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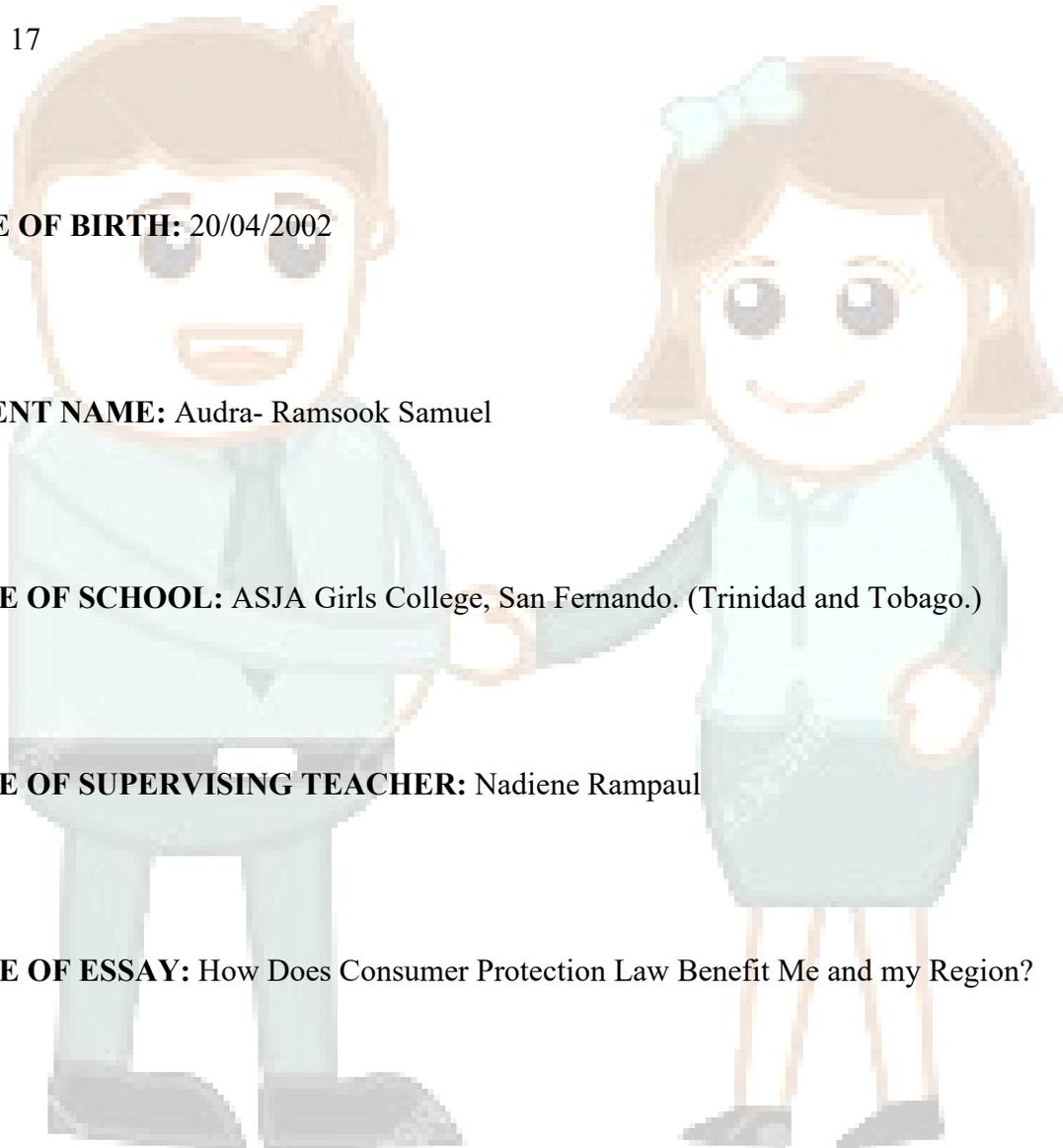
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TITLE OF ESSAY: How Does Consumer Protection Law Benefit Me and my Region?



“A satisfied consumer is the best business strategy of all,” Matthew LeBoeuf. Consumers fulfil their purpose in the economy through the consumption of goods and services from sellers¹ or firms. Consumption is a foundational aspect of the Circular Flow of Income, Gross Domestic Product and Aggregate Expenditure. It involves the use of goods and services by households (consumers) for the satisfaction of wants and needs. Consumer protection law refers to, “state or federal law designed to protect consumers against improperly described, damaged, faulty, and dangerous goods and services as well as from unfair trade and credit practices.”² Consumers are vital economic agents in the economy, without whom the economy would collapse; therefore, their rights and satisfaction is of the utmost importance. Consumer protection law prevents this from happening.

