



Being a Consumer in Ethiopia: The Responsibility of the Government and Companies

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ARTICLE INFO

Article history:

Received: 1 January 2021;

Received in revised form:
29 May 2021;

Accepted: 7 June 2021;

Keywords

Consumer,
Ethiopia,
Responsibility,
Government,
Companies.

ABSTRACT

The failure of free market assumptions, which are preconditions for free operation of markets leading to welfare maximization, create concerns for consumers in relation to access, pricing, safety, quality and choice of goods and services. Consumer protection is therefore essential as a way of dealing effectively with these adverse effects of market failure from the demand side. Competition and consumers' protection laws are generally accepted tools of consumers' protection. Many countries have a long experience on competition and consumers' protection laws. Though it is late Ethiopia has also enacted the Trade Practice Proclamation No.329/2003 in 2003 and the effective law "Trade Competition and Consumer Protection Proclamation No.813/2014 (TCCPP)" on March 21, 2014. This proclamation provides different rules aimed at enhancing competition and consumers' protection in the country. It also establishes institutional frameworks for its implementation. However, the objectives of the law haven't been achieved and consumers in Ethiopia are suffering from various abuses. This paper is therefore devoted to scrutinize the conditions of consumers in Ethiopia and the responsibilities of the government and companies towards enhancing the protection of consumers. It has been observed that consumers all over the country have been known to be victims of both producers and sellers in the market place. In most of the products offered for sale in the market are usually of low quality, high price and sometimes even a threat to life. It is argued that to improve consumers' protection the government should reduce its direct involvement in the market, strength enforcement institutions, strength standardization and prior approval systems, and encourage consumers associations and Self-Regulatory schemes. Companies should also discharge their mandatory obligations and Social responsibilities (CSR); and involve in Self-Regulatory schemes.

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1. Introduction

The Black's Law Dictionary defines consumer as "a person who buys goods and services for personal, family or household use, with no intention of resale; a natural person who uses products for personal rather than business purposes."¹ The definition indicates firstly, a consumer is a natural person, and excludes legal persons. Secondly, a consumer buys goods and services. Thirdly, the goods and services in transaction shall be for personal, family or household use without intention for resale. This means that the goods and services should not be destined for resale or for business purposes. The consumer is the ultimate user of goods and services for his personal or family consumption. Similarly, the Ethiopian Trade Competition and Consumers' Protection Proclamation No.813/2014 defines consumer as "a natural person who buys goods and services for his personal or family consumption, whether the price is being paid by him or another person and not for manufacturing activity or resale"²

In a market economy the interplay between productions (supply) and consumption (demand) forms the economic foundation of a society, as undertakings produce and provide goods and services that are bought and consumed by consumers.³ The free market model makes some assumptions about the situation and conduct of consumers as well as producers that are unlikely to exist in the real world market.⁴ These include numerous buyers and sellers in the market with perfect information about products, no barriers to entry or exit from the market, and consumers and producers bearing entirely the respective costs of their production and

³ KJ Cseres, *Competition Law and Consumer Protection* (The Hague: Kluwer Law International 2005) pp. 151-192, p.151 [Here in after KJ Cseres, *Competition Law and Consumer Protection*].

⁴ F Merso et al., 'Review of the Legal and Institutional Framework for Market Competition in Ethiopia' (2009) Addis Ababa Chamber of Commerce and Sectoral Associations, p.22 [Here in after F Merso, *Review of the Legal and Institutional Framework for Market Competition in Ethiopia*].

¹ Bryan A. Garner (Ed.), *Black's Law Dictionary*, (9th ed), A. Thomson Reuters Business, USA, 2009, P.358.

