

UNDERSTANDING CONSUMERISM



MOHD HAMDAN HJ. ADNAN

Published by



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FEDERATION OF MALAYSIAN CONSUMERS ASSOCIATIONS (FOMCA)

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The Federation of Malaysian Consumers Association (FOMCA) is a voluntary, non-profit, non-political and civic organisation that champions for the rights and interests of all consumers through research, educational, advocacy and representational activities.

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PREFACE

The consumer movement is among the fastest developing social action globally. Awareness and interest towards consumerism or consumer movement from governments, industries, academicians, students and consumers is accelerating.

Governments interest and involvement in consumerism is manifested by increasing laws and activities pertaining to consumer protection. In Malaysia, relevant laws are amended and new laws legislated to enhance consumer protection. Government organisations are also increasing their abilities to better protect consumers.

During the launch of the World Consumers Rights Day on the 15th of March 1992, Dato' Seri Dr Mahathir Mohammad, the Malaysian Prime Minister said 'all Malaysian regardless of their status in society are consumers who use goods and services, The Consumer is the foundation of economic activities. That is why the government formed the Domestic Trade and Consumer Affairs Ministry. The government is the committee to oversee the need of the consumers. The celebration of the World Consumer Rights Day on the 15th of March reflects this commitment."

On the 1st of October 1999, after quarter of a century since FOMCA and other consumer association have tried to obtain a wholistic legal protection for consumers, the Consumer Protection Act 1999 was enacted. The Domestic Trade and Consumer Affairs Minister in his speech during the presenting of this Bill in parliament accepted that Consumer protection is important for all, regardless of status, rich or poor. Consumers have rights that should be protected and some of these rights can be protected through certain provisions in the existing laws. Though there are 30 laws with some form of consumer protection,

there is no one holistic and specific law to protect consumers. The Act allows the formation of a Consumer Advisory Council and Consumer Claim Tribunal. Unethical trade will be considered a crime under this Act. This Act hopes to promote healthy trade and competition in the country."

Further, industries are showing interest to improve its consumer relations. This is indicated under its corporate social responsibility programmes. Good consumer policies are formulated and implemented.

Nevertheless, consumer movement is still not convinced about the sincerity of the efforts by the industries. This includes its environmental protection activities which is being labelled as 'greenwash' where transnational corporations (TNCs) (which increasingly dominate the world economy) are preserving and expanding their markets by posing as friends of the environment and leaders in the struggle to eradicate poverty. Naturally, the consumer movement hopes the business sector will be honest and transparent in its endeavour, particularly with regards to its consumer affairs.

Academicians and students have also shown interest in consumerism. The Universiti Putra Malaysia (UPM) has a Department of Consumer Affairs in its Faculty of Human Ecology. The Faculty of Mass Communication, University Technology MARA (UiTM) since 1978 has offered a subject entitled Consumer and Environmental Issues. The Faculty of Education, University Malaya, has long offered a consumer education course and so on.

As such more students are doing research or project papers on consumerism. Increasing number of students have approached consumer associations to gather information about consumerism. The small resource centres in consumer organisations, are well frequented by students to research on consumerism. This writer has been

interviewed several times on so many subjects including the consumer movement. Sad to say, after reading the several project papers or thesis that have been given to this writer as a token of appreciation, many really do not have a proper understanding of consumerism or the consumer movement. Maybe, it is simply because the students look at consumerism differently from the consumer leaders and cannot appreciate the intricacy of championing consumers' cause.

Nevertheless, universities in Malaysia from various disciplines, ranging from mass communication, marketing and sociology are sending their students to consumer organisations to do their practical training. This exhibits the confidence the institutes of higher learning have on the capability of consumer associations to provide adequate and appropriate training and experience to their students. We hope that those who have experienced training in the consumer organisations will not only learn to become a wiser consumer but also willing to protect consumer interest when the needs arise.

In Malaysia, teachers training colleges have incorporated in their co-curriculum Consumerism activities. Secondary schools in Malaysia are encouraged to form school consumer clubs. Students are further encouraged in their special projects to interview consumer leaders to write on their activities and achievements.

The ordinary consumers have also showed their awareness and interest in consumerism. More are complaining against unfair prices, unjust contracts, shoddy goods and services, unsafe products, exorbitant fees and fares, bureaucratic arrogance, etc.

Malaysian mass media have also given it much support through its extensive coverage of consumer issues and consumerism. Radio 4 RTM has a special programme called "The Consumerism Show" and RTM TV1 every Friday

morning has a 'Kita Pengguna' (We are Consumers) show discussing consumer issues and tips to become a wiser consumer. The name of the programme 'Kita Pengguna' was suggested by this writer. This was because it was felt that it would help to sensitise consumers that they have rights and responsibilities as consumers.

This writer is almost a regular guest on both the programmes. Twice a month, the writer is a guest speaker on RTM TV2 'Moving On Two' programme entitled 'The Week That Was'. The issues discussed are selected by the writer himself. Also, this writer has regular columns in a number of magazines. Further, the writer is called upon almost daily by the media to give comments on consumer issues and sometimes on other related subjects.

However, despite increasing interest and wide coverage of consumerism, consumer associations memberships in Malaysia, remains low. It is still perceived as a "passenger society". Many factors are attributed to this sad affair. Nevertheless, among the main factors are the lack of understanding of consumerism and that one will still benefit from consumer organisations without being a member.

This little book hopes to give consumers a better understanding of consumerism and role of consumer organisations. It discusses consumerism from both local and global perspectives and also reasons for its rapid development. Also, it looks at consumerism from an academic, professional, business and the consumer activists perspectives.

I pray with better understanding of consumerism more consumers will be involved in improving consumer interest by being active members of consumer associations.

 Mohd Hamdan bin Haji Adnan
1st January 2000

DEDICATION

This modest book is dedicated to all who have contributed to the growth of the consumer movement, especially in Malaysia. Their vision, dedication and sacrifices have ensured a strong footing of Malaysia's consumer movement - In particular, I would like to thank FOMCA's past presidents, namely the founding President, Dato' Mohommad Sopiiee, T.S Gill, Chua Kim Tee and Bishan Singh and the past Secretary-Generals: Mas Junid and Michael Kenny.

Also, I would like to thank FOMCA's present Secretary General, Marimuthu Nadason and Deputy Secretary General, Ms Indrani Thuraisingham and all the staff, present and past, for their dedication in promoting consumer protection.

My appreciation also to Professor Dato' Dr Sothi Rachagan, FOMCA's Legal Advisor. Further, my gratitude goes to Paul Selvaraj, who made me a consumer activist. Also, to all FOMCA's consultants and friends, namely Dr Thilla Chelliah, Dr Halimah Ahmad, Mr Ng, etc.

I dedicate this book also to my students (past, present and future) in the Faculty of Mass Communication, ITM and the other Institutes of Higher Learning.

Also, this little book is dedicated to my Mother (Amrah), Grandma Demiyah (Emak), Kak Wah, Pak Ngah Harman, Grandpa Yunus Beteh, Pak Rumpud and Pak Anjang who have left me for ever but who have contributed greatly to my development of whom I will always remember with great love and gratitude.

Most of all, my love and gratitude to my family, especially my- wife, Nuraini Abdullah and my four children: Diana Demiyah, Muhammad Daniel, Dahiyah and

Dhabitah Tatiyana. Thank you for the support and sacrifices. Without your understanding it would be very difficult for me to champion the rights of the Consumers.

Lastly, this little book is dedicated to the Malaysian consumers who I hope eventually will be wiser.

1. DEFINING CONSUMERISM

The term consumerism in the English language generally has two distinct meanings. For example, the *Second College Edition, Webster's New World Dictionary* (1972) firstly, defines consumerism as the practice and policies of protecting consumers by making them aware of defective and unsafe products, exploitative business practices, misleading advertisements, bureaucratic neglect, etc. Secondly, it defines consumerism as the consumption of goods and services. It can be noted that the meanings of consumerism are generally denotative in nature.

Here, the word "consumerism" has its origin in the word "consume" which is also the root word for "consumer". The Webster's dictionary further defines "consume" as follows: to use up; spend wastefully; to eat or drink up; devour; to absorb completely; etc.

As such, the Webster's New World Dictionary defines a consumer as "a person or thing that consumes; specifically, a person who buys goods or services for his own needs and not for resale or to use in the production of other goods for resale." Individuals active in consumer protection (consumerists/consumer advocates/consumer activists and so on) have added another dimension to what is a consumer by including the unborn baby conceived in the mother's womb also as a consumer. It is said we can decide to be in whatever profession we want to be, but we cannot choose not to be a consumer. We are all born as consumers and die as consumers.

Further, a consumer is also any person and for that matter all god's creatures living in an environment. This is particularly so with the very rapid growth of green consumerism. That is, a consumer very active in the cause of a clean and safe environment and using one's money

to ensure ecologically friendly products and services. The green consumerism has taken roots among the consumers of developed nations and fast growing among consumers in developing countries. Green consumers are willing to use their money and resources to ensure goods and services are environment friendly at all level, that is from 'the cradle to the grave'.

However, according to Anwar Fazal (1993), a former President of the Consumer International, the consumer movement has suffered from taking a very narrow view when it talked too much about 'value for money'. It did not talk enough about 'value for people' and 'value for mother earth'. Consumer organisations in Malaysia have long championed value for people and the environment even though its birth was motivated by value for money like in the advanced nations.

Nevertheless, according to Ellwood (1984, 5), for academics and other analysts the word consumer has mostly been used to describe what is wrong with our world. Consumers have been seen as de-personalized machines, one-dimensional human beings whose only purpose is to absorb the non-stop flow of trinkets spit out by the conveyer belt of modern industry. To accept the label 'consumer' meant not only accepting people as mere actors in the system of commodity production, but also accepting the values of the system itself.

An American philosopher, Herbert Marcuse, once wrote: "The people recognize themselves in their commodities. They find their soul in their automobile, hi-fi set, split-level home, kitchen equipment. The very mechanism which ties the individual to his society has changed and social control is anchored in the new needs which it has produced."

However, according to Ellwood (1984, 5) reflecting the consumerists or consumer activists view of

consumerism: "The birth of the modern consumer movement was based on the belief that people could rally together under a common banner. Not to share their alienation, but to heighten their shared collective identity . Consumers could reclaim the word 'consumer', wrench it from its narrow definition within the market system and fight to eventually turn 'consumers' into ordinary people with feelings and basic needs as well as other desires plus certain knowledge and experience.

However, a survey of consumerism literature and consumer studies revealed that it has many meanings. Many are connotative and some denotative, others have specific motives. As consumerism has many meanings and connotations, it would be best to define it within its own context or environment. It is normally based on who is defining it as well as their areas of specialization and interest as well as over place and time.

Also, consumerism seems to have changed in meanings and connotations over time. It could be said that defining consumerism is like the six blind men describing the elephant. Maybe more difficult and complex than that as it can alter over time and place.

As an example, there are those who likened consumerism to a police officer who tries to break up a family fight and often finds himself or herself to be the target of both the husband and the wife or at the very least embroiled in the middle of the argument.

On one side of the argument are those who believe that the only consumer protection needed arises out of competition in the marketplace, and that consumer protection insults consumers by implying that they are moron, helpless or gullible.

On the other side are those who believe that consumerism, or consumer activism, is needed to

counteract the lack of competition in the marketplace (Miller, 1981).

Ironically, the term “consumerism”, was coined by the American industry spokespeople in the 1960s’ (Lee and Zelenak, 1982; Magnuson, 1972; Morse, 1981). It’s their label for the rising tide of consumer self awareness. The motive of this labelling by the American industry was to imply some philosophical connection or conspiracy with communism, socialism, fascism and other dreaded “isms” among the American people. By using the word consumerism, the American industry hopes to make the burgeoning consumer movement sound like a dangerous threat and therefore will not get the support of the American people. In itself, it manifests the fear of the American industry towards the fast growing consumer self-awareness during the early stage of the development of consumerism.

Another example as to how consumerism can be so differently defined, is when Pope John Paul II, decreed consumerism as a form of personal enslavement. According to Mayer (1989), Pope John Paul was using the term consumerism in their pejorative sense. Pope John Paul used the term consumerism to imply a way of life adhering to “conspicuous consumption” or an excessive or obsessive interest in goods and services, or wanton materialism.

Similarly, Vance Packard (1960), the writer of the Classic book *The Hidden Persuaders* discussing advertising used the term consumerism to mean “voracious, wasteful, compulsive consuming”.

The late SM Ali, a notable Asian journalist and UNESCO communication advisor shared similar negative sentiment in describing consumerism. He noted: “In some ways, the price of affluence, combined with unbridled consumerism can be devastating for a country’s socio-economic life,

especially in such capitals as Kuala Lumpur and Bangkok, two victims of poorly-planned urbanisation. While many of the state capitals in Malaysia still retain the old flavour, Kuala Lumpur is going the way of Bangkok, almost with a vengeance. Consumerism thrives on this kind of development, with changes in lifestyles (SM Ali, 1993).

However, according to Aaker and Day (1974) the term "consumerism" identifies the modern consumer movement launched in the mid-1960's by the concerns triggered indirectly by Rachel Carson's book *Silent Spring* and directly by Ralph Nader's auto safety investigation, and by President Kennedy's efforts to establish the rights of consumers. It encompasses the evolving set of activities of government, business, independent organisations, and concerned consumers that are designed to protect the rights of consumers. It is an evolving dynamic movement with a rapidly enlarging scope and changing spokesmen and issues.

