

# CONSUMER EDUCATION AND CONSUMER PROTECTION KEY ELEMENTS IN THE POVERTY PROGRAM

By MELVIN B. MOGULOF, Ph.D.\*

*Representative in Charge of Community Action  
Program, Far West Region, San Francisco*

Different fields of interest tend to develop their own jargon which, in turn, emphasizes real impact upon the way others think about an area.

Take the concepts of "consumer education" and "consumer protection". The former implies that it is the consumer who must do the changing, who must develop better devices for coping with the merchandizing techniques of modern America. I think that many Community Action Programs will develop creative devices for re-educating the poor as consumers; I shall discuss some of these devices later. But as one whose bias lies in the area of prevention, I am much more attracted to the concept of consumer protection.

In the notion of protection lies the imperative of dealing with the producer, rather than the consumer. And the potential for this kind of change lies uniquely in the Community Action Program.

Some of the major potentials of the Economic Opportunity Act of 1964 lie in the equipping of poor people to deal more adequately with their environment. But if one's environment in the role of consumer is the jungle of advertising claims, installment buying, impulse marketing, deceptive packaging and labelling, etc., then surely the Office of Economic Opportunity has little capacity to control this environment.

## MOST CRUCIAL TO SURVIVAL OF POOR

We can help the poor person become a better reader of labels and, therefore, ameliorate the effects of his environment, but we can hardly force manufacturers to state package weights in such a way as to be intelligible. This is the kind of consumer protection that the Office of Economic Opportunity is much less concerned with. Rather, our concern is with the producers of those resources which are most crucial to the survival of the poor.

The concept of regulating the "producer" in addition, or coupled with a strategy of consumer education, has been central to the deliberations of this council. Clearly one can spend many years in individual education and end up with nothing more profound than "caveat emptor". The middle-class consumer seems to have exercised his caveats. In fact, his capacity to maneuver within the competing claims and the small print is one measure of his middle-classness. By education, by occupation by the availability of cash, the middle-class consumer is able to retain some kind of balance between himself and producers.

This notion of balance is of course a critical one; in fact, the very reason you assemble periodically is to assess this balance and determine where the council shall throw its weight. I would be surprised if any of your recent efforts have been directed towards aiding the producer.

Let me pursue this notion of balance between producer and consumer, and examine its implications for the anti-poverty program. The consumer can seek to retain some balance in his relationship with producers through the fostering of competition, through the establishment of consumer protective devices and finally through the intervention of government. All societies have established certain areas where the government itself becomes the producer. In our own country the schools, the courts, the police, the mails, to name but a few, have seen the government become the producer.

#### PARALLEL SYSTEMS OF RELATIONSHIP

I have spoken about two relationships: (a) that of the consumer to the private sector producer, with the consumer aided by a number of balancing devices, including government intervention; and (b) that of the consumer to public sector producers, with the consumer aided by political pressure and administrative review.

Any observer of the American scene for the past 30 years has noticed two parallel systems of relationship have arisen between resource and consumer. The predominant relationship is that where a combination of public and private resources are aimed at a total public. Thus, we may buy our house through a private real estate broker but depend upon countless "balancing" devices instituted through our government to protect us in these transactions. In theory, if there were perfect balance, the government would govern least. In fact, the government continues to establish laws and agencies to see that a semblance of balance is in fact maintained.

To the consternation of those who prefer a government which governs least, these regulating agencies have appeared to intervene on behalf of the consumer in sustaining this balance. In some instances, government could not sustain this balance between resource and consumer by regulation, and thus had to become a furnisher of the resources. Since a sense of "balance" is differentially perceived, depending upon where one is in the social and economic structure, societies have been continually exercised over how much government ownership and regulation is proper. Our own society seems to value a minimum of government regulation.

It is clear that in America there has been a growth of a whole series of government controlled resources which are aimed at a specific segment of consumers who have fared so poorly in receiving resources from the private sector that alternate arrangements had to be made. This special and emerging relationship between government as the supplier of resources and a specific sector of the consuming population means that *for the poor*

*person, critical life decisions affecting him lie increasingly with the public bureaucracies.*

It is not clear as to who, if anyone, sits between the public bureaucracies and the most disadvantaged. Unlike the middle-class, the disadvantaged have neither access to the policy making of these public agencies which critically affect their lives, nor have they been able to organize protection of their own interests against these bureaucracies.

Take note of these public bureaucracies whose resources are central to the lives of the poor. Then, after examining the differential way in which these agencies are used by the poor and the middle-class, the possibilities for change emerging in the anti-poverty program will be discussed.

**THE SCHOOLS:** If one's aim is to escape poverty, there would appear to be no resource as critical as good education. But the dismal liturgy that all of us can recite is that the schools in the most impoverished area have the poorest equipment, the poorest teachers, the poorest morale and the poorest parent involvement, among their other disabilities. In the central core of our great cities where the poor have congregated, are invariably the worst schools. So bad, in fact, that those who are middle-class, must either avoid the central city or use private schools.

The Washington, D. C., statistics are most instructive—with 54% of its population Negro, over 85% of the public school population is Negro. As consumers of education, the middle-class white has available to him alternate resources. The poor must often deal with a school system which regards parents in general, and poor parents in particular, as a bother. They must see their children labelled "drop out" when the concept of "shove out" would be equally appropriate.

Apart from programs of compensation in which the schools are beginning to take note of the failures, (or *their* failures), the difference in interpretation is of great consequence; exciting programs involving better linkage between schools and the neighborhoods of the poor are being supported, and extensive efforts are under way to develop positions for the poor as aids in the school system. Whether this linkage makes the school more sensitive to the educational needs of the poor remains to be empirically tested.

