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**THE
CONSUMER
CASE
FOR
SOCIALISM**

Martin Smith

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The Consumer Case for Socialism

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The author wishes to emphasise that the views expressed in this pamphlet are strictly personal; they do not represent the policy of, nor have they been considered by, any of the organisations cited in the text.

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I. Introduction

In different ways both socialism and consumerism are, amongst other things, about confronting and changing existing arrangements for producing, distributing and administering goods and services. Both bring in to question traditional assumptions about the location of power in society. Both are concerned with finding better ways of meeting people's needs. Both are, or should be, about the strengthening of democratic procedures.

The parallels should not be overstated: there are major differences between the two. The socialist project, despite major setbacks in the Thatcher era, is more developed and better understood by the general public. Its traditions are far more deeply rooted within British political culture. Moreover consumerist ambitions do not always sit easily with the interests of all sections of an avowedly socialist labour movement; in certain circumstances indeed they may be in open conflict. But there are also convergences, both of principle and of interest, particularly in the provision of public sector services — an area to which consumerists have increasingly turned their attention in recent years.

There are also important divergences, as well as convergences, in the direction of consumerist and socialist opinion. This is scarcely surprising since socialist parties, including the British Labour Party, are historically and ideologically rooted in the development of working class *producer* power. Labour Governments have always therefore been predisposed to focus upon the interests of working people as pro-

ducers rather than as consumers. Thus while the Labour Government of 1974-9 must be credited with some important "consumerist" achievements, it nevertheless failed to seize a number of important opportunities. For example in legislating for the reshaping of the management of local authority housing, the demands of the emerging tenants' rights movement were ignored in favour of the continuation of familiar bureaucratic procedures.

This pamphlet explores the possibilities of synthesising socialist and consumerist ideas for politically progressive purposes. It begins by describing the main features of British consumerism. It analyses some of the more important convergences and divergences encountered in attempting to create this synthesis, stressing the former. Thirdly and most importantly, it outlines some of the ways in which the Labour Party, and a future Labour Government, should respond — selectively but positively — to the challenges which the consumer movement has laid down.

2. What is Consumerism?

The act of consuming or using goods or services may be functional or superfluous, enjoyable or unpleasant, tedious or interesting, according to context and circumstances. It is rarely worthwhile in itself. Such acts are universally necessary however, not least in making possible the pursuit of other activities which are in themselves worthwhile. We are only able to mine coal, operate word-processors, engage in politics, make music, run marathons, read books and care for each other because we eat, buy clothes, catch buses, have our wisdom teeth out and generally use or "consume" the products of other people's labour.

These are self-evident propositions, but take us only some of the way to defining "consumerism". There are problems of language and definition to be resolved, or at least clarified. In particular, it is important to distinguish between the narrower, more traditional definition of the term, and its broader, more contemporary alternative.

A broad definition

All kinds of people — politicians, businessmen, trade unionists, journalists, and others — pay lip service to the interests of "consumers" (usually those individuals who are not present to speak for themselves). And since for much of the time we are all consumers, we all like to think that we are qualified to speak on "the consumer's" behalf. It is not surprising therefore that the word "consumerism" is sometimes seen as imprecise and ambiguous.

In practice, the word "consumer" can be defined in two ways: it is used in a narrow, relatively familiar sense to describe problems associated with the consumption of High Street goods and services; and, more broadly, in relation to problems arising

from contact with public sector services like council housing and the social security system. The wider definition is implicit, for example, in the content of a number of popular radio and television programmes which carry the "consumer" label, programmes like *You and Yours* (BBC Radio 4), *That's Life* (BBC1), and *For What It's Worth* (Channel 4). The National Consumer Council has adopted this wider definition in its remit.

This broader interpretation is comparatively new, and is not yet widely accepted. People rarely see difficulties associated with the receipt of unemployment benefit or the availability of public transport as "consumer" problems in a generic sense. Even amongst consumer affairs specialists, most of whom have now adopted some variant of the broader definition, there is uncertainty as to where the lines should be drawn. This is particularly apparent in the environmental field. For example, the pollution and risk to health created by the emission of asbestos dust into the atmosphere by certain forms of disturbance in tower blocks of a given construction is a consumer problem, some would argue; but if so, it can then be argued that all environmental problems are "consumer" problems, and the

word may become so all-embracing as to be meaningless.

A different kind of objection was highlighted by *The Times* in a leader on 31 August 1984 which attacked the National Consumer Council's wide-ranging critique of the social security system, *Of Benefit to All*. The writer disapproved of the practice of comparing the dealings which the citizen has with the state with those that the private consumer has with market-place supplies of goods and services.

Now clearly there are important differences between state/citizen and producer/customer relationships *but these are relatively unimportant to most people's perceptions of them*. A given product or service may be supplied from a private or from a public source; but what matters most to the beneficiary, whether described as consumer or user, are over-arching considerations such as quality, reliability, safety and value for money. Thus the customer who is in dispute with an area electricity board over the size of a bill or faults in an electric cooker is unlikely to be much concerned about the board's ownership status. The argument applies equally to disputes between, say, individual policy-holders and private sector insurance companies. The politics of "consumerism" is rooted primarily in perceived reality (how well does it work?) not in objective political economy (what is my relationship with the producer?).

For these reasons I propose an alternative, more dynamic definition. Consumerism is *the organised expression of the aspirations of the consumers and users of goods and services for greater control over their immediate environment*. The general argument of this pamphlet relates to this definition — one which embraces every conceivable kind of supplier/receiver relationship, is political in its basic assumptions, and which clearly implies a commitment to change.

The principles of consumerism

The major principles of consumerism are those of choice, access, information, safety, representation and redress. The concepts of quality, reliability and value for money are also clearly important.

Choice and access

The meaning of choice is widely understood, but real choice assumes unrestricted access. In practice, the enjoyment of multiple choice in the consumption of most goods and services is unequal, because access may be constrained by a variety of factors including levels of disposable personal income, geographical location and personal mobility. The actual choices available to consumers who are, for example, unemployed or disabled, or who live in remote areas, are often few and sometimes even non-existent.

Information

The need for consumers to have access to full and reliable information is closely linked to the choice principle. Inadequate information leads individuals to make uninformed and disadvantageous choices. The "right to know" is fundamental to the work of product-testing organisations such as Consumers' Union in the USA and Consumers' Association in the UK. Information is obtained, verified and passed on to subscribers through the medium of publications like *Which?* magazine to advise members which products are most appropriate to varying needs. Consumer organisations also campaign for fuller and better quality information in areas as diverse as drug labelling and the disclosure of car accident data to enhance public knowledge and to raise health, safety and performance standards.

In some countries consumer organisations have extended the "right to know" principle beyond product information by

campaigning against government secrecy and for Freedom of Information legislation. Consumer representatives, with others, have argued that large quantities of official information embracing matters of public policy as diverse as nuclear power and alcoholism are collected, processed and stored at taxpayers' expense; and that in principle therefore the taxpayer, both as citizen and as "consumer" of state-provided services, should enjoy enforceable rights of access to relevant documentation. Their pursuit of the goal of "open government" is perhaps the best illustration of the willingness of many consumer organisations to reach beyond traditional consumerism on the narrow definition.

Safety

The importance of the principle of safety is self-evident in the physical sense. People have an obvious right not to be exposed to exploding car fuel tanks, lethal hair dryers or toy dolls with three inch spikes in them. But the safety principle can also be extended less obviously into the economic sphere. Much of the interest that consumer organisations take in the reform of company and insolvency law is based on the premise that fraudulent and exploitative business practices — "rip-offs" of one kind or another — infringe precisely this principle of economic safety.

Safety is a particularly important consumer issue on the international stage. The International Organisation of Consumers' Unions (IOCU) has shown that worldwide there are many dangerous products on the market creating serious problems for developing countries. For example, certain multinational drug companies use such countries in effect as dumping grounds for sub-standard goods.

Representation

The consumer's right to representation stems from the interdependence of the

economic interests of producers and consumers. Consumers, it is argued, should therefore have a say if not in the productive process itself, then certainly in the planning and supervision of that process.

In practice of course, the problems are far from straightforward. In the private sector hardly anything has been achieved in Britain by way of direct representation. Business interests have generally rejected formal consumer representation by arguing that sovereignty in a market economy already rests with the consumer through competition and individual choice. This assumes a responsive and arguably somewhat negative role for the consumer in the market-place and for that reason alone is unsatisfactory. Nevertheless, such assumptions have rarely been challenged by UK consumer organisations, with the notable exception of the Public Interest Research Centre in the 1970s.

In the public sector, consumerists have been able to argue that consumer representation is a necessary proxy for lack of competition. People who travel by train, live in a council house or run a gas central heating system, it is argued, are dependent upon a monopoly supplier. There is no market, and little or no consumer choice. In the absence of competition, direct consumer representation is required to ensure efficiency, fair dealing, reliability and value for money.

The Attlee Government created a network of Nationalised Industries Consumer Councils (NICCs) between 1946-8, though there have been subsequent modifications. Based mainly on regional structures, the main function of the NICCs is the handling of consumer complaints. The NICCs undoubtedly perform a valuable complaints-handling role at regional level. In addition, their national bodies, notably the Electricity Consumers' Council, have also published some impressive policy documents in recent years. In general however, the NICCs have been ineffective in policy terms. They are heavily constrained by inadequate powers and insufficient funds, and are rarely consulted until after key industry decisions have been

taken. There is a strong case for completely rethinking a strategy for consumer representation in the nationalised industry sector.

Redress

The next principle — redress when things go wrong — is increasingly familiar to the general public, and is now well-entrenched in law as regards many supplier/customer relationships in the market-place. This is true both of the civil law, which enables citizens to pursue their civil rights in relation, for example, to the sale of goods; and of the criminal law, which empowers the state itself to act against unscrupulous traders and others on the citizen's behalf. The wronged consumer is now eligible for compensation in a variety of circumstances. And offending suppliers may be severely punished.

The law of weights and measures is centuries old. The Sale of Goods Act, which says that all goods must be described correctly, fit for the purpose for which they were bought and of "merchantable quality", still key concepts in consumer law, was first codified and put onto the statute book as long ago as 1893. More recently, consumer advocates have per-

suaded Parliament to enact further statutory protections relating to consumer safety, trade descriptions, consumer credit, unfair contract terms and the supply of services.