² Art.2 (4) of the Trade Practice and Consumer Protection Proclamation No.813/2014.

consumption activities.⁵ The failure of these free market assumptions, which are preconditions for free operation of markets leading to welfare maximization, create concerns for consumers in relation to access, pricing, safety, quality and choice of goods and services. Consumer protection is a way of dealing effectively with these adverse effects of market failure from the demand side.⁶ Accordingly, Consumer protection was induced by the realization that perfect competition as well as perfect market equilibrium did not exist and that real markets were imperfect and produce numerous market failures.⁷

In regulatory terms, consumer protection refers to the set of laws and policies aimed at ensuring social justice, equity and fairness in the relationships between producers and consumers.⁸ The major problems consumer protection seeks to address include imperfect information about product attributes, imperfect information about market prices, consumer costs of obtaining market information, supplier costs of advertising, and consumers possessing imperfect information about their own needs.⁹ Consumer policies and laws, thus, deal with duress and undue sales pressure, information problems pre-purchase and undue surprises post-purchase.¹⁰ Consumer protection addresses disparities found in the consumer supplier relationship, which include: bargaining power; knowledge; and resources.¹¹

This paper scrutinizes the conditions of the consumers in Ethiopia and the responsibility of the government and companies towards effective consumer protection in the country. The paper is divided into six parts. Next to this introduction section two deals with consumer protection via competition and consumer protection laws. The third section deals with consumer protection in Ethiopia. Part four concerned with the responsibility of the Ethiopian government and companies for effective consumer protection. The last section provides conclusion and recommendations.

2. Consumer protection via competition and consumers' protection laws

The traditional contract and extra-contractual based protections of consumers that are dependent upon individual enforcement mechanisms have been proved inadequate.¹² The classical legal instruments of contract law could not provide appropriate legal protection for consumers, as they could not

correct certain market imperfections that eventually weakened the consumers' market position and damaged or even eliminated the consumers' market power.¹³ This problem has, particularly, been exacerbated due to the technological and economic developments and the accompanying expansion and complexity of chain of production, distribution, and due to the emergence of bulk of similar products and services in the market. At this stage, the power of consumers to discipline the conducts of producers and suppliers is very minimal. So, governments need to resort to a consumer protection agenda through the provision of consumers' rights and the accompanying obligations of business persons. This necessitates a law that essentially addresses consumers' interests. Competition and consumers' protection laws are devised to alleviate the multi-faced problems consumers are facing in the contemporary world.

Competition law is intended to ensure that the marketplace is competitive and is not distorted by anticompetitive practices, so that worthy options are made available to consumers, and hence consumers are allowed to choose from an array of options that would have been produced absent a competition violation; in the long term, it ensures the free market will be able to innovate.¹⁴ Competition law ensures, *inter alia*, that the economy responds to consumer demand rather than to government directions or individual business preferences.¹⁵ Competition enforcement may therefore be seen as a means of protecting consumer *options* in the marketplace. Indirectly, it may also assist the consumer in making a choice by allowing them to compare products in the market, but that is only an indirect effect of competition law on the exercise of consumer choice.¹⁶ Competition's ultimate goal, thus, is to benefit consumers.¹⁷ By preserving and promoting competition, competition law preserves the means to ensure efficient allocation of resources, thereby resulting in the best possible choice of quality, the lowest possible prices and adequate supplies to consumers. Hence, Competition is seen as a necessary element for consumer welfare though not in itself a sufficient one to address consumers' interest.

Consumer protection policy and law, however, target the interests of the consumer more directly and aim at leveling the playing field between people that are acting in their trade or profession and people who are not.¹⁸ Consumer protection law is concerned with the nature of consumer transactions by trying to improve market conditions for effective exercise of consumer choice. Consumer protection law addresses the failings in individual consumer transactions to grant individual consumers remedies.¹⁹ Consumer protection covers

⁵ Michelle C. Goddard, *Designing A Consumer Policy Framework For Small States*, CUTS Briefing Paper No. 9, 2008.

⁶ F Merso, *Review of the Legal and Institutional Framework for Market Competition in Ethiopia*, p.22.

⁷ KJ Cseres, *Competition Law and Consumer Protection*, p.151.

⁸ Michelle C. Goddard, *Designing A Consumer Policy Framework For Small States*, CUTS Briefing Paper No. 9, 2008, p. 1.

⁹ Mark Armstrong, 'Interactions between Competition and Consumer Policy', *Competition Policy International*, 2008, Vol.4, No.1, pp.96-147, p.2 [Here in after Mark, *Interactions between Competition and Consumer Policy*]

¹⁰ *Ibid.*

¹¹ United Nations Conference on Trade and Development (UNCTAD), *Manual on Consumer Protection*, Edition 2016, p.1.

