



CONSUMER education

on

**Consumer Rights and Responsibilities
Code of Conduct for Ethical Business
Importance of Product Labelling**



by **Bishan Singh**
for **Direct Selling Association of Malaysia
(DSAM)**

in collaboration with:

Ministry of Domestic Trade and Consumer Affairs (MDTCA)

Federation of Malaysian Consumer Associations (FOMCA)

Education and Research Association for Consumers Malaysia (ERA Consumer Malaysia)

Muslim Consumers Association of Malaysia (PPIM)

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Consumer Education and Protection Initiative



CONSUMER education

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About the Author

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Principle Organisations

MDTCA or the Ministry of Domestic Trade and Consumer Affairs was established on October 27, 1990. The Ministry's objectives are to encourage the development of ethical domestic trade and the protection of the consumers and intellectual property.

DSAM or the Direct Selling Association of Malaysia was established in October 1978 and is a professional trade organisation aimed at promoting the direct selling industry as well as acting as the de facto voice of the industry. Besides representing the direct selling industry in Malaysia, DSAM works closely with both the Ministry of Domestic Trade and Consumer Affairs and NGOs like FOMCA and ERA Consumer Malaysia in consumer education and protection. DSAM is also affiliated to the World Federation of Direct Selling Associations (WFDSA), a federation of national associations all over the world that subscribe to ethical business practices.

FOMCA or the Federation of Malaysian Consumer Associations is a national non-governmental, voluntary, non-profit and non-political organisation working for the civil society. It is the umbrella body of registered consumer associations in Malaysia. FOMCA, which was founded on June 10, 1973 links the activities of consumer associations in Malaysia as well as those at the international level and works

together towards strengthening consumer protection. FOMCA is a movement of the people, by the people and for the people. Its main concern is not only value for money but more so, value for people.

ERA Consumer Malaysia or Education and Research Association for Consumers, Malaysia is an NGO founded in 1985 with the vision of creating self-reliant, empowered community-based groups that can assert and protect themselves as consumers. It seeks to achieve this through its research and advocacy work, at the same time networking with a wide range of organisations at all levels. Among its recent achievements are the Self-Reliant Community Project for poor rural farmers, consumers and indigenous communities; providing input for the parliamentary debate on the Consumer Protection Act 1999 and establishing a “Corporation Watch” to monitor the impact of corporate globalisation on vulnerable communities in Malaysia.

PPIM or the Muslim Consumers Association of Malaysia was established in June 1997 on the initiative of a group of doctors, university lecturers, religious experts and individuals concerned about the problems faced by Muslim consumers. The objectives of the association are to protect the rights of Muslim consumers as well as to make them aware of their rights and to act as a catalyst for the development of the Muslim economy specifically and the Malaysian economy generally.

Appreciation

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Consumer Education Module

Introduction

These materials are prepared for the Direct Selling Association of Malaysia (DSAM) in collaboration with the Ministry of Domestic Trade and Consumer Affairs (MDTCA), the Federation of Malaysian Consumer Association (FOMCA), Education and Research Association for Consumers (ERA Consumer) and the Muslim Consumers Association of Malaysia (PPIM).

These materials cover three main topics, namely:

- Consumer rights and responsibilities,
- Code of conduct and business ethics, and
- Product labelling

In order to make the material more comprehensive, an additional section is included to define the “*Key Concepts of Consumer Education*”. This provides the background and the context for the module.

The purpose of this consumer education module is to provide background information and ideas to assist in the training and education of 3 groups of people in society. They are the ordinary consumers, the business community and product manufacturers. The aim is to create awareness and motivate them to play a more responsible role in ensuring consumer protection as part of national development initiatives.

The module is so designed specifically to cater for the above purpose. The format is divided into five parts. The first part covers the key concepts and the purpose of consumer education. It provides the background information and sets the context of the module. The second, third and fourth parts are information guides on the topic of consumer education, code of conduct and the business ethics, and product labelling. The fifth part shares ideas for action. This covers the three key approaches and techniques for consumer education.

In addition, the design of the module is structured in such a way that more topics can be built upon the existing framework of the module. For example, other issues like how to seek consumer redress, the role and influence of advertisements, buying on hire purchase, etc, can be built into the existing framework of the module. Such an initiative will help to increase the content and scope of materials for consumer education.

The best form of consumer protection is self-protection. To be in a position to protect ourselves, we need consumer education. Building the capacity of consumers to work both collectively and individually as responsible consumers can lead to fair and just commercial practices in the marketplace. It will also help us to attain a better quality of life for the society. We can, in fact, through our role as consumers, ensure value for money, value to people, value for the environment as well as value to democracy and justice.

In this endeavour, both the businesspeople and manufacturers can play a very important role. Consumer education is equally important for them.

We hope that in a small way, this module will be able to contribute to the consumer education of consumers, the businesspersons and the manufacturers. It is also hoped that this will build their capacity to play their respective roles effectively to achieve a more just and equitable society.

BISHAN SINGH

25 June 2001

PART 1

Key Concepts of Consumer Education

As a consumer educator, we should have some background knowledge and understanding of certain key concepts of consumerism and consumer education. This knowledge and understanding is our foundation to assist us in our task of imparting consumer education to our intended audience. Here are some of the key concepts:

Concept 1: Who is a Consumer?

A consumer is a person who consumes goods, services and gifts of nature for his/her satisfaction and general well being¹.

In this definition, there are three important concepts to recognise:

- First, when we talk about a consumer we refer to a person. In this context everyone, from the king to the pauper and from the young to the old, is a consumer. A businessperson is also a consumer. The businessperson plays a dual role. A businessperson is a supplier of goods and services. As a consumer, he/she is a consumer of goods, services and gifts of nature.
- Second, we consume goods, services and gifts of nature. Often the consumption of these gifts of nature like fresh air, clean water and a healthy environment, is left out in defining a consumer. We must not forget that in addition to goods and services, the right to a healthy and clean environment is also an important prerequisite for a good quality of life.
- Third, the purpose of consumption is for the satisfaction of our wants and needs to ensure our general well-being. We often pay for the goods and services we consume. Even if we do not pay and the goods and services are offered free, we as consumers are entitled to safe and satisfactory products and services that guarantee our well-being. A good example is the services by the government. The government, in a democracy, is in essence a provider to the people of services such as keeping law and order, and the administration of justice.



¹ Federation of Malaysian Consumers Association (FOMCA), working definition, 1992, as defined by Bishan Singh, former President of FOMCA.

Concept 2: What is Consumer Education?

It is important to recognise and understand that “consumer education” means different things to different people². For instance:

- To an ordinary consumer, education is viewed as information to help him / her make better choices of goods and services in the market place.
- A businessperson views consumer education as an activity that assists him or her in selling services and products.
- Bureaucrats view consumer education as a programme to complement and supplement laws and regulations that foster trade competition. They believe that healthy competition and an educated body of consumers will ensure protection for the consumers.
- A consumer advocate sees consumer education as providing information to consumers to protect them from fraudulent trade practices and exploitative market operations.
- And an educator sees consumer education as development of skills and knowledge that assist consumers to play their role effectively in the market place.