The cumulative effect of this legislation is to give considerable rights of consumer redress in the private sector. The pattern is more complex and much less satisfactory in the public sector where problems arise from complaints against the Department of Health and Social Security, local education authorities, the National Health Service and so on. Even in the private sector, however, there are a variety of outstanding problems, some reflecting ambiguities or gaps in the law, some the inadequacies of law enforcement (notably in the resources available to local authority trading standards officers), and others the difficulties many people experience in gaining what is increasingly called "access to justice" (redress through the courts).

Because in Britain awareness of some consumer principles has penetrated extensively throughout *all* social groups, it is easy to forget that in many countries the principles themselves are perceived as alien or eccentric, and that they are generally unenforceable even where they are recognised.

3. The Politics of Consumerism

If consumerism is “the organised expression of the aspirations of the consumers and users of goods and services for greater control over their immediate environment”, it is inescapably a political activity. Equally however, it is a species of politics which is difficult to accommodate within conventional categories — whether of party, pressure group or ideology.

The diffuseness of the UK consumer movement

The UK consumer movement includes the traditional consumer watchdogs (prices, weights and measures) and a newer generation of professionals and lay activists (home energy audits, disability benefit advice and much more). It is not surprising that this produces a wide variety of political stances in both ideological and organisational terms. The political views of the individuals involved span a range of positions including radical neo-liberalism, paternalist Toryism, strong support for centralised regulation and intervention, and decentralist socialism.

This astonishing mix is evident in the proceedings of the Consumer Congress, the major event in the consumer calendar, which meets once a year in early Spring. Congress is a coalition-building initiative launched by the National Consumer Council. It brings together 200-300 delegates and professionals from a wide range of affiliated organisations, plus journalists, observers of various kinds and the odd politician. It is the only vehicle through which organisations as diverse as the Association of Community Health Councils for England and Wales, the National Gas Consumers' Council, the Housewives Association, the Child Poverty Action Group and Transport 2000 are

able to signal their identification with the British consumer movement.

Congress offers an annual forum for the discussion of policy, and a meeting place for otherwise isolated activists. In between Congresses, those who attend it either as delegates or as individuals get back to fighting their own battles — as tenants' leaders, electricity complaints' handlers, trading standards officers or advice workers. These activities take place unconnectedly for the most part. The consumer movement, in short, has a head (Congress) but no full-time co-ordinated body. It draws on no mass membership, no radical tradition (of organised boycotts for example) and no funds of any significance; it possesses a skeletal organisation (the Congress secretariat) and wields little independent political clout.

The relative weakness of the consumer movement can largely be attributed to inexperience and severe resource constraints. But it also reflects the fact that in one key respect, its theoretical foundations are dangerously fragile. Consumer theory is a theory of divided self. Many of us have producer-roles; all of us have consumer-roles. The problem for the consumer interest arises because there is from time to time a conflict between these roles — within individuals, as well as between groups of individuals. Thus a steelworker's interest in obtaining the max-

imum negotiable wage for his work conflicts with his desire to pay the lowest possible price for a new British-made car.

In spite of this inescapable contradiction, consumerism does possess an ideology which is not only distinctive but also coherent — an ideology which flows from the principles outlined above and is characterised by an overriding determination to ensure that the consumer gets a better deal in each and every transaction he or she makes. This practical common ground is sufficient to ensure that the coalition does hold together. But it is a diffuse ideology. It does not lend itself to comprehensive and cohesive political expression of the kind associated with political parties. There could not be a “Consumer Party”; it would collapse the moment it first seriously engaged with the problems of macro-economic policy. Consumer activists are well aware of this; their aim is to influence the existing political parties, not to create a new one.

The ambivalence of the Left

For many socialists, the images and associations of consumerism have been, and continue to be, predominantly negative. Attitudes in the labour movement have ranged from suspicion and neglect to outright hostility.

Socialists have generally perceived consumerism in an undifferentiated way. Many, deploring the apparently insatiable materialism of the West with its incessant marketing of sometimes superfluous gadgetry, have regarded consumerism (on the narrow definition) as a wholly undesirable phenomenon. Consumerist activity is seen as having more to do with the indulgence of wants than the meeting of needs.

This view reduces consumerism to what would more accurately be described as consumptionism, an arid and selfish creed as inescapably capitalist as Lombard Street or Madison Avenue. (The word “consumer” is of course frequently used

as an epithet to describe contemporary capitalism.)

A softer, more ambivalent socialist perspective, characteristically male, recognises the usefulness of *Which?* magazine and endorses the efforts of those who campaign, for example, for better nutritional labelling. But it dismissively associates product testing or product information with an outdated image of womens’ institutes and townswomens’ guilds, organisations which are assumed (often mistakenly in recent years) to be deeply immersed in Tory politics.

Then again — a more neutral perception — although most people on the Left are happy to join in the applause for the successful prosecution of a loan shark or a cowboy builder, few recognise that the kind of programme which would effectively put such crooks out of business has anything to do with socialist politics, even though they prey disproportionately upon working class communities. Many traditional socialists are simply not impressed by ideals and goals which are concerned with quality, fair trading or redress — the elimination of faulty goods and bogus advertising claims or compensation for the victims of the kind of rogue directors who repeatedly rip their customers off in “change the name, start again” rackets.

It is possible from any of these perspectives to claim that consumer evils will disappear with the socialisation of the means of production, distribution and exchange. A less fundamentalist response would be to argue that consumer problems are indeed important; but to add that for practical political purposes — setting agendas and determining priorities — they are second-order and not first-order problems.

These matters are all clearly arguable; but the point to note here is that the Left in general, and the Labour Party in particular, being historically, ideologically and organisationally rooted in working class producer power has inevitably tended towards a “producerist” view of political economy. The role of the trade union movement has been and remains central.

The unions' *raison d'être* is the advancement of their members' interests at the point of production; they are not equipped (nor is there any reason why they should be) to represent their members' interests at the point of consumption. And consumers' interests are not similarly (that is constitutionally) represented within the labour movement.

Insofar as the objective interests of some sections of organised labour actually conflict with those of consumers in particular circumstances, it is not surprising that union attitudes towards consumerism should have veered on occasion towards outright hostility. The debate about the Shops Bill was a case in point: the Union of Shop, Distributive and Allied Workers (USDAW) opposed Sunday trading; consumer organisations were (and remain) strongly in favour of it. More generally, incomes policy, trade policy and competition policy are all areas of actual or potential conflict between some trade unions and some or all consumers.

In general however, hostility on the Left has been less in evidence than simple neglect. One reason for the neglect of consumerism has been its relative powerlessness. The leaders of the UK consumer movement do not enjoy easy access to cabinet ministers comparable to, and on the same scale as that enjoyed by the CBI and (in other times) the TUC. Politics, in this sense, accurately reflects the structure of power relations in contemporary society. The consumer movement, like the women's movement, has suffered from one of the pervasive cultural prejudices of labourism which dictates that if you have no muscles to flex then you don't compel attention.

The consumerist advance

In spite of these obstacles, the cause of consumerism has advanced steadily over a period of some thirty years. It has done so under governments of both parties, a fact which reflects the consistent determination of consumer leaders not to place their

organisations in hock to any political party.

The event which signified the beginning of the advance was the birth of the product-testing organisation Consumers' Association (CA) in 1957. CA, the publishers of *Which?* magazine, is now supported by an astonishing 750,000 subscribers. It was founded by Michael Young, a former Secretary of the Labour Party's research department. Young's extensive range of political contacts were, not surprisingly, mainly on the Left. Nevertheless it was the Conservative Government of 1959-64 which produced the first official responses to the new-style consumerism. The Molony Committee on Consumer Protection reported in 1962 (HMSO., Cmnd 1781), and led directly to the creation of a new publicly-funded body called the Consumer Council (1963-70), later abolished by the Heath Government. The enactment of the Trade Descriptions Act 1968 also owed its origins to Molony.

The next significant reforms followed the appointment of Sir Geoffrey Howe as Conservative Minister for Consumer Affairs in 1972. Howe took through the Fair Trading Act 1973, creating the Office of Fair Trading (OFT) and establishing the role and duties of its Director-General. He also supervised the preparation of the Consumer Credit Act 1974, although this Bill was enacted under Labour in a bipartisan spirit. Both measures have been important in helping to strengthen the position of the individual consumer in the market-place.

It was during the period of the Labour Government of 1974-9 that consumerism on the broad definition really came of age, a process to which the Government itself made a major contribution. In September 1974 the new Department of Prices and Consumer Protection (DPCP) published a White Paper entitled *National Consumers' Agency*. This contained the remarkable statement that:

Those concerned in the production of goods and services are extensively involved with Government in the national counsels

through the TUC and CBI. *The role of the consumer in economic activity is as important as that of the producer*, and the Government considers that the consumer ought through the new Agency to have a similar opportunity to be heard. (*Emphasis added.*) (HMSO., Cmnd. 5726)

One year later the "new agency", the National Consumer Council (NCC), was duly created with, inevitably, Michael Young as its first chairman. The NCC's terms of reference were (and are) to represent the interests of consumers to other bodies, notably central government itself, local government and the nationalised industries. Interestingly, the Council was given a specific remit to look after the interests of inarticulate and disadvantaged consumers.

These two decisions — the establishment for the first time of a DPCP with its own Secretary of State and of the NCC — were acts of major political importance for the development of consumerism. In retrospect they appear all the more impressive: it was not an easy matter for a producer-dominated party to make that kind of commitment to the pursuit of consumerist objectives.

This commitment was extended into a variety of areas of consumer interest — on both the narrow and the broad definitions. It was apparent in the work of the Price Commission, also created at this time, and in the establishment of Community Health Councils (CHCs) in 1977.

But there were disappointments too. Public dissatisfaction with what was felt to be the poor performance and bureaucratic unresponsiveness of large parts of the public sector was rising. Labour's response was piece meal and incomplete. In particular there was a serious missed opportunity in the public housing field. The Government failed to act to transform the semi-feudal status of council house tenants by legislating along lines proposed by the NCC and the National Tenants' Organisa-

tion, thereby opening up the way for an incoming Conservative Government to legislate for qualified tenants' rights (though in a quite different spirit) after 1979.