Consumerism is action oriented and therefore more than an analysis of problems or principles or even theories. In a very real sense, it is a response of people and organisations to consumer problems and dissatisfactions. Their activities are not confined to consumer activists. According to Aaker and Day (1974): "Indeed, government and business are involved in developing and implementing innovations which are part of consumerism today. Consumerism is concerned with protecting consumers from all organisations with which there is an exchange relationship."

Indeed the mass media, including books like Rachael Carson's *Silent Spring* and Ralph Nader's *Unsafe At Any Speed* have acted as a catalyst toward the growth of consumerism or the consumer movement making the terminology having the meanings as it is today.

As for the ordinary people, a national survey

conducted among American public in the United States in late 1976 by Louis Harris and Associates and sponsored by Sentry Insurance showed that 37 per cent of the respondents considered consumerism to be synonymous with consuming, buying and using things. For many of them, the term (consumerism) suggested an excessive or obsessive interest in goods, akin to materialism (Mayer, 1989). However, for the people in the Sentry Insurance Survey, the phrase 'consumer movement' came much closer to capturing the political and social movement aspects of consumerism. About two-thirds of the respondents associated the consumer movement with organisations or individuals fighting to protect the interests of consumers (Mayer, 1989).

Conversely, Leo Bogart (1966), a past Executive Vice President and General Manager Bureau of Advertising, American Newspaper Publishers Association saw consumerism as a catchword in current vogue among marketers to describe a variety of distinct phenomena. These included:

- (1) the long-term evolution of a more sophisticated and better educated buying public;
- (2) public skepticism about business practices, a reflection of deeper malaise with all established institutions...;
- (3) organised activism (led by a handful of articulate advocates with a following among university students) to correct product deficiencies and advertising claims; and,
- (4) legislative moves to increase consumer protection and an intensification of actions by government regulatory agencies (Kelly, 1973).

R.H. Buskirk and J.T. Rothe (1973) similarly define

consumerism from the redressal aspect of their activities. They defined consumerism as:

“The organized efforts of consumers seeking redress, restitution and remedy for dissatisfaction they have accumulated for the acquisition of their standard of living.”

Earlier, Peter Drucker (1969), a management “guru” called consumerism “the shame of marketing,” meaning that the consumer movement’s existence indicates that firms do not always do a good job of ascertaining and satisfying consumer desires.

Peter Drucker (1969) further explained the growth of consumerism in terms of the break-down in communications between producers and their consumers:

“Consumerism means that the consumer looks upon manufacturers as somebody who is interested but who really does not know what the consumer’s realities are. He regards the manufacturer as somebody who has not made the effort to find out, who does not understand the world in which the consumer lives. The economic and social justification for the existence of businesses returning profit to their stockholders has been their commitment to serving customers. If those customers perceive themselves not as patrons to be served but as resources to be manipulated they will express their resentment both in their purchasing and in their voting behaviour..

As such, Philip Kotler (1972), a marketing expert and guru defined consumerism as “a social movement seeking to augment the rights and power of buyers in relation to sellers.” Kotler (1972), however, believes that the message of consumerism is not a setback for marketing but rather

points to the next stage in the evolution of enlightened marketing. Hence, to Kotler (1972), "Consumerism is a clarion call for a revised marketing concept." A concept that says the long-run consumer welfare is also important (Kotler, 1972).

Communication experts also have found that consumerism is a challenge to their profession. For example, a public relations expert, Edie Fraser (1976) believes that consumerism "presents what might be the 4 ultimate challenge to the public relations profession." Even public relations scholars (Cutlip, Center, Broom, 1985) counsel that "Consumerism is an area of chronic-crisis situations. Product recalls and creation of consumer ombudsmen are typical remedial reaction".

Further, public relations professionals have long warned that "Consumerism is here to stay and, with it, a long series of consumerists crisis for... businessman (Darrow, 1972). Public relations experts have also advised that "Consumerism has taught us that an informed, educated, concerned, and frequently skeptical public calls for nothing less than forthrightness in corporate communications, an understanding of audience attitudes, and the ability to communicate in terms attuned to their interests" (Gannon, 1973).

The advertising industry also feels that consumerism has caused advertisers and agencies to pay more attention to product claims and the quality of information (Bovee and Arens, 1986, 65). For example, consumers demanded not only that products perform as advertised but also that more product information be provided so that people can compare and make better buying decisions.

The impact of the consumer movement and its growing pressure for more stringent advertising regulation soon gave rise to a new word: 'consumerism', or social

action designed to dramatize the rights of the buying public. Since then, one fact has become clear to both advertisers and agencies: ...consumer has power. Consumerism has fostered the growth of consumer advocate and regulatory agencies. It has also promoted more consumer research by advertisers, agencies, and the media in an effort to learn what the consumers want - and how to provide it.

Many advertisers agree that the creation of customer relations departments and investment in goodwill ultimately will pay off in improved consumer relations and sales (Bovee and Arens, 1986).

"Not surprisingly," according to Mayer 1989, "even social scientists who study consumerism provide different meanings and scope to it. Although there is general agreement that consumerism consists of actions aimed at protecting and enhancing the rights of buyers, social scientists disagree concerning its scope. Some analysts limit consumerism to market transactions between buyers and private sellers; others argue that consumerism encompasses the consumer's transactions with governments, as in the case of garbage disposal services or education (Forbes, 1985; Mayer, 1981, Maynes, 1979).

Furthermore, according to Mayer (1989), some students of the movement see it as a vehicle for increasing consumer responsibilities, not just rights. These responsibilities might include making well informed choices, bringing product problems to the attention of manufacturers, and writing to legislators to express support for a pro consumers Bill.

Also, some consumer behaviorists might not view consumerism as a theory of consumer behavior, but as a social movement concerned with consumer welfare (McNeal and Mc Daniel, 1982). Hence, McNeal and McDaniel (1982) feel that "Consumerism is, indeed, a

social movement related to the wellbeing of consumers. But it is predicated, in great part, on the theory that if consumers possess good knowledge, they will make choices that best benefit them and advance their interest.

The current consumer movement uses as its banner the late President Kennedy's "Consumer Bill of Rights-" One of the main elements of the document is the consumer's right to know. Consequently, much consumerism effort is aimed at providing all consumers with more knowledge."

McNeal and McDaniel (1982) proposed that this proposition is based on the theories of such noted behavioral scientists as Abraham Maslow, Henry Murray, David Berlyne and Salvatore Maddi that knowledge for knowledge's sake is a major consumer matter. That is, in addition to the functions of knowledge noted... knowledge is a requirement for total fulfillment. As such, one of the essential function of mass media is to disseminate knowledge to its consumers.

Consumers in a rapidly changing situation particularly in a crisis environment must be given the appropriate and adequate information to get the best from their positions and at worst even their very survival. Without appropriate and adequate information consumers will find it extremely difficult and even hazardous to make the best decision for themselves and their family.

The consumer movement or consumerism have a crucial role to play to ensure consumers are given the right and sufficient knowledge to best survive the consumer culture which have a tendency towards conspicuous consumption or unsustainable lifestyle if not given the proper education and information. Consumerism must be developed to encourage a sustainable way of life among consumers.

Consumerism in the information age must be able to use effectively and wisely all the media and communication technologies to ensure that their messages are received with the proper understanding by all consumers.

2. CONSUMERISM AS A SOCIAL MOVEMENT

Not only the definitions of consumerism is varied as well as in abundance and dependent on who is defining it but also as to whether consumerism is truly a social movement is still very much a debatable and sensitive subject. To date no single definition of consumerism is acceptable to all.

The debate arises generally from how social movement is being defined. For example, Foss and Larkin (1986, 2) defines a social movement as "involving at some point the use of physical force or violence against members of other social categories, their possessions, or their institutionalized instrumentalities, and interfering at least temporarily... with the political and cultural reproduction of society." Based on this definition some sociologists think consumerism is too politically tame, too reformist in its political goals to bear such a label as a "social movement."

Consumerism's claim to the status of a social movement is also challenged on the grounds that it is not marked by sufficient mass action. Someone using the civil rights and labour movements as a standard might find consumerism to be lacking in widespread, passionate, and spontaneous outpourings of grassroots consumer discontent (Mayer, 1989, 4). For example, former FTC (Federal Trade Commission, USA) chairman Michael Pertschuk (1982, 11) refers the term consumer impulse to consumer movement because "by and large the individual stake in the pursuit of consumer laws and regulations lacks the motivating energy of true political movements."

Similarly, Stanley Cohen, who had covered the consumer movement for the trade journal, *Advertising Age*, comments: "Consumerism's successes have rested

on the persuasiveness of its causes rather than the political muscle it flexes. At best it has an elitist appeal" (1982, 61). This situation persists in Malaysia. At best the number of consumers becoming members of consumer organisations in Malaysia have not exceeded more than 20,000 while the population of the country is about 20 million.

Nevertheless, consumerism, whether in the developed or developing countries, can still qualify as movement within most social scientific definitions of contemporary social movement. It conforms to the requirements that it be "a purposive and collective attempt of a number of people to change individuals or societal institutions and structures" (Zald and Ash, 1966, 328), and that it operates "primarily through persuasive strategies and be countered by an established order" (Stewart, Smith, and Denton, 1984, 14).

Accordingly, consumerism can be defined as a diverse and evolving social movement seeking to enhance the economic wellbeing and political power of consumers. This definition allows the terms consumerism and consumer movement to be used interchangeably (Mayer, 1989, 5).

In April 1983, in a foreword I wrote for a book published by the Selangor Consumers' Association entitled *The World We Live In - A Closer Look (A Consumer Education Handbook)* I advocated that consumerism in Malaysia is a social movement that is crusading for a just society. I propose that when more of us become critically aware of our situation we can strengthen the Consumer Movement by consolidating our efforts in an atmosphere of solidarity. This will strengthen our fight to ensure a better quality of life for all people. We need a better world, a more humane one. We cannot create it overnight. But if we want it we must start now to move towards it. Consumerism is a social movement towards a more humane world (Selangor Consumers' Association, 1983, 1).

Thus, based on this concept/definition, consumerism, even though in reality, consists of a loosely knit band of individuals and organizations, deriving its sustenance more from moral outrage and a desire for justice than from extensive financial resources does qualify as a social movement. As such, even the Malaysian consumer movement suffering from lack of a large membership and a strong financial standing can still fall under the category of a social movement.

Also, based on this definition, consumerism can still be considered a social movement despite the accusations that consumerists tend to focus on the concerns of the middle class, accept existing market arrangements, and create false appearance of addressing consumer grievances.

In Malaysia, the consumer movement though seems to be middle class and urban oriented, has been making a strong effort since early 1980s to reach the lower income groups not only in urban areas, but more so in rural areas. For example, the Pahang Consumers' Association (PAC) is rather successful in informing, educating, servicing and advocating for consumer rights and welfare among many villages, especially those in the settler schemes. The state government has recognised PAC's contributions by allocating it an annual grant. The Selangor and Federal Territory (SCA) also has established a number of district liason committees.

Also, consumer issues taken up by consumer movements in Malaysia has been geared generally towards the needs of lower income groups. For example, its yearly membership fees have been traditionally very low to a level that having bigger memberships can be a liability if it is to serve them more effectively.

Hence, consumer movements in Malaysia easily fall under the social movement category.

This definition of consumerism is echoed by Rokiah Talib (1989), who formerly chaired the National Advisory Council For Consumer Protection and the past Honorary Secretary of the Selangor and Federal Territory Consumers Association. She proposed that "Consumerism as it is understood today, is basically a social movement concerned with the value for people and their lifestyle, and the value for money spent by consumers in the market place. It is a concerted effort from the people through individual or group activities to seek consumer protection."

It is also noted in Malaysia by Gurmit Singh K.S. (1990, 83) a well known environmentalist and social activist that consumer organization is a public interest group under the umbrella of types of pressure groups. According to Gurmit (1990, 86), the basic feature that sets public interest groups apart from most other pressure groups is the fact that they do not seek to bring direct material or other benefits to their members. This, perhaps, reduces their appeal to individuals seeking personal and visible benefits from joining the organizations. As such, consumer organizations, more often than not, suffer from "free-rider problem."

It is thus generally believed that consumerism, despite being labelled a social movement would find it extremely difficult to gain mass support or have large membership, even though there are cases of big crowd of citizens protesting against high inflation or some kind of commercial exploitations.

However, this writer feels that with the right environment and approach consumerism in Malaysia can have mass support as seen in the reduction of the Indah Water Konsortium charges as championed by FOMCA and its affiliates, particularly the Perak Consumers' Association through a mass signature campaign among others. In this campaign FOMCA had managed to acquire

about a million signatures to protest against the high charges.