Therefore, it is important for us to recognise the people involved and understand the meaning of consumer education according to their given perspectives

Concept 3: Why do we need Consumer Education?

We need consumer education to build our knowledge, skills, aptitudes, values and capacity to play the role of a responsible consumer. There are five important aspects to consumer education:

● Informed Choice

Consumer education must be functional. The business of living in this modern world is complex and can be bewildering. We must learn to obtain information on goods and services, discriminate between sources of information, understand the psychology of selling and advertising. Learn to shop wisely, distinguish between needs and wants and understand the alternatives of conserving and saving rather than buying and consuming.

● Value Systems

Consumer education must include the development of a Value System. We must learn how to share and care. Consumers are not individuals insulated away from the rest of society. They are part of the society. Consumer education must enable the consumer to understand that individual consumer decisions have a broad social impact and influence on such important things as the overall allocation of resources within the society. We can use our power as consumers to promote value for money, value to people, value to the environment, value to democracy and value to justice.

² “About Consumer Education” by Bishan Singh, from the “Consumer education - a Resource Handbook” by Anwar Fazal and Bishan Singh, IOCU Publication, July 1991.

- **Recognition of Responsibilities and Rights**

In pursuing the daily business of living, we play three distinctive roles, namely that of a worker, consumer and citizen. Sometimes such roles can impinge upon and may be in conflict with one another. As consumers, we want to buy goods that are safe and durable. As workers, we may be contributing to the production of shoddy goods and goods that have built-in obsolescence. It is important to articulate and understand both our responsibilities as well as our rights as consumers. This will help us to iron out possible conflicts in roles and bring greater harmony in the relationship.

- **Wise Decision Making**

We need information to make careful, wise decisions and informed choices. We also need to develop the correct attitude and orientation. In addition, we must become aware of our roles, responsibilities and rights. There is a need for consumers to wear their thinking caps all the time to evaluate, assess and make responsible decisions in their consumption choices and options. Consumer education should enable consumers to consider seriously and carefully the environment, the social impacts of our economic decisions and the sustainability of the eco-system in supporting life on this planet.

- **Catalyst for Action**

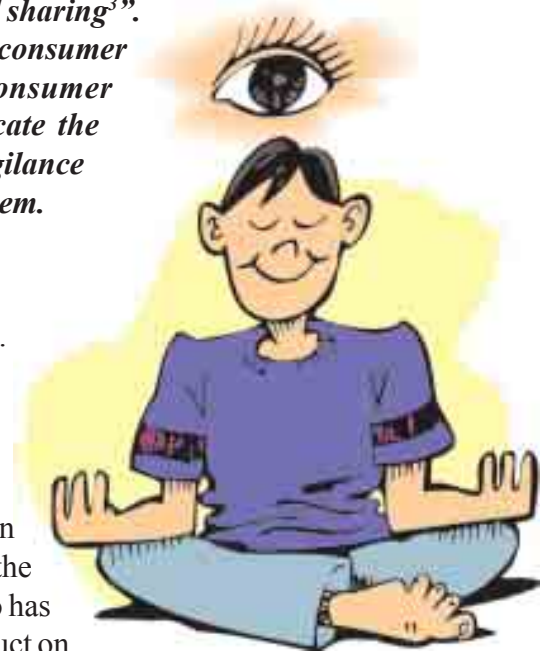
Consumer education must catalyse action. We must be aware of the available avenues of consumer complaint and redress and learn to use them for our benefit. Most important, consumer education should help in developing the intellectual processes of inquiry and problem-solving, motivate participation and social concern in promoting not only value for money but also value for people as human beings.

Concept 4: How can Consumer Education help us?

In the final analysis, consumer education must motivate consumers to participate proactively in the decision-making process, especially those that affect their day-to-day lives. Consumer education is “living and sharing³”. It must include both the individual concerns of the consumer and the shared concerns of society at large. Consumer education must awaken the consumer eye, inculcate the responsibilities of consumers, ensure constant vigilance of consumer rights and develop a shared value system.

- **Opening the Consumer Eye**

It is believed that meditation opens the “third eye”. Likewise, consumer education should help to open the “consumer eye” of the consumers. The “consumer eye” concept means that an informed consumer looks at a product critically and analytically, first from his own point of view as an individual consumer, then with the interest of the community at large in mind. The consumer who has had his “consumer eye” opened analyses a product on several levels, like health, economics, product safety, legal and environment considerations and social costs.



³ *Living and sharing: Materials for Consumer Education, written by Susan Churchman, for the Australian Consumers Association, 1982.*

● Shared Value System

Consumer education is about “living and sharing”. This is a very powerful concept. Consumer education should assist in the development of a strong consumer movement. The five pillars of the consumer movement which consumer education should help to imbibe as part of the Shared Value System are⁴:

- i. **Caring people:** The consumer movement is about people who care for others and about themselves. It’s about value for money or goods. But more importantly, it’s about value for people.
- ii. **Protecting the earth:** Consumers must be conservers, protecting and preserving the earth. We must be aware of the consequences of our actions so that the earth’s resources are not squandered by the few at the expense of the many.
- iii. **Knowing your rights:** Human rights are central to the consumer movement, especially the right of people to have their basic needs met.
- iv. **Fighting for justice:** Political and economic systems often discriminate against the powerless. Consumers can help to build fair, rational and just societies.
- v. **Discovering your power:** Acting together, ordinary people can make a difference. Consumers can use their collective power to protect their interest and to fight those forces that threaten them.

To conclude, consumer education is necessary to develop living skills in the individual as well as in his / her role in society. The right to consumer education is one of the basic consumer rights. This right to consumer education incorporates the right to knowledge and skills for taking action to influence factors that affect the final analysis of consumer decision-making.



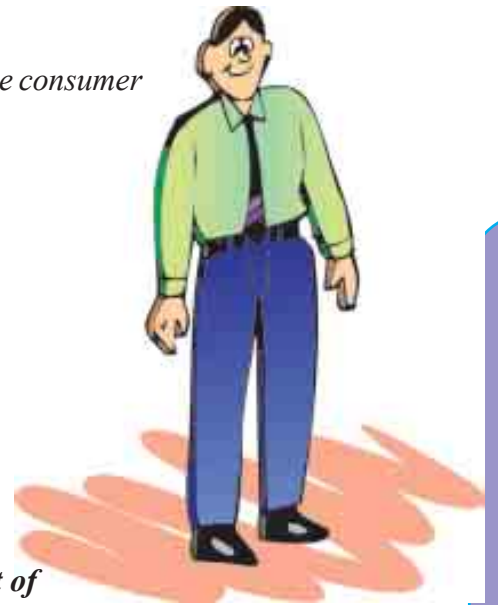
⁴ The "five pillars of the consumer movement" were first articulated by Anwar Fazal at a speech he made in Stockholm on 9th December 1982 on his receipt of "The Right Livelihood Award" popularly known as the "Alternative Nobel Prize". The speech was titled "The New Consumer Movement".

