and the MTUC-based consumer association are not affiliates of FOMCA. Political parties have also found an agenda in consumerism, and the United Malays National Organisation (UMNO) and the Malaysian Chinese Association (MCA) organise consumer education programmes.

The challenge involving coordination with these non-affiliates is in the field of policy development. For example, when FOMCA presents a memorandum on public health care, non-affiliates may present alternative proposals that may create hurdles in the path of efficient policy formulation. This is the thorny issue that FOMCA and non-affiliates have to resolve, while recognising the role of diversity in the consumer movement.

Media

The media, as the Fourth Estate, on par with the Executive, the Legislature and Judiciary, is a crucial ally for NGOs. Consumer organisations have learned quickly that good relations with the media is essential for successful consumer advocacy work and campaigns.

However, coverage of “consumer news” in the media is undergoing change. Whereas the media used to be quite receptive to exposes and inquiries into consumer hazards and disasters, it is gradually becoming more business-friendly. Editorial-marketing tie-ups have become a mainstay of the newsroom, and any news that has the potential of upsetting current and future advertisers is being handled more and more cautiously.

The media's participation in public debate is vital for developing sound policies. Issues such as good governance, scrutinising government performance for efficiency, transparency etc. need media coverage to awaken the public to their importance. However, when consumer groups raise issues that are critical of government policies and performance, the media is sometimes reluctant to provide space for debate.

Sustaining the Engagement

With the possible expansion of the Consumer Division of the MDTCA and the restructuring of the State and District Consumer Councils, the Ministry is planning to carry out more consumer education programmes and develop consumer groups. How this will affect the contested space is a relevant question. FOMCA will need to develop new strategies because of this development and more effort would need to be put into monitoring government policies.

Growing Power of TNCs

Corporate dominance in our consumer society is a major challenge to be dealt with. Businesses have a built-in mechanism for obtaining the resources they need to influence government and public policy. These resources come from consumers who buy their products and services.

Businesses pool their resources to form powerful trade associations to advance their interests in engaging with the authorities. Consumers on the other hand are dispersed in the marketplace, and the bargaining power they can marshal is invariably weaker than that of business. The challenge is to form strong consumer institutions that can correct this imbalance.

For example, in the last decade, a handful of extremely powerful corporations has managed to gain control of the very building blocks of life, says a recent book on TNCs and genetically modified crops, *Hungry Corporations* (2003), by Helena Paul and Ricarda Steinbrecher. These corporations are using third world hunger to justify force-feeding the world with GMOs, while it is really their own hunger for profits and power that is driving the commercialisation of GM crops and foods. As such, consumer organisations are joining forces with other citizens groups to stop the biotechnology invasion of the food chain.

Engaging with Business

Traditionally, the consumer movement has distanced itself from business, in the interest of consumer protection. Recently, however, a shift in approach has emerged. FOMCA has organised seminars targeted at businesses, such as those on Complaints Handling and Customer Relations Management. Arguments in favour of such activities focus on the advantages of addressing consumer problems at their source, i.e. at the

vendor. The concern that the consumer cause may be compromised is a challenge that needs to be managed.

Changing Demography

One of the factors that influences consumer welfare is the demography of the country. Consumers have wide and disparate interests in relation to the vast range of goods and services they buy. Their needs and concerns vary at different stages in life and so their choices and experiences as purchasers of goods and services change with time and circumstances. Consumer policies and programmes therefore need to take into account the demographic context.

The number of persons aged 65 and above - typically labelled the elderly - is projected to be the fastest growing segment of Malaysia's population in the next 10 years. As things stand, consumer programmes and policies are not factoring in the needs and concerns of senior citizens. At the same time, the demographic profile is also characteristic of a young population. This duality poses additional difficulties for consumer organizations for making resource allocation choices for their programmes.

Governance

Towards the end of the 20th century, a number of scandals involving transparency and accountability focused public attention on governance issues. The challenge for public interest organisations like FOMCA is to constantly improve the governance at two levels – one, for the public it aims to serve and two, internally in terms of financial accountability and the effectiveness of its programmes.

Moving Forward

All things considered, FOMCA has significantly improved the state of consumer welfare in Malaysia through its engagement with the Government, albeit within a contested space. This achievement must be taken to another level now by addressing the challenges outlined in this discussion. Admittedly, if the democratic space in the country had permitted, FOMCA and other NGOs could have had a much better quality of engagement with the Government. There are signals now that the constructive engagement of citizens in political and civic life is set to revitalise Malaysian society.

CONCLUSION

FOMCA's experiences in engaging with government in developing consumer protection policies are rich in lessons for policy makers and civil society organisations. As the case studies in the next section illustrate, important consumer policies have been formulated and implemented in the process of addressing a variety of consumer issues.

In some instances, the engagement has come about as a response to the problems of ordinary consumers such as housing, consumer credit and water and sewerage services. While these issues reflect the day-to-day concerns of consumers, FOMCA's interventions have also addressed long-term social development. These include the National Consumer Policy, Consumer Protection Act 1999, and the promotion of sustainable consumption and development.

The sample case studies reflect the changing socio-economic and political context confronting consumers nationally and internationally. FOMCA continues to be represented in some 20 government planning and steering committees involved in social policy development. Internationally, FOMCA joins civil society organisations in representing the consumer interest at fora such as the WTO.

Locally, FOMCA has joined a plethora of movements such as women's groups, trade unions, media, youth and environmental groups in lobbying for and advancing numerous public interest issues. In doing so, it has broadened its engagement with government, thus widening the democratic space for civil society.

In order to sustain consumerism's relevance to the times, FOMCA must draw strength from its affiliates, which need to

develop competencies in a wide range of emerging concerns. This is vital for mobilising collective action for new advances in consumer policy.

One way forward is suggested in a talk on the Politics of Consumption by Dr. Matthew Hilton, senior lecturer in History at the University of Birmingham, UK on April 15th 2004 in Penang. In speaking of the future of consumerism in Malaysia, Hilton refers to the Consumer Master Plan 2003 – 2013, in which FOMCA was represented on the preparatory steering committee. He throws a challenge to consumer organisations in the country to ensure that the Consumer Master Plan recommendations are implemented so that by 2013 Malaysia will have a regime of consumer protection to rival any in the west.



FOMCA'S EXPERIENCE:
A Selection of Case Studies

I. THE NATIONAL CONSUMER POLICY 2002

The National Consumer Policy was mooted by FOMCA following the formation of the Ministry of Domestic Trade and Consumer Affairs in 1990. When the Consumer Protection Act was adopted in 1999, a number of inadequacies in its scope were noted. These weaknesses emerged due to the absence of a National Consumer Policy, FOMCA argued. The National Consumer Advisory Council, established under the Consumer Protection Act in 1999, took up the task of formulating this policy.

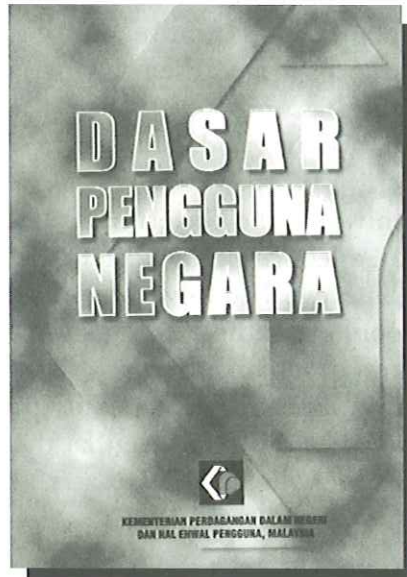
FOMCA played a significant role in the development of the National Consumer Policy with its appointment to the drafting committee. FOMCA organised meetings with its affiliates and their inputs were forwarded to the committee. FOMCA's contribution to the development of the policy is pivotal, particularly in the areas of standards, consumer education, representation and legislation.

Among FOMCA's recommendations were for consumers associations to be represented at the meetings of government bodies, especially that of the Consumer Affairs Action Committee, Public Service Action Committee and Local Government Action Committee in every state and district. FOMCA's recommendation to include measures that promote consumer solidarity and consumer rights in future policy development has been incorporated in the National Consumer Policy.

FOMCA's involvement in the development of the National Consumer Policy through its critical inputs at a national consultation on the policy resulted in the strengthening of the final draft.

Finally, a comprehensive National Consumer Policy which was accepted by the Government, private sector and consumers was launched by the then Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi in July 2002.