Tan Boon Kean and Bishan Singh (1994, 3) feel that consumers organisations are voluntary Non Governmental Organisations (NGO) set up with specific service aims in mind or as a community service organisation. They also see the consumer movement as a development and issue-oriented NGO. The Malaysian consumer organisations have always been sensitive to developmental issues, particularly if it affected the more vulnerable consumers like the low income groups. For example, FOMCA's proposal to introduce 'pasar tani' or farmers' market was accepted by FAMA (Federal Agriculture Marketing Authority) to help farmers sell their produce directly to consumers so that their prices are fairer, cheaper for consumers while helping farmers to get a better return for their crops as opposed to going through middlemen. Even though there are complaints that the price of the produce in the pasar tani are becoming more expensive than the wet market or night market (pasar malam), FOMCA believes that properly run it could succeed in ensuring a fair price market for both farmers and consumers.

Nevertheless, for the purpose of this writing, consumerism will also be defined as a social movement to enhance consumer rights and protection from all those that can influence the wellbeing of consumers.

Also, it refers to activism on the part of consumers in seeking elimination of product or service frustrations. It will take into account, the consumer movement's mission to redress fundamental imbalances in society for the consumer benefit, and to make society more responsive to consumer's needs and interests (IOCU, 1991). Specifically, it refers to all groups whose main objectives of existence is to improve and protect the interest of the consumers.

According to Anwar Fazal (1993, 10), consumer groups are uneven in their size and ability but we have a lively scene. "The Consumers' Association of Penang (CAP) is a world class citizens' movement and there are several others that do very creditable work, particularly the consumer associations in Selangor, Pahang and ERA Consumer in Ipoh (which is currently relocated to Selangor). FOMCA, the Federation of Malaysian Consumers Association, does the difficult job of liaison and coordination and if you look around the third world countries and view its activities in that context, even FOMCA is quite an achievement."

"FOMCA was expressly formed by the state consumer organizations to extend their influence at the national level and to represent consumer interests to the federal government. Before FOMCA was formed, the various states had their respective consumer associations with objectives to inform, educate and advocate for consumer rights and welfare. However, in order to obtain representation at the national level, it was decided among consumerists that a confederation was needed hence the formation of FOMCA in 1973. Of all of the development NGOs, FOMCA has the most extensive relations with the government (Tan Boon Kean and Bishan Singh, 1994, pp. 18). FOMCA in fact has extensive relations not only with the government but also with the media and the industry and willing to cooperate with them in the interest of consumers.

Thus, this writing will include the role of governments, mass media and even the industry with regard to their efforts to improve consumer welfare. However, consumerists or consumer activists never like the term consumer welfare for it implies weaknesses and even impotence or passivity of consumers or that they cannot be mobilised to protect their own interest. Consumerists believe that consumers can be mobilised to be actively participating in protecting their own interest,

As such my definition will include further "Consumerism as a social movement of citizens and government to enhance the rights and powers of buyers in relation to sellers". In Malaysia, the Government has long been fairly active in consumer protection.

According to Anwar Fazal (1993, 9) we are one of the few countries to have a fully fledged Ministry dealing with consumer affairs. The Malaysian government clearly takes consumer protection seriously. Apart from the Ministry, the Government has also set up the framework for national, state and district or local consumer councils. At the federal level, the Ministry of Domestic Trade and Consumer Affairs (MDTCA) had established the Consumer Protection Council. It comprised of state executive councils who chaired the state consumers affairs council and individuals who are known consumerists. The Minister of MDTCA chairs this council and the writer sits in this council representing FOMCA and the other consumer organisations.

The consumer movement would like to see the Ministry to be more active and effective. As it is, the Ministry is handicapped by shortcomings in the laws it is enforcing. To make matters worse, it does not have enough enforcement officers to ensure the laws are respected. This is especially so for rural areas where consumers are generally poor, lack knowledge and more vulnerable to any form of exploitations.

However, comments from scholars or students doing research on consumerism have more often than not concluded that the consumer movement would be weak if government agencies involved in consumer protection are more active and visible. This is a fallacy.

Consumer organisations in Malaysia generally play a supplementary role with regard to consumer protection

rather than a confrontational one. FOMCA and its affiliates for example believe that it would be more effective to protect consumers by cooperating with relevant government agencies. By being cooperative it does not mean that the consumer movement have been bought over by the government or pro government. What is important is that whatever action is being taken it will best serve the consumer interest.

However, this does not mean that consumer organisations would not criticise if it found government agencies to be arrogant or neglectful or wanting. By being articulate, assertive and even vociferous, consumer associations can also find themselves labelled as antigovernment. In fact, consumer associations are doing government agencies and the public a favour by providing honest, informed and constructive feedback.

As pointed out by Tan Boon Kean & Bishan Singh (1994, 19): "The government has found the role of FOMCA and her member organizations as "moderates" who are willing to accept the primacy of the government in decision-making and work within the context of the rules without confrontation. FOMCA provides very useful feedback for the government in making decisions.,

As such, FOMCA represents consumers' interest on permanent basis in at least 15 ministries.

FOMCA was also appointed to the 150-member multi-sector National Economic Consultative Council (NECC) which determined the future of the country's New Economic Policy after 1990. The writer as President of FOMCA was appointed by the Prime Minister to be in the NECC to represent the Malaysian consumers. Consumers' Association of Penang's Research Director was also represented in the NECC as an individual expert.

FOMCA's President is also appointed by the Prime

Minister to be a member of the National Economic Action Council (NEAC) or MTEN (Majlis Tindakan Ekonomi Negara) beginning from 20 January 1998 until the economy recovers. The formation of the NEAC was the result of the Asia Pacific region facing an economic crisis with the falling of its currencies and the tumbling of the share prices beginning in July 1997.

The NEAC is highly placed and comprising of senior cabinet ministers as well as leaders of influential non-governmental organisations and chaired by the Prime Minister himself. The main task of the NEAC is to find solutions to overcome the economic crisis that is confronting Malaysia.

FOMCA's appointment into the NEAC is seen as the government's recognition of its contribution to national development and nation building, especially with regard to consumer protection.

However, there are those who feel that FOMCA's independence or articulateness can be compromised by being a member of the NEAC. FOMCA's numerous statements on the water crisis facing the nation, particularly in Selangor and the Federal Territory dispelled the fears that FOMCA's independence will be affected.

In fact, in Malaysia even through the government subsidises FOMCA and nearly all the state consumers associations (with the exception of CAP with financial grants, to its credit) it very rarely tries to impose its will on the movement in Malaysia have been given the freedom to voice consumers grievances or complaints.

In the year 1999, FOMCA rejected the financial assistance from the government to increase its autonomy. This action was fully supported by the people and other NGOs. FOMCA was mainly supported by consumer

International and CAP. To continue its activities FOMCA has to find alternative means of income. To have the freedom of speech and autonomy, FOMCA cannot be financially dependent on any source, including the government.

3. MALAYSIA'S CONSUMERISM AS A SOCIAL MOVEMENT AND ITS CASE STUDIES

Nevertheless, the question of whether consumerism in Malaysia deserves to be considered as a social movement still arouse some considerable debates. This debate even persist in the United States where the consumer movement as an organised, independent force was first born in the 1930s.

According to Mayer (1989), regardless of its definition, there is some debate about whether consumerism is truly a social movement. He points out that some sociologists think consumerism is too politically tame, too reformist in its political goals, to bear such a label. This is especially so when a social movement is defined as "involving at some point the use of physical force or violence against members of other social categories, their possessions, or their institutionalised instrumentalities, and interfering at least temporarily - with the political and cultural reproduction of society" (Foss and Larkin, 1986).

In Malaysia, the consumer movement as represented by the various consumer associations have yet to be truly involved in such drastic actions. But there are incidents where consumer leaders were involved in demonstrations against unfair eviction of squatters, part of a group that tried to stop loggers from cutting down trees in certain areas, etc. For example, a number of FOMCA's officers and volunteers were bashed by the police for being involved in a peaceful demonstration against the construction of the Bakun Dam. A number of CAP's officers were banned from entering Sarawak because of the Bakun Dam controversy as well issues of illegal logging involving the Penan people.

Further, as mentioned, the Federation of Malaysian

Consumer Associations and its affiliates particularly Perak Consumers' Association for example, had been rather successful in mobilising the consumers to protest against the unfair charges of the Indah Water Konsortium that the Government was forced to review the rates in 1996. It had managed to collect about a million signatures to protest against the rates. This effort was coordinated by FOMCA's Deputy President, Abdul Rahman Said Ali. Also, in 1997 FOMCA had been instrumental in saving the Bukit Larut in Taiping from being overly 'developed' causing a negative impact on its terrain. In this endeavour, FOMCA was represented by its Secretary General, Marimuthu Nadason.

In 1998, the Selangor and Federal Territory Consumer Association and FOMCA gained public support when they suggested taking legal action against the Selangor State Government for not providing water efficiently during the Selangor water crisis.

Henceforth, the chances of consumer leaders to be personally involved in such incidents in the future will always be possible. These possibilities are based on the personalities of consumer leaders in general who are in consumerism because of their strong need to see justice done and because of their idealism.

Some sociologists also feel that consumerism is not a social movement because it is not a mass movement. That is to say that the consumer movement has not been characterised by mass action and total commitment. For example, compared to the civil or human rights and labour movement, consumerism is not marked by sufficient mass action.

Further, consumerism is found to be lacking in widespread, passionate, and spontaneous outpouring of grassroots consumer discontent. As such, former FTC chairman, Michael Pertschuk (1982) prefers the term

'consumer impulse to consumer movement' because 'by and large the individual stake in the pursuit of consumer laws and regulations lacks the motivating energy of true political movements'.

On the contrary, the potential of consumerism becoming a mass movement is always present. History has shown that if conditions were bad enough, the public at large can be mobilised to take the necessary action to protect their interest as consumers. Examples are in abundance across time where the people have reacted against unjustified prices of essential items and shoddy goods. It was reported that the Roman Empire nearly collapsed because the cost of living went above what the people could afford and that Emperor Diocletian had to enforce a strict price policy of certain essential goods to save his throne from being overthrown by the people. "We have also seen in nearly every civilization the equivalent of the 'rolling pin brigades' - women who take to the streets to demand fair prices for food and in times of scarcity for food itself" (Anwar Fazal, 1977).

The battle for safe products and responsible market practices has continued over the centuries. The continued exploitation of the consumer saw the birth of the organised consumer movement and in 1960, a world body, the International organization of Consumers Union (IOCU) now known as Consumer International (CI) was founded (Anwar Fazal, 1993).

Now with the existence of consumer organisations practically all over the world and which are generally getting better organised, the possibility of it becoming a mass movement will always be present. With the effective use of the "internet" and other interactive media, the consumer movement can be more easily turned into a mass movement.

Furthermore, with the mass media influence becoming

more pervasive and given its relatively extensive coverage of consumer issues and consumer groups, the chances are always present that consumerism can become a mass movement. Currently, there is hardly a day that the media do not give coverage to consumers' issues or consumers' leaders are being quoted. The writer on the average receives three calls a day from the media requesting for all sorts of comments or views on consumer issues.

A number of sociologists also feel that the membership of consumer organisations are generally too small for it to be considered a social movement, what more as a mass movement. Moreover, there is a growing tendency among consumers to take the existence of consumer movement for granted. One might assume that it is well-financed, tightly organised, and free from both internal division and self-doubt, and thus ask why it hasn't accomplished more than it has (Mayer, 1989). One important reason for this situation is because consumer organisations often get regular media coverage for the issues it advocates and the activities it conducts.

The mass media giving extensive coverage to consumerism should not be considered as an unexpected or unwarranted action. This is because activities of consumer movement are usually pertaining and pertinent to public interest or welfare and hence of great news value. Since consumer bodies' activities are generally for the common good of the people and geared toward protecting the public interest, it is only expected that the mass media would give it the due coverage as it would want to sell news indefinitely.

Thus, it should not be construed that the mass media is doing consumer bodies a great favour when it gives it an extensive coverage. Here, the mass media is executing its functions as a social mobilizer and agenda setter. Also, it can be assumed that since consumer news benefit the consumers it helps the mass media to increase their

readers or audiences. Nevertheless, the consumer movement in Malaysia greatly appreciates all the support that have been given by the Malaysian mass media. In fact, a number of consumer associations in Malaysia have given special awards to journalists for having contributed by giving excellent coverage to certain consumer or environmental issues.

As reported by Syed Arabi Idid (1989, 54) in Malaysia, the mass media have voluntarily participated in campaigns to achieve independence, promote national unity, national culture, promote the use of Bahasa Malaysia, promote cleanliness, promote tourism, etc." Why not consumerism? In fact a number of editorials in the English dailies have advocated for a stronger consumer movement.

The Ministry of Domestic Trade and Consumer Affairs in cooperation with Malaysia Press Institute (MPI) and FOMCA has tried to encourage consumerism among the media since 1992 by awarding them special categories of awards for covering consumer issues. FOMCA so far has been invited to be among the panel of judges and this writer on many occasions has been given the opportunity to chair the selection panel. A number of consumer organisations, for example, the Perak Consumers' Association has awarded certain journalists who are active in reporting consumer issues.

However, as Mayer (1989) pointed out, in reality, the movement consists of a loosely knit band of individuals and organisations, deriving its sustenance more from moral courage and a desire for justice than from extensive financial resources. It is true that most consumer organisations have only a small membership. This happens not only in developing nations but also in the advanced countries.

Many of the big consumer organisations do not

depend on their membership size for their existence but rather on the sales of their publications. For example, the membership of Consumer Union of the United States or the Australian Consumer Association might not have reached over 100,000 members but their publications are being subscribed by more than a million people monthly.

