

The Consumer Movement and the Challenge for the New Millennium

by
BISHAN SINGH BAHADUR

*Keynote Address
for the
Inaugural National Consumer
Convention*

*13-15 March 2001
Quality Hotel,
Kuala Lumpur,
Malaysia.*

*Jointly organised by
Ministry of Domestic Trade and
Consumer Affairs*

*Federation of Malaysian Consumers
Associations (FOMCA)*

Published by:



**FEDERATION OF MALAYSIAN CONSUMERS
ASSOCIATIONS (FOMCA)**

[Gabungan Persatuan-persatuan Pengguna-Pengguna Malaysia]

No. 1D-1, Bangunan SKPPK

Jalan SS9A/ 17

47300 Petaling Jaya

Selangor Darul Ehsan.

Tel : 03-78762009

Fax : 03-78771076

E-mail : fomca@po.jaring.my

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

ISBN 983-40315-4-8



9 789834 031541

Printed by:

Percetakan T.S. (M) Sdn. Bhd.

Keynote Address

The
CONSUMER MOVEMENT
and the
CHALLENGE
for the
NEW MILLENNIUM

13th March 2001

by
Bishan Singh Bahadur

1. Introduction

The journey through life takes us through different paths. Here I am, sharing with you one particular path that I have traveled and to some extent still traveling. This is the path to seek economic and social justice - value for money and value for people through the consumer movement. Whilst on that journey, I had actively contributed to the consumer education, advocacy and protection work. I was the President of the Pahang Association of Consumers (PAC), the President of the Federation of Malaysian Consumers Associations (FOMCA), the Co-Chair of Consumer Education Committee of the International Organisation of Consumers Unions (IOCU)¹ and member of the Malaysian Consumers Protection and Advisory Council.²

After about 20 years through the journey, a crisis in FOMCA, in particular one that involved me made me stand back, think and reflect very seriously about the consumer cause, struggle and about the people involved with it. A number of very interesting things emerged from this reflection. Let me cull out the core message of that reflection.

The consumer movement in Malaysia, like others all over the world is embroiled in a serious social dichotomy. Here is a consumer movement, engaged in educating and creating awareness amongst the people for a adopting a more responsible, discriminate and judicious consumption pattern - in essence promoting “sustainable lifestyle”. It is common knowledge that the people, the government and society strongly support the struggle of the consumer movement.

However, on careful examination we find that the mainstream activity of society, the government and business is totally the opposite. They are, in reality, engaged and preoccupied in promoting a “consumer lifestyle” of buying more and consuming more. I recognised this dichotomy. But what caused my disillusion was that, the stronger and more successful the consumer movement became, the stronger was the opposition and conflict until even a few leaders in the movement succumbed and became part of the opposition and conflict.

The dichotomy was and still is very pervasive even to-day. For example the electronic media and the print media is consumed by advertisement, promoting indiscriminate and wasteful consumption. The worse part of it is that they do this as part of their vocation and mission providing news, information and education. In my opinion, the providers of such services, instead of protecting the consumers who consume their services are in fact exploiting them for a profit.

For every one message of the consumer movement in an attempt to promote “sustainable lifestyle,” the consumers hear thousands of messages from dawn to dusk to “buy more and consume more. Such massive advertising has gripped and reinforced our civilisation with a new philosophy of life. ‘Mending is better than ending’ has lost its value. Now it is, ‘ending is better than mending’. The discipline of saving and buying with cash has lost its ethics. It is now fashionable and more respectable to buy on credit. Waste not and want not has lost its meaning. Now it is want more and consume more. Creating waste is now progress and an integral part of consumer culture. This is but one example of the inherent conflict I am talking about.

This behaviour I perceived, at that time, as hypocrisy. To-day I see this as part of a built-in conflict created by the development and economic model that we are pursuing. It is an inherent flaw in the system. As a result of this flaw in our development and economic model, people are becoming one dimensional human being and the act of living is becoming one big non-stop marketing spree with the sole desire for more profit, high living and lavish consumption. All these being done in the name of economic development, human progress and nation building - yet another dichotomy and impact of the inherent conflict.

With more than 20 years experience in the consumer movement, I began to see evidences of a trend that human civilisation is being influenced by the dominant development model and by the way we have organised our economy to meet our survival needs and livelihood. From this observation one sight emerged, that is, the key organising principle at the development model and the economy, in essence, determines and moulds our thinking, lifestyles, and shapes our present and future civilisation. To create a more humane, just and sustainable world we need a better development model than the one we have today.

With this insight and a motivation to innovate a new development model, I left the consumer movement to join the development movement. With the support of some friends I started the Management Institute for Social Change (MINSOC). From a consumer advocate I started a new journey in my life. I became a development practitioner. MINSOC became my doing and learning institution. To lay the foundation and formalise my education in development work I went to the Asian Institute of Management (AIM) and completed the masters degree in development management with distinction. Now twelve years as a development student, practitioner and consultant I have gained a number of insights that I wish to share with you and help my

colleagues in the consumer movement to go to the basics and from there identify the challenges for the consumer movement in the new millennium.

2. The search for a new development model

One experience in the search for a new development model, I wish to share, happened in November 1992. A number of active development practitioners³ in the region met in Bagio, a Philippine mountain resort town in a ten day reflection on Asian development experience. Dr. David C Korten, one of the participant recorded this in his famous book, “When Corporations Rule the World.”

“We were concerned that Asia’s economic success is dangerously superficial. Beneath the surface of dynamic competitive economies lies a deeper reality of impoverishment and spreading disruption of the region’s social and ecological foundations. Our discussion turned to the need for a theory that would explain and provide guidance in addressing the deeper causes of the crisis. Without a theory, we were like a pilot without a compass. Late one night in a small Chinese restaurant, our discussion began to converge on two fundamental insights. First, it is not an alternative theory of development that we need as our guide. Rather we, needed a theory of sustainable societies that would apply to Northern and Southern countries alike. Second, the theory must go beyond the sterile formulations of economics to explain why human societies have become so alienated from natural processes.”