PART 2

Information Guide on Consumer Rights and Responsibilities

This section provides background information and ideas to the consumer educator on the following:

- The role of the consumer as a member of the society;
- The value system that consumers can promote;
- The 8 rights of the consumers;
- The 5 responsibilities of consumers; and
- The 5 roles and contributions of consumer associations



1. What is the role of a consumer as a member of society?

Consumers are not individuals isolated from the rest of society. They are part of the society. Hence, even if the actions of individuals do not affect them as individuals, they may, in many cases, impinge on society as a whole.

Role 1: *The consumer must become fully aware of his/her actions on others and society in general. This critical awareness must become the organising principle of decision-making and action.* The word “consumer” has a negative meaning and connotation. Consumers must become aware of this negative aspect. According to Wayne Ellwood¹, “Consumers have been seen as de-personalised machines, one-dimensional human beings whose only purpose is to absorb the non-stop flow of trinkets spat out by the conveyer belt of modern industry.”

Role 2: *The consumer has to change this negative perception to a positive one. Consumers must begin to be responsible and discriminating individuals in their choices and decisions.*

In essence, the consumer movement is helping to do this. According to Wayne Ellwood², “The birth of the modern consumer movement was based on the belief that people could rally together under a common banner. Not to share their alienation, but to heighten their shared collective identity. Consumers could reclaim the word ‘consumer’, wrench it from its narrow definition within the market system and fight to eventually turn ‘consumers’ into ordinary people.”

Role 3: *What this means is that consumers must become more human and humane in their decisions and actions. Also, they must join and contribute to the struggle and work of the consumer movement.*

According to Anwar Fazal, “the act of buying is a vote for an economic and social model, for a particular way of producing goods. We are concerned with the quality of goods and the satisfaction we derive from them. But we cannot ignore the condition under which the products are made – the environmental impact and working conditions. We are linked to them and have a responsibility to them³.”



¹ *Generating Power: A Guide to Consumer Organising, IOCU 1984*
^{2,3} *Ibid*

Role 4: *The next important role of consumers is to ensure that our act of buying contributes towards a fair, just and equitable economic and social model that is life-centred and sustainable. We are increasingly becoming aware that certain products are manufactured using cheap labour and under inhuman conditions. We must reject such products unless conditions are improved. We are becoming aware that chemical pesticides pollute the food chain and water sources. We must reject buying and consuming such products. As enlightened consumers, we must send strong messages by not buying such products. Through critical awareness and the responsible act of buying, we can promote a fair, just, equitable and sustainable development.*

2. What values can a consumer promote?

*By acting to transform the negative connotation of the meaning of “consumers” to a positive one and exercising our act of buying judiciously, we as consumers can promote five important values. This value system has the potential to contribute to the promotion of a fair, just and equitable economic and social system. These values are:*⁴

- **Value for money**

Consumers, either as workers, professionals, business people, traders or investors, earn incomes often through hard work. This hard-earned income should give consumers adequate purchasing power. In other words, such income must have adequate value. Consumers must ensure that for the benefit of all they should not contribute to any loss in the value of our hard-earned income brought about by indiscriminate purchases and wasteful spending habits. Such actions can contribute to price increases and inflation. Price increases and inflation have the impact of eroding away the value of our money. We begin to get less for our money.

- **Value to people**

As responsible consumers, we must ensure that our consumption patterns and lifestyles do not contribute to the economic exploitation and oppression that disregard human and humane values. For example, if manufacturers use child labour or cause destruction to indigenous communities or portray women as sex symbols in their advertisements, it is important for us as consumers to boycott the purchase and use of such products. By so doing, we are sending a clear message that there must be value for people in the production, sale and use of all products and services.



- **Value to the environment**

The pre-condition for the life-support system to continue to function is an ecologically balanced environment that is able to regenerate itself on an uninterrupted, continuous basis. We as consumers can contribute to sustainable development if we begin to become aware that we are the cause of the problem of environmental degradation. If we become aware of this and transform ourselves to become part of the solution, we can ensure value for environment. This contributes to development that is sustainable.

⁴ *These ideas were drawn from the views of various consumer activists around the world and articulated in this form by Bishan Singh at the 10 Anniversary Celebration of the Pahang Association of Consumers (PAC), under the theme "Pancacara Perjuangan Pengguna" or "The Five Principles of Consumer Activism"*

● Value to democracy

All consumers are an integral part of civil society. Civil society is the primary society from which emanates the concept of “sovereignty”. As members of the civil society, consumers give the mandate to members of civil society through the process of election to govern them. Government in a democracy is the servant of the people, and citizens as consumers have a right to government services that are responsible, transparent and accountable. The role of consumers in ensuring democracy is an integral responsibility of citizenship. Value of democracy is only possible if consumers as citizens play their role with great responsibility. We must get involved actively in the process of governance.

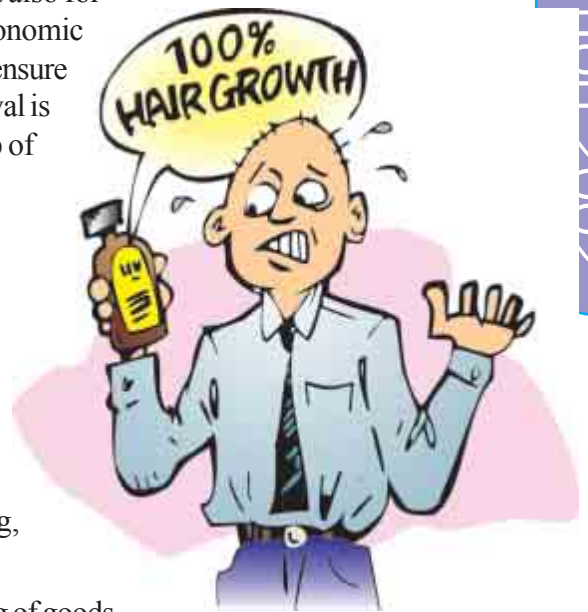
● Value to justice

The ultimate value of human civilisation lies in the fact that there is rule of law, justice and peace. Consumers, through their role as consumers and citizens, owe a responsibility to ensure value for justice, not only for ourselves as consumers but also for the trader, the investor and others involved in the economic and social system. In addition, we must not forget to ensure justice to our life-support system on which our survival is dependent. We have a responsibility to stewardship of the conservation and protection of the environment.

