



# ASEAN Guidelines on Consumer Associations

Strengthening the Consumer Movement in ASEAN



one vision  
one identity  
one community

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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in ASEAN

The ASEAN Secretariat  
Jakarta



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## Abbreviations

ACAN	ASEAN Consumer Associations Network
ACCP	ASEAN Committee on Consumer Protection
ACEI	ASEAN Consumer Empowerment Index
ADR	Alternative Dispute Resolution
AHLCP	ASEAN High-Level Principles on Consumer Protection
AMS	ASEAN Member States
ASAPCP	ASEAN Strategic Action Plan on Consumer Protection
ASEAN	Association of Southeast Asian Nations
CASE	Consumers Association of Singapore
CI	Consumers International
CIA	Consumer Impact Assessment
CSR	Corporate Social Responsibility
CCCS	Competition and Consumer Commission of Singapore
FCC	Foundation for Consumers, Thailand
FOMCA	Federation of Malaysian Consumer Associations
ISO	International Standards Organization
MCU	Myanmar Consumers Union
ODR	Online Dispute Resolution
TCC	Thai Consumer Council
UNGCP	United Nations Guidelines on Consumer Protection
VCCA	Viet Nam Competition and Consumer Authority
VICOPRO	Viet Nam Consumer Protection Association

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# ASEAN GUIDELINES ON CONSUMER ASSOCIATIONS

## Strengthening the Consumer Movement in ASEAN

### INTRODUCTION

1. Active consumer associations that understand, represent and deliver on consumer interests constitute a critical part of a well-functioning and effective consumer protection system. Particularly in contexts where consumers themselves are not yet sufficiently educated or empowered to exercise their rights, consumer associations are indispensable in bridging gaps with respect to consumer knowledge, access to redress, as well as participation in policymaking processes.
2. With a view towards promoting the emerging consumer movement in ASEAN, the ASEAN Strategic Action Plan on Consumer Protection (ASAPCP) 2016-2025 envisages the development of ASEAN Guidelines on Consumer Associations in order to provide practical orientation and good practices related to the formation, formalization, operation and sustainability of consumer associations in the ASEAN Member States (AMS).
3. This commitment is enshrined under Strategic Goal 4 of the ASAPCP which foresees the integration of consumer concerns in all ASEAN policies, among others through further promoting the engagement of the ASEAN Consumer Associations Network (ACAN) in the activities of the ASEAN Committee on Consumer Protection (ACCP).
4. These Guidelines were prepared by the ACCP in consultation with selected consumer advocates and associations active in the AMS. They aim at putting into practice the ASEAN High-Level Principles on Consumer Protection (AHLPCP)<sup>1</sup>, notably:
  - *Principle 2 – Consumers are Equipped with the Skills, Knowledge, Information and Confidence to Exercise their Rights:* In addition to ensuring that consumers are provided with comprehensible, accurate and relevant product information, there is a need to raise the awareness of individual consumers about their rights under existing consumer legislations by enhancing advocacy work of key stakeholders. The relevant agencies and consumer associations should also provide consumers with as much information as possible on their rights and responsibilities and how they can seek redress.
  - *Principle 4 – Consumers Have Access to Appropriate and Convenient Sources of Advice and Redress, including Alternative Dispute Resolution (ADR):* It is essential that consumers have access to information to enable them to make informed choices and ready access to affordable and easy-to-use dispute resolution arrangements. This principle calls for AMS to establish in-house complaints and redress systems by businesses, national consumer complaint centres by consumer associations, small claim courts, and online dispute resolution (ODR) mechanisms; as well as to provide for adequate administrative penalties to act as deterrent against violations of consumer protection legislations.

<sup>1</sup> <https://aseanconsumer.org/cterm-terms-regional-cooperation-in-asean/asean-high-level-principles-on-consumer-protection>

- *Principle 6 – Strong Consumer Advocacy is Promoted:* The consumer voice should be heard by governments and consumer representation must be effective. Governments should seek consumer views before decisions are taken on relevant industrial, trade and social policy issues. They should ensure that the development of consumer policies is based on sound evidence and should put additional resources into research and regularly poll consumers directly.
  - *Principle 7 – High Levels of Cooperation between Different Levels of Government and with Business and Other Stakeholders:* This principle calls for AMS to adopt, at the national level, a general consumer protection policy and strategy as well as planning. This can then feed down to planning at the individual organisation level with each part of the consumer protection system understanding its role and what it can contribute overall. Only with a more ‘joined-up’ approach within the governments, it would be possible to interact in a meaningful way with non-governmental bodies and the business community; and with counterparts across the ASEAN region.
5. Drawing on insights and lessons from within and outside of ASEAN, these Guidelines set out key principles, considerations, and options to help start, strengthen and sustain both existing and aspiring consumer associations in the AMS.
  6. Aside from that, guidance is provided to governments in creating conducive conditions that enable the effective operations of consumer associations and their meaningful engagement in policymaking processes.
  7. The Guidelines may be periodically reviewed so as to better account for new trends or good practices from regional or international experience. In preparation of the post-2025 ASAPCP, in particular, the utilization and usability of these Guidelines should be critically assessed.

## I. BACKGROUND

8. These Guidelines are a testament to the legitimacy and importance of consumer associations – and the consumer movement, more broadly – as an element of democratic societies and fair market economies. In accordance with the United Nations Guidelines on Consumer Protection (UNGCP)<sup>2</sup>, governments in ASEAN are encouraged to create an enabling environment for the work by consumer associations so they are able to cater to consumers in need of assistance.

### General Relevance of Consumer Associations

9. Proactive and professionally organized consumer associations form an integral part of a consumer protection system, alongside a comprehensive and up-to-date consumer protection law; an effective consumer protection authority or authorities; fair and responsible businesses; accessible modes for dispute resolution and redress; as well as empowered consumers who are able to actively assert their rights.

