

The Consumer Movement Today: An Encyclopedic View

The casual observer may have the impression that the consumer movement in the U.S. and abroad has made little progress since the early 1980s. A closer look reveals that over the past two decades, the movement in the U.S. and abroad has progressed organizationally, has become increasingly sophisticated politically and technically, and has had considerable success in advancing the consumer agenda.

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The Continuing Influence of Esther Peterson on the U.S. Movement

Two recent events have stimulated me [Stephen Brobeck] to think about trends in the U.S. consumer movement. The first, of course, was the preparation of the Encyclopedia of the Consumer Movement (1997). The second was the death of Esther Peterson. In thinking about both, it struck me that much of what Esther tried to teach us in her acts and words is reflected in some of the movement's most important recent trends. I would suggest that five of her lessons are increasingly put into practice — by national advocates, especially.

The first lesson she taught us was that, no matter how distasteful, it is important to engage in politics. Public policy affects consumers; skillful, determined advocates can influence this policy. Political engagement is particularly important when policymakers are insensitive or even opposed to consumer interests. Usually working out a compromise is better than getting nothing at all.

Today, consumer advocates face challenges that are nearly as great as those which faced Esther during her two stints as special assistant to the president. Washington's political environment dramatically changed with the election of a conservative Republican Congress in 1994. Almost immediately, advocates were put on the defensive by determined efforts to weaken federal regulatory agencies and individual consumer remedies. Yet, the attacks had the effect of energizing advocates, which is an important reason that, to date, few of these assaults have succeeded. Congress has only limited remedies of defrauded investors, eliminated some auto leasing disclosures, and weakened regulation of pharmaceutical products. In the same period, advocates played an important role in persuading Congress to approve a substantial increase in the CPSC's budget, add new fair credit reporting protections, improve safe drinking water standards, and overhaul telecommunications regulation building in some consumer protections. At the same time, advocates were successful in helping persuade the Clinton administration and independent regulatory agencies to toughen antitrust enforcement, regulate seafood and meat safety more effectively, and approve new auto leasing protections.

A second lesson that Esther tried to teach us is that if we don't hang together, we will all hang separately. No one in the movement's history preached solidarity more forcefully or effectively than Esther. It was she who persuaded national and grassroots consumer groups to join with consumer co-ops and trade unions to form the Consumer Federation of America. It was she who linked CFA to the Nader network and even to some business groups in support of the consumer protection agency. And, it was she who in 1987, persuaded one of these business organizations to join in the Consumer Insurance Interest Group in an effort to strengthen state insurance regulation.

Largely because of Esther's example, and the emergence of a less consumer-friendly environment, advocates are cooperating with each other, with many other consumerists, and with business groups more closely than ever before. In large part because of Esther's example, consumers have begun to work for the first time with business in permanent coalitions, including the Coalition for Consumer Health and Safety, Advocates for Auto and Highway Safety and the Coalition Against Insurance Fraud.

Esther's third important lesson to us was that education and information matter a great deal. Over and over in her life as a consumerist, she emphasized the importance of the right to know. This commitment perhaps can be seen most clearly in her work as a consumer advocate for Giant Food. Not only did she convince this major food retailer to introduce open-dating and unit-pricing, but because of Giant's example, most of the supermarket industry was persuaded to follow suit.

Today, many advocates are more aware than ever of the limits of using public policy to protect consumers. In today's political environment, any new protections are likely to represent compromises. Yet, even if they were not, these protections would only establish minimum standards of business conduct, not ensure that consumers received good value in their product purchases. It is this realization that underlies the numerous consumer information and education efforts begun in the last decade.

Esther's fourth lesson to us was not to forget consumers in other countries, especially those in the Third World. As special assistant for consumer affairs, she persuaded President Carter to issue an executive order creating a list of banned and restricted products. Though this order was soon revoked by President Reagan, Esther later helped persuade the United Nations to create an international list of hazardous products. She then successfully championed U.N. approval of Consumer Protection Guidelines which helped persuade many developing nations to establish new consumer protections.

Slowly but surely, consumer groups are focusing on international issues. Consumers Union helped create, then lead, the International Organization of Consumers Unions (now Consumers International). The National Consumers League has recently taken leadership in opposing child labor overseas. And, in the past decade, U.S. groups increasingly have involved themselves in trade issues.