3. What are the universal consumer rights?

The global movement has articulated 8 universal rights for consumers, as follows:

- i. **Basic needs:** The right to basic goods and services which guarantee survival: adequate food, clothing, shelter, healthcare, education and sanitation.
- ii. **Safety:** The right to be protected against the marketing of goods or the provision of services that are hazardous to health and life.
- iii. **Information:** The right to be protected against dishonest or misleading advertising or labelling. And the right to be given the facts and information needed to make an informed choice.
- iv. **Choice:** The right to choose products and services at competitive prices, with an assurance of satisfactory quality.
- v. **Representation:** The right to express consumer interest in the making and execution of government policy.
- vi. **Redress:** The right to be compensated for misrepresentation, shoddy goods or unsatisfactory services.
- vii. **Consumer education:** The right to acquire the knowledge and skills necessary to be an informed consumer.
- viii. **Healthy environment:** The right to live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and well-being.



4. What are the consumer's responsibilities?

Consumer education must inculcate the responsibilities of the consumer as well. Responsibilities always precede rights. If consumers want their rights recognised, they must first exercise their responsibilities. These responsibilities are:

- i. **Critical Awareness:** The responsibility to be more alert and questioning about the price and quality of the goods and services we use.
- ii. **Action:** The responsibility to assert ourselves and act to ensure that we get a fair deal. As long as we remain passive consumers, we will be exploited.
- iii. **Social Concerns:** The responsibility to be aware of the impact of our consumption on other citizens, especially disadvantaged or powerless groups, whether in the local, national or international community.
- iv. **Environmental Awareness:** The responsibility to understand the environmental consequences of our consumption. We should recognise our individual and social responsibility to conserve natural resources and protect the earth for future generations.
- v. **Solidarity:** The responsibility to organise together as consumers to develop the strength and influence to promote and protect our interests.

5. What are the roles and contributions of consumer associations?

Consumers need to join and support consumer associations because a consumer association has an important role to play and contributions to make. The 5 roles and contributions identified are⁵:

Role 1: Community Development Centre

Consumer associations are in fact associations for community development. They provide community development services, ensuring that “goods, services and gifts of nature” are utilised for the “common good” of all. They also educate and create awareness amongst consumers to play their role in a responsible manner.

Role 2: Community Advisory and Support Centre

Consumer associations play an important role in providing advice to consumers and helping them in time of need to seek redress and a fair deal in the market place. Such a watchdog and support role keeps things checked and under control.

Role 3: Community Information Centre

Another role and function of consumer associations is to conduct research, gather information and disseminate such information to consumers. This is to enable consumers to make informed choices, right decisions, and protect them from unscrupulous trade practices.

Role 4: Community Education Centre

Imparting and disseminating consumer education to the community is another important role of the consumer association. The best consumer protection is self-protection. Consumers require consumer education to protect themselves in the market place.

Role 5: Centre for Consumer Protection

The most important role of a consumer association is to advocate consumer protection. Consumer associations must be vigilant all the time and proactively advocate consumer protection, particularly in ensuring adequate laws and regulations and their enforcement.



5 Bishan Singh, *Majalah Pengguna Jilid 6 Bil. 1*

PART 3**Information Guide on Code of Conduct for Ethical Business**

This section provides background information and ideas to the consumer educator on the following:

- The importance of good business ethics;
- Characteristics of an ethical business;
- Role and responsibilities of ethical business;
- Contributions of good governance towards consumer protection;
- Business code of conduct; and
- Role of Government in promoting ethical business

1. What is the importance of good business ethics?

The consumer movement is not anti-business. The consumer movement is for good business. It is however, anti bad business. Therefore the importance of good business ethics is to help businesses get the support of the consumer movement. The support of the consumer movement will help to improve sales and profit.

Second, the aim of good and ethical business is to serve the consumers. Likewise, the aim of the consumer movement is also to serve and protect the interest of consumers. There is clearly a common purpose between business and the consumer movement. The practice of good business ethics can synergise co-operation and collaboration between ethical business and the consumer movement. Therefore, businesspersons need consumer education as much as consumers to become successful in their business.

This co-operation and collaboration has the potential to benefit both parties, in particular the business. A business that is ethical and truly wants to serve the interests of the consumers will get free feedback from consumers. This feedback can help business to improve constantly and help the consumers better. Practising ethical business is in the best interest of business as well.

2. What are the characteristics of an ethical business?

In this context, and drawing from the opinions of consumer advocates and businesspersons, 5 important characteristics of an ethical business have been identified, namely:

- An ethical business is one that is engaged in a lawful business. It is actively meeting the needs and wants of consumers for a reasonable profit, and not one that exploits or profiteers from the consumers.



- An ethical business is one that provides goods and services to consumers in a responsible and honest way. When the roles are reversed and they become consumers, they too would like to receive goods and services in a responsible and honest way.
- An ethical business is one that engages in the safest, least polluting, efficient and cost-effective way of production, using resources optimally and caring for the environment.
- An ethical business is one that takes care of the interests of its workers, its shareholders and others involved with it. Such a business ensures honesty and transparency in its dealings.
- An ethical business is one that contributes to development that is sustainable, socially just, and which contributes to the satisfaction and well-being of society.

3. What are the roles and responsibilities of ethical business?

From the review of the characteristics of ethical business, we can single out 8 important roles and responsibilities that an ethical business can pursue. These are as follows:

- **Role and Responsibility 1:** Business should always be honest, accountable and truthful in its dealings with consumers, employees, suppliers, financiers and shareholders.
- **Role and Responsibility 2:** It should strive to provide products and services to the consumers that are the safest and highest quality possible. The product or service must serve the purposes satisfactorily, efficiently and be cost-effective.
- **Role and Responsibility 3:** It should produce such goods and services with the minimal, social, political, environmental, cultural and religious de-stability and destruction.
- **Role and Responsibility 4:** It should always provide accurate information and representation in advertisements for the sale of goods and services. It should ensure consumers are informed and educated in the proper and safe use of the products and services for optimum utility and satisfaction.
- **Role and Responsibility 5:** Business should deliver the product or services in the quality, quantity and time at fair and reasonable prices, as agreed upon by the consumer, and honour the sales commitment made.
- **Role and Responsibility 6:** It should consider not only the interests of the owners of business but the interests of employees as well, and ensure a safe and conducive working environment with adequate wages, benefits and amenities.
- **Role and Responsibility 7:** In addition to the interest of the employees, business should consider also the interest of society. Ensure the interest of the general public is always considered in all decisions on the production of goods and services, in particular the needs, aspiration and welfare of the community.
- **Role and Responsibility 8:** In addition to the interest of society, business should also consider the consequences and impact of the business on the environment. It is important to contain all negative impacts and minimise pollution and not to sacrifice safety and efficiency in the interest of short-term profits.