<sup>2</sup> [https://unctad.org/system/files/official-document/ditccplpmisc2016d1\\_en.pdf](https://unctad.org/system/files/official-document/ditccplpmisc2016d1_en.pdf)



10. Consumer associations play an important role in two main areas:

- *First*, they inform, advise, represent and counsel consumers, even to the grassroots level, through their local and decentralized networks. In doing so, they help consumers (trans)act more confidently in markets and make more conscious purchasing decisions. This reduces power imbalances vis-à-vis businesses, particularly in instances when misled or harmed consumers intend to seek redress.
- *Second*, they represent the voice of consumers at large. Where legal provisions allow for it, consumer associations assist in pursuing collective consumer claims, for example in courts or through alternative dispute resolution (ADR) bodies. Aside from this, the consultation and participation of consumer associations in policymaking processes is indispensable to ensure that government directives, laws and regulations are adequately aligned with the legitimate interests and rights of consumers.

## Consumer Associations in ASEAN

11. Legal and institutional frameworks for consumer protection in the AMS are highly heterogeneous, with varying implementation records and mechanisms for enforcement, advocacy, market monitoring or surveillance, dispute resolution, and stakeholder engagement. Similarly, the effectiveness and scope of action of consumer associations differ across AMS, depending on policy, social and economic circumstances. In some AMS, actions by non-governmental organizations and social movements are only starting to gain ground, as a counterweight to the government and private sector.
12. Despite a comparatively extensive history of consumer associations in some AMS, challenges persist with respect to their reach, reputation and longer-term viability. Many consumer associations in the ASEAN region struggle with securing financial and human resources for day-to-day operations and campaigns. The latter is particularly pressing in the face of growing online and cross-border trade which also puts new demands on consumer associations in upgrading their knowledge about complex emerging issues, such as fintech, algorithmic profiling and data abuses.
13. At the same time, there is an urgency for public entities concerned with consumer protection to improve their interplay with consumer associations, strengthen their capacities, and devise a more conducive legal framework so that they can perform their functions more effectively. In some AMS, governments have yet to fully acknowledge the vital contributions that consumer associations can make to economic and social justice on a wider scale. With few exceptions, the systematic representation of consumer associations, as the “collective consumer voice”, in policy processes needs to be expanded, while experiences with class action are also still relatively rare in most AMS.
14. The challenges posed by the COVID-19 crisis have heightened the urgency for consumer protection to address structural inequalities as well as secure access to essential goods and services, particularly for vulnerable consumers. At the same time, there is a growing awareness and acceptance that consumer protection has far-reaching impacts for a safe, trustworthy and competitive marketplace that generates benefits for consumers, businesses and economies, thus driving post-pandemic recovery and long-term economic development.

15. Given often systemic constraints for their work, consumer associations in ASEAN are unable to realize their full potential both domestically and across countries. These Guidelines therefore are intended to equip both governments and (prospective) consumer associations in the AMS with options on how to overcome prevalent challenges, more effectively structure their interaction as well as create synergies through collaborative or complementary actions.

## **II. OVERVIEW OF THE GUIDELINES**

16. The Guidelines serve to complement intensified peer learning and more coordinated policy advocacy in ASEAN, based on the priorities of the regional consumer protection agenda. As such, they are expected to underpin the future work of the ACAN and its member organizations, whilst feeding into the regular ACCP-ACAN dialogue.

### **Purpose, Scope and Structure of the Guidelines**

17. The primary target group of the Guidelines are (prospective) consumer advocates or associations in ASEAN who initiate activities or actions for the benefit and/or on behalf of consumers. Additional guidance is directed at government entities, particularly ACCP members, regarding strategic and operational support to be extended to consumer associations in the AMS.
18. The Guidelines are structured in manner that they can be referenced along the “life cycle” of consumer associations, from their planning and inception to the implementation stages, including strategizing and M&E.
19. The Guidelines do not comprise a detailed examination of consumer protection systems in individual AMS. However, they have been formulated with the broader context and common challenges of AMS in mind. Relevant stakeholders in the AMS may find it useful to study, assess and learn from models or mechanisms that exist worldwide for the engagement of consumer associations, in due consideration of their feasibility within the ASEAN setting.
20. While not conferring any binding obligation upon stakeholders in the AMS, the Guidelines cover best practices to be applied as appropriate and attuned to the characteristics of national consumer protection systems in ASEAN.

### **Usage, Dissemination and Follow-Up of the Guidelines**

21. Both consumer protection authorities and consumer associations or advocates are encouraged to actively apply these Guidelines for the review and refinement of their respective actions, and to draw upon them for a critical reflection on how to improve the interplay between government and civil society in the areas of consumer protection, education and redress. As this should be based on prevalent needs and gaps regarding the engagement and effectiveness of consumer associations in each AMS, not all aspects covered by the Guidelines may be of equal relevance or importance to stakeholders in the AMS.

22. At a minimum, the Guidelines should be publicly accessible and made known, if necessary in local language, through wider dissemination across the country. For example, in conducting outreach or educational activities, consumer protection authorities and other relevant government entities could reference the contents of the Guidelines, with a view to promoting consumer activism and as the basis for explaining key considerations, recommendations as well as formal requirements.
23. Where new or improved engagement or funding mechanisms are put in place, consumer associations should be informed and guided accordingly. Where these are being prepared or deliberated, the Guidelines can be referenced in inter-agency consultations and for advocating with policymakers.
24. For consumer associations, whether at the planning or implementation stage, these Guidelines offer a benchmark against which their progress and effectiveness could be assessed, for example whether they have considered good practices for human resource and financial management. Some checkpoints to be considered along the way are outlined in [Annex 1](#). For additional reference and potential replication, case studies from selected consumer associations in ASEAN are featured in [Annex 2](#). To facilitate further exchanges, the current membership of the ACAN can be found in [Annex 3](#).
25. For the post-2025 ASAPCP, the ACCP may consider to accommodate a deliverable to review whether the Guidelines are fit for purpose and to what degree applying them has resulted in concrete progress in the form of enhanced effectiveness of consumer associations in the AMS.