In Malaysia itself, the Consumers Association of Penang (CAP) reputed to be the most active and largest consumer association in the Third World is reported to have a membership of about 300 people only. It is not known for the size of its members and does not seem to be interested in increasing its membership.

However, CAP is known for its aggressiveness and effectiveness in voicing out consumer problems, conducting consumer education activities and promoting its publications. By being assertive in their approach, CAP has managed to gain substantial coverage from the mass media with regard to the issues it articulates. Thus, consumers generally perceive CAP as being very influential and strong. This assumption is generally based on the extensive mass media coverage it receives.

However, it can be argued that being very active and a large organisation compared to the other state consumer association in Malaysia does not mean that CAP is more influential than the others even though it is by far the most active, biggest in the number of staff and quite visible. In addition CAP's monthly publication, Utusan Consumer (English) and Utusan Pengguna (Malaya) also highlights various consumer issues and consumer complaints.

Nevertheless, the other state consumer associations can be equally or more influential by having better contact with the media and government. At the federal or central level FOMCA is performing its part as well as it can.

Apart from working well with the government and the media, consumer associations are also learning to relate with the industries and professionals as a strategy to better protect consumers. This is in line with the Malaysian government tri-partite arrangements, that is government agencies, business bodies and consumer organisations must cooperate to enhance consumer protection in this country. FOMCA, for example, has managed to initiate for the formulation of the Malaysian code of Advertising Practice by working together with the advertising industries and those related to it in the mid 1970s.

Also, in the early 1980s, FOMCA through the National Advisory Council for Consumer Protection (NACCP) had initiated for the establishment of the Malaysian Code of Business Ethics. At the same time FOMCA through the same channel was pushing for the formation of the Better Business Bureau. In 1992, FOMCA together with the Malaysian Hire Purchase Association, financial institution & the Ministry of Domestic Trade & Consumer Affairs established a Code for Repossession of goods.

Also, FOMCA was lobbying for mandatory price tagging at the retail level plus mandatory expiry date for perishable items. By working through NACCP and practising the tri-partite arrangements, FOMCA had managed to enhance consumer protection in Malaysia.

The NACCP comprised of representatives from the relevant government agencies, business organisation, union, professional bodies, consumer associations and appropriate individuals. It is believed that through the advice of the NACCP, the Ministry of Domestic Trade and Consumer Affairs was established. One of FOMCA representative was appointed as chairperson of the NACCP and the writer is currently its Deputy Chairman.

The NACCP despite not being very visible and just

having an advisory status has actually contributed to consumer protection development in the country. Through NACCP, FOMCA has managed to get the government to ensure a mandatory price tagging for goods sold at retail level. Now the Ministry is making it compulsory for manufacturers to have recommended retail price (RRP) for all their consumer products.

Under the Consumer Protection Act 1999, NACCP has been changed to the Consumer Advisory Council. This Act allow the Domestic Trade and Consumer Affairs Minister to establish CAC to advise on the following:

- a) consumer issues & jurisdiction of the Act
- b) encourage consumer protection & knowledge in consumer affairs
- c) any other matter that can be referred to it by the Minister for effective protection of consumers through this Act. The Consumer Protection Act 1999 has the power to establish a 'Consumer Claims Tribunal'. However, this Tribunal can only deal with products, and services worth less than RM10,000.

On the other hand, FOMCA together with the Selangor and Federal Territory Consumers Association (SCA) working with the industry and Bank Negara had managed to establish mediation bureaus. For a start FOMCA's President Professor Hamdan is a council number of the Insurance Mediation Bureau while the deputy, Abdul Rahman Said Ali is in the Bank Mediation Bureau. FOMCA and SCA with the help of Professor Dr. Sothi Rachagan was instrumental in the formation of the two bureaus.

With regards to the financial institutions, FOMCA has succeeded to lobby Bank Negara to produce 'Guidelines for Guarantors' This is because a large number of

guarantors have become victims to financial institutions as borrowers did not complete their loan repayment. The borrowers now face stern legal action compared to before where in the financial institutions take legal action against the borrowers first before any action is taken against the guarantors.

Also, FOMCA with Professor Dr. Sothi have been largely responsible for the formulation of the Patient's Charter. The Patient's Charter has become a sort of a model for other countries who wanted to have their own patients' rights charter. After four years of intense discussion between the Malaysian Medical Association, Malaysia Dental Association, Malaysian Pharmacy Association and FOMCA it became a reality.

It is clear that Malaysia consumer movement have contributed significantly towards enhancing consumer protection in the country without having to have a mass membership. It is able to do so because of the tripartite approach it has practised. FOMCA will continue to work with any parties that will help to enhance consumer interest. For example, by working closely with the Education Ministry it had succeeded in establishing school consumer clubs. The Education Ministry has directed secondary school in Malaysia to set up consumer clubs. In teachers training colleges it has become part of its co-curriculum.

However, to date Malaysia's consumer movement is still in our infancy when it comes to product testing and publications. SCA (Selangor Consumer Association) used to conduct testing of products way back in 1969. It also produced a magazine known as "Berita Pengguna". However, only CAP has been consistent with its publication including the 'Utusan Konsumer' and some product safety testing and reporting.

On the whole, the consumer movement naturally

needs to be upgraded and up-dated on their expertise in many areas. It must be more united. For example, to date CAP is still not a member of FOMCA. However, this must not be seen as a weakness as each has its own approach to enhance consumer protection in Malaysia. In fact, there are those who feel it actually helps consumerism.

It must be reminded here that FOMCA is a non governmental, voluntary, non profit and civic minded organisation operating at the national level. Established on 10th June 1973, FOMCA links the activities of consumers' associations in Malaysia as well as at the international level.

FOMCA's primary objectives are:

1. Strengthen the growth and spread of the organised consumer movement in Malaysia.
2. Resolve consumer issues and promote the rights of consumers.
3. Promote through the purchasing power of consumers, a 'need-oriented' development that will ensure socio-economic justice environmental quality of life for all. And coordinate and be an advisory body to all other consumer organisations in Malaysia.

To ensure its success, FOMCA's role includes:

1. Researching consumer issues and its implications on the people.
2. Promote and conduct consumer education.
3. Advocate for better consumer protection.
4. Represent consumer interests at all level.

5. Disseminate consumer information.
6. Where required conduct product testing.
7. Publish consumer materials.
8. Coordinates consumer actions.
9. Develop consumer resources.

FOMCA's strategies include:

1. Developing consumer organisations at state and district level.
2. Developing consumer clubs in schools and institute of higher learning.
3. Working with consumers through non-governmental organisations (NGOs).
4. Cooperating with relevant government agencies to enhance consumer interest.
5. Cooperating with institutes of higher learning and other think-tanks to tap their expertise.
6. Establishing an authoritative and influential presence at the federal and regional fora.
7. Developing programmes focussed on the needs of the disadvantaged consumers.

Consumer organisations in Malaysia need to be more proactive than reactive in their approaches. It must be seen as the peoples' movement rather than being elitist. It must shed its 'passenger organisation' image if it wants to garner mass support.

Role of consumer associations include:

1. Enhancing consumer awareness
2. Complaints handling and redressal
3. Consumer education
4. Consumer development through school, community, residential associations, youth and women groups, etc.
5. Consumer representation at local and state level
6. Researching consumers issues at local and state level
7. Publishing consumer materials and findings
8. Consumer action, example petition writing, signature, etc.

The state consumer associations in Malaysia have tremendous potential and responsibility to develop consumers who are aware of their rights and mobilise them to assert those rights.

CASE STUDIES

THE NATIONAL ELECTRICITY BOARD (TNB) - CARING CORPORATE BODY

Not all big companies are profit motivated and exploitative. There are successful companies that return to the community what they have profitted through their various activities. One of the companies is the TNB, the main electricity provider in the country.

TNB has wide connections with consumers where in its relationship with the consumers are so wide that it extends outside its HQ & service centres to all over Malaysia. Where there is electricity, TNB will be there.

Generous contributions by TNB reflects its commitment towards consumers. These include corporate donations, sponsorship and scholarship. This commitment is ongoing which always takes into account interests of all parties which is in line with TNB's strategic alliance with the community and corporate sector. In this context, the company, staff of TNB and the community endeavour together in realising TNB's commitment to society.

TNB's community organisations such as Kilat Club, Islamic Workers Welfare Society and others have displayed community spirit amongst staff through programmes for the poor and the under privileged.

The Tenaga National Foundation continues to award scholarships for excellent students who cannot afford to continue their studies at the tertiary level.

Caring Corporation

TNB aims to be a leader in consumer relations. Various activities are conducted in order to strengthen the close

relationship between TNB and those who are under privileged, patients and disaster victims. This humanitarian aid is not only limited to Peninsular Malaysia but extends to Sabah and Sarawak as well.

Environment

TNB views environment as a serious concern. It has organised various seminars on this topic for its staff in order for them to appreciate and protect the environment when constructing TNB structures or cabling. Further, impact assessment studies are constantly being conducted.

TNB was also the main sponsor for the 16th Commonwealth Games (KL-1998). In addition to this, TNB also has been a major contributor to Dana Nasional.

TNB continues to work with consumer organisations especially FOMCA to serve the consumer through their various corporate programmes.

TELECOMS MALAYSIA – SERVICE FOR CONSUMER SATISFACTION

In 1990 Telecoms Malaysia was privatised and listed in the Malaysian Stock Market.

It had a 2-prong strategy to face the challenges ahead. One to increase the usage of information technology and two, to use telecommunication to develop international economy. As a national telecommunication provider, Telecom also continued its responsibility to provide service for the nation.

Telecoms has expanded its sales and marketing outlets to include not only telephone lines but also handphone lines such as TM Touch, Mobikom, internet services, etc.

In the field of technology, Telecom has played the main role in the Multimedia Super Corridor (MSC). The Corporate Information Highway (COINS) was also launched recently.

Despite various challenges, Telecom continues to provide services to the community especially the under privileged. Its aim is to provide services for the satisfaction of all customers. New schemes are constantly developed to reduce the burden of payment faced by the customers. This includes TM Family & Friends Discount, Kad Ring-Ring, etc.

The first private University, Universiti Telekom (UNITELE) was established in 1997 to provide skilled labour for the development of IT, Multimedia & the telecommunication industry in Malaysia. The Multimedia Universiti (Cyberjaya Campus) was established in July 1999.

Any consumer seeking information on Telecoms products and services can obtain the information by dialling 1050. General information can be obtained by dialling 100.

Vandalism is a problem faced by Telecom. Most of its public pay phones are constantly vandalised by the unscrupulous public.

Another major problem is the problem of 'false calls'. It has been identified that out of 2 million calls made for the 999 line, 20,000 are false. These calls are made by school children. Telecom successfully conducted campaigns to overcome these problems.

Telecoms also has sponsored numerous national events such as the Tour de Langkawi & Commonwealth Games 1998.

Telecoms will continue providing services for the community through close relationship with consumer movements especially FOMCA.

4. CONSUMERISM: A HISTORICAL BACKGROUND

Before discussing the profile of consumerism in Malaysia it would be useful to provide for a brief explanation of its development world wide. Also, it would be more meaningful to describe it from a historical perspective. By outlining the development of consumerism world wide and from a historical perspective it is hoped that a simple comparison could be made with regard to the emergence and growth of consumer movement or consumerism in Malaysia. Also, a historical approach is felt to be more useful when analyzing complex, socially and time-bound systems, where statistical data is impossible to come by since things happen only once (Forbes, 1987).

Historical studies have shown that consumer problems are not new. In fact, they have been with us since the birth of human civilization. For example, there is a theory that the Roman Empire collapsed because of rampant inflation and business malpractices throughout the empire. A famous historian, Professor Kenan T. Erim discovered a number of stone tablets in the mountain area of Anatolia in modern Turkey dated about 301 B.C. giving a list of items where prices are fixed. According to Professor Kenan, during the period around 301 B.C. the Roman Empire was experiencing the worst inflation ever which threatened the stability of the Empire. To resolve this threat, the supreme ruler of the Roman Empire at that time, Emperor Diocletian declared that the prices of certain goods be fixed. These goods include the prices of cattle, water melons, marbles, handkerchiefs, etc. Penalties for breaching the laws were severe and many would entail capital punishment (Anwar Fazal, 1977, 11).

Professor Kenan also found written on the tablets the Proclamation of Emperor Diocletian condemning profiteers

and speculators. According to the Emperor: "Their unbridled greed knows no pity to the people, they compete among themselves to reap bountiful interest and profits not only annually, monthly and daily, but every hour, minute... these traders whose greed know no limit completely ignore the public interest."

Further, even at the dawn of history consumers were reported to face problems related to food consumption as well as trade malpractices such as short-weight and adulteration. For example, about 3,500 years ago the Hittites developed a consumer code of sorts: 'Thou shalt not poison thy neighbour's fat', was the rule. The meaning - that food should be safe, clean and wholesome - has not lost its appeal over the centuries (Ellwood, 1984, 6).

Also, there is a theory that the Roman Empire collapsed because of lead poisoning arising from the use of lead pipes for their water supply system (Anwar, Fazal, 1977, 11).

