



Capacity Building for Improvement and Specialization for Consumer Protection

BACK TO OFFICE REPORT- JULY 2024

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ABBREVIATIONS AND ACRONYMS

CAK	Competition Authority of Kenya
CCM	Consumer-Centered Management
CDRC	Consumer Dispute Resolution Commission
CE	Consumer Education
CISS	Consumer Injury Surveillance System
CSC	Consumer Safety Center
KCA	Korea Consumer Agency
KFTC	Korea Fair Trade Commission
KNCCO	Korea National Council of Consumer Organization
KOICA	Korea International Cooperation Agency

INTRODUCTION

1. The Korea International Cooperation Agency (KOICA) in collaboration with the Korea Consumer Agency (KCA) organized a 2-week training titled *Capacity Building for Improvement and Specialization for Consumer Protection* from 17th June, 2024 to 28th June, 2024, in South Korea.
2. The course was delivered at the KOICA International Conference Center as well as KCA's Headquarters and their Seoul Office. The target trainees were Government officials from countries that have an operational consumer protection agency, in this case El-Salvador, Bangladesh and Kenya. The course was delivered through lectures with case studies and study visits.
3. The main objective of the program, which is in its second of three years, is to nurture key leaders in developing countries who contribute to the socio-economic development of their home countries.
4. Participants had an opportunity to understand Korean consumer protection policy and gained knowledge on the latest issues and discussion in the field of consumer protection, and compare Korea's consumer protection legislation with those of other countries.
5. Prior to the programme, the team prepared a country report which gave an analysis of the country's current consumer issues and challenges as well as circumstances surrounding it and shared the same with KCA.
6. The countries involved in the programme developed action plans on specific areas for implementation in the period July 2024 to June 2025. The Plan involved one key activity which the participants deemed necessary and implementable in their countries to enhance consumer welfare.
7. The Authority was represented by four staff members; Mr. Joel Omari, Mr. Boniface Kamiti, Mr. Mugambi Mutegi and Mr. Sylvester Mwazama.

SUMMARY OF AREAS COVERED DURING THE TRAINING

i) **Korea Consumer Agency by Dongwon Han, Manager, Management Innovation Team**

8. The Korea Consumer Agency (KCA) was established in July, 1987 with the mandate of enforce the Consumer Protection Act. The KCA has eight (8) offices, comprising of the Headquarters and 7 regional offices.

9. The main function of the KCA is to enforce the consumer policy, undertake market research, ensure consumer safety, undertake tests & inspection, empower consumers through consumer information & education, international cooperation, offer consumer redress and dispute resolution.

ii) Consumer Policy Establishment and Promotion System in Korea by Prof. Sang-min Jun, Department of Consumer Science, Chungbuk National University

10. Korea's consumer policy has evolved since establishment of the Price Stabilization Bureau in 1972, enactment of the Consumer Protection Act in 1980, establishment of Korea Consumer Agency in 1987, establishment of the Consumer Protection Division of the Korea Fair Trade Commission in 1996, and the comprehensive revision of the Framework Act on Consumers in 2006.
11. Korea's consumer policy consists of five main functions; propriety of transaction, safety guarantee, information provision, consumer education and consumer's damage remedy. The KFTC oversees and coordinates these functions, while each central administrative institution conducts consumer policy-based on individual laws and regulations.
12. The Framework Act on Consumer, which serves as the overarching legal framework upon which other consumer protection laws and regulations are based in Korea, is a representative law that is fundamental to enforcement of consumer law in Korea. The law outlines that the KCA's activities are outlined in three-year master plans. The first master plan was in 2009. The 6th master plan (2024-2026) is currently being implemented.
13. Implementation of the Master Plans is three-phased:
 - a. **Establishment:** Established every three years under the auspices of the KFTC: Request for data submission, preparation of basic plan, deliberation and resolution and notification;
 - b. **Implementation:** Implemented through establishment, implementation, and annual evaluation; and
 - c. **Evaluation and feedback:** Based on evaluation results/findings, there is a performance evaluation of the basic plan, consumer policy committee deliberation and resolution on the evaluation results and feedback of evaluation results.

iii) Consumer Counselling, Redress and Dispute Resolution by Sooyung Park, Manager, Information & Communication Team

14. The consumer complaints handling system in Korea is comprised of three main stages; consumer counselling, consumer redress, and dispute redress.