Consumers are decision-making economic entities whose primary function is to stimulate demand and circulate currency³ in the economy. These consumers directly and indirectly use goods and services to maximise satisfaction and utility and are the drivers of every economic agency. All these economic agencies work in tandem to enable our economy to function. National Income, or Gross Domestic Product, is a measure of the productivity in an economy; it can be used to determine how well an economy is functioning. It comprises Consumption, Investment, Government Spending, and Exports minus Imports.

Without consumers, firms would have no reason to invest or produce as there would be no markets without buyers. Governments would have no revenue from Direct Taxes such as Income Taxes (as unemployment would be high) and Corporation Tax (as firms would eventually fade out of existence due to demand deficiencies and irrelevance) or Indirect Taxes such as Value Added Tax

¹ Principles of Business for Caribbean Examinations by Ivan Waterman and Dave Ramsingh.

² Yourdictionary.com

³ Economics for CSEC Examinations by Patricia Gopie.

(as no goods would be sold) to spend. Governments would have no incentive to develop the country through spending on public goods or projects, as the economy would be at a standstill and firms would be inactive. In small Caribbean economies especially, Tax Revenue is the main source of Government Income. If this is absent, Government Spending will decline radically and budget deficits will persist, more than they already have, in the Caribbean. We cannot afford to run more deficits since most Caribbean nations, for example Trinidad and Tobago, are at the threshold for interest payments on debt. Lastly, Imports and Exports would completely terminate as they are fuelled by demand and consumption expenditure in the Foreign Trade Sector. The entire economy would implode. Consumption is the base of it all.

The price mechanism functions as a signalling mechanism as to what consumers would purchase and would not, indicating to firms that production of a good or service needs to increase or decrease. Consumer sovereignty is the theory that consumer preferences regulate what goods are produced as their spending on goods is symbolic of voting for the continued supply of goods to the market, as there is a very present demand. This, consequently, means that consumers hold all the power in our economy; they determine which products and companies thrive, and which fail, holding the steering wheel of the free market economy.

The failure of a company, or worse yet, an industry, to satisfy consumers can lead to their demise. When the combined demand of aggregate consumers tips in one direction, that firm is guaranteed to succeed. If the combined demand of aggregate consumers diverts to another direction, failure of that firm is imminent. Consumer sovereignty is strongest in free market economies such as ours here in the Caribbean, meaning that fulfilment and protection of consumer rights is irreplaceable. Consumer sovereignty, a noble institution, is compromised when firms use deceitful marketing

tactics to persuade consumer purchases and maximise profits. This method of sales is not sustainable as consumers will eventually realise their error and not repeat it.

Consumer protection law recognises that consumers have distinctive rights, which are enforceable by law. Some of these rights include a right to information about the price and quality of products to make better decisions; plus, high standards compounded by a right to redress in the event that this is not sustained. In the case of redress, the company at fault is required to repair the product or reimburse said consumer. When consumer rights such as these are preserved, buyers are more confident to spend on goods and services, thereby stimulating the economy.⁴

According to Merriam-Webster Dictionary, a democracy is “a Government by the people.” All CARICOM member states are democracies. Freedom of information strengthens our democracy function, as knowledge is essential to effective decision making. By ensuring consumer awareness, consumer satisfaction is enhanced as they can now make the best choice according to their specific tastes, preferences, needs and financial capability. By demanding that companies bear the expense of faulty products, companies are encouraged to provide better quality goods of a high calibre, as to minimise losses made. When all these factors are efficiently accounted for, consumption will skyrocket due to the upsurge in consumer contentment.

Consumer protection law bans unfair trading practices, the sale of harmful products to consumers and ensures that goods sold are properly labelled. The phrase ‘unfair trade practices’ can be defined as “any business practice or act that is deceptive, fraudulent, or causes injury to a consumer. These practices can include acts that are deemed unlawful, such as those that violate a consumer protection law. Some examples of unfair trade methods are: the false representation of a good or

⁴ CARICOM Competition Commission.

service; false free gift or prize offers; non-compliance with manufacturing standards; false advertising; or deceptive pricing.”⁵ The fact that legislation exists to prohibit these immoral practices enables consumers to have a voice in the court of law.

Consumer protection law not only promotes consumer satisfaction but also protects consumer wellbeing and safety. False advertising is one of the most common forms of unfair trade practice. This undermines the freedom of information utility of our democratic region. If harmful products, for example, diseased meat, is allowed into our region, many people may fall ill or even in extreme cases, lose their lives as a result of irresponsible practices on the part of importers and suppliers. No fault will be to the consumers, who trust the sources they obtain goods from to maintain a firm code of ethics. This loss in human resource productivity will influence our regions already low levels of economic growth on a dire scale as it represents a loss of Labour and Entrepreneurship, arguably the most vital Factors of Production.

