

Bringing Consumerism into Focus



NST Crosstalk with

Datuk N. Marimuthu (President, FOMCA)

and **Datuk Mohd Zain Mohd Dom**

(Secretary General, Ministry of Domestic Trade, Cooperative and Consumerism)



Federation of Malaysian
Consumers Associations (FOMCA)

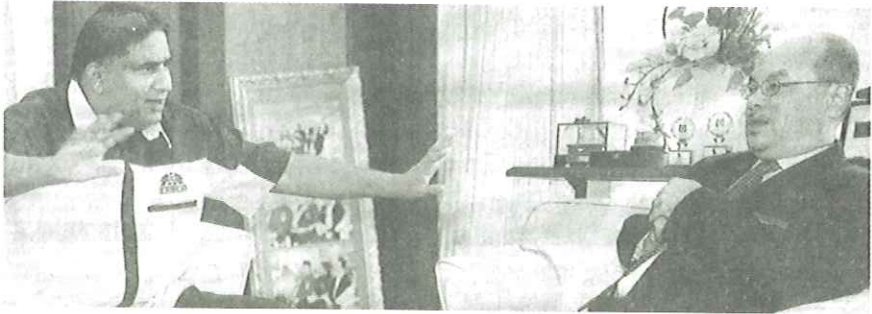
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Should the Consumer Affairs Department be under the Prime Minister's Department? What happened to the Fair Trade Practices Bill and the amendments to the Consumer Protection Act? SONIA RAMACHANDRAN learns consumer issues from FOMCA President Datuk N. Marimuthu and Domestic Trade, Cooperative and Consumerism Ministry Secretary-General Datuk Mohd Zain Mohd Dom

PROMISES, PROMISES

Zain: You have raised the issue of why consumer affairs should not be under the purview of my ministry a number of times, even at the Prime Minister's level. What actually is the problem if consumer affairs is under this ministry? Looking at the long term, is there really a need to have a ministry or agency looking after consumer issues?

Marimuthu: Over the years, we have seen emphasis given to domestic trade and not consumer affairs. Consumer affairs was diluted and now with the new domestic trade, cooperative and consumerism ministry; you have further diluted us. We have seen the minister (Datuk Seri Ismail Sabri Yaakob) talking more about cooperative development rather than consumer issues.

The reason we said consumer affairs should be placed under the PM's Department is simple. There, that is, at the PM's Department, at the end of the day, they will speak the language we understand - the language of protection. The "National Consumer Policy" (Dasar Pengguna Negara) is a document produced by your ministry. It lays down the way forward for the ministry as well as the promises made in the policy. If you look at it, 90 per cent of it is not being carried out. Of course, your officers will say they have done this and that to impress you. But if you really look at it, many things have not been done. Then the Malaysian Business Code of Ethics (Rukuniaga Malaysia) was produced. We want our traders to be ethical. Are we doing anything about this?

Zain: Whether consumer affairs is under this ministry or the PM's Department, at the end of the day it is really the officers who are dealing with the issues. We have not reached that level where consumers are conscious of their power and rights and conscious of their responsibilities. We still look at consumerism as a very important aspect of the ministry. We have been discussing this among the top management, plus those involved in consumerism. As usual, people will always give the excuse that they are short of manpower, which I think is a lame excuse. Since the government decided that cooperatives will come under this ministry, it could be one way to enhance the consumer movement.

This is because you're talking about six million members of the cooperatives. These six million could also become very strong consumers. Maybe what you are talking about is in terms of them doing business, where there is a kind of conflict of interest. Here, on one hand, we are looking at the industry and protecting them. And for the consumers, we are trying to make sure they get the best. We have used a cooperative in Sarawak to try to bring in

goods at lower prices to rural consumers. This, in a sense, is a connection between the cooperatives and the consumer movement. But at the end of the day, I need to get my officers to really connect with the consumer associations. And I admit that connection has not been that good. There are weaknesses, but there are also strengths in some of these officers, especially the young ones. We are trying to utilise the best human resources that we have as well as connect with FOMCA and other consumer associations. We have a set of people trying to build an industry, but the industry can only become stronger and competitive if the consumer base is equally strong and also fussy.

For example, when our seafood products were rejected by the European Union last year because they did not meet standards, that would have meant that Malaysians were eating lousy seafood.

Where is the consumer movement in this? Does it come from you and your gang to tell Malaysian consumers they are eating lousy products or is it for the ministry to tell the industry? I think we should work together. Our side will work with you and tell the consumers, “look we want higher standards”.