15. First, consumers can call a toll-free contact center (1372) and are connected to counselors for guidance on complaints/enquiries. Businesses can also directly check and deal with counselling cases related to them.
16. Unresolved counselling cases are progressed to the next stage (consumer redress) where the consumer applies for redress and investigations are opened. The KCA takes an average of thirty (30) days to complete consumer redress from time of when application was received. However, more complex matters take up to 60 days to completion.
17. Cases that are not resolved through consumer redress proceed to dispute settlement which are handled by the Consumer Dispute Resolution Commission (CDRC) of the KCA. The CDRC is composed of five (5) full-time commissioners (from KCA) and 115 non-standing commissioners from consumer representative groups, business representative groups, experts by sectors, and lawyers.
18. The CDRC is an alternative avenue to pursuing a civil suit in terms of cost and time saving. The decisions, which are proposals to settle disputes, made by CDRC are not legally binding. However, if both parties accept the decision, the mediation is established and then the mediation decision takes legal effect thereafter.
19. The CDRC takes an average of 30 days to complete the mediation from date when application was received. More complex matters are closed in up to 90 days.

iv) Consumer-Centered Management System Jiae park, Assistant Manager, CCM Cooperation Team

20. The CCM System offers value of voluntary resolution of consumer complaints which leads to efficiency as companies address complaints.
21. The KCA grants CCM certification (which has a 3-year validity period) to companies that conduct their businesses from a consumer-centric perspective and show evidence of commitments and actions meant to improve management practices to enhance consumer welfare in the market. The CCM certification marks are used for sales and public promotions. The CCM certification can be revoked in the event it's established the business received the certification in a false or unjustified manner or the business no longer meets required standards.
22. Currently, a total of 225 businesses are CCM certified in Korea.

v) Role and Function of Consumer Organization by Jeong-SU Lee, Secretary General, Korea National Council of Consumer Organization.

23. Korea's consumer movement has evolved from the 1950s to date. The Korea National Council of Consumer Organization (KNCCO) is the umbrella body for consumer organization in Korea and its main activities include consumer redress, consumer education, cost analyses &

price monitoring, policy research & proposals among other. Currently, KNCCO has about 12 member bodies.

24. The main goals of Korea's consumer movement are fair and equal treatment of consumers, fair trading practices, disclosure of information, and transparency, consumer education and awareness increase, privacy protection and resolution of consumer complaints and disputes.

vi) Global Trend of Consumer Policy by Minseon Jang, Deputy Director, Consumer Policy Bureau, Korea Fair Trade Commission

25. Currently, consumer policy challenges transcend national boarder and should be addressed through concerted global action.
26. Various major conferences in 2024 focus on the twin transition – digital and green transition, as part of their consumer protection agenda.
27. The main concepts of consumer policy are empowering & protecting consumers in the digital transition, addressing new consumer product safety risks in a fast-changing global marketplace and fostering sustainable consumption to accelerate the green transition.

vii) Empowering Consumers Through education by Soohyun Bae, Assistant Manager, Consumer Information & Education Team

28. Consumer Education (CE) is a powerful tool for enhancing self-efficacy among consumers. The KCA's role in CE it to provide comprehensive educational programs and develop and disseminate educational contents across various platforms to cater to a diverse audience.
29. The KCA develops educational modules and materials on various topics (consumer rights and laws, case study of consumer redress, dispute settlement, consumer safety, digital literacy and sustainable consumption) and formats (animated videos, digital visual aids, printed materials). The educational modules and materials are developed based on data-driven content identification, prioritization of topics based on urgency and impact, and customization for specific audiences.
30. KCA leverages on social media and utilizes other digital platforms like web magazine, learning management system and website integration for consumer education.
31. Under Social Media, it is important to understand each platform and their dynamics. Understand the best practice for each platform in order to ensure that the impact of your message.
32. For IG, use only 3-4 hashtags, interact with users through comments, post reels (including creative ones), use a lot of graphics, for reels do not share too much information as this can hamper understanding of the message.