The main objective of the National Consumer Policy statement is to provide the highest form of consumer protection. It serves to guide the formulation of policies and legislation spanning all forms of transactions and activities affecting consumers. It is premised on the concept of sustainable development and consumption. In addition, a core principle of the policy is to encourage self-regulation and enhance consumer self-protection through consumer empowerment. The policy's focus in the formulation of national economic and social policies is aimed at ensuring consumer welfare, raising quality of life standards and encouraging lifelong consumer education for all. The policy underscores the role of NGOs and the private sector in the promotion of sustainable consumption.



II: THE CONSUMER PROTECTION ACT 1999

Consumer protection issues have been raised both at the national and international levels for many years, and progress has been incremental on many fronts, from access to basic needs to fairness in the marketplace and consumer rights and responsibilities. All these concerns were brought under one umbrella with the adoption of the United Nations Guidelines for Consumer Protection (Resolution 39/248) by the UN General Assembly on April 9, 1985. The guidelines provide a framework for governments, particularly those of developing countries, to strengthen their existing consumer protection policies and legislation and introduce new ones where there are gaps.

The perennial problems of Malaysian consumers being cheated, misled, short-changed and exploited in various ways led to the introduction of a comprehensive consumer rights law in the form of the Consumer Protection Act 1999. Since 1978, FOMCA has lobbied for a comprehensive statute on consumer protection that incorporates the principles of equity and social justice, promotes economic efficiency and proscribes the dumping of hazardous goods and services.

This was in contrast to the Government's earlier stand that the consumer-related legislation in existence adequately protected the consumer interest. The Government failed to acknowledge that a major loophole in the existing laws that pertained to the sale of goods and provision of services was that they were based on the principle of *caveat emptor*. This principle placed the obligation on consumers to ensure that they were not cheated in any transaction, with no liability accruing to the sellers or producers.

Although unsafe goods and unfair contracts were a common

feature of the marketplace, consumers were unable to obtain redress even if they had paid high prices and received shoddy goods and services. For instance, the Trade Description Act 1972 omits the prohibition of false and misleading trade descriptions relating to services, accommodation and facilities. It also does not give the power of sealing premises to enforcement officers. This enables guilty traders to destroy evidence before the completion of investigations.

The Sale of Food and Drug Ordinance 1952 only lays down standards for 23 types of foods and does not cover typical Malaysian foods. Another important public law that failed to protect consumers was the Housing Developers (Control and Licensing) Act 1966. House buyers frequently faced problems such as shoddy workmanship, delay in the submission of documents by developers and high interest rates on loans. The consumers were often confused by the multiplicity of legislation under various ministries. This was because numerous areas of consumer protection fell under the jurisdiction of various government agencies depending on the functions performed by the respective ministries. Some of the government agencies that have consumer protection responsibilities are the Ministry of Domestic Trade and Consumer Affairs, Ministry of Finance, Ministry of Health, Ministry of Communications and Multimedia, Ministry of Science, Technology and the Environment, Ministry of Education and Ministry of Housing and Local Government.

Action

In order to push the Government to adopt a comprehensive regulation, FOMCA organised a seminar entitled 'Law and The Malaysian Consumer' on 11th May 1981. FOMCA conducted several seminars at state level to educate rural consumers on their rights and the protection provided by consumer-related

laws. These seminars helped to mobilise support for a CPA. For example, a seminar on 'Law and the Consumer' held on 25th April 1982 at Bentong, Pahang addressed defects in the Housing Developers (Controlling and Licensing) Act 1966 and Hire Purchase Act 1967.

FOMCA had also conducted a project entitled 'Community Development and Consumer Protection Through Legal Literacy' from April to July 1986. The main objective of the project was to bring about structural changes through amendments to existing laws, and initiate proposals for new laws especially for a Small Claims Court. A legal working group was set up to provide consultancy and advisory services to state consumer redressal bureaus. As part of its consumer education programme, FOMCA published a monthly magazine called 'Pengguna' (consumer) which carried, among other things, complaints relating to weaknesses in legislation. The project raised consumer awareness, especially among poor urban and rural communities. A seminar entitled 'Know your Legal Rights' was organised in July 1989 in collaboration with the Legal Aid Centre. The papers that were presented in the seminar dwelt on issues relating to hire purchase contracts, pharmaceuticals, family law and labour law.

In 1994, a Draft Consumer Protection Bill was submitted to the MDTCA. In 1996, FOMCA recommended that the Government introduce new legislation to ensure fair competition as part of efforts to counter uncontrolled increases in the prices of food and other essential items. It also called on the Government to carry out an in-depth study on prices and make available such information to consumers to help control price increases. FOMCA urged Malaysian producers to improve the standards of products and services in the local market to a level similar to those required by importing countries.

However, in view of the Government's reluctance to introduce a comprehensive consumer protection act, FOMCA launched a campaign to gather 2 million signatures in May 1999 to protest against the delay. FOMCA submitted a memorandum and a poster of the signature campaign to the Deputy Minister of MDTCA at Parliament on 6th May. At long last, the campaign bore fruit. In July, the parliamentary secretary to the MDTCA announced that the Consumer Protection Bill would be tabled in Parliament that month. However, he said the Bill was classified under the Official Secrets Act and details could not be revealed to the public, including FOMCA.

Outcome

When the Bill was tabled in September 1999, FOMCA was dismayed to learn that three critical areas of consumer concern - health, food and housing - had been excluded. FOMCA described the CPA as "weak" and urged the Government to review it. The Consumer Protection Act came into force in October 1999.

III: THE CAMPAIGN AGAINST INDAH WATER KONSORTIUM'S BILLING SYSTEM

FOMCA responded to the public outcry over Indah Water Konsortium's (IWK) sewerage charges in 1996 by launching a one-million-signature campaign. The aim was to show consumer dissatisfaction over the sudden burdensome increase in sewerage charges after the privatisation of waste water treatment to IWK.

IWK's billing system and the lack of open communication regarding its services came under scrutiny when consumers in Malaysia began to understand that they were being billed for services for which they were yet to be provided.

The issue pertained to the cost of providing the sewerage services that came previously under local authorities and which was privatised to a concessionaire, IWK. This was in line with the privatisation policy that began in the 1980s. Initially IWK proposed to bill domestic users monthly for sewerage charges based on the value of the property and the amount of water consumed. For commercial users, the charges were based on the amount of water discharged into the sewer.

There were several consumer grievances over the new billing system. Firstly, as the sewerage charge was added to the water bill, consumers felt that they were being forced to accept the service on the concessionaire's terms. Secondly, there seemed to be an element of double-billing as the consumer had to pay for potable water which is used for a variety of purposes and then is charged again for discharging that same water. Thirdly, even more unsatisfactory was the fact that the billings were described in codes that could not be understood by the

consumer.

Fourthly, consumers were billed for current sewerage charges as well as arrears prior to the privatisation of the service. For these reasons, the public was very dissatisfied with the explanations given by IWK. FOMCA decided to spearhead the protest against IWK services for not giving the consumer a fair deal.

Development of the campaign

A press conference marked the start of the signature drive. FOMCA vehemently protested against the billing system proposed by IWK. It emphasised that the Government and IWK needed to pay attention to the consumer interest.

Collaboration

Once the campaign took off, other NGOs stepped forward to lend their support. Aliran carried an editorial on the issue in its magazine. The National NGO Resource Centre highlighted the campaign in its publication *Newsvision*.

Residents associations all over Malaysia played an important part in the campaign's success. They helped in distributing the petition forms to consumers in their areas. The local media was flooded with mail from consumers voicing their dissatisfaction with IWK's billing policy. IWK had to respond to some of these letters, and so making the media a forum for public debate on the issue.

Leaflets on IWK's unfair billing system were distributed through various channels together with forms for the signature campaign. FOMCA's affiliates, other NGOs and residents

associations all helped to push the signature drive.

Engagement

The media's extensive coverage of the dispute forced the Government to engage with consumers and their representatives. The Ministry of Housing and Local Government, under whose purview sewerage services come, urged FOMCA and IWK to dialogue on the issue.

The Education Minister too expressed concern that schools nationwide would be paying exorbitant sewerage rates under IWK's billing system. He proposed that the authorities concerned should discuss the implications for the Government. The Prime Minister said that although the Government had privatised several services, it still placed importance on feedback from consumers. He added that privatisation should not burden the public and promised that the Government would look into the issue.

