

Consumerism : Some Major Issues In The Eighties

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I: INTRODUCTION: THE DECADE OF CHANGE

The nineteen eighties promise to be a most exciting decade ahead for mankind. The world is now on the brink of cataclysmic changes that will affect almost every facet of life, ranging from economics and environment to culture and lifestyle. The signs of these dramatic developments are already with us in this very first year of the decade. The world economy is experiencing both inflation and recession of such magnitude as to make it the gravest crisis since the great Depression of the 1930s. This economic crisis has been spurred on by the sixteen-fold increase in the price of oil since 1973. According to many estimates, the world supply of oil may be exhausted within 50 years. Long before that there will be a drop in supplies annually while the price is bound to accelerate further.

Since the second world war, the high rates of economic growth have been fuelled by the cheapness and availability of oil. The era of cheap and abundant oil supply is over, and there is no economically feasible alternative energy source yet in sight. The traumatic repercussions of this central fact of life are already being felt in the accelerating inflation, rising unemployment and falling output in many countries all over the world. In the developed countries the energy crisis may mean cutting down on luxuries but in our developing nations where the line between life and death is far thinner, the energy crisis may well spell catastrophe. This year itself, there is widespread crop failure and famine in Africa and the world stocks of food have diminished to dangerously low levels. Despite two UN development decades in the 1960s and 1970s, the basic needs problems of the poor majority in the Third World have yet to be solved and in fact have grown worse.

This picture of the world situation is not intended to spell any prophecy of doom. But in Malaysia where we have been relatively sheltered so far from the swirling world currents because of the abundance of our natural resources, it is important to realise that we are living in a transitional phase between two eras and that eventually we too will have to face the great crises of this transition. In all probability, this will happen right here in the eighties.

Now, what has all this to do with Consumerism? Should not the consumerists stick to their usual fare of prices and quality of goods, and leave the more complicated issues to the economists and other experts? I would like to think not. The role of the consumer movement has been to act as a public watchdog and to safeguard the consumer interests of the public. To remain dynamic, Consumerism must be able to spot the warning signs

and awaken public consciousness to new problems as they come along. In other words, to be relevant to the needs of the eighties, Consumerism must also keep track with the latest world developments and take on the most pressing issues of the day. In the context of the present world situation, we have to take a stand on the changes and challenges which lie ahead, just as in the past we have warned the public against price increases, product quality and cheating in the market place.

Of course, this does not mean that Consumerism should abandon old issues for new ones. Indeed, the consumer movement must consolidate the experiences and gains of the past and continue to press on in its battle against the exploitation of consumers. At the same time, however, we also have to recognise the critical situation of energy, environment and economics in the eighties and take on these issues as well.

In this paper, I would therefore like to identify and outline what I feel will be the main consumer issues and concerns of the 1980s. In doing so I will be including both the more specific issues of market exploitation and the more general development themes of basic needs, environment, resources and lifestyles.

II. EXPLOITATION IN THE MARKET PLACE

In Malaysia, the consumer is subjected to various forms of exploitation in the market place. Prices are mounting day by day, the quality of products is dropping and unethical business practices are on the rise.

(a) Inflation and Shortages of Goods

In the past ten years, prices of almost all basic commodities have been shooting up at incredible rates. The general price level has risen by about 70 per cent while food prices have jumped by 85 per cent on average. Since 1972 the prices of rice and sugar have almost doubled, and fish prices have shot up by two-and-a-half times. In Kuala Lumpur and Penang, house prices have trebled in the last five years and more than doubled in less than two years.

In the past three years, price increases have been continuing both in speed and in the range of commodities affected. Not a day goes by without reports of another round of price increases, whether it be the price of beef and fish, fruits and vegetables, bread, flour, coffee, shoes, cloth, plastics, houses, cars and spare parts, oil and oil products, bus fares, electricity rates and medical fees.

But even more alarming is the fact that recent price increases have been

But even more alarming is the fact that recent price increase have been accompanied by great and prolonged shortages of essential goods. In recent years, we have witnessed acute and even chronic shortages of beef, fish, belacan, charcoal, matches, kerosene, diesel, white cloth, building materials, timber, paints, and raw materials for plastics and soaps. Besides these products, we have also experienced shortages of such essential resources as water and electricity. Indeed, it would appear that we are now having a Shortage Economy.

