

ITU-D Global Seminar on Quality of Service and Consumer Protection
31 August to 1 September 2006

Good morning ladies and gentlemen.

Thank you very much Mr Touré for your welcome to this event.

We have a substantial programme today and tomorrow, so I will keep my remarks brief.

We face a series of problem in quality of service and consumer protection across a wide range of legal systems and levels of economic development.

Over the last few years we have seen enormous progress in liberalisation of telecommunications markets. This requires consumers and business users to make choices, something which is often difficult. While high levels of competition will help inform purchasers, we often find telecommunications markets have only two or three players, with very similar prices. The operators are often vague about the differences in quality.

Competition may drive operators to find more customers, but it may be insufficient to drive up the quality of service.

Often as purchasers we have to take decisions with very imperfect information. We may not know the level of faults that we will encounter or whether calls will have echoes or be dropped unexpectedly. There is what economists call "information asymmetry". The operator knows quite well what is being sold, though it may not disclose it fully, while the consumer knows much less clearly the service that is being purchased.

Such problems are compounded if it is difficult or expensive to switch to an alternative supplier.

We all, in our daily life, trade-off price and quality. It may be the class of travel or the brand of soap powder. However, such decisions require a basis of knowledge.

Recent changes as we move to multi-play offers makes the problem much worse. Since now we may buy fixed and cellular voice, plus Internet access and television all as one package. In such circumstances, the poor quality of any one individual element may be overlooked.

We represent a very wide range of cultures and legal systems. These inevitable affect how we approach problems. I have just come from Scandinavia where one solution is the ombudsman, a neutral third party to resolve disputes. This approach has spread to some other parts of the world, but it remains an alien approach to many.

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Countries have different levels of development in their “horizontal” laws and regulations. Here in Switzerland, we can be quite confident that there are the means and the resources to deal with problems of general consumer protection, of inaccurate or misleading advertisements and faulty or dangerous goods. There are public officials to seek out any violations and means for consumers to report faults.

Other countries may lack this level of sophistication and may find it useful to develop these first in telecommunications and then to spread them to the rest of the economy.

I think we have plenty to discuss today and tomorrow.