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CHANGING PATTERNS OF CONSUMER GROUP ACTION IN BRITAIN AND THE UNITED STATES

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According to post-industrial theory as societies move into their post-industrial phase, individuals increasingly see themselves as consumers rather than producers. Consumption replaces production as the focal point of political activity (Boll 1976; Gorz 1989). Work and class being less central consumption becomes a key factor in explaining voting behaviour (Dunleavy and Husbands 1985). Even the left has abandoned its traditional anti-materialism and now view consumerism as central to the socialist case (Labour Party 1989; Smith 1986). Hence the rise of so-called 'designer socialism'. Integral to the Communest Party's 'New Times' programme is recognition of the role of the individual over class and the importance of consumption instead of production (see Hall and Jacques 1989).

However, in Britain and the United States which some claim to be in the post-industrial phase, it is doubtful that consumers have become central in the political battle or even that they have become politically more important. Dunleavy and Husbands' belief that consumption cleavages have become the main determinant in voting behaviour has been widely challenged (Marshall et al 1988; Saunders 1990). But if we concentrate on consumer groups, have they developed the type of organisations and integrated networks with government that we have seen amongst the leading groups of 'industrialism'? In Britain and the US consumer groups have evolved from
product testing organisations to groups which have had institutionalised relations with government. However this paper will demonstrate that this growth is not the result of social change but political factors. In particular, in recent years consumer groups have faced a loss of influence suggesting that the post-industrial world and the neo- (or post-) marxist designer socialism might be a long way off. The paper will begin by looking at the development of consumer groups from product liability to institutionalisation. It will examine why they were more successful and more advanced in the US. It will then look at how consumer power waned in the late seventies and eighties with the rise of the 'New Right' and how, in recent years, new forms of consumer political action have developed.

FROM PRODUCT TESTING TO INSTITUTIONALISATION: THE RISE OF CONSUMER POWER

Consumers face a number of difficulties in organising compared with farmers, business or unions. Initially there is a problem of defining a consumer. As the National Consumers Council (NCC) recognises, consumers are 'every body in society at one point of their life: that is as a purchaser and user of goods or services, whether publicly or privately provided.' (NCC 1979: 6). Offe (1984: 228) similarly argues ""consumers" do not constitute a clearly delimitable and organisable complex of individuals'. As many people do not primarily see themselves as consumers it is very difficult to organise mass consumer groups. Consumers lack a shared definition, they do not have common interests, they rarely meet collectively and they do not have the resources to build strong political organisations. Olson's (1971) collective action problem is very great for consumers. As the benefits of consumer policy are jointly supplied, consumers receive them whether they join or not and so it is not worthwhile
paying the costs of joining a consumer group. Hence when consumer groups have formed it is usually on the basis of selective benefits rather than collective goals. Groups like the Consumers Association (CA) in Britain and the Consumers Union (CU) in the United States have made the selective benefits of consumer magazines (Which and Consumer Reports) their main priority.

Despite these constraints, consumer groups have been established in Britain and the United States. There development has gone through three stages. From initially being product testing organisation they developed into political movements which then established institutionalised relations with government in consumer affairs departments. The United States always led Britain in this process and developed each stage to a much higher level.

Before consumer groups could even become product testing organisations there has to be some acknowledgement of consumers and consumer problems. According to Silver (1983: 1) between the end of the nineteenth century and the 1920s 'a national culture of consumption emerged' in the United States. This was clearly a prerequisite of any consumer movement. Simultaneously, there was the growth of the Progressive Movement (Barbrook and Bolt 1980), which although largely concerned with corruption of government raised the issue of the dominance of producers. People like Upton Sinclair in the US highlighted issues of adulteration of food and this led to increased food regulation (Forbes 1987: 4). Likewise, abuses of the monopoly position of the railways led to the formation of the Interstate Commerce Commission as the first regulatory authority for protecting consumers (Nadel 1971: 22). In Britain similar questions were raised about food adulteration (Burnett 1989) and the Co-operative movement started in order to organise
to strengthen the market position of consumers (Tivey 1974). However, at this time there were no consumer groups as such and any consumer regulation was to protect the consumer from direct physical or economic harm (Nadel 1971: 7).

Yet, this was an important stage in the growth of the consumer movement, particularly in the United States. Once a category called 'consumers' came into existence and consumer problems were identified consumer groups developed largely as product testing organisations. This product testing role clearly had a political aspect. It provided the consumer with information on which to base his or her choice of purchase and in that sense was an attempt to organise in order to challenge the market dominance of business. The information was also used to pressurise government to introduce regulations which protected consumers. If these groups gained a reputation for serious and scientific research they could then provide the government with technical information and so in some sense become insider groups.

As if to confirm the arguments of the post industrialists, these groups developed first in the United States. The Consumer Research Bulletin was formed in the US in the 1930s. It was a response to the increasing consumption of consumer durables, concern about the consistency of standards and the depression which emphasised the importance of value for money and the need to organise the economic power of consumers. By 1935 it had 50 staff and 200 outside consultants (Silber 1983: 19-21). In 1936 a strike caused a split in the organisation and Consumers Union was formed which by 1939 had 85,000 members (Silber 1983: 28). It has since gone on to become 'easily the largest and perhaps the most influential consumers' organisation in the world today.' (Thorelli and Thorelli 1974: 420).
In Britain it was not until 1957 that the Consumers Association became the first national product testing organisation. The Consumers Association was established as a response to consumerism in the US and the failure of the Government to create a consumer advisory service (The Times, 5 October 1978). It also reflected the growing concern with consumer issues in Britain. The Consumers' Association was launched with a loan from the Consumers Union and with a few volunteers in the East End of London (The Times, 7 October 1978). By 1980 this had grown to 685,000 members and had 'acquired pre-eminence as a spokesman for the consumers' (Smith 1982: 284). However, despite the respect and importance of these organisations in both Britain and the US, they largely failed to acquire a wider political role in the sense of providing a consumer input into wider political questions. Barbrook and Bolt (1980: 237) point out that: 'for most of its existence Consumers' Union has hardly been a pressure group in the strict sense of the term.' and it was only in 1969 that the Union established a Washington Office (Thorelli and Thorelli 1974: 437).