## Key Terms and Definitions

26. The ASEAN Handbook on Consumer Protection Laws and Regulations defines “consumer association/ organization” as *a membership-based non-governmental non-profit body created to promote the interests of consumers of goods and services, by disseminating information and lobbying for laws to protect consumers against [irresponsible] producers or sellers, who may usually be better organized or have more resources*.<sup>3</sup> This definition is aligned with the commonly accepted understanding of consumer associations and their roles, as described in the UNGCP.
27. “Consumer association” and “consumer organization” are often used interchangeably. Meanwhile, the specific term denoting consumer association in the local languages of the AMS varies if translated into English. For reasons of consistency, “consumer association” is therefore applied throughout these Guidelines.
28. “Consumer protection entities” mean government agencies in charge of consumer protection. First and foremost, these are the main consumer protection authorities in the AMS, i.e. the national ACCP focal points. However, due to the cross-sectoral nature of consumer protection, the term also covers sectoral ministries or regulators with concurrent mandates.
29. “Consumer disputes” indicate disputes arising from transactions between consumers and businesses whereby consumers file a complaint or claim against businesses in relation to unfair trade practices and/ or products or services that have not fulfilled promises or requirements on quality, safety or sustainability.<sup>4</sup>

<sup>3</sup> See Part I of the Handbook.

<sup>4</sup> See details in the ASEAN Guidelines on Cross-border B2C Dispute Resolution (2019).

30. “Alternative Dispute Resolution” (ADR) is an out-of-court mechanism, often facilitated by private entities and/or relevant government entities, through which consumers are able to file claims against businesses and seek redress. Increased automation and the utilization of online communication tools in such processes is typically subsumed under the broader term of “Online Dispute Resolution” (ODR).<sup>5</sup>

### **III. MAIN ROLES AND SERVICES OF CONSUMER ASSOCIATIONS**

31. Depending on the country context, consumer associations may operate and perform their core tasks in different ways. As non-political/non-partisan and non-commercial groups, they address consumer concerns in a market economy and amplify, in particular, the interests and views of underrepresented, disadvantaged or otherwise vulnerable consumers (e.g. the elderly, illiterate, or persons with disabilities).
32. In upholding the principle of inclusiveness, consumer associations are therefore expected to understand the specific needs and conditions of different groups of consumers and to provide adequate assistance to them.

#### **Information Provision, Research and Analysis**

33. A crucial task of consumer associations is engaging in consumer education, notably by collecting and disseminating credible, fact-based, and independently verified information about issues that interest and impact consumers. At its most basic, this entails that consumer associations inform consumers about their rights and relevant policies, laws and regulations on how to enforce them.
34. Consumer associations should act as critical observers of policy trends and monitor consumer protection issues and/or actions so that they may then share their observations and opinions in public fora. This includes studying media reports and, where possible, analyzing consumer complaints data and/or enforcement records in order to identify needs and gaps related to consumer protection.
35. Consumer associations should periodically conduct consumer surveys in order to assess the degree of consumer empowerment and/or gauge prevalent perceptions, among others about the functioning and effectiveness of the overall consumer protection system (e.g. regarding access to information or redress). This helps pinpoint the attention and resources of the consumer associations – and by extension, that of relevant government entities – to priority issues for further consumer education and policymaking.<sup>6</sup> Such consumer surveys may either complement surveys of consumer protection authorities, or – for more efficiency – carried out as a joint effort.
36. Where resources permit, consumer associations should conduct reviews through testing, mystery shopping, and comparisons of products and services to order to facilitate purchasing decisions by consumers as well as to increase their understanding of consumer risks. Such reviews should be

<sup>5</sup> See also ASEAN ADR Guidelines (2021) and ASEAN ODR Guidelines (forthcoming).

<sup>6</sup> See also the methodology and results of the pilot implementation of the ASEAN Consumer Empowerment Index (ACEI).

published off- and/or online; they may be either made available free of charge to the public or could be offered as paid services to the members of the consumer association.

37. Through their local networks, consumer associations are able to alert consumers about unsafe products and errant businesses, and in doing so, could further link up with relevant government entities in order to more widely share up-to-date information about products that should be recalled, banned or prohibited from entering the market.
38. If consumer issues (e.g. in the evolving digital economy) warrant greater scrutiny and more in-depth research, consumer associations could team up with academic or research institutes in delivering forward-looking and actionable recommendations to governments and the private sector. This is pertinent to ensure that consumer interests are duly accounted for, and to anticipate any potentially adverse impacts on consumers.
39. Digital communication tools and the proliferation of social media offer new opportunities for consumer associations to reach out to a wider audience and more easily conduct public discussions or campaigns. This could be actively embraced and promoted by consumer associations, albeit without losing sight of “traditional”, offline modes of engagement with consumers, particularly those with limited digital connectivity or literacy.

