

Consumers International



World Summit on the Information Society
Statement by Consumers International

Introduction

Consumers International (CI) is an independent, non-profit organization that supports, links and represents consumer groups and agencies all over the world. It was founded in 1960 and now has a membership of over 250 organisations in 115 countries. CI strives to promote a fairer society through defending the rights of all consumers, especially the poor, marginalised and disadvantaged, by supporting and strengthening member organisations and the consumer movement in general, as well as campaigning at the international level for policies which respect consumer concerns.

CI actively campaigns in a number of policy areas relevant to the WSIS, including capacity-building, consumer education, consumer protection and the law, public utilities, and electronic commerce. See <http://www.consumersinternational.org> for more information on CI's activities in these and other areas.

Key Principles for a Global Information Society

The emerging information society holds great potential for the betterment of human society. However, it could also serve to entrench existing social and economic inequities if appropriate policies are not adopted.

CI strongly promotes the need to approach information society issues with a vision focused on human rights and sustainable human development. Flowing from this vision are a number of important principles, many of which have been already identified, but some of which have not yet been addressed. This document focuses on issues which have not been covered by others. In particular, it emphasizes principles essential to trust and confidence in the information society, and provides specific recommendations for action under each principle.

CI agrees with the statements of others regarding the need to establish the following guiding principles:

- access to communication networks and information services (bridging the digital divide)
- building a global information commons
- promoting democratic government and governance
- ensuring a fair, open, and transparent legal and regulatory environment
- encouraging community involvement and empowerment
- developing national, regional and local capacities for participation in the information society
- promoting cultural and linguistic diversity
- incorporating gender and youth perspectives

These are essential components of a global information society that is designed to meet its social, economic, and cultural potential. They include a number of important elements, of which we wish to emphasize the following:

Consumer representation and participation

Policies designed to guide the development of the global information society are being developed in numerous international forums, including the OECD, APEC, ITU, WTO, WIPO, UNCTAD, ISO, ICANN, and the Hague Conference on Private International Law. It is essential that all stakeholders, including consumers, are included in these processes, and that representation from stakeholders with conflicting interests is balanced. While business representatives usually find a way to involve themselves where their interests are at stake, the consumer voice is too often missing from these important policy forums. Where necessary, proactive measures should be taken to ensure that the consumer voice is heard. In the WSIS process, consumers should be recognized as a distinct stakeholder group.

But representation is not enough; where consumer interests are at stake, decision-making processes need to include active participation by informed consumer representatives. Consumer representatives should be able not only to react to proposals by others, but also to put their own issues on the agenda of discussion.

Standards play a very important role in the ICT context. Technologies and processes in this sector are emerging at a rapid pace. Product and technology life cycles have never been shorter. In many cases, the formal standard-making process is too slow for market needs, and informal standards consortia have begun producing their own technical specifications. In contrast to the formal standards bodies, informal standardising bodies may establish a closed group, often for commercial benefit. Their output may not be publicly available. In general, the lack of transparency and low degree of consensus involved in such processes give reason for concern. More openness and consumer participation in these informal processes is needed.

Action:

- Governments should include consumer representatives in policy-making and decision-making processes at both the national and international levels, where consumer interests could be affected.
- Consumer representatives should be provided with the same opportunities for input and the same status as business representatives in such processes;
- Governments should actively seek out consumer input where they are receiving input from business interests on particular issues in which the consumer interest may conflict with the business interest;

- Consumer representatives should be appointed by appropriate, recognized consumer organizations;
- Governments should provide necessary funding for informed consumer participation;
- The membership of government-appointed bodies engaging in the regulation of ICT services should be balanced, taking into account the often conflicting interests of businesses and consumers;
- Governments and regulatory bodies should use open, transparent processes, such as public hearings, to make decisions on matters of price, quality of service, expansion of service, and any other matters that could affect the consumer interest;
- Formal and informal standards development bodies working on ICT-related standards and technical specifications should operate according to principles of transparency and openness, and should ensure that the consumer interest is properly represented at all stages of their work;
- Governments should fund consumer representation in ICT standardization processes.