Therefore, it’s really the consumers who will ultimately decide on what the product should be, in terms of quality, price, etc. It is so frustrating that people go to a mamak shop, spend 24 hours there watching football, eating, etc, and then complain to the ministry, “*Roti canai mahal*” (roti canai is expensive).

COMMUNICATION

Zain: On the national consumer policy and the business code of ethics, these two documents were the result of the hard work of all - NGOs, the government and the industry. If you say that we have not met 90.per cent of it, then I will take your word for it because you are the man who has his ear to the ground. We are not talking to FOMCA and the consumer associations much as they would like us to. But I think there must be a mindset change and, definitely, we will try to get this done. Ideally, when I retire, I hope to

leave behind a legacy that one day, consumerism will not be taken care of by a ministry at all, in the sense that you may have Marimuthu who could be the Ralph Nader of Malaysia. The consumer movement would have its own strength, grow all the time and produce that kind of check and balance to government and industry policies, and to industry activities.

At the end of the day, the consumer movement not only will look at products and services, but also go beyond that. I think this is something my ministry has not looked beyond. We have always been looking at controlled items, prices of goods and subsidies, but consumerism cuts across everything.

FRUSTRATIONS

Marimuthu: Some of our frustrations with the ministry over the years are, for example, the review of the Consumer Protection Act. Money was given to us by your ministry for the review but then there is no move to follow through with it. This is a solid document. All the people who evaluated it were experts from various industries. We are also pushing for the Fair Trade Practices Bill, which has been dragging on for far too long. We have also urged for the Moneylenders Act and the Pawnbrokers Act to be taken away from the Housing and Local Government Ministry and to be placed under this ministry. These two acts deal directly with consumers and the Housing Ministry is just doing it on an ad-hoc basis. We need to have clear and focused objectives.

GOVERNMENT OFFICERS

Marimuthu: The government shouldn't be organising Hari Pengguna Malaysia, or giving talks. Government officers should just look at policy issues. The ministry's directors and officers should also not have the thinking that they know everything. They should build a relationship with us to exchange ideas, views and opinions. If there is an issue affecting the industry, I will try to sit down with them and talk for hours to understand. I have always believed in tripartite negotiations, especially between the government,

NGOs and the traders. Our position has always been to encourage good businesses. We are strong believers of self-regulation but self-regulation requires high level of discipline and integrity.

POSITIVE ENGAGEMENT

Marimuthu: We will keep on having positive engagement because I strongly believe that if we want to bring about changes to policies, we need to work with the government. Many people will ask why these people keep on going and looking for the government? It's not that. We need to work with the government to bring about policy changes. One of the most important person for us is the secretary-general of the ministry. If he has the time to listen to us, we will never have a problem. Of course we have always had a love-hate relationship.

Zain: More of hate. I think, less of love.

Marimuthu: For the simple reason that we look at issues differently. But generally, the ministry and consumer movement have made many successful partnerships.

COMMITMENT

Zain: On amendments to the Consumer Protection Act CPA, the minister was disappointed (that hardly anything was done about it) when you mentioned it at the first meeting between FOMCA and him. Right after the meeting he gave us a deadline: it should be tabled in Parliament by the end of the year. It seems that we have to push from the top to get the bottom moving. That should not be the way. Everybody should know their responsibilities and just do it.

FAIR TRADE PRACTICES BILL

Zain: On amendments to the Fair Trade Practices Bill, it has been long in coming, nearly a decade. But it has picked up momentum. We have already had numerous consultations and we even set up what we call a G25 Group, which represents the industry, the NGOs and government agencies. Where we are now is at the final draft. It's a question now of pushing it to the cabinet for approval. We tell this to our ministry officers all the time. There are exceptions, but there are always some who refuse to accept that we have to do things without being pushed. But I think we are not that bad. Maybe it doesn't show. Maybe, as what the Chief Secretary to the Government Tan Sri Mohd Sidek Hassan always says, government agencies in general have done not too bad but we don't tell the world that we have done good.

Marimuthu: The problem with the ministry now is that we have only limited laws to look at certain issues. Some of the issues are not falling within the ministry itself. For example, you talk about pasar tani. Pasar tani is directly related to consumers but it is under another ministry. You talk about food safety issues, it's not under this ministry. So the inter-departmental meetings have to be strengthened.

CONSUMER PROTECTION ACT

Marimuthu: In the CPA itself, there is an entire section on safety standards, compliance with safety standards, general safety requirements, etc. but the section is not being used. This is why we are making a lot of noise.

