

## The Coming Resurgence of the Consumer Movement: Prospects and Potential

Roger Swagler, The University of Georgia<sup>1</sup>

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Discussions of the future of the consumer movement should not neglect consideration of its past. The consumer activism of the 1960's and 1970's represents the third such period this century. Periods of reform, which occur at fairly regular 30-year intervals, seem to be linked to intergenerational change. A new period of consumer reform may, therefore, be near. Because of changes in the economy, this new period will have its distinctive features and challenges.

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### Introduction

"Does Consumerism Have a Future?" Herrmann asked that question at this conference over a dozen years ago. While he labored to answer in the affirmative, he made it clear that the consumer movement was in a period of "fragmentation and demise" (Herrmann and Warland 1980, 13). Since then, his judgment has been confirmed. It is now conventional to date the decline of the consumer movement from the mid-1970's (Garman 1991).

However, before one becomes too nostalgic about what Herrmann later called "the halcyon days of the 1970's" (Herrmann, Walsh and Warland 1988, 474), it is necessary to probe more deeply. First of all, it is not at all surprising that the burst of activity which characterized the consumer movement from the mid-1960's should have played out. That is the typical pattern for all social movements. Early initiatives develop momentum and generate activity; however, the process eventually wanes as enthusiasm, and then interest, decline (Herrmann and Warland 1980).

Indeed, it had all happened before, not once, but twice. The consumer movement of the 1960's and 1970's represented the third wave of activity this century. The first came during the Progressive Era prior to World War I; the second wave was during the decade of the Great Depression (Dameron, 1939; Herrmann 1974). Rather than lamenting the passage of the last wave, then, we might want to reflect on if, or when, the next one is due.

The if? question is easily answered: yes. Consumer issues are so fundamental to everyone's well being that they will surely reemerge near the top of the public's agenda. That is clear, but not very helpful, since the same could be said of almost any other major issue. The answer to the when? question is at once more important and less evident. However, there is reason to believe that the next wave may be approaching even now. The

next great period of consumer activism may be at hand.

### Intergenerational Cycles

The most obvious basis for that contention lies in simple arithmetic: the three periods of reform noted above occurred roughly at 30 year intervals. The Pure Food and Drug Act of 1906 was revised and extended 32 years later, to be followed in another 30 years by the Consumer Credit Protection Act ("Truth in Lending,") (Gaedeke and Etcheson 1972).<sup>1</sup> Given that pattern, the next period of reform should begin before the end of this decade.

Chronological patterns, however, are, at best, a crude basis for establishing a cycle. The chronology is subject to the post hoc, ergo hoc fallacy; that is, the 30-year interval may be chance. Lacking logical content, the formulation is essentially artificial, with no basis for arguing that events will develop in a particular way simply because they did so in the past.

The historian Arthur M. Schlesinger, Jr. and his father are among the numerous scholars who have grappled with the question of cycles. The elder Schlesinger identified a pattern of cycles extending back to the founding of the Republic with hardly an interruption (Schlesinger 1949).<sup>2</sup> In an extension of his father's work, Arthur Schlesinger, Jr. (Schlesinger 1986, 27) defined the cycle "as a continuing shift in national involvement between public purpose and private interest" (emphasis added). For the "genuine cycle," he continued:

the explanation must be primarily internal. Each new phase must flow out of the conditions -- and contradictions -- of the phase before and then itself prepare the way for the next recurrence. A true cycle, in other words, is self-generating (27).

The power for Schlesinger's cycles is provided by "the generational experience." He noted (1986):

a generation's political life lasts about thirty years. Each generation spends its first fifteen years after coming of political age in challenging the generation already entrenched in power. Then the new generation comes to power itself for another fifteen years, after which its policies pall and the generation coming up behind claims the

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<sup>1</sup>Housing and Consumer Economics

succession (30).

From this perspective, recent national leadership in the United States reflected the attitudes learned during the Eisenhower years, to be replaced by those who came of age during the Kennedy-Johnson administrations. According to Schlesinger (1986, 30), the latter will tend "to repudiate the work of the generation it has displaced and to reenact the ideals of its own formative days thirty years before."

Schlesinger (1986, 30) stressed that the generational sequences feature neither "arithmetical inevitability" nor swings which are "grandiose and immutable." Rather, the cycles result from an all-too-human tendency for people to tire of existing patterns. The continual change associated with the reforms of the public periods eventually turns people's thoughts inward; conversely, during years of preoccupation with private matters, problems accumulate which finally require concerted action.

