

PROCEEDINGS

Workshop

“CI 50 Years – Raising the Efficiency of Consumer Protection Activities and Pushing Forward Organization Development”

(Project: Strengthening the consumer movement in Vietnam)

17.03.2010

Ha Tinh City, Ha Tinh Province, Vietnam

Background

CUTS Hanoi Resource Centre (CUTS HRC), in partnership with the Vietnam Standards & Consumers Association (VINASTAS) is implementing a two-year project entitled “Strengthening the consumer movement in Vietnam”. The overall goal of this project is to promote a healthy and vibrant consumer culture in Vietnam, which ensures the meeting, in the long term, of the eight legitimate rights of consumers as set out in the United Nations’ Guidelines for Consumer Protection.

The specific objectives of the project include:

- Structured development of the consumer movement in Vietnam, with the core being VINASTAS, its provincial branches and subordinate institutions, based on clear strategies and innovative activities;*
- Positive developments/changes in consumer protection laws and regulations; and*
- Effective mechanisms for engagement of all relevant stakeholders, most of all consumers, and ensure active participation channels for better representation of consumer voices.*

Toward the third objective mentioned above, this workshop was organized, aimed at (i) celebrating the development of the consumer movement in Vietnam and in the world, while reviewing the progresses/achievements made so far as well as the remaining shortcomings and lessons learnt; and (ii) equipping the workshop participants, who are consumer activists from all around Vietnam, with the necessary skills on organizational development.

The workshop was held on the celebration of the 50th years of Consumers International (CI) following the World Consumers’ Day (March 15, 2010). In cooperation with the Vietnam Standards and Consumers Association (VINASTAS), CUTS Hanoi Resource Centre and the Vietnam Competition Authority (VCA) also contributed to the organization of the workshop.

The workshop was attended by representatives of provincial consumer associations (37 in total) from all around Vietnam, relevant State agencies (the Ministry of Industry and Trade, departments of standards and quality, etc) and the media.

The Following is the detailed Proceedings of the Workshop.

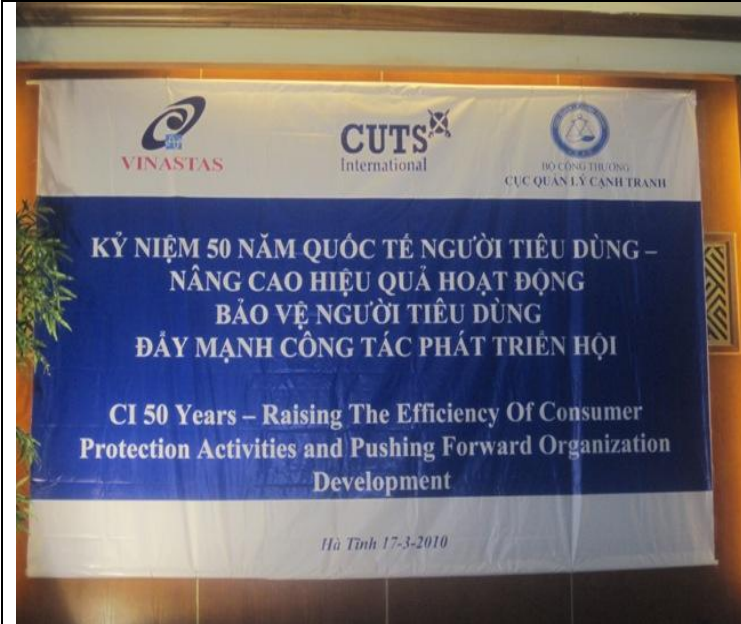
INAUGURAL SESSION

Welcome speech by Mr. Nguyen Thien Phuc – VINASTAS Deputy President

As a highlight of his speech, Mr. Phuc introduced the Consumer Association of Ha Tinh, and mentioned that although the association in Ha Tinh is newly established, it is an active organization. The Association has discovered many cases of violation of consumer interests in the province, with regards to health and food safety.

Welcome Speech by Mr. Vo Kim Cu – The Vice President of Ha Tinh Province

As a highlight of his speech, Mr. Cu raised some suggestions for developing consumer activities in the Ha Tinh province in the future:

	<ul style="list-style-type: none">• Increasing awareness and education for consumers;• Completing the legislative framework protecting consumers, unifying legal documents;• Active contribution & participation from consumers;• Promoting international economic integration but withholding from any activities which may be against the Vietnamese consumers' interests;• Effective handling of consumer complaints and claims;• Raising the competency, professional and expert knowledge of relevant stakeholders.
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- Effective handling of consumer complaints and claims;
- Raising the competency, professional and expert knowledge of relevant stakeholders.