In my analysis the struggle of the consumer movement has strong elements for “*a theory of sustainable societies,*” Some of the elements are well reflected in the eight consumer rights and the 5 consumer responsibilities. These rights are right to basic needs, safety, information, choice, representation, redress, consumer education and a healthy environment.

And the responsibilities are critical awareness; action, social concern, environmental awareness and solidarity.

At this juncture it will be useful to examine “*why human societies have become so alienated from natural processes.*” This will give us a better understanding and a handle to grapple with the problem. What is being laid out to you is more a critical analysis of our development model and the flaws. This does not mean the model is not functional and has no value. Otherwise, we would not be where we are to-day. We recognise its utility and merits.

While doing so, it is important that we are not blinded by merits alone and ignore the flaws. By ignoring the flaws, soon we will be overtaken by the flaws and the negative impacts will set in and ultimately became the cause of our destruction. In fact the general assessment is that we are already being overtaken by the flaws. It has started demonstrating negative impacts. The growing consumer and throw- away society, the crisis of poverty, the destruction of ecology, increasing social strife and the crisis of spirituality and morality are actually the manifestation of the impacts and dangers of the flaws in our development and economic system.

3. The cause and the start of the problem

In my research, the cause and the start of the problem can be traced to January 20, 1949. On this day Harry S. Truman took office as the President of the United States and unleashed a development model that has and still continues to impact and shape our civilisation. His historic words were: *“We must embark on a bold new program making the benefits of our scientific advances and industrial progress available for the improvement and growth of undeveloped areas...”*

The event was very historic because it has unleashed two significant impacts that has and continues to shape our present and future civilisation. Let me share this with you.

The first impact is well articulated by Gustavo Esteva⁵. He pointed out: *“Underdevelopment began, then, on January 20, 1949. On that day, two billion people became underdeveloped. In the real sense, from that time on, they ceased being what they were, in all their diversity, and transmogrified into the inverted mirror of other’s reality: a mirror that belittles them and sends them off to the other end of the queue, a mirror that defines their identity, which is really that of a heterogeneous and diverse majority, simply in the terms of a homogenising and narrow minority.”*

By acting as a *“mirror that defines people’s identity”* the development negated any potential hope for the articulation and propagation of the notions and practises of sustainable societies. In essence, it suppressed the

possibility of the communities developing a diverse but possible *“theory of sustainable societies.”* Instead, in its place it has ushered in a homogenised development approach based on the American model. The use of *“scientific advances and industrial progress for economic development”* has become the dominant feature of our current model of development.

To understand the second impact let us once again go back to Gustavo Esteva. In his analysis, he pointed out, *“Never before had a word been universally accepted on the very day of its political coinage. A new perception of one’s self, and of the other, was suddenly created. Two hundred years of social construction of the historical meaning of the term development, were successfully usurped and transmogrified.”*

Giving development *“a political coinage”* it motivated governments to get directly involved in development work. This then gave governments the legitimacy to formulate appropriate policies and use the state’s resources for advancing economic development of the people and the nation. By creating universal acceptance of the model, the role of overseeing development, especially in developing countries became the preoccupation of governments. National economic development took over the driver’s seat and national governance became the passenger. Governments, extended their roles from the *“business of governance”*, that is providing law and order and creating equal opportunity for livelihood and got involved in the *“business of running business.”* The impact was that governments, especially in developing countries transformed their roles - from being *“servants of the people and friends of business”* now became *“servants of business and friends of the people”*.⁶ This has far reaching implications as we shall see later.

4. The capital-centred development model

It is important for us to take cognisance of the above two impacts. As stated earlier, we acknowledge the great material benefits of this model. However, we should not ignore the flaws. That flaws are embedded in the dominant development model we are pursuing. Let us now analyse and identify the model we are talking about:

First, to bring in *“technology and industrial progress available for the improvement and growth of undeveloped areas,”* needed investment. Investment meant bringing in capital especially from those who have financial resources. Therefore foreign investment became the answer for national development especially for the so-called *“underdeveloped areas.”* The development model that was unleashed was aimed at bringing returns for investment - in other words profit for capital. Returns to investment became the determinant of foreign investment. National development, creating employment and eradication of poverty became the excuses to hide the true intentions of creating wealth.

Ultimately profit for investment has become the decision making factor and the organising principle of our dominant economy. Such a development tended to undervalue and down play the potential of local capital, resources, indigenous knowledge technology and national self reliance. Instead dependence on “*foreign investment*” became the most popular solution to development. Hence we⁷ call this development model the capital-centred development model.

Second, investors in the capital-centred model needed protection, guarantee and conducive policies. This can only be given by governments. The capital-centred development model requires governments especially of developing countries to be “*investor friendly*.” This trend, as stated earlier, made governments act more as “*servants of business*”. The nexus between the state and business has become very intimate, more so in developing countries. The impact at this development in my analysis is the key contributing factor to the “patrimonial model” of governance that has spread to almost all developing countries⁸.

The essence of the patrimonial model, in the modern context⁹ is the notion of a head of a government using his or her position to dispense opportunities and rewards to his or her supporters both in the public and private sectors as part of a strategy to remain in power. An important feature of the patrimonial model of governance is its pyramid-like network of patron-client relationship and the notion that politics is more about economic development and well-being than governance and rule of law.

The check and balances of democratic governance are often compromised and co-opted in favour of the chief patron. Any political opposition to the chief patron is an act against the state, national development and social harmony. Such opposition particularly the political ones are dealt with often times not by the rule of law but by the rule by law- so well designed to keep the patron and his supporters in power all the time.

