



# CONSUMER POLICY TOOLKIT

## BROCHURE

"This publication is an outstanding resource for all those looking to engage in policy considerations about consumer protection and empowerment. It is an invaluable and practical guidebook."

*Louise Sylvan*  
*Commissioner, Productivity Commission of Australia*



**OECD** MAKING MARKETS WORK FOR CONSUMERS



“Consumers International warmly welcomes the OECD’s *Consumer Policy Toolkit*, which approaches consumer problems in a cool-headed, analytical way. (...) It is all here. A wide range of policy instruments is presented, ranging from the general, such as consumer education, to the highly specific, such as cooling-off periods. The reader can climb the rising staircase of interventions, ranging from moral suasion to legal prohibitions and enforcement. This represents the mosaic of options that is faced by policy makers and helps both regulatory authorities that have to take ultimate decisions and those such as consumer associations who demand action to prevent harm to consumers.”

A handwritten signature in black ink, which appears to read 'Joost Martens'. The signature is stylized and fluid.

*Joost Martens*  
*Director General, Consumers International*

Consumers **AWARENESS**  
behaviour skills markets  
**POLICY** information  
design **EFFECTIVENESS**

# 1. WHAT ARE THE CHALLENGES?

The consumer environment has undergone profound transformations over the past 20 years. Global markets, new technologies and increased consumer services are driving the changes, which have brought significant benefits to consumers. However, relatively little attention has been paid to the challenges these developments have posed for both consumers and consumer policy makers.

Classical economic theory presumes that free markets will usually produce the best outcomes for consumers. There are, however, circumstances in which markets can fail to deliver optimal outcomes. This may be the case when there is a broader range of increasingly complex products that are difficult to differentiate. New forms of fraud, a lack of competition and misleading information can also prevent consumers from making well-informed decisions. In addition, despite increasing education levels, many consumers lack the arithmetic and literacy skills required in today's more complex, information-intensive marketplace.



## 2. WHY DO WE NEED THIS BOOK?

Policy makers may feel pressure to make decisions quickly in order to meet public expectations, but hasty policy making can have negative consequences for consumers and other stakeholders.

Detecting and evaluating consumer problems and determining whether the level of detriment requires government action are key challenges for policy makers. The *Consumer Policy Toolkit* is designed to help policy makers evaluate consumer problems and implement effective policies.

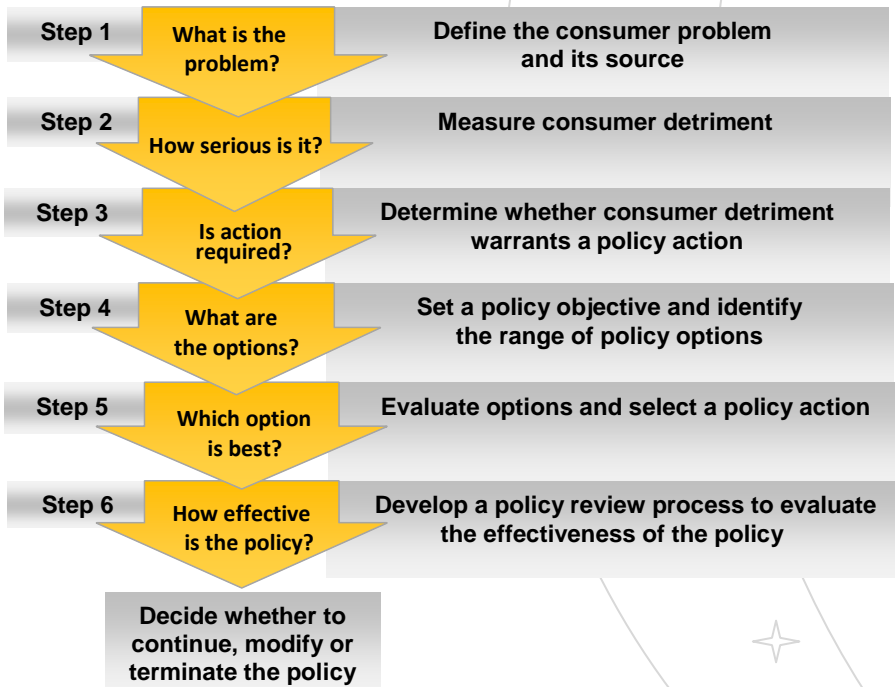


[www.oecd.org/sti/consumer-policy/toolkit](http://www.oecd.org/sti/consumer-policy/toolkit)



Drawing on new understandings of how consumer markets function and how consumers make decisions, the *Consumer Policy Toolkit* provides a framework to guide policy makers in deciding when to intervene in a market to address a problem. It reviews the types of tools that are available and the circumstances and ways in which the tools could be used most effectively. The *Toolkit* presents a comprehensive six-step process for decision making which can be used at all levels of government, to address local, national or international issues.

### Six-step process of consumer policy making

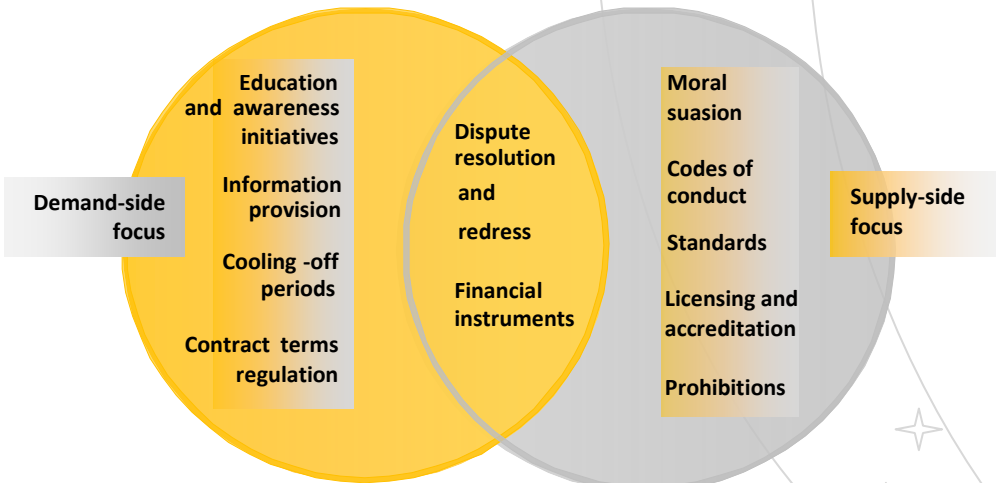


### 3. WHAT CAN YOU DO?

As an important stakeholder in the consumer policy arena, you can use this book to:

1. Establish an effective policy objective;
2. Identify the full range of practical policy options that would modify firms' or consumers' behaviour more quickly (see figure below);
3. Assess the proposed policy instrument to best achieve the policy objective;
4. Find appropriate criteria to better identify who could be responsible for implementation and enforcement;
5. Successfully achieve the policy goal by improving consumer welfare and market competition.

#### How the consumer policy tools target the demand and supply sides



## 4. HOW TO ORDER?



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