In the Middle Ages, there were reports that bakers who cheated were put in cages and completely immersed in water and taken out when they were on the verge of drowning.

Also, there were reports that nearly every civilization experience the equivalent of the 'rolling pin brigades' - women who take to the streets to demand fair prices for food and in times of scarcity for food itself. Very often these groups take the law onto their own hands (Anwar Fazal, 1977).

In recent history, the development of the cooperative movement where consumers have taken business onto their own hands are seen as the date of the beginning of modern organised action by consumers.

As such, even though the marketplace of the past

was generally a small time affair compared to today, history is dotted with isolated examples of consumers organising themselves to champion their own interest. Also, examples are abound across the span of history and countries where the authority of the day were forced to enact laws or draw code of practices to protect the people from exploitation by unscrupulous traders or merchants. Some notable examples of legislations and codes to protect consumers' interest that span thousand of years are as follows:

- Mesopotamian legal codes. Codex Hammarubi, 1750 B.C., contained regulations regarding credit, rent, quality of goods and services, prices and weights and measures (Forbes, 1987).
- Hittite legislation. 1200 B.C., regulated food safety and wholesomeness (Forbes, 1987).
- Hebraic laws. Deuteronomy 25:15, counselled "...thou shalt have a perfect and just weight, a perfect and just measure..." (Forbes, 1987)
- Indian laws around 200 B.C. had laws against food adulteration, especially grains and oils (Forbes, 1987).
- The Quran and the "Hadiths" (Saying of Muhammad) outlaw usury, encourage moderation of consumption, establish "halal" and "haram" with regards to food, safety, business ethics, etc.
- The United Kingdom, 1202 A.D., had laws against short-weight and adulterated bread. The Magna Carta, a few years later, further stipulated standards for weights and measures (Forbes, 1987).
- Sixteenth Century French were allowed to throw rotten eggs at those who had sold them (Forbes, 1987).

Hence, it is recognized that the fundamental imbalance in the marketplace is not new. It has existed ever since the beginning of commerce. The Latin maxim "caveat emptor" or "buyer beware" expresses the reality of the consumers' vulnerability to unfair deals by the suppliers of goods and services. It is this feeling of vulnerability that has provided the drive for consumer protection and the emotional steam behind the consumer movement. These feelings have been converted into assertions of basic consumer rights by consumer and political leaders and constitute the moral foundations of consumer protection... (IOCU, 1991).

Accordingly, Robert O. Hermann(1974, 17), noted that the consumer movement has arisen as a reaction to three persistent problem areas: (1) ill considered applications of new technology which results in dangerous or unreliable products; (2) changing concepts of the social responsibilities of business, and (3) the operations of a dishonest fringe and the occasional lapses of others in the business community.

Also, according to Hermann (1974, 17), historically, consumers have been most sensitive to the above three problems in periods when consumers purchasing power is under pressure from rising price. He further believes that the three problem areas will never disappear completely.

With regard to consumers purchasing power, Aaker and Day (1974, xxiv) feel that despite the fact that real incomes have risen in the past few years, there is a perceived budget squeeze that creates a frustration which is often taken out on the visible and vulnerable corporation. The squeeze is a consequence of two factors. First, increased income and sociological forces have prompted high expectations for a better life -style. The new life style to which people aspire usually requires new expenditures for products and services. Second, inflation is absorbing a significant portion of the increased income

thus frustrating people's ability to buy.

With regards to the impact of technology on consumers, a number of American scholars (Kotler, 1973; Herrmann, 1974; Aaker and Day, 1974), believe that technology inevitably plays a crucial role in increasing the complexity of the modern marketplace and changing consumption patterns of consumers as well as adding to consumers' ignorance, confusion and frustrations. The "internet" could widen the gap between the information rich consumers and the information poor consumers.

The following are some developments that are attributed to technology, and its effect on sellers and consumers:

- (1) A rapidly rising standard of living has created a widening in the scope of possible goods and services among which consumers may choose. This has made the task of wise selection difficult.
- (2) A high plant investment, and the need in many industries for mass production or steady output to achieve economies, leads to production in anticipation of demand. Under pressure to find a mass market to absorb goods, producers have resorted to exaggerated claims, pseudo-product differentiation, high pressure selling, and sometimes to outright fraud.
- (3) A high living standard has a tendency to motivate producers to produce non-essentials in order to make more money. Demand for non-essentials are generally fickle. In order to achieve stability producers have resorted to using aggressive selling and advertising to manipulate demands for their own interest.
- (4) The mechanization of production coupled with the growth of fancy packaging and trimming has made

it much harder for consumers to discern real quality.

- (5) Rapid advancement in communication and transportation technologies as well as its facilities have worsened consumers' predicament, while simultaneously making possible an enormous increase in their well-being. Great inequalities in living standards, less noticed in earlier times, have become apparent to poorer consumers. Consequently, the preference of the poor are revamped by their vision of abundance enjoyed by the rich. This has led some producers to cheapen their products in any way necessary to reach low income families.
- (6) Decreasing personal contact between producers and consumers (personal relations characterized the era of handicraft production) have increased the likelihood of producers misrepresentation. This gulf aggravates producers' difficulty of determining consumers' preference in advance of production. This motivate producers toward aggressive selling methods. It is much easier to exploit unknown consumers than the one the producers know and often meet personally.
- (7) The spirit of specialization and mechanization have invaded the home as well as the factory. The knowledge of food, clothes, and woods, which was second nature to craft-minded foreparents, was lost as succeeding generations made less and less goods themselves, and bought more and more from shops. In the last century of growing divorcement between production and consumption, the science of wise buying has atrophied like a muscle which gets little exercise. More physical therapy in the form of consumer education is badly and urgently needed.
- (8) While specialization and mechanization in production resulted in large scale production units, their

introduction into the homes have led to no appreciable change in the small scale nature of consuming units. This small scale operation is a serious barrier to wise consumption. Learning objective test for quality and their application often appears to be a waste of time and energy, particularly since the scope of buying encompasses so many different products. Thus, many consumers fall back on the very unsatisfactory rule of judging quality by price. As a result, producers sometime hesitate to lower prices for fear of discouraging sales.

- (9) The presence of higher than subsistence living standards among most consumers (in rich or developed nations) have contributed towards their apathy. The prospect of what is wrongly foreseen as "small savings" make it "too much bother" to learn wise buying and consumption habits or to lobby legislators to vote for consumer interest.
- (10) The nature of family unit can contribute to consumer apathy. Ability to manage a family or a home efficiently is not a primary attribute which most men or women seek when choosing a mate. Consumers generally relegate the art or science of home economics to minor importance.
- (11) Consumers' expectation of product quality, performance, and reliability is increasing due in part to new products incessantly stressing on their improvements.
- (12) Consumers today being more educated and exposed to mass media, as well as more aware of their rights (especially in industrialized nations), are more articulate and demanding in securing their satisfaction with regard to goods and services.
- (13) The rapid advancement in communication

technology and their extensive usage by advertisers raise fears of consumers taste being homogenized universally. Consumerists, particularly of developing countries would not want indigenous products that are more appropriate for their people to be neglected and simply disappear because of new imported products that are pervasively being advertised and sold.

- (14) The rapid advancement in computer technology has led to depersonalization of services rather than personalizing it. Often, consumers who have been used to personal contact in their dealings with retailers find that they are communicating their problems about billing errors, and so on, to a machine programmed only to handle routine occurrences and incapable of exercising judgement. This inevitably build up consumers resentment. The depersonalization and resentment played some role in fostering general mood of consumer discontent and development of consumerism (Aaker and Day, 1974).
- (15) Consumers suffer from information gap due to products becoming more complex, requiring evaluation among many more dimensions, some related to new performance and convenience features. According to Aaker and Day (1974, xxii), the information gap is further widened by the lack of time available for shopping because of competing activities which accompany the new life styles. Also, the gap is due to rather high aspiration levels with respect to the information on which consumers would like to base their purchasing decisions. This aspiration level is in turn due to the educational level of the consumer and the visibility of consumerism.

In analyzing information gap, Thorelli (1972) concluded:

The proliferation, change, and complexity in products and variants has created a veritable explosion in the amount of total information needed to keep on top of the market... As if this "information explosion" were not enough of a problem we have three major exacerbating factors to reckon with. First, personalized information sources - whether in the form of knowledgeable salesmen or of prior personal experience of the buyer himself - are steadily losing in significance while such new sources as TV advertising really fall short of meeting the same need. Second, the price we subconsciously place on our time is rising at a fast clip, meaning that the cost of information gathering - or search, as decision theorists would say - is getting higher everyday. Third, our aspiration levels with regard to information, paradoxically, are also rising. All these factors have conspired to create a social and economic problem complex which we may aptly call the consumer information gap.

The selling of independent information proved to be a critical stepping stone for the consumer movement, particularly in the industrialized nation. Many consumer organizations started their own publications featuring testing results - like *Which* in the United Kingdom, *Choice* in Australia, and *J'Achete Hieux* in Switzerland. A steady income gave many consumer groups their first taste of financial independence. As more people responded to what was published the strength and credibility of the whole consumer movement grew and their public support blossomed.

The problems faced by consumers in coming to grip with products of modern technology was succinctly summed by Betty Furness (1970, 40), White House Special Assistant for Consumer Affairs, when she said:

"You gave us nylon but didn't tell us it melts. You gave us insect spray, but you didn't say it would kill the cat. You give us plastic bags, but didn't

warn us that it could, and has, killed babies You give us detergents, but didn't tell us they were polluting our rivers and streams. And you gave us the pill, but didn't tell us we were guinea pigs."

Obviously, advancement in technology bring consumers new benefits as well as problems. For now, technology appears to make society more complex. It has not closed or bridged the gap between the rich and the poor. In fact, it has helped to widen the gap.

Not surprisingly, Kotler (1974, 73) cited advancing complexity of technology as structural conduciveness in contributing to the rise of consumerism in the 1960s.

However, it must be mentioned that in the twentieth century, scholars like Kotler (1972) and Herrmann (1974) felt that society, particularly the U.S. business scene has been shaken by three distinct consumer movements - in the early 1900's, the mid-1930's and the mid-1960's. The first two flare-ups subsided.

Nevertheless, the 1930's saw the emergence of the modern day consumer movement as an organized and independent force, championing social justice in depression-wrecked America. For example, 1936 saw the formation of the Consumers Union (CU), which for many years was the only consumer organization of its kind in the world. The early consumer associations were:

- 1899 - Consumer League - U.S.
- 1928 - Consumer Research Inc. - U.S.
- 1935 - Staters Husholdingsrad - Denmark
- 1936 - Consumer Union of U.S. Inc - U.S.

By the mid-1950's, the US Consumer Union (CU) was a force to be reckoned with. The CU by carefully testing the quality of scores of new consumer goods, comparing prices and reporting on their findings in their magazine,

Consumer Reports had become a household word in US. By 1957 the *consumer Reports* circulation had grown to nearly 800,000 copies. The magazines became an important means of spreading the concept of independent testing as a basis for providing sound and unbiased information to consumers. Eventually copies of the magazine trickled overseas. Several consumer groups trace their beginnings to people who had heard about Consumer Union or who had read *consumer Reports* (Sim, 1991, 2). The CU was instrumental in the birth and growth of a number of consumer associations in Western Europe as well as the establishment of the International organization of Consumers Unions (IOCU) in April, 1960, based in the Netherlands. According to Warne (1982): "In 1952, Consumers Union established a grants programme. While most of the money went to consumer protection efforts within the United States, some went to aid young groups outside the country.

The United States being the birth place of today's consumer movement is logical since that was where the free market was most advanced and potentially most damaging. In fact, the first consumer group, the Consumers' League, was founded in New York City in 1899 by Florence Kelly and her followers. The League undertook to investigate factories and to educate consumers in purchasing habits.

However, according to Dorros (1985, 36), consumerism as an organized movement began in England in 1890. She unfortunately did not elaborate on this subject. Nevertheless, the workers unions and the cooperative, movement were somewhat involved in consumers protection in late nineteenth century England.

Nonetheless, the 1960's flare-up revitalized and generated the modern day consumerism. As noted by Rokiah Talib (1989): "The emergence of consumerism as a social force was evident only in the 60s, especially with

the declaration by President Kennedy about consumer rights. Earlier on there were two other faces - 1900 and 1930s which were not really a movement, instead ad hoc concerns followed by a series of actions in the form of legislations for consumer protection. The 1930s was seen more as a period of awakening consciousness highlighted by publications of several best sellers focussing attention on several issues faced by consumers in the market place."

According to Kotler (1974, 72), there were very good reasons why consumerism rejuvenated in the mid 1960's. However, the phenomenon was not due to any single cause. Consumerism was reborn because all the conditions that normally combine to produce a successful social movement were present. Kotler (1974) listed these conditions as; (1) structural conduciveness; (2) structural strain; (3) growth of a generalized belief; (4) precipitating factors; (5) mobilization for action; and (6) social control. See table I for Kotler factors contributing to the rise of consumerism in the 1960s.

Kotler refers structural conduciveness to basic developments in the society that eventually create potent contradictions. In the 1960's three major factors are identified contributing to consumerism:

- (1) Incomes and educational levels advanced continuously. This means many citizens would eventually become concerned with the quality of their lives, not just their material well-being.
- (2) Technology and marketing became more complex.
- (3) Environment indiscriminately exploited without due regard to its sustainability. Observers began to see that an abundance of cars and conveniences would produce a shortage of clean air and water. The Malthusian specter of consumers running out of

sufficient resources to maintain themselves became a growing concern.