**HEALTH:** The great legislative victory which the Johnson administration seems on the verge of winning with regard to Medicare may be an entering wedge into a problem of greatest importance for the poor. In our society the amount of money one spends for medical and dental care is one of the single best indicators of one's income. In no other area are the poor forced as completely to be dependent upon the public sector. The

"family doctor" as a reality has never existed for poor people. And if medical care has been hard to come by, dental care has been almost impossible.

If one is on welfare, and vendor payments are made for medical care, check your own communities to see which physicians take such payments and whether they have hospital privileges, and whether they have graduated from the better medical schools. And if the person is poor and newly arrived in a community, he practically has to be dying to receive the largesse of the public medical facility. And in regard to dental care for the poor, the less said the better.

The specific achievements of the anti-poverty program in the medical area are more in the area of promise. The poverty program is changing the rules to make case finding but a first step in medical care of the poor.

**WELFARE:** If there is any organization which fits the notion of a special set of resources with which the poor must cope it is the Welfare Department. It is so specialized a resource that most of us can only know it from the outside. Whether its primary function is help or punishment frequently is not clear. Whatever the case, there are Welfare Departments which establish minimum budget standards and then give people a percentage of that. Or, there are departments which by policy make no grants to families where there is an able-bodied male in the house, or have midnight raids, or capricious rulings denying applicants their rights.

Now, if ever there was a producer from which consumers needed protection, it is this unique system which furnishes the primary resources for those in greatest need in our society. And these Departments, in turn, need protection from those who control their resources, for in many places Welfare Departments have abandoned trained staffs (or vice versa), and county policy is to make things as unattractive as possible to discourage potential recipients from coming in to an area.

Title V of the Economic Opportunity Act provides the first large scale opportunity for Welfare Departments to move people off dependent status through work experience and training. Whether such movement is permanent depends upon our economies making a dent in a 5% unemployment rate. And until we have more adequate social insurances, there will always be poor in special categories who must be consumers of the Welfare Department and who will continue to need protection from these departments.

#### HOUSING, LAW, EMPLOYMENT SERVICES:

Public housing, by definition, is a resource for the poor. But not for all the poor, of course. Those with large families and those who do not fit management's definition of "good tenants" can find themselves less able to secure this precious resources. The special relation-

ship of the poor and the law does not need much documentation.

The poor must deal with the law more frequently, and by virtue of their poverty they have less protection when they do so. When they are arrested, the poor are less apt to be able to furnish bail and thus are jailed prior to being judged guilty. The employment services have special crucial resources which the poor must consume. And these services rarely make themselves accessible to the poor by being in their neighborhood or by aggressively interpreting their services or by abandoning those screening devices which often serve to block the poor from being considered eligible for certain positions.

This compilation of the sins of our public bureaucracies could be continued. The purpose of this list is not to flail the public agencies, but rather to point up the special, continuing and dominating relationship that the poor must have with these public agencies. *In fact, it is this continuing relationship between the poor and certain public agencies which is the very definition of their poverty.*

And because these public agencies are enjoined by law to sustain a relationship with the poor, they have done so while the whole trend of the voluntary agency structures has been away from the poor toward a middle-class clientele.

In each community, we in the Office of Economic Opportunity have learned that it is the public agencies who know the poor and who deal with them. And you in the council who are concerned with the problem of consumer education and consumer protection must begin to deal with these special relationships. Otherwise, your activities run the risk of remaining irrelevant to the great needs which surround the special consumer status of those in poverty.

#### GIVE PROMISE OF CHANGING RELATIONSHIPS

In bringing this paper to a close, it may be of help to review some of the specific devices being supported by Economic Opportunity funds which give promise of changing the relationship of the poor as consumers to those who supply their resources.

In almost all major cities we are supporting efforts to bring crucial resources back to the neighborhoods of the poor. By making these services visible, and putting them into contact with one another, as well as the people they were intended to serve, it is hoped to re-establish meaningful contact between the poor and the agencies ostensibly set up to serve them.

In addition, we are supporting a new function in many communities, that of a Neighborhood Aide. This is a person who comes from the community and who has achieved a certain degree of sophistication about maneuvering between the public and

private agencies which exist to work with the poor. The job of this Neighborhood Aide is to pass on to other consumers the special knowledge he has picked up in purchasing, home-making, securing rights of review from agencies, etc. In addition, the Neighborhood Aide physically takes the consumer, when necessary, to the agency from which he seeks help.

We have learned that agencies become more tractable when the poor are accompanied by Aides who "know the ropes".

In other cases we are supporting the establishment of neighborhood legal services to protect the poor against certain forces in their environment which do not deal equitably with them. We are learning that the sheer availability of legal consultation to the poor can have a salutary effect.

There are two other devices of major impact—both of which flow from the language of the legislation which seeks "maximum feasible involvement of groups in areas to be served." The boards of directors of these newly established Community Action Programs contain membership who themselves are poor, or are elected as representatives by the poor. Thus, these new mechanisms which are producing an array of resources for the poor are doing so with

the potential consumer involved in the heart of the process.

And lastly, anti-poverty funds are being used in community after community to organize groups of the poor so that they can take collective action to help themselves and to influence those public and private agencies which control the crucial resources central to their needs. In effect, we are attempting to create competent groups of citizen-consumers who will be able to become a voice in the making of those community decisions which may effect them.

These efforts at changing influence patterns have consequences which few of us can foresee at this point. It may even mean new and smaller roles for groups such as this Council on Consumer Information which perhaps, like the rest of us, have attempted to do good things for the poor, but without their involvement and sanction. The ground rules are changing and our capacity to find new roles may testify as to whether our organizations exist to deal with the problems, or exist to perpetuate themselves as organizations.

\* The opinions expressed in this article are those of the author alone and are not to be attributed directly or indirectly to the Office of Economic Opportunity.