Most countries have national consumer protection agencies entrusted with the responsibility of protecting these laws and safeguarding the welfare of consumers. They guarantee consumers have a place to voice their concerns and obtain redress, prevent the sale of dangerous goods of low quality and monitor prices. In Trinidad and Tobago, the Consumer Affairs Division, the consumer protection and advocacy arm of the Ministry of Trade and Industry, is charged with the responsibility to safeguard the economic interests of consumers through three main areas, Consumer Redress/Protection, Consumer Education and Empowerment, and Consumer Research.

In Jamaica, the Consumer Affairs Commission is an agency of the Ministry of Industry, Commerce, Agriculture and Fisheries. Their mission is, “To foster ethical relations between

⁵ Winston and Strawn LLP.

providers and consumers of goods and services in the Jamaican marketplace through effective advocacy, research, public education and complaint resolution, utilising the available technology, legal framework and professional staff within the context of a competitive environment.” They maintain Physical Safetyⁱ, Promotion and Protection of Consumers' Economic Interestsⁱⁱ, Standards for Safety and Quality of Consumer Goods and Servicesⁱⁱⁱ, Distribution Facilities for Essential Goods and Services^{iv} and Enable Consumers to Obtain Redress^v.

Regionally, articles 184, 185 and 186 of the Revised Treaty of Chaguaramas (2001) Establishing the Caribbean Community Including the CARICOM Single Market and Economy (CSME) promote consumer interests and protect consumer welfare in the economy. By becoming a member state of CARICOM, nations must adhere to and uphold these objectives. This ensures that goods traded between member states are safe and of high quality. Consumers feel safe travelling and purchasing across the region, progressing toward the goal of becoming a single market and economy.

The Legal Affairs Committee approved the CARICOM Model Consumer Protection Bill in September 2016. In November of the same year, Grenada was aided by a 3-day visit by the CARICOM Secretariat to strengthen consumer protection policies. This assistance kept in alignment with Chapter 8 of the Revised Treaty of Chaguaramas^{vi} and provided technical assistance for implementing a consumer protection regime.

In 2017, with the support of the European Union’s 10th European Development Fund, CARICOM conducted a Risk Assessment and Product Safety Training Workshop in Jamaica in collaboration with the U.S. Consumer Product Safety Commission (CPSC) and the Organization of American States (OAS) Consumer Safety and Health Network (CSHN). In January of the same year, the Secretariat provided technical assistance and training to the Consumer Protection Commission of

the Bahamas. Members from other CARICOM member states were invited to attend both workshops. These workshops are particularly important in states such as Grenada, Jamaica and The Bahamas, where tourism is a vital part of their economy.

It is obvious that consumers are the most vital faction of any economy. A world without consumers is like a car without gasoline- all the key components are present, but the car cannot function without gasoline (consumers) to fuel it. Consumer Protection Laws ensure that there is never an absence of these invaluable consumers by protecting their lives and satisfaction. Protecting consumer life and health guarantees that there is a large population of consumers to demand economic goods. Protecting consumer satisfaction means that buyers are less hesitant to spend their money on goods and services in the region as they have assurance that their rights will be respected. Goods are nothing but the highest standard and quality. These laws encase consumers in a protective bubble, recognising that the economy would crash in their absence.

Consumer Protection Laws ensure that consumers feel confident and safe when making purchases, and know that if they are not pleased, they can take legal action. In CARICOM states especially, this is irreplaceable. Tourism is a key income earner in the Caribbean. If foreign tourists are not satisfied to the fullest, tourism will decline. If tourism takes a hit, from where will our import-dependent region obtain Foreign Exchange? Without Foreign Exchange, how will we obtain food? Moreover, by holding all CARICOM states to a high standard, The Secretariat guarantees that goods traded between member states will not be hazardous or harmful in any way to its members. Consumer Protection Laws are the bolsters which uphold our entire economy as they protect our consumers, without whom nothing is possible.

Consumer Protection Laws not only protect the physical health of our friends, our families and ourselves, but also the economic wellbeing of all parties involved. Without the protection these

laws provide, our entire economy as we know it will collapse like dominoes. These laws focus on the big picture- the macro economy; whether we recognise it or not, they are essential to our survival.

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- ⁱ The Food and Drugs Act, The Food Storage and Prevention of Infestation Act, The Standards Act, The Public Health Act, The Processed Food Act.
 - ⁱⁱ The Sale of Goods Act, The Hire Purchase Act, The Trade Act, The Fair Trading Act.
 - ⁱⁱⁱ The Weights and Measures Act, The Standards Act, The Processed Food Act.
 - ^{iv} The Trade Act.
 - ^v The Ombudsman Act, The Trade Act, The Hire Purchase Act, The Standards Act, The Rent Restriction Act, The Fair Trading Act.
 - ^{vi} Member states should establish legislative and institutional norms to protect consumer interests and welfare.