## **Consumer Advocacy and Policy Formulation**

40. Part of the role of consumer associations in information provision is running outreach and awareness-raising activities or campaigns, both off- and online, in order to educate the public and/or advocate for policy reforms aimed at strengthening consumer rights and responsible business conduct. Depending on the issues at hand and/or available resources, such consumer campaigns may be organized in an *ad hoc* manner and/or over a certain period of time.
41. Campaigns with a shorter timeframe are typically sufficient to raise awareness and warn the consumers about new issues or problems, for example with illegal online lenders or “fake shops”. Campaigns can cease when the problems are no longer a priority concern and/or effective regulatory responses have been found. By contrast, more extensive campaigns may be warranted where awareness-raising needs to be sustained, for example regarding general digital skills. To the extent possible, this should involve multiple stakeholders from government, private sector and civil society.
42. Similarly, if there is a long-term goal or vision to be advocated for, consumer associations may engage in more complex campaign efforts that could also extend to multiple years. Examples are advocating for legal reforms, such as the amendment of an existing consumer protection law or the formulation of new privacy laws. Another long-term campaign and advocacy goal could be related to the establishment of formal mechanisms to obtain funding from the government or be invited to policy discourses.
43. Consumer associations should be provided with an opportunity to contribute their views, on behalf of consumers collectively, regarding upcoming policies, laws and regulations that have a bearing on their interests and wellbeing. More so than many government entities, consumer associations are able to feed in “issues from the ground” into these policymaking processes. Legislators and policymakers should therefore proactively involve them in policy dialogues or debates on planned reforms.

44. To help regularize such participatory policy formulation or make it mandatory, formal requirements may be imposed on legislators and policymakers to consult and engage consumer associations in drafting and reviewing policy proposals and/or in standards development for products and services. Furthermore, the application of a systematic approach for conducting Consumer Impact Assessments (CIA) could be promoted, as a means to mainstream consumer protection across policy areas and sectors. Aside from scrutinizing domestic policies, laws and regulations, consumer associations could also be involved in providing insights on potential consumer impacts of regional trade agreements.<sup>7</sup>

## Dispute Resolution and Redress

45. Consumer associations act as the first point of contact for consumers who wish to seek counsel on complaints or claims against businesses, typically in face-to-face settings. At this, their support can entail either general guidance or specific legal advice. For the provision of the latter, it is advisable though not mandatory for consumer associations to designate members/staff with a background in law.

46. If qualified and where possible under the respective legal framework in the AMS, consumer associations should aid, accompany or represent consumers in dispute settlement processes with businesses through out-of-court mechanisms (e.g. mediation, arbitration) and/or litigation.

47. Aside from individual representation of consumers and advice in smaller cases, consumer associations may pursue collective redress in cases linked to a larger number of aggrieved consumers. Such *class action* lawsuits in courts are presently not yet permissible in all AMS, but possess considerable potential for consumer access to redress and for holding big business accountable.

48. Where consumer associations have set up online information and/or complaints portals, interfaces with other complaints mechanisms, including official ones by relevant government entities, could be foreseen. This makes it easier to track complaints as well as trends related to priority consumer issues. Alternative venues of redress and/or, where possible, referral procedures, should be foreseen for cases where consumer associations are unable to assist with the dispute resolution, either due to limited mandates, resources or capacities, or when the disputing parties are unable to reach a consensual agreement.

49. Where systems for ADR or ODR systems are in place, the involvement of consumer associations should be considered as third party neutrals who could play an important role in assisting, mediating or representing consumers in disputes with businesses. Whether on- or offline, this increases options for and access to redress for consumers, particularly if consumers possess limited skills and confidence to resolve disputes in an unassisted manner.

## IV. ENABLING CONSUMER ASSOCIATIONS

50. Consumer associations are only able to operate effectively if governments accord them an appropriate scope of action and the necessary policy space to contribute to policies, laws and regulations that

<sup>7</sup> See details in ASEAN CIA Toolkit (forthcoming).

have a bearing on consumer interests and rights. Governments should therefore take steps to facilitate the continuous and active engagement of consumer associations in various areas, and through adequate formal mechanisms.

## **Formalization and Funding Mechanisms**

51. Although some form of regulatory oversight is common in most countries, consumer associations should be independent from government and able to operate without external interference. Governments should stipulate clear criteria and requirements for the formation and formalization of consumer associations whilst avoiding to place an undue high burden on the same. Criteria may include minimum requirements on the number and composition of members, accountability measures (e.g. regular reporting), and other administrative issues.
52. Consumer associations should be able to charge fees from their own members in exchange for basic or certain professional services rendered to consumers. Additionally, they should be able to obtain funding from various external sources, for example from the government, donors and development partners, and private companies or foundations. This may be tied to certain conditions to be fulfilled concerning the application, disbursement and management of funds, which should be made transparent, fair and non-discriminatory. The funding may be in the form of a grant, or to cover expenditures related to research assignments or advocacy campaigns that have been competitively tendered.
53. Governments endeavor to put in place a formal funding mechanism to subsidize part of the work of consumer associations. For such mechanism, funds could come from a dedicated budget allocated for consumer associations, or carved out from the budget of the main consumer protection authority and/or may be pooled with other government entities, on an annual or multi-year basis. A clear responsibility should be defined for the proper management of such a fund and procedures prepared in order to ensure that consumer associations are able to tap into the funding.
54. Aside from funding, governments should consider periodic information sessions to consumer associations, especially if they are located in more remote regions, in order to keep them updated on recent developments and changes in the regulatory framework. This would aid consumer associations in their own work vis-à-vis consumers who seek counsel on various matters. Dedicated capacity building programs on legal and technical issues, notably to strengthen competencies for the mediation of consumer disputes and/or emerging topics related to digitalization and fintech, should also be accommodated.

## **Joint Actions**

55. There are a number of ways on how government entities responsible for consumer protection can work hand in hand with consumer associations. The most straightforward manner is to organize joint awareness-raising and educational campaigns where combining efforts can help maximize resources and leverage outreach to consumers. Through such cooperation, government entities are able to update on relevant legal provisions and enforcement actions, to be matched with consumer perspectives and concerns that have been addressed to or through consumer associations.