The expansion and impact of the patrimonial model especially in developing countries of the South has unleashed many negative impacts such as money-politics and political allegiance of people often not much concerned with fair-play, justice and the common good, but rather attracting those who are greedy, corrupt and with the tendency to wheel and deal for profit. It is therefore not surprising to see how in many developing countries such a flaw has and continues to contribute to authoritarian regimes and dictatorships. Both the public and private sector leadership in such situations are in the hands of “wheelers and dealers” and not in the hands of people with integrity,

honesty and competency. This trend poses a great challenge for sustainable development that we define as one that is socially just, ecologically sustainable economically viable, politically participatory, culturally vibrant and spiritually fulfilling¹⁰.

5. The market economy and its impact

An important criteria for the capital-centred development model to function effectively requires “market.” Market in the context of the capital-centred model is no longer focused on exchange and barter for use and subsistence. It is a mechanism for economic growth and the accumulation of wealth where money in addition to the role as a medium of exchange has become a store of wealth with rights of claim on resources of the present as well as the unborn future generations. The economy was thus “marketised” and “monitised” with a single-minded objective of wiring everyone into the global market system”. We call this model the ‘market-economy’.

Such a development Alvin Toffler¹² points out, “.. *virtually wiped out of existence goods produced for one’s own consumption -for use by the actual producer and his or her family - and created a civilisation in which almost no one, not even a farmer was self sufficient any longer. Everyone became almost totally dependent upon food, goods, or services produced by someone else.. In short, industrialism broke the union of production and consumption, and split the producer from the consumer.*”

The split of the union of production and consumption created two identities - the producers and consumers. This split unleashed a number of changes and impacts. Three important ones are:

- a. **Human behaviour:** Alvin Toffler articulates this very well. He wrote, “*The cleavage between these two roles - producer and consumer created at the same time dual personality*¹³. *The very same person who (as a producer) was taught by family, school, and boss to defer gratification, to be disciplined, controlled, restrained, obedient, to be a team player, was simultaneously taught (as a consumer) to be hedonistic rather than calculating, to abandon discipline, to pursue individualistic pleasure - in short, to be totally different kind of person.*”
- b. **Consumer lifestyle:** Toffler, continues “*In the West especially, the full firepower of advertising was trained one the consumer, urging*

her or him to borrow, to buy on impulse, to 'Fly now and pay later, 'and, in so doing to perform in a patriotic service by keeping the wheels of the economy turning.' In addition Toffler writes, " Not only politics but culture, too, was shaped by this cleverage, for it also produced the most money-minded grasping, commercialised, and calculating civilisation in history."

- c. **Producer-consumer conflict:** The split of the union of production and consumption unleashed an on-going conflict not only between the producer and the consumer, it also involves, often a third party the 'marketer,' that is the service provider. Alvin Toffler's research findings show that, "*The very need for a market or a switchboard to reconnect consumer and producer, to move goods from producer to consumer, necessarily places those who control the market in a position of inordinate power regardless of the rhetoric they use to justify that power.*" (The same is true in international trade where the power of the market enables the countries that control market the power over producer and consumer countries.) This conflict transformed 'exploitation' of the consumers into an art.

6. The lessons of the impact of the capital-centred development model

The question before us now is how does the capital-centred development model and the market economy impact on our society and the future civilisation? What are the lessons we can cull from such experience? After 12 years of active involvement in development work we, in MINSOC have learnt some very valuable lessons. We are convinced that our dominant development model is flawed and that the old development model is undergoing some very critical transformation for change for an alternative model expressing a "theory of sustainable societies". Let me share the lessons we can learn from the impacts of such a model.

The first lesson we learn is that the impact of the capital-centred model has 'homogenised' development and opened up space for hegemony. It has made economic growth the sole purpose of human endeavours and to wire up the rest of the world into the model with America as the leader, the single-minded aspiration.

According to Wolfgang Sachs,¹⁴ "*Following the breakdown of the*

European colonial powers. the United States found an opportunity to give world wide dimension to the mission their founding fathers had bequeathed to them: to be the 'beacon on the hill.' They launched the idea of development with a call to every nation to follow in their footsteps. Since then, the relations between North and South have been cast in this world: 'development' provided the fundamental frame of reference for the mixture of generosity, bribery and oppression which has characterized the policies towards the south. For almost half a century, good neighbourliness on the planet was conceived in the light of "development."

The development model created hegemonic control. According to an Indian friend¹⁵, America has become from a "super power" to a supreme power with the collapse of the state economy of the communist world especially Russia. American dollar has become the global currency and the economy of the rest of the world an extended economy of the Americans and their allies - the G7 countries.¹⁶

As expected, the second lesson we learn is that the capital-centred development approach did not work for the majority. If we follow Wolfgang Sachs's analysis, he says that. *"The idea of development stands like a ruin in the intellectual landscape. Delusion and disappointment, failures and crimes have been the steady companions of development and they tell a common story: it did not work"* It did not work because among others, the working principle of the development model was based on the premise of exploitation, greed and infinite growth.

According to David C. Korten¹⁷ and many others, such thinking is flawed based on the reality that the earth's resource is finite and it has to stay in balance as the life-supporting planet. Korten succinctly describes that *"It is evident that the environmental demands of many human activities have reached or exceeded what the ecosystem can sustain. Most of the world's cultivable land has already been appropriated the soils of much of the currently cultivated land are depleted. Many of the world's fisheries are collapsing. More and more localities face severe water shortages of fresh water. Much of the world's grassland are heavily overgrazed. Pollution of the atmosphere is thinning the ozone layer and creating risk of massive climate change. Garbage is accumulating faster than we can find ways to dispose of it, while chemical and radioactive wastes are rendering more and more areas of the earth's surface unusable. And each day adds more people to the global population than we added the day before."*

The third lesson is that where it worked, it benefited only the rich

minority. The world to-day is more prosperous, with average per capita incomes having more than tripled as a global GDP increased nine-fold, from \$3 trillion to \$30 trillion in the past 50 years¹⁸. Unfortunately, the old imperialism gave way to a new imperialism of “capitalism” making the rich, richer and, the poor, poorer. According to the UNDP Human Development Report, 1999, “The income gap between the fifth of the world’s people living in the richest countries and the fifth in the poorest was 74 to 1 in 1997, up from 60 to 1 in 1990 and 30 to 1 in 1960. According to the same Report, by the late 1990s the fifth of the world’s people living in the highest income countries had:

- 86% of world GDP - the bottom fifth just 1%.
- 82% of the world export market - the bottom fifth, just 1%.
- 68% of the foreign direct investment - the bottom fifth just 1%.
- 74% of world telephone lines, today’s basic means of communication - the bottom fifth just 1.5%.

