

World Consumer Rights Day

'State and Market:
Balancing
Consumer Rights
in a Digital Age'

Session Plan



15th March, 2018

Marriott Hotel,
Islamabad

National Conference
on
State and Market: Balancing Consumer Rights in a Digital Age'

Venue: Marriott Hotel, Islamabad

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Session One: Bringing Consumers into the State and Market equation

Consumer rights, an integral component of civil rights, present a dismal picture in Pakistan with a large number of problems confronting the consumers both in the public and private sectors. Most of these problems stem from the crisis of governance in the country and the monopolistic and informal nature of the market. The government is largely indifferent to the interests of consumers because it lacks an objective and deeper understanding of their concerns and grievances. Similarly, the private sector has little concern for consumer protection due to its profit maximizing nature. In addition, the general lack of awareness of civil rights and the pervasive culture of apathy undermines the capacity of citizens to become organized and protect their rights. The government has yet to come up with a robust legal and institutional mechanism to redress consumer-related grievances and to protect their rights. In the absence of a consumer movement, which can positively influence the market forces, the consumers are provided with unsafe and substandard goods and services without any substantive recourse to justice. The situation has become worse in the wake of unexamined deregulation and corporatization, and the consequent shrinking role of the state and mounting market forces. Moreover, the rights of consumers are further threatened in the current digital age as an increasing number of people are going online. Consumers are skeptical about which online services they can trust and what happens to the data they share online.

Session Two: Consumer Safety and Quality of Life

Water Supply: Issues and Challenges in the Public and Private Sector

The provision of drinking water is carried out by both the public and the private sectors. However, the quality and supply of water is compromised due to a number of factors. Contamination of drinking water, due to a discharge of untreated industrial and agricultural effluents into unprotected water bodies, is a leading cause of major water borne diseases in Pakistan such as diarrhea, typhoid and hepatitis. Similarly, on the supply side, many areas still lack adequate access to clean drinking water, whereas bottled water is a luxury afforded by a few. A lack of political will is often considered as the main reason for persistence of such a state

of affairs. There is a dire need to take immediate action so as to avoid making the situation more disastrous.

Food Quality: Effective Management of Standards & Enforcement

When we eat out to break the monotony of daily home food, we put our fate in the hands of others. We can only hope that the milk used to make tea has been pasteurized, the chicken chunks in the rolls are properly fried, and the butter or oil in which the food is cooked isn't substandard. From high-end cafés and restaurants to roadside hotels; food processing factories to major cities, food businesses have faced penalties from the state, ranging from serving mere notices to arresting owners for poor substandard, unhygienic food. Deteriorating food quality and adulteration in milk is disastrous for human health. Whereas some cross section of the society tends to eat out, virtually every citizen consumes oil/ghee and milk. The issue of substandard ghee and milk has been discussed in the parliament, and even the Supreme Court had to issue a decree against substandard milk. How effective is the performance of Food Control authorities? Can adulteration be checked? Can there be labs or certain litmus tests, accessible to consumers for testing the quality of oil/milk? Is there a legal framework available for punishing adulteration in milk? Do the consumers have the moral capacity to boycott certain brands of oil/ghee in order to pressurize them to improve their quality? Another issue is of pricing of dairy products such as milk, where a farmer is paid Rs. 59 for a liter, and the companies sell the same milk at almost double price. Is this an exploitation of the farmers? What value addition is done in order to justify the 100 % increase in price?

Automobile Policy and Practices

Pakistan has several automobile manufacturers that offer variety of cars for different income groups. The sector is providing employment (3.5 million) as well as contributing to the GDP (4%). Vehicles are also being imported in the country, but heavy taxation is making such imports expensive. Moreover, there have been policies and procedures favoring the domestic producers vis-a-vis importers. This session will focus on two issues: Lack of safety features in the cars which result in human losses (casualties, injuries, permanent disabilities) and affordability as cars of the same brand with similar features are cheaper in other countries as compared to Pakistan. Is the protection of domestic producers based on the argument of "infant industry" still valid as some manufactures are operating since 1980s? Why should the consumers pay more to protect the industry? Why there is no mention of safety features such as airbags and ABS brakes in our Auto policy? Isn't human life of any value?

Session Three: Legal Framework: Right to Information (RTI) & Consumer Protection

Laws & Practices in Consumer Protection

Illiteracy and lack of awareness are the two main reasons because of which the consumer remains on the losing end. Even if a consumer does have some awareness, the procedures to lodge a complaint are limited and if there is an option to lodge one, the end results are not in favor of the consumer. Factors like evidential and financial burdens affects a consumer's decision to solve a given issue legally. The tug of war between the consumer and the supplier is an unfair one as the supplier stands at an advantageous position due to having an accessibility of more information and resources. The existing consumer protection laws are indifferent to the consumer because they were created without taking into consideration the issues faced by consumers themselves. Most of them tend to favor the supplier and/or the manufacturer. There is therefore, a conflict of interest which the government suffers from. Whether they should support the suppliers, through whom they are getting their tax revenue, or the consumer who votes for them? Apart from this, the consumer also stands accomplice in such a sad state of affairs. If the consumers don't change anything then nothing will change. The consumer should be critically aware of their rights and adjust their lifestyle in such a way as to be more socially responsible in their consumption.

