

AN ASSESSMENT ON CONSUMER PROTECTION AND THE CONSUMER AWARENESS LEVEL IN TURKEY

Muberra BABAOGUL

Hacettepe University Faculty of Economics and Administrative Sciences
Family and Consumer Sciences Department Beytepe/Ankara
E-mail: muberra @hacettepe.edu.tr

Arzu SENER

Hacettepe University Faculty of Economics and Administrative Sciences
Family and Consumer Sciences Department Beytepe/Ankara
E-mail: asener@hacettepe.edu.tr

Esna Betul SURGIT

Hacettepe University Faculty of Economics and Administrative
Sciences Family and Consumer Sciences Department Beytepe/Ankara
E-mail: betul.surgit@hacettepe.edu.tr

Abstract

With the economic improvement, the increase of production and product diversity and especially in capitalist systems incentive of consumption brought about the necessity of consumer protection. Thanks to the development of marketing techniques, it is becoming easy to transport the products to consumers. Depending on this, consumer protection has gained great importance. In this context, the development of international markets and the effects of the advertisements have brought on “consumer rights” as social rights. In today’s competitive environment every single consumer is very valuable and the reactions of the consumers can shape the policies of the firms. In this context, consciousness level of the consumers, knowing and protecting their rights are important determiners for modern marketing practices and vital for the consumer protection.

Key words: Consumer, Consumer Protection, Consumer Awareness

JEL Classification: D18

1. INTRODUCTION

The needs of the man to maintain his life and increase the quality of life are unlimited. Contrary to these unlimited needs, however, resources are limited and needs are tried to be satisfied through various economic-social activities. The main aim of economic activities is the production of goods and services that will satisfy the needs of consumers. (Sirmen et al., 1995: 2). Economic activities performed to satisfy consumer needs have created the concept of “consumption”. The consumer is the person, institution or the family, who either purchases and uses a final good or service or produces and uses it himself and does not exchange it in any way, in order to satisfy his economic, social and cultural needs (Tok, 2007: 2). Since a life without consumption cannot be possible, raising consumers’ awareness level to protect them and also prevent them making wrong decisions is crucial and universal issue that will never lose its currency.

The most concrete description can be that consumer protection is a human right. 'Protection' means the recognition of this right. In a wider definition, it means the information of the customer and

protection of his rights on all issues that might lead him to be deceived and to take wrong decisions. (Babaoğul, et. al.1997)

2. CONSUMER PROTECTION IN THE WORLD

In the world, the development of the consumer protection movement has started with the industrialization. Before and during the early periods of the industrialization, products had less components and range and they were simpler. People had the opportunity to directly know not only the goods and services but also those who sell them, generally without needing intermediaries (Yücel, 1988). With the diversification of production, thousands of goods and services started to be produced and goods started to have hundreds of components (Üner et al., 2007). In today's social formation, that is also called the information society, the consumer is obliged to monitor and analyze the continuous and dense flow of information like a computer. Goods in different kinds, types and brands, and these goods' numerous details from price to technical properties are the factors that the contemporary consumer needs to know, understand and assess (Ferman, 1993; Çakır, 1988).

Consumerism can be defined as the activities about protection and proliferation of consumer rights by states, firms, and independent organizations. It is the summary of a social force that consists of various components that are sometimes irrelevant to each other. (Kaynak, 2001) In the protection of the consumer; the government, consumers themselves and enterprises have separate responsibilities. While, on the one hand, the government supports free competition as a requirement of the market economy, on the other hand, it has to take measures to regulate and keep the market under discipline and control. Consumers should be organized and try to make their voice heard in order to get their national and universal rights, to protect themselves from unfair, deceptive and unreliable practices related to production, and to increase their economic prosperity levels and political powers. Enterprises, finally, should take into consideration consumers' interests in order to be able to stay in the market longer with the modern entrepreneurship and marketing understanding. (Kaynak, 2001)

Although the consumer protection understanding has started to have a legal meaning in the modern age, the need and necessity of consumer protection can be observed in earlier ages. Although they did not have a special target as protecting the consumer"; in Babylon, Ancient Greek and the Roman Empire, and then in the Ottoman Empire, England and France; various legal formations and organizations for relations of consumption emerged and first main concepts related to consumer protection started to be proposed. (Mucuk, 1990:9).