On 6th February 1996, FOMCA participated in a preliminary dialogue with the Ministry of Housing and Local Government. FOMCA officials Abdul Rahman Said Alli, Marimuthu Nadason, Malik Abdul Razak and Indrani Thuraisingham presented the people's case. It emphasised to the Government that IWK was merely a licensed contractor and that it is the Government that is answerable to the consumers if privatisation burdens them. FOMCA held that charges should be levied only when services are rendered, and secondly, that the financial model proposed by IWK was not viable and was against the consumer interest. Further, IWK bills should not be included with the water bill.

A memorandum titled 'Reasons For Not Paying Indah Water Konsortium Bills' was sent to the Ministry of Housing and Local Government. It contained all the complaints and feedback that

were received from the public and concerned groups.

Outcome

The response to the signature campaign was overwhelming and FOMCA received one million signatures. This show of solidarity by Malaysian consumers spoke well for consumer activism in Malaysia.

The strategies employed by FOMCA worked. IWK abandoned its proposed billing system, in which the sewerage charges were to be added to the water bill. Instead it agreed to charge consumers twice a year in a separate bill. The public support was a crucial factor that sealed this victory for Malaysian consumers.

NATION

Ting: Onus is now on Indah Water

By HAZEL ONG

OPENING: The Housing and Local Government Ministry has blamed Indah Water Konsortium for inadequate publicity and awareness on the proposed national sewerage service.

"It is now Indah Water's responsibility to explain the rationale behind the payment of the Indah Water bills along the sewerage system has been proposed to them."

"Indah Water has failed to inform its customers on the proposed system. It has caused

the public to complain and some not to pay their bills. Indah Water's only remedy is to explain in detail how and why consumers are charged," he said.

De Ting said it was on the government's responsibility to explain the Indah Water charges. "We are now just a regulatory body to ensure that Indah Water fulfils its obligations as a public utility body after a ground-breaking ceremony for a new market project here yesterday."

De Ting was responding to a Sewerage Department official who said the government might have to increase if more consumers refused to pay

sewerage charges. The official had said this was because water was not being treated properly and an environmental body and an environmental body was independent to the sewerage charges. He said that Indah Water's government could not be held responsible for the situation. He said that Indah Water was not a public utility body and that it was not a public utility body. He said that Indah Water was not a public utility body and that it was not a public utility body.

People have right to info, says Fomca

PETALING JAYA: Malaysians affected by water cuts and rationing have the right to discuss the situation, Fomca president Mohd Hamdan Adnan said yesterday.

He said many people affected by the problems still did not understand what was happening and were frustrated over the continuous disruptions.

"Many people have sought Fomca's advice on suing the state authorities because they are frustrated over the lack of action taken to solve water problems,"

he told reporters at the consumer group's headquarters here yesterday.

Hamdan said people were appealing against the decision to cancel the public forum on the water crisis, scheduled to be held at Bandar Tun Razak sports complex today at 8pm.

The police permit for the event was cancelled by the Cheras district police yesterday, citing security reasons.

"We hope that the authorities will review the decision. We have no political agenda and it is essential for the people

to be briefed on the water shortage," he said.

He said representatives from the Selangor Waterworks Department, Puncak Naga, Indah Water Konsortium and the Bandar Tun Razak Umno division had agreed to attend the forum.

"We hope that the authorities will review the decision. However, we will not hold the forum without approval," he said.

Cheras OCPD Asst Comm Bakri Zinun confirmed that the permit had been cancelled but declined to comment.

Water crisis has begun: Samy Vellu

SUNGAI SIPUT: Water crisis in the Klang Valley has begun, years ahead of projection due to faster completion of buildings and houses.

Works Minister Datuk Seri S. Samy Vellu said houses and flats were being built faster than the government could implement water work projects.

"We anticipated the water crisis to occur in 2007 and take appropriate steps to prevent it. But this year, we've already seen several water-related problems," he said after visiting the Sungai Siput Convention Centre here yesterday.

Samy Vellu, who is Sungai Siput MP, said the water shortage in the Klang Valley had also been raised by the Minister in the Prime Minister's Department Datuk Tengku Adnan Tengku Mansor in parliament.

To overcome the problem, he said the federal government and the state government of Selangor had plans to obtain untreated water from Pahang.

"This project is important because there is no more source of raw water in the Klang Valley. We must get our supply

from neighbouring states especially Pahang," he said.

Samy Vellu said it was for this reason that the federal government wanted to take over the management of water supply as some states had plenty of water while others did not.

He said the project to transfer raw water from Pahang to Selangor was expected to cost RM3.8 billion and would be completed in 2009.

"It will be implemented in two phases with the first phase involving transfer of 1,500 million litres (300 million gallons) per day and second phase 2,300 million litres (460 million gallons) per day.

"The completion of the project will provide consumers in Selangor and Kuala Lumpur with enough water up to 2000," he said.

On the move to take over the management of the country's water resources, Samy Vellu said the proposal was expected to be tabled in parliament in June or July.

The mechanism for the takeover is being looked into by a committee under

the chairmanship of the Works Ministry.

"The committee is gathering information from state governments concerned before viewing the option Samy Vellu said.

He also said the draft concession agreement on the privatisation of Perbadanan Urus Air Selangor 1 (PUAS) was being finalised and expected to be tabled in the Cabinet at the end of the month.

"If everything goes well, the privatisation of PUAS will be formalised March. The new water tariff will be announced after the Cabinet has decided on the matter," he said.

Water tariffs in Selangor is RM1.50 per cubic metre while the cost of supplying water is RM1.80 per cubic metre.

On the convention centre, he said prime minister or the deputy prime minister would be invited to open it.

The centre had state-of-the-art facilities and could accommodate 1,700 people at a time.

NATION

Perak consumers gripe at IWK fees

IPOH: The Perak Consumers Association will launch a state-wide signature campaign to protest against the exorbitant fees charged by the Indah Water Konsortium.

The association claimed that Indah Water had breached the Sewerage Act, 1991, which only allows the consortium to charge consumers for services rendered.

"But since Indah Water does not have any treatment plant in Ipoh and does not have sufficient equipment and vehicles to carry

out its responsibilities, it has breached the Act by charging the consumers," said association president Abdul Rahman Said Ali yesterday.

He also said that at a meeting between Indah Water representatives and the state Consumer Affairs Council last week, the consortium had failed to explain the reason for the charges.

"They treated the meeting as a public relations exercise," he said, adding that Indah Water officers had even turned away rep-

resentatives of the Ipoh Ratepayers Association from the meeting.

This, he said, was uncalled for as the association was the representative of the city ratepayer.

Abdul Rahman also said that his association had pledged to provide free legal assistance to consumers who were taken to court for not settling Indah Water bills.

The Indah Water charges have become a major issue for consumers in the state as its bills do not explain the reason for the fees.

Fomca has become political, says Abu Hassan

Shah Alam, Wed: Menteri Besar Datuk Abu Hassan Omar has urged the Registrar of Societies to review the status of Fomca as a consumer body.

"This comes in the wake of Fomca's decision to sue him and the state government over the water crisis."

Calling for the review, Abu Hassan said Fomca no longer fights for the interests of consumers but instead politicises the matter, which would not bring any benefits for consumers.

"I am shocked with the move. I was informed that Fomca was satisfied with the explanation by the officials during a meeting with the Selangor Waterworks Department, Puncak Niaga and

Indah Water Konsortium last June 2," he said.

Abu Hassan said Fomca should attend a special meeting on the water crisis to be held on June 25, instead of resorting to such actions.

He said he has directed the state legal advisor to study the state government's next course of action.

"It seems that Fomca is like a political movement with intentions to politicise the issue," he said, adding that the association's liaison with opposition parties such as DAP and PAS shows that it is politicising the issue.

"I urge the public not to be taken in by their attempts to rally for signatures in suing the state government,"

he said.

Fomca said today that it is going ahead with its plan to sue the state government over the water crisis and is collecting 1 million signatures in support of the suit.

State United Youth voiced out their disappointment over Fomca's action.

In his head, Jaya Kusuma Ruzman, said the move is only to politicise the issue, with participation from opposition parties, to gain personal benefits using the sentiments of the public.

"We hope those who wish to take legal action against the state government over the water crisis attend the special meeting before making any harsh decisions," he said.