Mr. Cu also expressed the willingness of the provincial government of Ha Tinh province to support the development of the consumer movement therein, by ways of providing additional financial and human resources.

Presentation on consumer protection and association development activities by Mr. Do Gia Phan – Vice President of VINASTAS



In the first half of his presentation, Mr. Phan provided an overview about CI and its last 50 years of development. Throughout this period, 8 basic consumer rights were established and protected by laws in many parts in the world. Along with these rights, consumers also had their 5 obligations to ensure their own rights, namely: (i) providing feedbacks, (ii) taking actions, (iii) having concerns about the society, (iv) being informed about consumption issues, and (v) possessing high community spirits.

The main activities of CI are such that: (i) developing the world consumer movement, (ii) capacity building for member organisations and (iii) advocating for consumer – related policies.

In Vietnam, the concept of a ‘consumer’ was only established after the economy shifted to market-based mechanisms and consumer protection is still rather a new issue. Till now, consumers in the country do not have a comprehensive understanding about their 8 basic rights. Moreover, the relevant legal and regulatory framework is still incomplete, not given a high priority and enforcement activities are not yet consistent. Since the significance of the issue is yet to be highly appreciated by the society in general, consumer associations do not enjoy much favorable conditions for their operations.

Subsequently, Mr. Phan introduced about VINASTAS and its member associations in different provinces and cities within the country.

In the end of his speech, Mr. Phan made some recommendations on developing the consumer movement of Vietnam, based on practical experiences and lessons learnt so far, which include:

- Always being thoroughly aware of the prevailing policies of the State and the Communist Party, as well as the current situation of the country;
- Focusing on organising and developing the association;
- Maintaining and enhancing the cooperation with local associations and branches;
- Building the enthusiasm and capacity of members;
- Promoting the image of the association;
- Building trust and reputation by practical activities; and
- Maintaining strong commitments and cooperation with relevant State agencies.

Presentation on the experiences of association development in Binh Duong province by Mr. Pham Thuy Lien, President of the Binh Duong Consumers Association

Established on August 26, 2002, the consumers association of Binh Duong does have its advantages along with difficulties. The most difficult issue for them is the financial support for their operations is very limited. In the first 3 years, the Association did not receive any support from the government. It was only when the governmental decree No. 55/2004 was

enacted that the association managed to persuade the provincial governments and the private sector to realize the importance of the organisation. Since then, the association has received more support to partly ensure the continuity of their activities.

At the beginning, the association had to find different approaches and encouraged voluntary contributions from members and the media to raise the general awareness about consumer rights. In addition to raising the support of State authorities, the association also called for the cooperation of honest business behaviors from the side of the enterprises. The association had printed and distributed, within its limited budget, several documents giving information and guiding about consumption and consumer protection. It also actively participated in stabilising prices as well as finding out frauds in business activities, which impressed the public about the role, the purposes and the trustworthiness of the association. Over time, the association was recognized and accepted by the public as well as the private sector in the province. One of the key factors contributing to the development of the association is the participation & support of individuals with heart and guts.

Following the report by Mr. Lien, representatives from **Kien Giang, Binh Dinh and Tien Giang** shared their experiences about their own process of association development in their provinces. From their experiences, in order to raise awareness and the attention of the society, the local association must show their fairness and honesty in their actions and purposes. Moreover, public information and awareness-raising cooperation with other agencies and authorities at all levels, creating cross-sector relationship and inter-dependence is needed to publicize and educate consumers about the existence of those organizations who protect their rights. The number of successful actions is being increased over time, therefore, the trustworthiness of the local associations are improved as well. The common difficulty for all provincial associations is the limited financial resources. They have to find out new ways, approaches and sources to remain operational as the support from government agencies is so restricted.

Presentation on the draft Law on Consumer Protection by Mr. Nguyen Van Thanh – official of the Vietnam Competition Authority (MOIT)

Mr. Thanh summarized the activities of VCA in drafting the law and preparing for its submission to the National Assembly, which include:

- Conducting scientific research to develop the theoretical basis;
- Referring to, collecting and translating the consumer protection laws of other countries, developed as well as those with context similar to Vietnam;
- Undertaking research on various models of building a consumer protection regime in different countries;
- Examining and evaluating the implementation of the Ordinance on Consumer Protection 1999 to draw lessons;
- Organising meetings to gather feedbacks from various stakeholders on the draft law; and
- Organising study tours to various countries and territories to study their practical experiences of consumer protection by the State.

Mr. Thanh informed that the Draft Law has now been amended several times. Its title has been changed to Law on the Protection of Consumer Interests and some key concepts have been changed as well. For example, ‘product liability’ is now called ‘liability by

enterprises/producers to compensate for injuries and harms caused by defective products'. The draft law also paid attention to gender equality problem and it supports small business individuals as well. The method for settling disputes is through financial measures.