The consumer protection movement in its current meaning first appeared in the USA in the late 19th Century. In the 19th Century, enactment of laws protecting consumers (1871), establishment of the first consumer organization (1872) and enactment of more than 100 laws in the US Congress between 1879-1905 caused important developments in terms of consumer law and rights. (Tok,2007)

Consumer movements, whose foundations have been laid in the USA, spread to the Western Europe between 1960-1970; the organization of consumers started to become intense and laws for consumer protection started to be enacted. (Kayalı,2008)

In 1975, fundamental rights for consumer protection were first identified by the Council in the European Community under the title of "Programme for Consumer Information and Protection" These rights are; The Right of Protection of the Consumer's Health and Safety, The Right of

Protection of the Consumer's Economic Interests, The Right to be Compensated, The Right to be Informed and Trained, The Right of Organization and the Right to be Represented. (Babaoğul&Altıok, 2007)

In the period following 1975, consumer rights were revised within the frameworks of the Council resolution of 19.05.1981 entitled "Second Programme for Consumer Protection" and of the "Programme for a New Impetus in the Consumer Protection Policy enacted on 23.06.1986, and then, these rights have transformed into the current and universally-recognized eight rights declared by the Consumer International. (Babaoğul&Altıok; 2007) These rights; Right to satisfaction of basic needs, Right to safety, Right to freely choose goods and services, Right to be informed, Right to consumer education, Right to be compensated, Right to be heard (represented), Right to healthy environment.

3. CONSUMER PROTECTION IN TURKEY

As for our country first practices for consumer protection date back to Seljuk and Ottoman periods. Ahi communities, which were dispersed to small towns and villages in Seljuk and Ottoman periods, were strong organizations. These communities made efforts for the establishment and maintenance of a deep-rooted, strong and systematic social structure tightly attached to professional ethics and religious rules. In parallel with this, guild (Lonca) organizations have also maintained some of their traditions for long years and become influential in the formation and well-functioning of commercial and professional ethics. (Kayalı, 2008)

Today, one of the most important contemporary values is "consumer happiness" or "customer satisfaction". The phrase "consumer is king" has the same essence with the phrase "customer is the benefactor", which has been a tradition of the Ahi-order. The deceived customer had the right to turn to the highest institution of the Ahi-order and the deceptive tradesman would certainly be imposed the heaviest penalty. The Ahi-order had designated authorities to apply and complain just like today's consumer rights, consumer columns. (Durgun, 2007; Kayalı, 2008)

In the Republic period, a long time was needed for the consumer issue to become prominent. Rapid development and industrialization have always been in the foreground especially in the early years of the Republic and after the start of the planned period. Due to the change in consumer practices from the 1950s on and to the open and liberal economic policies after the 1980s, a new consumption and marketing structure has emerged. (Tok, 2007)

An important development to protect -although indirectly- consumer rights was the establishment of the Turkish Institute of Standards (TSE) in 1964, which started to the service of certification via the TSE brand system. The Institute, through its certification works, not only encouraged the production of high-quality and high-standard goods and services in the country, but also paved the way for the concept of consumer protection to become prominent. The certification system is a reliable system for consumers. (Mert, 2007)

Various plans have been developed regarding consumer protection since 1970. A separate article for consumer protection was put in the 1982 Constitution. The Article 172 of the Constitution stipulates that "the State takes measures to protect and inform consumers and encourages their initiatives to protect themselves". According to this article, the state is responsible not only from the information of consumers but also from ensuring them to get organized in order to protect themselves. (Deryal, 2004)