Affordable access

The availability of electronic information and communication technologies (ICTs) is of little benefit if the price of access is beyond the reach of certain segments of the population. All communities, institutions, businesses and individuals should have access to communications networks and services at reasonable and affordable prices. Prices are not reasonable if they result in excessive profits to the service provider. Prices are not affordable if significant numbers of people cannot afford them.

To the extent that market forces cannot deliver universal access to basic information and communication services at affordable rates, government and/or regulatory intervention is necessary. Through the establishment of competitively neutral subsidy schemes, service can be delivered to high cost areas at below-cost prices, without distorting competition. Low-income consumers can be offered service at discount rates. As well, governments can directly fund the establishment of public access sites in communities, for use by those who cannot afford access in their homes. Such intervention is likely to be needed even in the most competitive markets, given the inherent limitations of market forces.

As ICTs develop, the concept of “basic service” evolves. Governments should take this evolution into account when developing and implementing policies designed to ensure universal access.

Action:

- Governments should establish competitively-neutral subsidy regimes designed to ensure affordable prices
 - in high cost areas,
 - to low income consumers,
 - to individuals with disabilities or other special needs, and
 - to aboriginal and other disadvantaged communities.
- Governments should subsidize the delivery of ICT services via public access sites in each community.

Access by persons with disabilities

It is a basic consumer right to have access to products and services. Discrimination exists if elderly people and people with disabilities cannot use many of today's mainstream consumer products and services.

ICT standards can enhance access by persons with disabilities, for example by addressing ergonomic aspects of ICT hardware, software, services and support. ICT must be easy to use for all intended user groups stated in the scope of the standard. Ease of use can be measured in terms of performance (e.g. the time taken by users to complete a predetermined task, and/or the number of errors).

Action:

- ICT standards should be based on the concept of 'Design for all': i.e., designing for as many people as possible while acknowledging that there is a minority of disabled people with severe impairments who need adaptations or specialist products;
- ISO/IEC Guide 71: 2001, which provides guidelines for standard-makers on how to address the needs of older persons and persons with disabilities, should be systematically applied across the ICT sector.

Open and non-discriminatory access to broadband facilities

The evolution from narrowband to broadband ICTs vastly increases the potential for serving the information and communication needs of consumers and citizens alike. However, if network owners are allowed to discriminate among service providers, by, for instance, denying or frustrating access to services that they do not own, the goals of diversity and democracy will not be met.

All communities, institutions, businesses and individuals should have equitable access to the widest possible range of content and service providers, especially over broadband ICTs. This requires that facilities owners offer open and non-discriminatory access to competing service providers on all major platforms.

Only open and interoperable platforms and standards can enhance consumers' freedom of choice. Open source standards can help reduce costs, increase application interoperability and avoid a multiplication of initiatives. New ICT services such as digital broadcasting should be based on common and open standards such that user choice is maximized.

Action:

- Governments should enact regulations and policies designed to:
 - ensure open and non-discriminatory access by content and service providers to broadband platforms owned by others;
 - ensure open and non-discriminatory by content providers to digital and interactive television systems;
 - favour the use of common and open ICT standards for access by both service providers and users to new ICT networks and services, such as digital broadcasting.

Internet Governance

While the Internet was designed to require minimal oversight, there are important aspects of its operation that do require decision-making by a central body. It is essential that any such body have a limited mandate so that it does not become a general purpose Internet governance organization, and that any such body be fully accountable to the public.

The Internet Corporation for Assigned Names and Numbers (ICANN) is a non-profit organization incorporated in the State of California. It has broad control over resources and functions that are essential for the operation of the Internet.

ICANN's mission should be limited so that it does not have more control than necessary over this increasingly important public resource. ICANN should be accountable to the public for its management of a public good.