IV: THE PATIENT'S CHARTER

Health is a fundamental human right. Article 25 (1) of the Universal Declaration of Human Rights adopted by the UN states: "Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control".

Malaysia joined the world community in Alma Ata in September 1978 and signed the World Health Organisation's pledge to provide health for all by 2000. Malaysia has attained health standards approaching those in developed countries. However, with on-going reforms to the healthcare system such as corporatisation, consumers are concerned at the growing commercialisation of the health sector. Consumers believe that a healthcare industry in the marketplace, regulated by market forces will sell a product - medical treatment - and not provide healthcare.

Consumer complaints related to health that were received by FOMCA made a worrisome list. Among them were the high costs of medicines, medical negligence, non-labelling of medicines dispensed by doctors, the sale of prescription drugs over the counter and poor information sharing by health professionals. FOMCA was concerned about self-medication and non-compliance with prescription advice by consumers and the adverse effects of drugs.

To address these concerns, FOMCA organised a Know Your Medicines campaign in the 1980s and developed The Patient's

Charter, which it launched on 1st March 1993, and re-launched on 25th March 2003. The Patient's Charter advocates universal ideas and a high standard of healthcare which the Government, healthcare providers and consumers must strive to achieve. More specifically, the Patient's Charter recognises the relationship between a healthcare provider and a patient as privileged and sacrosanct.

The Patient's Charter was the first of its kind in the world at the time of its launch in 1993. The Charter has become a basis for similar efforts in India, South Korea, Maldives, Australia and Japan.

The Process

The proposal for a Patient's Charter came in 1989 from the Selangor and Federal Territory Consumers Association, an affiliate of FOMCA. FOMCA endorsed the proposal, initiated discussions with healthcare professional organisations such as the Malaysian Medical Association (MMA), the Malaysian Dental Association (MDA) and the Malaysian Pharmaceutical Society (MPS).

FOMCA then lobbied the Ministry of Domestic Trade and Consumer Affairs to facilitate the adoption of the Patient's Charter, which it did.

The Patient's Charter evolved over a period of 3 ½ years with discussions and meetings between consumer groups, the MMA, MDA, MPS as well as individuals. FOMCA believes that it takes a partnership process and not unilateral decisions to make policies work in the consumer's interest.

The Patient's Charter is built on a number of fundamental premises:

- Malaysian consumers have access to the eight basic rights of consumers.
- Healthcare is increasingly being commercialised and not the sole preserve of the Government.
- The most beneficial model of healthcare is a partnership between the patient and the healthcare provider.
- The Charter enhances the relationship between the patient and healthcare providers.
- The Charter comes with rights and responsibilities for the patient.

The Charter went through a process that included drafts, feedback, consultations and debates on the provisions. The MDTCA played an important role albeit informally. It encouraged the parties to adopt the Charter in order to enhance consumer confidence in the health services. Finally, on March 1, 1993 a Memorandum of Understanding between FOMCA, MMA, MDA and MPS was signed at the MDTCA with the Minister officiating at the function.

The parties adopting the Charter agreed to give the widest possible publicity to the Patient's Charter and to review it at intervals of not less than two years.

A decade later, FOMCA re-launched the Charter on March 25, 2003. At the re-launch Professor Datuk Hamdan Adnan, the President of FOMCA, said the Charter will serve as an educational tool embodying the code of medical ethics and protection of the rights of patients.

The Sun Friday June 16, 2000

Fomca: Do not privatise healthcare plan

By TOH AN NEE

PETALING JAYA, Thurs: The government must not shirk its responsibility of ensuring that every Malaysian citizen has access to affordable and quality healthcare.

Endorsing the statement of consensus issued recently by the Primary Care Doctors' Organisation Malaysia (PCDOM) to top government officials, Fomca acting president N. Marimuthu said today.

Fomca and ERA Consumer Malaysia will fully support any such initiative.

The government should not privatise any component of the healthcare services, particularly the proposed national healthcare financing scheme, Marimuthu, who is also ERA Consumer president, said.

"Healthcare, education and security are the three fundamental areas of responsibility of the government that should not be left to market forces."

The PCDOM statement, which came out of a public

'Govt must ensure access for every citizen'

forum held on May 11, recommended that the national healthcare financing scheme be based on "health for all", and that a national health trust fund be set up to finance the scheme.

It also urged the government to immediately set up a commission to plan the formation and implement the trust fund, and to legislate a ban on risk-rated health insurance schemes by converting them to community-rating.

The statement was sent to Prime Minister Dato Sri Dr. Mahathir Mohamad, Finance Minister Tun Daim Zaiduddin, Health Minister Dato Chua Jui Meng and directors-general of Health and the Economic Planning Unit (EPU) on June 5.

Universiti Kebangsaan public health consultant Dr Syed Mohamed Alijoudi, one of the speakers at the forum, said he has been informed

that EPU will reply to the statement.

Citizens' Health Initiative (CHI) working group coordinator Dr Chan Chee Khoo said it generally agrees with the PCDOM proposals and the Malaysian Medical Association (MMA) on the national health financing scheme.

Chan said there is also a need to establish a standard fee schedule which is applicable to both public and private healthcare services for cost control purposes.

CHI started an opinion poll on the Internet early this month to gauge public opinion on the issue.

So far, he said, 75% of 100 people who have responded indicated that they favour a public health financing scheme.

He said those who are interested in taking part in the poll can go to <http://www.malaysia.net/chi.htm>.

Weed out misleading health product ads, urges Fomca

TAIPING, Sun. — The Health Ministry should scrutinise all health product advertisements to weed out the misleading ones.

Federation of Malaysian Consumers' Associations deputy president N. Marimuthu cited an advertisement aired over Radio 6 (Tamil) that claimed that the product could increase memory power.

"Unless it has been proven, the product should not be advertised or marketed," he said.

Studies had shown that herbal and vitamin products increased blood circulation though research must be carried out to study the extent to which health products could increase memory power, he said.

Fomca will submit a protest note to the Health Ministry, RTM and Malaysian Association of Standards and Advertising.

Such advertisements should be banned on the fact that people would pay any amount for health products, he said.

Meanwhile, Consumers' Association of Taiping president Datuk Dr V. Jeganathan said the association had received several complaints about the advertisement.

"RTM must look into the side effects," he added.

Patient's Charter

'Health is a necessity not a commodity'



V: THE HOUSING DEVELOPMENT ACT 2002

The consumer's right to shelter is enshrined in the right to basic needs which is one of the eight fundamental rights of consumers recognised by the Government. The tremendous increase in the demand for low-cost houses since the 1980s created serious problems in the housing sector. Under the 7th Malaysia Plan 235,000 houses were to be built but only 24.36% were completed. Many of the poor and lower income urban consumers were unable to own a house either in urban or suburban areas. This was because the prices of houses were too high for poor urban residents who are mostly migrants from rural areas. Consumers not only faced problems in acquiring houses, but also with shoddy workmanship and poor quality houses. Seventy per cent of complaints received by FOMCA are related to housing. FOMCA has strongly advocated consumers' needs on housing, calling on the Government to ensure the availability, accessibility, affordability and quality of houses.

Problems and Concerns

Consumer complaints on housing received by FOMCA and its affiliates showed the following major problems faced by house buyers:

1. Insufficient supply of low-cost houses: housing developers are not keen to build low-cost houses due to lower profit margins.
2. High house prices: housing developers tend to build medium and high cost houses to maximise their profit.
3. Delay in submission: the developers' failure to provide fully completed houses as stated in the Sale and Purchase Agreement (S&P Agreement).

4. 'Vacant Possession': handing over of houses immediately after completion regardless of whether water and electricity supply have been connected.
5. Poor construction and defects: houses not safe or fit for occupancy and not consistent with the specifications as stated in agreement.
6. Abandoned housing projects: house buyers still have to service their loans even though the houses have not been completed.
7. Certificate of Fitness for Occupancy (CFO): delay in issuing CFO due to time taken to rectify construction defects.
8. House financing: High interest rate on housing loans burdens house buyers especially from the lower income group.
9. Non-disclosure of information: Buyers in new projects are not told of infrastructure projects like elevated main road and high wall to be built in their area, that would affect the value of their houses.
10. Hill slope properties: Following the Highland Tower tragedy of December 1993, FOMCA called for stricter laws on hillside development and urged for stringent compliance.