The emergence of tenants' groups and the growing demand for greater user control over the management of the public housing stock illustrates what has been the most important feature of the continuing advance of consumerism over the last decade or so — the expansion of its range and scope. Product testing remains a centrally important activity; but the consumer as tenant, or pupil/parent, or patient, or transport user, or claimant, now provides the focus for the work of many younger activists, some of whom are based outside the mainstream consumer organisations — in women's groups, parents' groups, advice and information bureaux and elsewhere. It is interesting to note that the development of this trend paralleled the growth of a different form of "consumerism" in the Labour Party itself; the campaign to extend intra-Party democracy in relation to leadership elections and the re-selection process drew on many of the same basic principles.

Clearly there is a tension within the consumer movement between those whose preferred emphasis is upon individual consumer rights, in the market-place and elsewhere, and those who stress the collective dimension of the rights of groups of service users. These differences of outlook have been heightened by the impact of Thatcherism. The tension is nevertheless a creative one, and there are no signs of impending schism. The consumerist advance has perhaps been strengthened by the very diversity of its ideological strands. Above all, it has been held together by the shared conviction that the balance of forces between producers and consumers is in need of correction in favour of those who foot the bill. Hence the challenge to "producerism".

4. A Critique of “Producerism”

Neil Kinnock has rightly stressed the necessity for the Labour Party to take on the mantle of “the party of production”. There is indeed a need to make far better use of our productive resources, for employment and for other reasons. But to achieve this requires casting off the inheritance of what, for want of a better word, I shall call “producerism”. By this I mean the habit of producing things without sufficient regard to the requirements of the consumer; or, at a stage removed, the custom of planning economic, industrial and social strategy in exclusive accordance with the wishes and convenience of producers and administrators.

The quality factor

In certain key respects socialists have been too “producerist” in their traditional attitudes. There has been a failure to recognise and act upon the importance of the link between indices of output and indicators of quality. Many people are aware that the statistical indices of output have made dismal reading in recent years, but few have been willing to acknowledge that one of the reasons for this has been that over a much longer period, what the UK has produced has simply not been good enough to beat the competition, either at home or abroad. The simplified case against the bias of “producerism” is that as a nation we have not been prepared to square up to that fact, or to do enough to put things right.

Issues of *quality* (how good is the thing being produced?) are relevant to issues of *quantity* (how many can we produce and find a market for?). Too many UK manufacturing sectors, for example machine tools, motor cars, motor-cycles and electronic goods, acquired a reputation for serving up items of inferior quality supported by inferior after-sales service. For a nation which still lives substantially upon what it can sell to other countries, this reputation was bound to have an

adverse effect upon overall economic performance. It has worked doubly to our disadvantage — as a contributory factor in a generally poor record of export achievement *and* of unacceptably high levels of import penetration. Both factors were acknowledged in the highly critical 1985 report of the House of Lords Select Committee on Overseas Trade (Vol. 1, *Report*, HMSO).

Of course there have been other factors. The poor performance of UK manufacturing industry in recent times must in any balanced account be related, amongst other considerations, to mistakes in trade, monetary and exchange rate policy, inadequate levels of investment, inferior management, indifferent labour relations and a poor record of innovation in key sectors. It is easy to find ways of *excusing* this record; equally, it is self-delusion to do so without acknowledging that what we have produced has too often been over-priced, shoddy, technically backward or otherwise unappealing by comparison with the manufactured goods produced by our competitors. Economists and politicians may argue about the precise relative weight which should be given to each of the available explanations; in the end however (and for some industries, for example motor-cycles, it has indeed been the end),

it is the consumer at home and abroad who has delivered the decisive verdict.

At the level of strategic industrial planning it is most important that socialists should learn the lessons of this experience. The antidote to "producerism" is to build consumerist criteria into national and regional planning policy. In terms of the strategy outlined in *Labour's Programme 1982* (still the most detailed available) this means providing for systematic consumer inputs into the work of the new Department of Economic and Industrial Planning. (It is not clear exactly what the status of the 1982 proposals now is, but the point is valid irrespective of the precise form of changes to the machinery of government.)

No form of economic planning can entirely anticipate or supersede the workings of the market-place for any product. It is possible, however, to influence market outcomes. The conditions attached to industrial development grants, for example, could include explicit reference to expectations on product quality. Practical support could be offered by the establishment of regional product-testing laboratories to supplement and build upon the work already done by the British Standards Institution (BSI) whose role would sensibly be expanded, Consumers' Association and existing specialised government laboratories. The results of such testing work should be published in order to promote incentives and achieve competitive movement upwards on product quality.

One feature of this approach would be a much tougher line on product safety. The doctrine which appeals naturally to the "producerist" mentality — *caveat emptor* (let the buyer beware) — is simply unacceptable. On this issue, state intervention in the market-place should be uncompromising. Traders should not be free to sell goods which are actually or potentially dangerous in use. 40,000 accidents a year (in England and Wales) attributable to dangerous electrical products alone provide a sufficient reason for enacting stronger legal safeguards, vigorous policing by enforcement officers, and the promotion of higher standards of production.

The case for a systematic approach to product quality issues extends way beyond the safety argument however; the need to raise production standards goes to the heart of the question of improving the international competitiveness of UK industry. Better quality products, other things being equal, means more exports and fewer imports. To achieve that, we need higher standards, more standards, and a greater rate of compliance with these standards on the part of home-based producers.

Good progress has been made as regards the measurement of quality. We now have more than 10,000 scientifically-devised British Standards, and the BSI has also developed excellent procedures for quality assurance — the maintenance of *consistently* high standards. Compliance is almost entirely voluntary however, and there is no doubt that much of what is produced in the UK is still of inferior quality. Approximately half the products submitted to the BSI for certification are failed, giving cause for more than a little anxiety about the quality of products *not* submitted.

There is a case for applying mandatory standards in some sectors, particularly where large export markets are involved. This would be done on the basis of compulsory certification. There is a difficult tension here between the principle of consumer choice (competition by price) on the one hand and the enforcement of minimum standards (consumer protection) on the other. But even in an entirely voluntary order of things, producer and public consciousness of quality considerations could be dramatically enhanced by a more vigorous high-profile government commitment to the BSI's Kitemark and Safety Mark schemes, or their equivalent.

There is an important and rarely considered role for public enterprise in this context. A socially-owned company, British Leyland — particularly in the years of the Allegro and the Marina — acquired a reputation for building second-rate motor cars. The image of public ownership amongst BL's customers was serious-

ly damaged. This legacy must be turned upside down: publicly-owned enterprises should lead on quality, setting higher market standards and challenging others to match them. This cannot be achieved unless the positive influence of consumerism is drawn into the productive process. Quality control should be regarded as an essential component of socialist planning, not just as an instrument of factory management.

The systematic application of consumerist criteria must also feature in the development of a socialist trade policy. Labour's existing policy of planning import growth by setting import penetration ceilings on an industry-by-industry basis is justified, in spite of its implied constraints upon the exercise of full consumer choice, *provided* firstly that adequate measures are taken to ensure that protection does not result in the domination of UK markets by over-priced, home-produced goods of inferior quality, and secondly that the opportunities afforded to industry are not frittered away through underinvestment in plant and machinery.

People will accept a policy of planned import growth only if its objectives are clearly articulated in terms which relate to everyone directly as consumers, and not just to some of them as producers. The trade-offs between long-term economic viability and job creation at the cost of diminished short-term freedom of choice, should be clearly explained. The merits of full or partial protection for given manufacturing sectors must be advocated not only in terms of creating jobs but also of enhancing consumer choice *in the longer term*. This kind of approach must be deployed within the framework of an interventionist industrial strategy which consciously and explicitly works towards goals which are as consumerist as they are "producerist".

"Producerism" in government

Government itself therefore has a crucial

role to play in counteracting the imbalances perpetuated by "producerist" bias. This is easy to assert but will be formidably difficult to follow through. Many influential quarters within government departments have been "captured" intellectually by producer perspectives over the years. The Ministry of Agriculture, Fisheries and Food in particular was dominated by the National Farmers' Union for so long that it has sometimes been used as a case-study of the incorporation of a pressure group into government. Similarly, the Ministry of Transport was locked in symbiotic embrace throughout the 1950s and 1960s with the roads lobby, an informal coalition which embraces interests as diverse as the motor manufacturers, the road haulage industry, the transport unions and the motoring organisations. The recent relative decline in the influence of the roads lobby in government has had as much to do with public spending constraints as with any fundamental shift in departmental thinking.

The development of government energy policy since the establishment of a separate Department of Energy in 1974 provides the best example of this theme. The Department of Energy is run by civil servants whose collective expertise is overwhelmingly derived from supply-side (or production-oriented) approaches to energy problems. The organisation and staffing of the Department, and its internal allocation of resources, reflects this bias; thus the Energy Efficiency Office, which carries the energy conservation remit, has a pitiful total budget of £20 million. The basic working assumption behind departmental thinking has tended to be that most problems of energy shortage, actual or anticipated, are better solved by producing more than by consuming less. The result is that governments have consistently underestimated the potential for energy saving to be achieved by a more efficient use of existing energy sources and a more vigorous and imaginative approach to energy conservation — a demand-side strategy.

The "producerist" bias at work here was sharply criticised in the first report of the House of Commons Select Committee on Energy, published in 1981 (HMSO). Commenting on the Government's proposed nuclear energy programme, the Committee responded to evidence given by the Secretary of State for Energy in these terms:

"We agree ... that conservation does not obviate the need for a relatively cheap source of electricity. In that sense conservation and nuclear power are complementary. All the same, we were dismayed to find that, seven years after the first major oil price increases, the Department of Energy has no clear idea of whether investing around £1,300 million in a single nuclear plant (or a smaller but still important amount in a fossil station) is as cost effective as spending a similar sum to promote energy conservation... We therefore recommend that the Department of Energy should assess in future, as it should have done in the past, the economics of public expenditure to promote energy conservation, with the same vigour as that required for the economic appraisal of new generating plant."