As it is, the 1960's were a time of great public discontent and frustration. Economic discontent was created by steady inflation which left consumers feeling that their real incomes were deteriorating. Social discontent centered on the sorrowful conditions of the poor, the race issue, and the tremendous cost of the Vietnam war. Ecological discontent arose out of new awareness of the world population explosion and the pollution fallout associated with technological progress. Marketing system discontent centered on safety hazards, product breakdowns, commercial noise, and gimmickry. Political discontent reflected the widespread feelings that politicians and government institutions were not serving the people. All these developments produced major structural strains in society.

However, discontent alone is inadequate to bring about change. According to Kottler (1974, 73), there must grow a generalized belief about both the main causes of the social malaise and the potent effectiveness of collective social action. In the United States where consumerism regenerated in the mid- 1960s, a number of factors bestowed independently to the growth of generalized belief. They include:

- (1) Writings of social critics such as John Kenneth Galbraith, Vance Packard, and Rachel Carson provided a popular interpretation of the problem and of actionable solutions.
- (2) Hearings and proposals of a handful of Congressmen such as Senator Estes Kefauver brought hope of legal remedy.
- (3) Presidential 'consumer messages' of President Kennedy in 1962 and President Johnson in 1966, which

legitimated belief and interest in this area of social action.

- (4) Consumer testing and educational organizations continued to call public attention to the consumers' interests.

Further, according to Kottler (1974, 74), given the growing collective belief, consumerism only awaited some precipitating factors to ignite the highly combustible social material. Two sparks specifically exploded the consumer movement. The one was General Motors' unwitting creation of a hero in Ralph Nader through its attempt to investigate him; Nader's successful attack against General Motors encouraged other organizers to undertake bold acts against the business systems. The other was the occurrence of widespread and spontaneous store boycotts by housewives in search of a better deal from supermarkets.

The next stage of Kotler factors contributing to the reinvigoration of consumerism in US was the existence of 'action mobilizer'. According to him, these chances of combustions would have vanished without a lasting effect if additional resources were not mobilized for action. Three mobilizers fueled the consumer movement. They are:

- (1) Mass media front page coverage and editorial support to the activities of consumer advocates. They found the issues safe, dramatic, and newsworthy. The media's attention was further amplified through word-of-mouth processes into grassroots expressions and feelings.
- (2) A large number of politicians at the federal, state and levels picked up consumerism as a safe, high potential vote-getting social issue.
- (3) A number of existing and new organizations arose in

defense of the consumer, including labour unions, consumer cooperatives, credit unions, product testing organizations, consumer education organizations, senior citizen groups, public interest law firms, and government agencies.

The last factor postulated by Kottler (1974, 75) as contributing to the resurgence and growth of consumerism in the mid-1960's is the presence of social control in the US situation. According to Kottler, the progress and course of an incipient social movement depends on the reception it receives by those in social control, in this case, the industrial-political complex. A proper response by the agent of social control can drain the early movement of its force. But this did not happen. Many members of the business community attacked, resisted, or ignored the consumer advocates in a way that only strengthened the consumerist cause. Most legislative bodies were slow to respond with positive programmes, thus feeding charges that the political system was unresponsive to consumer needs and that more direct action was required. And the movement has continued to this day, abetted by the unwillingness of important sections of the business and political systems to come to terms with the basic issues.

The growth of the modern day consumer movement made it appearances outside the United States by the 1950s. In 1956, Colston, E. Warne, a founder member of Consumer Union and IOCU wrote a memorandum to three officers in the United Nations recording the interest at that time in many parts of the world for starting consumer organizations similar to the Consumers Unions in the United States. According to Warne, CU received inquiries from Britain, Pakistan, Italy, South Africa, India, France, Belgium, Iceland, Australia, Switzerland, Israel, Australia, Canada, Germany, Norway, Sweden, Denmark, and Holland.

By the end of 1959, Colston Warne reported to a

consumer conference in Boston that nearly all countries in Western Europe have consumers associations. Countries he identified having consumer movements were - Great Britain, Belgium, Denmark, Holland, Norway, Sweden, Austria, Germany, France, Ireland, Finland, and Italy. Warne named four organizations in Europe: Consumentenbond in the Netherlands (1953), Consumers' Association in the UK (1957), the Union Belge des Consommateurs (1957), now the Association des Consommateurs/verbruikersunie) in Belgium and the Union Federale de la Consommation in France that had began publishing information for consumers, including reports on products they had themselves tested.

As for Switzerland, Warne (1959) reported that it had the Swiss Institute for Household Economics, which provided useful service to consumers. It was, however, not a consumer organization.

Outside Western Europe, Warner (1959) reported that in Australia, the Australian Consumers Association was formed in Sydney. Its Memorandum and Articles of Association were very similar to the UK Consumer Association and CU. It started its own publication in early 1960.

Also, in 1959, Warner (1959) reported that the New Zealand government approved the setting up of the Consumer Council of New Zealand. According to Warner (1959): "The Consumer Council of New Zealand tends to be constructive as well as defensive. It will commend high quality products and service while condemning shoddy goods and bad practices."

Finally, Warne (1959) reported that there were many other countries having consumer organizations, notably in Canada, Israel, India, Africa and Japan. None of these seem to have engaged in substantial consumer testing. According to Warne (1959) the strongest is perhaps, the

Canadian Association of Consumers which is a women's organization of considerable vigour with educational and legislative objectives in the consumer field.

Two factors were given for the rapid growth of independent consumer organizations in Western Europe and Northern America. The first was timing. By the 1950's, mass production and greater affluence had created a society that was hungry for useful, objective information. According to Peter Goldman, Director of the UK Consumers' Association from 1965 to 1987: "They got the timing, either by judgement or by accident, absolutely right... rationing and control had just ended... shops were beginning to fill with all sorts of different merchandise and people clustered for information like hungry paupers round a soup kitchen" (Epstein, 1989).

The second reason for such early success was the near missionary zeal of the early pioneers of the consumer movement. Their enthusiasm persisted in the face of some formidable barriers. They felt vulnerable to attacks by manufacturers over their product ratings; they had little or no capital except that donated or borrowed from friends and well-wishers. All their hopes were pinned on the first issue of their magazine bringing them enough subscriptions to pay off the printers and to produce the next issue. Yet their commitment never flagged. This high level of enthusiasm was reflected in their strong support for those who wanted to start consumer organizations elsewhere (Sim, 1991).

Moreover, according to Caspar Brook (1959) changes that were taking place in the British society and in much of Western Europe, during that period, helped make consumer organizations such a success. Brook (1959) listed five trends that contributed to rapid development of consumerism in Western Europe. They are:

- (1) People have more money to spend than ever before.

Income of consumers has increased.

- (2) There is more pressure to buy. The significant increase in advertising expenditures contribute to the pressure to buy.
- (3) Goods become more and more complex. With the advent of new materials and new production processes the choice before the consumers becomes increasingly difficult. The result of all this is that consumers are certainly bewildered and many of them frustrated.
- (4) The "traditional" forms of protection are developing. Amongst these are various laws such as the Sale of Goods Act, Weights and Measures Acts, Merchandise Marks Acts, and so on. Also, there are standards set by standards institutions. Many industries and traders have also established their own standards and code of practice. Further, professional standards and codes of practice, such as those of doctors, accountants and lawyers, were adopted to provide the consumers with some protection. The advertising industry, too, has made what to the outsider may sometime look rather desperate efforts to adopt professional standard. Brook (1959) also attributes to the mass media in all its forms - daily newspapers, weeklies and the periodicals, both general and specialised - have all played their part in providing the consumers with a certain amount of protection. New goods coming on to the market are described in editorial columns, though only very rarely in comparison with one another.
- (5) Honest reporting on comparative tests has at last entered the field. According to Brook (1959), the reaction of consumers to these sort of activities was staggering. For example, the Association for Consumer Research (UK) formed in 1957, which

published *Which*, in the first quarter itself enrolled 26,000 members and at the end of the first year, the membership stood at 84,000.

The development of consumer movement in the advanced nations continue to progress at a rapid speed. Some of them have assisted in the development of consumer organisations in the developing countries.

5. CONSUMERISM IN DEVELOPING NATIONS

While the emergence of consumerism in industrialized nations like Northern America and Western Europe have been basically linked with independent comparative testing and selling relevant consumer information, consumerism in developing nations have been generally associated to reactions against frequent shortages of essential goods, unfair pricing and unjustifiable price increase of food items, substandard quality of goods, 'dumping' by multinational corporations, exploitative trade practices and misleading advertisements.

Consequently, consumer movement in the Third World are known more to concentrate on activities ensuring basic needs and rights, especially for regular and sufficient supply of food at affordable prices, clothing, sanitation, health care, shelter, etc. Consumerism in the Third World also has more tendency towards advocacy so as to have adequate laws and efficient enforcement to better protect consumers.

From a Third World perspective, consumer woes is said to arise, among others, from the following factors:

- (1) The vast majority of consumers are often poor, illiterate.
- (2) There is a lack of awareness about consumer and other human rights.
- (3) The vast majority of consumers do not possess the means to challenge established institutions like government and industry.
- (4) The legal machinery seldom acts as a deterrent and civil action is still very much a daunting prospect.

- (5) some governments condone or even encourage dumping in pursuit of short-term gains like quick foreign exchange or for the sake of attracting foreign investors.
- (6) There are a few well-organised, people-centred consumer groups with the necessary skills and resources.
- (7) There is a lack of timely, pertinent and accurate information.

In the Southeast Asian context, the coming of consumerism to this part of the world has its roots in the turbulent 1960s of stagflation and other social ills. According to Budomo (1987, 89), consumerism, though it has gained popularity in western economies, is a new concept in the Philippines, alongside its offshoots, consumer protection and consumer education. Consumerism as a movement began in the Philippines in 1962 when the Consumer Association was established by Ambassador R. Soriano. However, this organization died a natural death after only a few years due to lack of funds and genuine interest among its members as well as the 'ningas cogon' (take it easy) tendency of the Filipinos (Doros, 1985, 38; Budomo, 1987, 89).

Nevertheless, on March 13, 1963, the Consumer Federated Groups of the Philippines (CFGP) was formed. It worked closely with the National Federation of Women's Clubs and was responsible for initiating consumer education through lecture forms on how to stretch one's income. Also, the CFGP was considered the prime mover behind the annual "Consumers' Protection Week", held in the first week of October. In 1974, CFGP, together with the University of Philippines Law Center, drafted a "Proposed Consumer Code of the Philippines". This code was never approved.

The emergence of consumerism in Philippines has been imputed to the plight of the Filipino poor who are caught in the maelstrom of inflation aggravated by a depressed economy. Also, of unfair pricing, substandard quality goods, 'dumping' by multinational corporations and misleading advertisements (Budomo, 1987, 86).

Consumerism, despite starting relatively early in the Philippines compared to other ASEAN nations developed very slowly in the country. Raul Tabios, in his article "Consumerism on the Homefront" gives a number of reasons for the tardy growth of the consumer movement in the Philippines:

The reasons are diverse. One, is that the movement is organizationally weak. It lacks cohesion, unity of purpose, vision. Two, is that it has confined itself to a rigid set of 'safe' activities that do not enjoy both widespread significance, impact and purpose. Three, it does not enjoy support from the powers that be, the influential sectors of society like the mass media, or even from the very people it seeks to fight for — the consumers. Four, it does not have a well-oiled machinery to carry out its aims; it lacks resources; it lacks manpower. Five, the growth and strength of the movement is further stunted by the known complacency of the Filipinos who have the tendency to accept things as they are, and who would rather grin and bear it than complain and rise up in arms. (Sunday, September 30, 1984, p3))

The lethargic development of consumerism in the Philippines might be similarly faced by consumer movements in other developing countries. The reasons for consumers being apathetic and consumerism not growing fast enough in the Third World might hold a lot of truth in what is reflected by Anwar Fazal, then President of CI, at the opening of the First ASEAN Seminar on Consumer Protection in the Philippines in 1980. He remarked:

“it is often said that consumers are apathetic and that’s their problem. I believe consumers appear only apathetic and this is so because they are often frightened they often have no confidence in the capability of the authorities to deal with their problems, the costs of complaining are too high, and the act often ‘frowned’ upon. In paternalistic societies, and many of us know whom I am speaking of, we are often taught not to rock the boat. Control of information and powerful advertising seduce and lull us unto false sense of confidence.

It is easy to blame the people, to say they get what they want, what they deserve. In the kind of society where large corporations pollute the environment on a massive scale and the hawkler is fined for littering or obstructing the sidewalk, there is a serious distortion of values. Mass persuasion tactics by very efficient advertising agencies (often multinationals) not only present the consumers with little real choice, but it often also leaves in our societies many captives with distorted values and hopeless expectations.”

The 1960’s also saw the appearance of three consumer organisations in another ASEAN nation, namely Malaysia: The Penang Consumers’ Association in 1964, but folded after a few months due to its inability to keep members interested and organize appropriate activities; the Selangor Consumer Association in 1965 which today is known as the Selangor and Federal Territory Consumer Association; and the Consumers’ Association of Penang in 1969.