Action:

- ICANN records, financial and non-financial, should be open to the public;
- ICANN budgets and all ICANN contracts should be subject to review by countries that provide the ICANN charter.

Building the basis for trust and confidence in new technologies

The above-noted principles are not, however, the only ones that need to be addressed in order to achieve our goals. It is widely recognized among more developed information societies that trust and confidence in new technologies is essential if these technologies are to meet their potential, and that such trust and confidence cannot be achieved without effective consumer protection. Indeed, lack of consumer trust and confidence in the online environment has been a major factor inhibiting its growth in more developed economies. The following principles must therefore also be incorporated into a global action plan for building a just and equitable information and communication society:

Consumer protection

An important aspect of the new information society is the emergence of an electronic marketplace that is not limited by geography. Throughout the world, electronic commerce is seen as delivering significant economic benefits, especially for small and medium-sized enterprises and economies who now have access to a global marketplace. Countries are increasingly giving legal status to electronic documents and communications, and are encouraging their industries to take advantage of this new medium. As a result, electronic commerce is rapidly growing.

Along with the obvious benefits of this new mode of commerce to individuals in their roles as consumers (e.g., convenience, greater choice, lower cost), come new problems. For example, because products cannot be seen in person, and the vendor cannot be judged by its physical presence, disclosure of information is particularly important in the online environment. Because of the unique potential for unintentional ordering online (e.g., keystroke error), rules are needed to clarify rights and responsibilities in the context of such mistakes. Because of the potential for unauthorized transactions due to failure of online security mechanisms, consumers need to be protected from exposure to liability for losses due to no fault of their own. Because of the new opportunities for fraudulent and misleading behaviour that the electronic medium affords, clear rules against deceptive business practices, and the effective enforcement of such rules across borders, are critical.

The territoriality of the law is challenged by the universality of the Internet. In order to provide a solid basis for consumer trust and confidence in the electronic marketplace, it is essential that these issues be addressed through an international regulatory framework that establishes clear and fair standards of consumer protection online.

Action:

- Governments should update their domestic consumer protection laws and procedural rules so as to address new problems raised by electronic commerce in a way that provides consumers with at least the same level of protection online as they enjoy offline. In particular, consumers should be entitled to:
 - disclosure of information about the vendor, its products, and the terms of contract sufficient to make an informed purchasing decision;
 - where notice is required by law, delivery of such notice to the consumer by an agreed mode of communication, other than mere posting on a website;
 - an order confirmation process that ensures informed and deliberate consent to the purchase, and permits cancellation prior to such confirmation;
 - a retainable and printable record of the transaction as soon as it is completed;
 - secure payment mechanisms under which consumer liability for fraudulent or unauthorized use is limited;
 - relevant information and customer service in the language in which the product or service was advertised;
- Laws facilitating electronic commerce should always permit consumers to reject the use of electronic communication, and should protect consumers from unreasonable reliance by businesses on such mode of communication;
- The OECD and APEC Guidelines for Consumer Protection in Electronic Commerce should be implemented by all member countries by 2007;
- Similar norms should be adopted by other regions and countries, possibly through a UN organization;
- Business self-regulatory practices which meet and exceed these standards should be encouraged;
- Governments should cooperate in the cross-border enforcement of laws designed to combat fraudulent, misleading or unfair commercial conduct;

Credibility of online information

Individuals are increasingly relying upon information gleaned from the Internet, often to make important decisions, for example about their health or financial affairs. Yet the reliability of online information can be difficult to assess, given the absence of context and visual clues that are apparent in the offline environment. The potential for people to be misled by inaccurate or deceptive information on the Internet is therefore high. Indeed, studies show that online information is often out-of-date, incomplete, not written by an authoritative source, or influenced by commercial interests.¹ It is often difficult to distinguish between editorial and commercial content online. Biases in the way information is presented online, or in the information itself, are not always clear to users. Measures therefore need to be taken to improve the credibility of online information, as well as to educate consumers about the risks of reliance upon this information.