Action

In response to the problems faced by house buyers, FOMCA held public forums and seminars, and submitted proposals and memorandums to the Government. FOMCA, the Housing Developers Association Malaysia (HDAM) and the Ministry of Housing and Local Government jointly organised a Seminar on "Build and Sell: its effects on consumers" in April 1992. At the seminar, FOMCA highlighted three main issues: abandoned

housing projects, delay in submission of documents for CFOs, and the issuance of CFOs.

In order to curb shoddy workmanship, FOMCA had urged the Government to blacklist the developers who refuse to compensate for damage and loss faced by house buyers. In February 1992, FOMCA urged local authorities to draw up a uniform schedule to guide residents who seek compensation for nuisance and distress caused by condominium development.

FOMCA's memorandum for the 1997 Budget to the Ministry of Finance stressed the Government's responsibility to provide sufficient low-cost houses to lower and middle-income earners. In June 1997, a complaint letter was sent to the Ministry of Housing and Local Government that addressed the negative impact on house buyers due to a number of defects in the S&P Agreements. This was because house buyers often suffered with S&P Agreements that required 100% payment before the issuance of the CFO.

FOMCA has also expressed its dissatisfaction about deceptive S&P Agreements at several public forums, including in June 1998 and May 1999. FOMCA had urged the Government to make amendments to existing housing regulations by introducing a uniform S&P Agreement for all types of houses. Additionally, FOMCA requested the Housing and Local Government Minister to directly intervene to ensure that private housing developers live up to their responsibility to provide quality houses.

Outcome

The aggressive efforts of FOMCA and other organisations such as House Buyers Association Of Malaysia (HBAM) have brought

better protection for house buyers through changes to regulations. The financial institutions and banks introduced a one percent subsidy on interest for housing loans below RM100,000 in October 1992. This has helped to bring down the burden of a high interest rate for lower income consumers. The Ministry of Housing and Local Government has also agreed on the amendments in the Housing Developers (Control and Licensing) Act 1966. A few new regulations were enacted in Parliament and came into force on 1st December 2002. The Regulations include:

- Housing Developers (Control and Licensing) (Amendment) Act 2002
- Housing Developers (Control and Licensing) (Amendment) Regulations 2002
- Housing Developers (Housing Development Account) (Amendment) Regulations 2002
- Housing Development (Compounding Of Offences) Regulations 2002
- Housing Development (Tribunal For Homebuyers Claim) Regulations 2002

The necessary rules and regulations governing the new S&P Agreement, the establishment of the Housing Tribunal, the operation of the Housing Development Account, the scheme for compounding offences and other matters arising from the amendments to the principal Act were to plug loopholes as well as to safeguard both house buyers and developers. Effective 1st December 2002, developers are required to use the new standard S&P Agreement forms as prescribed in the amended regulations. In addition, house buyers can now get compensation of up to RM25,000 from developers within 60 days from the date the House and Local Government Ministry's Tribunal for Homebuyer Claims starts hearing a case.

NEW STRAITS TIMES

23/2/04 NST

NAT

Housebuyers' wait for titles continues

■ By Hamidah Atan
news@nst.com.my

PORT DICKSON, Sun. — Twenty-eight instant millionaires who paid cash for their houses in Taman Lukut Jaya five years ago will have to wait another three months for their ownership titles.

They had earlier been assured that they would get the titles at a meeting today with the developer, Datuk Wong Akau.

Wong, who owns Malacca-based Astana Strategi Sdn Bhd, is a former Malacca deputy state secretary.

He said he could only hand over the titles after settling loans with finance company AM-Finance Berhad.

The buyers, formerly settlers in Felda LBJ, Labu, became instant millionaires after selling their land to a company for commercial projects. They bought the units at between RM84,000 and RM140,000 each.

They got between RM1.2 million and RM1.4 million each from selling their land in 1996.

They have been staying in the houses for the past five years.

Last December, they were shocked to learn that their homes had been put up for auction by AM-Finance as Wong had failed to settle outstanding arrears.

Wong said there were three ways to settle the issue:

- dispose of one of his housing projects worth RM8 million in Malacca;

- dispose of shares worth RM3.8 million in a petroleum company in China; or

- seek financial assistance from corporate friends abroad.

"I will not run away from this problem," he said.

The one-hour meeting was also attended by State Housing and Local Government Committee chairman

Datuk Dr Yeow Chai Thiam.

Dr Yeow hoped buyers would remain patient while waiting for Wong to settle his debts.

Dr Yeow also assured them he would do his best to ensure that AM-Finance offered a reasonable deadline for Wong to settle the debt.

"Personally, I am confident Wong will do his best to solve this problem," he said. "This meeting and his presence are positive signs that he is serious about getting back your homes."

Dr Yeow said many developers would have "gone missing" if they faced such a problem.

One buyer, Normala Hashim, 35, said her father, Hashim Said, bought three houses for RM252,000 for herself and two other sisters.

Normala said she had obtained a court order to place the three houses under caveat at the end of last year to prevent any party, including the developer, from seizing them.

Fomca's call may hurt developers: HDA

PETALING JAYA, Wed: The Housing Developers Association (HDA) expressed fear that Fomca's call to people not to buy hillside property might affect some developers.

Its president, Datuk Eddy Chen, said the Federation of Malaysian Consumers Associations showed lack of understanding of the way houses are built.

Chen said that rules pertaining to hillside develop-

ment have changed since the Highland Towers tragedy on Dec 11, 1993, which claimed 48 lives.

Since then, the rules have become much tougher and the compliance by developers more stringent.

"There is no longer reason to doubt the ability of our professionals on hillside designs, especially with stricter laws without any loopholes."

"Besides, there are va-

rious studies conducted before starting a development project such as geo-technical and soil tests which were unavailable prior to the 1993 tragedy. All these are being done to minimise negligence," he said.

Yesterday, Fomca advised people not to invest in properties in sensitive areas because such projects are vulnerable to negligence and natural disasters.

Chen said the public must be educated on the real cause of slope failures, which is poor drainage.

"By realising the importance of maintenance in sensitive areas, people will be more vigilant in relation to the enforcement aspect," he added.

He urged Fomca to clarify its doubts by consulting the engineers concerned for "proper details".

VI: THE DEVELOPMENT OF SCHOOL CONSUMER CLUBS

The decision to establish school consumer clubs was spearheaded by the Selangor Consumers Association (SCA) during the 1980s. The main reason behind the setting up of the consumer clubs was to provide a platform for students to participate in consumer activities. A critical analysis was done by the SCA on the ways in which consumer education could be carried out. The idea was to link up student organisations with consumer associations.

The Process

It would be pertinent to begin with a brief outline of the SCA structure in the 1980s. The SCA comprised an Executive Committee and District Liaison Committees. The role of the executive committee was to make all the major decisions, whereas the District Liaison Committees were utilised to reach the communities.

These Committees were invaluable in the establishment of the consumer clubs. The District Liaison Committees comprised members of the SCA who lived within the communities. These were the people who worked with the headmasters and teachers of the schools where the clubs were to be initiated.

When SCA launched school consumer clubs in 1982, it had to undertake the task of developing the action plan for the consumer clubs from scratch. Among the resource people who gave invaluable inputs were Selvam John, Dr Irene Fernandez and Dr M. Nadarajah, who were then SCA staff. The SCA started the process of setting up the school consumer clubs in

1982 by giving talks to schools. The talks were aimed solely at preparing these students to be responsible consumers.

It was from these talks that the SCA managed to get a feel of which schools were interested and showed the necessary commitment to set up and run the consumer clubs. The schools that first started the clubs were the Convent Bukit Nenas, Maxwell Road Boys School and Peel Road Convent. The SCA made it a point to conduct sessions with the students to gauge the interest of these students in consumer issues. Once the first few schools started the programmes, many other schools set up consumer clubs.

The SCA proposed to the Selangor Education Department that it recognises the activities of the school consumer clubs as a co-curricular activity. The department was quite supportive of the idea.

After the SCA started this programme in Kuala Lumpur and Selangor, two of FOMCA's affiliates followed suit. The Negeri Sembilan and Pahang consumer associations initiated the formation of school consumer clubs in their states. The Consumers Association of Penang too had a schools programme, focusing mainly on the sale of their publication, *Utusan Konsumer* to students.