33. For YouTube, use 4-5 hashtags. More than this will lead to the algorithm to consider the post as a promotion and fail to push it.
34. Other suggestions: use of webzine (yes or no questions), use ChatGPT to create quizzes. Use applications such as Midjourney to create images and Sora and Suno to create videos that have audios/music.
35. Two highlights of awareness creation which the Authority can consider:
- a. The KCA uses board games to educate children regarding salient issues on consumer welfare. The board games are simple and modelled around monopoly, but key learnings are students play. Such board games can be distributed to pre-primary and primary schools to supplement the Authority's ongoing initiatives of inculcating competition/consumer matters in the curriculum.
 - b. Some businesses in Korea have partnered with the KCA to tag specific products using reusable braille labels. These labels are typically affixed on dangerous products such as detergents enabling persons who cannot see to know exactly what they are purchasing. Such a partnership with businesses can be pitched with associations such as RETRAK or even KAM.

viii) **Test and Inspection to Ensure Consumer Safety by Jungnam Seo, Research Fellow, Machinery & Metallic Materials Team**

36. The Korean consumer groups prefer the newest products and are sensitive to global trends, and demand for high-tech devices.
37. Korea safety regulation is geared towards harmonizing with International Standards and compliance is targeted to manufacturers, importers, distributors and retailers.
38. The KCA has a Consumer Safety Center (CSC) which is tasked with consumer injury monitoring, prevention & corrective measures, testing, and evaluation & inspection. The CSC has a Consumer Injury Surveillance System (CISS) which collects, analyses and evaluates injury information submitted by designated organizations including 58 hospitals, 18 fire station, consumer counselling center and consumer report hotline across the country. The CISS roles are to issue consumer safety alerts, make public notifications on safety of items in question and recommend or order corrective measures to businesses that provide harmful items and suggest revisions of related laws at regional or national level.

ix) **Shrinkflation Monitoring System and Countermeasures by Hujeong Lee, Head of Price Research Team**

39. Shrinkflation is a phenomenon where the price of a product remains the same but its size or quality is reduced imposing a real burden on consumers.

40. Usually, manufacturers reduce the size or quality of the product instead of raising prices to cut costs. The costs cutting is done through use of inferior materials or offering fewer features or reducing the overall quality of the service.
41. There is need for a monitoring system for consumer protection, enhance market transparency, and create fair competitive environment. The monitoring system is done through information collection system, analysis and verification.

**x) Developing Global Leadership and Dynamic Communications Skill for
Consumer Agency Officials by Joseph Cabuay, Associate Professor, Technology
Systems Management, SUNY Korea**

42. Key leadership skills are decision making, problem solving and emotional intelligence. The role of leadership in consumer administration are enhancing compliance with consumer laws and regulations and enhancing efficiency and effectiveness in consumer protection efforts.
43. The difference between a manager and a leader is that a manager focuses on the organization while a leader focuses on the people.
44. Components of authentic leadership are; pursues purpose with passion, practices solid values, connects with others, demonstrates self-discipline and leads with the hearts as well as the head.
45. The seven steps to effective decision making are identify the decision, gather information, identify alternatives, weigh evidence, choose among alternatives, take action and review the decision made.
46. There are five types of decision makers namely optimistic decision maker (thinks optimistically and chooses the alternative that maximizes the outcome), pessimistic decision maker (estimates the worst outcomes associated with each alternative and selects the best of these worst outcomes), realistic decision maker (takes the middle path neither optimistic or pessimistic), regret minimizing (wants to minimize the dissonance they experience after the fact) and insufficient reasoned (assumes that all possible outcomes have equal chance of occurring).

REPOSITORY OF DOCUMENTS

During the sensitization, the Authority was furnished with various materials which are accessible on the link below:

https://drive.google.com/drive/folders/17UJvermOGwFYZooCz_ptUvyrKyugpJdr?usp=sharing

WAY FORWARD

47. Implement the Action Plan (attached as annex 1).
48. Cooperate with businesses to develop braille tags for hazardous goods as part of enhancing the welfare of PWDs