56. In a similar vein, government should consider teaming up with consumer associations when it comes to implementing surveys aimed at gauging consumer perceptions and assessing the degree of consumer empowerment across a country, including at the local level. For such activities, responsible government entities could set aside a budget for consumer associations to run the survey among their members or constituencies. Additional partners, for example other non-governmental organizations and/or development partners, could further be engaged in order to leverage resources.
57. Coherent messaging to consumers is critical and underpins the effective interplay between government entities and consumer associations. The joint issuance of advisories, notices or public warnings on high-priority issues carries more weight as opposed to fragmented messages. Joint or coordinated, parallel actions could be undertaken on an *ad hoc* basis, but are even more effective when consumer protection authorities and consumer associations periodically consult on the planning and prioritization of advocacy and awareness-raising activities.

## Policy Engagement

58. A crucial challenge in many countries is the limited extent to which consumer associations are actively involved in hearings or consultations on policy plans and reforms. To address this, governments in the AMS should consider setting up a formal mechanism or forum not only for the inter-ministerial coordination of consumer protection actions, but also for consumer associations to provide inputs and feedback. For this to take place regularly and systematically, legal provisions may be devised that stipulate a requirement to invite comments by consumer associations, for example in conjunction with a regulatory impact assessment (RIA).
59. In order to increase the degree of representativeness and visibility of consumer associations in policymaking processes, governments could institute an appropriate governance model that allows for consumer associations and groups to join the dialogue with relevant authorities and legislators. This could be either through a hybrid model, such as a consumer council or multistakeholder forum, or by allowing different consumer associations to form an umbrella organization, for example a country-wide federation. Both approaches are suited to elevate the collective consumer voice vis-à-vis policymakers. Inspiration for possible governance models could be taken from human rights councils, among others.

## V. SETTING UP CONSUMER ASSOCIATIONS

60. The need to form consumer associations is irrespective of the size of the country or population, but depends on whether there is demand for its support services by consumers. Even in countries with highly effective consumer protection systems, there could still be a need to set up a non-governmental organization to represent consumer interests and provide independent opinions to government programs; to assist with legal actions against businesses; or to engage in and expand educational activities that benefit consumers.



## Formal Requirements and Mandate

61. The formal establishment of a consumer association may evolve from the cooperation of individual consumer advocates or activists, or the combination of loose consumer groups working on similar or the same issues. There are varying degrees of formality, legal status, and different models for consumer associations around the world that may be studied and referenced for inspiration and lessons learnt.
62. Consumer associations are often formally incorporated under national laws, notably consumer protection laws, and/or laws on societies/associations. Some AMS require that consumer associations be formally registered or accredited with a government authority (e.g. main consumer protection authority, ministry of home affairs etc.). When planning to set up a consumer association, its initiators should carefully check formal requirements by the respective government, including:
  - legal obligations (e.g. on funding, reporting);
  - requirements on eligibility for operating and/or obtaining funding (e.g. on number of members); as well as
  - the extent to which their future scope of action may be affected (e.g. what activities are permissible under relevant laws).
63. An important initial step before embarking on the actual formation of a consumer association is to define and agree on the scope of activities and type of services to be offered. Depending on the applicable legal framework in each AMS, the consumer associations may be flexible in defining their specific mandate and working modalities, and degree of involvement in any of the main services outline in Section III.
64. A useful starting point for consumer associations in identifying their scope of work is assessing different topics and trends that interest or impact consumers. For example, in countries with a strong agricultural sector, consumer activism and the eventual formation of a consumer association may be linked to the topic of food safety. Also, in the face of technological advances and related risks, consumer associations could be specialized on digital issues. Sustainability and climate action, as other emerging and relevant issues, could form part of the work of consumer associations as well.
65. It is advisable to draw up an initial plan covering conceptual as well as operational issues in order to help determine:
  - whether to base the consumer association on a singular issue or sector (e.g. food safety, fintech or online consumers) or to dedicate themselves to a broader mandate and address multiple topics;
  - whether there should be a clear goal or cause to align with, notably the change of policies, business practices and/or societal paradigms (e.g. on sustainable consumption);
  - what would be an appropriate organizational and governance structure, with a clear distribution of roles and responsibilities;
  - possible modes for external engagement and accountability; as well as
  - initial ideas for networking and fund-raising.
66. Much like a business, consumer associations could start small and grow their activities and/or mandate over time. It may not be necessary nor feasible for a young consumer association to embark on a

full and comprehensive agenda from the beginning. Rather, scrutinizing where their niche or entry-point might lie, i.e. how to cater to a certain demand from consumers and/or fill a gap not otherwise addressed by government entities, could constitute a more strategic and visionary approach.

## Governance Models

67. From the beginning, it is advisable that a new consumer association agrees on an internal decision-making process by which priorities are set and resources allocated accordingly (e.g. by majority vote the core members). A council or board, separate from day-to-day operations, could be set up to ensure transparency. In some countries, the determination of a specific governance model may also have to be aligned with legal provisions or requirements for civil society and other types of associations.
68. A distinction should be made with respect to core members of a consumer association that are engaged in running the organization and its activities, as opposed to the more passive membership who benefits from its services. It should be determined and made transparent from the beginning (e.g. in the articles of association) whether those affiliated with and working for a consumer association should receive any monetary compensation, and under which specific conditions this should be the case.
69. At the initial stage, activities of consumer associations tend to be entirely carried out by the active members on a part-time volunteer or *pro bono* basis, i.e. with little or no payment for their contributions. As a consumer association grows and expands, it could assign additional professional staff (e.g. subject-matter experts from the industry or academia) to specific projects, or hire them for regular activities and/or general management tasks.