Both the CU and the CA have had problems widening their appeal. Although in terms of numbers their membership is high, it is drawn from a very select group - the middle class - who join it solely as a means of gaining information not to partake in any political activity. This has made it difficult for these organisations to establish themselves as the political representatives of consumers. Smith (1982: 290) claims that much of the energy of the CU and the CA been absorbed in maintaining the finance and membership of the organisations rather than political activity. Consequently, product testing organisations were able to establish pluralistic networks with government on the basis of the information they obtained through product testing but the governments were unwilling to
accept their views on wider political questions. Consequently, these organisations have been very limited in their political activities (Silber 1983: 127; Smith 1982: 288).

Despite the limitations of these consumer groups, consumer issues did become more politicised in the 1960s and 1970s, especially in the United States. It changed from a movement being concerned with the value, efficiency and safety of products to one which saw consumers having specific interests which needed to be represented in all areas of government and to challenge corporate power. The growth and strength of product testing organisations made politicians realise that consumers were becoming increasingly important as a political group. Consequently, in 1962 President Kennedy outlined a consumer Bill of Rights which for the first time established a consumer policy in embryo.

President Johnson went even further and adopted a set of consumer legislative proposals as central to his policy package (Nadel 1971: 31). This presidential leadership combined with increased technology, a wider range of products, more sophisticated marketing and the growth of multi-outlet retailers began to change the relationship between retailers and consumption (OECD 1983: 10). In the US political entrepreneurs exploited this greater complexity and concern to raise consumer issues as political issues.

In 1965 Ralph Nader published Unsafe at Any Speed which detailed how General Motors were cutting back on safety measures to reduce costs (Barbrook and Bolt 1980: 231). Nader built on the controversy created by this issue to build up a network of groups and individuals to pressurise government on consumer issues. Nader and his supporters politicised consumerism by outlining a wide range of demands from product liability
laws to the establishment of a consumer protection agency. They also inspired the creation of grassroots consumer groups to lobby on the consumers' behalf at state and local level (Thorelli and Thorelli 1974: 461).

This increased politicisation provoked important changes within government and Congress by creating a new political climate in the area of consumer affairs. The Federal Trade Commission (FTC), which had traditionally been seen as part of a pro-business iron triangle was reorganised and reinvigorated (see Pertschuk 1982). Under Miles Kirkpatrick consumer protection became a major responsibility of the FTC and the Food and Drug Administration adopted a less trusting approach to the drug industry. In Congress a number of liberal democrats became active in consumer protection and the Democratic Study Group developed a package of consumer proposals (Nadel 1971: 64 and 101).

So consumer issues moved from being questions about the quality of goods which were translated into technical issues at the governmental level, to being questions at the centre of political debate which were highly controversial. Consumer politics was no longer about products. It became concerned with the means of creating consumer representation at all levels of government and challenging the power of business. As a result a wide range of consumer legislation was introduced in the US between 1966 and 1969. In 1966 congress enacted four pieces of consumer legislation and, according to Vogel (1989: 35), 'These laws invoked the beginning of an upsurge in Federal legislation regulating corporate social conduct that would continue uninterrupted for more than a decade.' This politicisation also occurred in Britain but it was much slower and much less thorough.
In Britain the government has been much more rapid in institutionalising the consumers and thus preventing it becoming a wider political movement. Even so consumer groups did become increasingly political in the late 1960s and seventies. Local consumer groups were formed and the Consumers Associations widened its role to include the lobbying of central government. Both the present system of food labelling and the Unsolicited Goods and Services Act 1971 have been the result of campaigns by consumer groups (Smith 1982: 233; The Times, 18 March 1987). Yet consumer groups in Britain never managed to develop the wider political movements or the high degree of controversy that existed in the US.

With increased lobbying, organisation and political activity, the consumer movement was successful in building closer relations with government. To some degree these relationships became institutionalised and so integrated networks became established between groups and government agencies. In Britain incorporation was more a means of controlling the consumer whilst in the US it was seen by consumer groups as a means for ensuring the representation of consumer interests.

In the United States the consumer movement tried throughout the mid-seventies to establish a Consumer Protection Agency which could then put the consumer case to various government agencies (Vogel and Nadel 1976: 9). This would have provided the basis for a consumer policy community which could have established close relations between the government and consumer groups. Although consumers were unsuccessful in this goal they did manage to institutionalise their relations through other means. Firstly, consumer groups had access to the President through the President's Committee on Consumer Interests, established in 1964, which was replaced in 1971 with an Office on Consumer Affairs (Thorelli and Thorelli
1974: 462). Under Nixon, the consumer office was downgraded and his consumer advisor met resistance throughout the administration but the office continued to have direct access to the President (Nadel 1971: 56).

Secondly, support for consumer issues grew within congress as the consumer vote was seen as increasingly important. This led to the Senate Commerce Committee changing the focus of the FTC and so consumers were given institutionalised access to the bureaucracy. The FTC had traditionally been seen as a bastion of business power (Rothman Hasin 1987: 6). With increased interest in consumer issues in Congress, the Senate Commerce Committee started to investigate means to strengthen the FTC (Pertschuk 1982: 43). The Magnusson-Moss Act 1975 gave the FTC power to make industry wide rulings and this power was used to investigate issues which harmed consumer interests (Rothman Hasin 1987: 11). In addition, Carter had pledge his support to consumerism during the Presidential campaign and so appointed Michael Pertschuk, a consumer advocate as Chairman of the FTC. Pertschuk's appointment meant that a consumer was deep inside the FTC and so could ensure that its role became one of actively supporting the consumer. Pertschuk further institutionalised the role of consumers in Government by creating a Bureau of Consumer protection and creating new consumer protection specialists. According to Rothman Hasin (1987: 61) it was 'possible to discern the beginning of the "iron triangle" of influence being forged to connect the Federal Trade Commission, the Senate Commerce Committee, and consumerists...'