In many cases, it is clear that the shortages are not real but artificially created by unscrupulous parties in order to make extra and excessive profits. One good example was the recent acute shortage of sugar which plagued the country for several weeks. In the past few years there has also been acute shortages of diesel and kerosene. Curiously enough these shortages arise whenever industry is pressing government for an upward price revision. According to the procedures, there is no shortfall in output, yet the consumer finds it difficult or impossible to obtain the product while the manufacturers, wholesalers and retailers blame one another for causing the problem. Somewhere along the line, from production to consumption, somebody has been hoarding and making a lot of money at the consumers' expense.

It is clear that the system of marketing and distribution of essential goods is most inadequate and that the authorities are not able to properly check, control and ensure a smooth flow of many important commodities. Prices are raised indiscriminately and arbitrarily. Supplies are often irregular and shortages are getting more and more frequent. Laws such as the Price Control Act are being broken time and again by unscrupulous businessmen. What is the point of having such laws when they are not enforced?

The growing problem of inflation and shortages is undermining the income and security of Malaysian consumers. Unless the authorities decide to act decisively by expanding the scope of legislation and ensuring its implementation, we will surely see significant declines in living standards in the country. Indeed, such declines in real income have already occurred. The poor consumer is eating less fish today. The middle-income consumer can no longer buy a house and his rent has increased.

(b) Increase in Business Malpractices

Another factor adversely affecting the interests of consumers is the large-scale extent of business malpractices being carried on in the country. CAP's research and complaints files are bulging with evidence of such business malpractices.

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One glaring form of malpractice is shortweighting which is very widespread. A CAP test on 10 loaves of bread which were supposed to weigh 11 oz. showed that nine of the loaves were underweight. All the nine underweighted loaves whose weight was only $8\frac{1}{2}$ oz. And yet the price of bread has been allowed to rise year after year. In 1970 a 16 oz. loaf cost 25 cents; today a so-called 11 oz. loaf costs 50 cents, and in most cases the weight is below 11 oz! When such a glaring malpractice as short-weight is allowed to go unchecked, what is the point in having a Weights and Measures Act?

Besides shortweighting, manufacturers and traders are also resorting increasingly to adulteration of foodstuffs and beverages. In Malaysia, the Food and Drugs Act requires coffee grains to contain at least 50 per cent of coffee content but CAP's tests found that ten brands of coffee powder had less than 40 per cent real coffee and in one case there was only 4.6 per cent real coffee. The adulterants included wheat grain and coconut shell. In another case, CAP found that most grades of rice sold on the market are adulterated with broken rice or other inferior grades by much more than the required proportion. Again our tests have shown that consumer protection laws are recognised more in the breaking than in the observance or enforcement.

Another form of malpractice is cheating through advertisements in the Press. CAP has received hundreds of complaints from consumers who have sent in money as payment for mail orders of products, and for the services of correspondence courses and so-called employment agencies. In 1978 and 1979, CAP received 624 complaints from consumers who were cheated through mail orders. The products paid for never arrived the notes sent for the correspondence courses either do not arrive or are shabby, and the bogus job agencies simply abscond with the clients' money. Surely it is a simple matter for the authorities to check up on these types of bogus services. Yet the authorities more often than not claim there is "no proof" of the malpractices and thus refrain from taking action.

Another example of shabby business dealings are the numerous malpractices in the housing malpractices. The types of housing malpractices make a long and woeful list, ranging from unfair agreements and construction delays to shoddy work, cracking walls and absence of provision for basic amenities such as roads or electricity supply. There have also been reports of artificial housing shortages being created in order to raise the price of houses. Again there is in existence a Housing Developers Act which is meant to prevent exploitation of house purchasers. But again this Act is inadequate both in scope and enforcement.

(c) Sale of Dangerous and Inferior Products

Another factor undermining consumer interests is the increasing sales of dangerous foodstuff, drugs, and other products which threaten the safety and health of Malaysian consumers.

Many types of food and drinks sold on the market contain poisonous dyes, additives, chemicals and bacteria which give rise to food poisoning, diarrhoeas, cholera and infectious diseases and other serious ailments such as cancer. Chemicals which have been banned in other countries because they are cancer-causing agents are widely used in the preparation of food in Malaysia.

Many drugs which have been banned or restricted in other countries are sold widely over the counter in Malaysia. Malaysians are taking many pills and medicines, having faith in their curative value, but little knowing the health dangers they are exposed to.