However, the 1970’s is a momentous decade for consumerism in Southeast Asia, particularly for the ASEAN nations. In Malaysia, all the 13 states have established

their own state consumer associations including a national organization. In the Philippines, three major consumer groups were established. In Indonesia, a non-governmental body called the "Yayasan Lembaga Konsumen" (Indonesian Consumers' Association) was formed in 1973. In Singapore, the Consumers' Association of Singapore (CASE) was established in 1972. In Thailand, the 1970's saw not only a number of consumer related groups being born but also the enactment of "The Consumer Protection Act (1979) which recognizes four consumers' rights. The four rights are:

- (1) The right to receive correct and sufficient information and description as to the quality of goods or services;
- (2) The right to enjoy freedom in the choice of goods or services;
- (3) The right to expect safety in the use of goods or services; and,
- (4) The right to have the injury considered and compensated.

At the regional level, two important events occurred in the 1970's to accelerate consumerism in Asia and the Pacific, particularly Southeast Asia.

Firstly, a meeting in Singapore between 4-8 February 1974, comprising of representatives from some 30 countries, 24 of them from the Asia and Pacific region, discussing "Community Education for Consumer Protection". The representatives highlighted the urgent need for a consumer protection programme for the region. They expressed deep concern at the lack of laws to safeguard consumers in basic areas and lamented the deplorable lack of enforcement that prevailed. The meeting provided the outline for a consumer programme and led to the immediate establishment of the IOCU

Regional office for Asia and the Pacific, which is now located in Penang, Malaysia (Anwar Fazal, 1981, 10).

The CI Regional Office in Penang since its inception has been very active in consumer protection. It had a programme of activities in consumer education, information and testing that spawned a series of major workshops, training courses and seminars. It also carried out networking activities, acting as coordinating centre for global campaigns on specific consumer interest, and the introduction of Consumer Interpol in 1981, where members can publicise the details of the export or import of dangerous products, so that consumers may be advised and governments pressured to provide the necessary protection.

Secondly, between 7-9 February 1974, the 23rd Session of ASEAN Secretary-Generals met in Kuala Lumpur, Malaysia and agreed to recommend to the ASEAN Ministerial Conference the setting up of an ASEAN Consumer Protection Agency with the objective of protecting ASEAN consumers from substandard and low quality goods and from misleading representation of imported goods from outside the ASEAN region into the ASEAN region. This idea is yet to be realised.

In the 1980, the First ASEAN Seminar on Consumer Protection was held in Quezon City, Philippines. At this Seminar, formal acceptance of the CI Charter for Consumer Action and the Bill of Consumer Rights was first recorded when participants adopted a declaration at the close of the meeting recognising these rights and principles for action.

It is interesting to note that all the country report presenters at the First ASEAN Seminar on Consumer Protection who were government officials have similar reasons for the acceleration of consumer protection. For example, the Singapore representative, Richard Magnus

(1981, 69), attributed it to the increasing complexity of the market place, industrialization and mass production, high pressure selling techniques in the realm of keen competition and evergrowing array of new and sophisticated goods and services being put into the market which complicate consumer choices.

The Philippines speaker, Castillijos, also mentioned factors such as growth of mass production, acceleration of technical progress, increase in purchasing power and widening of markets, greater range and complexity of goods and services which are promoted by vigorous and sophisticated selling techniques as causing more problems for the consumer. He further stated that under these conditions, it has become increasingly difficult for consumers to identify the dangers which may arise from the goods offered for sale, and to recognize unfair, deceptive and unconscionable sales acts and practices which some unscrupulous traders may impose upon the consumers. Hence, there is an urgent need to re-enforce the consumer position.

The Indonesian speaker also talk about the problems faced by consumers due to the fast advancing technology in various field, increasing number and variety of goods and the rising standard of living causing consumers to feel the need for those various products and services.

However, the Indonesian representative felt that in most developing countries, consumer rights have not yet received proper attention due to various reasons such as:

- the absence of the appropriate laws and regulations on consumer protection.
- lack of consistent enforcement of the existing laws and regulations because of minimal technical staff and equipments available.

The Malaysian delegate, Tey Boon Hwa, said that the subject of consumer protection has become increasingly important in recent times. As the day-to-day living conditions become more sophisticated, the demands for the necessities and luxury goods increase and the requirements for quality goods become more pressing. Further, the public demand for economic justice in the market place forces the government to interfere with the free enterprise system.

It is noted that the factors contributing to increasing interest in consumer protection as presented by these government officials from developing countries in 1980 are reminiscences of the ones postulated by marketing scholars (like Kottler) and consumerists (like Caspar Brook) in the industrialised nations in the early 1960s. Not surprisingly, most consumer organisations in developing countries even in the twilight of the 1990s and the early twenty-first century will still be fighting for the people's basic needs, basic consumer laws and effective enforcement of the laws.

As such, according to Ellwood (1984, 5), in the 1980's, consumer movement in developed and developing nations is increasingly conscious of its history and of the need to keep people at the centre. In the past decade especially the consumer movement has become aware of the need to demand basic rights for all consumers. Not only those in the industrialized nations whose concerns have traditionally been product safety and 'value for money'. But also the poor, the powerless and the underprivileged: consumers whose market freedoms are eroded by poverty and whose basic needs - sanitation, health care, education, nutrition - are too often ignored by an economic system where production responds to the pull of money, not to people's real needs. Accordingly, Third World consumer organizations have been the engine for this expanded view of consumer issues. Many of them have begun to examine fundamental social and

economic problems critically. Consequently, they are asking some hard questions about both the production and distribution of goods and services. Like consumer organizations in industrialised nations, they are concerned about quality and safety. But they are also beginning to question the actual choice of goods produced.

The 1980, according to Anwar Fazal (1981, 11), saw the first ever (he thinks, in the world) Training Course on "Consumer Reporting for Journalists and Editors of Consumer Journals in the ASEAN Region" was conducted.

Earlier, also according to Anwar Fazal, the first ever (in the world) month-long Training course in Consumer Education through Radio for ASEAN Consumer Educationists and Broadcasters was held in Kuala Lumpur.

Consumerism in developing nations will continue to prosper, particularly during periods of economic crisis and high inflation. Even governments of developing nations have given recognition and even funding to consumer organisations. This is particularly obvious in Malaysia where the government has long subsidised the activities of consumer associations and yet allowed them to have an independent voice. The government is also helping the development of consumer bodies in the rural areas. It had even heeded FOMCA's call to establish consumer affairs institutes at state and district levels.

6. INTERNATIONALIZATION OF CONSUMERISM

By 1960, the world economy has become so interrelated that the world itself has become a market place. The market system has spread to every corner of the globe. Further; the rise of transnational corporations has turned the world into a global factory and local market into a global shopping centre. Thus, the need for an international consumer body was urgently felt.

April 1960 represents a landmark in the development of the world consumer testing movement. On that date at a meeting in the Hague, delegates from 16 consumer groups in 11 countries completed the organisation of the International Office of the International office of Consumers Unions (IOCU), which will act as a central clearinghouse of ideas, test methods and test results. Formal announcement of the foundation of IOCU was made at a conference on consumer testing, sponsored in Paris by the organization for European Economic Cooperation, on April 7, 8, and 9 (*IOCU Newsletter, No. 3 1990, p. 2*).

In 1991, CI has changed much more than just its name (the word 'Office' was replaced with 'Organization' in 1964). Beginning with members from five consumer organisations from industrialised countries, it has grown to over 181 members in 64 nations in various stages of development and ideologies.

During its 14th World Consumer Congress in France the IOCU formally changed its name to Consumer International or in short "CI". During its 15th World Consumer Congress in Chile in November 1997, it members are reported to be at 239 operating in 107 countries. CI's head office is now moved from the Hague, Netherlands to London, United Kingdom. Also, CI has now three regional offices. Namely, Regional Office for Asia and

the Pacific (ROAP) located in Penang, Malaysia; Regional Office for Latin America and Caribbean (ROLAC) in Santiago, Chile and Regional office for Africa (ROAF) in Harare, Zimbabwe. To serve nations with developed economies and economies in transition, CI has a Programme for Developed Economies and Economies in Transition headed by a Director in London. For global policy and campaigns, CI also has a special unit, Global Policy and Campaigns headed by a Director at its main head office.

Consumer International, started initially to serve as an information clearing house for testing organisations in North America, Europe and Australia, now protects and promotes consumer interests worldwide through research, information and education. Also, it represents the consumer interest in international fora.

In 1998, CI was a federation of consumer organisations dedicated to the protection and promotion of consumers' interests worldwide through institution-building, education, research and lobbying of international decision-making bodies. Consumers International currently links the activities of 247 member groups in 111 countries. As consumer activities increase, CI membership would also increase.

Today, Consumers International is independent, non-profit and not aligned or supported by any political party or industry. It is funded by fees from member organisations and by foundation and government grants. Just under half of CI's income comes from membership fees. Full members pay 0.75 percent of its previous year's gross income. Affiliate members and government affiliates pay an annual fee as set by CI. This relates to the size and resources of the organisation. The rest is made up of grants from governments, multilateral agencies, non governmental organisations, Trusts and Foundation.

The Consumers International membership is divided

into three categories: a full member, an affiliate member and a government affiliate. Both full and affiliate members are active exclusively on behalf of the interests of the consumer and are unconcerned with the advancement of commercial activities. A full member, however, also must not be connected in any way with commercial or trading ventures or the advancement of party political causes nor accept advertisements in their publications. A full member also must be non profitable and not influenced or restricted by any subsidies it receives.

A government affiliate is a government department, regulatory authority or anti-trust agency which is part of a government's machinery. It must support and complement the independent CI members, be active on behalf of consumer interests and also be unconcerned with the advancement of commercial activities.

The development of a strong consumer movement all around the world is a central aim of CI's work. Consumers International's support for new consumer organisations especially in countries where the consumer movement is relatively weak, comes in many forms such as training, information and advice.

Through its offices in London (formerly in The Hague), Penang and Santiago (formerly in Montevideo), CI links its members activities and stimulates initiatives in areas of the world where the consumer movement is relatively new; initiates research and action on multinational issues -such as pharmaceuticals, pesticides, tobacco and baby foods; facilitates comparative testing of consumer goods and services; and advocates the consumer case at international forums and elsewhere.

The overriding concerns of CI and its members to promote social justice and fairness in the market place have found expression in the eight consumer rights: the

right to basic needs, safety, information, choice, representation, redress, consumer education and a healthy environment.

CI's strengthened its role in providing a forum for groups to share information, learn new skills and work together by establishing networks, committees and working groups. Some of the notables include:

Consumer Interpol - Set up by CI as a result of growing concern over the export of products banned or restricted in the countries of origin. It serves as an early warning system to curb the marketing of hazardous products, wastes and technologies.

The Consumer Educators Network (CEN) - Formed to link consumer educators and as a means of exchanging information and resources.

Book Publishers Network - It must be said that IOCU is very active in publishing. Some of the books published by IOCU has brought about positive policy changes for consumers around the world.

In November, 1997, CI helped to establish a new network known as International Society of Consumer Affairs Officials (ISCAO) for government official involved in consumer affairs. ISCAO helps government officials to exchange information & experience.

Also, CI has established various Standing Committees and Working Groups, such as those on testing, education, health information and documentation, and air transport as well as other areas of consumer interest when they are urgently needed.

Further, CI supports and participates in international networks which are deeply involved in consumer related work. For example, CI is in partnership with like-minded

groups such as the International Baby Food Action Network (IBFAN); Health Action International (HAI); and The Pesticide Action Network (PAN).

Foo Gaik Sim (1991, 114), describes CI as an organization of organizations; so working with others is part of its very nature. Most of the early international projects (like the survey on telephones services in 1967, and the surveys on the drugs chloramphenicol and cloquino in 1973 and 1975) were the combined efforts of member groups and the CI Secretariat. Even the first CI newsletter, the JOCU Bulletin, was initially edited by the UK Consumers' Association on CI's behalf. Committees and Working Groups drawn from the membership were established to address specific issues. The CI Testing Committee, the Education Committee and the Development Committee, for example, go back to the very early days of CI.

However, although working with members took most of CI's attention, it was far from isolated. Outside organizations like quality control associations, standardisation bodies, women's groups and consumer cooperatives participated on numerous occasions in CI's activities since the beginning of its inception.

From late 1970s onwards, CI began networking more actively with other like-minded non-governmental organizations (NGOs), particularly the global NGO community. Six factors seem to account for the upsurge of CI networking with global NGOs. These are:

- (1) the recognition among citizen groups or NGOs (also called the 'Third System'), that working only at the local level was inadequate;
- (2) the growing awareness among NGOs that international norms affect local action and vice versa;

- (3) a realization among NGOs that formal global systems like the United Nations were unable to make much headway on major development issues and that the Third System can do something about it when effectively organized;
- (4) NGOs increasing efforts to influence the international development agendas;
- (5) NGOs, both in industrialized and developing nations realized they shared common concerns, targets and goals, and all they needed is an opportunity - a time and a place to catalyse the formation of alliances; and,
- (6) NGOs increasing appreciation that their combined efforts, expertise, and knowledgeable voice is very effective in setting minimum acceptable norms for the protection of consumers globally.

