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Consumers and Standards: Partners in the Marketplace

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Canadians have benefited from national and international standards for many years. For example, there are standards pertaining to personal information protection, smoke alarms, portable fire extinguishers and film speeds, safety requirements for appliances, specifications for organic food, and performance and design specifications for hockey helmets. These protect and promote consumer interests. Current work by the Office of Consumer Affairs

in such areas as complaints handling, labelling of genetically modified foods, and electronic commerce suggests that standards will continue to play an important role in years to come.

This issue of *Consumer Quarterly* looks at how standards are developed and used, how the standards system works in Canada and internationally, the role of consumer standards representatives, and a variety of current consumer standards work.

How are Standards Developed?

Standards development organizations (SDOs) develop product and service specifications (standards). SDOs in Canada include CSA International (formerly the Canadian Standards Association), the Bureau de normalisation du Québec, the Canadian General Standards Board and the Underwriters' Laboratories of Canada. The Standards Council of Canada accredits these organizations. They must follow an

established approach when developing standards: volunteers representing a balance of stakeholders, such as consumer, industry and government representatives, reach a consensus on what new standards should contain. SDOs also develop standards-related documents, such as codes, specifications and guidelines, that do not have the authority of standards.

How are Standards Used?

There are thousands of domestic standards in Canada. Standards improve the quality of products, processes and services, reassure customers and open up markets. Approximately two thirds of standards are voluntary. Companies and individuals follow these standards because it is often in their best interest to do so.

Standards may also be referred to in legislation, or be the basis for legislation. Companies and individuals follow these standards because they are required to. For example, the federal and provincial governments, industry and consumer representatives meet periodically to revise the National Building Code, which is a



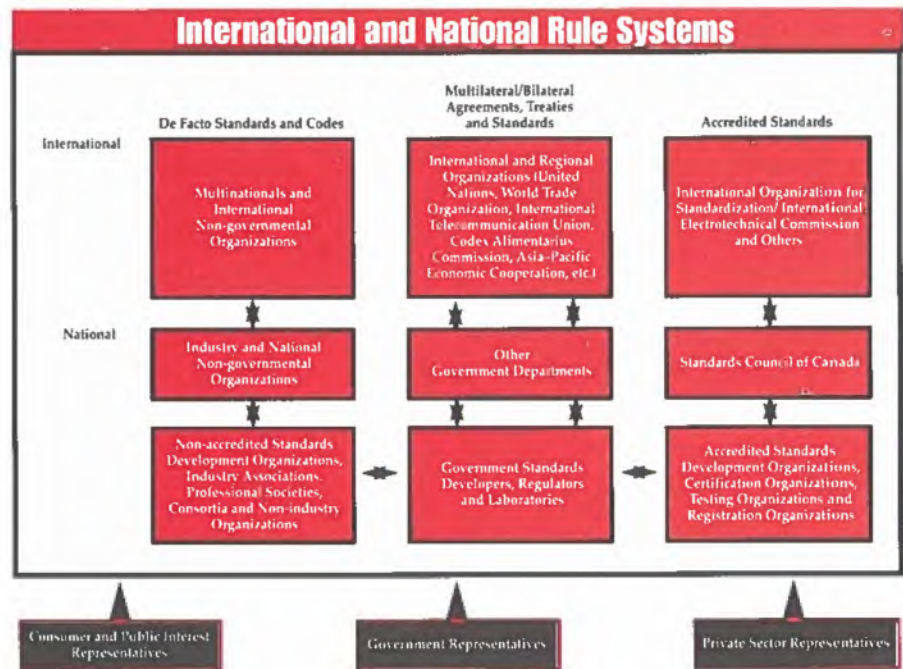
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International Standards

Consumers increasingly face a globalized marketplace, as barriers to trade drop and global electronic communication networks flourish. In this new and expanded marketplace, international standardization activities are becoming more important as a means of promoting and protecting the interests of Canadian consumers. International standards form the basis of more than half of the National Standards of Canada. Government of Canada policy encourages regulators to determine whether international standards can constitute the foundation for proposed regulations. Trade agreements (e.g. the World Trade Organization's Agreement on Technical Barriers to Trade) also require governments to use international standards as the basis for regulation whenever possible.