To awaken the public to these problems, CAP conducts research and carries out tests on several products to determine their safety. Among the more astounding results of our surveys and tests are the following:

1. Bacteria was found in many samples of meat tested over the years. In a recent test on nine samples of beef, mutton and chicken, four samples were found to contain coliform bacteria 2,200 times above the safety level. Another dangerous bacteria, staphylococcus, was found in three samples 110 to 250 times above the safety level.
2. Fresh fish caught in Penang waters was found to contain 110,000 per gram of faecal coliform (human and animal wastes), a level 11,000 times above the U.S. safety standards;
3. Coloured dyes were found in a wide variety of foods. Amaranth (red dye no. 2) is a popular red dye used in syrup, sweets and soft drinks. Suspected of causing cancer and miscarriages, it is banned in western countries but widely used in Malaysia. The yellow dye, metanil yellow, can cause cancer and sterility in man, and is banned in Malaysia, but a CAP test found this dye present in most samples of yellow bean curd. Ironically, the Penang General Hospital was also found to be serving its patients with tau kua coloured with metanil yellow.
4. Several deadly and banned colouring dyes were found present in 24 types of junk foods sold in school canteens. The junk foods included lollipops, preserved fruits and sweets of all types and all shades of colour.
5. The drug, clioquinol, has been withdrawn in Japan following 10,000 known cases of SMON disease characterised by mental

disorders. The families of victims have successfully sued the companies for hundreds of millions of US dollars. In Malaysia, the drug is sold under the brand-names enterovioform and mexaform. Although a prescribed drug in Malaysia, CAP officials were able to buy this drug freely in several local pharmacy shops.

6. Another drug, chloroform, has been banned as an ingredient in drugs and cosmetics in Canada, Germany, U.S. and even the Philippines. In Malaysia, it was found present in two brands of toothpaste (Red Spot and Macleans) and four brands of cough mixture (including Woods Peppermint Cure).

7. Another test carried out by CAP found over 40,000 ppm of lead in a hair dye (Super Youthis), over four times the Malaysian safety standard, while several brands of eye liner and eyebrow pencil were found to have excessive amounts of lead, chromium and cadmium, all poisonous metals.

8. Tests carried out by the U.S. government showed that Benson and Hedges cigarettes sold in Britain had 17 mg of tar but those sold in Malaysia had 30 mg of tar. When asked why, the marketing manager of the company in Malaysia replied that Malaysians preferred higher tar and nicotine in their cigarettes.

9. Sweetened condensed milk is medically known to be highly unsuitable for infant feeding, yet many brands locally sold have labels claiming their products are especially good for babies and carrying feeding instructions. Many mothers in estates and rural areas are feeding their babies with sweetened condensed milk.

10. Besides foods and drugs, many other unsafe products are being sold to unknowing consumers. These include cars with defective parts such as gears, clutch and self-detracting windscreens and leaking gas cylinders which have caused several deaths and injuries through explosions.

Needless to say, the widespread sale and use of all these dangerous products constitute a public health hazard. The present legislation controlling the safety of products is sorely inadequate both in coverage and enforcement. To reduce these hazardous products much tighter laws have to be created and enforced.

III. THE CRISIS IN ENVIRONMENT, RESOURCES AND LIFESTYLES

While the exploitation of consumers in the market place provides the burning and immediate issues of the day, there is an even more important drama unfolding in the area of environment and resources.

The consumer movement's interest in environmental issues lies in the simple fact that the quality of life and the standard of living of the people - and this, after all is the central concern of Consumerism - depends to a large extent on the state of our resources and environment.

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Man makes use of and adapts the natural elements - air, water, land, forests, mountains, minerals, and fuels - and transforms them into the goods and services which satisfy his basic and human needs. If these natural elements are tampered with too much or destroyed, the ecological support systems of Man may simply erode and eventually even collapse.

Today we live in a dangerous era in which the mineral, energy and biological resources in the world are being depleted or destroyed so rapidly that many eminent scientists doubt the world can survive with the current rate and nature of development. According to Lester Brown of the Worldwatch Institute, in his recently published book, The Twenty-Ninth Day, the biological support systems of the world - fisheries, forests, grasslands and croplands - are rapidly breaking down. This is the result of overfishing, rapid deforestation and soil erosion - in other words, misuse and over-exploitation of the world's resources. Lester Brown concludes that:

"The deterioration of biological systems is not a peripheral issue of concern only to environmentalists. Our economic system depends on the earth's biological system. Anything that threatens the viability of these biological systems threaten the global economy. Any deterioration in these systems represents a deterioration in the human prospect."