The years when the consumer movement flourished correspond to Schlesinger's periods of "public purpose."<sup>3</sup> Those years followed, as Garman (1991, 39) noted, "periods when the good of the corporation was equated with the good of the nation." During such intervals of "private interest," -- which surely include the 1980's and the early 1990's -- the movement has languished. If the pattern suggested by this formulation holds, the consumer movement will be carried upward again as the tide of public purpose rises later this decade.<sup>4</sup>

#### The Changed Environment

The revived consumer movement, however, will not pick up where things left off in 1975. Schlesinger correctly rejected the analogy of a pendulum which swings between two fixed points and returns to where it began. A change in cycles does not mean a return to the *status quo ante*. Instead, he suggested a "spiral, in which the alternation proceeded at successively higher levels" and change accumulated (Schlesinger 1986, 24).

Thus, despite a certain laxness in enforcement, the reforms of the 1960's and 1970's remain in place. So, too, however, will the changes in the economic environment which have taken place during these most recent years of private interest. Indeed, those changes help explain why the new generation seeks to displace the old. The reforms of the 1960's and 1970's did not -- could not -- address the realities of the 1990's. The accumulation of change has resulted in unmet needs which, when they become sufficiently acute, will usher in a new era of public purpose.

It is difficult to summarize all the changes which have taken place in the economy over the past two decades. However, the most fundamental developments surely include the following.

1. The **globalization of the economy** has raised the cost of information and made it even more difficult to ensure corporate accountability.
2. The dawn of the **information age** has increased both the amount of, and need for, information. Access, however, is not ensured and large numbers of consumers may be marginalized because they are cut off from necessary information.
3. **Technological change** has meant significant restructuring in areas such as communications and the media. In the case of biotechnology, whole new categories of products are being created which may raise problems for consumers.
4. **Deregulation** has raised information costs for all consumers and, in instances such as the savings and loan crisis, has imposed a public burden. In most cases of deregulation, it is possible to identify a group of consumers who have suffered.
5. **Environmental concerns** have focused attention on the relationship between high levels of consumption and environmental deterioration, while highlighting the need to consider the environmental impact of any initiative from the private or public sectors.

The cumulative impact of these various elements is a new set of economic imperatives which help frame the agenda for the consumer movement.

That agenda, however, will have to be crafted carefully. The elements noted here are not simply new, they are part of a much more complex economic environment. That complexity, in turn, requires a more flexible set of responses. There are two reasons for making that contention.

First, the elements listed above have created problems, but do not represent evils in and of themselves. Consider that:

1. globalization of the economy has benefitted American consumers through lowering production costs, increasing choice and promoting competition in key sectors (such as automobiles);
2. increased access to information provides consumers with added leverage and has facilitated the exchange of information;
3. some consumers have suffered because of deregulation in areas such as banking and long-distance telephone services, but others have gained;

4. there is a need for prudence, but biotechnology holds promise for the development of useful, potentially life-saving, products.
5. the environment is consumed at so many levels -- directly in the form of clean air or wilderness, indirectly through new construction and waste disposal -- that one can link a "consumer interest" to any environmental position.

There are more examples, but the point should be clear: generalized positions will be more difficult to maintain because the particulars of each issue will have to be evaluated. Otherwise, consumer groups cannot claim to be speaking in the consumer interest because significant numbers -- in some cases, the majority -- of everyday consumers will oppose them. Trade offs among various groups of consumers will make it more difficult to project a clear image to the public and build a consensus,<sup>5</sup> but the common ground must be found if action is to be effective.

The second consideration has to do with the heightened distrust of big government. Disenchantment with perceived failures of past government programs may fade as the cycle changes, but to the extent that the response is fundamentally anti-bureaucratic, it is unlikely to go away. Thus, calling for new regulations or government programs as a routine response to problems is likely to remain unpopular.

These developments present new challenges, but do not represent impossible obstacles. Indeed, they will have a positive impact if they result in programs which are better thought out or encourage the emergence of creative solutions. Maximizing efficiency and minimizing unintended consequences are surely beneficial. Nontraditional, market-oriented responses may offer a range of possibilities.

Whatever new approaches do emerge will merely represent the continued evolution of consumer policy responses. During the first two periods of consumer reform, legislation focused on classic regulation, as illustrated by the Pure Food and Drug Act of 1906 and its extension in 1938. That option also played a role in the 1960's and 1970's, but information-based policies -- such as Truth in Lending -- came to be relied upon with increasing frequency. One would expect that trend to continue, with increased emphasis on empowering individuals and making it easier for consumers to protect their own interests in the market.