In addition President Jimmy Carter attempted to improve access of consumers to all areas of Government. In response to Congress' failure to establish a consumer protection agency, he established consumer representatives in 35 federal agencies. The role of these representatives
was to report to the agency heads on how the policies would affect consumers and to ensure consumers participated in decision-making. It seems that Carter was explicitly attempting to create integrated networks because he claimed the these advisors would 'lock the consumer perspective into the very structure of government.' (New York Times, 10 October 1980).

In Britain institutionalisation occurred earlier than in the United States but did not result in consumers achieving the same degree of political influence. Institutionalisation was indicative of the different forms of political representation that are dominant in Britain. Rather than allowing the development of consumer groups and then giving them access to government, various Governments have institutionalised consumer interest in a way that has prevented the development of a political consumers' movement. Hence, consumer groups in Britain have been underdeveloped politically but overdeveloped in terms of their degree of institutionalisation.

The Macmillan Government established the Molony committee in 1963 as a response to 'the new style consumerism' and this 'led directly to the creation of a new publicly-funded body called the consumer council' (Smith 1986: 8). Although this was abolished in 1970, the Heath government established the Office of Fair Trading which was given power to protect consumers in the market place (Smith 1986: 8).

The 1974 to 1979 Labour Governments went even further. They created a Department of Prices and Consumer Protection which was supposed to admit consumers directly into decision-making (The Times, 16 September 1978). The Government also increased the powers of the Price Commission. Under the Price Commission Act 1977 all manufacturing and service firms had to give the Price Commission 28 days notice of price increases and the
commission was given the power to investigate price increase and to freeze prices (HC Debs 930: c. 1255-1256) In 1975 the Government also established the National Consumer Council (NCC) as an independent body whose role was to 'represent the consumer interest in dealings with the Government, local authorities and the Director General of Fair Trading...' (Smith 1986: 9; Harvey and Parry 1987: 44).

This high degree of integration of consumers disguises the true influence of the consumer movement. It is clear that the main purpose of the DPCP and the Price Commission was not to protect the interests of consumer but to administer the Labour Government's pricing policy which was a major part of its anti-inflation policy. As Shirley Williams stated in the House of Commons (HC Debs 872: C.258)

"Unless steps are taken to control the projected rate of inflation, there will be not future for industry, any more than there will be for the consumer. It is for this reason that the Government will give absolute priority in the short term to deal with inflation."

In addition the Government's attempts to control prices and to provide food subsidies were not a result of consumer pressure but trade union pressure. Price control was an important part of the Social Contract. In return for wage restraint the Government promised price restraint.

The creation of the NCC and the OFT was not a means of increasing consumer power but limiting it. Unlike the consumer bodies in the US, the NCC had no power. Its only role was to make reports to government. Usually these reports have been ignored or the government has commissioned reports when it knows the conclusions will support the government's position. The NCC does have access to consumer Ministers but this is for consultation.
rather than policy-making purposes. It is useful for government to have a consumer group which it funds and whose leading members it appoints to consult on issues that effect consumers. It makes policy-making more predictable and allows the government to claim that it has consulted without having to talk to more radical groups beyond its control. It also provided a shield to government and protected it from more radical demands. This is not to say that the NCC has been without influence but generally the influence has been restricted to matters of detail on technical issues. Although the OFT does have real influence and several of the DG's reports have been acted on, it is not a consumer body which represents consumer interests. It is a government body which exist to prevent restrictive practices.

The British attitude to consumer groups fits in with the general policy style of elitist policy making in small and well defined groups (Jordan and Richardson 1982). By creating the NCC the government has a body it funds which it can claim represents the consumer interest and refer all other consumer bodies to it. This prevents the consumer movement becoming a mass movement. At the same time the government can justify its lack of concern in consumer interests by pointing to the fact that the NCC and CA are not mass movements and therefore lack legitimacy. As Robert McLennan Under Secretary at the DPCP said, if consumers were to carry weight in government they 'would have to face the need to acquire democratic legitimacy' (The Times, 16 September 1978).

So we have seen that both in Britain and the United States the consumer movement has developed throughout the twentieth century from organisations that are concerned with product testing to establishing institutionalised
relations with government. It is clear that in the US consumer groups have been much more successful. They have built broader movements, become more integrated within government and had a greater impact on policy. In the US the FTC has been prepared to challenge producer power in favour of the consumer; product liability laws are much stricter and Presidents have been much more willing to listen to consumer demands. Does the progress of the consumer cause and its greater impact in the country that is claimed to be the most advanced in terms of post-industrialism prove the post-industrial thesis? Has consumerism become central in politics? To demonstrate that this is the case it would be necessary to show that the rise of consumerism was the result of social causes and that consumer politics has continued to fare well in the eighties. However, the greater success of consumers in the US is accounted for by political factors and counter to the claims of post-industrialist, consumer movements have suffered in the 1980s.

EXPLAINING THE GROWTH OF CONSUMERISM

In looking at Britain and the United States it is undoubtedly the case that political factors have played an important role in accounting for the differential success. As Vogel (1980: 623) illustrates, 'The public interest movement simply has no resources that can match the power of capital.' and so '...its effectiveness (and) very existence has been fundamentally dependent on decisions made by the policy process'. Therefore the success of the consumer movement depended to a large degree on the interests of political actors (See Skocpol 1985; Nordlinger 1981) and the extent to which they were prepared to provide political leadership. Consumer groups lack the resources of economic pressure groups and so often depend on state actors perceiving consumer groups or issues as important.
In the United States Kennedy first indicated interest with his consumer Bill of Rights and Johnson and Nixon followed with legislative proposals (Nadel 1971; Thorelli and Thorelli 1974). Carter went even further. He strongly supported the consumer cause, bringing consumer activists into government and backing the creation of the CPA (Vogel 1989: 128). There were a number of reasons why Presidents might have chosen to support consumer issues. Consumerism had a high level of support in the sixties and seventies; it was also a relatively cheap policy to introduce needing little extra spending by government and it was largely a consensus issue (Nadel 1971) with industry not being well enough organised politically to take on the consumer groups (Vogel 1989).

