

Venice, Italy

May, 12–15

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**International Interdisciplinary
Conference**

Conference proceedings



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Consumer Protection – Institutionalization and Public Judgement

Abstract:

The article examines consumer protection related to several disciplines in the view of business administration. The analysis focuses on the characteristics and operation of the European institutional system. The inclusion of consumer protection into the business administration system itself can be considered as a niche subject in the light of the available sources. The first part of the study concerns with the clarification and the precise determination of the economical conceptual web of the topic. The second part presents the exploration of the institutional systems of consumer protection and the examination of their public judgement in European perspective. The motivation of the analysis is given by the fact that creation and coordination of an institutional system of consumer protection is a very complex process in each country. The study introduces the European types of institutional structures in system included and it presents the European practice of governmental consumer protection subsidies. The analysis of the judgement of the institutional system is based on the results and models of the author's previous researches. According to the assumption, the public judgement of the organizations performing consumer protection tasks is affected by many factors, which can be classified and quantified. The analysis of the judgement is based on the development of confidence in the governmental and non-governmental organizations, which is examined by this study in relation to the 27 EU member states in the period between 2006 and 2011. The study is based on scientific literature and legal processing, on the analysis of the results of Eurobarometer and Flashbarometer surveys carried out by the European Commission and on the results of previous researches.

Keywords: Consumer protection, consumer protection public authority, independent consumer organisations, consumer perception, consumer confidence.

JEL Classification: D18, P46

1 Introduction

Consumer protection is an area of economic policy relating to more disciplines with a high number of relevant, including diversified business activity and rules. Consequently, the examination of the topic can be approached by several aspects. The professionals classify the topic to three social sciences: law, economics and sociology. According to some opinions it also has relationship with the sciences of psychology. In practice, the examination of consumer protection has jurisprudence approach in most cases; we can meet literatures relating to the area of economics in minor cases. The study prioritizes the business administration approach of the area and focuses on the institutional system and the financial

management, operation and activities of the consumer protection authorities and organizations. The inclusion of consumer protection into the system of business administration can be deemed as a niche topic in the light of the current source literature. The study considers the rules protecting the consumers as the first and base pillar of the consumer protection system however it does not examine the content relevance of the given legislations, standard systems and other rules. The article considers the compliance of rules as the second pillar and in the following it considers the consumer protection activity relating to this level.

The main objective of research is to explore the institutional problems of the consumer protection system. The analysis runs parallel at macro and at micro level. The scope of the analysis at macro level are the financing questions, while at micro level the spending, namely the management of certain organizations. The primarily examined area is the definition of consumer protection and consumer protection activities connecting to organizations and the analysis of the functioning of governmental and non-governmental societies. The research methodology primarily is the processing of the international literature and the relevant legislation. Secondly, primary researches performed by the European Commission associated with recurrent consumer protection, the analysis of which was based on systematic collection and reorganization of the information base of data sets and the statistical analysis of the data.

2 Literature review

Only a few and different conceptual definitions can be found for consumer protection in the scientific literature. It is basically not unreasonable, since it is difficult to define this concept exactly. The economic and sociological interpretations are relatively scarce compared to the field of law –where we can find most of the definitions - while clear definition of the concept cannot even be found in the science of business administration. If we tried to draw a sharp dividing line between the legal and business administration approach, we would consider consumer protection as a system, process or activity in the field of management science and in legal interpretation we would consider it as law making and assertion of rights. Even in the field of law, only some national publications can be found defining exactly the concept of consumer protection. The definition being closest to the study is formulated by Balogh and his co-authors, according to which consumer protection is nothing more than “*all the institutions and regulations, which mainly aims to protect the fundamental rights, health, safety and economic interest of the conscious consumer possessing adequate knowledge, ability of claim enforcement and skill, to inform and teach him about consumer rights, providing possibility to acquire necessary information for the enforcement of legal remedy and claims of loss as well as assuring the representation of consumer interests.*” (Balogh, et al., 2010, p. 22) According to the interpretation of Judit Fazekas, a prominent national expert of consumer protection it means “*the enforcement of consumer preferences by means of regulation of the economy.*” (Fazekas, 2007, p. 22). According to the Britannica Hungarica encyclopaedia it means *a movement or an organized activity, which „aims to regulate the products, services, methods or standards of manufacturers, retailers or advertisers in the interest of consumers.*” (Nádori, et al., 2012, p. 410) Clear definition of the concept cannot even be found in the foreign literature, it is mostly applied as a synonym for right of consumer protection or consumer right (Cseres, 2005). The Molony Committee – which has been established in 1959 for paying attention to consumer right and for preparing reports on its changes – stated in a report on

consumer protection that „*Consumer protection*’ is an amorphous conception that cannot be defined”. According to an other view, consumer protection means measures which directly or indirectly assures consumers that the goods bought by them has sufficient quality and they have a possibility to enforce legal remedy in case of complaints. (Molony Committee, 1962) In economics sciences source works – like in the work titled of Economics of Consumer Protection edited by David Morris, in which the critical evaluation of the examined topic has primarily economic and less sociological, legal and marketing approach – „*Consumer protection is a form of social action which is designed to attain material well-being for one group within society, namely consumers.*” (Morris, 1980, p. 10).

The study deals with a narrower spectrum compared to the above definition, i.e. under consumer protection it understands provisions, activities and systems of institutions protecting and representing the consumers’ fundamental rights, which primarily aim is to comply with the prevailing regulations.

The paper focuses on the operation of the institutional system, the management of certain organizations among the actors of the consumer protection system. The denomination of institution is applied in different interpretations within this theme. The various interpretations of the definition can be summarized based on the work of (Farkas, 2007) as follows. In the point of view of business administration, institution can mean an organization or a sub-system of the society. According to the legal interpretation, under institutions mainly legal institutions are understood, which basically mean the particular system of the regulations and their application. From sociological point of view, the observed regularity of behaviour, the attitudes and the probability of interpretation inclination can be also called as institution. The study understands organizations and authorities performing consumer protection activities under the denomination of institution. The institutional pillars of consumer protection consist of governmental authorities, non-governmental organizations and the conciliation bodies. The main scope of the research focuses on the operational and management characteristics of these organizations. However this approach would cover a lot of organizations, therefore I think it is necessary to have an accurate definition for consumer protection activity. András Bencsik examining of the relation between consumer protection and competition law concluded that “consumer protection activity” directly means the “*protection of the consumers*’, as it always reacts on the infringement of consumer rights.” (Bencsik, 2012, p. 112). According to my opinion, it means a broader concept, i.e. it includes every activity that is closely related to the field of consumer protection. This includes the so-called “*primary activities*”, such as regulation and law making (the review of these are not discussed by the study). The study takes the so-called “*secondary activities*” as a base, i.e. those which deal with the enforcement, implementation and compliance of regulations affecting consumer protection.