Another book, The Limits to Growth, produced by the Club of Rome, analyses the depletion of metal resources just as The Twenty-Ninth Day analyses the depletion of biological resources. The Limits to Growth carries the gloomy forecast that reserves of aluminium would last 55 years, tungsten 72, lead 64, zinc 50, nickel 96, and tin 61. The book warns that unless immediate steps are taken to curb the use of these resources, industrial civilisation would collapse within decades. Scepticism and disbelief greeted this book when it was published in 1972, but the oil crisis has made its spine-chilling scenario seem much more real.

In Malaysia the crisis of the environment is not a crisis facing our potential grandchildren or children alone. It is a crisis we face in this generation itself. Forty-two major rivers in Malaysia are so polluted no aquatic life can survive; this not only reduces fish catch but also threatens the health of thousands of villagers who use the river for drinking and washing. The Straits of Malacca is perpetually threatened with oil spills from crude oil tankers especially during collisions or leadages such as what happened in the case of the Japanese super-tanker "Showa Maru" in 1975 and the Filipino oil tanker "Diego Silang" in 1976.

According to Dr. Mahathir, uncontrolled exploitation of the forests will deplete the nation's timber resources in 11 years from now. He warns that "The rate of timber production would not be sufficient to meet local demand, the timber export industry would collapse, and most timber factories would have to be closed." Over-rapid land development has also led to river silting and increasing floods even in Kuala Lumpur.

Where minerals are concerned, our tin reserves and output are declining year by year and, according to Petronas Managing Director, Encik Rastam Hadi, Malaysia's petroleum resources so far discovered

will be exhausted within 12-15 years at current production rates. In fact in about 5 years from now, when the world price of oil may be double or treble the current level, Malaysia will become a net importer of petroleum and this will severely tax our foreign exchange position.

Due to overfishing by trawlers and to pollution, the fisheries industry is facing depleting fish stocks and catch, reducing fishing incomes and reducing the fish intake of the population who depend on fish for 80% of their protein intake. Besides these, we have traffic pollution, air pollution, and noise pollution.

The environmental problem is not merely an abstract or statistical concept. It is already affecting the livelihood and lives of millions of Malaysians at grass-roots level. Many rural communities have seen their crops and fishing grounds destroyed by industrial effluents or by careless and cruel practices of housing developers and road contractors. Vegetable and fruit farms have been dislocated in order to build airports, highways and housing estates, resulting in the present fantastic prices of local fruits and vegetables. The safety and health of workers in factories, construction sites and mines are threatened by pollution, inadequate safety measures and occupational hazards.

Acts such as the Environmental Quality Act and the latest series of regulations controlling agro-waste discharge and smoke emission still remain on paper, with hardly a case of prosecution. And there are no laws or even effective policies governing the exploitation of scarce natural resources. At the current rate, we will be facing an ecological and economic crisis in the 1980's and beyond.

The running out of the world's non-renewable resources need not have taken place at such a rapid rate. But in the mad pursuit for economic growth measured by the Gross National Product, the increased production and sale of goods and services became the main focus of almost every government's activities. Unfortunately the benefits of this oil-fuelled growth have not been equitably distributed. The developed countries with 20 per cent of the world's population use up 80 per cent of the world's resources every year. Much oil is now being used up in the production of luxuries while the basic needs of the poor majority remain unsatisfied. This irrational distribution of world resources is highlighted by the fact that American women spend more on cosmetics each year than the combined budgets of African governments. Thus the same physical and manpower resources which could have gone into feeding hungry millions in the poor part of the world went instead to the artificial beautification of a minority in the rich part of the world. Given the high technological level and productive capacity of the developed countries, the economic problem is not one of producing enough but one of selling or marketing products to people whose basic needs have already been long satisfied. And so the "consumer society" was born, a society in which economic growth and the personal possession of more and fashionable goods became the be-all and end-all of life's motivations.

The cultural values of such a society are largely influenced and even determined by the marketing men of big industry who use the channels of advertising and mass media to project clothes, motorcars, cosmetics, electric toothbrushes and other fashionable objects as symbols of success and the measure of a person's worth. The throw-away culture with disposable tin cans and tissues and with built-in obsolescence in products ranging from ball pens to motor-cars became a way of life. Much of the world's already depleted and still depleting oil has been and is being used up to sustain this type of lifestyle. In the meantime, the majority of the population in developing countries are still deprived of basic human necessities such as food, nutrition, proper shelter, health and sanitation facilities. They may never be able to participate in the benefits of the oil age as petroleum will almost certainly run out before their basic needs problems are solved.