4. What contributions can good corporate governance make towards consumer protection and national development?

Good corporate governance means doing business in a responsible, efficient and cost-effective way. Good corporate governance and management of business can contribute effectively to consumer protection and national development in the following ways:

- **Responsible corporate governance** leads to a fair and just economic system. A fair and just economic system leads to greater confidence and the better use of resources without wastage and social disruptions. It creates a win-win situation for the business, the workers, the investors, the government and the consumers. Everybody tends to gain.
- **Efficient corporate governance** leads to better time and resource utilisation. This reduces waste and optimises the use of resources. We are able to manage the production and output process better. This enhances and strengthens further the win-win situation.
- **Cost effective corporate governance** means we are able to do more with less. Again, this reduces wastage and optimises the resources. It enhances the ability of business to lower prices to benefit the consumers.

Collectively, good corporate governance – working and managing with responsibility, efficiency and cost effectiveness – makes our society and nation competitive in the growing global market.

5. What are the elements for a code of conduct for ethical business?

The Ministry of Domestic Trade and Consumer Affairs of the Government of Malaysia has articulated five elements that constitute the code of conduct for ethical business. We can call this the “Pancacara of Ethical Business”. Businesses should :

- Recognise and accept the rights of consumers
- Practice truthful, ethical and non deceptive business
- Refrain from misleading and fraudulent statements
- Practise fair competition
- Be responsible towards society

6. What role can government play to promote ethical business?

The government, in particular the Ministry of Domestic Trade and Consumer Affairs, can play an important role in ensuring and promoting ethical business. From the United Nations Guidelines for Consumer Protection, we can single out 8 ways how the government can ensure and promote ethical business¹.

1. Ensure Product Safety

Government should adopt or encourage the adoption of appropriate measures, including legal systems, safety regulations, national or international standards, voluntary standards and the maintenance of safety records to ensure that products are safe for either intended or normally foreseeable use.



¹ The UN Guidelines for Consumer Protection is the most important and comprehensive document on the role of government agreed upon by member states of the United Nations, including Malaysia.

2. Ensure Hazard Warning and Recall

Government should, where appropriate, adopt policies under which a product that is found to be seriously defective or constitutes a substantial and severe hazard should be recalled, replaced or substituted with another suitable product by the manufacturer or distributor. If it is not possible to do this within a reasonable period of time, then the consumer should be adequately compensated.

3. Ensure Consumer Satisfaction

Government should adopt or maintain policies that make clear the responsibility of the producer to ensure that goods meet reasonable demands of durability, utility and reliability and are suited to the purpose for which they are intended, and that the seller should see that these requirements are met. Similar policies should apply to the provision of services.

4. Encourage Effective and Fair Competition

Government should encourage fair and effective competition in order to provide consumers with the greatest range of choice among products and services at the lowest cost.

5. Reliable After-sales Service

Government should, where appropriate, see to it that manufacturers and/or retailers ensure adequate availability of reliable after-sales service and spare parts.

6. Ensure Fair Contract Deals

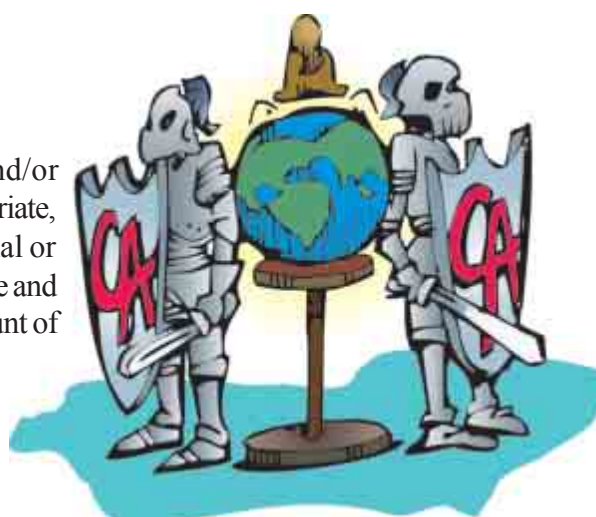
Consumers should be protected from such contractual abuses that are one-sided contracts. This includes exclusion of essential rights in contracts and unconscionable conditions of credit by sellers.

7. Provide Testing Facilities

Government should regularly review legislation pertaining to weights and measures and assess the adequacy of the machinery for its enforcement. Government should encourage and ensure the availability of facilities to test and certify the safety, quality and performance of essential consumer goods and services.

8. Ensure Availability of Redress Mechanism

Government should establish or maintain legal and/or administrative measures to enable consumers or, as appropriate, relevant organisations, to obtain redress through formal or informal procedures that are expeditious, fair, inexpensive and accessible. Such procedures should take particular account of the needs of low-income consumers.



PART 4

Information Guide on Product Labelling

This section provides background information and ideas to the consumer educator on the following:

- **Product labelling and the importance of labelling.**
- **Key characteristics of good product labelling.**
- **Role and responsibilities of manufacturers in product labelling.**
- **Labelling and role of consumers.**

1. What is product labelling and the importance of labelling?

The number of products in the market place are multiplying daily, and consumers are offered a variety of products to choose from and use. Consumers need information on products such as the name, price, contents of the product, directions for use, storage and warnings of dangers, if any. Product labelling is therefore information given to consumers on the product and its use.



The importance of product labelling, is therefore, to:

- inform consumers of the product, its name, content, price and other relevant information;
- help them make choices on the product to purchase;
- guide them how to use such products, how to store them and what dangers to avoid.

Product labelling is becoming synonymous with consumer protection. With more and more products in the market, product labelling is growing in importance daily.

2. What are the key characteristics of good product labelling?

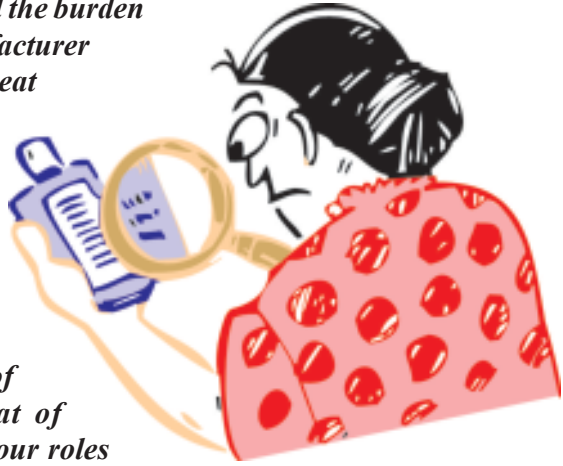
Good labelling must cover 5 important areas, namely:

- **Provide basic information:** The product label must state the brand name, the price, the standard certification or expiry date for food products and the name and address of the manufacturer.
- **Details of the content or ingredients:** A good product label should give information on the contents, and for food items, the ingredients used. The information provided must be such that consumers can understand the meaning or look the meaning up in a dictionary and not some term coined up by the manufacturer or his/her product advertising agent. The information must include the weight and measurements as well.
- **Instruction for use:** Another characteristic of a good label is one that contains clear and precise instructions on the use of the product. In addition to product labelling, more product information is needed, such as on electrical equipment, computers and machinery. In the case of food items, tonics and medicines, the amount and dosage must be clearly stated. The label should include instructions for storage and maintenance.
- **Warning and contra indications:** A good label should also contain warnings of possible dangers and hazards. In the case of food and medicines, the label should provide contra indications and possible side effects.

