CONSUMERS AT OECD CONFERENCE SUPPORT WORLD TRADE REFORM

Consumer representatives at an international OECD Conference organised by the Organisation’s Committee on Consumer Policy, have urged speedy implementation of the Uruguay Round Agreements for the benefit of consumers and the world economy as a whole.

The one-day conference also concluded that more could be achieved for consumers and further reforms were needed. For instance, consumer interests should be more adequately recognised in trade policy, and dispute settlement practice. Consumer representatives at the meeting notably urged reform of anti-dumping procedures to prevent abuse for protectionist purposes.

Jesus Seade, Deputy Director-General of the General Agreement on Tariffs and Trade (GATT), put the potential gains from trade reform at US$ 500 billion per year. He warned, however, of the paradox of political economy, whereby consumers, supposedly the object and chief beneficiaries of international trade, are left out of policy negotiations in which producer interests are heavily represented.

Echoing this warning, James Firebrace, Director-General of the International Organisation of Consumers’ Unions (IOCU), noted that consumer interests have been systematically overlooked in trade discussions: anti-dumping arrangements are a prime example of this. He warned that the benefits of trade reform might be denied to consumers through the failure of governments to enforce laws against restrictive business practices, estimated to cost consumers billions of dollars through inflated prices and restricted choices.

Consumer representatives proposed more rigorous enforcement of competition laws, a redefinition of dumping concepts and much better access to trade dispute procedures to secure benefits for consumers, including an 8-point plan for consumer access to the new World Trade Organisation. They also argued that governments should assess the costs of protectionist policies by using the “Indicative checklist for the assessment of trade policy measures” adopted by the OECD Council in 1986.
Business representatives at the conference noted their support for an open multilateral trading system based on a transparent set of rules and dispute settlement procedures. This was an encouraging reminder of the convergence of interest with consumer groups to resist protectionist pressures and a further spur to ongoing consultations among consumer, business and government and inter-governmental bodies.

Summing up, Jim Murray of the Bureau of European Consumers’ Unions (BEUC) and Jytte Oelgaard (Denmark) stressed the need for:

- consultation, not only with industry but also with consumer organisations;

- transparency, to promote maximum openness in policy formulation and promote policy effectiveness, thus reducing possible suspicion and distrust among consumer groups;

- reviewing the OECD Council’s checklist for the assessment of trade policy measures.