

PSM Speaking Note

Global Webinar

The G20 Championing the Consumer Movement

23rd August

- **The G20 group of 19 countries and the European Union (EU) was established in 1999 as a platform for Finance Ministers and Central Bank Governors to discuss international economic and financial issues. The issues discussed go beyond just financial and economic matters and included topics like the plight and well-being of consumers.**
- **In the wake of the global financial and economic crisis of 2007-08 that exposed significant weaknesses in the global financial system, the G20 was elevated to the level of Heads of State/Government and was named the premier forum for international economic cooperation.**
- **The first G20 Leaders' Summit took place in November 2007 in Washington, D.C., where heads of state and government discussed strategies to address the crisis collectively. Subsequent summits continued to focus on measures to restore global economic growth, strengthen financial regulations, and enhance international cooperation in managing financial risks.**
- **The G20 initially focused largely on broad macroeconomic issues, but it has since expanded its agenda to inter-alia include trade, sustainable development, health, agriculture, energy, environment, climate change, and anti-corruption. Today, together, the G20 countries account for almost two-thirds of the global population, 75% of global trade, and 85% of the world's GDP.**
- **Nevertheless, with the onset of the global financial crisis in 2008, consumer protection became an important issue for the G20. It began**

to recognise the importance of protecting consumers from fraudulent and unfair business practices to promote sustainable economic growth and development. Subsequent G20 summits therefore began to address consumer protection policies, and took a number of initiatives to advance the consumer protection agenda.

- In 2011, the G20 summit hosted by the French government highlighted the importance of keeping consumers at the heart of the G20's work. However, the strong impetus emerged during the German G20 Presidency in 2017 when Berlin hosted the inaugural G20 Consumer Summit, focusing on fostering consumer trust in the digital realm. Following that year's G20 Summit, the digital ministers of the G20 released a statement on April 7th acknowledging the suggestions put forth at the G20 Consumer Summit and highlighting the significance of establishing a trustworthy digital environment for consumers. This success of the first summit quickly paved the way for the second G20 Consumer Summit in Buenos Aires in 2018, held under the Argentinian Presidency of the G20, with the National Directorate for Consumer Protection as the host. Discussions at this summit covered various consumer issues, including child safety in internet-connected products, emerging challenges in product safety, and concerns about food waste.
- Furthermore, in 2019, a G20 International Conference on Consumer Policy took place as a side event of the G20 Osaka Summit. During this conference, the G20 countries and affiliated organisations engaged in deliberations on addressing novel consumer issues arising from the rapid advancement of digitalisation, progress in achieving the Sustainable Development Goals (SDGs), and shared policy challenges among nations.

- **Over the years G20 summits have worked on a number of initiatives related to consumer protection, including developing principles for effective consumer dispute resolution, harnessing technology to improve product safety, and sharing information on consumer protection issues related to e-commerce, scams, fake reviews and the digital economy etc.**
- **Thus, consumer protection has indeed been a topic of discussion within the G20 framework. However, the prominence of consumer protection as a specific agenda item varied from one G20 summit to another, depending on the global economic and political context at the time. In fact, during the last two summits the consumer protection topic got diluted considerably. Our collective endeavour therefore should be to ensure that this omission is rectified within the G20 agenda during the upcoming summit in Brazil and subsequent gatherings.**
- **The phrase ‘consumers are the raison d’être of all economic activity’ underscores the central importance of consumer demand in shaping markets, industries, and economies as a whole. At the core of this concept is the understanding that economic activities, from production to innovation, revolve around fulfilling consumer needs and desires. The phrase serves as a reminder that sustainable economic growth and prosperity hinge on catering to and aligning with the dynamic expectations of consumers, whose choices shape industries, stimulate trade, and determine the overall success of economic systems.**
- **A key milestone in consumer protection was the adoption of the United Nations Guidelines for Consumer Protection (UNGCP) in 1985, to which all G20 members are committed. While the UNGCP is not directly tied to the formation of the G20 or its commitments, it**

does influence global discussions and policies related to consumer protection. G20 members should therefore recognise the importance of consumer rights and fair business practices within their economies.

- **India indeed has a rich history in advocating for consumer protection and valuing the well-being of consumers. Mahatma Gandhi's philosophy and principles have significantly influenced India's approach to consumer rights and ethics. Gandhi's talisman underscores the importance of customers by stating, 'A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favour by serving him. He is doing us a favour by giving us an opportunity to do so.'** This highlights the central role of customers and their well-being in all endeavours.
- **In the context of consumer protection movements, India has taken proactive steps to safeguard consumer interests. The landmark Consumer Protection Act of 1986 aimed to ensure fair trade and shield consumers from deceptive practices. In recent years, India further strengthened its commitment by enacting the Consumer Protection Act of 2019, adapting to modern challenges like e-commerce and digital rights. This legislation empowers consumers, imposes stricter penalties for unfair practices, and enhances dispute resolution.**
- **Prioritising consumers demonstrates India's dedication to fostering an ethical and transparent marketplace, benefitting both consumers and the economy. This year's G20 theme, "*Vasudhaiva Kutumbakam*" a Sanskrit phrase ("The world is one family"), mirrors this sentiment, urging global unity. Just as this philosophy encourages**

unity, it underscores the universal nature of consumer needs and rights. Embracing this concept encourages ethical practices, fair treatment, and global consumer consciousness for equitable access to goods and information.

- **Given its substantial engagement in enhancing consumer protection and fostering a fair marketplace, India is well-positioned to take a leading role in these global efforts.**