- **Visible and easy to read:** Labels are for consumers. A good label is one that is visible and easy to read, not just coding and signs for the use of the retailers and manufacturers. Often, like in the case of medicine, in addition to the core message in the label, detailed information should be provided by means of information sheets.

3. What are the roles and responsibilities of a manufacturer in labelling?

The final responsibility for consumer redress and the burden of consumer protection lies more with the manufacturer rather than with the retailer. The maxim “caveat emptor”; that is, “let the buyer beware”, is no longer an excuse for manufacturers to produce shoddy goods that endanger the safety of consumers. Retailers who market the products rely on the manufacturer’s information and warranty. Increasingly, they are now holding manufacturers responsible for product information and safety. The responsibilities of product labelling and safety are clearly that of manufacturers. In this context, we can assign four roles and responsibilities to manufacturers on product labelling.



- **Role and responsibility 1: Be accountable**

The manufacturer must be thoroughly sure and convinced that the product he/she is producing is safe for use or consumption. Consumer satisfaction, protection and well-being should over-ride the profit consideration and decision-making.

- **Role and responsibility 2: Provide accurate and truthful information**

Product labelling is to inform, educate and protect consumers in their act of using or consuming a product, not to mislead them and profiteer from their ignorance. It therefore becomes the responsibility of the manufacturer to provide accurate information. Product labelling and product information provided by manufacturers must be accurate and truthful.

- **Role and responsibility 3: Educate and train the retailers**

Retailers sell products of manufacturers to consumers. According to the experience of the consumer movement in Malaysia, often the retailers who market the product are unable to explain the labels on the product nor guide consumers in the use and consumption of such products. They simply ask the consumers to read and make the interpretation. They are unable to assist. If the manufacturers trained the retailers and educated them to help consumers, even illiterate consumers could benefit from the information support given by the retailers. Manufacturers’ service to consumers is still weak.

- **Role and responsibility 4: Be committed to consumer redress**

Manufacturers are human beings. And no human is perfect and without mistakes. Manufacturers must aspire at all times to ensure consumer safety and satisfaction. If consumers are hurt or injured in the course of their purchase and use of products, the manufacturers must be committed to provide redress, use the feedback for product re-call and improve product weaknesses. Ethical business conduct not only provides protection to consumers; in the long run it also gains consumer support for its products and business.

4. What can consumers do to ensure proper product labelling?

It is often said that the consumer is the king or queen, as the case may be, economic system. But often consumers become jokers and clowns and are exploited by unscrupulous businesspersons. To exercise our power as consumers and to change things for the better, we need to act. We must make things happen and not just wait or talk about things happening. Consumers can do four things that will contribute to the promotion of ethical and accurate product labelling:



- **Consumers must adopt the habit and practice of reading product labels critically**

The first thing the consumers must learn to do is to promote ethical and accurate product labelling. We must adopt the habit and practice of reading product labels critically. Once the manufacturers and retailers become aware that consumers are reading labels critically and buying products that give accurate information, the manufacturers will learn how to improve their product labelling. Consumers can motivate good labelling practice through such habits.

- **Consumers must learn to provide feedback and information on inadequate and misleading product labelling**

The second thing the consumers can do to improve labelling is to proactively provide feedback and information on inadequate and misleading product labelling. Consumers need to communicate to the manufacturers and retailers about the weaknesses they find in product labelling. By doing so, the consumers will create awareness amongst the manufacturers and retailers on the need for better product labelling. Such information will also help the businesspersons to improve the development of accurate product labelling through a continuous process of reform.

- **Consumers must join and support the consumer associations to advocate good product labelling**

The third thing the consumers can do is to join a consumer association and collectively advocate good and accurate product labelling. The aim of a consumer association is to educate and protect consumers. By joining a consumer association and working collectively, we are educating ourselves and in the process, proactively advocating for better product labelling. Such action will also motivate manufacturers and retailers to provide better and more accurate product labelling.

- **Consumers must learn to boycott products that contain misleading labels and products of manufacturers who do not respond to consumer redress**

In addition to the above three actions, consumers can also boycott products that contain misleading labels and also the products of manufacturers who do not respond to consumer feedback and redress. Such firm action will induce manufacturers to improve product labelling and adopt more responsible trade practices. Such action will also help promote more responsible and ethical trade practices and business.

Notes

CONSUMER education

PART 5

Approaches and Techniques for Consumer Education

- **Consumers need consumer education to build their capacity to act as rational and responsible consumers in the market place;**
- **Businesspersons need consumer education to build their capacity to become ethical businesspersons, to serve consumer interest, satisfaction and well-being for a profit, rather than to profiteer from them; and**
- **Manufacturers need consumer education to build their capacity to become ethical manufacturers to serve consumer interest, satisfaction and well-being, also for a profit and not mislead consumers to profiteer from them.**

The information guide on consumer rights and responsibilities, on codes of conduct and business ethics, and product labelling gives the adequate materials to provide consumer education to the three groups in society who can collectively contribute to ethical business practices and bring about a situation for greater consumer protection.

This module is designed to introduce such education to these three groups.

The purpose of this section is to share ideas and guidelines on approaches and techniques on how this consumer education module can be used in educating them.

There are many methods through which consumer education can be imparted. Here the three most popular and effective approaches and techniques selected for our purpose, namely how to:

- **Use lecture, story telling and case study methods;**
- **Organise and conduct seminars; and**
- **Organise and conduct workshops.**

1. How to use lecture, story telling and case study methods to impart consumer education?

This section demonstrates how consumer educators can use lecture, story and case study methods to impart consumer education as contained in this module. The lecture method is used to disseminate education on the rights and responsibilities of consumers as contained in “Information Guide on Consumer Rights and Responsibilities.” “Information Guide on Ethical Business Code of Conduct” is disseminated through the story telling method and “Information Guide on Product Labelling” is disseminated using the case study method. This approach is meant more as an illustration and an idea giver. It is a guide and not a blueprint. Changes, particularly creative ones, are encouraged.

- **Audience**

We recognise in this module that the three groups namely the consumers, the businesspersons and manufacturers, need consumer education. Therefore, it is important that the audience comprises homogenised group categories like the general consumer group, the business group and the manufacturers group. It is recommended that the group categories be not mixed. This will prevent possible conflicts and increase greater awareness of the role of each group in consumer protection initiatives.