The works oriented towards consumer protection have gained speed with the participation of conscious consumers guided by non-governmental organizations in the 1990s, and become more intense after the enactment of the Law No 4054 on the Protection of Competition, the Law No 4077 dated February 23, 1995, the Law No 4822 dated March 6, 2003, and various Laws on Consumer Protection. (Varol, 2008)

With this law, issues such as defective goods and services, avoidance of selling, responsibility of the seller in installment sales, sales campaigns and doorstep sellings, consumer loan, periodicals, labelling, certificates of warranty, instructions for use, reparation, maintenance and other after-sale services, quality control, consumer trainings etc. were subjected to sanctions and principles. Thus, consumer protection has gained a legal base with a comprehensive law. In addition, the body, which is responsible for the implementation and monitoring of the consumer law, was formed with the Law dated 1995 on Consumer Protection. The Ministry of Industry and Commerce was defined as the body responsible for the implementation and monitoring of the law. (Tok,2007)

Several deficiencies have been detected when the the Law dated 1995 on Consumer Protection was examined in terms of its harmonization with the Acquis Communautaire. In order to remove these deficiencies, the Turkish Consumer Protection Law was amended by Law No. 4822 on March 14, 2003. The Acquis Communautaire was significantly converged through this amendment. Another important step in Turkey for consumer protection was the enactment of “The Law Relating To The Preparation And Implementation Of The Technical Legislation On The Products” in 2002. The Turkish Accreditation Agency was formed to be able to certificate products that are convenient for consumer health and safety (Tok,2007)

The Article 22 of the Law on Consumer Protection has brought the following regulation: “The Ministry is obligated with the duty to constitute at least one arbitration committee for consumer problems at the centers of provinces and counties to resolve the disputes arising from the application of this Act”. For this purpose, the Ministry of Industry and Commerce issued the “Regulation for Arbitration Committees for Consumer Problems”. (Varol, 2008)

The Article 5 of the Regulation regulates the establishment and areas of responsibilities of Arbitration Committees for Consumer Problems: “Arbitration committees are constituted at centers of provinces and counties in order to resolve the disputes between consumers and providers or to take decisions that can be used as evidences in consumer courts. Province arbitration committees are authorized within the boundaries of the province and county arbitration committees are authorized within the boundaries of the county. Appeals are made to the arbitration committee in the place where the consumer purchased the good or service or the place where the consumer resides. According to the Article 22 of the Law No. 4077 on Consumer Protection, filing of the disputes with a value of less than 938,75 million Turkish Liras before the arbitration committee for consumer problems is mandatory. (<http://www.turkhukusitesi.com/showthread.php?t=6546>)

The Article 23 of the Law No. 23 on Consumer Protection stipulates that “Any disputes in connection with the enforcement of this Law shall be heard at consumer courts. The judicial districts of consumer courts shall be determined by the Supreme Board of Judges and Public Prosecutors”.

It is not possible to protect consumers only through laws and institutions. Consumer organizations are surely the most important prerequisite for these laws to be conveyed to the society and to guide

consumers, to increase social awareness, and for consumers to claim their rights. The organizations, constituted by consumers as a legal entity to protect and improve their rights, to create and settle consumer awareness, to help consumers to protect themselves, to create and maintain an environment where their legal rights can be protected, are called “consumer organizations”. (Durgun, 2007)

Unions and foundations that work for consumer protection in Turkey have not been adequately effective. It is not possible for such voluntary consumer organizations to become successful without the support of the state. Works of such organizations on consumer protection have remained at a very limited level due to the weak organization consciousness of consumers psychologically, financial problems, lack of organization and legal constraints. (Kayalı, 2008; Tok,2007) Consumer associations try to educate consumers and create conscious individuals; however, as it is mentioned before with their limited budgets, they are faced with many problems. The State may consider providing financial help to such efforts. However, it is the responsibility of consumer organizations, to cooperate with each other and not to quarrel over rather unimportant issues because it must not be forgotten that all aim at the same objective. Besides, uncoordinated efforts cannot foster the development of consumer protection; hence, some form of coordination needs to be established. With this purpose, a research and information center may be established providing expert assistance to consumer organizations and promoting consumer protection. (Gül, 2005)