The structure of CI networking with other global NGOs or the Third System is very informal, with different groups taking on the responsibility for different specific actions agreed upon by all parties concerned. The essential task of building and maintaining communications for the network is generally done by CI Regional Office. For example, the CI office becomes an information clearinghouse and begin to publish *Hai News*, its newsletter.

The success of its various networks has led CI to join or unite a variety of other NGOs as a means of bringing together likeminded forces on specific issues. They include CI members and nonmembers alike. Examples range from coalitions like Action Groups to Halt Advertising and Sponsorship of Tobacco (AGAST) and International Coalition for Justice in Bhopal (ICJIB) to the Food Irradiation Network (FIN) and Consumer Educators' Network (CEN).

Consumers International has also been very active in representing consumer interests in world bodies like the United Nations. It asserts the rights of organized consumers to be represented, heard and heeded - nationally, regionally, and internationally. Through CI, consumer representatives have successfully called these needs and interests to the attention of the United Nations. Consumers International contributed greatly to the adoption of The Guidelines for Consumer Protection by the Resolution of the UN General Assembly. It also has the responsibility that the Guidelines will be up-dated according to the latest development. Currently, CI is lobbying to ensure that the Guidelines include the aspects of sustainable consumption.

For now, CI global representation includes the:

- * UN Economic and Social Council (ECOSOC)
- * The World Health Organisation (WHO)
- * Codex Alimentarius Commission
- * International Standards Organisation (ISO)
- * UN Education Scientific and Cultural Organisation (UNESCO)

At the regional level these include:

- * The UN Economic Commissions
- * The Organisation for Economic Cooperation and Development (OECD)
- * The Council of Europe

Representation at the European Commission is handled by a sister organisation, the Bureau European des Unions de Consommateurs (BEUC), which Consumers International liaises with closely.

With globalisation and market internationalization, CI has to ensure that consumers are protected. CI continues to conduct research, education and lobbying on behalf of international consumer movements.

CI has also been concerned about the consumers' welfare in relation to the 'Uruguay Round' & the World Trade Organisation (WTO). Poorer countries are getting poorer. In Africa for example, the per capita consumption of the population has decreased 20% in the past 20 years. Under the WTO plans, less developed countries will lose US\$600 million a year.

World consumer movements are concerned about the effects of these trade liberalisation action. WTO should look into accountability, food security, product and food safety, health, competition, investment, services and e-commerce.

CI's long terms objectives for trade includes:-

- (1) To increase membership in policy making efforts and international representatives in trade and economic issues.
- (2) To increase members ability to subscribe to CI's development policies and to conduct campaigns against liberalisation policies that would adversely affect their countries.
- (3) To ensure consumers interest is always taken into consideration when trade and economic policies are formulated.
- (4) To update consumer issues profile and to build the capability of consumer movements to influence policy formulations.

It is expected that CI representations will continue to grow as the consumer movement becomes stronger with better educated consumers and the support of the media.

7. FUTURE OF CONSUMERISM

In its 1986 meeting in New York, CI members adopted a "Consumer Manifesto 2000". Among its goals was to achieve the following by the end of the twentieth century:

- (1) Full implementation in all countries of the United Nations Guidelines for Consumer Protection and the establishment within the United Nations of a monitoring and assistance system for such implementation.
- (2) Adoption by the United Nations and full implementation by governments of a Code of Conduct on Transnational Corporations.
- (3) Promoting the fulfillment of basic needs of all consumers, in particular of the poor, low income and disadvantaged groups.
- (4) Establishment of national and international laws that prohibit trade in hazardous products and eliminate double standards in international trade.
- (5) Establishment of stringent international guidelines on the sites and operations of potentially hazardous industrial and agricultural plants, processes and practices, including the right to full information by the local community and the workers.

Through the Consumer Manifesto 2000, CI and its members reaffirm their commitment to produce social change that benefit consumers, particularly the poor and disadvantaged (handicapped, etc.) Also, to intensify its efforts to seek fair protection of consumers and representation of their interests in the economic field and to ultimately, further a society responsive to the consumer interest.

The CI and its members' commitment to the consumers' cause worldwide is particularly needed in a period when profound changes are occurring all over the world. As described by Rhoda Karpatkin, as President of CI when making her opening remarks at the CI 13th World Consumer Congress in Hong Kong held between 8-12 July, 1991: "In Eastern Europe, transitions to market economies pose painful challenges to consumers, and create an urgent need for consumer organizations. In Latin America, transitions to political democracies have been in progress for several years, but problems of inflation and external debt have added to the vast number of impoverished consumers. In Africa and Asia, there are the beginnings of change but the problems of consumers remain as serious as ever. In Europe, the change to common market requires new protections for consumers. All over the world, environmental hazards seem to rush at consumers at an ever quickening pace. And all over the world, the poor grow poorer and their numbers increase. An astounding one billion people are estimated to live in poverty."

Also, it has been noted that rapid developments in new information technologies have made the world a global village and a global market. Many emerging consumer issues transcend national issues or geographical boundaries and the impact of these issues is worldwide. Restrictive trade agreements between countries and the international convention on copyrights are good examples. The impact of decisions made on such issues, at the highest international level, inevitably affects every consumer. However, it is often the most vulnerable and poorest consumers that frequently have to bear the brunt of the adverse effects of consumer injustice and lack of consumer rights.

As such the theme of the 13th World Consumer Congress in Hong Kong is "Consumer Power in the Nineties". According to Karpatkin (1991) consumer power

is policy and program power. It champions consumer rights and empowers the people. CI and its members will thus continue to fight for consumer rights which have been described in many ways over the years. They are as follows: the right to a fair and just marketplace; the right to a decent standard of living and a descent quality of life; the right to economic and social justice; and so on.

The Honourable Martin Lee, Chairman of the Consumer Council, Hong Kong, speaking at the 13th Consumer World Congress (8-12 July, 1991, Hong Kong), prescribes four action strategies for consumer groups in the Third World to generate consumer power:

- (1) The formation of stronger and more effective consumer groups.
- (2) The launching of more effective consumer campaigns, particularly in the areas of information, research, training and education.
- (3) Lobbying for more effective and appropriate consumer protection legislation.
- (4) Making more effective use of the mass media in creating the necessary level of concern.

Consumer leaders the world over at the 13th World Consumer Congress were optimistic that they could achieve stronger consumer power for the future, particularly by strong consumer unity through CI policies and programmes.

To achieve its mission, the Consumers International at its 15th World Consumer Congress in Santiago, Chile (November 3 - 7, 1997) had as the theme of the Congress - "Empowering Consumers for the 21st Century: Consumers in Civil Society." Erna Witoelar as the out going President

in her message reminded that it is important for consumer organisations all over the world... where political and social institutions have been developing rapidly, in response to take the opportunities provided by democratization and economic liberalisation.

The Consumers International presented a draft mission which include its values, strategies, principles and themes.

The Consumers International values and affirms the right of all people to live in a just and fair society whose citizens:

- * are able to enjoy essential goods and services
- * are protected against hazardous products and processes and live in a healthy sustainable environment
- * can make informed choices about goods and services
- * can obtain proper redress when they are denied their rights as consumers
- * are represented as consumers at national and international levels

The Consumers International strategies include encouraging and promoting the emergence and development of consumer organisations independent of business and party politics. Through lobbying and campaigning Ci will try to influence international policy to take proper recognition of consumers' concerns. To realise this Ci will:

- * promote international co-operation in consumer information and education
 - * establish an authoritative and influential presence in international and regional fora
 - * develop programmes focused on the needs of poor, marginalised and disadvantaged consumers
- The Consumers International actions will be guided

by the principles of independence, openness and integrity. It will strive to achieve:

- (1) the involvement and participation of CI members in defining its aims and shaping its activities
- (2) innovation, leadership and continual improvements in the quality of its work and in the services offered to members
- (3) flexibility to adapt to changing circumstances and members' needs

In striving for social justice, Consumers International will promote programmes and policies which address five themes. Namely, eradication of poverty; social justice and human rights; fair, transparent and efficient market economies; protection of the environment; and good governance and empowerment.

Consumer organisations are encouraged to be fully involved in eradication of poverty. This is because the poor not only lack access to goods and services, they also lack the power and information to change their situation. Consumer policies must aim to establish mechanisms that help the poor meet their needs. Consumer organisations should act as a vehicle through which people can seek justice and the support they need to use systems of justice. It must empower consumers by providing access to information, representation and influence.

Consumer organisations must be involved in promoting social justice and human rights. The importance of consumer rights is enshrined in the United Nations Guidelines for Consumer Protection and in the constitutions of a number of countries. Consumer rights seek the satisfaction of basic needs, and access to information, education, representation and redress. Consumer rights

aim to protect the health and safety of all people and to ensure that no-one is exploited in the market place.

Consumer organisations must champion for a fair, transparent and efficient market economies. Informed consumers who are legally protected are a pre-requisite of efficiently functioning markets. A strong consumer movement have to carry out product and services testing and evaluation, complaints handling, and information and education programmes.

Consumer organisations must always remember that the globalising trends in the world economy have both positive and negative consequences for consumers. Economic liberalisation and deregulation promise the prospect of better quality goods and lower prices. But these processes can open the door to manipulation of markets and anti-competitive practices, as transnational corporations dominate ever growing segments of national and regional economies.

Consumer leaders must seek to ensure that decisions about controls on the market, particularly those determined by international decision-making bodies, respect consumer interest. For this to happen, consumer leaders must work alongside government and industry in setting standards and regulations. In the light of the East Asian economies being devastated by money traders, FOMCA at the 15th World Consumer Congress proposed under the Trade, Economics and Trans-national Corporations to examine the activities of big currency dealers to determine if there is open competition or bid-rigging and pricefixing to the detriment of national economies. This can be done through international cooperation. It was accepted after much debate.

In March 1998 the Consumer International Regional Office for Asia and the Pacific (CI-ROAP) in Penang conducted a regional conference on 'The Economic Crisis

In Asia: The Causes, The Impact and Confronting the Challenges'. The outcome of the conference clearly showed that consumer organisations in the world must be more vigilant towards global trading, particularly with regard to currency trading if nations do not want to be victims of unscrupulous economic actions. Also, consumer organisations need to be more proactive. It also showed the importance of an international body like CI to protect consumer interest at the global level.

However, the competency of national consumer bodies must also be up-graded to ensure that they are able to protect their own consumer interest more effectively at their level. This is because it is recognised and acknowledged that each country will have its own peculiarities and need to be approached according to the prevailing situation.

Nevertheless, it is crucial that consumer organisations are able to communicate and work closely with each other across nations and share relevant information. This is especially essential in light that the world has not only become a global market but also a global village.

In Malaysia, FOMCA and the state consumer associations must enhance its capacity to deal with local, national and international consumer issues. For now, CAP is the most active in operating at the international level where in FOMCA manages the national consumer issues.

In a changing world, as we move into the new millennium, the consumer movement should 'Think Global, Act Local'. This is necessary to ensure continued support for the movement.

NOTES

- 1 The term "conspicuous consumption" was coined by Thorstein Veblen, an economist of the early twentieth century, to describe the behavior of consumers who purchase products in order to enhance their social prestige.
- 2 Carson, Rachel (1962). *Silent Spring*. Boston: Houghton, Mifflin.
- 3 Nader, Ralph (1966). *Unsafe At Any Speed*. New York: Pocket Books.
- 4 In speech by Edie Fraser, "Consumerism in the Role of Public Relations," University of Georgia, October 22, 1976.

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FACTORS CONTRIBUTING TO THE RISE OF CONSUMERISM IN THE 1960S

1. STRUCTURAL CONDUCIVENESS

- + Advancing incomes and education
- + Advancing complexity of technology and marketing
- + Advancing exploitation of the environment

2. STRUCTURAL STRAINS

- + Economic discontent (inflation)
- + Social discontent (war and race)
- + Ecological discontent (pollution)
- + Marketing system discontent (shoddy products, gimmickry, dishonesty)
- + Political discontent (unresponsive politicians and institutions)

3. GROWTH OF A GENERALIZED BELIEF

- + Social critic writings (Galbraith, Packard, Carson)
- + Consumer-oriented legislators (Kefauver, Douglas)
- + Presidential messages
- + Consumer organizations

4. PRECIPITATING FACTORS

- + Professional agitation (Nader)
- + Spontaneous agitation (housewife picketing)

5. MOBILIZATION FOR ACTION

- + Mass media coverage
- + Vote-seeking politicians
- + New consumer interest groups and organizations

6. SOCIAL CONTROL

- + Business resistance or indifference
- + Legislative resistance or indifference

Source: Philip Kotler (1972)

ABOUT THE BOOK

This book discusses the concept of consumerism and consumer movement. It also discusses the development of consumerism at the local and international level. It is important for consumers to see a real picture of the consumer movement and their contribution towards improving the consumers' quality of life by having a correct perception of the consumer movement, whether from the consumers themselves, government officers and media representatives. Only then, the consumer movement will develop and will be able to play a more active role in increasing consumer protection.

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FOMCA



FOMCA is a voluntary, non-profit, non-political and civic organization. It is the umbrella body of the state consumer associations. FOMCA works together with the government and non-governmental organizations

at the national and international level towards strengthening consumer protection.

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