#### Final Observations and Conclusions

Three final points should be made. The first has to do with political considerations which have been ignored thus far. That may seem strange following a presidential election, because public purpose cycles tend to be associated with the

Democrats and private interest with the Republicans. The fit, however, is not perfect. When this paper was first written, the outcome of the presidential election was unclear; since then, a Democratic president has been elected, but that does not guarantee the resurgence of the consumer movement any more than the election of a Democrat in 1976 arrested the movement's decline (Richardson 1986).

During the campaign, the Democratic ticket distanced itself from both the term liberal and the concept of large-scale government programs. Whether that Clinton presidency continues that course remains to be seen. Recall, however, that despite the promise of President Kennedy's "Consumer Bill of Rights" in 1962 (Lampman 1988), the real acceleration in the pace of reform came two years later. Thus, if 1993 does not turn out to be the watershed year, chances are improved that the change in cycles will follow soon thereafter.<sup>6</sup>

Schlesinger, for one, believes that the change is underway. Writing in the Wall Street Journal soon after the election (1992: A15), he noted that President Clinton took over in a "comparably ragged time from the conservative to the liberal phase of the cycle." Comparing 1992 to 1960, Schlesinger continued:

Like President Kennedy in 1961, Mr. Clinton will confront a mixture of contradictory political pressures, some urging him forward toward activism, some pulling him back toward conservatism. But soon, if the usual rhythm holds, the liberal tide, in the 1990s as in the 1960s, will run in full flood (emphasis added).

The second point has to do with emphasis. The continued references to the "resurgence" of the consumer movement are not meant to suggest that the movement is currently ineffectual. The emphasis here is on relative strength. The possibility of greater influence in the future does not imply a lack of influence now. Indeed, the impact of sustained pressure over time is probably undervalued. Remember that when consumer groups began raising safety questions about automobiles 30 years ago, the industry claimed that "safety won't sell." Now manufacturers emphasize the added safety of "crumple zones," air bags and anti-lock breaking systems. Without the on-going influence of the consumer movement, the outcome might well have been different.

Finally, it should be emphasized that no discussion of the future can deal in absolutes. There is a compelling logic to the idea of cycles, but the pattern is by no means assured. Schlesinger (1986) himself emphasized:

As the cycle is not automatic, neither is it self-enforcing. It takes people to make the cycle work. Those

who believe in public purpose must interpret events, press issues and devise remedies. They must rise above those worthy special interests . . . that have become their electoral refuge and regain a commanding national vision. . . (45-6).

In short, the system is not deterministic. It takes individuals with courage, vision and ideas to seize the moment.

With respect to ideas, the future holds promise. Indeed, if one can be certain about anything concerning the future, it is that in its next up-cycle, the consumer movement will have the benefit of a much sounder research base. Thirty years ago, this organization was still young; there was no Journal of Consumer Affairs, and if anyone had thought (or could have afforded) to compile The Frontier of Research in the Consumer Interest, it would have been a much slimmer volume than the one with which we are familiar.

This is not meant to deprecate those who were working in the field at the time; rather, it emphasizes the solid nature of the structure which has been built on the foundations they laid. It follows that broadening and deepening the research base is the greatest contribution consumer researchers can make to the revival of the consumer movement. The carefully crafted agenda discussed above cannot be developed without a body of research to draw upon. If, however, as much can be achieved in the next generation as was accomplished in the last one, the future is secure.

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#### Endnotes

1. Although the Sherman Antitrust Act was passed in 1890, enforcement lagged. Reform was at its height between 1906 (Pure Food and Drug Act) and 1914 (Federal Trade Commission Act). Reform in 1930's came later in the decade, around the date given. The most recent period was foreshadowed by President's Kennedy's "Consumer Bill of Rights" in 1962, but the bulk of substantive reform come later in the decade.
2. The major exception is the Civil War-Reconstruction period. Changes during that time were so monumental that it may have taken longer to accomodate them (Schlesinger 1986).
3. In an extension of consumption theory to the political sphere, Hirschman developed a similar theory of cycles which alternate between "private interest" and "public action" (Hirschman 1982).
4. Richardson mentioned cycles and the consumer movement in the 1986 article dealing with "Predictions for the 1990s." His focus, however, was on organizational elements, and he did not deal with the pattern of periodic revival.
5. That is, is easier for a group to explain itself (and to get attention) by saying: "We oppose all deregulation," than by saying: "We favor deregulation in Case A, but oppose it in B."
6. In retrospect, it may be significant that the only Congressional override of a presidential

veto during the Bush presidency came on a consumer bill (legislation to reregulate the cable television industry).

7. See (Brobek, 1990).