In literature we can also find many definitions regarding to the object of consumer protection. According to some opinions there are too many definitions, others stating that we still do not have enough of them. If we begin with the most primitive interpretation, we can say, that its meaning is simply the consumer himself. With this kind of interpretation all people of the world are belonging here as we are all consumers of something. In the every-day used language under consumer we mean the individual, who buys a product or a service. According to other approaches he is the person, who concludes a deal with a corporation on the market. An even simpler approach states, that he is everybody who consumes. There is no two approach, which uses the same or uniform notional criteria as an other. This situation is made even more difficult by the fact, that from a legal perspective it would

be also important to have a consumerial sample, which constitutes as ground for consumer protection remedial procedures. In the sense of economics he can be any performer of the economy, who consumes already finished goods and services (Pearce, 1993). Not even in the European Union can we speak about a uniformised and standard notion of the consumer. Definement was not taken place in the Treaty of Rome and only many times later, in the 1970s began the work to clarify the meanings of the fundamental notions of consumer policies. This work is still in progress. Currently we can find the most accurate definitions in consumer protection programs and directives. But the European Union is unified in the opinion, that the consumer is a natural body, who gathers goods and services for personal use. Since the acceptance of the EEC directive 85/450 in many cases in the legal practice of the union not only the term „*consumer*” but the term „*the average consumer*” is used. Reflecting to this defined the European Court the notion of „*the average consumer*”, who means the adequately informed, well-learned and wise consumer, who on the other hand can show little interest or no interest at all sometimes. In Hungary the earliest mentioning of the term of consumer can be found in the govt. decree 2145/1996, where the consumer is a natural body, who buys, orders, receives, uses goods or services outside of his regular commercial activity and who is the receipient of information related to goods or services. The definition of consumer was altered by the times of almost all amendments of the Consumer Protection Act. Apart from this we still can find many different definitions. The Civil Code, competition law or the act on advertising are all using different ones. It may be confusing and still wanting. It can be confusing in those special cases of law application, where a strict borderline can not be drawn from a legal point of view as it can also be wanting, if the law does not determine its strict notion of the consumer. Pursuant to the 2. § of the Act CLV of 1997 on consumer protection, which is in effect currently, in 2013 consumer is: a natural person who buys, orders, becomes, uses goods outside of his professional or economic activities or who is the addressee of commercial communications. (Apart of them the law also provides the opportunity of appealing to dispute resolution organisations for consumer organisations, churches, apartements, apartement maintainance organisations and micro- small and medium enterprises. When appealing to dispute resolution organisations, these bodies are considered as consumers as well.)

3 Institutionalization of consumer protection

In the most Western European countries the governmental consumer protection ensures the enforcement of consumer protection legislation in force by applying the state administration system – considering the fact that they have a very significant resource demand to perform these activities. It is typical for non-governmental bodies that they participate in establishing consumer protection policies and they help to explore problems of consumers by gathering information, they perform education activity concerning consumer protection, even can initiate procedures at court and operate consumer consulting offices. In the developed countries of Europe, these organisations are recognised and subsidized by the governments. Financial instruments required for their maintenance and operation are primarily provided by the state (Csiszár, 2012).

Consumers’ interests and rights are numerous and diverse by their nature, therefore the connecting institutions also form a complex system differentiated by countries. The system of institutions is not consistent within the European Union, their structure is complex and differs from country to country. However, the governing rule of the state is significant independently from whatever institutional model

is followed by the given country. As a result of the different extent of development in the European countries, three specific institutional structures were established for performing consumer protecting activity (Table 1).

Table 1: Types of Consumer Protection Institutional Structure in Europe

Types	State management in the implementation with less significant non-governmental participation.	State management in the implementation, with almost equivalent non-governmental participation.	State management in the implementation with significant non-governmental participation.
Typical	Scandinavian countries	France	Germany

Source: own elaboration

In performing consumer protection activities the governmental system of institutions is in the forefront. In first type beside the state's governing rule the participation of non-governmental organizations in the implementation is less significant. Such kind of system operates for example in the Scandinavian states (in Finland, Sweden, Norway), Denmark or Hungary.

In second type the consumer protection activities are performed by governmental and non-governmental bodies together and the role of organizations is almost equivalent. This kind of system operates for example in Belgium, France, Spain and the most European countries (The mixed institutional system.).

In the third type the consumer protection activities are mainly performed by non-governmental organizations. Such structure operates for example in Germany (Csiszár, 2012).

3.1 Institutional Structure in Hungary

The complex system of consumer protection of Hungary lies on three pillars. The first and main pillar is formed by the circle of state-provided institutions, which forms an institutional system structured following the duties of the institutions. The second pillar are formed by consumer organisations while arbitration boards are forming the third pillar.

It is the responsibility of the state-provided consumer protection institutional system to provide for the the rule of consumer protection law, its execution, and enforcement and to sanctionate and initiate measures against those, who disobey these rules (Bodnár, et al., 2001). There is only one body, which having a pure consumer protection profile, so which was established specifically to perform consumer protection tasks and that is the Hungarian Authority for Consumer Protection. The institution itself is independent in its financials and have full authority over the money provided for its operation by the central budget. The two main financial sources for the performance of its base operations, which are the tasks of the state, are subsidies from the budget, which gives almost 100% of its financials and operational incomes (NGM, 2011). As a result of the structural changes, the amount of subsidies in 2011 has declined from 3,227 million Forints to 862 million Forints.