The fourth lesson we learn is that the trickle down theory of development is a myth. Development is a “conspiracy¹⁹” of the rich to suck-up the wealth created to get richer. The Human Development Report 1995 validates this fact. According to the Report, “*The world’s 200 richest people more than doubled their net worth in the four years to 1998, to more than 1 trillion. The assets of the top three billionaires are more than the combined GNP of all the least developed countries and their 600 million people.*” On the other extreme the Report says that, “Poverty is everywhere.” It points out that:

- Nearly 1.3 billions people do not have access to clean water.
- One out of seven children of primary school age is out of school.
- About 840 million are undernourished.
- An estimated 1.3 billion people live on incomes less than \$1 a day.

The fifth lesson we learn is that the impact of the capital-centred, development approach is devastating. The capital-centred approach is an approach of growth at all costs. The 1996 UNDP Human Development Report points that such an approach propels five types of growth that gives people less and not more. These are:

- *Jobless Growth*, where the overall economy grows, but does not expand opportunities for employment. Developing countries are particularly hard hit. Pakistan’s economy (real domestic product) grew by about

6.3 per cent a year between 1975 and 1992, but employment grew only 2.4 per cent. In Ghana between 1986 and 1991, GDP grew by 4.8 per cent but employment fell by more than 13 per cent. The picture is not good in many industrialised countries either. Spain had a 23 per cent unemployment rate in 1993, over 40 per cent among its youth.

- *Ruthless Growth*, where the fruits of economic growth mostly benefit the rich. Globalisation is the motto of the day, but it is increasing polarisation between the have and have not, between countries and within countries. To-day assets of the world's 358 billionaires exceed the combined annual income of countries with 45 per cent of the world's population.
- *Voiceless Growth*, where economic growth is not matched by democracy or individual empowerment. "The debate over choice between economic growth or economic and social participation is dead. People want both," says the Human Development Report "But too many are denied the most basic form of democracy, and many of the world's people are in the grip of repressive regimes," continues the Report
- *Rootless Growth*, where people's cultural identity withers as economies grow. These are thought to be about 10,000 distinct cultures in the world. But many risks being marginalised or eliminated. "This can be dangerous," warns the report. It continues, "The violence in the former Soviet Union and the Balkan states of the former Yugoslavia is a tragic legacy of culturally repressive governance."
- *Futureless Growth*, in which economic growth consumes its very natural foundations, squandering resources needed by future generations. Environmental destruction is often masked by strong economic statistics, except in the poorest countries where people are all too visibly pushed into marginal lands, consuming forests for fuels and destroying farmland. Increasingly, the United Nation and the World Bank, to arrive at a true national economic worth are calculating the costs of environmental degradation. The costs of turning fertile land into farble land are estimated to be US 9 billion a year in Africa alone, or US 42 billion globally.

The sixth lesson we learn is that our current dominant development approach has served its purpose. The general assessment today is that, it has reached its outer limits of its usefulness and has started demonstrating negative impacts. We are beset with a five-fold crisis, namely, the growth of a consumer and throw-away society, the crisis of poverty, the destruction of ecology, increasing social strife and the crisis of spirituality and morality. To arrest and redress such crisis from growing and getting worse we need to transform our economic approach and the development model. Where do we begin? We need not invent the wheel if we can identify the transformation and change that is taking place.

7. Birth of the consumer movement

One initiative not so much for change but more to fine tune and to keep in balance the flawed capital-centred development and the market economy has been the consumer movement. The role of the consumer movement is to keep things in balance by managing the inherent conflict, moderate the growth of the consumer lifestyle and rationalise human behaviour. Little wonder then why the first consumer movement has born in America. America is the ‘guru’ of the ‘capital-centred’ development and the market economy model. The birth and spread of consumer movement around the world is a concrete recognition that the capital-centred model of development is flawed and it needs to be constantly the-tuned to keep it going out of control and to be kept in balance.

The birth of the consumer movement in America in the 1930s was in fact a reaction to the flaw that triggered the economy to go out of control. It caused severe economic depression and untold human sufferings in America and other industrialised countries. According to Wayne Ellwood,²⁰ *“The consumer movement emerged strongly for the first time in the 1930s as a movement for social justice during the depression that wrecked America. Today the market system has spread to every corner of the globe. The rise of the transnational corporations has turned the world into a global factory and local markets into a global shopping centre.”*

Another flaw of the capital-centred development model is related to the rise of the transnational corporations and globalisation of the market. To continue with Wayne Ellwood, *“For millions of people around the world, consumer problems had literally become a matter of life and death. The global*

marketplace, far from being a self-regulating process, had come to resemble an uncontrolled juggernaut, plagued by violence and waste and fuelled by manipulation.”

Today we are faced with so much concentration. According to the UNDP Human Development Report of 1999, OECD countries with 19% of the global population, have 71% of global trade in goods and services, 58% of foreign direct investment and 91% of all Internet users. In 1993 just 10 countries accounted for 84% of global research and development expenditures and controlled 95% of the US patents for the past decade. Moreover 80% of patents granted in developing countries belongs to residents of industrialised countries.