At the same time members of Congress became involved in consumer issues and so were prepared to introduce consumer legislation. It suited their interests because at a time of growing concern with consumer interests, it helped career advancement to be involved with consumer legislation that would have wide publicity and a good chance of being passed. Senator Magnuson quickly became a supporter of consumer groups after 1962 when he came within 50,000 votes of losing his seat (Pertchuk 1982: 20). Without these political leads consumer groups would not have been able to have such an impact on policy.

In Britain the weakness of the consumer movement meant that consumers were even more dependent on political leadership and although this was forthcoming to some degree its role was to try to limit rather than encourage the consumer movement. British governments created the Department of Prices and Consumer Protection and the NCC. However, they were not responding to consumer pressure but had economic reasons for
wanting to intervene in price setting and it was useful to have a consumer body to legitimise these interventions.

The success of the US consumer movement was also highly dependent on the existence of political entrepreneurs like Nader and Senator Magnuson. Consequently, there were people within and outside Congress to galvanise the consumer movement. Entrepreneurs were a means of overcoming the collective action problem (Taylor 1987). Lacking resources and a collective meeting place the consumer movement depended on entrepreneurs to raise consumer issues and to organise consumer protest (Pertschuk 1982: 23). Such political entrepreneurs did not exist in Britain and to some extent account for the failure of the consumer movement to evolve. Often when such people looked like making an impact - like Des Wilson - they were labelled outsider or even 'wildmen' and excluded from consultation.

Of great importance in the US was the absence of class politics and the weakness of political parties. This enabled interest representation to be organised around issues rather than parties and for issues like consumerism to build coalitions which involved organised labour and middle class activists. In Britain issues are often defined by parties on class or partisan lines and consequently the unions have always been suspicious of consumer groups seeing them as a threat to their role as producers.

Furthermore, the nature of the US political system enables public interests groups to gain access to the decision-makers. The fragmentation of the system and the weakness of parties means that interest groups are important for gaining political resources to get policies through congress and for building coalitions between agencies, congress and executive. In the US policy making is dependent on pressure groups to provide political support in the development and implementation of policy whereas in Britain
policy-making is much more executive oriented. Therefore, there are not the same number of access points and not the same competition between the various branches of government. Combined with the closed and elitist nature of much of the British policy process it is much more difficult for groups without obvious economic or professional resources to gain access.

Finally, the US has a long tradition of 'public interest activism' and groups which are seen as taking on corporate and government power are accorded a degree of legitimacy that is not available to 'radical' groups in Britain (Vogel 1980). These factors made it easier for consumer groups to develop in the United States and then to have access to government. In Britain the elitist nature of policy making meant that consumer groups were seen as illegitimate and only given access if they were government supported bodies or representation was on the basis of scientific evidence related to product testing. Therefore they took on a much less political role and institutionalisation was a limit on power rather than a source of influence. Although networks were established in Britain and the US the types of networks were very different. In the US they were a means of consumer input into policy whilst in Britain they were a means of preventing real consumer influence.

So the differences in the level of development of consumerism in Britain and the United States cannot be explained by degree of post-industrialism in each country. The relative strengths is a result of different political factors - the degree of political leadership, the form of policy-making and political culture. In addition the fact that in the last ten years consumer movements on both sides of the Atlantic have suffered major setbacks suggest that the post-industrial teleology is too simplistic.
CONSUMERS IN THE EIGHTIES: THE RIGHT AND RETRENCHMENT

In terms of pressure group theory and the emphasis it places on the power of economic groups and the difficulty of organising pressure groups, it might seem surprising that consumer power reached the levels that it did. However, to some extent this power was short lived and the 1980s has seen a decline in the power of consumer groups and a change in the nature of consumer policy.

The weakening of the consumer movement was perhaps first apparent in 1978 when Congress defeated the proposals for a Consumer Protection Agency despite the support of consumer groups, President Carter and senior members of Congress (New York Times, 14 January 1979). At the same time, the attitude of Congress towards the FTC changed remarkably. Since the mid-seventies a belief had been growing that the consumer movement was becoming too influential (Vogel and Nadel 1975) and by 1978 there was a strong anti-regulation tide within Congress. Increasingly members of Congress questioned the FTC's use of its extra power and opposition grew to its influence on consumer affairs. In 1979 the House Appropriations subcommittee halted the commission's consumer protection investigations and two of its major anti-trust investigations. The Committee wanted cuts in budgets and to end the FTC's power to make industry wide rulings (New York Times, 15 September 1979).

This anti-regulatory feeling became policy with the election of President Reagan. Reagan entered office with an explicit programme of deregulation which saw consumer interests being protected through the extension of the market. To achieve this goal he created a task force on regulatory relief, he appointed deregulators to key regulatory agencies (Vogel 1989) and he increased the authority of the OMB over the regulatory agencies (Reagan
1987). The Reagan administration sharply reduced the budgets of both the CPSC and the FTC. In 1981 the CPSC faced the largest cut of all regulatory agencies, lost 160 staff and had eight regional offices closed (New York Times 4 October 1981). By 1986 its budget had been cut by 22 per cent and staff by 42 per cent (New York Times 12 April 1986).

Reagan also appointed J Miller III as the chairman of the FTC. Miller had been in Reagan's transition team on deregulation and believed that the 'commission should no longer protect the consumer from defective products and unsubstantiated advertising claims.' He claimed that the FTC could cope with a 12 per cent budget cut and that even a cut of 18 per cent might be appropriate. He did not see the role of the FTC to be keeping imperfect products from the market. In his view, 'Those who have a low aversion to risk - relative to money - will be most likely to purchase cheap, unreliable products.' (New York Times, 27 October 1981). Under Miller the FTC reduced its antitrust activity and abandoned a number of consumer protection cases (New York Times, 10 January 1981). The Reagan administration also reduced enforcement of consumer protection through staff and budget cuts and refocusing the work of agencies (New York Times, 5 April 1982).