The role of consumer organisations is the forming and functioning non-governmental bodies performing consumer interest representation tasks. Among its responsibilities one can find the cooperation in consumer protection policy making, formation of opinions regarding to consumer-related draft laws, helping to unfold consumer problems, assisting the rule of consumer protection law, cooperating in national standardisation and initiation of procedures, investigations, measures and law amendments. A further important task of non-governmental consumer protection organisations is the cooperation in the education of consumerial knowledge for consumers. The state regulates the support of consumer organisations in the act on the budget. The amounts of subsidies are differing significantly year after year in the last years. Subventions were growing between 2000 and 2009 - even if some years there were no money provided at all - from 43 million Forints to the 308 millions of 2008. After a year of stagnation subsidy was decreased significantly to 140 million Forints. This was the 45% of the former amount. This tendency continued, so nowadays only 90 million Forints are provided for these organisations.

Pursuant to the 18th paragraph of the Act on consumer protection it is the responsibility of arbitration boards to mediate between the consumer and the corporation in relation of disputes over the quality or safety of goods and services or over the responsibility of the merchant for his product as well as over contracts. To do this, its goal is to reach an agreement between the parties and if this effort proves to be unsuccessful, it tries to have a decision made on the case as fast, effective and cost-effective as it can be in order to protect consumer rights. The mediating organisation, upon request from the consumer or the corporation, informs about the rights and responsibilities of consumers. For the operation of mediating organisations the state provides year after year increasing financial support, the sum of which was 400 million Forints in 2012.

3.2 Institutional Structure in France

In France the Ministry for the Economy, Industry and Employment is responsible for the development and implementation of consumer policy. There are also independent administrative authorities whose work can have a direct impact on consumer policy, like The Competition Authority, The Financial Markets Watchdog (AMF), The Energy Watchdog (CRE), The Consumer Safety Watchdog and many others institutions. In France, there was a large number of consumer organisations that all operate within the protection area, other exclusively in specific domains. In the year 1988, the French law allowed the right to summon in court only the known associations; in order to obtain recognition, these must have had as a status “*protecting the interests of the consumer*” and be truly representative, that is to have operated at least one year, pursue the consumer protection objective in a public and effective way and have at least 10,000 members. In addition, the organisation must be independent of any professional activity. In present, only 18 such organizations are recognized, the most important being “*Union Federale des Consommateurs*”, established in the year 1951 by public authorities contribution. The consumer organisations receive public funding. The amount of money is decided by the the Ministry for the Economy, Industry and Employment. In addition to the funds necessary to carry out their basic activities, consumer organisations can also receive funding for specific actions previously decided in agreement with the Ministry (France, 2011).

3.3 Institutional Structure in Germany

In general German consumer protection has a strongly interventionist nature and it focuses on methodology and coherence in the legal system. On a state level the consumer protection belongs to the Ministry of Bundesministerium für Ernährung, Landwirtschaft und Verbraucherschutz (BMELV), however the 16 independent states (Bundesländer) are responsible for the enforcement of consumer protecting regulations (Germany, 2010).

The Ministry, based on the Budget of 2012, has earmarked 146, 8 million Euros for consumer protection policy, which is 11.5 million EUR less than the previous year of 2011. In Germany, consumer protection is based on the principle of prevention, therefore the highest amount of subsidy, i.e. EUR 65.7 million is provided for the Bundesinstitut für Risikobewertung (BfR), i.e. the Institute for Risk Assessment. The main body of food safety is the Verbraucherschutz (BVL), which is provided with 20 million Euro subsidies. One of the biggest non-governmental organizations is the Verbraucherzentrale Bundesverband (VZBV), which forms a federation of 41 consumer associations, 16 consumer advisory centres and 25 other organizations dealing with other consumer policies. The Association represents the interests of consumers in public; it is even allowed to initiate legal procedures and works together with the establishers of the consumer protecting policies, authorities and companies on national and international level. The advisory centres handle approximately four million individual complaints every year, which activity is financed by the federal government and from financial resources provided by the states as well as by their income from their publications. The budget of the BMELV for the year 2012 planned to provide the same amount of money for VZBV as in the last year, i.e. 8.7 million Euros. The second largest consumer organization is the Stiftung Warentest Foundation, which carries out independent tests mainly in the field of households, healthcare, financial and insurance services. Almost 90 per cent of their income is coming from publishing of Test, Finanztest and other publications (BMELV, 2011).

3.4 Financial Resources

It is difficult to present the total financial resources of consumer protection system. The reason of that consumer protection system is quite complex. Table 2 shows the amount of funding provided for consumer protection by the national governments in 2006. It shows the data of countries sorted by the amount of subsidies for one thousand people, in GDP ratio and the number of organisations. The financial resources made available to consumer organisations vary considerably, as does the number of organisations that receive public funding. The concentration of subsidies can be described by the funding per thousand consumer and GDP ratio. According to the state subsidy per thousand capita the highest amount is in Luxembourg, in Austria, in Slovenia, in France and in Belgium. The amount of subsidy per organisation is the highest in Luxembourg, in Austria and in the Netherlands. It shall be noted that the number of subsidized organisations in these countries are also relatively low. France and Belgium are special because the number of subsidized institutions and the amount of subsidy per organisation are also high in both countries (Csizsár, 2012). Rearrangement can be observed based on the order of the countries in term of GDP ratio, in the light of which Slovenia, Hungary, Austria and the Czech Republic spent the most on consumer protection in 2006.

Table: Financial resources of consumer organisations, 2006

Countries	Funding (EUR thousand)	Funding (EUR per thousand capita)	Funding in thousandths GDP ratio (%)	Number of consumer protection organisations
Austria	2,235	266	0.7	3
Belgium	1,673	153	0.5	15
Bulgaria	30	4	0.1	3
Czech Republic	750	71	0.6	10
Estonia	51	38	0.4	5
Finland	521	97	0.3	2
France	7,379	113	0.4	33
Greece	250	22	0.1	42
Hungary	946	95	1.1	25
Ireland	65	15	0.1	1
Latvia	30	13	0.1	1
Lithuania	72	22	0.2	7
Luxembourg	830	1,622	3.4	1
Netherlands	438	26	0.1	1
Poland	556	15	0.2	13
Portugal	200	19	0.1	5
Romania	40	2	0.0	1
Slovenia	374	182	1.2	6
Sweden	965	102	0.3	3