The number of the audience is important. The outreach and impact of the education message is less if the audience is too big. If it is too small, the atmosphere is less motivating, particularly to the educator. A judicious balance is required. Drawing from experience, the audience for this approach should not be less than 50 people, and not more than 100 people.

This approach is particularly suitable if we need to cover more people, and face the constraints of time.

- **The Venue**

The selection of the venue for this approach is very important. First, it must have the capacity to accommodate the number of people invited. Second, it must be adequately comfortable and conducive for the education session with the required equipment and furniture. It must be accessible to all participants without much difficulty, particularly within the reach of public transport, and if not, transportation for participants to the venue should be arranged.

- **The Tentative Programme:**

| | |
|---------------|---|
| 08.00 – 08.30 | Registration |
| 08.30 – 09.00 | Opening, briefing and introductions |
| 09.00 – 09.45 | Lecture: Consumer Rights and Responsibilities |
| 09.45 – 10.00 | Break |
| 10.00 – 10.45 | Story Telling: Ethical Business Code of Conduct |
| 10.45 – 10.50 | Break |
| 10.50 – 11.35 | Case Study: Importance of Product Labelling |
| 11.35 – 12.00 | Assessment, evaluation and closing |

- **Session Speakers**

It is better to have three speakers, one for each of the three sessions. This will increase variety and reduce the monotony of having to listen to the same person throughout. There is, however, a need for an overall facilitator for the sessions. His or her role will be to facilitate the opening, briefing, introducing the speakers, facilitating the sessions, winding up, evaluating and closing.

a) Guidelines on the use of lecture method

- **The Approach**

The most common approach used in imparting consumer education is the lecture (ceramah) method. Here is a guide on how consumer educators can provide education regarding the rights and responsibilities of consumers:

- **The Topic: Consumer Rights and Responsibilities**

The talk will cover the following:

- The role of the consumer as a member of the society;
- The value system that consumers can promote;
- The 8 rights of the consumers;
- The 5 responsibilities of consumers; and
- The 5 roles and contributions of consumer associations

- **The Preparation**

The speaker must prepare the text and the visual. The text is already in the manual. What the speaker needs to do is prepare the visual. See Annex 1 for an example on the rights and responsibilities of consumers. This is to be used as a transparency in an overhead projector in making the presentation.

- **The Presentation**

The speaker must remember that he/she has only 45 minutes to make the presentation. It is more than adequate time for the given subject. The presentation must be made interesting by visuals and examples explaining the concepts and texts.

b) Guidelines on the use of the story telling method

- **The Approach**

Story telling is another common approach for education. The story must be interesting and should contain adequate substance for discussions and reflection.

- **The Topic: Code of Conduct for Ethical Business Ethics**

The story telling method should cover the following aspects on the topic, namely;

- The importance of good business ethics;
- Characteristics of an ethical business;
- Role and responsibilities of ethical business;
- Contribution of ethical business towards consumer protection; and
- Business code of conduct

- **The Preparation**

The consumer educator needs to prepare a relevant and suitable story that will interest the participants, and motivate discussions to adequately cover the education topics. As an example, see Annex 2, the story of Abdul Hassan.

- **The Presentation**

The story teller must remember that he/she has only 45 minutes to tell the story and facilitate the discussion. It will be useful if this story and the questions for discussion are distributed as part of the presentation exercise. It will be a useful reference for following the story and discussion.

c) Guidelines on the use of the case study method

- **The Approach**

The case study method is another popular approach to impart education and training. For education on product labelling the best approach will be to take a case of an actual product labelling to present the study.

- **The Topic: Product Labelling**

This case study method should cover the following aspects on the topic, namely:

- Product labelling and the importance of labelling;
- Key characteristics of good product labelling;
- Role and responsibilities of manufacturers in product labelling; and
- Labelling and role of consumers

- **The Preparation**

The consumer educator needs to select a relevant case for study that will interest the participants and motivate discussion to adequately cover the topics. An example is provided in Annex 3, Case Study of Indocafe label.

- **The Presentation**

The case study facilitator must remember that he/she has only 45 minutes to tell the story and facilitate the discussion. The case and the questions for discussion need to be distributed to all participants as part of the presentation exercise.

2. Guidelines on how to organise a seminar to impart consumer education

Another very effective way to impart consumer education is through a seminar. This is particularly useful if more time and resources are available. Here are eight guidelines or checklists on how to organise and conduct a half-day consumer education seminar using the module.

- i. **Selection of participants:** This module caters for three groups. It is important that the groups are selected from the same category, i.e. general consumers, businesspersons and manufacturers.
- ii. **Number of participants:** Too big a group of participants will not allow for the rendering of an effective seminar. Likewise too small a group does not inspire a motivating environment. The best number, according to the experience of educators, is a group of between 40 – 50 people.
- iii. **Invitation to participants:** The quality of the education seminar will depend on the quality of participants invited. We must be careful to ensure that all efforts are made to invite the right people.
- iv. **Selection of topics:** The topics of the seminar will follow the content of this kit as the basis for presentation and discussions.
- v. **Seminar programme:** A tentative seminar programme can be as follows:

| | |
|---------------|---|
| 08.00 – 08.30 | Registration |
| 08.30 – 09.15 | Opening, briefing and introductions |
| 09.15 – 10.15 | Presentation of Topic 1 (according to the group category) and discussions |
| 10.15 – 10.30 | Break |
| 10.30 – 11.30 | Presentation of Topic 2 and discussions |
| 11.30 – 12.30 | Presentation of Topic 3 and discussions |
| 12.30 – 01.15 | Recapitulation, assessment, evaluation and closing |
| 01.15 – 02.00 | Lunch |

- vi. **Venue:** Select an appropriate venue with adequate facilities that are conducive to organising and conducting the seminar.
- vii. **Preparation of materials:** Make available the module to the participants both as a guide and reference material.
- viii. **Seminar facilitator:** The consumer educator familiar with the module will be the seminar facilitator.

3. Guidelines on how to organise a workshop to impart consumer education

There is a general consensus among educators that the workshop method is the most effective way to educate adults. The approach enables participants to brainstorm, share knowledge and experience and generate new and functional knowledge for action. The workshop method, however, requires more time and resources. Here are eight guidelines on how to organise and conduct a one consumer group education seminar using the module.