¹² Dessalegn Adera, *The Legal and Institutional Framework for Consumer Protection in Ethiopia*, LLM Thesis, Addis Ababa University, School Of Law, June 2011, p.22.

¹³ KJ Cseres, *Competition Law and Consumer Protection*, p.153.

¹⁴ Irina, *Competition Law, Consumer Policy and the Retail Sector: the systems' relation and the effects of a strengthened consumer protection policy on competition law*, p.178.

¹⁵ RH Lande, 'Consumer choice as the ultimate goal of antitrust', (2001) 62 U Pitt LRev 503 p. 2..

¹⁶ *Ibid.*

¹⁷ Irina, *Competition Law, Consumer Policy and the Retail Sector: the systems' relation and the effects of a strengthened consumer protection policy on competition law*, p.178.

¹⁸ *Id.*, p.181.

¹⁹ Tessema Elias, 'Gaps and Challenges in the Enforcement Framework for Consumer Protection in Ethiopia', *Mizan Law Review*, 2015, Vol. 9, No.1, pp.83-107, p.84 [Here in after

a broader and more diffuse bundle of areas such as unfair and deceptive advertising and fraud, and can sweep to, *inter alia*, product safety, food and drug regulation, and consumer education, conceivably, covering almost everything that governments do or should do.

In general, while competition relates to the supply side of the market and consumer protection works from the demand side, both have the goal of consumer protection. Beyond their linkage manifested in the role of competition as a tool for consumer protection, consumer protection policies such as information policies and prohibition of misleading or fraudulent advertising can also enhance competition.²⁰ Thus, “competition and consumer protection... are intimately related, two sides of the same coin.”²¹ Due to this, many countries enacted their competition and consumers’ protection laws under a single legal document to be implemented by the same enforcement institution (usually different departments within the institution mandated to enforce these laws).

3. Consumer protection in Ethiopia

3.1 Competition and consumers’ protection law

In 2003, Ethiopia introduced Trade Practice Proclamation No.329/2003 with a view to secure fair competitive process through prevention and elimination of anticompetitive and unfair trade practice, and to safeguard the interest of consumers.²² However, due to legal and structural limitations of the Competition Authority and non-inclusion of consumer protection provisions adequately it failed to serve its intended purpose.²³ On June 8, 2010, the Trade Practice and Consumer Protection Proclamation No. 685/2010” was enacted. It has made a comprehensive amendment to the previous proclamation, and it embodies more functional and extensive consumer protection provisions. On March 21, 2014, a new “Trade Competition and Consumer Protection Proclamation No.813/2014 (TCCPP)” was enacted which made some amendments on its predecessor.

TCCPP was enacted with the objective of protecting the business community from anti-competitive and unfair market practices, and also consumers from misleading market conducts, and to establish a system that is conducive for the promotion of competitive free market; ensuring that consumers get goods and services safe and suitable to their health and equivalent to the price they pay; and accelerating economic development.²⁴ Accordingly, the proclamation contains provisions aimed at enhancing competition and protecting the interests of consumers.

To achieve its objective the Proclamation expressly identifies the prohibited anti-competitive practices²⁵, namely,

Tessema, Gaps and Challenges in the Enforcement Framework for Consumer Protection in Ethiopia]

²⁰ Mark, Interactions between Competition and Consumer Policy, p.43.

²¹ F Merso , Review of the Legal and Institutional Framework for Market Competition in Ethiopia, p.24.

²² Article 3 of The Trade Practice Proclamation, Proc. No.329, 2003, *Federal Negarit Gazeta*, 9th Year No.49.

²³ Harka Haroye (2008), “Competition Policy and Laws: Major Concepts and an Overview of Ethiopian Trade Practice Law”, *Mizan Law Review*, Vol.2, No.1, pp.33-35.