Laws and Practices in RTI

The dismal state of governance in Pakistan can largely be attributed to the lack of freedom of information, which retards the capacity of the citizens to effectively monitor public institutions. This gives way to arbitrary decision-making, inefficient project execution and financial corruption in public bodies. The exclusion of public participation in the formulation and implementation of public policy continues to exist in Pakistan. Important decisions having significant implications for the lives and welfare of citizens are still made in closed corridors without soliciting public views. Channels for effective public participation either do not exist or have become virtually retarded as a result of excessive bureaucratic controls and non-functioning of democratic institutions. Is it true that, over the years this exclusivist system of governance has become corruption-ridden and incapable of responding to the needs and aspirations of citizens? It lacks transparency and offers little room for public scrutiny and accountability, where consumers have lost confidence in the system and have developed an attitude of apathy towards issues of larger public concern. Despite having legislation on RTI, there are still administrative hurdles in access to information. Do the consumers know about their 'right to know'? Will it make a difference in their lives? Can governance improve with availability of data in public domain? For instance, if the list of heavy defaulters of utility bills is made public, will it lead to improved collection? Is this a desirable outcome? Are the apprehensions about misuse of information justified?

Session Four: Education and Financial Services: Addressing Consumer Concerns

Public and Private Sector Education: Issues and Challenges

Education is a fundamental right of every child between the ages of five and sixteen, guaranteed in the constitution of Pakistan. In addition to government schools, the private sector is also playing a significant role in the provision of education. However, still there are 22.6 million children out of school, and the ones who are enrolled are not learning up to the mark. Parents have to make an arduous decision about selecting the right school, as it plays a huge role in their children's character building. Certain factors are taken into consideration, which are either an impeding or a facilitating force when it comes to making a sound decision: the parent's socio-economic background, the mental and physical abilities of their children as well as their gender and what is the worth of education in terms of getting a good job? Keeping these factors in mind, the state has taken certain measures to facilitate the decision making process that every parent has to go through. However, there are certain questions that can be easily answered but there are some which demand a more in-depth analysis. How is our education system designed and how such a system further strengthens inequity in the society? On what basis are resources allocated in the field of education: On the basis of need or simply on the basis to achieve certain political agendas? Who should be held accountable if something goes wrong: the government, the teachers or the parents themselves?

Banking Services: Consumer concerns and Way Forward

The need and range of financial services evolved since antiquity from barter to hardcore currency to plastic money. Consumers make investments for growth and safety of money. They also use the services of financial institutions for making transactions. Are the banks exploiting the consumers by paying less on deposits and earning more on advances/loans? What should be a reasonable interest rate spread? What choices are available to the consumers to earn more on their savings? Are the financial scams, where certain individuals/groups depict a rosy picture with higher returns and ultimately run away, linked to the absence of reasonable rates of return on deposits or is it mere greed? Is the state responsible to improve the rate of return? Can SBP dictate the private banks to ensure a certain benchmark rate of return? What is the incentive for banks to pay more to the consumers? What role is being played by National Savings as an alternative for banks and what is their quality of service and returns? Another set of issues are the gaps in provision of financial services, delay in opening of bank accounts in remote areas, frauds, lack of transparency, deceptive advertising, overbilling issues of credit cards, hidden charges etc. What role is being played by the SBP to protect the consumers? How robust is the institution of Ombudsman for resolution of financial grievances? Are the consumers frustrated in finding the grievance redressal systems or it is in common knowledge.

Session Five: Energy Supply: Hearing Voices of Consumers

Energy Sector: Grievances and Way Forward

Uninterrupted supply of energy is essential for sustainable economic growth of any country. In Pakistan, the demand for energy has increased considerably during the last decade. However, supply does not match the demand, therefore resulting in frequent power outages and rationing of fuel supply to different users. Electricity and gas load shedding is worsening the already slumping manufacturing sector. Are there robust grievance redressal mechanisms for issues like high tariffs, frequent shutdowns, unannounced load shedding, poor safety standards, fluctuating voltages and erroneous billing? Does high energy costs slow down economic growth which ultimately leads to less jobs and political unrest? Issues pertinent to gas supply such as shortages and low pressure is adding to the miseries of the people but is also a safety hazard in terms of gas explosion and leakages. Are consumers also responsible for adopting safety measures or is the government solely to be blamed for human losses? How effective were the media campaigns in the past to spread awareness among consumers to adhere to safety principles?

Session Six: Concluding Plenary: Safeguarding Consumer Rights

It is widely recognized that the provision of basic services, not only improves individual well-being but also serves as an input into aggregate economic activity and national output, such as clean water, sanitation, health care, and schooling. In the previous sessions, we touched upon the issues faced by consumers in a range of areas and what, if anything has been done so far to fulfil their basic rights. The reality tends to portray a gloomy picture but all hope is not lost unless we don't take certain actions to improve our conditions. Certain stakeholders such as advocacy campaigns need to fill the intellectual gap when it comes to spreading awareness amongst consumers about their due rights and the channels through which those rights can be demanded. The next step would be designing robust policies and taking both the consumer and the supplier of goods and services on board. The political parties should be on board and serving the consumers should be part of their election manifestoes so that they are held accountable for the promised services.