The central thrust of this criticism can be applied similarly across the whole range of public policy making. A future Labour Government which is serious in its determination not to be captured in this way by the powerful vested interests of producers, must equip itself with the kind of intellectual ballast — in people and ideas — which will effectively counteract them. Failure to grasp this nettle will permit the continuing disproportionate domination of policy making by food producers, road-builders, the nuclear industry and their equivalents — the producer lobbies whose principal terms of reference are dictated by their shareholder constituencies, not the needs of the electorate as a whole.

These issues touch upon conflicts within the labour movement as well as within government. Most of the lobbies mentioned above are based to some extent on alliances which transcend the dichotomy of capital and labour; thus the power workers form part of the pro-nuclear lobby, and many transport workers have

strong pro-roads interests. A democratic socialist approach to policy making does not necessarily demand that nuclear power stations should remain unbuilt, or that all new plans for roads should be rejected; but that other options which are consumer-led should receive equal attention inside the Party and inside government. Policy decisions which are producer-led should be clearly justifiable in relation to the available alternatives.

An alternative AES?

Comparative examination of this kind reveals that consumer-led options (an active programme of energy conservation is the best example) often provide more opportunities for job creation than other options. There was some recognition of this link in the development of the Labour Party's Alternative Economic Strategy (AES) following the general election defeat of 1979. More generally however, the AES was traditionalist in its analysis. *Labour's Programme 1982* makes fragmentary concessions to consumerist perspectives, but remains fundamentally "producerist" in approach.

It is instructive to contrast this view of the AES with a different kind of criticism advanced by Anna Coote. Writing from a feminist perspective, Coote complained in 1981 that the AES was born of "patriarchal politics" and was consequently male-oriented in its assumptions. She went on to remark that:

"If women had power to assert their own experience, as men have, we might develop a different approach, one with a double axis: reproduction and production. This would embrace unpaid work as well as paid work, and relations within the family and community as well as relations between labour and capital." (*The AES: a New Starting Point*, New Socialist, November/December 1981)

Anna Coote's analysis is valid; but it is also consistent with the consumerist critique of "producerism". I would extend her argument by proposing that if women, but

equally men too in their less traditional role as consumers and users of goods and services, had the power to assert the fullness of their experience; and if we really did take full account of relations within the community — that is of the interdependence of producers and consumers, then we might indeed “develop a

different approach”, one with a *treble* axis: production, reproduction *and* consumption. The appropriateness of this observation is nowhere more apparent than in the way that public services have customarily been delivered to those in need of them.

5. Consumerism and the Public Sector

One reason why most people outside the committed Left are not more enthusiastic about “socialism” is that with the exception of the National Health Service their experiences of public ownership and of public administration have not convinced them that socialists are capable of creating and running institutions which are morally superior, more accountable or more efficient than those run by private enterprise. The attitudes which big public sector organisations have shown to their customers and clients have not generally served to advance the causes with which socialists are associated. The nationalised industries in particular have too frequently appeared to be remote, forbidding and uncomprehending.

“... the best obtainable system of popular administration and control...”?

Most people, including those who like to think of themselves as “non-political”, acquire views which are essentially political as a consequence of their experiences. These views may be based on knowledge gained through employment — hence the fact that many of the sharpest critics of the

nationalised industries are people who work in them. But rather more people are influenced by their experience not as *producers* of the gas supply, refuse or rail services, but from perceptions acquired in the *use* of them. This point is absolutely fundamental and applies across the whole of the public sector in the broadest sense. Clearly there are important differences — in organisational structure, corporate ethos, financing arrangements, lines of accountability and so on — between for ex-

ample, area electricity boards, regional water authorities and local authority housing departments. But what matters to the consumer are two central objective similarities: the absence of user choice; and, most important of all, a common experience of bureaucratic insensitivity to reasonable expressions of user need.

The largely passive public response to the Conservatives' privatisation programme between 1979-85 was a measure of a long-term failure to make socially-run institutions sufficiently responsive to public needs. Reaction to privatisation would have been more active and more hostile if public sector organisations had succeeded in generating and sustaining a conviction that the interests of gas users, rail travellers, patients, parents, tenants and Post Office customers, as well as those of taxpayers and ratepayers, and of employees, were *better served* by publicly-owned and publicly-administered bodies than by the private sector.

The battle is not lost, but we do need to be clear about how much ground there is to make up. The picture is not one of unrelieved gloom. It is clear for example from a survey conducted by the *Health and Social Service Journal* (6 June 1985) that overall public satisfaction with the performance of the National Health Service is still remarkably high in spite of the financial constraints imposed by the Conservatives. (77 per cent of respondents expressed the opinion that the NHS in their area was either "extremely good", "very good" or "fairly good".) Other news is much less cheerful however: in particular, the overall level of public satisfaction with the quality of service provided by local authorities is dismally low. This was illustrated by a comparative study conducted by Social and Community Planning Research (SCPR) in 1984. Respondents were asked to indicate whether they were generally satisfied or dissatisfied with the service available from eleven major providers. In order of satisfaction, the answers were:

	Satisfied	Not Satisfied
Local doctor	84	13
Banks	82	13
The telephone service	80	16
The police	79	17
Independent TV and radio	76	21
The postal service	75	22
The BBC	66	30
The press	62	34
The civil service	53	42
British Rail	52	42
Local government	49	47

(Roger Jowell and Sharon Witherspoon (ed), *British Social Attitudes: the 1985 Report*, Social and Community Planning Research/Gower, 1985)

These results are not out of line with other survey evidence.

There are many objective reasons for the low level of public satisfaction with publicly-provided services, the most important of which in recent years has been resource starvation. The roots of the problem are altogether more complex however; they derive from the nature of the relationships involved.

Consumers have similar economic interests in the provision of public goods and services as they do with private ones — value for money (efficiency and effectiveness in meeting consumer wants), choice to suit different wants and tastes, information to enable them to make sensible choices, and the power to ensure that the providers of the service respond to the user's wishes. But there are major differences too. Public services, as the National Consumer Council noted in *The Consumer and the State* (1979), typically have special characteristics which distinguish them from private sector services. These include: separation of payment for the service from its use; monopoly of supply; remote decision making; professional services not well-understood; and responsibilities to members of the public who may or may not be users of the service. These characteristics in combination tend to obscure public understanding of the way providers work, and to

dissipate public sympathy with providers' difficulties.

The workers divided

Another very different complication for the Left is that many public service workers are grotesquely badly paid. On several occasions in recent years, notably during the "winter of discontent" of 1978-9, this has led to strike action. The claims pursued by the unions involved have invariably been just. Equally, a great many consumers have been inconvenienced, in some cases severely so. But who has been hurting whom? The twist is that the use of the word "consumers" in this context disguises the fact that objectively what happens in many of these disputes is that the working class is in effect actually striking against itself.

The NHS is perhaps the best example of a public service which is substantially paid for, run by and for the benefit of working people; and in which relationships are such that the withdrawal of labour by a section of the class has only one certain effect, that of disadvantaging other workers and their families. Moreover this characteristic of public sector industrial action is becoming more pronounced as a larger and larger number of higher-income earners opt for private sector provision, thereby putting themselves beyond the reach of organised labour. On this view the consumer interest in the continuing provision of basic services during any given public sector industrial dispute may be interpreted as being equivalent to the immediate interests of the working class *as a whole*.

This, of course, is only part of the story, but one which nevertheless contains an unpalatable truth. No socialist can reasonably argue that a strategy for class victory requires the periodic elevation of one sectional interest — a given group of workers — above all others; the overwhelming losers will always be those who have no paid job at all — the unemployed, the disabled, the elderly and single parents. Even for those in work this is

surely a recipe for periodic class civil war. Nor does the solution lie in no-strike agreements as Conservatives would have it; these are one-sided in concept and imply a wholly unacceptable infringement of the liberties of trade unionists. An alternative way forward must be based upon an identification of the convergences of interest between given groups of workers and consumers and, where appropriate, on the formation of alliances.

In very general terms the exchange should be concerned with job security and fair wages on one side of the equation, and with value for money and quality of service on the other. There is an urgent need for a dialogue between trade unions and consumer organisations on this basis. There is no reason in principle why such discussions should be confined to the public sector, though this is where there is most common ground under a Conservative Government committed to an attack both on public sector provision and trade union rights. The prospect of negotiating single issue alliances provides the greatest incentive for, and offers the most practical route into, more general discussion. The Greater London Council's Fares Fair campaign in the early 1980s, which brought together bus workers and bus users in a joint attempt to defend the GLC's low fares policy, provided a glimpse of the possibilities, as more recently has the coming together of teachers and some parents' groups during the teachers' pay dispute and its aftermath. There is a strong case, however, for negotiating more continuous relationships, for example between Community Health Councils and health service unions, and rail users' groups and the rail unions, for the broader purpose of developing a mutuality of understanding and support.

Of course there will be difficulties; equally however, the times have never been more propitious for bridge-building of this kind. The fundamental objectives of such alliances — the need to defend services, to enhance producer responsiveness to varying public needs, and to democratise power structures in the in-

terest of both workers and users — ought to provide sufficient common ground to keep the difficulties in perspective.

New departures

From within the labour movement there are now some encouraging signs of a willingness to meet the demands of public sector consumerism at least half-way. This opinion shift is associated with the growing dissatisfaction on the Left with statist, centralised and bureaucratic models of public ownership and service administration, and the rediscovery of decentralist strands in socialist thought. Decentralising approaches to service delivery and administration are far more conducive to notions of user accountability and consumer democracy than the familiar centralist alternatives. This is explicitly recognised, for example, in the Labour Co-ordinating Committee's pamphlet *Go Local to Survive* (1984) and, with reference to the public rented sector, Griffiths and Holmes' Fabian tract *A New Housing Policy for Labour* (1985).

Practical interest in the socialist relevance of a user/consumer public service perspective owes much to the remarkable decentralisation programme pioneered by the Labour-controlled Walsall Council between 1980-2. Walsall was the first local authority to make a systematic attempt to move its network of services closer to the consumer by decentralising much of its administrative structure to neighbourhood offices, an initiative which has since been imitated, with variations, by a number of Labour-controlled boroughs in London. In each case the emphasis has been on extending democratic control — by physically relocating services "downwards" and by removing some of the power of the central professional and managerial strata of local government in order to give consumers greater rights and responsibilities. These experiments have explicitly been presented as practical ways of involving more people in the running of local public services.