Outcome

The SCA was successful in setting up school consumer clubs, as there was very good support from the students themselves. There were monthly meetings with the leaders of the groups in the schools. In the initial stage the SCA developed the activities related to the running of the clubs in the schools. The SCA also conducted annual leadership and skills training programmes. The training programmes focused on research,

communications, simple methods of testing and even drama skills.

In addition, SCA ran campaigns to educate young consumers on the dangers of junk food, monosodium glutamate (MSG) and smoking. The campaign against junk food was especially successful as the schools started to ban the sale of junk food despite industry attempts to influence the authorities. SCA worked closely with the Association of School Canteen Operators of Malaysia, the Parent-Teacher Associations of the schools and the Ministry of Education. However, a planned anti-junk food rally had to be cancelled because a permit was denied for the gathering.

Another effort was the anti-smoking campaign. SCA together with the Action on Smoking and Health (ASH) committee of MMA carried out educational programmes in schools on the dangers of smoking.

SCA produced educational materials to guide the activities of the clubs. An activity plan for the clubs and a handbook for teachers on consumer education were especially useful tools for the development of school consumer clubs.



Fomca to reactivate clubs in schools

PETALING JAYA, Sun. State consumer associations are keen to reactivate dormant consumer clubs in schools and revive those which have ceased functioning.

Fomca president Hamdan Adnan said today the idea to rejuvenate the clubs was discussed at the association's AGM last Saturday.

The clubs allow students to be involved in consumer leadership camps and activities which are consumer-related and environment friendly.

The clubs' success in Selangor, Kuala Lumpur, Penang and Perak was hit three years ago by lack of funds. Although the consumer associations organ-

ise the clubs' activities, the clubs are regularly funded by their schools.

"To ensure that the clubs function smoothly, Fomca hopes to hire a full-time education officer to assist them in organising activities," he said.

He said the officer would be able to advise and help students and teachers to organise projects.

Encik Hamdan said the associations were also keen to work closely with teachers to instil the practical side of consumerism.

He said some bad consumer practices, like the selling of junk food in canteens and bad buying habits, still existed in schools.

"For a start, the Kelantan Consumers Association will organise a workshop for some 200 teachers in August," he said.

"Hopefully, it can im-

prove the students' part knowledge to equip teachers in educating students," he said.

Encik Hamdan added that it was important for teachers to know about consumerism.

"Already, students are being tested on one or two consumer-related questions each year in the STPM and STPM examinations," he added.

He added that consumer movement efforts were complementary to the Education Ministry's efforts to introduce consumer education as part of the curriculum or as a co-curricular subject in schools and teachers training colleges.

"But the target will be the rural areas. We hope to get MPs to help with the funds," he said, adding that much of the funds in the past had been from the federal and state governments.

FOMCA : Give aid to consumer clubs

NST
9/7/91

1992 Pre-Budget Dialogue

THE formation of district liaison committees and consumer clubs in schools will enhance community development and eventually create a caring society, the Federation of Malaysian Consumer Associations (Fomca) said.

It said the formation of consumer clubs would promote better understanding of consumerism among students.

Fomca said at the dialogue yesterday that although consumer education has been slotted in school syllabus, it does not ensure a complete understanding of the subject.

It said consumer education in schools is important to help develop an intelligent and responsible younger generation.

Thus, Fomca urged the Government to provide financial assistance to consumer clubs in schools as it believed that these clubs would not only help to edu-

cate the students but the adults, too.

Consumer education is vital as the society today is exposed to misleading advertisements and misleading information.

On district liaison committee, Fomca noted that it would help educate rural consumers who have limited exposure to new information because they do not belong to organisations that could improve their awareness on consumerism.

It said a district liaison committee is an organisation entity that is located in a district to inform and educate people at grassroot level on consumer issues and to protect them from unethical marketing practices, unhealthy consumption trends, unsafe products and unjust social policies.

This, it added, is in line with the Ministry of Domestic Trade and Consumer Affairs' objectives.

VII: REFORMING CONSUMER CREDIT REGULATIONS

Consumer credit is a central feature of contemporary consumer culture. Consumer credit transactions have increased exponentially over the years in Malaysia. Although it has served the country's economy by increasing consumption, it also has an adverse impact on consumers and the economy. Consumer debt, which is a highly profitable part of broader market operations, has compromised consumer sovereignty.

Problems and Concerns

The common forms of consumer credit are private money lending, pawnbroking, hire purchase, personal bank loans and credit cards. The most popular forms of consumer credit among suburban and rural consumers are pawnbroking, personal money lending and hire purchase. Among urban consumers, the main form of credit transaction is through credit card that allows consumers to spend regardless of the amount of cash they hold. This leads consumers to buy on impulse or overspend. Further, using the credit card ties up future income and can be an inconvenience, especially in the case of billing disputes when the creditors fail to meet their credit obligation.

Consumers also face numerous trading malpractices by lenders such as:

- i) Deceptive advertising
- ii) False or misleading statements by salespersons, particularly in door-to-door sales.
- iii) The supply of defective goods

- iv) The charging of sums for services which are either not performed at all or are minimal in relation to the amount charged.
- v) The charging of excessive interest and other charges.
- vi) The fraudulent concealment of material contract terms.
- vii) The insertion of oppressive terms to govern default both on the defaulter and guarantors.
- viii) The oppressive enforcement of contractual provisions.
- ix) The tampering of items given as security, e.g. to pawn brokers
- x) The threat of harassment by illegal moneylenders (loan sharks) of debtors who fail to meet repayment obligations.

Action

FOMCA's work to improve consumer protection in credit transactions has taken many forms over the years. Consumer seminars, public forums and press conferences have been held to create awareness among consumers and policy regulators.

- In September 1988, FOMCA organised a seminar for women's groups on managing household expenditure without depending excessively on credit.
- The seminar on 'Consumer Credit and Credit for the Poor' in September 1989 was attended by various groups such as consumer associations, civil servants, private credit institutions as well as the public.
- FOMCA has organised several public forums on hire purchase, pawnbroking and moneylending to highlight key weaknesses in credit regulations:

Contracts for hire purchase for certain goods such as furniture and personal computers were not covered by the Hire Purchase

Act 1967. The Money Lenders Ordinance 1951 does not include eight categories of moneylenders such as banks and insurance companies, pawnbrokers, societies under the Cooperative Societies Ordinance 1948 and incorporated enterprises under special act of Parliament. The Pawnbrokers Act 1972 does not apply to loans over RM5,000 and to loans between RM1,000 and RM5,000 where the interest rate is less than 10% per year. The loophole exists mainly because of the failure of these acts to distinguish between consumer and commercial transactions. This includes inconsistent provisions in licensing, control of advertisements, consumer information provisions, and exorbitant interest charges.

- Another important seminar, 'Credit cards - Good, Bad, and the Ugly' was organised in March 1996. The seminar addressed the problems faced by credit card holders in Malaysia and was intended to educate the public on the negative impact of excessive usage of credit cards.

FOMCA has continually urged the Government to formulate a comprehensive consumer credit legislation that would:

- Provide for the orderly growth of the industry.
- Protect the legitimate interests of both lenders and borrowers.
- Curb illegal or reckless borrowing or lending.
- Redress bargaining inequality between lender and borrower.
- Regulate the remedies for default and protect the unfortunate and honest victims of default.

FOMCA had a series of meetings with the Government to address these consumer credit concerns.

Outcome

The meetings and public forums have yielded some results. The Government decided to introduce the Banking and Financial Institutions Act 1989 (BAFIA), which came into force on 1st October 1989. BAFIA was introduced to provide for the integrated supervision of the Malaysian financial system and also to provide the Central Bank with the power to speedily investigate and prosecute, if necessary, any illegal activities in order to reduce white-collar crime. The objective of BAFIA is to provide new laws for the licensing and regulation of the institutions conducting commercial banking, consumer financing, merchant banking and discount house and money-broking businesses, and for the regulation of institutions conducting related financial businesses.