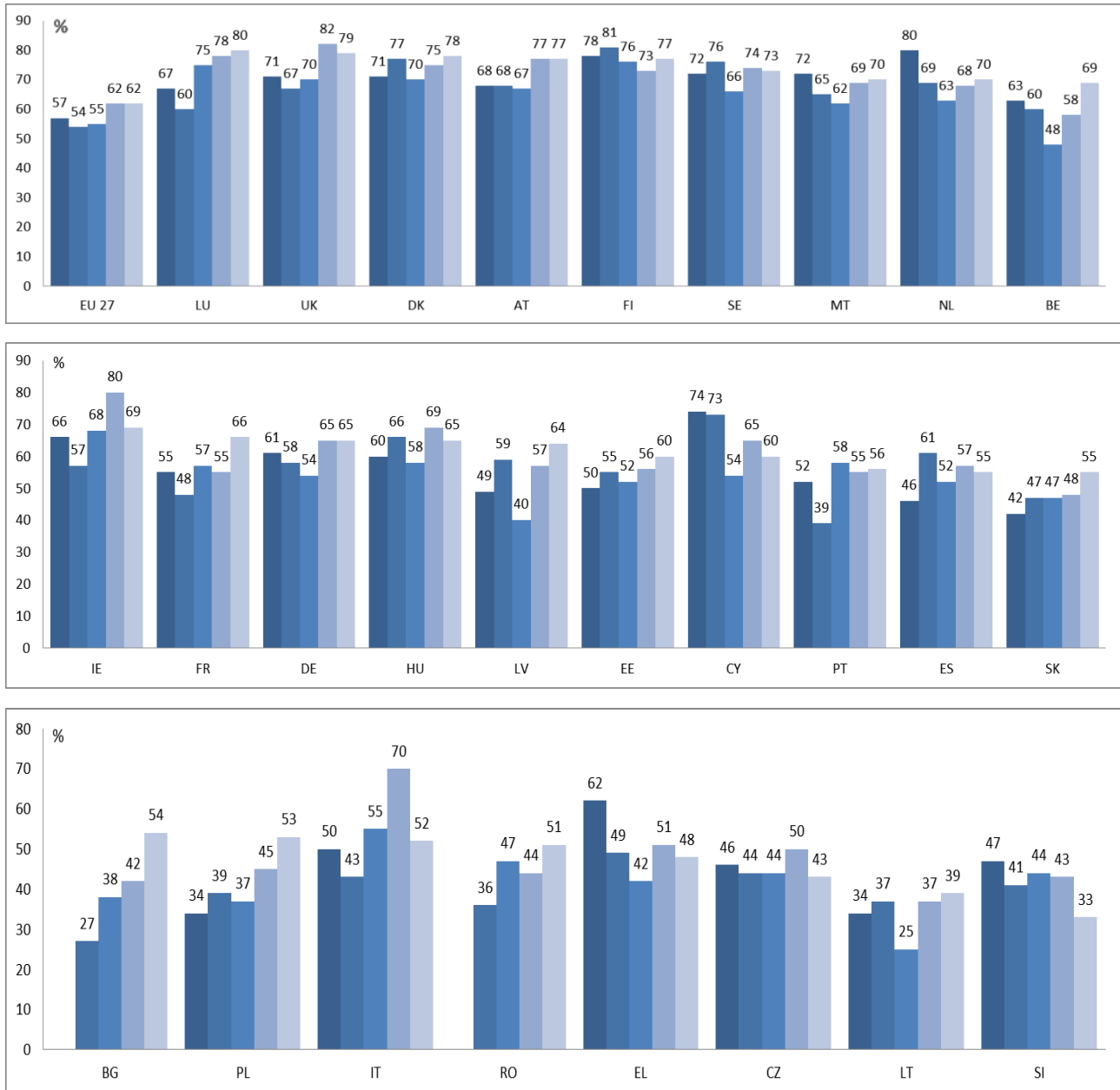
Source: own elaboration based on Consumers in Europe, 2009

4 Public Judgement of Institutions

The European Commission has been examining the operation of the inner markets and the consumer markets since the beginning of the 1970s. The surveys were initially conducted only in the countries of the European Community with the aim to examine the social and political changes. Later the survey was also expanded to the member states of the European Union and surveys are still conducted two times every year even to the present day. They ask approximately 1,000 people in every country and apply the method of personal interviews in most cases. Since the beginning of the 1990s this survey called Standard Eurobarometer was supplemented by questions concerning the candidate countries and researches analysing some special fields (Special Eurobarometer, Flash Eurobarometer).

More of these researches are focusing on consumer protection; however there are some of which only partially relates to consumer protection. Main issues examined in relation to consumer protection concerns with consumer consciousness, consumer and corporate awareness, organizations of consumer protection and with the exploration of other consumer protection questions/problems. Significant information base has been established for the cognition of the public judgement on the institutional system from which this overview natured research would like to rely on the most important information. In my opinion, satisfaction with the operation of the organizations and trust in them are the factors among these, which can the most directly express the perception of the consumers.