This anti-consumer ethos was strongly supported by Congress. The House Judiciary Committee has considered ways to reduce antitrust obstacles (Congressional Quarterly, 20 May 1989: 1194) and throughout the 1980s Congress failed to reauthorise the CPSC and 'So while members have piled criticism on the agency as ineffectual, Congress has left the government's consumer protection policy unmoored for almost a decade.' (Congressional Quarterly, 3 March 1990). It has also been Congress which attacked the powers of The FTC. In 1979 the Senate Commerce Committee (the Committee
that had reinvigorated the FTC in the early seventies) unanimously approved a bill to restrict the powers of the FTC and to tighten legislative control of the Commission (New York Times, 21 November 1979). The Congress then imposed a legislative veto on all FTC rule making (New York Times, 4 May 1980). Following this unprecedented move, Congress further restricted the role of the FTC. It was forced to drop its investigation into child advertising and ‘state licensed professionals’ were exempted from the FTC’s jurisdiction. The power of the CPSC was reduced when Congress adopted a measure which to prevent any agency rule taking effect until a joint resolution was passed and then signed by the President (New York Times, 30 June 1983).

In Britain a similar transformation of consumer policy has occurred. Policy has moved from a interventionist view of consumer policy through protection to a laissez-faire policy of improving the free market and consumer information in order to allow free choice. Like the Reagan Administrations, the Conservative governments since 1979 have adopted a market-orientated approach. A deregulation unit was set up to investigate means of eliminating constraints on the market and cost compliance has been introduced whereby the benefits of any new regulations have to outweigh the cost to industry. If they do not then the new rule will not be introduced.

The Conservative governments have also reduced Consumer Affairs from its own department to having a Minister of State to Parliamentary Under Secretary, although in the reshuffle of July 1990 responsibility for consumer affairs was again given to a Minister of State but this time in the House of Lords. The new Government’s view of consumer policy was outlined by the first Trade Secretary, John Nott: ‘While giving the consumer proper protection we must guard against the excessive demands of
rampant consumerism.' In his view consumerism had grown in the last decade which had produced too much legislation and a drain on the resources of trade and industry (The Times, 16 October 1979). According to one consumer group official the DTI is has become increasingly non-interventionist, is very close to business and rarely listens to the demands of consumers.

However, the Conservative Government has not completely abandoned consumer protection. In terms of safety regulation there has been a continual stream of new rules in the last ten years. Although the DTI has become less sympathetic to consumer groups the fact that an ex-Conservative Minister, Sally Oppenheim-Barnes, was Chairman of the NCC between 1987 and 1989 has made other departments more open to consumers and they have been prepared to listen to well argued and well researched cases. The Government also passed the Consumer Protection Act 1987 which was a major piece of consumer legislation making producers liable for defective goods whether or not the defect was the result of negligence (Gibb 1988). Yet, the government's poor view of positive consumer protection was demonstrated by the fact that this law was only as a result of an EC directive and the Government chose to implement the directive in a way which favoured business by allowing 'a state of the art defence'. This defence allows producers exemption from liability if they can show that the current state of knowledge meant they could not know that a product would be harmful. Consumer groups see this defence as undermining the law and the EC has seen it as a failure to implement the directive by taking Britain to the European Court (The Times, 8 December 1986).

The changes in policy that have occurred in the United States and Britain raise the question of why the policies have changed so radically considering the strength of consumer groups in the US and the fact they
managed to institutionalise their relationships through integrated networks. It has been suggested that fairly well established networks should be able to cope with changes of government and ensure continuation of policy (Marsh and Rhodes 1990; Rhodes 1988).

The case of consumer policy demonstrates that often pressure groups, even if they are well organised, are weak and dependent on the perceptions and choices of government in making policy. It is clear in the case of the consumer networks that although they were fairly well integrated, they were still relatively weak. There was no single site for the making of consumer policy - consumer interests needed to be taken account of in all areas but consumers could only establish close relations with specific parts of government like the FTC or the DCPC. So if more powerful sections of government chose to change the organisation of consumer policy, consumer groups lost their power base. Lacking resources consumers were dependent on state actors seeing consumer policy as important and once that changed their influence changed. Moreover, within consumer networks it was difficult to establish a consensus on consumer policy as the networks often included business interests which were directly opposed to consumers. So once consumer affairs moved into the DTI it was in a department that also had a remit for business and there was clearly a conflict of interests.

The weakness of consumers in terms of their lack of resources and the instability of their networks meant that once a new Government was elected which had a different view of consumer policy, the policy would change. This occurred in both Britain and the United States. In the eighties governments of the 'New Right' came to power who were committed to the free market. This meant deregulation and enhancing competition and so according to De Witt (1981), 'A new emphasis on consumer education and information
and a reduction in Federal activism appear to characterise the consumer policy evolving under President Reagan.' In Britain the view of the Minister for Consumer Affairs, Michael Howard, was that, 'For the most part, the best protection that consumers can have is that provided by fair competition in the free market.' (HC Debs 115, 27 April 1987: c. 51). The consumer movement was greatly affected by the changes in economic policy that occurred in Britain and America. Whilst the Keynesian paradigm was dominant, consumers benefited from the general increase in intervention and the belief that consumers should be involved, with the return to the market consumers suffered from the general belief in deregulation. Thus the influence of consumers responded to changes in economic thinking and was not a major influence on government policy.

Clearly then the autonomy of state actors rather than the action of groups has been important in the development of consumer policy. Although this change has suited the interests of business, to a large extent it has not been the result of business pressure. As Nordlinger has pointed out state autonomy still exists when the group interests are carried out if their interests coincide with those of the state. As Dowding (1991) would say, in this instance business has been lucky. The change of policy has to a large extent been the result of ideology and the fact that both the Reagan administration and Thatcher governments have seen freeing the market as the source of economic growth.