THE FUTURE

Zain: This is generic issue. Now, you have a chief secretary who is moving things. Our worry, and I have told Sidek this, what happens if there is no Tan Sri Sidek?

Marimuthu: Since you came to the ministry, many people have been on their toes. At one point I asked myself concerning certain issues. I often wonder should I carry on or just give up and go? My life is full of losing. No winning.

Zain: This is one man has hundreds of certificates in his room (laughing).

Marimuthu: Every day, I tell myself I trust my hopes and keep on going. For me, I will keep on engaging. I will compromise my strategy but not my principles. If I need to shake hands with people, I will do so a 100 times. If I confront someone, I will come with a smiling face, and I'll confront that person. At the end of the day, my actions today must benefit the consumers at large. Of course, the greatest success story is more and more people today are complaining. More complaints mean people are more aware of their rights.

Zain: I know that FOMCA has been pushing hard on the CPA. I think in terms of the question on mandatory standards, we never did much in the past. When I came to the ministry, it was always a question of "we just don't have the people, we cannot do it". So I said, "No, you are there, you are supposed to do it." So now, we have come, maybe a bit late, but we still have started on mandatory standards for toys and we are going to other products.

That is already a start. We are using an act which is important. There are provisions that allow us to do things that are good for the consumer in terms of safety and health requirements and so on. I have always told the NGOs, you have your democratic right to say anything you want but at the end of the day, there is always good and bad to open discussions. We may disagree with the way you want to approach things and the government may have its own way, but that doesn't mean that your way is correct or the government's way is correct all the time. To us, there must be interaction, there must always be discussion and a respect for ideas and opinions. If you praise us, we thank you. If you don't, we will look at the things you said. You can be very critical, just don't be personal.

National Consumer Campaign 2008 - 2012



On 6th of May 2008, the Federation of Malaysian Consumers Association (FOMCA) together with the National Council of Women Organizations (NCWO), the Malaysian Youth Council (MBM) and the Congress of Union Employees in the Public and Civil Services (CUEPACS) signed a Memorandum of Understanding to undertake the National Consumer Campaign, for 4 years, from 2008 to 2012. The campaign is called the 3K Campaign (Kempen Konsumer Kebangsaan). PETRONAS joined the Campaign on 1st January 2009.

The campaign is a response to a deteriorating world economic situation that has brought on a negative impact on the lives of Malaysian consumers.

- Food prices have gone up
- Oil prices are extremely volatile
- We are facing Climate Changes
- Water scarcity is the next looming crises
- We are facing a Financial Crisis

How are Malaysian consumers responding to this situation?

- Some become angry and blame the government, or oil producers, or greedy middle men.
- Others expect the government to continue to increase subsidies, so that they can continue to maintain their old lifestyles.

Yet in truth, these are global factors over which the government has almost no control. Malaysians are used to their relatively comfortable lifestyle. Change is difficult.

Instead of blaming others, the only effective way of to cope with this situation is through lifestyle changes that each individual has to make. We have to

assess our life, distinguish between our needs and our wants, and learn new knowledge and skills to address this new situation. Most important of all, we have to change our mindset to address this new global scenario. To face these challenges, Malaysian consumers have to take greater personal responsibility of their lives.

We have to learn to better manage our spending, plan our finances and often give up old our beliefs and prejudices that are obstacles to making these changes. In essence, the Malaysian consumer has to move towards more mindful consumption.

The National Consumer Campaign endeavors to empower consumers to make these changes. The theme of the Campaign is “Change Begins With Me”

The Context

2008 had been a particularly difficult year for the Malaysian consumers. Many changes in the international global arena have directly impacted on the quality of life of the Malaysian consumer, making it more difficult for him to make ends meet.

Food prices have gone up. The Economist called the food crises, the “silent tsunami”.

- Price of rice had increased by 141% and wheat by 120%.
- 37 countries were facing food shortages.

If the price of food continues to rise, studies indicate that more than 100 million people could be forced into absolute poverty.

Oil prices have become extremely volatile.

- With the increase of the price of fuel, transportation costs, fertilizer costs and almost every other household purchases have gone up; from roti chanai to your favorite coffee.

We depend on oil for 90% of our transport, and for food, pharmaceuticals, chemicals and the entire bedrock of modern living. Oil industry experts estimate that current reserves will only last for about 40 years.

We are facing climate changes which are beginning to affect our lives in significant ways. Some of the consequences of these changes include:

- higher average global temperatures,
- unpredictable weather,
- rising sea levels, and
- runaway heating.