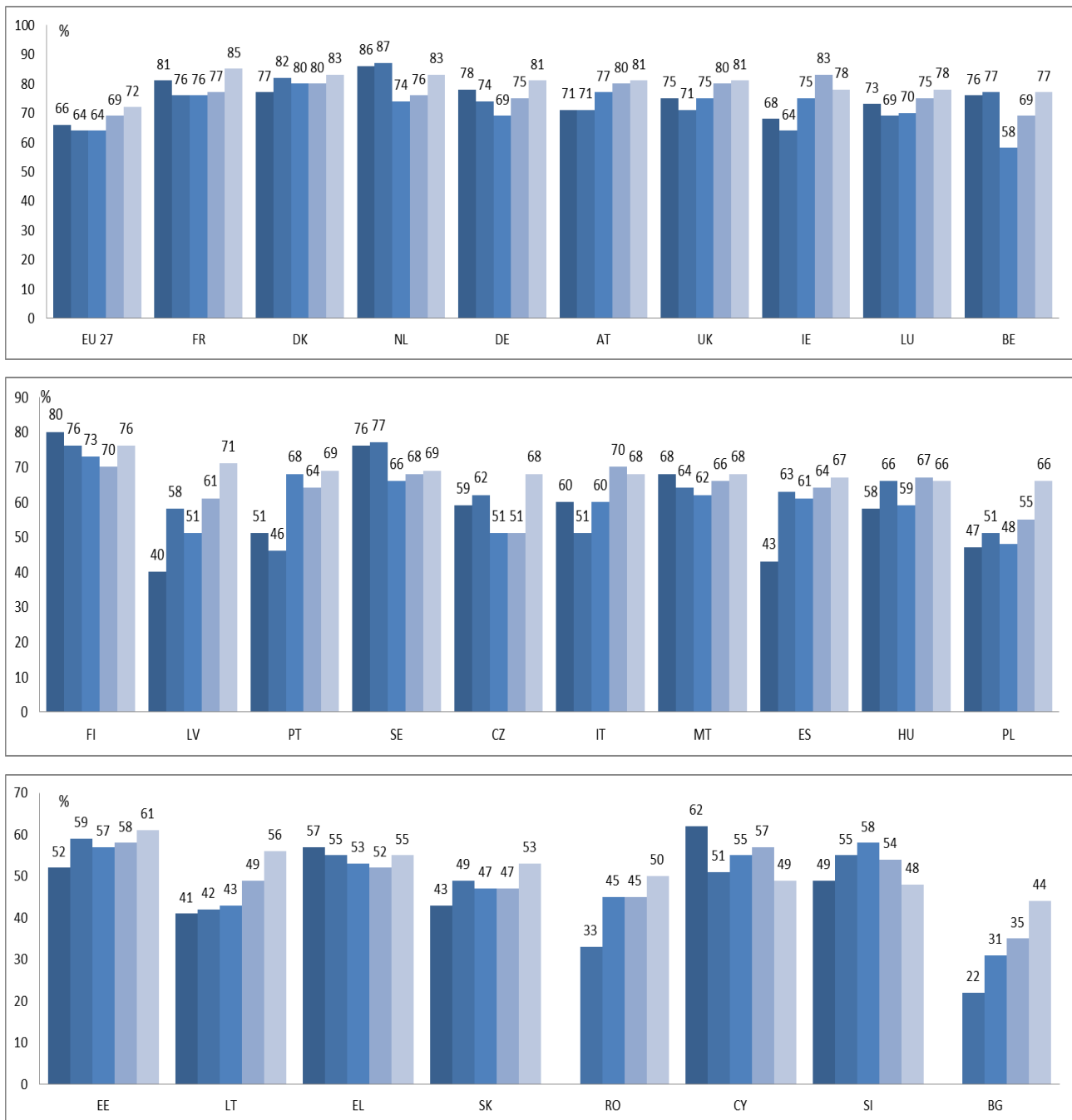
Figure 1: Consumer Confidence in Public Authorities, 2006. 2008-2011



Source: Special Eurobarometer 252; 298 and Flash Eurobarometer 282, 299, 332

The study has collected and re-directed the information that can be connected to the two topics in accordance with the above researching aim. The Figure 1 and Figure 2 below shows what is the percentage of respondents agreed that they trusted public authorities and independent organisations to protect their rights as consumers (Csiszár, 2012). Consumers in Luxembourg, the United Kingdom and Denmark trusted the most in their consumer public authorities to protect their rights. However Slovenia, Lithuania and Czech Republic consumers trusted the less their organisations.

Figure 2: Consumer Confidence in Independent Consumer Organisations. 2006. 2008-2011



Source: Special Eurobarometer 252; 298 and Flash Eurobarometer 282, 299, 332

In general consumers are now more likely to trust public authorities to protect their rights. However in Cyprus, Czech Republic, Finland, Greece and Malta the proportion of respondents who trust in organisations is equal to or lower than the results in the 2006 survey. The greatest increase from 2006-2011 is recorded in Poland with 19 percentage points. The largest increase in trust can be observed in Bulgaria with 27 points. In last two years the largest increase can be observed in Bulgaria, France and Belgium while a considerable fall is registered in Italy and Ireland (Flash Eurobarometer 332, 2012).

Consumers in France (85%), Denmark (83%), the Netherlands (83%) and Germany (78%) trusted the highest level in independent consumer organisations to protect their rights. The lowest level of trust is in Bulgaria with 44 percentage then Slovenia (48%) and Cyprus (49%).

In general consumers are now more likely to trust independent organisations to protect their rights than in 2006. However in Cyprus, Finland, Greece, Malta, the Netherlands, Slovenia and Sweden the proportion of respondents who trust in organisations is equal or lower than the results in the 2006 survey. The largest increase from 2006-2011 is recorded in Latvia with 31 percentage points. In last two years the largest increase can be observed in Czech Republic, Poland and Latvia while the sharpest decline is registered in Cyprus, Slovenia and Ireland. Trust in independent consumer organisations varies between Northern and Western Europe on the one hand and Southern and Eastern Europe on the other with consumers in the latter areas expressing showing lower levels of confidence (Flash Eurobarometer 332, 2012).

The Table 3 and Table 4 show the confidence-data are population weighted average of the results. The period covered by this study lasts from 2006 to 2011. I examined the data based on time dimensions on the one hand. according to consolidated EU average on the other and thirdly according to the EU member states divided into two groups of countries EU 15 and the 12 newly joined EU member states.

Table 3: Level of Confidence Placed In Public Authorities

	2006	2008	2009	2010	2011
EU15	63%	59%	60%	71%	67%
EU12	47%	47%	48%	51%	56%
EU 27	57%	54%	55%	62%	62%

Source: own elaboration based on Special Eurobarometer 252; 298 and Flash Eurobarometer 282, 299, 332.

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The level of confidence placed in governmental organizations shows a growing trend, in 2011 62% of the EU population trusted in governmental organizations, which means an 5 percentage-point increase compared to 2006. Regarding the country-groups, apparently there are significant differences. In certain years there is a 20 percentage point difference between the EU 15 and the later joined 12 countries. It can be stated that in the formerly joined, more developed member states, where the institution system was developed previously, the level of confidence placed in the organizations is higher, while the level confidence placed in the consumer protection institution that has been developed or restructured for 6-7 years is significantly lower. But the difference shows dercesing trend.

Table 4 shows the level confidence placed in independent organisations, which present a similar growth as public authorities. The increase is 6 percentage point high, therefore currently 72% of the EU population trust in the effective operation of public organizations. Regarding the country-groups the deviation is more significant, as there are differences of 20 percentage points between the EU 15 and the later joined 12 countries in certain years.