## Networking and Resource Mobilization

70. With strict requirements on membership and initial funding in place in some countries, “consumer champions” should be activated that are able to mobilize core members and resources for the consumer association in the early stages. These may be prominent figures, such as former government officials or members of the business community, who are committed to consumer protection and possess a high degree of integrity as well as public appeal.
71. For increased visibility and outreach opportunities, consumer associations could foresee frequent postings on social and online media. This provides a convenient channel to engage with consumers and hear back on “issues on the ground”, expand the network and membership, as well as deliver regular updates on initiatives and impacts.
72. Consumer associations should consider charging a basic fee for their wider network of members. In exchange, members could be provided with first-hand information on consumer issues and relevant developments or events, for example by means of a newsletter. Paying members could also be regularly invited to focus group discussions, public webinars etc.
73. As an additional source of income, consumer associations could monetize “premium” services, such as a regular publication featuring reviews of products and services, more in-depth articles on specific

consumer issues, and/or the results of consumer surveys and research. Such materials could be offered at a certain price, as appropriate, to help re-finance the investments made for compiling information or investigating issues of relevance to consumers.

74. Consumer associations could further opt for providing comprehensive legal advice to their members and/or offer legal representation for consumer claims filed in courts, against charging a certain fee or commission for their professional services and support. The award from such court cases could be added to the income of consumer associations and reinvested into their personnel and/or operations. Professionalizing and monetizing certain services can also have the effect of elevating the importance of the work done by consumer associations, for their own “self-worth” and in the eyes of the public.

## **VI. RUNNING AND SUSTAINING CONSUMER ASSOCIATIONS**

75. Once a consumer association is up and running, the challenge emerges to maintain the momentum, competences and credibility. With continuous organizational development in mind, this does not only extend to operational and financial viability, but also to being viewed as reliable by the public at large, staying relevant to members, and becoming attractive for new partnerships.

### **Strategic Planning and M&E**

76. Devising a strategic plan is recommended for consumer associations to be transparent and stay on track with funding and operations in the medium- to longer term. Aside from aiding consumer associations in pursuing a future-oriented course on business development, such plan could be closely synced with relevant government plans and policies. This poses opportunities for linking up with – and leveraging on – other actions related to consumer protection, such as wider consumer campaigns. Alternatively, consumer associations may opt to find their niche apart from the official government agenda, for example to draw attention to otherwise neglected issues that are critical to consumers.
77. In the interest of learning from experience and continuously upgrading their services, consumer associations should ensure internal loops for review on their overall performance, as well as introduce M&E for individual activities. From time to time, they may also seek feedback from members and external stakeholders, among others regarding the relevance and results of completed consumer campaigns.

### **Human Resource Management**

78. In the face of evolving economies and changing consumer issues, it is critical to continually update the knowledge and skills available within the consumer association so to be able to cater more competently to consumers in need of information or advice. This particularly pertains to emerging issues (e.g. fintech) for which increasingly specialized expertise may be required.
79. There are different options for the capacity building of consumer associations, both through online and offline means, including:

- Learning-on-the-job and internal knowledge transfer from the more experienced members, the leadership or external advisors to the consumer association to its younger or new members, staff and volunteers to nurture a new generation of consumer advocates and manage talent;
- Technical trainings offered by international organizations and/or development partners;
- Peer learning among consumer associations within and outside of ASEAN, for example as part of activities facilitated by ACAN or Consumers International (CI).

## **Fundraising and Business Development**

80. The long-term sustainability of consumer associations highly depends on being able to provide an added benefit to consumers, their membership and other partners. Consumer associations should maintain constant dialogue and constructive engagement with their members and facilitate purchasing decisions by consumers network in order to identify new topics, products and services that would allow them to expand their operations, in line with their mandate, vision and mission.
81. Rather than exclusively rely on donations or voluntary contributions, consumer associations are encouraged to steadily strive for more effective, diversified and innovative service delivery, including through active participation in funding schemes for research and/or consumer campaigns by governments.
82. In addition, consumer associations in many countries benefit from commissions from international development organizations. Aside from funding, this offers opportunities for wider networking as well as access to international good practices and experiences. However, international funding may be volatile and should therefore not constitute the sole source of income of a consumer association.

## **Strategic Partnerships**

83. To achieve organizational sustainability, increase their exposure and reach, as well as leverage their effectiveness, consumer associations should look for strategic partners to link up with. These could hail from various stakeholder groups.
84. Consumer associations should work hand in hand with the government, whilst retaining their autonomy. The primary partner for a consumer association should be the main consumer protection authority with whom joint advocacy actions should be implemented. Efforts could also be combined or coordinated with other consumer protection entities responsible for sectoral issues (e.g. financial services, e-commerce, food and drugs, health).
85. In some countries, subsidies or grants for consumer associations may be available from the government for specific activities, based on certain criteria. Where such schemes are in place, consumer associations should endeavor to tap into them, not least to establish them as trusted partners for official government programs.
86. With a view to inspiring and incentivizing businesses to act in a more responsible and consumer-oriented manner, consumer association could provide some form of accreditation or certification, based on specific and transparent criteria. Such a trust mark is a common mechanism employed by government entities and private sector association as they help encourage ethical business conduct.

Businesses awarded the trust mark are able to gain greater visibility and potentially a larger customer base. A trust mark can be provided free of charge or against a small processing fee. With this, consumer associations can expand their service delivery vis-à-vis both consumers and businesses and realize new partnerships.

87. Consumer associations should carefully examine any opportunities that arise for cooperation with the private sector, and make sure to avoid potential conflicts of interest. While business-led organizations (e.g. private foundations) often provide funding as part of their corporate social responsibility (CSR) programs, consumer associations should ensure that their own reputation and impartiality is not compromised by being affiliated with and accepting donations from businesses that are otherwise engaged in questionable conduct (e.g. “greenwashing”).
88. Consumer associations should aim for joining forces with other “like-minded” social, community or non-governmental organizations that advocate for related causes (e.g. human and disability rights, food safety, climate change etc.). In doing so, they can broaden the base of issues covered, strengthen their bargaining position and to maximize their impact. Aside from checking any communalities with the agenda of other organizations, consumer associations are advised to assess the credibility of new partners in order to anticipate and avoid potential “political” pitfalls.