This is not to say that business has not been an important contributory factor in the change in policy. In the US, in particular, business became much more active politically in response to the growth of consumer groups and legislation (Vogel 1989). Vogel points out that in the 1960s and early seventies business was largely unorganised politically because of the lack
of opposition and its privileged position in policy-making. In the mid-
seventies business associations became much more active. Both the Chamber
of Commerce and the National Association Of Manufacturers improved their
organisation, increased funding, started to lobby more actively and to some
extent they copied the public interest groups by developing grassroots
networks (Vogel 1989: 200-205). They realised the importance of publicity
and major companies embarked on a national advertising campaign to
highlight the cost of big government (New York Times, 28 October 1979;
Vogel 1989).

Business also used PACs to provide funds to members of Congress who
supported their causes against consumers. Congress Watch found a direct
correlation between anti-consumer voting records and the amount of campaign
contributions that members of Congress received from business PACs (New
York Times, 18 January 1982). The insurance industry launched a massive
lobbying campaign to try to ensure the industry's exemption from antitrust
legislation. Four former congress members contacted key members of the
House and Senate and 220,000 independent insurance agents vigorously
lobbied congress and business organisations (Congressional Quarterly, 30
July 1988). So a major change occurred in the US in the 1970s with the
politicisation of business (Pertschuk 1982: 50). It is clear that business
saw its interests threatened and so organised in order to defend itself.
The resources and privilege of business meant that it was in a position to
have an impact on policy.

To a certain, but lesser extent this was true in Britain. Business had
much better access to government, especially a Conservative government, and
often the government was more sympathetic to its views. Clearly in the
case of the Consumer Protection Act the government took a great deal of
notice of the views of business. It consulted with business as soon as the Commission announced its proposed directive and tried to get a 'state of the art' defence inserted. Once the directive was passed business lobbied very strongly for a state of knowledge defence to be included in the British Act. The CBI got individual company directors to write hundreds of letters to MPs and the CBI, and in particular, the Drug Industry had constant contact with the DTI. The Minister, Michael Howard admitted that he had been persuaded by the forceful representations from a large number of industrial organisations that the absence of developmental risks could hold back development, increase insurance costs and limit profitability (*The Times* 2 July 1986).

Business lobbying and the role of PACs was important in changing the attitudes of Congress towards consumers but it was not the only factor. There was a growing feeling that the FTC was overstepping its powers. Measures to control children's advertising were seen as attacking the traditional American right to free speech. There was also concern that the FTC was becoming too bureaucratic and that it was operating independently from, and usurping the role of, Congress. Congress did not like the fact that its Frankenstein was out of control. Moreover, in the wake of economic crisis and Watergate there was increasing concern about big government and members of Congress started to receive complaints from their constituents about the role of federal agencies (*Pertek 1982: 92*). There was also a change in the members of Congress. The old new deal liberals were being replaced by young right wingers who were more ideological and opposed to further regulation.

So in both Britain and the United States there was a change in consumer policy for a number of reasons. Interest groups and state actors played a
role. However, in Britain where the consumer movement was much weaker and the networks largely underdeveloped, the change in policy was to a large extent the result of decisions by government. The consumer movement did not even have the resources of a mass movement to prevent retrenchment. In the United States where the consumer movement had obtained real power through the FTC and Presidential support the change in policy was more complex and involved new pressure from interest groups, change in public attitudes and changes within Congress. The move against regulation developed in the late seventies but Carter's support for consumerism meant the integrity of the consumer agencies was retained. It was when this anti-regulatory thrust matched up with an anti-consumer President that 'the independent agencies could be seriously undermined...' (New York Times, 1 January 1980). In both countries the consumer movement was greatly affected by the economic context and the rise of new economic thinking. This is not to say that consumers have had no influence in the 1980s. In recent years there has been a degree of backlash against anti-consumerism and the development of new forms of consumer political action.

CONSUMERS IN THE EIGHTIES: RESPONSES TO DEFEAT

Although the 1980s has clearly seen a decline in consumer power from its heights of the seventies in both Britain and the United States, consumer influence has not disappeared. The policies of deregulation have produced various and sometimes unintended consequences. Perversely in Britain privatisation has produced reregulation in the form of regulatory agencies to control the new private monopolies. Moreover, consumers have to some extent used the market as political tool, and as consumption has become
increasingly central and in both Britain and the United States, retail pressure has been used to support consumer interests. The United States has also seen a degree of backlash against the anti-consumerism of the early eighties.

In Britain one of the goals of deregulation and privatisation was to depoliticise certain issues and so reduce the problem of overload. As a consequence certain consumer demands are intended to be satisfied through the market rather than through parties or pressure groups. Now complaints about telephones or gas prices are economic problems to be expressed through share prices or falls in demand (Smith 1990a). Yet, despite the government's free market rhetoric, it was not prepared to completely leave the privatised industries to the invisible hand. Nationalisation was a means for the Government to have some control over the economy, when it disappeared the Government had to find a way of controlling natural monopolies which are central to the economy as a whole.

Therefore, with privatisation new regulatory bodies like Oftel and Ofgas were created. These bodies are intended to try to ensure increased competition and the representation of consumer interests where monopolies continue after privatisation. They thus have the powers to ensure consumer representation, that social obligations are met and price increases are limited (Carsberg 1987; Gist 1990). Walker (1990: 150-152) claims that a lack of thought on the part of the Government about the role of these bodies has led to the new regulatory offices being 'endowed with elastic powers...' and so a great deal of potential exists for control over the newly privatised industry. Yet so far, according to Walker (1990: 155), the government has ensured that these powers have not been used by appointing 'sound chaps'. Although Oftel has limited overall price
increases this has not prevented BT from increasing the cost of local calls by 35 per cent in 1984-86 (Gist 1990: 47). Oftel has contradictory aims and to some extent the most important is to ensure competition and profitability within the telecommunications industry. This can undermine the commitment to the consumer.