The fifth and final lesson that Esther helped teach us is that, even in the face of political and financial pressures, one's integrity, and that of the movement, must be maintained. Some other social movements have not been able to resist these pressures. Certainly, political and financial pressures have influenced many advocates. Without a doubt, funding influences what issues one chooses to address and what strategies are pursued. Yet, the integrity of the whole consumer movement has, in my opinion, not been seriously challenged. That is partly because of the movement's diversity. While constraints imposed by particular types of funding may limit individual groups, they do not impose similar limits on the entire consumer movement because of the variety of the movement's funding sources.

The death of Esther — partly because it occurred at about the same time the U.S. Office of Consumer Affairs was denied funding — may have led some to question whether an era of the American consumer movement had ended. It appears to me that Esther's lessons from her words and deeds have been learned by much of the current movement and will help ensure that it continues to survive and prosper.

An Overview of the International Consumer Movement

During the last five years, I [Robert Mayer], have had opportunities to learn about the state of the world consumer movement as ACCI's representative to Consumers International's 1994 and 1997 World Congresses, and as co-editor of the Encyclopedia of the Consumer Movement, with responsibility for its forty entries on the consumer movement outside the United States. In speaking about the world consumer movement, I prefer to use the word "movement" rather than "movements" because I believe that consumer activists around the world, while not tightly coordinated, actively communicate with each other, assist each other, and view themselves a part of a single but diverse movement.

A second general characteristic of the world movement is its growing professionalization. By this I mean that consumer advocacy is increasingly like other professions which provide full-time paid careers. One measure of this professionalization is the continuity of leadership in most of the world's major consumer organizations. Another is the training that occurs in fund raising, negotiation and lobbying, strategic planning, and general management. One element that is missing is a clearly defined program of academic preparation for a career as a consumer advocate. A third general observation is the growing internal democracy within the world movement. While the organizations of the more developed countries continue to wield the power that comes with greater financial resources, organizations from less affluent countries are exerting greater and greater influence within CI and the world consumer movement.

In a recent article (Mayer, 1998), I placed the countries of the world into six categories depending on how their wealth, government involvement in the economy, strength of democratic institutions, and cultural values influenced the nature and extent of consumer protection. Here, I will use a simpler classification of more developed countries, newly market-oriented countries, and less-developed nations as a basis for discussion.

Among the more developed nations, the U.S. remains enviable for the strength of its product-testing magazine, and its independent, nonprofit consumer organizations. We in the U.S. may not regard this as a time of growth in the consumer movement, but the movement is certainly holding its own. In contrast, the movements in many European countries are suffering because of cutbacks in the government support on which they have relied.

The Encyclopedia articles on Denmark, the Netherlands, and Sweden document this process of retrenchment. Other organizations which are financially independent have been criticized for the strategies they have employed. These include the British Consumer Association's co-branded credit card, and the Belgian Consumer Association's move into other countries with joint-publishing ventures. At the same time, European economic integration has helped raise the level of consumer advocacy in Spain, Portugal, and Greece.

The consumer movement in the newly market-oriented countries is described in a superb Encyclopedia article by Alastair Macgeorge (1997) on the consumer movement in Central and Eastern Europe. There are, in addition, a number of articles on individual countries. Two quite distinct trends appear to be at work in these nations as they make the transition to free-market economies, and to democratic political systems. One trend is bottom-up and involves the emergence of individual consumer leaders. These leaders, who typically have professional or academic backgrounds, have virtually jump started the consumer movements of their respective countries. It is unclear whether their organizations will survive a change in leadership and achieving this continuity is a challenge.

More immediately, the fledgling organizations in these countries face the problem of obtaining funds and gaining public support. In many countries in Central and Eastern Europe, the tradition of participating in private organizations is weak. Moreover, consumers are not fully aware of the benefits of consumer information, so the idea of paying for it seems strange. Macgeorge views these characteristics as part of the "old 'dependency culture' in which the individual was powerless, and it's always somebody else's job to put wrongs right." A second process is top-down and involves government effort to gain acceptance into the European Union. Most countries in Central and Eastern Europe have introduced general consumer protection laws. Some also are seeking to regulate activities that were unimportant in a planned economy, especially advertising and financial services. Most of the changes occurring in the countries are favorable to the development of a consumer movement. But one important element frequently is still missing: "a self-aware middle class with money to spend on consumer goods" (Macgeorge, 1997).