Water scarcity: A looming crises. The number of people is growing fast and our water use is growing even faster.

- A third of the world's population lives in water-stressed countries.
- In 1990, over one billion people in the world did not have the minimum water needed for household use.

The financial crisis has again hit the world.

- Jobs are being lost.
- No new jobs are being created.
- Stocks, investments, and credit are down.

What does all this mean to the Malaysian consumer? It means that prices of almost everything is going up while salaries are not increasing; and it also it means jobs may be lost causing unemployment. It means a decreasing quality of life, maybe more debts and bankruptcies. It means more broken families and families in stress. Often, it also means more crime and feelings of insecurity in the community.

Overall, it means we are living in an uncertain and unpredictable world. Governments of today have very limited means to influence what happens to you. It really is up to you.

Being a Mindful Consumer

Mindfulness is a state of mind in which people become aware of their thoughts and actions and are fully occupied with the present moment. To be mindful is to be fully engaged in the here and now.

As a mindful consumer, we are present in our minds and directly engaged in our daily tasks of financial management and consumption. These tasks are

filled with purpose and guided by specific value-based principles that will take us away from wastefulness and destructiveness of the environment and towards financial responsibility and sustainable consumption.

The first step in becoming a mindful consumer is to establish these principles.

- A mindful consumer is conscious of his income and his expenditure
- A mindful consumer is aware of his needs and wants
- A mindful consumer is concerned for both his present as well as his future needs
- A mindful consumer substantially spends based on his needs
- A mindful consumer adapts actions that can lead to sustainable consumption
- A mindful consumer respects all life and natural processes
- A mindful consumer seeks his identity not by what he possesses

To reduce the clutter in our minds, we need to understand how the environment, especially the media, affects our values and attitudes. Those values and attitudes affect our behaviour, including our spending and buying habits. By being aware and understanding the affects of the media, we will be more critical of those values, especially those that result in wasteful behaviour. Through critical thinking, we can learn to challenge our beliefs and learn new behaviours to enhance our personal well-being, as well as reduce our ecological footprint.

Mindful consumption includes:

- Planning one's purchases
- Budgeting and sticking to one's budget
- Using public transport
- Eating more fruits and vegetables instead of processed foods
- Switching to generic brands
- Reducing luxuries and impulse buying
- Optimising water and energy use
- Growing one's own vegetables

Quotes on Sustainability and Consumption

"Knowing is not enough; we must apply. Willing is not enough; we must do." - von Goethe

Sustainable Development is ... "development that meets the needs of the present without compromising the ability of future generations to meet their own needs..." - from the World Commission On Environment and Development's report, Our Common Future

Treat the Earth well. It was not given to you by your parents. It was loaned to you by your children" - Anonymous

Climate change will not be effectively managed until individuals and communities recognise that their behaviour can make a difference - The Royal Society, Climate Change: what we know and what we need to know.

Sustainable development is a process which enables all people to realise their potential and to improve their quality of life in ways which protect and enhance the Earth's life support systems - Sarah Parkin, Forum for the Future

When are we going to stop defining ourselves by how much stuff we consume?

We are living as if we had three planets' worth of resources to live with rather than just one. We need to cut by about two-thirds our ecological footprint. - David Miliband

Do we have to wait until a disaster overwhelms us before we make the radical changes necessary to protect our world for future generations? That is the vital challenge of sustainable development. If we act now there is much that can be saved which will otherwise disappear forever - John Gummer

Unless we change direction, we are likely to end up where we are going - Chinese proverb

visit www.kkk.org.my and find out more!

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ADIL ● PROFESIONAL ● BERKESAN

About FOMCA

The Federation of Malaysian Consumers Associations or its acronym, FOMCA is a national non-governmental organisation that is voluntary, non-profit, non-political and civil minded. It is the umbrella body of registered consumer associations in Malaysia. FOMCA, which was founded on 10th June 1973 links the activities of consumer associations in Malaysia as well as at international level and works together towards strengthening consumer protection. FOMCA is a movement of the people, by the people and for the people. Its main concern is not only value for money but more so, value for people.

8 Consumer Rights

- The Right to Safety
- The Right to Information
- The Right to Basic Goods and Services
- The Right to Representation
- The Right to Redress
- The Right to Choose
- The Right to Consumer Education
- The Right to Healthy Environment

FOMCA's Role

- Conduct consumer education programmes and publish materials to create consumer awareness
- Advocate better consumer protection at all levels
- Represent consumer interests at all levels
- Disseminate consumer information
- Co-ordinate and mobilise consumer actions to protect consumer welfare



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