Table 4: Level of Confidence Placed in Independent Consumer Organizations

	2006	2008	2009	2010	2011
EU15	70%	68%	69%	73%	77%
EU12	50%	48%	48%	52%	60%
EU 27	66%	64%	64%	69%	72%

Source: own elaboration based on Special Eurobarometer 252; 298 and Flash Eurobarometer 282, 299, 332.

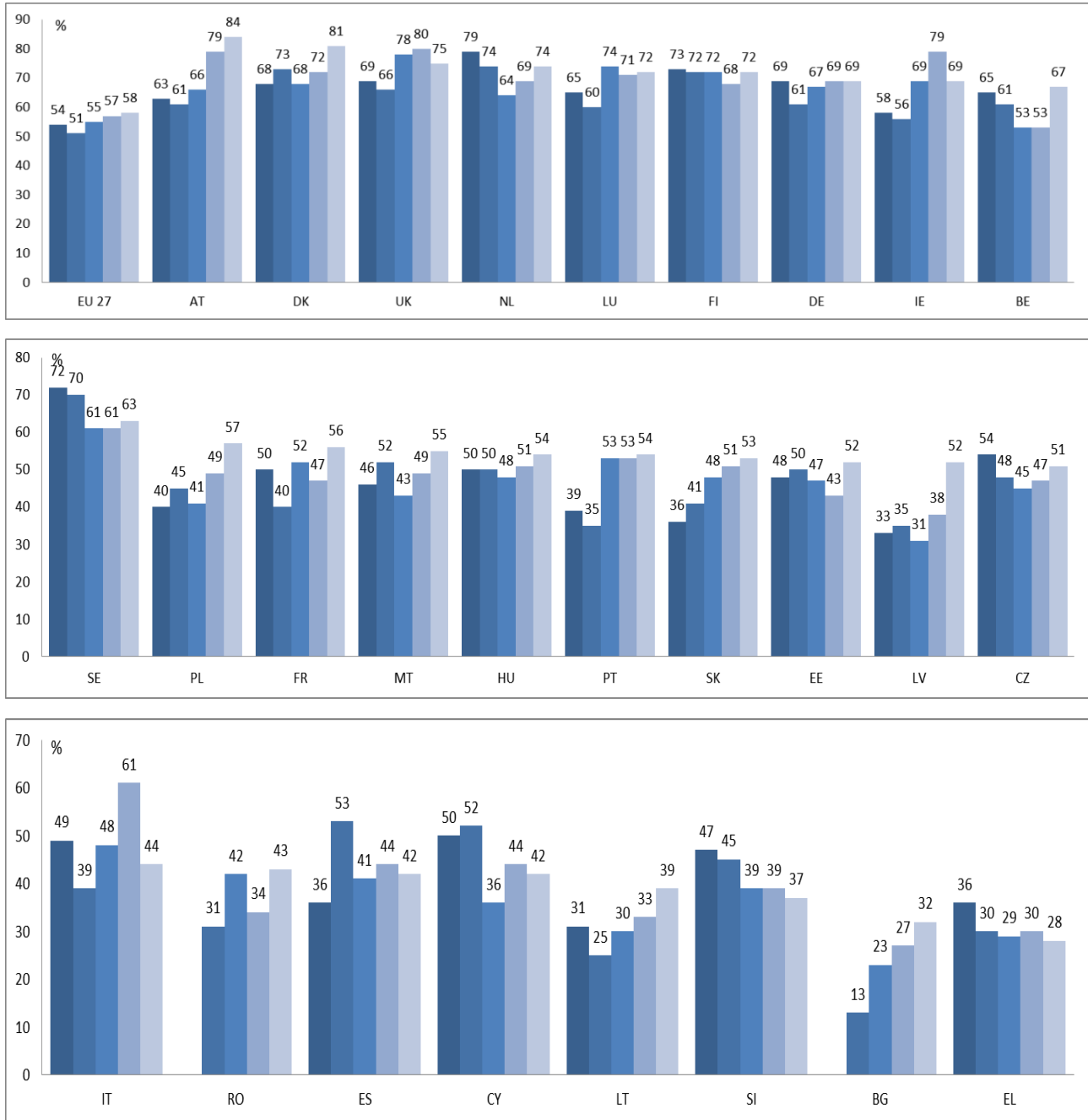
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The development of confidence placed in non-governmental and governmental organizations shows very significant differences and characteristics for the two groups of countries. At the beginning of the examined period the population of the EU 15 trusted more in the non-governmental than in the governmental consumer protection organizations by 10 percentage points. This difference has been decreased to 7 percentage points by 2010 due to the fact that the level of confidence placed in non-governmental organizations increased in a lower extent than in the case of governmental organizations. I assume that the worse judgement statistics of the population of Romania and Bulgaria joined in 2007 also played a role in the background.

The next Figure 3 shows, who feel, that they are adequately protected by existing consumer protection measures. More than four in five consumers in Austria and Denmark feel that they are protected. Three-quarters of respondents in the UK and the Netherlands feel the same. The lowest levels are observed in Greece, Bulgaria, Slovenia and Lithuania where the level of confidence in consumer protection organisations was low.

It can be stated that the trust in measures is better now than it was in 2006 in most countries. Exceptions to this are recorded in the Netherlands, Finland, Sweden, the Czech Republic, Cyprus, Slovenia and Greece where fewer proportion of consumers now feel sufficiently protected than in 2006. The greatest increase was occurred over the last five years in Austria while a considerable fall in again in Italy and Ireland.