## **Integrity and Accountability**

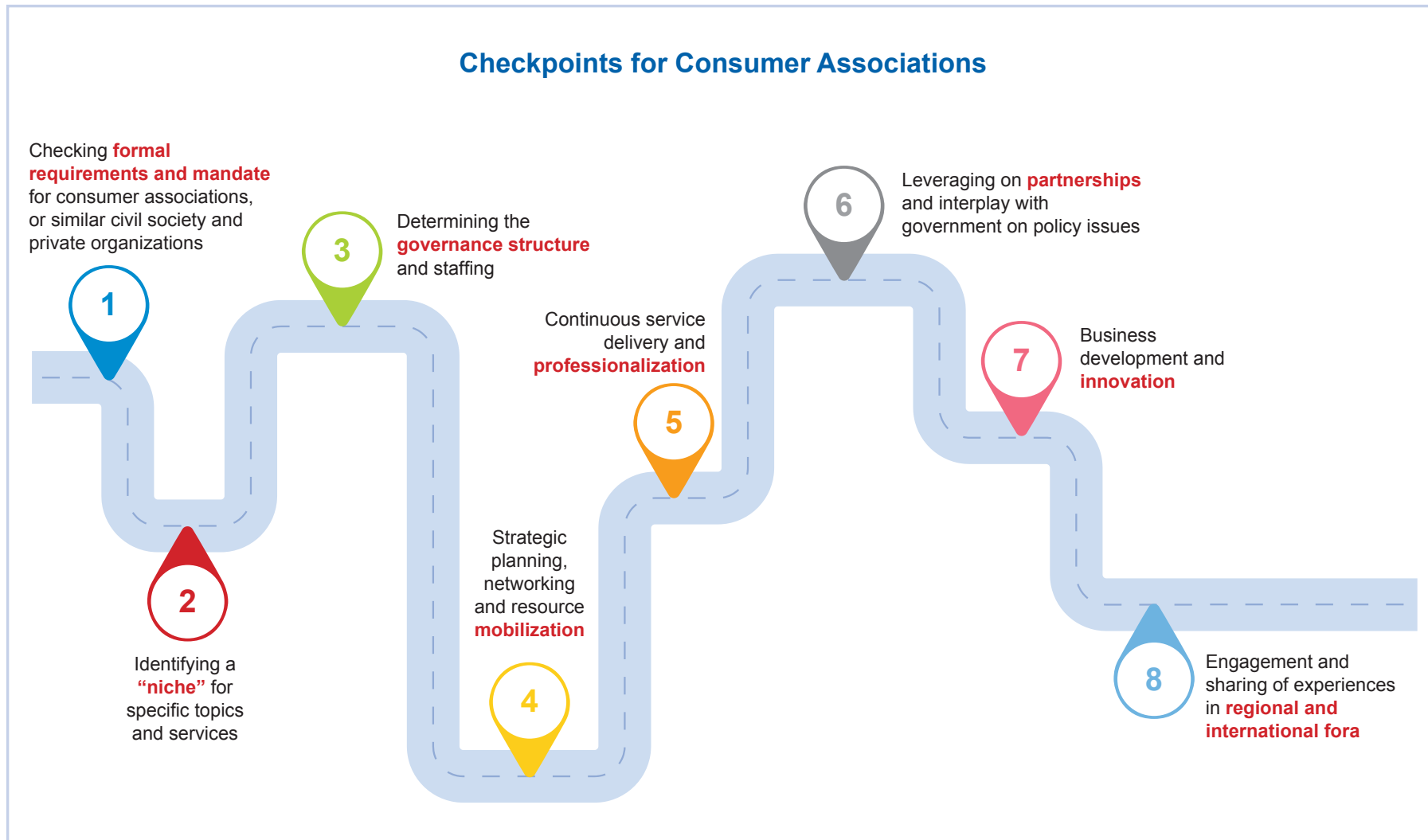
89. Consumer associations should abide by key principles for integrity, transparency and public accountability, or else risk losing credibility and support. First and foremost, this comprises:
  - Disclosing funding sources (e.g. in annual reports);
  - Reporting on operational expenses and impacts/achievements, to demonstrate that any funding is handled responsibly and ethically;
  - Countering undue influence from political parties, businesses etc.; and
  - Inspiring public trust through a high level of commitment, professionalism and quality in service delivery.

## **VII. REGIONAL AND INTERNATIONAL COOPERATION**

90. Although traditionally focused primarily on domestic issues, consumer associations can benefit considerably from an intensive regional and/or international exchange of experiences and learning from good practices in other countries. This is particularly worthwhile as consumer issues in the advancing digital economy are no longer confined to individual jurisdictions and therefore call for wider solutions, also across countries.
91. In ASEAN, the main platform for this is the ACAN which is intended to facilitate dialogue and joint action by consumer associations across the AMS. To render ACAN more effective and fully operational, an appropriate mode of working among the core members and to engage with the ACCP needs to be agreed upon, along with a more concrete agenda or work plan.

92. The agenda for ACAN should comprise more frequent sharing sessions or thematic roundtables to foster the understanding of consumer protection systems and the specific setting in which consumer associations operate in each AMS. Such regular dialogue could aid in comparing issues and facilitate the development of bottom-up solutions (e.g. reform proposals) or actions based on lessons learnt.
93. Based on the dialogue activities, ACAN members could gradually move towards more in-depth cooperation, for example by concluding bi- or multilateral agreements or arrangements to engage in joint campaigns, exchange information or data, and facilitate the settlement of cross-jurisdictional disputes.
94. Consumer associations in ASEAN should actively pursue involvement in regional and international exchanges that are facilitated by international organizations, notably CI as the worldwide umbrella organizations for consumer associations. They should also participate in meetings of consumer committees under the International Standards Organization (ISO) or the United Nations which accord an either active or observer role for consumer associations.