They have therefore directly addressed that most neglected part of clause IV (4) of the Labour Party's constitution which calls for "... the best obtainable system of popular administration and control of each industry or service".

Progress is fragmentary, and it is still too early to assess how successful these attempts have been, still less to prescribe representative structures for the use of other authorities. There are real difficulties, many of which are acknowledged in *Go Local to Survive*. Changing attitudes is a long process. "How", the Labour Co-ordinating Committee's authors ask, "are you going to get workers to drop their traditional assumption that the client or consumer is an irritant that gets in the way of work rather than the reason for work itself?"

It is important, too, to acknowledge the force of a point — made by Fabian author Nicholas Deakin amongst others — that though the shade of William Morris is never far away from Labour Party debates about the merits of decentralised administrative structures, such structures (and the political perspectives which inform their operation) need not necessarily be socialist (Anthony Wright, John Stewart and Nicholas Deakin, *Socialism and Decentralisation*, Fabian Society, 1984). They can be accommodated within a wide range of political outlooks. From a strictly consumer point of view this is in itself, of course, unimportant; for socialists it is an observation which is bound to give rise to hesitation. What has been learnt from experience in Walsall and elsewhere so far is that the principles which underlie the decentralist push are sound, and that the political risks are worth taking. This view was clearly endorsed by the National Executive Committee of the Labour Party in a statement submitted to the 1985 Party Conference entitled *Serving the Community: Labour's Campaign to Save our Public Services*.

The message from the local government front is therefore cautiously optimistic; there is some theory and a little practice. In the nationalised industry sector, by con-

trast, there is comparatively little of either. There is much evidence, however, of mounting socialist dissatisfaction with traditional forms of nationalised public ownership, and, more hopefully, of a willingness to think these criticisms through in a way which is consonant with the needs of consumers as well as of employees. A number of motions on the future of public ownership submitted for debate at the 1985 Labour Party conference talked about the requirement to "ensure that all major industries and services privatised by the Tories are returned to a form of public ownership that is both accountable and responsive to the needs of its employees and consumers within a system of social audit".

More promising still is the fact that some of these reforming initiatives are coming from within the trade union movement. Alan Tuffin, General Secretary of the Union of Communication Workers, writing about public ownership in *Tribune* (27 September 1985), argued that "consumers should have direct means of access and redress. Local watchdogs should be established to represent community interests and take up individual grievances. *They should have direct channels into the decision-making structures of public enterprises and guaranteed budgets ensuring that they are independent.*" (Emphasis added).

This all sounds wonderful, but to date, very little detailed work of the kind necessary to enable a future Labour government to turn such splendid notions into accomplished reality has been done. Democratising and decentralising nationalised industry structures is a much

more formidable task than most Party members like to admit. The vested interests of management, the unions *and* of the existing consumer consultative committees all come into play. The conservative instinct is immensely strong in each of these quarters.

One event however — the privatisation of the British Gas Corporation — will blow most of the Left's post-war assumptions about public ownership sky high. From the moment the Gas Act 1986 receives the royal assent, Morrisonian nationalisation as a living political and organisational doctrine will be finished. "Back to 1945" is no longer a realistic option for the Left. In order to combat the radical Right, socialists will need to be able to present an entirely new model of a regulated, socially-owned public utility which is less monolithic and more responsive — to workers and consumers alike — than anything British socialists have yet constructed.

We can adapt the experience of the US regulatory commissions in states like New York and Wisconsin; and, nearer to home, we must learn from the experiences of our own utility workers and consumers. Here resoundingly is the case for a joint trade union/consumerist approach. But time is short. It will not be sufficient, or sufficiently convincing, for the Labour Party to enter the next general election on a platform which counters privatisation solely by an appeal to the record of traditional nationalisation. The electors will want, and will deserve, a new deal on public ownership. We have approximately one year to work out the details of that new deal.

6. Poverty as a Consumer Issue

In *Poor Britain*, the book of the television series *Breadline Britain* first broadcast on London Weekend Television in the summer of 1983, Joanna Mack and Stewart Lansley establish that some 8.5 million people live in poverty. "Poverty" is defined not in terms of state-determined minima but as "an enforced lack of socially perceived necessities" (Joanna Mack and Stewart Lansley, *Poor Britain*, George Allen and Unwin, 1985).

This is a definition which is uniquely sensitive to popular consumer feeling. It takes the values of our "consumer" society at face value by arguing, in effect, that people are poor if they cannot afford to buy the goods and services which are deemed by their peers to be necessary to enable them to live, rather than merely to exist.

Poor Britain is thus not only a depressingly familiar statement about the extent of contemporary social deprivation; it is also an unusually detailed enquiry into current consumer expectations. With the help of advanced survey techniques, Mack and Lansley are able to translate popular perceptions of need into 26 standard-of-living "necessities", ranging from heating, an indoor toilet and a damp-free home at one end of the ranking, to holidays, leisure equipment for children and a garden at the other. They ascertain both what people feel to be necessities, and also how many people have to do without them. It is the juxtaposition of these two pieces of information which makes *Poor Britain* such an effective indictment. And so we learn that two-thirds of those who took part in the survey (all social groups) classed refrigerators and washing machines, a warm water proof coat and three meals a day for children as necessities; but that nearly 3.5 million people lack "essential" consumer durables, around six million go without some "essential" item of clothing, and that nearly half a million children do not eat three meals a day.

The 8.5 million people identified by Mack and Lansley as living in poverty suffer from the chronic negation of choice — the denial of access to certain goods and services — which flows from lack of personal disposable income. For them the exercise of choice as it is most familiarly understood (whether to shop at Woolworth's or Marks and Spencer's) is marginal; it is the enforced ("unchosen") exercise of choice in another dimension (whether to buy new shoes for the children or pay the gas bill) which defines the impoverished quality of life lived by those consumers. That is one of the reasons why Diana Whitworth, chair of the Consumer Congress in 1985, felt it necessary to declare to Congress delegates her belief that "the divide between the rich and the poor is an issue which the consumer movement must confront".

Support for this view should not be taken as implying that socialist and consumerist critiques of poverty are indistinguishable, however. The socialist position rests on a broad political philosophical base, and is concerned with concepts such as social equity. The consumerist position, though not necessarily incompatible with this, rests on a narrower base and its solutions flow specifically from consumer perspectives. This point can be illustrated by reference to the issue of consumer debt and the concept of consumer detriment.

Consumer debt

There is a serious and growing problem of consumer debt. Each year over 2 million "money complaints" are started in the county courts. This figure massively understates the problem in that it excludes most fuel debts, for which the sanction is disconnection, and most rent arrears linked to evictions.

At the end of 1980, five per cent of accounts due to members of the Finance Houses Association were in arrears. By the end of the 1984, the proportion had risen to seven per cent — a 40 per cent increase. Over one million council tenants are now behind with the rent. In addition, around 100,000 householders are more than three months behind with mortgage payments to building societies, and around 13,000 householders are six months behind with mortgage payments to local councils.

The rising trend of consumer debt is placing an enormous strain upon the advice services, to whom a growing number of people turn for help. The Citizens' Advice Bureaux (CABx) alone are now dealing with a quarter of a million multiple debt problems each year. According to the National Consumer Council the "single most important cause of consumer debt today is a sudden unexpected drop in income — such as that caused by redundancy, short-time working, illness, a death in the family or marriage break-up". The NCC acknowledges that poverty, either as cause or consequence or both, is "a major factor" in the incidence of consumer debt (*Consumers and Debt*, National Consumer Council, 1983).

A number of responses to this situation have been proposed, including the enactment of new laws on personal bankruptcy and the raising of benefit levels, both of which obviously require action by central government. Within the credit industry there is now some recognition of the need both for more responsible lending practices and for more efficient and sensitive collection methods. The main consumerist response however has been the growing de-

mand for the greater provision of debt-counselling and money advice centres. Responsibility here is shared by local authorities and various voluntary agencies, though the question of central government funding is also critical.

No form of response is likely to be sufficient on its own. A successful assault upon the problem of consumer debt, and upon the wider scourge of poverty of which it is a part, will need to draw both on "top down", centrally-determined political responses and on "bottom up" consumerist, advice-oriented solutions.

Consumer detriment

A second specifically consumer dimension of poverty is supplied by the concept of "consumer detriment". The basic notion is that poor people get less or worse quality goods and services for each pound spent than richer people.

Firstly, people with low incomes cannot ordinarily buy in large quantities — because they cannot pay out large sums of money at any one time and in any case probably lack the storage facilities. They therefore obtain worse value for money than bulk buyers.

Secondly, people with low incomes are less likely to have cars and are therefore much more likely to be dependent upon small, relatively expensive local shops. Buying in small quantities in this way can raise the unit cost of food by as much as one-third.

Thirdly, since poorer people are often still paid weekly they tend to budget accordingly and plan their spending over short time spans. This discourages the kind of capital spending which saves money in the long run, and can get families into difficulties if large sums are suddenly required, for example to pay a quarterly bill.

There are other forms of consumer detriment in both the private sector (differential costs of credit) and the public sector (for example in the take-up of educational and health service provision). Consumer detriment in the service sector

relates not to value for money in the accepted sense, but to availability, take-up and quality of service supplied. So low-income consumers may (and often do) get a worse quality service from health and legal professionals because they are less "rewarding" clients.

The steep rise in the numbers of the unemployed and the fall in the real value of many state benefits almost certainly exacerbates some features of the problem. There are people living on social security, for example, who are now virtually driven to apply to inner-city loan sharks for money to pay their household bills because they are unable to obtain credit from reputable lenders. This has led in extreme cases to a number of well-publicised horror stories in which the sharks have even taken their customers' social security benefit books as a means of guaranteeing arbitrary and extortionate rates of interest. This is of course illegal, but gaining sufficient evidence to prosecute is very difficult, partly because of the terror of the victims, some of whom live in fear of violent reprisals.