Nevertheless Oftel does have some safeguards for consumers and mechanisms for consumer protection. With Oftel regulation and ownership have been separated and Oftel is prepared to use its substantial powers to protect consumer interests. Oftel has been fairly successful in dealing with consumer complaints and because of BTs dependence on Oftel it is often prepared to accept the regulatory body's recommendations. Consumers also have a number of means of access to Oftel. They can make complaints as individual consumers; there is a consumer advisory committee which is a committee of users appointed by the Secretary of State; there is consumers forum which provides for regular meetings between Oftel and various consumer groups such as the NCC and the CA. Recently Oftel has introduced a consumer policy advisor to advise the director general on policy issues which is seen as a means of ensuring that the domestic user has some representation and there are ad hoc meetings between consumer organisations and Oftel. Although these bodies have no formal power and Oftel's duties to competition remain, it seems that consumers have been successful in raising issues and Oftel has been prepared to force BT to take action which favours the consumer. In the view of Harvey and Parry (1987: 69) Oftel 'is generally regarded as having been successful in publicising grievances and securing a measure of reform to British Telecom's operator practices.'

Oftel provides an example of the ways in which the new regulatory agencies can potentially protect the consumer. The regulatory agencies
have a very wide range of powers and the use of these powers depends largely on the decisions of the Director General. There are also means for ensuring that consumer interests are at least heard and to some extent the agencies do have a brief to take notice of these interests. What is most interesting is that these powers could become even more important in meeting consumer demands. Now that the Labour party has committed itself to the consumer (Hughes and Wintour 1990) but not large scale renationalisation, a future Labour Government could use these agencies to support consumers to a much greater degree than presently.

In addition the Conservative Government has emphasised the power of the consumer in the market and has maintained that it has increased personal income and choice through its taxation and privatisation policies (Saunders and Harris 1990: 66). Some social theorists suggest that this has led to the development of a consumer culture. Consumption has become culturally and politically significant as it defines social position through lifestyle and citizenship in terms of the power to consume (Featherstone 1990). With deregulation and privatisation citizenship is no longer seen as a function of the welfare state, as Marshall (1975) had outlined, but of the ability to buy the various accoutrements of society. This change, of course, makes citizenship a particular rather than universal phenomena (see Therborn 1989).

Now, according to Mort (1989: 161) 'Consumption is at the centre stage in the political battle over the economy.' Or for Gardner and Sheppard (1989:45):

Consumption has ceased to be purely material or narrowly functional...Today consumption is both **symbolic** and **material**. It expresses, in a real sense, a person's place in the world, his or her core identity.
This new politics and culture of consumption was partly the cause and partly the consequence of a revolution in retail. A general move from manufacturing to services was exaggerated by economic boom in the mid-eighties which led to the growth and change of the retail sector (Gardener and Sheppard 1989). Retailers have now replaced manufacturers as the economically dominant sector (Gardener and Sheppard 1989: 16-17). This economic importance has had political implications. Retailers have recognised the importance of consumer preferences and increased competition has resulted in some companies using their concern for the consumer as a means of attracting customers. These retailers have begun to use their economic power to defend consumer interests.

This has happened in two ways. Retailers' economic strength in relation to manufacturers has enabled them to impose regulations on the companies that produce for them. For example, Marks and Spencers demands very strict hygiene standards in the regulation of food handling. Sainsbury's has removed food production from companies that have not met their standards. Safeways and Tesco's have led the way in banning certain additives and providing a simple and comprehensive system of labelling. So food companies have developed private policy which far exceeds government policy in the extent to which it protects consumer interests (Smith 1990b) and this is to a large extent the result of consumers' market power.

This private policy has created a collective action problem for companies. If they impose tough regulations, it pushes up their costs. It is in their interest to get these regulations imposed on other companies and to have the force of law behind their own regulations. As a result retailers have become more active in lobbying government in favour of consumer issues. The supermarkets have attacked the government over its
secret testing of the milk hormone BST. At the European level a major
British retailer has been lobbying hard for the Commission to impose
tighter regulations on slaughterhouses (Mazey and Richardson 1990). So in
the way that business was lucky in the early eighties, consumers have been
lucky in the late eighties as their interests have coincided with those of
the retailers. This has led to new alliances. In the case of misleading
prices consumer groups and retailers agreed on policy proposals which they
jointly presented to the DTI but which the DTI rejected.

Another important development for consumers in Britain has been the role
of the European Community. The impact of the EC has to some extent been
contradictory. On the one hand the Community has been very slow in
developing consumer policy. The Directorate General which deals with
consumer affairs is very small. The Commission has not seen consumers as a
priority group and consumer policy has been accorded little importance (HL
192 1985/86). Consumer groups are often seen as lacking legitimacy, find
it difficult to obtain access to Directorate Generals or are consulted
after decisions are made (Smith 1990c: 166-167). On the other hand the EC
had been much more positive in its approach to consumer policy than the
British Government. One consequence of 1992 is that product liability laws
need to be uniform and this resulted in the EC issuing the directive which
forced the British Government to introduce the Consumer Protection Act.
The British Government has often opposed EC consumer policy as it is much
more regulatory than the British government would like.

So in Britain the 1980s saw new forms of consumer power rather than the
end of consumer power. This has been expressed through new institutions
like Oftel and the EC and interested producer organisations such as
retailers rather than through consumer groups. Similar changes have also
occurred in the United States but have taken slightly different path. To some extent there has been a consumer backlash since the first anti-consumer measures.

In the United States consumers continued to see consumer protection as important (Bloom and Smith 1986: 11) and no longer believe that Congress is doing enough to protect their interests (New York Times, 17 February 1983). Congress has taken some notice of these pressures. Although it was initially prepared to cut consumer agencies budgets and reduce their powers it would not go as far as the OMB and the Reagan administration desired. Bads and Fix (1984: 1) claim that the Reagan deregulation programme was in turmoil by 1983. Congress was becoming less willing to deregulate further and so increased the FTC budget by 5 million dollars feeling that the balance had swung too far in favour of business (Pertschuk 1983). It seems that the administration was more concerned with tax reform and failed to 'repeal or amend a single major regulatory statute.' (Vogel 1989: 261).

Since then Congress has repeatedly increased appropriations for the CPSC and FTC to a level higher than the administration wished. In 1990 Congress has appeared increasingly pro-consumer introducing legislation to prevent price fixing, to strengthen product liability and to increase the power and budget of the CPSC (Congressional Quarterly, 13 January 1990; 3 February 1990; 23 June 1990).