²⁴ Art. 3 of the Trade Practice and Consumers’ Protection Proclamation No.813/2014

²⁵ See Articles 5-13 of the Trade Practice and Consumer Protection Proclamation No.813/2014.

abuse of market dominance, anticompetitive agreements, concerted practices and decisions, and unfair competition. The Proclamation also regulates merger by stating prohibited acts in this regard, the procedures of notification, approval, registration and revocation of approval of merger. The TCCPP also sufficiently provided several rights of consumers including the right to:²⁶ get sufficient and accurate information or explanation as to the quality and type of goods or services he purchases; buy goods and services on the basis of his own choice; not to be obliged to buy for the reasons that he looked into quality or options of goods and services or he made price bargain; and claim compensation or related rights thereof either jointly or severally from persons who have participated in the supply of goods or services as manufacturer, importer, wholesaler, retailer or in any other way for damages he has suffered because of purchase or use of the goods or services. The law also imposes obligations on business persons in the interest of consumers. The obligations that are imposed on business persons are both positive and negative obligations. With respect to positive obligations, business persons are for instance required to display the price of goods and services in such conspicuous place by adding the custom duties, taxes and other lawful fees; and they have the duty to affix label on goods that can show its name, gross and net weight, volume, quantity, safety measures for usage, manufacturing and expiry dates as well as the country of manufacturing and name of manufacturer, importer and packer.²⁷ As an instance of negative obligations, it is prohibited for business persons to make false and misleading advertisements as to the source, weights, volume, method of manufacturing, date of manufacturing and expiry date of goods as well as the identity of the manufacturer, supplier and its trade mark.²⁸

The TCCPP entrusted the following institutions the powers and duties for its implementation: The Federal Trade Competition and Consumer Protection Authority (hereinafter called the “Authority”), Federal Trade Competition and Consumer Protection Appellate Tribunal, Regional Consumer Protection Judicial Organs and Appellate Tribunals, Ministry of Trade (MoT) and Regional Trade & Industry Bureaus (RTBs) and Courts both at federal and regional levels.

3.2 The current condition of consumers in Ethiopia

Despite the country’s’ efforts to bring about an effective consumer protection regime, the consumers in Ethiopia are experiencing various abuses. The legal and the institutional frameworks failed to succeed their goal of protecting consumers from exploitations. Consumers face a lot of problems in making their buying decisions as regards the product quality and performance. In the face of global economic difficulties, especially due to the recent devaluation of the Ethiopian currency (Birr), the consumers are facing critical challenges even to afford the prices of products and services essential for life. It has been observed that consumers all over the country have been known to be victims of both producers and sellers in the market place. This victimization is mostly noted in the area of product quality, price and promotion. Many products offered for sale in the market are usually of low quality, high price and sometimes even a threat to life. Majority of the Ethiopians in most cases are either ignorant or poorly informed concerning their rights. They are,

²⁶ Id, Art. 14.

²⁷ Id, Art. 15 &16.

²⁸ Id, Art. 19.

more often than not, ignorant of the fact that they can seek restitution in regards to product failures in both quality and performance; that they have right to warranties and guarantees of the product they buy from their producers and sellers. Even most of the business men are either unaware of or intentionally violated their obligations towards granting warranties for the products and services they have provided for consumers. This fact is understood from the acts of the business persons themselves. It is not uncommon to observe advertisements of businesses trying to attract consumers and distinguish their products and services by providing warranties, as if the warranties are provided by their will rather than by law. In addition to this, there is a scenario whereby many sellers in the Ethiopian market posts in their shops some captions like “No return of money after payment” or “no return of a good after sale”, in Amharic “*yetekefele genzeb aymelesm*” or “*yeteshete eka aymelesm*”. Not only this, furnishing false information on the quality, quantity, volume, acceptance, source, nature, component or use of goods and services; and fraudulent or confusing acts are also the common characters of most traders in Ethiopia especially in the big cities of the country. In short, almost all of the obligations of business persons towards consumers’ protection, provided under the TCCPP are violated in different forms and degrees. Aggravated by the inadequate knowledge of the consumers’, currently consumers in Ethiopia are in a position whereby their wants and interests seem to be subordinate to that of the market operators.