The International Organization for Standardization (ISO) is one of the most important of the international standards bodies. It is a federation of national standards bodies with some 130 members, including the Standards Council of Canada. Its mission is to promote the development of standardization to facilitate the international exchange of goods and services. The ISO's standards include those for film speed, the format for bank cards, symbols for automobile controls, and paper sizes. The International Electrotechnical Commission (IEC) develops international electrical and electronic standards. Together the ISO and IEC develop standards in the information technology area.

The Office of Consumer Affairs is taking the lead in exploring the feasibility of developing regional co-ordination mechanisms that would allow consumer standards representatives from a variety of jurisdictions



Note: Consumer and public-interest representatives, government representatives and private sector representatives variously participate in the international and national rule systems.

to better communicate among themselves, develop common positions and learn of new initiatives. This work builds on the example of

the European Union, which set up a regional body for the co-ordination of consumer representatives in standardization in 1995.

Special Standards: Older Persons and Persons with Disabilities

With our rapidly aging population and the importance of ensuring that everyone can participate in society, it is crucial that products, services and environments meet the needs of all consumers, including older persons and persons with disabilities. Standards play an important role in addressing these needs, and representatives of seniors and disability groups actively participate in standards work. For example, requirements to improve the accessibility of drug packaging and automatic banking machines have recently been introduced, and a new national project on design for aging is under way. Internationally, Canada has been active in developing policies and guidelines to help technical committees address the needs of these consumers in standards work.



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Examples of Current Consumer Standards Work

Genetically Modified Foods

The Office of Consumer Affairs, along with stakeholders from consumer groups, business, government and academia, is participating in the development of a voluntary labelling standard for both genetically and non-genetically modified foods.

Voluntary Codes

Firms and business associations regularly develop voluntary codes related to marketing practices, corporate labour and environmental conduct, and other matters. ISO's Consumer Policy Committee has recommended that an international standard be developed that sets out criteria for developing and implementing voluntary codes. This work builds on extensive research carried out by the Office of Consumer Affairs.

Complaints Handling and Dispute Resolution

When products and services do not work as intended, businesses recognize the need to respond efficiently to meet the needs of consumers as well as their own. While the law sets out the principles and mechanisms for consumer redress, it is a cumbersome and expensive approach to solving problems, particularly in cross-border contexts. Businesses are looking for guidance about what constitutes effective complaints-handling and dispute-resolution techniques — the type of guidance that standards can provide. ISO has adopted complaints handling as a new standards work item, and the Office of Consumer Affairs is providing input.

Consumer Standards for Electronic Commerce

In a global marketplace, standards play an increasingly important role in protecting consumer interests. An excellent example of this is in the field of electronic commerce. The promise of the Internet for consumers is the increased potential to shop across Canada and around the world for high-quality, inexpensive goods and services from the comfort of home. But how can an online consumer know whether a particular online merchant is ethical and will meet his or her expectations?

Consumer groups, business associations and other levels of government, working with the Office of Consumer Affairs, developed the *Principles of Consumer Protection for Electronic Commerce*. The Organisation for Economic Co-operation and Development developed similar principles. The Working Group on Electronic Commerce and Consumers, which is made up of Canadian business and consumer groups and a number of government representatives, including the Office of Consumer Affairs, is developing a code and a related set of standards that show that organizations adhere to the principles and that will help organizations put the principles into practice.

The Office of Consumer Affairs is also the leader in promoting the development of international consumer standards for electronic commerce, based on existing international and national initiatives. It is facilitating an online E-Commerce Consumer Standards Solutions Forum, with worldwide membership from standards representatives and others.