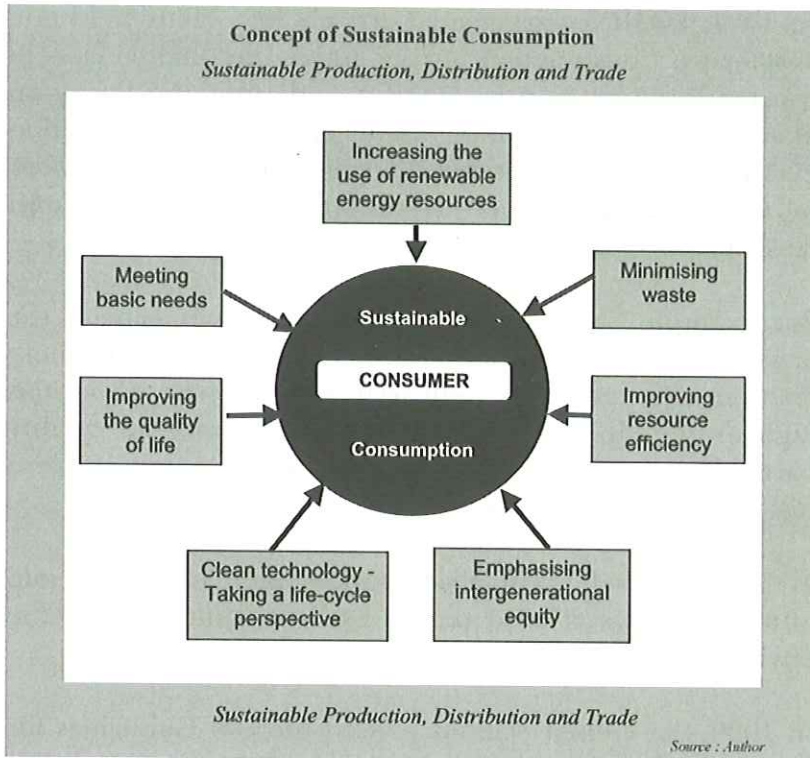
FOMCA's 12-point recommendation to the MTDCA for a code of ethics for repossessioners covering hire purchase and finance companies in Malaysia was officially endorsed on 13th August 1992.

VIII: PROMOTING SUSTAINABLE CONSUMPTION

A broadly agreed definition of the concept of sustainable consumption is the use of goods and services that respond to basic needs and bring a better quality of life, while minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the products' life cycles, so as not to jeopardise the needs of future generations (Oslo, OECD).

Sustainable consumption promotes: (1) improvement in the quality of life (2) the fulfilment of basic needs (3) minimising pollution, waste, toxic emissions (4) the use of renewable resources rather than limited natural resources, and (5) the protection of the needs of future generations in the consumer decisions of today. Sustainable consumption therefore is the promotion of consumption patterns and habits that not only take into consideration individual desires but also the social impact of these choices both for present and future generations.

However a major obstacle preventing the practice of sustainable consumption is the modern consumption culture. The consumption of products and services has not been seen as a means towards satisfying basic needs and desires but consumption is now seen as being of value in itself. Products are valued not only for their utility value but also for their symbolic value. The consumption culture is epitomised by 'conspicuous consumption', laying emphasis on the public demonstration of wealth, luxury cars, etc. Economic and cultural globalisation has further promoted unsustainable consumption trends.



Action

FOMCA, like many consumer organisations, is harnessing consumer power to promote sustainable consumption through an environmental citizenship and public education programme. On World Consumer Rights Day in 1996 (March 15), FOMCA launched the Sustainable Lifestyles programme.

Sustainable consumption is seen as an indispensable element in consumer education programmes. FOMCA works with the Malaysian Nature Society, the Environmental Protection Society of Malaysia and the National Council of Women's Organisations in advocating sustainable lifestyles.

In 1997, FOMCA participated actively in a Household and Sustainable Consumption Survey among the middle class in selected countries in Asia. FOMCA undertook the survey on Malaysia. The findings of the survey have been widely used in FOMCA's consumer education activities and for advocacy work in the development of sustainable consumption and development policies.

For example, the survey showed that 87 per cent of the households interviewed had a car, with 34 percent having more than one car, and 75 per cent owned motorcycles. Given this high ownership of cars and increasingly poor air quality particularly in urban areas, FOMCA is campaigning for a sustainable public transportation system.

At the policy level, FOMCA has provided significant inputs into numerous laws related to the environment such as the Environment Quality Act 1974.

In 1999, the United Nations revised the UN Guidelines for Consumer Protection to include sustainable consumption. The revised guidelines have defined the shared responsibilities of governments, business and NGOs in promoting consumption that is environmentally, economically and socially sustainable, and can influence producers through the effects of their choices of goods and services.

FOMCA is undertaking several actions at the consumer, business and governmental levels for the promotion of sustainable consumption. It played a key role in the development of the National Consumer Policy (2002) which is premised on the principles of sustainable consumption and development.

In 2002, FOMCA submitted a memorandum on sustainable consumption to the MDTCA. The memorandum was discussed

in July 2002 at the annual dialogue session of the ministry held with business professional and consumer organisations. The ministry responded positively to the FOMCA memorandum by agreeing to address the following: promotion of sustainable consumption in consumer education programmes, ethical trade practices, advertising, water, credit card debt, public transportation and smoking.

The ministry concurred with FOMCA that effective consumer education activities can be undertaken to promote more socially responsible consumption habits. The ministry provides financial support to organisations undertaking consumer education activities on recycling, reducing and recovering waste.

FOMCA has welcomed the Government's commitment to the principle of sustainable consumption and development and hopes that this will result in further collaboration with NGOs and the development of legislation and policies to integrate the principles of equity, protection of the environment and inter-generational equity with other public policies.

IX: THE TAMAN NEGARA ADVISORY COUNCIL

The right to a healthy environment is an important consumer right. To nurture this right, FOMCA has been actively involved in the protection of environmental issues in Malaysia. One of FOMCA's notable accomplishments in this area is its advocacy for and contribution to the establishment of the Taman Negara Advisory Council in 1988. This is a good case study of policy intervention that has long-term impacts on the protection of the environment and the conservation of natural resources for research, education and for ensuring Nature's capacity remains unimpaired especially for future generations.

Taman Negara, which contains the world's oldest rain forest and is Malaysia's premier National Park is situated in central West Malaysia and is a unique and vibrant living national heritage. It has a total area of 4,343 square km, 2,477 km² (57%) of which is in Pahang, 1,043 km² (24%) in Kelantan and 853 (19%) km² in Terengganu respectively. The park's vegetation ranges from humid tropical rain forest to montane oak and highland forests. However, Taman Negara had been constantly exposed to destructive human activities, adversely affecting the ecology of the park. FOMCA has been a strong advocate of the conservation of Taman Negara as an invaluable natural heritage that needs to be safeguarded by the Government and the people.

The Problem

Unfortunately in January 1987, an "unthinkable" policy change happened. The Government privatised the tourist services of Taman Negara to a company called River Park. The privatisation package involved the operation of accommodation facilities, food and beverage services, transport and park tours

as well as Taman Negara promotional activities. The concern for the return on capital investment changed the park management model from a conservation park for scientific interest, research, study and recreation to a commercial profit-making venture. This focus on profits could affect the regenerative capacity of Taman Negara as the pressure on its ecological balance increased.

Although privatisation led to the upgrading of the park amenities, the Ministry of Science, Technology and the Environment (MOSTE) as well as FOMCA soon started to receive many complaints from tourists about the park services. The complaints were mainly about poor services at the accommodation facilities, exorbitant charges, poor standard of cleanliness and infrequent transport services. Further, River Park failed to pay rental amounting to RM120,000.

Following public complaints, the Government on January 6, 1988 announced its decision to de-privatise Taman Negara. The park was put in the care of the Wildlife Department.

Action

Seeing that the decision was moving in the right direction, FOMCA acted quickly to ensure that the integrity of the Taman Negara environment is fully protected. After consultations with its members and other NGOs, FOMCA sent a memorandum to MOSTE calling for the setting up of the Taman Negara Advisory Council, Taman Negara Task Force and Taman Negara Development Fund in January 1988. The memorandum further proposed that the privatisation of the park's services to be halted. FOMCA also worked hard to mobilise local and foreign volunteers to assist the Council with technical expertise. The media highlighted FOMCA's proposals.

Subsequently, FOMCA was invited to participate in a meeting on the formation of the Taman Negara Advisory Council in May 1988. The meeting resulted in the formation of the advisory council consisting of representatives from:

- Ministry of Science, Technology and Environment
- Ministry of Finance
- Economic Planning Unit
- Ministry of Art, Culture and Tourism
- Department of Wildlife and National Parks
- Department of Forestry
- State Government of Pahang
- State Government of Kelantan
- State Government of Terengganu
- Malaysian Nature Society
- Worldwide Fund for Nature
- FOMCA

The main duties and responsibilities of the council were to:

- Collate suggestions, recommendations and feedback from experts and consumers on the ecological and human needs of the park
- Monitor development of the park including legislation, physical and commercial development
- Carry out research, programmes of rehabilitation and conservation, survey the needs of visitors and propose facilities for future development.