Figure 3: Confidence in existing consumer protection measures, 2006. 2008-2011



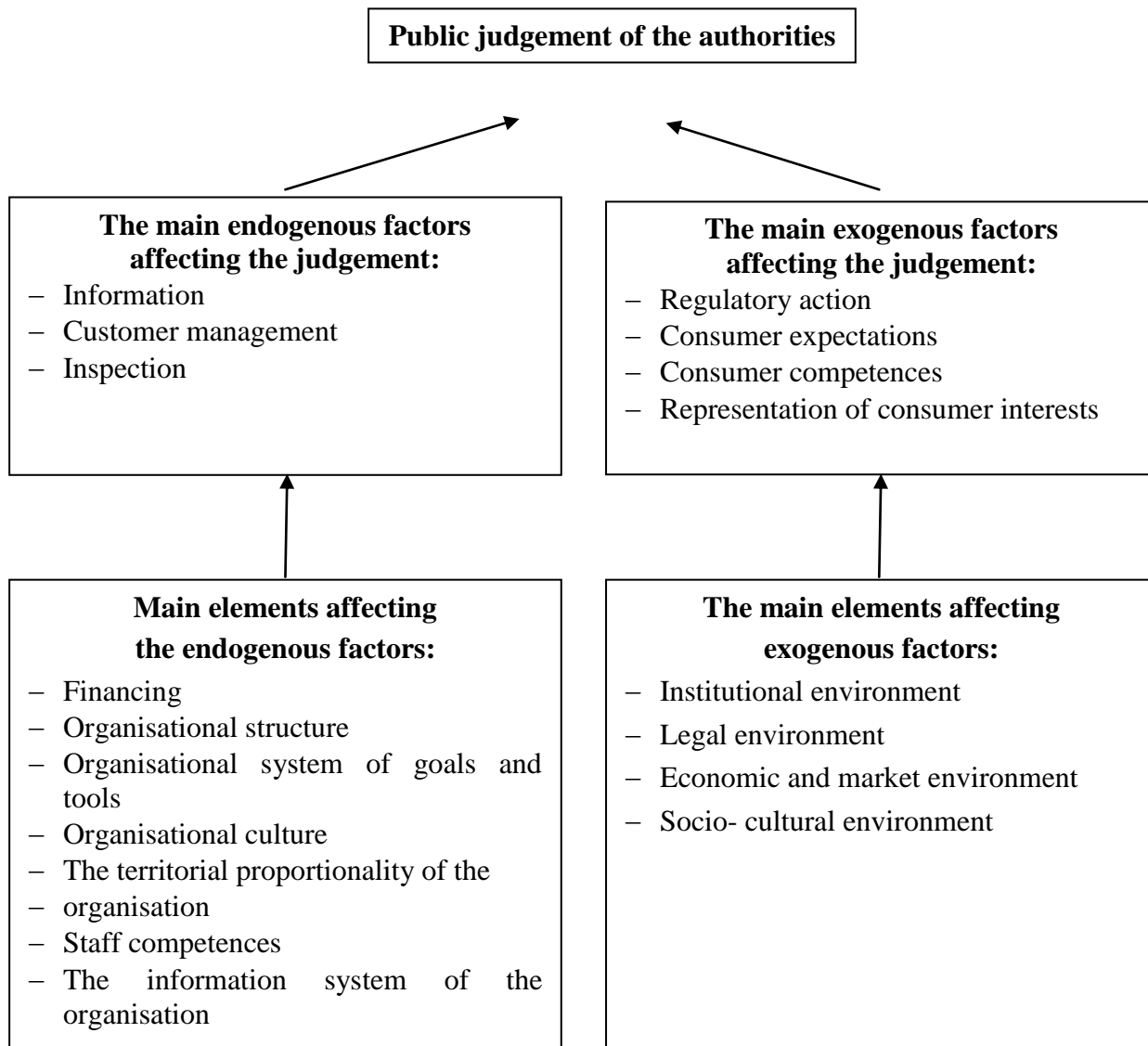
Source: Special Eurobarometer 252; 298 and Flash Eurobarometer 282, 299, 332

5 Factors affecting the public judgement of consumer protection organisations

Judgements in most cases represent transitions between quantitative and quality oriented points of view and always examine performance. I based my quantitative judgements on output data of consumer protection activities, while my quality-oriented judgements are based on public opinions regarding to consumer protection by the authorities. During the examination of the effects affecting the public judgement of consumer protection authorities I divide these effects into two groups (Figure 4). I rate

the consumer protection competences of the organisations into the endogenous¹ group, while the factors affected by external effects (self-consciousness or expectations of consumers) are rated into the exogenous group. Figure 4 shows the main elements affecting both the endogenous and the exogenous group, as well as those factors affecting the judgement.

Figure 4: The main factors affecting the public judgement of authorities



Source: Own elaboration based on the publications of Hetesi (2002:211-213) and Bodonyi et. al. (2002: 27-30)

I based the collection of the factors affecting the judgement of supervisory consumer protection authorities on the model of Hetesi, who wrote a similar study in relation of energy providers (Hetesi, 2002) and on the works of Bodonyi et. al. (2002), who examined the elements needed to learn the activities of administrative institutions. The measurement of consumer self-consciousness (awareness,

¹ Endogenous means “caused by internal influences”, while exogenous means “caused by external influences”.

competence, interest representation) was a new element in the model of Hetesi, which I found very important in the relation of this study as well.

The measurement model of the judgement is based on the measurement models of consumer satisfaction. There are many ways known to measure consumer satisfaction, from which the procedure used in most cases is the one emphasising on the judgement of service efficiency by the consumers. This study is also based on the identification of the factors for the public judgement of the service, which is the execution of its consumer protection function. Amongst the aims of consumer satisfaction measurements we can also find the provision of assistance to institutions by their self-judgement and by the comparison of efficiency levels (Hofmeister et. al. 2003; Bruhn and Murmann, 1998) The aim of the measurement model of effects affecting the public judgement is also to help achieve these goals.

Although studies regarding satisfaction levels clearly have a traditional background, one can not find a clear description belonging here either. I base my study on the notion of Stauss and Seidel (2006), which is one of the result-oriented approaches. According to this notion, consumer satisfaction is nothing more than an after-purchase effect, which shows how the consumer evaluates the products and services bought. The very first aligned national measurement system in the world that was capable of consumer satisfaction measurement and of the improvement of products and services on an intercorporate and inter-industrial level was established in 1989 in Sweden. This system was adapted by the establishment of the American Customer Satisfaction Index (ACSI), which, after many positive experiences coming from the USA and Sweden, was followed by the European Customer Satisfaction Index¹ (ECSI) (Gronholdt et al., 2000).

In most cases, national and international studies of satisfaction are based on the ECSI model. This is an equilibrated model that attaches consumer satisfaction to its factors and with its effect, namely with trust (Figure 5). The determinants of consumer satisfaction in this model are the following: consumer expectations, the experienced quality of services, the experienced value, the information and customer management, those factors likely having an impact on satisfaction. The fundamental aim of the model is not the measurement of the level of consumer satisfaction, but the factors having an impact on it.