The consumer movement is growing rapidly in the less-developed nations. This growth can be measured by the timing of membership in CI. In the 1970s, membership grew rapidly in Southeast Asia, with the opening of CI's first regional office in Penang, Malaysia in 1975. In the 1980s growth was rapid in Latin America, with the opening of an office in Santiago, Chile in 1986. In the 1990s the highest rate of growth has come in Africa. CI's newest regional office was set up in Harare, Zimbabwe in 1994. Given the diversity of these nations, it's not easy to draw generalizations about their consumer movements, but I will offer some. First, in these countries, the definition of consumer rights is broader than that in more developed nations. It includes access to basic necessities, and to a clean environment, especially clean water. Unlike U.S.-style consumer rights which emphasize means of increasing consumer welfare (e.g., provision of information), the emphasis in less-developed countries is on consumption itself.

A second characteristic of movements in the LDCs is the close connection to other social movements and to the democratization process. In these countries, the consumer movement, the environmental movement, and the women's movement are far more interconnected, with leaders moving among these movements. A third characteristic is the preponderance of women in leadership roles and as rank-and-file participants. This is bound to affect the goals, methods, and impact of the movement. Women are more likely than men to be familiar with the nature and extent of consumer problems, and to have the time and social networks to organize for action. On the other hand, the identification of consumer issues with women's issues may relegate them to a lower position on the political agendas of male-dominated countries. A final characteristic is the financial precariousness and dependence of the organizations in these countries. To date, countries like Australia, the Netherlands, Canada, the United Kingdom, and the United States have provided financial assistance either directly or through CI. Fortunately, a small grant goes a long way, but government support will likely be necessary if organizations are to survive without subsidies from developed nations.

The world consumer movement appears to be healthy. While the movement is in a steady state in the U.S. and perhaps in slight decline in Europe, it is growing rapidly elsewhere. And, it also appears up to the challenge of dealing with increasingly complex issues of telecommunications, international trade, and the natural environment.

A New Look at the U.S. Movement

Some changes in the structure and strategies of the U.S. consumer movement have become increasingly clear in the last two decades. For this discussion, I [Robert Herrmann] will draw on the article which Rob Mayer

and I prepared for the Encyclopedia (Herrmann and Mayer, 1997). Many of these same changes have occurred in the movements in other countries, as has been pointed out above.

Perhaps the most significant change is the institutionalization of the movement. Its legitimacy is established, and it no longer has to fight to be heard in policy discussions. Its organizations are permanent and ongoing, and have built relatively secure funding sources. Another indicator of its status is its self-reflexiveness, of which the Encyclopedia is only the most recent example. A closely related change is the trend toward specialization, especially in the newer organizations. The early organizations tended to have a broad, general focus, the newer ones have tended to focus on particular issues such as nutrition and food safety, auto safety, or health issues. With this specialization has come the possibility of developing expertise on complex, technical issues. But, specialization also has created a need for coalitions with others in order to get remedial action. Another closely linked change is the trend toward professionalization. The organizations of the movement increasingly are staffed with paid careerists, rather than eager but perhaps less expert unpaid volunteers. With professionalization has come the recognition that many consumer protection proposals involve costs and well as benefits, and that the costs of any new protection must be weighed. Greater professionalization also has brought more experience and skill in lobbying for political action. It also has brought essential new entrepreneurial skill in gaining public attention and financial support.

With these changes in organizational structure have come some changes in strategy. Boycotts and boycotts continue to be mechanisms for pressing for change. As action at the national level as become more difficult, there has been notable action at the state level through the use of the initiative and referendum process, and suits by state attorneys general. We also have seen a succession of sophisticated legal actions by the regional offices of CU, and by others. There also has been increasing recognition of the lifelong importance of consumer education and information. The continuing stream of complex new products and services makes continuing learning essential.

The U.S. movement also has become far more global in its perspectives than it was two decades ago. Trade issues, and the welfare of consumers in other countries have become concerns of U.S. movement organizations. When CU took the lead in the founding of what has become CI, they seem to have been motivated by the potential advantages of sharing test protocols and results. What has evolved is an international organization which emphasizes sharing experiences and resources for promoting advocacy, and consumer protection.

Certain tensions and problems remain unresolved within the consumer movement. One of these problem areas is relations with the labor movement, and with the environmental movement. What does the consumer movement owe labor for its past support? And, does the consumer movement do enough to promote environmentally responsible consumption? Another ongoing problem is the coordination of movement activities. The movement is made up of a diverse set of organizations with varying philosophies; how can they be brought together to promote action on critical issues? Another ongoing problem is mobilizing the public support, financial resources, and technical expertise to deal with the complex issues confronting consumers today.

Overall, these changes and those described above suggest a new level of permanency, stability, and sophistication in the consumer movement both here in the U.S. and abroad.

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Endnotes

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