- i. **Selection of participants:** The participants to the workshop are selected based on experience, leadership capabilities and those who are capable of initiating follow up action. For our purposes, groups need to be selected from the same category, i.e. general consumers, businesspersons and manufacturers.
- ii. **Number of participants:** Participants to the workshop are often limited to not more than 40 participants. The ideal number based on experience is 24 participants.
- iii. **Invitation to participants:** The quality of the workshop, like for a seminar, will depend on the quality of participants invited. We must be careful to ensure that all efforts are made to invite the right people.
- iv. **Selection of topics:** The topics of the workshop will follow the module contents as the basis for brainstorming, sharing experiences and discussions.
- v. **Guide workshop programme:** A tentative workshop programme:

| | |
|---------------|--|
| 08.00 – 08.30 | Registration |
| 08.30 – 09.15 | Opening, briefing and introductions |
| 09.15 – 10.15 | Workshop 1: Discussion on: <ul style="list-style-type: none"> ● What is the role of a consumer as a member of society? ● What values can the consumer promote? ● What are the universal consumer rights? ● What are the consumer responsibilities? ● What are the roles and contributions of consumer associations? |

Participants are divided into small groups of not more than 10 in a group. Each group will select one facilitator and one reporter from amongst the members. The facilitator will facilitate the workshop discussion, giving 10 minutes for each question. The reporter will record the key points for presentation in the plenary. The consumer educator will be the workshop facilitator. He will provide the synthesis, drawing from the information guide of the module, after the presentation.

- | | |
|---------------|--|
| 10.15 – 10.30 | Break |
| 10.30 – 11.30 | Plenary 1: Presentation of workshop discussions and synthesis from the plenary chair |

- 11.30 – 12.30 Workshop 2: Discussion on:
- Why is good business ethics important?
 - What are the characteristics of ethical business?
 - What are the roles and responsibilities of an ethical business?
 - What contributions can good governance make towards consumer protection and national development?
 - What are the elements of an ethical code of conduct for business?

The same procedures are to be adopted as for workshop 1. It is proposed the same members are retained in their own workshop. However, this time the groups will elect a new facilitator and a new reporter.

12.30 – 01.15 Lunch

01.15 – 02.00 Plenary 2 (Same procedure as plenary 1)

Workshop 3: Discussion on

- What is product labelling and the importance of labelling?
- What are the key characteristics of good product labelling?
- What are the roles and responsibilities of manufacturers in labelling?
- What can consumers do to ensure proper product labelling?

The same procedure and participants as in workshop 1 and 2. However, the participants will select a new facilitator and reporter to give more people the opportunity to learn.

03.30 – 04.00 Plenary 3 (same procedures as plenary 1 and 2)

04.00 – 04.15 Break

04.15 – 05.00 Review, assessment, evaluation and close.

- vi. **Venue:** Select an appropriate venue with adequate facilities that are conducive to organising and conducting the workshop.
- vii. **Preparation of materials:** Make the module available to the participants both as a guide and reference material, after the workshop.
- viii. **Seminar facilitator:** The consumer educator familiar with the module will be the workshop facilitator.

Annex 1A : Consumer Rights



1. Basic Needs

The right to basic goods and services which guarantee survival: adequate food, clothing, shelter, healthcare, education and sanitation.



2. Safety

The right to be protected against the marketing of goods or the provision of services that are hazardous to health and life.



3. Information

The right to be protected against dishonest or misleading advertising or labelling. And the right to be given the facts and information needed to make an informed choice.



4. Choice - The right to choose products and services at competitive prices with an assurance of satisfactory quality.



5. Representation

The right to express consumer interests in the making and execution of government policy.



6. Redress

The right to be compensated for misrepresentation, shoddy goods or unsatisfactory services.



7. Consumer education

The right to acquire the knowledge and skills necessary to be an informed customer.



8. Healthy Environment

The right to live and work in an environment which is neither threatening nor dangerous and which permits a life of dignity and well-being.

Annex 1B : Consumer Responsibilities



1. Critical Awareness

The responsibility to be more alert and questioning about the price and quality of goods and services we use.



2. Action

The responsibility to assert ourselves and act to ensure that we get a fair deal. As long as we remain passive consumers, we will continue to be exploited.



3. Social concern

The responsibility to be aware of the impact of our consumption on other citizens, especially disadvantaged or powerless groups, whether in the local, national or international community.



4. Environmental awareness

The responsibility to understand the environmental consequences of our consumption. We should recognise our individual and social responsibility to conserve natural resources and protect the earth for future generations.



5. Solidarity

The responsibility to organise together as consumers to develop the strength and influence to promote and protect our interests.

Annex 2 : Code of Conduct for Ethical Business

The Story of Abdul Hassan



Abdul Hassan was a mobile food vendor selling fresh vegetables, fish and poultry. Every morning he goes round Kuantan town in his van to sell fresh vegetables, fish and poultry. His van is an expensive one and well equipped with refrigeration facility to keep fish, poultry and vegetables fresh and in good condition. He is now a very successful businessperson because his main concern has always been the interest, satisfaction and welfare of his customers.

He started his business on a bicycle. What he did was to go to the wholesale market very early each morning and spend a lot of time selecting good quality vegetables for sale. He washed and cleaned the vegetables and made them look really good. Many people liked to buy from him because his vegetables were specially selected, cleaned and were of very high quality. Many of his customers did not have the time to go to the market and spend time selecting such good quality vegetables. Also many did not have the skills like Abdul Hassan to make the selection. Abu Hassan did this for them.

Second, Abdul Hassan's prices were very fair. They were almost the same price as the vegetables sold by vendors in the market or supermarkets. Even if it was more, he made sure that his prices were never more than 10 per cent. Customers began to trust him for his honesty. Abdul Hassan was also very reliable. He went round selling his vegetables without fail even on rainy days. In addition, he had a very pleasing personality. He was always kind, courteous and respectful to his customers and never got angry with them, even those who by nature wanted to bargain and were petty with him. He began to build a regular clientele.

Abdul Hassan's business prospered. From bicycle, he moved on to a motorcycle. From vegetables he added on fish. His high quality products, fair prices, honest and most tolerant attitude and behaviour further enhanced his business and prosperity. He moved from motorcycle to a small van and now to a larger van with refrigeration facility. Still he has not changed with his prosperity. He is still very quality conscious. His pricing is very fair. He is trustworthy and honest in his dealings. He is very pleasant in his attitude and respectful to his customers, young or old, rich or poor.

One day, someone asked Abdul Hassan about the secret for his success. Abdul Hassan said that his philosophy as a businessperson is that he deals in food and the business must be dealt with in the most responsible way. He pointed out, “ I will not buy, cook and eat bad food. So I will not sell low quality food or food that is not fit for consumption. I do not want to pay high prices for my purchases. So, I do not charge exorbitant prices for my goods. I make a fair profit. I would like to deal with reliable, dependable, trustworthy and honest business people. So I, as a businessperson, aspire all the time to be reliable, dependable, trustworthy and honest in my business dealings. That is the secret of my business success.”

Questions for discussions:

Based on the story, discuss the following questions:

1. What is the importance of good business ethics?
2. What are the characteristics of ethical business?
3. What are the roles and responsibilities of an ethical business?
4. What contributions can ethical business make towards consumer protection and national development?
5. What are the elements for a code of conduct for ethical business?

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