The only factor in the model, which is observed directly and which is measured by one statement is consumer expectation. The consumer will be satisfied if the service holds value for him (Dumond, 2000), meaning that expectations also affect satisfaction levels.

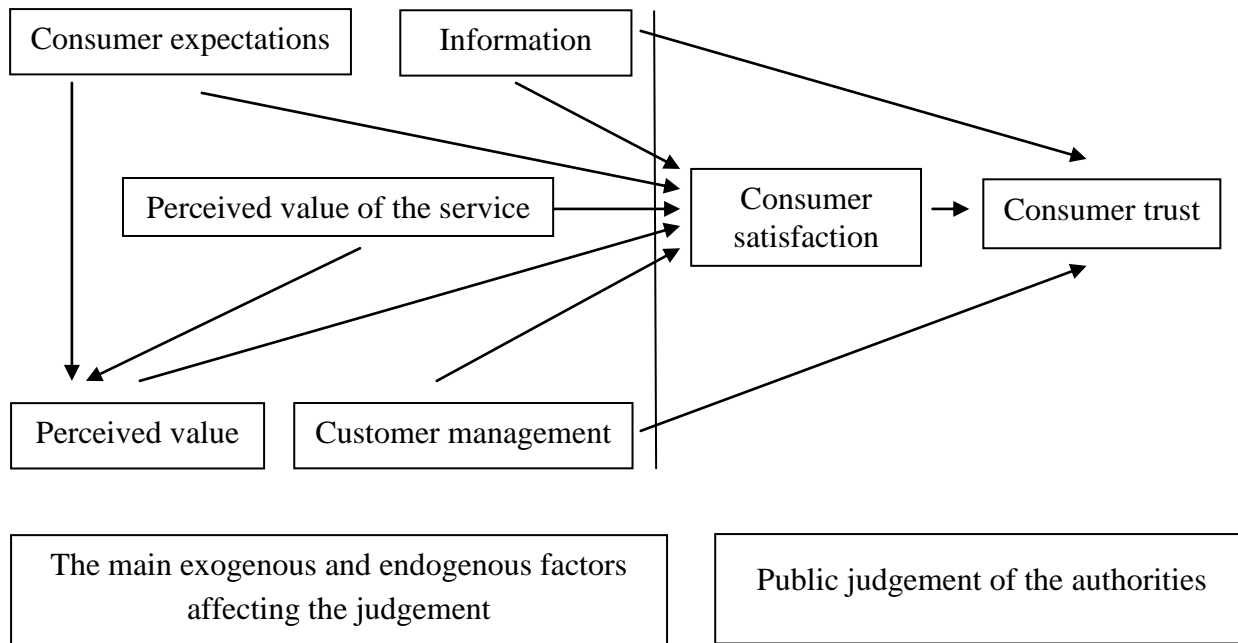
In the middle of the focus of the model, next to the measurement of the satisfaction, the perceived value of the service can also be found. The experienced quality can indicate the level of fulfillment of the most important needs, which may have a positive effect on the satisfaction levels, the perceived value of the service consists of two elements. One of them includes the features of the services, in this case the details of consumer protection function (control, regulatory action), while the other includes the elements of interaction, like the environment of the consumer protection services or the competences and interest representation abilities of the consumers. The perceived value² indicates the ratio between

¹ The establishment of ECSI was a result of a cooperation of organisations, including the EOQ (European Organization for Quality), the EFQM (European Foundation for Quality Management) and the European Academic Network for Customer-oriented Quality Analysis.

² The study does not analyse the experienced values regarding the supervisory consumer protection authorities.

the price and the quality, which is measured in the model in money. The quality of information and customer management influences satisfaction and in the long term trust as well. Similar to the model of Ball. I found important to put emphasis on these factors in order to achieve a more exact result.

Figure 5: The measurement model of the public judgement of consumer protection authorities



Source: ECSI model, own elaboration based on the studies of the ECSI model published by Bee et al. (2012) and Ball et al. (2004)

6 Conclusion and future research

The importance of the institutional systems of consumer protection is not a question anymore. However, to enable the system to be efficient, the proper establishment and operation of these systems is essential. In the relatively developed countries of the World and in Europe we can meet with different institutional structures. As a conclusion it can be stated that as result of the different measure of development, the consumer protection institutional structures can be classified into three different groups regarding the intervening role of the government in Europe. I examined one of the main goals of the current consumer protection policy, the level of confidence placed in the internal market and within that I examined the level of confidence placed in consumer protection organizations and measures. The level of confidence placed in governmental and non-governmental organizations is almost the same in the recent years, however significant differences can be observed between the groups of countries.

The study was based on the presumption that the state-provided institutions for consumer protection are influenced by many factors and that these factors can be grouped and counted. I grouped the factors of public judgement of the authorities into endogenous and exogenous factor groups. The article's discussion of judgement was based on the measurement models of satisfaction with consumer protection authorities and the trust placed on them. The writer proposed her measurement model of public judgement regarding supervisory consumer protection authorities, which was based on studies of the measurement of consumer satisfaction. The main variants of the model are latent variants and

therefore, those are unmeasurable in a direct way, so researchers have to attach measurable indicators to these variants. The further direction of this research is the accurate identification and quantification of internal factors, so as the activities of the organizations, consumer protection responsibilities as controlling, reporting and customer management (Csiszár, 2012).

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Annex:

EU27 European Union - 27 Member States

EU15 The fifteen Member States that were EU Members prior to the accession of ten candidate countries on 1 May 2004

EU12 The twelve Member States that joined the European Union in recent years (2004 and 2007)

BE	Belgium	LU	Luxembourg
BG	Bulgaria	HU	Hungary
CZ	Czech Republic	MT	Malta
DK	Denmark	NL	The Netherlands
DE	Germany	AT	Austria
EE	Estonia	PL	Poland
IE	Ireland	PT	Portugal
EL	Greece	RO	Romania
ES	Spain	SI	Slovenia
FR	France	SK	Slovakia
IT	Italy	FI	Finland
CY	Republic of Cyprus	SE	Sweden
LV	Latvia	UK	United Kingdom
LT	Lithuania		



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