The irony is that people whose basic needs are not yet satisfied cannot afford to buy basic goods while others are made to develop artificial wants to buy luxury goods they do not need and which may even be harmful to health. This reminds one of the "Squirrel Wheel" situation described by John Galbraith in his celebrated book, The Affluent Society. The wheel is endlessly turning round and round and the squirrel is placed on top of it. The poor squirrel is trapped; it has to keep running to remain at the same spot, for to stop means falling off the wheel. Like the squirrel, it appears that our society is trapped in the spiral of the growth process. The economy has to grow to increase productive capacity; but in growing, more luxuries are produced while basic goods which are really required are neglected. And it is in this whole irrational and wasteful process that the world's precious resources are being used up.

Perhaps the biggest obstacle of all is that the resource crisis is not recognised at all as a crisis. This is to a large extent due to the fact that firms are motivated by how healthy their annual accounts will look like rather than the rational use of scarce resources. Moreover, the orthodox framework of Economics merely looks at production and economic growth, that is, the annual flow of output and income. It almost completely disregards the critical importance of the valuable stock of natural resources, many of which are non-renewable. It is this stock which gives rise to the flow of output. The running down of this irreplaceable stock of resources has been the main factor in as well as the cost of the rapid economic and technological growth since the Industrial Revolution, and particularly since 1945. Within decades, many components of this resource stock will run out. Long before that, even now, the consequences are being felt, as witness the oil price-induced recession and inflation in the world economy today.

It is clear that drastic and, perhaps to many, unthinkable changes must come about if our world is to survive the man-made shortages of resources. Unfortunately, the academics, planners, industrialists and scientists do not seem fully aware yet of the scope and nature of changes that are imminent. Our systems of planning, transportation, construction, industry and agriculture have been based on the assumption of availability and cheapness of oil and the continuing supply of other resources. How many people can afford to own cars in ten years' time when the cost of

petrol and maintenance and the car itself increases manifold? Yet our transport planners are still drawing up billion-dollar blueprints for building highways, flyovers and road expansion. When the oil runs out, how will the high-rise offices and residential flats function? What energy form will take over to run industrial machinery? Can we afford to travel long distances from home to work, as is happening now? Can the modern lifestyle of the consumer society be maintained or sustained? What type of technology is "appropriate" in the present situation of energy and resource shortage? These are realistic questions requiring hard answers and little scientific analysis has gone into them as yet.

IV: CONCLUSION AND RECOMMENDATIONS

From the foregoing analysis, it is clear that the decade of the 1980's will witness great changes and challenges ahead. As a concept and a movement, Consumerism has a vital role to play in fighting market exploitation and in making ordinary people and policy makers aware of the resource and lifestyle crises.

The issues covered here are among the central issues which will confront the world and Malaysia in this decade.

However the mere identification of issues is a practically valueless exercise unless these issues are communicated simply and effectively to the common people. This is where communications and communicators must play their role in the dissemination of information. At the moment, most of the space in newspapers and time on the radio and television are presenting the orthodox aspects of development. There is a dire need for alternative information to reach the public.

The following are some recommendations:

1. The government should seriously enforce all existing consumer legislation and set up more laws to protect the interests of consumers. This relates to all major aspects of marketing and after-sales service. To counter the present stranglehold of the big companies on distribution of products, the government should consider taking over the distribution of essential commodities. If this is not possible, the least that the Trade and Industry Ministry could do is to gather all necessary data on the structure, production costs and profits of manufacturers and traders. Based on this, the Ministry should regulate, check and control the activities of the companies producing essential items.

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2. The government should undertake a special study on the importance of resources to Malaysia. An inventory of resources should be drawn up and maintained. The study should particularly focus on the economic and geographical effects of deforestation and the forthcoming depletion of oil resources. Based on the study, the government should establish and implement a comprehensive programme for conservation of resources.

3. Communicators should increase their coverage of consumer and environmental issues. Regular programmes or columns on these issues should be introduced or extended. The newspapers and RTM should allocate certain journalists or broadcasters to specialise in consumer issues and allow them time to get training in these areas. In this regard, CAP is prepared to supply materials to journalists and communicators to help in their consumer coverage. As these issues are important and interesting to newspaper readers (who are also consumers), their publication or broadcast should be a popular move among readers or listeners.