## ANNEX I: Checkpoints for Consumer Associations



## ANNEX II: Case Studies

<p><b>Myanmar</b></p>	<p>“An Independent Perspective: Tracking Advances in Consumer Protection”</p> <p>The Myanmar Consumers Union (MCU), as the main consumer association in the country, in 2016 and 2020 published a comprehensive report to track the progress made with consumer protection actions in selected sectors and to assess how priority consumer issues are being addressed. The report shows the potential of engaging consumer associations in preparing an external review of the consumer protection system in a country, along with recommendations on how to strengthen the existing legal and institutional framework. Although MCU’s mandate does not formally allow for it to take on mediation services, it can receive consumer complaints and refer them to the relevant authorities. This provides MCU with an important opportunity to examine trends in the complaints behavior of consumers in Myanmar that also provides useful insights for policymakers, for example to feed into national consumer protection programs.</p>
<p><b>Malaysia/ Singapore</b></p>	<p>“Cross-border Complaints as the New Frontier: Regional Cooperation between Consumer Associations”</p> <p>Already in 2010, the Federation of Malaysian Consumer Associations (FOMCA) concluded a Memorandum of Understanding with its counterpart in Singapore, the Consumers Association of Singapore (CASE), to exchange information on common concerns as well as extend mutual assistance in the settlement of consumer complaints where the business and consumer are located in different jurisdictions. The MoU formalizes such bilateral cooperation on consumer dispute resolution for which arrangements at the government level between the two countries are not as advanced yet. At this, it is a crucial starting point for the dialogue and deeper cooperation on consumer protection in ASEAN, at both the level of consumer protection authorities and consumer associations.</p>



## Singapore

### “Speaking with One Voice to Consumers and Businesses: Cooperation between the Government and Consumer Association”

With an extensive track record on championing consumer rights, the Consumers Association of Singapore (CASE) has been taking a proactive role in a number of areas, notably in contributing to government guidelines, settling consumer disputes, and successfully promoting fair trading amongst the business community. With its work, CASE fulfils its concurrent mandate with several government agencies, including the Competition and Consumer Commission of Singapore (CCCS) and the Singapore Tourism Board, particularly as concerns public campaigns and complaints-handling.

While for the latter, a practical framework for the referral for cases is in place, CASE in collaboration with several government agencies, including CCCS, also plans and coordinates on priorities for public messages and advice, such as through the issuance of joint notices or advisories addressing businesses and consumers in Singapore. In doing so, they are able to increase their outreach, for example to alert about errant conduct of online retailers.

## Singapore

### “Fair Conduct and Fair Prices: Increasing Transparency for Consumers”

The Consumer Association of Singapore (CASE) in 2020 rolled out a price comparison app called “Price Kaki” that allows consumers to compare the retail prices of groceries, household items and hawker food. Using a crowdsourcing mechanism, users registered with the app are able to track price changes of popular items, such as instant noodles and instant coffee, and thereby make more informed purchasing decisions even if they have limited time or are unaware of market prices. This app, which is also available for fuel prices and complements government actions, such as recent guidelines by the Consumer Commission of Singapore (CCCS) on price transparency.

In a similar vein, CASE introduced an accreditation scheme titled “CaseTrust” which is issued to businesses that intend to demonstrate their commitment to fair trading and transparency to consumers. With this, CASE promotes consumer trust while recognizing businesses that operate in compliance with consumer protection policies and principles. Furthermore, if disputes arise, CASE offers mediation services to the disputing parties.

<p><b>Thailand</b></p>	<p>“Unity in Diversity: Elevating the Voice and Visibility of Consumer Associations”</p> <p>Following years of extensive advocacy efforts, the Thai Consumer Council (TCC) was established by law in 2019, providing a mechanism for consumer associations to work alongside the government, in a hybrid model and with a legal status and mandate to also represent consumers in proceedings. While the TCC allows for unifying diverse consumer associations in different parts of the country, it also provides greater visibility for the collective voice of participating organizations vis-à-vis the government and policy-makers. Formalizing this engagement further comes with a considerable budget from the government that offers funding for consumer associations that fulfil certain criteria.</p> <p>Through this, consumer associations can operate more evenly across Thailand to cover a wider range of consumers and take on more activities on consumer information and education. This can follow the example of the Foundation for Consumers (FCC), which is the most prominent consumer association but primarily covers the greater Bangkok area. The FCC is, however, a prime example of a highly professional consumer association actively involved in product testing and legal advice, aside from providing more basic information services.</p>
<p><b>Viet Nam</b></p>	<p>“Online Consumer Portal: Bringing in Social Organizations to Facilitate Dispute Resolution”</p> <p>The Viet Nam Consumer Protection Association (VICOPRO) and other social organizations at the local level play a crucial role in information dissemination and consumer education, as well as in feeding in updates on consumer risks and abuses in the market into policy discussions. As a regular mechanism, the Viet Nam Competition and Consumer Protection Authority (VCCA) involves consumer associations in their annual national conferences and related activities on Viet Nam Consumer Rights Day each 15 March. Moreover, to further strengthen consumer associations, new provisions are foreseen in the upcoming amendment of the general consumer protection law of 2010.</p> <p>In 2021/2022, the VCCA is upgrading its online consumer portal, in an effort to prepare the foundation for an online dispute resolution (ODR) system, as a core ASEAN commitment. Accessible through the internet and a mobile app, the new portal is set to improve complaints-handling by allowing for the parties to lodge and track the progress of their dispute online. The system will be open not only to the VCCA and the disputing parties, but will also allow for the participation of consumer associations. This offers the potential to expand the core function of consumer associations in counselling or representing consumers or acting as mediators in the disputes, online through online means.</p>

## **ANNEX III: ASEAN Consumer Associations Network (ACAN)**

To be supplemented.

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