Presentation on Handling consumer complaints by Mr. Vuong Ngoc Tuan – a specialist from VINASTAS

The process of dealing with complaints from consumers can be divided into 7 stages:

- Receiving complaints;
- Discussing and giving advice to consumers to deal with the other party by themselves;
- Receiving letters of claims;
- Examining the content of the complaints;
- Providing feedback for consumers;
- Organizing mediation; and
- Conciliation arbitration.

Complaints from Vietnamese consumers are usually small, simple and low-value disputes; in which 97% of them are right and only 3% are wrong. In Hanoi and Ho Chi Minh City, product quality is the area that raises the most of complaints from consumers in 2009.

Mr. Tuan also gave out some real examples about complaints in Vietnam recently and some successful cases. Those advocacy practices have built up consumer trust and reputation of the Association. Moreover, these activities also contribute to the overall social welfares policies by the State and the Party.

Presentation on trust mark certification in some countries by Mr. Do Gia Phan

Consumer trust mark certification has been conducted in many countries and it is one type of services. It is a detailed, serious programme with clear criteria to assess and examine the performance of specific enterprises. The certificate/trust mark would be withdrawn when the performance of the enterprise does not meet the pre-set criteria. This type of activities is beneficial for both enterprises and consumers. The reputation & trust of enterprises will be improved among consumers, which helps to build corporate culture for businesses. Consumers also benefited since their demands are met, while they enjoyed improved transparency as well as better services during their consumption activities.

Mr. Phan also referred to some of popular certification schemes in the world, such as "Trust" in Netherlands, VEGAN certification system, Fair Trade certificate for coffee and some agricultural products of the US, and CaseTrust of Consumer Association of Singapore (CASE).

Presentation on Strategic planning & building organizational development strategy for civil society organizations by Ms. Alice Pham – Director of CUTS HRC



Ms. Pham explained in details the role and importance of strategic planning for civil society organizations (of which consumer associations constitute one type).

There are various approaches of strategic planning and one of the popularly applied approaches is SWOT analysis, based on analyzing the Strengths, Weaknesses (internal factors), Opportunities and Threats (external factors), which could be applicable for VINASTAS.

Based on the information, VINASTAS would have an overview about the association itself and then build up their development strategy in the long term.

Presentation on VINASTAS’s programme to certify trusted enterprises in favor of consumers – Mr. Nguyen Van Son from Consumer Protection Centre

The programme was established in response to the Vietnamese government’s campaign on “Vietnamese people favors Vietnamese products” in order to build enterprise images, trademarks, and build trust from consumers.

Mr. Son raised some basic theories about ‘trusted enterprises’ and the benefits of this programme to enterprises, consumers as well as the community and society. He then provided the planned methodology for assessing participating enterprises and providing certificates in Vietnam by VINASTAS. Mr. Son opined that VINASTAS would proceed to assess all types of enterprises in every lines of business available, who apply to participate in the programme.

Floor discussions

- Ms. Alice Pham of CUTS HRC took note that the CaseTrust system of Singapore has been studied, on whose basis VINASTAS has developed the current scheme. However, she opined that if the programme has an intention of assessing and applying for all types of businesses, it is not feasible. The reason is that each sector/industry has its own characteristics and technicalities and the methodology presented would prove difficult in applying to all sectors/industries. The experiences of other countries show that, for each sector, the certificate-provider had to undertake in-depth research, therefore, the assessment process would be more feasible and hence the certification would not cover all types of industry. As an example, CASE focused on providing certification for only some sectors such as education, tourism, etc and they did research by hiring experts for the specific sector.
- Mr. Tung from VINASTAS shared that for standards of entities doing business in the retail sector, the trust mark certification programme would be based on the policy and commitments of enterprises. For the assessment, there are 2 approaches. Firstly, the

enterprises would assess themselves whether the standards are suitable and feasible and they would comply with them automatically. On the other hand, enterprises may choose to hire an advocacy organization to help them make internal assessment.

- Mr. Son from VINASTAS responded that the programme would be applied for all kinds of businesses as enterprises would assess themselves by announcing their participation in international quality assessment programmes. VINASTAS's assessment would then be compatible with international standards.
- However, Mr. Chinh from VINASTAS confirmed that the programme would not assess every sector. At the beginning, VINASTAS would do research in retail industry only. After having experiences, they would extend the scope to other industries.

Conclusion

At the end of the working day, Mr. Do Gia Phan congratulated the success of the workshop and give heartfelt thanks to the very attentive and contributive audience. VINASTAS had an opportunity to listen to and understand the realities from provincial associations and the provincial associations were able to learn from each other in the development process.