To fine tune and keep the flawed model in check and in good working condition it needed the consumer movement as a “vigilante” to keep a close watch over producers and service providers (marketers) to protect consumers and to keep the trade safe, fair and just. The principle of “caveat emptor” that is let the buyer beware took on a stronger and a more proactive meaning. Wayne Ellwood points out that, *“The birth of the modern consumer movement was based on the belief that people can rally together under a common banner. Not to share their alienation, but to heighten their shared collective identity.”*

With the growth of the capital-centred development model, so did the consumer movement grow. According to Anwar Fazal, the former President of IOCU, *“The consumer revolution has spawned global networks around issues such as baby foods, pharmaceuticals, pesticides and hazardous products. It has spawned comprehensive consumer protection guidelines in the United Nations²¹”*. Today the consumer movement according to MINSOC’s research play six major roles, namely: testing, research, advocacy, education, representation and networking to protect the consumers.

The consumer movement has contributed greatly to articulating and advocating the eight universal rights of consumers²², educating the consumers of their five responsibilities²³. In essence the consumer movement is a people’s movement. It has grown from the concerns of “value for money” to “value for people.” In addition as the movement progressed it embraced three other core values, namely “value for the environment value for democracy and value for justice.” We can conclude that the consumer movement has an important role to play as the countervailing and balancing force to ensure the capital-centred development approach does not malfunction.

8. Critical concerns: Consumer movement as part of the capital-centred development model

One critical concern I had and still have with the consumer movement is that the movement is an integral part of the capital-centred model. It is a fine-tuning mechanism to keep the flawed capital-centred development model from going out of control and to keep it always in balance. Although the consumer movement is the positive part of the capital-centred model with an important role to play and contribution to make, still I see it as part of a flawed development model. The consumer movement is not a proactive agent of transformation for change to bring about a more humane, life-centred and sustainable development model. It is more a ‘test and protest’ movement. The challenge is to move beyond this role.

In addition to the above concern, I recognised a number of other weaknesses in the movement that was not conducive for the movement’s long-term interest and sustainability. These are:

- First, the inability to provide the alternative. The movement goes around telling people what to do or what not to do but is unable to provide the alternative nor link the consumers to the alternatives.
- Second, to function, the movement needs financial resources. Without independent resources of its own, compromises are often made to get grants from donors, governments and from consumers.
- Third, consumer protection work is a full time and professional work. Expecting volunteers to sacrifice or paying low rates to employees causes strain, frustration and burn-outs.
- Fourth consumer protection work involves advocacy and conflict management. Being weaker than the business sector and the government, active consumer advocacy can become a source of threat
- Fifth, consumer apathy and lack of support will continue to persist and without adequate resources, expertise and power, it is playing a losing game. A weak consumer movement can easily be corrupted and a corrupted consumer movement is like a wolf in sheep’s clothing - legitimising consumer exploitation.

Given the above weaknesses and critical concerns, I opted out and set up the Management Institute for Social Change(MINSOC). Consumer activists and development practitioners like me also need to survive. The challenge is how to pursue a livelihood and be self reliant on your own resources without being dependent on others for our work. Hence I set up MINSOC as a social

enterprise agency to provide development services and also use it a vehicle for action-research and community development work.

A social enterprise agency is a hybrid between a voluntary service organisation and a business organisation. It does not depend on aid, grants and charity. It generates its own income through development consultancy service. It is a new kind of organisation innovated to help facilitate sustainable development by being self-sustainable in supporting the livelihood of individuals involved in its operations and in supporting community development work. We are part of the working culture, enterprise and economy of the new emerging civilisation in our lives.

9. The challenge for the new millennium for the consumer movement

According to Alvin Toffler, “A new civilisation is emerging in our lives, and blind men everywhere are trying to suppress it. This new civilisation brings with it new ways of working, loving and living; a new economy; new political conflicts; and beyond all, this brings an altered consciousness well. Pieces of this new civilisation exists to-day. Millions are already attuning their lives to the rhythms of to-morrow. Others, terrified of the future, are engaged in a desperate, futile flight into the past one and trying to restore the dying world that gave them birth.”

The challenge of the consumer movement for the new millennium is, therefore, first to recognise and understand the new civilisation that is unfolding. In addition to its traditional role of a ‘vigilante’ over the capital-centred economy, the consumer movement must begin playing a proactive role in two areas. First, the consumer movement has to become “a non-partisan political” watchdog to promote participatory democracy, transparent governance and accountable administration. Second, act as the facilitator of the growth, development and the institutionalisation of the emerging social economy, as a life-centred and unsustainable model of development.

There is, therefore, the need to create awareness among consumers of the existence of an alternative development model that is unfolding and to mobilise their support for the new development, even though, in the beginning it might cost more. Second, we need to create the awareness and understanding that the consumer movement is indeed a non-partisan political organisation, very much involved in policy dialogue and policy formulation. The government must

recognise this important role and open up space and opportunity to allow the movement to play this important role. Third, there is also the need to create awareness and educate the development practitioners and community entrepreneurs about the dysfunctional flaws of the capital-centred approach and the sustainable consumer lifestyle that it promotes.

Having served both the consumer and development movements, it is my belief that the Consumer Movement both in Malaysia and around the world has three significant roles to play in the new millennium namely:

- One is the traditional role of working as an integral part of the existing dominant economic model to ensure that it is fair, just, accountable and responsible.
- Second, is to play the role of the “non-partisan political watchdog” and promote participatory democracy, transparent governance and accountable administration.
- The third is the proactive role of transforming, changing and institutionalising a development approach that is life-centred and sustainable.

All the three roles are possible and especially the two new roles proposed as the added challenge of the consumer movement for the new millennium. In fact in some way the consumer movement has begun to integrate the two additional roles that I am proposing. For example if we take the new but active organisation of the consumer movement in Malaysia, ERA²⁴ Consumer, these three roles have begun to emerge.