Absence of strong competition in the economy is also one of the main reasons for the inadequacy of consumers’ protection in Ethiopia. The size of the contestable market in Ethiopia is very small with only 46 percent of the total value of production subject to meaningful competition.²⁹ The causes for the absence of effective competition are attributable for both the business community itself and the government. Many studies and empirical evidence show the prevalence of anti-competitive practices among business operators throughout the country. Especially, anti-competitive agreements have been identified as the most prevalent anti-competitive practices that affect consumers negatively.³⁰ The anti-competitive agreements may have one of the following three forms; *first*, price fixation/cartel like arrangements *second*, hoarding and price gouging *third*, exclusive distribution arrangements.³¹ Price fixing is the most prevalent form of anti-competitive agreements in Ethiopia and it needs attention and severe sanction.³² Prices of goods and services are usually agreed by the traders including trade associations regardless of the quality of the products and services.³³ An emerging problem in Ethiopia involves vertically (and horizontally) chained enterprises, particularly endowment enterprises, colluding to fix prices from production or import through the retail end of the market for construction materials, particularly cement and steel.³⁴

From the causes for limited competition attributable to the government public sector dominance, price control, lack of transparency in government’s procurement and privatization, distorted financial market, inconsistent tax administration and business registration, unfair competition from party-affiliate enterprises, and lack of awareness among enforcers are the main ones.³⁵ The public sector still holds significant monopoly and dominance, not only in industries often considered as natural monopolies, such as energy, telecom, postal service, water supply, railway and airway, but also in manufacturing and services, such as sugar, textiles, banks and insurance companies. The prices of basic commodities and services such as sugar, oil, fuel, minimum deposit rate of interest on saving, passenger transport fares, exchange rate, user-charges for telephone, electricity and potable water supply as well as rental price of nationalized urban houses are all administratively fixed. During granting contracts, i.e., bids for public projects, and procedures for procurement by tendering are far from being competitive, and privatization is partly done through personal negotiations with some favored investors (for instance, in the case of gold mine).³⁶ This lack of transparency from the side of the government hinders competition. Beyond these, Unfair Competition from Party-affiliated Enterprises is one of the main reasons deterring competition in the country’s market.

4. Responsibility of the government and companies for effective consumers’ protection

The improvement of consumer protection needs the active partaking of different entities including the government, companies, trade associations, consumer associations as well as individual consumers. However, under this section the discussion will be made on the responsibilities of the government and companies.

4.1 Responsibility of the government

The government is among the responsible body to rectify the current situations of consumers’ protection. The following are the major responsibilities expected from the government in enhancing consumers’ protection in Ethiopia:

Minimizing its direct involvement in the market: As discussed above, direct involvement by the government is one of the causes for weak market competition in Ethiopia. It is the responsibility of the government to emphasize on creating conducive environments for competition rather than involving in the market directly. Accordingly, if not possible to leave totally at once, the government has to minimize its involvement by privatizing state owned enterprises progressively in a transparent way. Transparency should be maintained both in privatization and procurement procedures. Similar to the public enterprises, ruling party affiliated endowments are also diminishing the competition and needs a strong control, if left unregulated it may result in a dangerous failure of the private sector. Beyond minimizing the public sector dominance, the government should also lessen its tough regulation especially with regard to the price of basic goods and services. However, this doesn’t mean that the government should leave consumers helpless. The government should focus on how to increase the supply of those scarce basic goods and services. It has to focus on incentivizing the private sector to involve in the upstream market/production of these goods and services rather than emphasizing on regulating the downstream market/

²⁹ F Merso , Review of the Legal and Institutional Framework for Market Competition in Ethiopia, p.44.

³⁰ Id. P. 57.

³¹ Tessema, Gaps and Challenges in the Enforcement Framework for Consumer Protection in Ethiopia, p. 95.

³² Ibid.

³³ Ibid.

³⁴ F Merso , Review of the Legal and Institutional Framework for Market Competition in Ethiopia, p.57.

³⁵ Id. P. 53-56.

³⁶ Ibid.

distribution which is naturally reserved for the private actors in a free market system.

Strengthening enforcement institutions: The trade competition and consumers' protection authority as well as other enforcement institutions are found weak in implementing the TCCPP. Many reasons have been raised as a ground for the ineffectiveness of the Authority. The main one is its autonomy. The autonomy of the Authority would be directly or indirectly affected due to (a) the accountability of TCCPA to the Ministry of Trade, (b) the power of the Prime Minister to appoint the Director General of TCCPA and the judges of the appellate tribunal, (c) "the application of the civil service law to judges of the authority", (d) "the power of council of ministers to approve annual budget of the authority", and (e) "absence of ... private sector representation in the competition authority".³⁷ To ensure independence therefore the Authority should be directly accountable to the House of People's Representatives rather than to the executive branches of the government.