Consumer detriment, like consumer debt, is of course only part of the much wider problem of social inequality. This does not mean, however, that nothing can be done in present political circumstances. Two of the practical solutions which have been advocated by the National Consumer Council are bulk-buy groups and credit unions. Both are related to the principle of the buyer's market — consumers banding together and pooling resources for mutual benefit thereby increasing their collective market power *vis a vis* suppliers. Bulk supplies come at lower prices; bulk-buy clubs can therefore transform a small expensive local shop into a cheaper one by getting the shopkeeper to act in effect as its wholesale dealer. Similarly, in the related area of personal financial services, credit unions enable people on low incomes to pool their small savings and borrow from the pool at reasonable rates of interest. This provides a co-operative alternative to more expensive forms of credit like in-store credit cards, and has the additional benefit that

poor consumers can shop around for good value buys instead of becoming locked into relationships with single retailers.

The basic principle can, of course, be extended into other areas of consumption — most successfully in recent years in the co-operative housing sector. We should be aware, however, of the lessons of previous experience, and of the limitations of this kind of self-help strategy.

The most important lesson is that self-help consumer co-operatives cannot be developed on a "top down" basis. The National Consumer Council allocated a significant proportion of its resources to the initiation and encouragement of both bulk-buy groups and credit unions in the late 1970s with no great lasting success. But the NCC has no grass-roots representation or organisation. Like other national bodies it can assist local initiatives by passing on information and expertise; the impetus for development, however, has to come from below and must be community-driven.

The problems are more complex with detriment in the consumption of services — particularly medical and legal services. Tackling inequalities in these areas will demand more than local enthusiasm and co-operative organisation; success will probably require enabling measures of positive discrimination of a kind that only central government can undertake. The health sector is a case in point. Because poor people suffer *both* from more sickness than other groups *and* from inferior access to health care provision, their detriment cannot be overcome by equalising health services for different groups irrespective of need. Rather, there must be a radical reallocation of resources away from the better-off towards poor groups and neighbourhoods. Community Health Councils could play a central role in this process — identifying needs and helping to redirect resources.

A similar point can be made about detriment in access to legal services — unmet needs, the siting of solicitors' offices, the number and location of firms doing legal aid and the overall quality of service of-

ferred. The Law Centres Federation has made a corresponding case for the extension of law centre services supported by public funds. The Lord Chancellor's Department refuses to accept responsibility; meanwhile, under the impact of enforced cuts in local authority spending, existing centres are actually closing.

In both of these areas a new kind of partnership between local enterprise and public funding is needed to redress imbalances in consumption. Inadequate funding is not the only problem; nor will increased budgets of themselves miraculously lead to the elimination of all relevant detriment — that is the satisfying of all currently unmet needs to a standard which would be recognised as adequate in Hampstead and Edgbaston. Equally however, it is difficult to envisage any set of arrangements which would ensure that all the people have sufficient access to good quality doctors, dentists, solicitors and so

on without significantly increasing total expenditure. Market-based solutions based on competition and insurance principles are only likely to exacerbate consumer detriment in ways which are all too familiar. The traditional socialist case for the elimination of poverty and the radical and less traditional consumerist case for the erosion of consumer detriment converge at this point.

Poverty is, therefore, a consumer issue. To reach that conclusion is not to render its existence in the midst of affluence more or less acceptable, nor to simplify the task of tackling it. But it does help to make the predicament of the "have-nots" more comprehensible to the "haves"; and it does strengthen the arm of a political party which is seriously in the business of taking on the problem. The consumer perspective ought for that reason alone to inform the content of any socialist programme for defeating poverty.

7. Thinking Positively about Markets

There is a fallacy, deeply-rooted within the British Left, that social ownership somehow replaces the operation of markets. Of course it does not: some form of market always remains, even if only of the black variety. We therefore need to remind ourselves that it is possible — I do not argue desirable — to conceive theoretically of highly competitive, perfectly working markets in which all the units are socially owned. It is worth making the point simply to emphasise how regrettable it is that British socialists have customarily devoted so little attention to thinking about the development of a socialist competition policy.

Too much discussion of economic policy in Labour Party circles continues to rest on the assumption that the achievement of socialism is synonymous with the abolition of all markets and the supplanting of all competitive mechanisms. Market principles are often presented as necessarily and irredeemably capitalist. No clear distinction is drawn between questions of ownership and questions of market behaviour. Monopolies are acceptable, if not desirable, as long as they are not in private hands. There is little or no interest in, or understanding of, the basic concepts of market regulation.

There have recently been some encouraging signs of a willingness to examine these issues. Geoff Hodgson's *The Democratic Economy: a new look at Planning, Markets and Power* (Penguin, 1984), for example, rejects the opposition of nationalisation *versus* markets and private enterprise, and poses the alternative of democratic autonomy through a framework of economic planning, collective/social ownership *and* the (subordinated) operation of markets. The point to emphasise here is that the movement of discussion amongst socialists on questions concerning the proper role of markets increases the prospects of collaborative activity with consumer organisations which have learned something about markets — the way they operate, who benefits and who gets hurt — over the years. This experience ought not to be irrelevant to a future Labour government.

This is not to argue that consumerism has all the right answers, or that socialists should accept consumerist prescriptions uncritically. Some consumerist dogma indeed ("all competition is good for you") is as mindless as some socialist dogma ("all competition is wasteful"). There are two fundamental reasons why the response should be a discriminating one, neither of which has any direct bearing upon the question of public ownership, about which consumer organisations are formally neutral.

Consumer sovereignty

First, what many consumerists say about the role of markets in a mixed economy is based on a view of the world which is ideal rather than real or even realisable. The basic consumerist model is one in which the individual consumer enjoys an equality of power in a perfectly competitive market-place. This inadequately describes existing or probable reality; it makes insufficient allowance for the fact that many markets (not all) do not operate in the way they are supposed to in neo-classical theory.

Secondly, turning from market structure to market behaviour, consumerists need to remind themselves of JK Galbraith's famous strictures in *The New Industrial State* (Penguin, 1969) on the imbalance of power in many producer/consumer relations in the market-place; rather than responding to pre-existing demand, he argued, large firms play a major part in actually creating and manipulating consumer wants. The panoply of marketing tools available to companies for this purpose has continued to grow since Galbraith's analysis was first published, a process most evident in the direct-mail revolution. The individual buying decisions of consumers do count of course — product lines disappear and companies close in consequence. But the power of corporate public relations and advertising is such that in spite of a significant improvement in the general quality of information now available to consumers, people still buy inferior products, unsafe products and over-priced products, and some of them have difficulty in paying for them. Consumer choice perhaps; but a poor sort of "sovereignty".

A further though secondary objection to the simple consumerist model with major political implications is its short-term bias. Consumer organisations are opposed in principle to import restrictions on the grounds that such policies diminish consumer choice, which of course they do. But the short and long-term interests of particular groups of consumers may stand

in opposition to each other if the consequence of short-term rational choices is (longer-term) to put British factories out of business, diminish or eliminate home-based competition and increase unemployment.

Each of these objections to forms of consumerist political economy in which the market principle predominates raises basic questions about the management of supply and demand, the role of economic planning and the implications for individual choice. And if, as I have suggested, the neo-liberal approach is deficient or unacceptable, then it must be acknowledged that there are difficulties which planned economies will find it difficult to resolve too. One fundamental problem highlighted by a number of writers is that all economic systems, in whatever way they are organised, encounter a form of anarchy which emanates from the difficulty and uncertainty surrounding the attempt to match demand and supply at some point in the future. Production and investment decisions have to be taken now, but with incomplete knowledge of the level and kind of demand which will materialise later.

The important point for consumers is that although this question of allowing for unpredictable future demand presents capitalism with a problem, a completely planned economy cannot eliminate it either. What socialism can offer, however, in Phil Wright's words, is "more organised alternatives for people affected by this inevitable kind of anarchy" (*New Statesman*, 26 October 1984). Wright goes on to sketch in some observations on the need for a "non-capitalist market", two of whose features would be the absence of concentrations of private property and a more equal distribution of income. The continuing importance of individual choice is clearly acknowledged.

Towards a socialist competition policy

Within this kind of framework the objec-

tives of a socialist competition policy should be to identify the sectors of the economy where the operation of markets is appropriate in the consumer interest and where it is not; to enhance the operation of particular markets by breaking up monopolies which work against the consumer interest; and, as in the case of the major public utilities like electricity and water where monopoly conditions are both appropriate and perhaps even desirable, to regulate the activities of suppliers to ensure that monopoly privileges are not abused and consumers exploited.

The practical application of these principles will involve complex choices and trade-offs. This is apparent, for example, from recent experience in the transport sector. The effects of the deregulation of the market for long-distance coach services in the early 1980s illustrate some of the difficulties and conflicts. Many customers have undoubtedly benefited as regards both price and quality. But there have been substantial disbenefits to others, including rail passengers and employees in both industries. The deregulated social balance sheet must also take into account increased traffic congestion and pollution problems in city centres, particularly London. This is a market which demands the kind of regulatory approach which recognises the unacceptable "external" consequences of unrestricted competition, and perhaps, therefore, less competition.

On the other hand the decision of the Civil Aviation Authority to allow British Midland Airways (BMA) to compete with British Airways (BA) on certain routes between Heathrow and Scotland has brought enormous benefits to air travellers without any observable consequential disbenefits to others. Since BMA entered the scene the service offered by BA to its customers has improved dramatically, as have the services provided by British Rail on corresponding routes.

A positive role for the operation of markets can also be clearly observed in the upheavals currently engulfing the professions. The opticians and the solicitors have both recently had traditional monopolies

taken away from them, respectively on the supply of spectacles and conveyancing. Significantly, the battle to introduce market disciplines into the conveyancing business has been led by a Labour MP, Austin Mitchell, supported by the Consumers' Association. In both areas the outcome is already proving to be beneficial to consumers generally. The overall benefits in relation to price and choice are already there for all to see. The necessary guarantees on quality and redress are in place. All providers and suppliers must submit themselves to the scope of stringent regulation. In short, a regulated market solution is appropriate.

But there are many other sectors where it is not. Electricity generation, shipbuilding, coal production, water supply, rail services, steelmaking and blood banking are just a few. In each case any arrangements in which market as opposed to planning principles, were to be dominant, would be wasteful or inefficient, or both. The reasons — insufficient overall demand, the need to take advantage of economies of density and scale, and so on — will differ from case to case.