ERA Consumer, Malaysia currently is running three key programmes. The first is the consumer education and protection work, This is the traditional role of a consumer association. Second, is the human rights education and advocacy work. This is in fact the start of the second role of seeking a participatory and accountable governance. Third is the sustainable agriculture and food security programme. This in essence is the proactive role of transforming, changing and institutionalising a development approach that is life-centred and sustainable.

In addition to increasing the roles of the consumer movement, the movement also has the great challenge of building linkages and collaboration between the different movements to create the synergy and energy for transformation and change. Most importantly, the consumer movement needs a strategy for motivating proactively community participation and support one another, a long term strategy to mobilise resources for self reliance and sustainability of the movement. This means understanding the development trends unfolding in this new millennium.

Let me now share with you three important aspects of research we are involved in MINSOC namely, the identification of transformation trend for change, the organising principles of decision making involved in the new model that is shaping up and the development trends unfolding in this new millennium. I hope this will be a help not only to the consumer movement but to all civil society organisations in our endeavour to build a more human, humane and just society.

10. Transformation for Change - Life-centred sustainable development model

From our MINSOC research we see that the survival response of the human race has recognised that the dominant capital-centred development approach is flawed. In addition to making the rich richer, the model is also unsustainable ecologically, economically, socially, politically, culturally and spiritually. That survival response has, therefore, begun to challenge and reform the flawed economic model. Visionaries, social activists, community leaders and individuals have started to innovate technology that uses smaller amounts of resources, recycling waste into reusable resources, undertake sustainable agricultural practices and adopting alternative ways of production and distribution of goods and services.

We witness two things unfolding. First, a theory of sustainable societies and second the leadership of individuals as social²⁵ and community entrepreneurs²⁶.

The theory of sustainable societies unfolding is in small and isolated cases but facilitating the shaping up of a life-centred sustainable development model. As Alvin Toffler²⁷ observed, *“To begin with, many of to-days changes are not independent of one another. Nor are they random. So long as we think of them as isolated changes and miss this larger significance, we cannot design a coherent, effective response to them..”* To help us see the larger picture and the coherence of the transformation for change MINSOC research shows the following key trends²⁸:

i) *Enterprises, what form will they take?*

They will be people-centred, community and place specific. Goods and services are being geared to fulfill community needs and not motivated purely for profits.

ii) Production, what patterns will it take?

Sustainability of the ecology and the diversity of community culture and lifestyle is becoming the organising principles of all production.

iii) Economics, what shapes will it take?

It will be a social economy that is life-centred, community focused, sustainable with ethics as the core guiding principle.

iv) Development, what meaning will it take?

It is one that is socially just, ecologically regenerative economically viable, politically participatory, culturally vibrant and spiritually fulfilling.

v) Livelihood, what focus will it take?

People are moving into work that ensures not merely economic but qualitative growth. Work that helps them to actualise their potentials, contribute to community well being and sustain their environment.

iv) Consumption, what pattern will it take?

Consumption is taking the form of conservation and judicious use of resources with greater social responsibility and stewardship to the life support system.

vii) Habitat, what pattern will it take?

Community spirit is merging as the predominant trait, where community organisations are helping to restore such spirit the rural and urban areas, in particular towns and cities.

viii) Human relationship, what shape will it take?

The family as the social, economic, political and spiritual unity is being strengthened. Men and women are becoming partners with their distinctive sexual potential without subjugation and coercion.

ix) Money, what role will it play?

Money will continue to play more the role as a medium of exchange but less as a store of value. However 'time' is emerging both as a supplement and an alternative to the role of money.

x) *Accounting, what accounting will the economy assume?*

The focus of accounting is predicted to shift from the 'firm' to the 'community'²⁹. The community net worth - in terms of resources and families is accounted for, and linked up with the outputs of the community.

11. Transformation for change - from market economy to social economy

The above trends unfolding in our midst is the transformation and change of the market and the state models to a model which is being called as the social economy³⁰. It is important that we understand the core concept of these three economic models.

- Market economy is the free market economy. In this model, natural and human resources are exploited as factors of production to maximise profit of capital. People are put in the service of the market.
- State economy is the economy of the communist world that has collapsed. In the state-centred economy, like the capital centred economy, natural and human resources are exploited for the benefit of the state. People are placed in the service of the State.
- The social economy is people-centred and community focused. Natural and human resources are seen as requirements to meet human needs for the present and as a responsibility of stewardship to ensure the ability of the next generation to meet their wants is not jeopardised. It is putting the economy in the service of people.

The emerging social economy is not going to the nostalgia of the 'good old days'. It is being built primarily of the market economy and to some extent the state economy that has collapsed. The market economy has integrated many regions and societies into the global economy making the 'global village' concept a reality. It has improved communication and increased mobility. It has massified (to borrow an expression from Alvin Toffler) and made available information, education and technology to a large extent common to all.

To help the consumer movement understand and prepare for the challenges some of core emerging scenario³¹ for change is captured in the matrix below.

The change processes of the economic model

Key Factors	Market Economy	Social Economy
Motivation	Profit: People serving the economy	Service : Economy serving the people
Institution	Private Ownership-market oriented and capital-centred	Community ownership community oriented and people-centred
Politics	Representatives-vanguard of the market economy and community interest	Participatory -vanguard of people
Technology	Increase productivity to enhance cost efficiency	Increase productivity to enhance labour efficiency
Culture	Consumer culture - ending is better than mending	Conservator culture - Mending is better than ending
Ethics	Individualism and materialism	Common-good and spiritualism

To undertake transformation work it is important for the consumer movement to understand the decision making process involved in the “dying economic model” and the “new born economic model.” This is important for strategic decision-making. Again to help the consumer movement understand the dynamics of decision-making, the key areas are captured in the matrix below. ³²

Decision making process of the economic approach

Key decision areas	Market Economy	Social Economy
Product /service	What can I sell?	What do people need?
Profitability	How much can I make?	How much will people benefit?
Production	How to produce cheaply?	How to produce sustainability?