The representation of stakeholders in the Authority and its adjudication organs can enhance autonomy and effectiveness. Non representation of stakeholders in the Authority "can contribute to challenges in enforcement because trade competition and consumer protection in a market economy involve the interests of the business community and consumers in addition to the government."³⁸ Then, it should be mandatory for stakeholders to be represented in the authority similar to the experiences of other countries like Malawi, Egypt, Zambia and South Africa. Another problem in enforcement is that regional states in Ethiopia do not yet have their independent consumer protection law; nor do they have independent institutional frameworks for implementation. Except for some sort of work processes established by the regions under the regional Trade Industry bureaus, there is no independent consumer protection authority or agency established by regions.³⁹ Even though the law envisages the establishment of a regional consumer protection judicial organ, it does not give administrative power to the organ; nor does it give the power to investigate and institute action against violators (34 of the TCCPP). The TCCPP also envisages the establishment of branches of the federal authority under its article 29 which have not been put into effect until now thereby leaving consumers in the regions outside the ambit of the envisaged protection.⁴⁰ The government should rectify all of these in order to have an effective enforcement system.

However, reforms in administrative law which not only empowers but also controls such authorities under clear administrative procedures and judicial review, and effective judicial reform which enhances predictability, wider access to justice, judicial decisions without delay and public confidence are equally important to the independence of the authority.⁴¹

The existing traditional court proceeding presents significant barriers for consumers, in view of the cost, lengthy duration of the procedure, inaccessibility of the process and of the court, complexity of the law or legal procedure, possible need for expert legal or other advice, problems over enforcement of a judgment, and, above all, disproportion between the value of the dispute and the cost or time needed. So, the government has to establish Consumer redress mechanisms that are affordable, accessible and independent and provide speedy redress to aggrieved consumers. Some countries like Germany have the experience of providing legal aid that exists in various forms under which the services of a lawyer might be paid by the State or provided pro bono; and establishing small claims procedures and courts, which may have low and fixed costs. Mechanisms for conciliation, mediation and arbitration are also useful in ensuring that consumer problems are handled effectively. Finally, enforcement institutions should have adequate budget, personnel composed of various disciplines, and advanced technologies to discharge its mandates effectively. The enforcement system should also give priority for advocacy and preventive approaches over punitive and interventionist approaches. Accordingly, education and education systems should be designed for consumers to empower them with the knowledge to protect themselves and become responsible consumers. Awareness raising programs are also important for the business community.

Encouraging and supporting Consumer Associations and Self-Regulatory schemes: consumer associations and self-regulatory schemes by the industry are among the tools of greater importance for proper consumer protection. Consumer associations have a variety of roles in serving the consumer interest like Providing independent information (including test or survey results) on products and services as well as educational activities, to enable consumers to make informed choices and to consume responsibly; Advising and acting on individual consumer complaints, providing advice and obtaining redress; Engaging in dialogue with Government and business to inform, persuade or negotiate on behalf of consumers; and sometimes organizing campaigns on specific issues to enable consumers collectively to voice their views and demonstrate their strength. On the other hand, self-regulatory schemes by the industry can protect consumers by providing adequate information, effective dispute resolution, enhanced competition, standards beyond legal requirements, and mechanisms to combat unfair and abusive practices. The government should then support and incentivize the efforts of consumer protection by the consumer associations and self-regulatory arrangements. This reduces administrative costs and hence the government should recognize it as an enforcement mechanism for consumers' protection. It should also encourage companies to discharge their social responsibilities (CSR).

Strengthening standardization and prior approval systems: the procedures of prior approval whereby a regulatory agency or similar body is given the power to screen out and exclude suppliers or products which fail to meet minimum standards is very essential in Ethiopia. It enables regulators to block the subject at point of entry to the market and withdraw permission to continue in the market already obtained, instead of prosecutions or law suits after the problem happened. In Ethiopia there are different institutions working on quality. The Ethiopian Standards Agency empowered to develop, approve, publicize and implement

³⁷ Elias, Deliverables and Pledges under Ethiopian Trade Competition Law: The Need for Private Sector Empowerment and Enablement, p.44.