In addition, while Federal consumer activity declined it was increased at state and local level. Local groups remained active (Warland, Hermann and Moore 1986) and certain states were prepared to maintain strict consumer protection. In particular state attorneys general started to work collectively to enforce consumer regulation. The National Association of Attorneys Generals has developed state level consumer regulation which they
could implement through court action in antitrust and consumer protection cases. As a result consumer groups often go to state level plead their cases. (New York Times, 8 February 1988). This adoption of state level laws has forced US companies to call for their greater intervention at national level so that there is national uniformity and companies do not face differential costs. As Ralph Engel of the Chemical Specialties Manufacturers said, the states' product safety laws have 'caused us and other industries considerable discomfort and concern.' (Congressional Quarterly, 3 March 1990). Bloom and Geyser (1981: 136) see this as an indication of consumerism moving into a mature stage where 'consumerism is no longer the exclusive domain of the traditional movement' but it is now taking many different forms.

As in Britain the growth of consumer culture has also led retail companies into taking a greater account of consumer interests. Increasingly companies are trying to improve product quality and customer service (New York Times, 15 October 1988). Giant Foods initiated a consumer programme in 1970 which was built around Kennedy's consumer bill of rights. They introduced unit pricing, labelling, open dating and their own product safety policies. At one point they 'went so far as to explain the high price of beef and recommend that consumers buy something else.' (Peterson 1982: 130). This policy has been followed by other companies who see consumerism as a way of increasing their market share. American Express has a consumer affairs department which assesses the impact of policies and products on consumers and Target Stores spends $500,000 a year to ensure that the toys it sells are safe (New York Times, 15 October 1988). Although it is only a small proportion of companies that have such
policies, they are still meeting consumer demands and this puts pressure on government and other companies to take consumer wishes seriously.

So the 1980s has to some extent seen a decline in the national consumer movements and the networks that it established in the seventies. Consumer policy has changed in both Britain and the US becoming a negative free market policy with deregulation as the focus. Yet this policy has had unintended consequences. It has resulted in shifts of power to consumers as purchasers and to retailer and so a new powerful economic interests has sided with the consumer. In Britain deregulation has created new institutions which can be used to further the consumer interests and, in the United States, Congress has not been prepared to allow total deregulation. Consumer power has changed but it has not disappeared and to a certain extent, in the case of Britain, it is perhaps more effective than before.

CONCLUSION

Although social change has had an impact on consumers and the organisation of consumer groups, a shift to post-industrialism cannot explain the impact of consumerism. The fluctuations in the consumer influence and the uneven development in Britain and the United States suggests that consumer power is dependent on political factors to a very great degree. However, unlike the pluralist case these political factors are not solely the resources and tactics of consumer groups.

It is apparent from this study of consumers and consumer policy that the impact of consumer groups is only one factor in determining consumer policy and that the form of consumer intermediation changes from state to state and across time. In the United States the dominant pattern of consumer
representation was a 'deformed pluralism'. There were clearly elements of pluralism with consumer groups able to achieve access to various parts of the political system and to influence policy and able to establish relatively open but integrated networks that gave institutionalised access to consumers. However, this pluralism was deformed because the privileged position of business constrained the impact of consumers. As Lindblom (1977) might have suggested when consumer demands were seen to threaten the economic welfare of the US, the President and Congress tried to control the regulatory authorities especially when faced with the resources and organisation of the business community.

In Britain the relationship was one of 'elitism' where the British State institutionalised relations with consumers in order to prevent the development of a pluralistic consumer movement and to ensure that policy-making remained within an elite and reliable group. As Jordan and Richardson (1982) might suggest, there was an attempt to make consumer policy predictable by creating a group of consumers which the government ultimately controlled but could be used to demonstrate the government's commitment to the consumer cause. They wanted to prevent the Nader type politicisation of the British Consumer movement and so institutionalised at an early stage. When consumers have been successful in Britain their lack of resources has meant it has usually been when they have tied their interest to another group or cause like the unions, the fight against inflation, the EC or retailers. Or it is on a matter of detail where the consumers lobby can provide the detailed information to demonstrate that there are major problems with the policy as it stands. Thus they have largely been confined to influence to the technical aspects of Lindblom's 'secondary issues'. Consumer groups in Britain have never really been in
a position where they on their own could influence major aspects of government policy.

In both Britain and the US consumer policy has in varying degrees depended on the potential of state actors to take autonomous actions. In the US consumer policy only really achieved success when it was given leadership by Presidents and Congress and the downturn in consumer fortunes coincided with a change of President with new policies who was able to ignore consumer demands. But in the case of the US that autonomy was always limited. To some extent the political leadership was responding to various demands in civil society and it is impossible to completely separate the wishes of state actors from the social context within which they operate.

In Britain the powerlessness of consumer groups has meant that state autonomy has been even more important. It was the Labour Government which created the Department of Prices and Consumer Protection and the NCC. It was the Conservative Government which chose to move from an interventionist to a free market consumer policy. Consumer groups lacked the strength of institutional ties or the resources in wider society to prevent this change.

This variation in fortunes and the fact that it has depended largely on political factors like organisation, ideology and political decisions means that the post-industrialist and post-fordist views of the inevitable rise of consumerism are too wide of the mark. It is the case that consumer politics has become more important in recent years but there is not inevitability about this change nor does it appear that consumption is replacing production as the key source of political identity (Devine 1990).
Nevertheless, changes in consumer politics in the past decade suggest that there have been important social changes. People's increased wealth and the rise of the retail sector has created new sources of consumer power. These new sources have led to different forms of political action. Consumers can exercise power through the market and retailers can impose regulations independently of the state. Hence politics does not develop through the traditional networks of state-interest group relations. The local politics of the US and the 'private politics' of the British retailers suggest that consumers can exercise power in the way Cohen (1982) and Keane (1988) suggest new social movements do, through interactions within civil society independently of the state centred policy networks.
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