Distribution	How to improve market share?	How to involve community participation
Benefit	How much wealth can I accumulate?	How much will the quality of life improve
Ethics	Individualism - what is in it for me?	Community - what is in it for us?

12. Transformation for change - Development trends of the next millennium

Part of MINSOC’s search for a development model has also been the identification of development trends. Knowing where we are is not enough. We must also know where we are going. Peter Drucker made a very important observation. He said *“Great many things are happening that as yet nobody understands; governments and politicians cannot cope with them. Governments find them very difficult to accept and so do business. This is one of the reasons why the present world is so turbulent.”* This is because as we cross into the next millennium we are no longer in transition. We are in the midst of a transformation.

The change this transformation is generating goes in many respect against the dominant system that we have built and are used to. In other words the dominant system is unable to cope with such changes. The turbulence we are witnessing is the crisis before the change. Since the transformation for change is a process and not a blueprint, we cannot determine its outcome. We can of course recognise the trends. MINSOC’s research in this area has identified ten mega trends of change that will dominate our development work in the new millennium.

1. **The Focus of Change:** The focus of change in the next millennium will be in the maturity of the information age. The age has grown and with the new millennium it crosses the threshold of youth into adulthood. The transition is over. The question to answer is : What impacts will the maturity of the information age have on information access and exchange, business, management and governance, globalisation, human rights and security, etc.

2. **Economies:** Transformation has begun taking place from a capital-centred approach to a life-centred, livelihood oriented and ecologically sustainable one. It is no longer growth at all cost. It is qualitative growth with the cost on sustainability.
3. **Lifestyle:** The awareness is growing that infinite growth is not possible in a finite world. Consumer lifestyle is changing. The trend now is more of a qualitative growth than quantitative one. It is learning to have more with less.
4. **Education** Mass education that is homogenised, specialised and reductionist in approach is already showing signs of transformation. Education will come more functional, personalised, interest-oriented and holistic in character.
5. **Technology:** Transformation is in progress in technology development. Technology is becoming more needs specific, user friendly, ecologically enhancing and easy to produce.
6. **Social Relationship,** Evidences are every where that the world is becoming a borderless global village. Globalisation poses the challenge on how we can transform and improve global understanding, partnership and gender equity in our relationship.
7. **Social Relationship:** As the world becomes borderless, it also begins to strengthen cultural identities in search for our roots. A positive and proactive inter-racial understanding and cultural synergy must be forged for greater diversity, vibrancy, harmony and peace.
8. **Governance:** Days of “representative democracy” are giving away to greater participatory, decentralized, responsive and accountable democracies.” People are realising that representative democracy puts power into a small elite group that has demonstrated the tendency to control and amass wealth for them, their kins and cronies at the expense of the people and nation.
9. **Development:** The focus is transforming, from a capital-centred approach to a people-centred one. It is a development that is becoming

socially more just, ecologically sustainable, economically viable, politically participatory, culturally vibrant and spiritually fulfilling.

10. **Spiritualism**:: There is growing evidence of enhanced spiritual growth. Development is not of systems but more important of people. The challenge is promoting diversity, tolerance and understanding to make Muslims become better Muslims, Christians better Christians, Buddhist better Buddhist, Hindus better Hindus etc irrespective of religion and faith to be better human beings.

13. Conclusion

It is evident that the growth of our society and civilisation is dependent very much upon the development and the economic model we pursue. If we transform the “*capital-centred market economy*” and pursue “*a life-centred social economy*” we will propelling a change in human behaviour to become not only socially responsible but also become stewards of care for our earth and the future generation. From being part of the problem, we will collectively become part of the solution for a just and sustainable world.

In this endeavour, the consumer movement has great potential to transform itself from a reactive to a proactive movement for change and take leadership role to promote “*a life-centred social economy*” and in the process promote:

- value for money,
- value for people,
- value for environment,
- value for democracy, and
- value for justice.

This could well become the “*pancacara*” of the consumer movement in meeting the challenges in the new millennium.

END NOTES

1. Now known as Consumers International.
2. President of PAC for 20 years and FOMCA for 8 years, Consumer Education Chair for 6 years and Council Member for 14 years.
3. The author of this essay was one of the participants of the reflection session.
4. Harry S. Truman, Inaugural Address, January 20, 1949, in Documents on American Foreign Relations, Connecticut : Princetown University Press, 1967.
5. Essay on “Development” in the book, “The Development Dictionary,” Zed Books Ltd, U.K., 1992
6. A phrase and view shared by a Filipino taxi driver in Manila (1995)
7. The “capital-centred” notion was articulated and popularised by Bishan Singh as part of the research and work of the Management Institute for Social Change (MINSOC).
8. This concept of “patrimonial model” was first enunciated by Max Weber, a German sociologist
9. Adapted from the views of Peter Searle in the book “The Riddle of Malaysian Capitalism - Rent seekers or real capitalists?” New Asian Library, Singapore, 1998.
10. Part of MINSOC’s institutional vision.
11. This explains the phenomena of globalisation, the emergence of trade blocks and the World Trade Organisation (WTO)
12. The Third Wave, Pan Books Ltd, 1981.
13. This explains the social dichotomy presented in the introduction to this paper.
14. “Introduction” to the book. “The Development Dictionary’,” Zed Books Ltd, U.K., 1992
15. The late AC Sen, President of the Association of Voluntary Agencies in Rural Development (AVARD)
16. Britain, Canada, France, Germany, Japan and Italy
17. Sustainable Livelihoods: Redefining the Global Social Crisis, Society for International Development (SID), Publication 1994.
18. UNDP Human Development Report 1999, page 23.
19. It is not a deliberate conspiracy. The organising principles of the dominant

capital-centred development approach is such that by making the poor and their resources productive, the rich are able to siphon off the wealth generated more to their own benefit. It is the natural scheme of things under such a model.