The key political point in the mid 1980s however, is that socialists can no longer take it for granted that the old arguments will retain popular acceptance. On the contrary, there is very little prospect of halting the Government's relentless programme of privatisation — the replacement of public by private monopolies under the disingenuous pretext of bringing about "greater competition" and "more consumer choice" — unless we can win particular arguments in detail on the Tories' own ground. This means being able to convince voters that many political arguments rooted in market principles — as with the privatisation of the British Gas Corporation — are to a considerable degree a fraud upon consumers.

After six years of Mrs Thatcher there is now enough experience of the indefensible application of market principles to enable us to do so. It can be shown, for example, that the consequences of putting hospital cleaning services out to competitive tender

have been both to drive down standards of service to consumers *and* to drive down workers' wages. Consumer organisations, for their part, have been too reluctant to face up to these aspects of the unacceptable face of competition. Where market solutions have not worked, or have worked damagingly, they should be prepared to say so.

Work to be done

It is relatively easy to agree that the theoretical basis for a socialist competition policy should be a model of structural economic pluralism in which markets take their proper place but are subordinated to a dominant framework of socialist planning. It is much more difficult to work through the detailed policy consequences. In particular, some of the questions that need to be addressed (which markets, and by what criteria) imply a more vigorous commitment to the principle of policing the market-place than Labour Governments have sometimes demonstrated.

One answer is to beef up the Monopolies and Mergers Commission (MMC), or some comparable new body, and to increase its powers. Early in 1986 it began to appear that Labour's Parliamentary Trade and Industry team were indeed thinking in these terms in relation to mergers policy. The proposal was advanced that in certain cases a suggested merger would be disallowed unless the bidder could successfully persuade the MMC that the deal was positively in the public interest (*Financial Times*, 22 January 1986).

This kind of reform is the very least that will be required if the trend towards greater concentration — and less competition — in key sectors is to be reversed. A considerable amount of detailed work needs to be done. This should include a complete review of the Fair Trading Act 1973, some of the provisions of which, for example in the newspaper industry, have been more often honoured in the breach than in the observance; and a systematic analysis of the work of the Price Commis-

sion under the last Labour Government. It is important, too, for Labour to articulate a clear policy for the regulation of monopolies and semi-monopolies. The Conservatives are in the process of developing a plethora of sectoral regulatory bodies with differing powers and duties. The case presented by the National Consumer Council for the creation

of a rationalised Public Utilities Commission merits careful examination.

Further work in this area is a priority. A socialist government which is unclear, or wholly negative, as to what role markets should play within a planned and regulated framework, is all too likely to be deflected from its course by the very forces it sets out to subordinate.

8. Some Markers for a Labour Government

The perspectives on which this pamphlet draws have already acquired a considerable resonance in public discussion, though within the Labour Party their acceptance will be dependent upon a willingness to acknowledge the socialist validity of different ways of seeing things. However, in addition to the terms of socialist discussion in general terms, it is important to begin to think about much more specific reforms.

In one important sector, the control and delivery of local authority services, it is clear that progress on some fronts need not await the return of a Labour Government. But the capacity of Labour councils to deliver real improvements in service standards is heavily circumscribed — progressively so — by central government policy. The same applies to nationalised industries like British Rail. Inescapably, the comprehensive fulfillment of many basic consumerist aspirations depends not only on the election of a Labour Government but also, critically, on the determination of Labour ministers to respond to fresh thinking. New legislation will be required. So too will changes in the

machinery of government, national and local, of quasi-government and of public enterprise.

Machinery of government

The voice of consumers within government must be strengthened. In housing, education, health, energy, trade and other areas of policy, consumers are a majority, not a minority constituency. This is a truism, but one which finds little reflection in the organisation and weighting of the work of corresponding government departments. There is no convincing reason why, at official level, the policy

consequences of a demand or consumer-led approach to given problems should apparently receive so much less attention than producer or supply-led approaches.

This point, illustrated earlier in the discussion of "producerism" in government, is fundamental. An incoming Labour government must diagnose the nature and extent of the intellectual and institutional biases which prevail in Whitehall, and act to correct them. It is not appropriate, in terms of the internal allocation of staff and other resources, for government departments to relegate energy conservation, preventative medicine, advice services, quality assurance and other consumer priorities to the margins of their activities.

These matters need to be tackled both within and between government departments. Many detailed questions of intellectual approach, policy priority and resource allocation will clearly be a matter for individual ministers to determine on the basis of manifesto commitments. But there is an important inter-departmental dimension too. The preoccupations of consumerism on the broad definition extend far beyond the confines of the Consumer Affairs Division of the Department of Trade and Industry (DTI). Some important consumer issues — like those of insolvency and insurance law reform — fall within the remit of other divisions within the DTI. But other departments are also involved. Home improvements are handled by the Department of the Environment (DoE). Hospital complaints are the province of the Department of Health and Social Security (DHSS). Home energy audits are the responsibility of the Energy Efficiency Office, a unit of the Department of Energy (DoE). Banking matters involve the DTI, the Treasury and the Bank of England. The problem of fuel poverty, including disconnections, brings in the DoE, the DHSS, the DoE, the energy utilities and, as always at the bottom line, the Treasury too.

Some inter-departmental business does take place, though it is difficult for out-

siders to follow its paths, or even to obtain confirmation of its existence. Its purposes appear to be responsive rather than initiative. Such arrangements are unsatisfactory for two reasons. First, the fragmentation of work on consumer issues within and between departments inhibits the development of coherent government strategy on thematic issues like regulation and de-regulation, competition and codes of practice. This would matter less if civil servants were free to share (and in the habit of sharing) information and expertise amongst themselves across departmental boundaries. Unfortunately this is not the case. Indeed, and this leads to the second point, the reverse is often true. Government departments are accustomed to behaving competitively. In particular there is competition for chunks of spending resources and for slots in the legislative timetable, though these are only the formal manifestations of a culturally ingrained phenomenon. This is not helpful to the development across Whitehall boundaries of integrated responses to cross-departmental policy problems, or to the co-operative planning of joint work programmes on "big" topics like the regulation of public utilities.

The subject of civil service reform extends much wider than the scope of this pamphlet, but one of its other features is relevant. To recap an earlier point, part of the reason why powerful people in government departments have thought and acted as they have is that they have been very close to the various producer lobbies — the National Farmers' Union, the British Road Federation and the electricity supply industry amongst others. There is nothing necessarily sinister about symbiotic relationships of this kind; however, the fact that they develop covertly is bound to create conditions in which conspiracy theory can flourish. From a consumer point of view it is bad enough that governments find it easier to talk to the people who build and finance homes than to those who live in and pay for them; but what is worse is not being able to find out what was said by whom, to whom and when.

Producer power in government is buttressed by official secrecy. Consumer organisations, handicapped as they are by the paucity of the resources available to them, will never succeed in redressing this imbalance until the processes of government consultation, policy formulation and decision taking are made more transparent. It is for this reason that Freedom of Information lies at the heart of the consumerist agenda.

"Open government" is not a sufficient response to this imbalance however; a major administrative reorganisation in Whitehall is also necessary. The most radical option would be to create a new Department of Consumer Affairs with a wide-ranging brief extending beyond both the current remit of the Parliamentary Under-Secretary of State for Corporate and Consumer Affairs and the former remit of the old Department of Prices and Consumer Protection. Led by a Secretary of State of senior cabinet rank, the new Department would be free to examine *any* issue — from trade policy to delinquent directors to home improvements — exhibiting a strong consumer interest. This proposal implies some degree of separation as between executive and non-executive functions, and would therefore certainly not be wholly problem-free. Civil servants working on inter-departmental projects can, additionally, be faced with genuine conflicts of loyalty of a kind with which Whitehall is not well-equipped to deal. It may be necessary to devise new standing procedures to cope with potential difficulties of this sort.

In spite of the obstacles, there is much to be gained from an approach along these lines. It would offer the clearest possible signal to the world inside and outside central government of a fresh determination not to allow policy development to be steam-rolled by powerful producer interests, and would permit such activities to be carried out in a genuinely non-competitive, inter-disciplinary working environment.

One variant of this option — there are doubtless others — would be to replicate

the existing Consumer Affairs Division of the DTI in a number of other key departments including the DHSS, the DoE, the DoEn, the Home Office and the Department of Education and Science, together, possibly, with the Scottish, Welsh and Northern Ireland Offices. The biggest threat to the success of this arrangement would be the lack of sufficient internal divisional autonomy. Detailed precautions would need to be taken, following consultation with the civil service unions, to prevent intra-departmental sabotage.

Quasi-government and the consumer

One supplementary option — it would not do on its own — would be to increase the resources available to the National Consumer Council (NCC), the quasi-governmental body whose formal terms of reference most closely coincide with the broad definition of consumerism. The NCC's total staff complement of approximately 50 (including Glasgow and Cardiff-based personnel) is diminutive considering the breadth of its remit. There is a strong case for increasing both its obligations and its resources. Expansion should be conditional upon a fundamental structural reform however; the NCC needs to be made more accountable, though this should be done in a way which protects the independence of its policy-making procedures.

The legitimacy claimed by consumer organisations currently rests far more heavily upon the quality of their research than upon the democratic purity of their formal representative structures. This is a sustainable position. Nevertheless, there is considerable scope for reforming these structures, particularly in the statutory sector where appointments are traditionally made by ministers on the time-honoured "great and good" principle.

This kind of patronage is no longer acceptable. In principle, consumer representatives should be directly elected. Undeniably however, the democratic

reform of representation on national consumer bodies poses difficult problems. One possibility is to establish an electoral college comprising members of organisations affiliated to the Consumer Congress. Members of the college would be balloted every three years (say) in elections for part-time positions on the National Consumer Council and the Nationalised Industries' Consumer Councils. Perhaps half the membership of these bodies would continue to be appointed by ministers, but on the basis of open competition through advertisement. No doubt other formulae could be devised. There is room for debate as to the detailed mechanics of change, though almost any reform along these lines would have the effect of raising the public visibility of the organisations concerned.

There is an interesting case for yet further enhancing the accountability of a reconstituted NCC by developing its links with Parliament. Just as the Council is now expected to take on pieces of work ("remits") for the Government, reporting to its sponsoring department the DTI, so comparable exercises could be undertaken on behalf of Parliamentary select committees. Indeed, in the circumstances of the creation of a new Department of Consumer Affairs and of a corresponding select committee "shadow" — the Commons Select Committee on Consumer Affairs — the NCC would be ideally placed to act as the new Committee's research arm. Its resources would then be at the equal disposal of the executive and the legislature. An arrangement of this kind would simultaneously strengthen the NCC's voice in the policy-making arena and finally eradicate any grounds for continuing criticism as to the legitimacy of its operations.