The implementation of 'carrying capacity' limits on the number of visitors to Taman Negara in a year was mooted by FOMCA. In order to ensure public participation in the decision-making process, FOMCA collected feedback on all aspects of the park's operations including visitor facilities, services, payments, conservation and privatisation. This information was submitted

to the council so that public opinion was taken into account before any major development took place at Taman Negara.

Outcome

Finally, the Government announced its decision to halt the privatisation of Taman Negara's facilities before handing them over to the Department of Wildlife and National Parks. FOMCA welcomed this move. The formation of the council marked the first unified platform of federal and state agencies and NGOs in the conservation and development of the country's premier national park. The council's serious commitment on Taman Negara impelled the government agencies responsible, particularly the Department of Wildlife and National Parks to expedite conservation and rehabilitation initiatives for the park. The Department collected RM600,000 to renovate the facilities and carry out maintenance work in June 1988. Another notable accomplishment of the council was the development of the Kenyir Dam by the Terengganu government as a gateway to Taman Negara. The Terengganu government announced its plan to develop Kenyir Dam as a tourist spot in May 1988. Since then, the number of tourists to Taman Negara increased as a result of the improved facilities for accommodation, food, transport and park tours. Nevertheless, conservation and restoration initiatives in Taman Negara need to be improved. The authorities still need to:

- Ensure that the number of visitors does not exceed the park's carrying capacity.
- Involve NGOs in the decision-making process.
- Monitor activities to ensure that the biodiversity of Taman Negara is maintained.

Above all, the council and its partners must work together to ensure that all the development activities of Taman Negara are in accordance with the concept of sustainable development.

JOIN HANDS FOR TAMAN NEGARA

By BENJAMIN MONTANA

EVERY sector of society is represented on the new Taman Negara Advisory Council launched yesterday by the Minister of Science, Technology and Environment.

The council's formation marks the first unified platform of Federal and State level agencies and non-governmental organisations involved in the conservation and development of the country's premier national park.

First model by the Federation of Malaysian Consumers Association (Fomca), the council will study all aspects of development, provide the ideas for developing, and also monitor and ensure that the park is well maintained.

The 12 representatives on the council are from the Ministry of Science, Technology and Environment, the Treasury, the Economic Planning Unit, the Culture and Tourism Ministry, the Wildlife and National Parks Department, the Forestry Department, the State Government of Pahang, Terengganu and Kelantan, Fomca, the Malaysian Nature Society, and the World Wildlife Fund.

Representing the World Wildlife Fund, Datuk Abdul Rahman said he was glad to see the park being developed in a holistic manner.

He said the park is a treasure and it is a privilege to be part of it.

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FROM THE NGOS



Taman Negara Park and Nature's Beauty

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Fomca: Set up council to care for Taman Negara

KUALA LUMPUR, Sun. — The Federation of Malaysian Consumers Association (Fomca) has suggested that a council comprising members of the public and the private sector be set up to run Taman Negara.

The council should be assisted in managing, maintaining and developing visitor facilities and the park by a management board.

Fomca said this in a memorandum to the Science, Technology and Environment Ministry in which it also welcomed the takeover of the park by the Department of Wildlife and National Parks.

The memorandum said the establishment of a council and management board would relieve the pressure on the department which would continue to provide advice and consultancy services to the board.

"The (proposed) board must eventually become self-reliant in its operations and, in particular, financially. If the private sector can venture into it for profit, surely the board can break even."

Heritage

"Volunteer input can be organised from within and outside the country to assist the board. The public could be educated to contribute more and to patronise the place more frequently."

It said a Taman Negara Development Fund should be established to solicit contributions from the local as well as international community to help in developing the park.

Fomca said it was confident the park's development will no longer be subject to profit motives with the withdrawal of the privatisation move.

With the return to management by the public sector, it said the original objectives of conservation and preservation of a national heritage which would also serve research, educational and aesthetic interests will be reassessed.

The people, it said, must now respond and support the Government's efforts to ensure the success of the park.

Advisory council set up on Taman Negara

KUALA LUMPUR, Mon. — The Government has set up a council to advise the Department of Wildlife and National Parks on the management and operation of Taman Negara, Science, Technology and Environment Minister Datuk Amar Stephen Yong said today.

The council comprises 12 officials from the Ministry, the Culture and Tourism Ministry, Economic Planning Unit (EPU), the Treasury, Forestry Department, State Government of Pahang, Terengganu and Kelantan as well as representatives from interest groups such as the World Wildlife Fund and Fomca.

Its chairmen by Science, Technology and Environment Ministry Secretary-General Mohamad Norodin Hassan.

Datuk Amar Yong said the council, set up last month, would meet soon to discuss matters pertaining to the administration and operation of the park.

This follows the department's takeover of the park from a private company, River Park Sdn Bhd, at the end of last year.

He said since the takeover, the number of visitors to Taman Negara had increased.

"Visitors now have a choice of using the air services provided by Pelangi Air, which takes 45 minutes from here, or coach and boat services," he said.

Nature lovers

Datuk Amar Yong said \$600,000 had been allocated to renovate the facilities, which were in a state of disrepair, and other maintenance work.

Part of the allocation would be used to buy new equipment such as 10- and three-seater boats and hire more guides, if necessary.

However, despite the amount of money spent to provide better facilities and services to visitors, profit-making was not the department's priority, he added.

"The charges at Taman Negara are among the lowest compared to parks in other countries. We are happy if we can break even. It is, after all, our national heritage; not a business venture."

"It is there for nature lovers and to attract tourists. But more important, it is there specially for students and our future generations," he said.

Earlier, Datuk Amar Yong opened the Asian Winter Monsoon Workshop at a hotel here.

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About The Author



Josie M. Fernandez began her career in education and moved on to citizen's advocacy, leading national and regional consumer organisations. She was the founder president of the Education and Research Association for Consumers, Regional Director of the Consumers International Asia Pacific office and was a former Deputy Secretary-General of FOMCA. As an advocate of the rights of consumers, women, children and workers and as an environmental activist, Josie has lobbied, written and spoken widely on these issues locally and internationally. She was an active participant of international networks like the Health Action International, Pesticide Action Network and numerous environmental, human rights and women's networks. As a researcher and writer, she has authored and edited some 20 publications and many papers. Josie has served as a consultant to the Ministry of Domestic Trade and Consumer Affairs, Malaysia. The consultancies include the Consumer Master Plan 2003 – 2013, a Consumer Guide and consumer education materials. Additionally, she has undertaken consultancies with the UN ESCAP, FAO and UNDP. Josie holds a Masters in Development Management from the Asian Institute of Management, Philippines and is also trained in mediation, gender issues and library science. The Malaysian government conferred Josie the National Consumer Award in 1994. She received the Perak State Government Consumer Award in 1993. Recently, she anchored the Philanthropy Initiative of Malaysia Project based at Universiti Sains Malaysia and co-edited a pioneering study on the state of philanthropy in Malaysia. Josie continues to participate actively in several national and international organisations as well as works as an independent consultant, researcher and writer.

In modern democracies, citizens engage in political and civic life through institutions like NGOs. A fundamental challenge for NGOs is to ensure the proper functioning of political, economic and social systems to facilitate human welfare, environmental sustainability, human rights, accountability, transparency and peace. Good governance is essential to the achievement of these goals.

In Malaysia, the consumer movement is a unique example of government-NGO engagement. It has not been always possible, as this seminal study shows, to avoid acrimonious confrontation with the Government, which has to deal with the conflicting interests of consumers and business. The author attempts to show that valuable lessons can be drawn from FOMCA's experiences for more effective engagement with the Government. This analysis is timely in view of current signals that the constructive engagement of citizens in political and civic life is set to revitalize Malaysian society.

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**FEDERATION OF MALAYSIAN CONSUMERS
ASSOCIATIONS (FOMCA)**

No. 1D-1, Bangunan SKPPK, Jalan SS9A/17,
47300 Petaling Jaya, Selangor Darul Ehsan.

Tel : 603-7876 2009 / 7875 6370

Fax : 603-7877 1076

Email : fomca@po.jaring.my

Website : www.fomca.org.my

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