20. *Generating Power: A Guide to Consumer Organizing*, IOCU Publication, 1994
21. Preface to “*Generating Power: A Guide to Consumer Organizing*”, IOCU Publication, 1984
22. Right to basic needs, safety, information, choice, representation, redress, consumer education and a healthy environment.
23. Responsibilities are critical awareness; action, social concern, environmental awareness and solidarity
24. Education and Research Association of Consumers, Malaysia.
25. A social entrepreneur is a development practitioner with a focus at micro level engaged more in policy advocacy and creating conducive environment for development.
26. A community entrepreneur is a development practitioner with a focus at the micro level engaged more in community enterprises and development.
27. *The Third Wave*, Published by the Pan Books, Ltd, London 1911.
28. Essay : *An Overview of Community Social Enterprise*, Bishan Singh. Publication *Sharing the Fruits of Our Labor*. Published by ANGOC, 1995.
29. Core thesis and work of Professor Sixto Roxas of the Philippines.
30. Social economy is defined as the new generation economy that promotes quality growths of human potential and welfare for improved health, peace and greater opportunity for self actualisation whilst keeping the life support system in balance and sustaining it without any destruction.
31. Essay: *A social economy-The Emerging Scenario for Change*, Bishan Singh. Publication of the Society for International Development (SID): *Civil Society and Sustainable Livelihood -Workshop Report*, Mexico City, April 6-9,1994.
32. Ibid

REFERENCE

1. Alvin Toffler - The Third Wave (1980)
2. Alvin Toffler - Power Shift: Knowledge, Wealth and Violence at the Edge of the 21st Century (1991)
3. Al Gore - Earth in the Balance: Ecology and the Human Spirit (1993)
4. Anwar Ibrahim - The Asian Renaissance (1996)
5. Bishan Singh - A Social Economy: The Emerging Scenario For Change (1994)
6. David C. Korten - Community Management: Asian Experience and Perspectives (1986)
7. David C. Korten - Getting to the 21st Century (1990)
8. David C. Korten - When Corporations Rule the World (1996)
9. David C. Korten - The Post-Corporate World: Life after Capitalism (1999)
10. Ernst Ulrich von Weizsacker - Earth Politics (1994)
11. E.F. Schumacher - Small Is Beautiful (1973)
12. Farhad Nomani & Ali Rahnema - Islamic Economic Systems (1995)
13. Foong Wai Fong The New Asian Way. Rebuilding Asia through Self-reliance (1999)
14. Hazel Henderson - Paradigms In Progress: Life Beyond Economics (1991)

15. IUCN, UNEP & WWF - Caring for the Earth: A Strategy for Sustainable Living (1991)
16. Independent Commission on Population and Quality of Life -Caring for the Future (1996)
17. John E. Tedstrom - Socialism, Perestroika & The Dilemmas of Soviet Economic Reform (1999)
18. John Naisbitt - Megatrends: Ten New Directions Transforming Our Lives (1984)
19. John Naisbitt - Megatrends The Eight Asian Megatrends That are Changing The World (1997)
20. Kenichi Ohmae - The Borderless World: Power and Strategy in the Interlinked Economy (1991)
21. Leonard Silk - The Economists (1976)
22. Lester R. Brown - World Without Borders (1972)
23. Lester R. Brown Michael Renner & Christopher Flavin - Vital Signs 1998: The Environmental Trends That Are Shaping Our Future (1991)
24. Ludwig Feuerbach - Principles of the Philosophy of the Future (1966)
25. Mahathir Mohamed - A New Deal For Asia (1999)
26. M.L. Dewan- Towards A Sustainable Society: Perceptions (1995)
27. M.S. Swaminathan Research Foundation - Ecotechnology and Shaping for Future (1998)
28. Paul Ekins & Manfred Max-Neef - Real-Life Economics: Understanding Wealth Creation (1992)

29. P.A. Payutto - Buddhist Economics, a Middle Way for the Market Place (1994)
30. Peter Searle -The Riddle of Malaysian Capitalism: Rent-seekers or real capitalists? (1999)
31. The World Commission on Environment and Development- Our Common Future (1987)
32. United Nations Development Programme (UNDP) - Human Development Report 1997, 1998 & 1999
33. Vandana Shiva - Monocultures of the Mind: Perspectives on Biodiversity and Biotechnology (1993)
34. Vandana Shiva - The Violence of the Green Revolution Third World Agriculture, Ecology and Politics (1993)
35. Wolfgang Sachs - The Development Dictionary: A Guide to Knowledge as Power
36. William Hoogendijk - The Economic Revolution: Towards a sustainable future by freeing the economy from money-making (1991)

There is growing evidence of a trend that human civilisation is influenced and shaped by the way we organise our economy to meet our survival needs and livelihood. The key organising principle of the economy, in essence, determines and moulds our thinking, lifestyles, and shapes the model of development we pursue.

Our current dominant development model has served its purpose and now the general assessment is that, it has reached its outer limits of its usefulness and started demonstrating negative impacts. Today we are beset with a five-fold crisis, namely, the growth of a consumer and throw-away society, the crisis of poverty, the destruction of ecology, increasing social strife and the crisis of spirituality and morality. To arrest and redress such crisis from growing and getting worse we need to transform our economic approach and the development model.

The consumer movement has great potential to transform itself from a reactive to a proactive movement for change and take a leadership role to promote "a life-centred social economy" and in the process promote:

- value for money,
- value for people,
- value for environment,
- value for democracy, and
- value for justice

This could well become the guiding principles or the "pancacara" of the consumer movement in meeting the challenges in the new millennium.

Bishan Singh Bahadur is an International Development Consultant for Food and Agriculture Organisation (FAO), United Nation, Executive Director of the Management Institute for Social Change (MINSOC), President of the Sustainable Network (SUSDEN) Malaysia and Senior Regional Resource Person of Farmer-centred Agricultural Resource Management Network (FARMNET) Asia.

ISBN 983-40315-4-8



9 789834 031541