49. Develop board games for children (primary and pre-primary) to explain consumer welfare matters in a simple manner
50. Advocacy campaigns of consumer protection either through press releases, adverts, short video clips on how violations occur, sensitize young people on consumer protection in schools and colleges e.g. through essay writing that can be rewarded in terms of gifts and school fees, develop ways of getting public feedback.
51. Decentralization of the Authority's services into the counties to facilitate larger public accessibility and maintain ground presence.
52. Bench marking with the countries with experience in areas of consumer protection law such as the Korea, US and Australia in order borrow best practices in case handling and consumer protection.
53. Borrow from the KCA on how investigations are carried out which enhances diligence and thoroughness.
54. The amendments to the Act should be proactive to attain a desired economic outcome and not reactive towards an already existing economic condition.
55. Sharing this knowledge with the CAK staff to enable trickle down incremental beneficial effect.

16th July, 2024

Prepared by:

Name

Signature

Mr. Sylvester Mwazama

Mr. Mugambi Mutegi

Mr. Boniface Kamiti

Mr. Joel Omari

Annex 1: Action Plan

Awareness Creation Action Plan for Vulnerable Consumers (Visually and Hearing Impaired) in Kenya

24th June, 2024

"A Kenya economy with globally efficient markets and enhanced consumer welfare for shared Prosperity"

The Kenyan Team 2024

1. Mr. Bonifacio Kamiti – Manager Consumer Protection
2. Mr. Joel Omai – Manager, Legal Services and Corporation Secretary
3. Mr. Mugambi Mutegi– Manager Communications & External Relations
4. Mr. Sylvester Mwazama – Principal Investigations Officer, Buyer Power

"A Kenya economy with globally efficient markets and enhanced consumer welfare for shared Prosperity"

Action Plan for 2023 – Progress Update

Objectives

- Consumer Sovereignty in Kenya
- Overarching Consumer Protection Policy

"A Kenya economy with globally efficient markets and enhanced consumer welfare for shared Prosperity"

Assessment

The problem statement

There lacks effective protection of consumers in Kenya due to unavailability of an overarching policy that will ensure effective coordination amongst Ministerial Departments and Agencies, and County Governments

"A Kenya economy with globally efficient markets and enhanced consumer welfare for shared Prosperity"

Progress on Implementation of 2023 Action Plan

- Concept paper on the development of Kenya's Consumer Protection Policy was developed.

Main Challenges faced

- It was established that there was need to coordinate with the Ministry of Trade on the development of the Consumer Protection Policy. According to an Executive Order by the Office of the President, the consumer protection mandate is under the Ministry of Trade and not the National Treasury where the Authority is domiciled.

Way Forward

- Support formulation of the Consumer Protection Policy through the Ministry of Trade

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1. Background and Purpose
2. Current Status and Issues
3. Specific Activities to achieve the Proposed Goals
4. Outline of the Action Plan
5. Action Plan – Time Table
6. Expected Results

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Background and Purpose

Background

- Under Article 46 of the Constitution of Kenya, all consumers have a right to information necessary for them to gain full benefit from goods and services, goods and services of reasonable quality, protection of their health safety and economic interests, and compensation from loss and injury arising from unsafe goods and services.
- The Competition Authority of Kenya (CAK) has an obligation under section 9 of the Competition Act to promote public knowledge, awareness and understanding of the obligations, rights and remedies under the Competition Act; make available to consumers information and guidelines relating to obligations of persons under the Act, and the rights and remedies available to consumers under the Competition Act.
- The above consumer rights extend to people with disability who are a sizeable part of the Kenyan population and there is need for the CAK to focus on them.
- Under CAK's Strategic Plan FY 2021/2022 - 2024/2025, one of the strategic objectives is to enhance stakeholder engagement for improved corporate visibility with a focus on enhancing publicity and awareness creation.



Background and Purpose – Cont'd

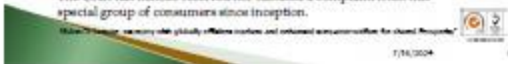
Significance and Purpose:

- The CAK has conducted awareness creation over the years. However, there has been no special focus on visually- and hearing-impaired consumers.
- A review of recent data of consumer complaints submitted to the CAK indicates that not consumer complaint has been received from the visually and hearing impaired consumers.
- Therefore, there is need to ensure that this special group of consumers is included in the CAK's awareness campaigns to ensure that they may gain full benefit from goods and services in the market, and to protect their rights as consumers.