¹ Consumers International, *Credibility on the Web: An international study of the credibility of consumer information on the Internet* (2002).

Action:

- Online businesses should be encouraged to improve the credibility of the information they provide. In particular,
 - sites should clearly disclose any relationship between commercial interests and the content on the site;
 - any sponsored material or advertisements should be clearly identified as such, and differentiated from other content;
 - sites that give information and advice should disclose how up-to-date that information and advice is;
 - sites that give information and advice should provide verifiable information about their sources, and about the authority and credentials of individuals behind that advice;
 - sites that find products and prices for consumers should disclose the extent of their market coverage;
- Governments should establish or update laws against misleading advertising and deceptive business practices so as to address specific problems in the online environment;
- Governments should enforce laws against misleading advertising and deceptive business practices online, both nationally and internationally.

Privacy Protection

ICTs have vastly increased the ability of organizations to collect, retain, use and disclose personal information (information about identifiable individuals). Trade in personal information is now a large industry, and profiling of individuals based on data collected is now a common practice in the marketplace. Surveillance of individuals in the workplace, on private property and in public spaces is growing. The development of data protection laws and standards has not kept pace with changes in technology and business practice.

States also have new technological abilities, and now new incentives, to monitor citizens. In an effort to address threats of terrorism, states are using ICTs to build new databases of personal data, to track individuals, and to mine data for indications of suspicious behaviour.

In our transition to an information society, individual privacy is thus threatened as never before. In this context, it is essential that the centrality of individual privacy to a just and democratic society be recognized, and that privacy be treated as a human right.

Action:

- Privacy should be recognized as a human right in relevant national and international legal documents;
- Organizations should respect the principles set out in the *OECD Guidelines Governing the Protection of Privacy and Transborder Flows of Personal Data (1980)*, taking into account the *OECD Ministerial Declaration on the Protection of Privacy on Global Networks (1998)*;
- Similar Guidelines should be adopted by non-OECD countries;
- Voluntary efforts by businesses to establish and respect best practices of privacy protection should be encouraged, but self-regulation should not substitute for regulatory standards in this area;
- Governments should enact comprehensive laws protecting personal data in both the public and private sectors, and giving individuals clear rights to control the collection,

use and disclosure of their personal information, and an effective means of exercising those rights;

- State measures to enhance security should not unduly infringe on individual privacy;
- Governments should cooperate in the enforcement of data protection laws internationally;
- Data protection standards should meet or exceed the principles set out in existing laws and Guidelines.

Unsolicited commercial email

One of the most widely used and highly valued services in the information age is electronic mail. It has opened up new possibilities for communication between individuals, and has transformed the way that companies and other organizations do business. However, abuse of this technology by those promoting products and services is rampant. Studies indicate that a significant and increasing proportion of email messages (25-30%) are unsolicited and unwanted, and that the cost of this “junk e-mail” is significant. Indeed, large volumes of junk e-mail could interfere with critical computer systems and endanger public safety. The important social and economic benefits of this new mode of communication are thus being seriously undermined.

Action:

- Governments should enact laws and regulations designed to limit the use of e-mail for commercial solicitation, and to provide e-mail users with an effective means of controlling the amount of unsolicited email they receive;
- Governments should cooperate in the cross-border enforcement of laws restricting the use of e-mail for commercial solicitation;
- E-mail service providers should adopt zero-tolerance policies with respect to abusive e-mail practices;
- Efforts to develop and distribute effective filtering tools should be encouraged;
- Governments and service providers should inform e-mail users about how to curtail e-mail abuse.

Redress and dispute resolution

As the global electronic marketplace develops, parties are increasingly transacting from a distance, both within and across borders. The resolution of disputes between parties in different locations can be difficult and costly, thus posing a barrier to electronic commerce, and leaving weaker parties (e.g., consumers) without effective recourse. In this context, it is important that consumers are provided with meaningful access to fair and timely dispute resolution and redress without undue cost or burden.