4. RAISING CONSUMER AWARENESS LEVEL

Several regulations have been made in Turkey to protect the consumer's legal rights, to enable him to claim his rights, and to compensate the pecuniary losses and intangible damages he face due to unfair practices. However, the fact that the terms of these regulations are very disorganized makes it difficult for the consumer to follow these regulations and to claim his rights. A partial improvement will be possible on this issue by education and raising consciousness. The issue of information is one of the most important rights of consumers. (Babaoğul&Altıok, 2008)

The findings of the Consumer Protection and Rights Awareness Level Research carried out in 2008 with the support of the Ministry of Industry and Commerce by the Foundation of Consumer and Environmental Training (TÜKÇEV) and Hacettepe University Consumer Market - Research - Consultation - Test and Training Center (TÜPADEM) reveal the necessity to make efforts to improve consumers' knowledge and awareness levels. The research was carried out in 12 cities having nationwide representation. The number of consumers participated in the research is 784. The aim of the research is to determine consumers' knowledge levels on consumer right. For this aim, issues such as; consumers' shopping behaviors, sales channels they preferred, recognition level of organizations for consumer protection, recognition level of the Law No. 4077 on Consumer Protection, knowledge level on the Arbitration Committees for Consumer Problems and the importance attached to consumer rights were investigated. According to the research findings, of consumers, 77,3% do not know Arbitration Commi for Consumer Problems, 75,8% do not know the organizations for consumer protection. The phrase “Consumer Rights” means nothing for 16,3% of them. Only 2,8% of the participants reported that they know the Universal Consumer Rights. The Law on Consumer Protection enacted in 1995 is known by 45.8% of consumers. 60,9% of those who know the Law are university graduates or above. In conclusion, since the enactment of the Law on Consumer Protection, Turkish consumers could not reach to the expected and necessary knowledge and awareness level. As indicated before, it is not possible to protect

consumers only through laws and institutions. What needs to be done primarily is to enable consumers to protect themselves by educating them and raising their awareness. (TÜKÇEV-TÜPADEM, 2008)

Education is seen as the prerequisite for a society to make progress in all fields. The contemporary world is based on education. It is impossible to consider a comprehensive issue like consumer protection detached from education. Consumer education can be defined as the education and information investment aimed at directing the individual's economic activities, satisfying his needs and increasing his power to influence the market. It is an opinion widely accepted in developed countries that the most promising solution in the long-run in consumer protection is education and good results will be yielded from information and protection efforts by teaching individuals the ways of becoming "better consumers" (Yener,1989)

5. CONCLUSION

Despite everything, the consumer is the person who has the final say. If consumers can be educated, they will be able to display this quality by deciding their priorities on the basis of their needs. This will contribute to eventual emergence of masses of conscious consumers. Every country has to create such consumers whatever their level of development is.

Considering the fact that the issue of consumer protection starts with education at early ages, consumer education activities have been started in elementary and high schools with the cooperation of the Ministry of National Education and Turkish Institute of Standards. Besides, educational activities through mass media gain importance and firms contribute to the information works by forming consumer information units. (Tok, 2007)

The government should impose educative, directing and practical subjects on the issue of consumer protection not only on elementary school curricula but also on television and radio programs. Moreover, booklets on consumer rights might be prepared and distributed to consumers in shopping malls. Consumers, in this way, will reach a certain awareness level about their rights and they will be able to claim their rights easier. Moreover, raising consumers' awareness of consumer protection from elementary education is considered to be a requirement for the implementation of the existing laws and the establishment and maintenance of universally-accepted consumer rights. (Yener,1989; Babaoğul&Altıok, 2008)

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