³⁸ Tessema, Gaps and Challenges in the Enforcement Framework for Consumer Protection in Ethiopia, p.97.

³⁹ Id. P.99.

⁴⁰ Ibid.

⁴¹ Elias, Deliverables and Pledges under Ethiopian Trade Competition Law: The Need for Private Sector Empowerment and Enablement, p.44.

Ethiopian standards; and the Ethiopian National Accreditation Office which is empowered to provide accreditation service to conformity assessment bodies based on national and international requirements are among the organs under the National Quality Infrastructure in Ethiopia. However, still the consumers in Ethiopia are suffering a lot from products and services of below standard. Hence, the government should improve the existing organs in terms man power, technology as well as financial resources. Beyond this, area specific organs of quality should be organized to address technical and complex problems.

4.2 Responsibilities of companies

Since the practices of the business community are among the principal sources of consumer abuses, any effort of consumers' protection would not be effective without the involvement of the business organizations. Companies should discharge their own responsibilities towards consumers' protection. First and foremost companies should respect the rules provided by the law. They should refrain from engaging into the activities designated as anti-competitive by the law and should discharge other obligations they owe towards the consumers while providing goods and services. If the business community discharges its legal obligations, 'miracles' will start to happen in the consumers' protection even without discharging its other responsibilities to be discussed subsequently. This requires a strong commitment from companies to compete and serve consumers. If businesses are ready to face competitions and make the satisfaction of consumers' a principle for their operation, obedience to the law will be easy. This will result in maximization of welfare for suppliers and consumers as well as efficiency in the whole economic system of the country.

Companies should also participate in the consumers' protection beyond their legal obligations. Corporations should discharge their social responsibilities (CSR) towards consumers by taking in to account the interests of consumers in the operation and decision making processes. Before producing and distributing any kind of goods and services the demands and views of consumers should be considered. By doing this the company will also benefit a lot apart from consumers' protection. Better anticipation and management of an ever-expanding spectrum of risk, improved reputation management and brand, Enhanced ability to recruit, develop and retain staff, Enhanced operational efficiencies and cost savings, improved ability to attract and build effective and efficient supply chain relationships, Enhanced ability to address change, More robust "social license" to operate in the community, Access to capital, Improved relations with regulators, and A catalyst for responsible consumption.⁴² Self-Regulatory schemes are also among the ways for the companies to contribute for consumers' protection. Beyond supporting the regulatory institutions and protecting consumers' interests, self regulatory mechanisms benefit the industry itself by Enhancing consumer confidence/improving the image of businesses, Disciplining businesses that fail to meet commitments, and improving complaint handling.⁴³

Thus, companies in Ethiopia should be positive to involve in the self-regulatory schemes for the interest of the consumers as well as their own.

5. Conclusions

Being a consumer in Ethiopia is more precarious than words could express. Almost all rules designed for consumers' protection are subject to violation in the Ethiopian market. Majority of the Business men do not hesitate to do anything profitable for the business no matter how it is anti-competitive or abusive for consumers. This situation, aggravated by the ignorance of consumers and weak regulatory systems, results not only in weak consumers' protection system in Ethiopia rather in inefficiency of the whole economic system. The current situation of consumers' protection in Ethiopia needs enormous efforts from the side of the government as well as the business community itself. Among others the government should minimize its direct role in the market, strength the enforcement institutions, strength its standard and prior approval systems, and encourage and support consumers' associations and self-regulatory schemes by the industry. Companies should also be compliant for the legal rules aimed at consumers' protection and be positive for discharging their CSR and involve in Self-Regulatory schemes.

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⁴² Paul, Corporate Social Responsibility: An Implementation Guide for Business, P. 10-12 & Ezekiel, Business Advantages of Corporate Social Responsibility Practice: A Critical Review, P. 50-51.

⁴³ Industry Self-Regulation: Role And Use In Supporting Consumer Interests, Directorate For Science, Technology And Innovation Committee On Consumer Policy,

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