ICTs offer new, low cost means by which parties can resolve disputes at a distance. Indeed, online dispute resolution is a growing industry. Like other forms of alternative dispute resolution, it should never be forced upon unwilling parties, but rather should be made available as a low cost alternative to the court system. Online dispute resolution services should meet recognized standards of fairness, transparency, independence, and effectiveness.

Consumer confidence in making purchases online depends in part on the liability limits and redress mechanisms applicable to the payment mechanism they are using. Payment system operators should limit consumer liability and offer comprehensive redress mechanisms.

In any case, consumers should not be denied access to the courts of their own jurisdiction, nor deprived of protection offered by the mandatory laws of their own jurisdiction, regarding transactions that they entered into from their own jurisdiction.

Action:

- Governments should protect the right of consumers to access the publicly funded justice system in their home jurisdiction in order to resolve disputes with merchants regarding transactions made from their home jurisdiction;
- Governments should cooperate in the mutual recognition and enforcement of judgements providing consumer redress against businesses in other jurisdictions;
- Business, consumer and government representatives should work together to develop international standards for online dispute resolution regarding consumer transactions;
- Consumers should be entitled to rely upon “chargeback” remedies where appropriate.

Protection of children

A key benefit of ICTs is the increased scope that they offer for free expression of ideas on one hand, and open access to such information, on the other hand. This openness presents challenges for parents who wish to protect their children from inappropriate or harmful content and activities. Of particular concern is inappropriate marketing to children of merchandise or services, unrestricted access to material that incites violence, hatred, or otherwise conflicts with the values of the parent, and problems such as paedophiles posing as children.

Parents need to have the means to monitor, filter or limit their children’s use of electronic media (Internet, TV, electronic games).

Action:

- Governments should introduce legislation to limit and regulate the marketing of potentially harmful content to children, including tobacco, alcohol and gambling sites;
- Governments should undertake measures to protect the privacy of children, including legislative requirements for parental consent before personal information can be gathered from children;
- Authentication systems should be developed to ensure authorized use of credit cards for online purchases;
- Filtering software designed to protect children in a manner consistent with the wishes of the parent should be developed and made widely available;

Public Information and Education

In order for individuals to benefit fully from new ICTs, they need to be equipped with the necessary knowledge and empowered to act in their own interest. Organizations using new ICTs also need to be aware of their responsibilities. Education and awareness-raising are critical elements of a strategy to raise consumer trust and confidence in the online medium, and thus to maximize the social and economic benefits of ICTs.

In particular, individuals need to be educated about the risks of online activity and how to minimize those risks. Consumers need to be aware of their rights, responsibilities and remedies in order to

make informed purchasing decisions. Those publishing information online need to be educated about their responsibilities, especially in terms of transparency, honesty and fairness.

Consumers also need to have all relevant information at the time that they are making purchasing decisions involving ICTs. Purchasing inappropriate ICT products or services can have considerable consequences in both the short and long terms. Yet, the diversity of ICT products and services in the marketplace is daunting, combined with the dearth of neutral, comparative information, poses tremendous challenges for consumers.

Action:

- Governments and other organizations should make publicly available information on the risks of online activity and strategies to minimize those risks;
- Governments should provide information on consumer protection laws and remedies in an easily understandable and accessible form;
- Stakeholders should work together to develop and implement media campaigns designed to enable and empower individual users of ICTs;
- Educational courses on information technology at schools and universities should include consumer and private protection as a key element;
- Governments should provide capacity-building and training services to small enterprises and content providers, focused on the implementation of guidelines and best practices for consumer protection online;
- Test methods should be standardised so as to provide data to consumers for easy comparison before purchase, (e.g. data on energy consumption, cost, necessary equipment/knowledge, restrictions, safety, instructions).