Current Status and Issues

- According to the 2019 census 3.6% (1.7 million) Kenyans live with some form of disability. The population is estimated to have grown to 56.2 Million in 2024.
- The Government of Kenya also recognizes disability inclusion as a prerequisite to achievement of the Sustainable Development Goals and its central pledge to leave no one behind.
- To this end, the Government continuously strives to ensure, that Persons with Disabilities (PWDs) are accounted for and participate equally in every aspect of life. This is instrumental in enhancing equal opportunity, inclusion, justice and economic growth for our country.
- The awareness creation efforts of the CAK since inception has not focused on this special group of consumers.
- The CAK has neither received nor handled a complaint from this special group of consumers since inception.



Current Status and Issues – SWOT Analysis



Current Status and Issues – Gap Analysis



Specific Activities to Achieve the Proposed Goals

Proposed Goal #1: Target consumers with visual and hearing impairment in sensitization efforts

- Develop relevant IEC materials
- Collaborate with schools for the blind and deaf
- Collaborate with United Disabled Persons of Kenya, Sight Savers International, Kenya National Association of the Deaf, Kenya Society for the Blind
- Carry out sensitization of persons with visual and hearing impairment
- Carry out evaluation on level of awareness on consumer protection among persons with sight and hearing impairment

Proposed Goal #2: Encourage lodging of complaints by consumers with visual and hearing impairment

- Have a dedicated tab on the website that ease complaint lodging
- Receive and investigate complaints
- Prioritize and fast track investigation of complaints



Outline of the Action Plan



Implementing Organization

Name of the organization: Competition Authority of Kenya

Nature or type of the organization: Government Regulator

Major functions of the organization:

- a) promote and enforce compliance with the Act;
- b) receive and investigate complaints from legal or natural persons and consumer bodies;
- c) promote public knowledge, awareness and understanding of the obligations, rights and remedies under the Competition Act and the duties, functions and activities of the CAK;
- d) make available to consumers information and guidelines relating to the obligations of persons under the Competition Act and the rights and remedies available to consumers under the Competition Act;

Duration of the Project: 1 Year

Date of commencement: 1st July, 2024

Date of completion: 30th June, 2025



Action Plan - Time Table



Duration: 10 months (September 2024 – June 2025)

Goal #1: Target consumers with visual and hearing impairment in sensitization efforts

No	Items	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Cost
1	Develop relevant TIC materials													10,000
2	Collaborate with schools for the blind and deaf													-
3	Collaborate with United Disabled Persons of Kenya, Right to Access International, Kenya National Association of the Deaf, Kenya Society for the Blind													-
4	Carry out sensitization of persons with visual and hearing impairment													1,000
5	Carry out evaluation on level of awareness on consumer protection among persons with sight and hearing impairment													-



Action Plan - Time Table – Cont'd



Duration: 7 Months (December 2024 – June 2025)

Goal #2: Encourage lodging of complaints by consumers with visual and hearing impairment

No	Items	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total Cost
1	Place a dedicated tab on the website that encourages complaint lodging													1,000
2	Receive and investigate complaints													-
3	Monitor and take back investigation of complaints													-



Summary of the Action Plan-Budget



Goal	TOTAL	First Year (Cost US\$)	Responsibility
Goal #1	12,000	12,000	CAK
Goal #2	1,000	1,000	CAK
TOTAL AMOUNT	14,000	14,000	-



Expected Results – Outputs/Outcomes



Economic Effects

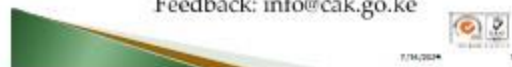
Awareness creation among vulnerable consumers (Visually and Hearing Impaired) in Kenya and extend to people with disability who are a sizeable part of the Kenyan population so that they may gain full benefit from goods and services and to protect their rights as consumers.

Social Effects

Awareness creation among vulnerable consumers (Visually and Hearing Impaired) in Kenya will ensure that this special group of consumers is included in the CAK's awareness campaigns, so as to promote public knowledge, awareness and understanding of the obligations, rights and remedies owed to them in order to full take advantage of them when the consume goods and services.



Feedback: info@cak.go.ke



PHOTOS FROM THE FELLOWSHIP