This principle of extending the democratic basis of consumer representation should also be applied at local level in the public services. In the housing, education and health sectors for example, elections to governing bodies could take place on the same day as local authority ballots. Direct election would bring the twin benefits of greater accountability in the

running of our local communities, and of reducing the burden of responsibility — particularly in relation to complaints-handling — which now falls upon hard-pressed local councillors.

Such suggestions are not always popular with councillors themselves; however, the riposte that they already constitute the embodiment of consumer virtue by the fact of their elected status, is unsatisfactory. Councillors nominated to sit on existing area gas and electricity consultative committees, for example, have consistently been their least active members. Most are over-committed. There is a further objection in principle to such arrangements where councillors are nominated by authorities which are themselves active, perhaps on a competitive basis, as suppliers of services. No individual can simultaneously represent both the suppliers and the users of a given public service; there is a conflict of interest in formal terms which gives rise to a blurring of lines of accountability.

Legislation and review

We need new laws as well as remodelled institutions and reformed structures of consumer representation. The possible scope of legislative action is extensive, even on the narrow definition of consumerism.

In some areas of policy the case for new legislation has already been made out. The Conservative Government has so far omitted to find the necessary Parliamentary time to implement its own White Paper recommendations on consumer safety (*The Safety of Goods*, HMSO., Cmnd 9302, 1984), a failure which should be reversed by an incoming Labour Government. The related issue of product liability is also of urgent importance. The indications are that the Conservatives will legislate in 1986-87 along lines which, though broadly consistent with the requirements of an EEC Directive on the subject, will nevertheless leave open a major loop-hole. Manufacturers are to be allowed to claim exemption from the

obligations of full liability for damage or injury caused by their products on the basis of the so-called "state of the art" or "development risks" defence. Consumer organisations fear that this defence, had it been available to the manufacturers of Thalidomide, would have absolved the company from an obligation to pay adequate compensation to victims of the drug. An incoming Labour Government must legislate for full product liability.

There are other areas in which the case for legal reform has already been sufficiently established, amongst them the law on misleading prices (including the phenomenon of never ending "sales"), and on "material disclosure" by policy-holders to insurance companies. This last legal get-out has enabled insurers to exploit a technicality and avoid paying out on a variety of types of claims on the grounds that "full disclosure of the relevant facts" had not been made by the policy-holder. It has given rise to serious injustice.

Equally however, there are other problems — some familiar, some merely anticipated — to which the answers are not yet clear. This is the case for the establishment of "Molony Mark II". By the time the next government is elected, the report of the Molony Committee on Consumer Protection will be getting on for thirty years old. The social, economic and technological context has changed considerably in the meantime. One of the first tasks of the new Secretary of State for Consumer Affairs should therefore be to set up a new Molony-type review. Its terms of reference should be to identify gaps, failures and weaknesses in current consumer protection law and enforcement, with a view to possible legislation some time in the third or fourth session of Parliament.

This will be a major undertaking; there is now much more legislation on the statute book to assess than there was at the time of Molony. Some of the issues that must be considered are familiar, others less so. The growing international trade in counterfeit goods and the worthlessness of

a great many consumer "guarantees" in the notorious field of home improvements, are both relatively familiar problems to which no adequate solutions have yet been found. Less "traditional" areas include the consumer implications of new telemetric and metrological technology and issues arising from the electronic transfer of funds (automated banking).

Unless Britain withdraws from the Community, other agenda items will flow from the work programme of the EEC Commission. The Commission, which on consumer matters generally has consistently promised more than it has achieved, is attempting to grapple with a variety of issues arising from the growing international trade in electrical goods, holidays, toys, food and even broadcasting. Complex matters of safety, liability and redress have already been raised. One objective of the new review body should therefore be to establish a framework — a set of working principles — which would provide the basis for a coherent national response to future international trade and consumer protection initiatives emanating from the EEC and elsewhere.

Inevitably, "Mark II Molony" will also have to address itself to questions of enforcement. There is substantial evidence that the resources currently available to local authority trading standards and environmental health officers are stretched to breaking point. Low levels of enforcement are wrong in principle, demoralising to an over-extended inspectorate, and, in the end costly. It is a false economy to oblige local authorities, through rate-capping and other financial penalties, to cut back on enforcement expenditure. One consequence is an unnecessary increase in the hospital population; another is foregone tax and national insurance revenue through lost production. Legislation is important, but so are the means necessary to enforce it.

The new Committee would therefore have plenty to do. Indeed, perhaps the biggest difficulty will be to draw lines around

its work. The Committee's workload should be extensive enough to equip a Labour Government with the knowledge required to legislate in the more complex areas, many of which involve fast-moving new technologies, and realistic enough to enable that government to act on its major recommendations within the life-time of a single Parliament.

Two other areas, both of which lie outside the scope of traditional consumer protection, should also be tackled during this time-span. These are plain language and the availability of advice services.

Many consumer contracts, especially in the areas of credit-granting and housing tenancies, are so shrouded in gobbledegook that they are incomprehensible to the weaker party. The US State of New York has discovered a painless legislative solution to this problem which is worthy of emulation. It would be a simple matter — and an impeccably democratic act — for a Labour Government to take up the National Consumer Council's Plain Language Bill at an early opportunity.

One effect of a statutory requirement to use simpler contractual language would be to reduce the burden of work on the advice services. But the availability of these services — both generalist and specialist — is uneven. It is largely dependent on local authority discretion. The "right to understand" in this sense, or the "fourth right of citizenship" as it has been called, should be endorsed by socialists as it was during the period of the last Labour Government when a network of Consumer Advice Centres (CACs) was established with local authority funding.

Most of these centres have now been closed; many other agencies face a similar fate. A renewed commitment to the future of law centres, Citizens' Advice Bureaux and other independent agencies is imperative. The right balance of advice agency provision is for discussion subject to assessments of local need. In any event, ex-

perience suggests that sufficient provision will only be delivered if Parliament places an appropriate statutory duty on local authorities to conform with certain minimum requirements. This too should be a legislative priority.

The "right to know" in the broader sense — the case for Freedom of Information legislation — has been sufficiently well-developed elsewhere. The scope of the new access law should extend to the nationalised industries, which are amongst the most secretive of our institutions. Other legislation will be required to provide for a fundamentally different approach to the running of publicly-owned enterprises. Renationalisation along Morrisonian lines, to underline an earlier point, will not be acceptable either to employees or to consumers.

Price control is an exceptionally difficult area and one in which the short and long-term interests of consumers are often in conflict. A new Prices Act providing for the re-establishment of the Price Commission is nevertheless desirable. The Commission's principal task will be to monitor and investigate price movements in given sectors and to ensure that consumers are not exploited in monopoly, oligopoly or protected markets.

The enactment of these measures within the framework of the kind of institutional reforms that I have outlined would greatly strengthen Labour's claims upon the consumerist constituency. But such claims would only be truly justified if Labour's thinking across the whole range of policy development were to be permeated with a thoroughgoing pro-user approach. After all most legislation is, in its effects if not by intention, consumer legislation on the broad definition. The performance of a future Labour Government — in housing, education, health, transport, social services and other fields — will be judged accordingly.

9. Conclusion

Consumerist arguments and perspectives ought not to be regarded as marginal to socialist politics. On the contrary, they are of central importance.

Certainly there are conflicts; it would be foolish to underestimate the difficulties which they pose. Equally however, there is much common ground. In principle, no socialist should find objectionable a political prospectus which returns repeatedly to the twin themes of extending democratic representation to, amongst others, the consumers and users of goods and services; and of seeking ways to make the providers of goods and services more responsive to the needs of those who pay for them, directly or indirectly. Nor should there be any quarrel with the key consumer principles of access, safety, information and redress.

The most serious potential for conflict arises from the stress placed by consumerists upon the primacy of the choice principle, with all that this implies for the role of markets. I have argued for a positive, though selective socialist response to the consumerist position, to be located within an overall framework of economic planning.

In industry, government and the public services, we have suffered from an inheritance of "producerism". This malaise

has contributed to poor economic performance and has alienated consumers.

In relation to the public sector taken in its widest sense, I have emphasised the convergence of interest which now exists between employees on the one hand, and users or consumers on the other. There is considerable scope for forging alliances designed to hold the line on jobs and services, and, more positively, to improve the overall quality of services provided.

If we are to attract people to non-bureaucratic forms of socialism we have to be able to show them alternatives which are persuasive. Labour Governments and local authorities, nationalised industries and other agencies, must each develop strategies which, being consumer-sensitive, compel them to build houses that people want to live in; run utilities that their users are proud to identify with; and sustain the manufacture of safe, reliable and appealing products that set the standard on quality. In short, wherever there is an opportunity, we have to make possible the elaboration of what would be in more than one sense the consumer case for socialism.

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The Consumer Case for Socialism

Socialism and consumerism have often been regarded as hostile to each other. The Labour Party is historically and ideologically rooted in the development of working class producer power. Consequently Labour Governments have generally tended to focus upon working people as producers rather than as consumers.

In *The Consumer Case for Socialism*, Martin Smith points out that socialists share with consumerists a concern for access, safety, information and redress. Yet by failing to provide adequately for consumer interests in public sector services, Labour has contributed to their unpopularity and vulnerability to Conservative attack. Further, Martin Smith argues that socialists should make common ground with consumerists in areas such as increasing democratic representation and ensuring that the providers of goods and services, both in the public and private sectors, are more responsive to the needs of those who pay for them.

In a positive response to the challenges laid down by the consumer movement, he calls on a future Labour government to:

- create a powerful Department of Consumer Affairs able to examine any issue that has a strong consumer interest;
- protect the consumer in the market-place by pursuing a vigorous competition policy, re-introducing the Price Commission and strengthening the Monopolies and Mergers Commission;
- set up a Committee of Enquiry to identify gaps in consumer protection law and enforcement;
- legislate on freedom of information;
- take positive measures to ensure that public enterprise leads on quality, performance and customer service.

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