

YOUNG CONSUMER ACTIVISTS TODAY: WE NEED TO HEAR THEIR VOICES

**REMARKS OF RHODA KARPATKIN
Esther Peterson Policy Forum
ACCI Annual Conference
Washington, D.C.
June 9, 2016**

I'm so pleased to be with you today, This seems to me a perfect moment to look at what Esther's work and accomplishments mean to us today, and to talk about how we can build on her remarkable life's work.

It's a perfect moment because of the presidential primaries that have just ended. They brought into the public square many issues that have engaged, and often enraged, consumers. Some of those issues go to the heart of ACCI's mission to advance consumer well-being. It's a perfect moment especially for members of the academic community because a very large number of young people are now intensely engaged and energized by this upcoming election. Political operatives, political leaders, and activists of all kinds are puzzling over what that sizable number of young people will do on Election Day and, especially, what they will do afterwards. That's an important question.

A few words about Esther. In the course of her life, she had several different and challenging careers. Her role in consumer affairs wasn't her first or even her second career. Well before she became America's first appointed consumer advocate, she was a teacher, a labor lobbyist, an advocate for women's rights, and a consumer advisor to a supermarket chain. She served in government as Special Advisor for Consumer Affairs to Presidents Johnson and Carter. Out of government, she became a lobbyist at the UN for global consumer protection.

Her published memoir starts with her impressions when she witnessed her first labor strike. She was 12 years old. Later, In the 1930s, as a young teacher at the Bryn Mawr Summer School for Women Workers, she observed an important strike at Seabrook Farms in New Jersey, and saw the terrible working and living conditions of the workers there. She wrote: "What we saw will stay with me forever." And it did.

By the way, another young teacher, Colston Warne, was a labor activist. He was active in the Seabrook strike. He also actively supported mine and steel workers in Pittsburgh. As Chairman of the Pittsburgh branch of the ACLU, he was assaulted by police and jailed two days when he tried to get some workers released from jail.

Esther and Colston didn't meet until after those events. It's an interesting coincidence, that both these two icons of the consumer movement, before their journeys in consumer activism, had been engaged as young people in the struggle for decent living standards for workers. What they saw and what they did as young people undoubtedly

had profound, lifelong effects on them. It reminds us of how important those early experiences are.

Esther and I became good friends after I had been elected President of the International Organization of Consumers Unions, then called IOCU, and later renamed Consumers International. I'll continue to call it IOCU, its name during the 1980s. This organization had embarked on what some people thought was a quixotic effort. We wanted the United Nations to adopt a major policy statement on consumer rights.

IOCU needed a volunteer lobbyist who could effectively handle that huge effort. We needed someone with something more than a background in consumer issues. We needed someone with political skills and experience, with passion and persistence. Someone who could persuade delegates across national and cultural lines.

With President Jimmy Carter's defeat for a second term, Esther's star role in government had ended. She was ready for a new challenge. I asked Esther to work with us. And one morning, over my breakfast table, we worked out the details. She was intrigued at the challenge and the possibilities. She wasn't daunted, either. She said, I've never lobbied the UN, but I'll figure it out. And she most certainly did.

I loved working with Esther in that endeavor. When she came from New York from Washington, she would stay with me. We strategized and traveled and organized meetings together. She was smart and strong and fun. And she was successful. The UN Nations General Assembly adopted the Guidelines on Consumer Protection, without objection, in 1985. Esther lobbied the UN for IOCU for other purposes as well. But this was the jewel in her crown.

Why did the UN Guidelines matter? They were part of a transformative period in the history of the consumer movement. When I started at Consumers Union in 1974, the consumer movement was largely focused on its traditional issues around fairness and value for buyers in the marketplace: fair marketing practices, safety, fair advertising, information, choice, comparative price and quality, and stronger government regulations. Ralph Nader, then on the board of Consumers Union, had brilliantly built a new movement based on research, advocacy and activism. But his groups mostly addressed the traditional consumer issues.

By the 1980's, though, something had changed. A new global consumer movement had emerged, with new visionary consumer leaders. IOCU was led by Anwar Fazal, who had served earlier as Regional Director for its first regional office, for Asia. Organized consumerism was spreading into the developing world, and with it came a new expanded view of consumer rights. Environmental protections and access to needs became first line consumer issues.

This was a change from the 1962 Kennedy Consumer Bill of Rights. Kennedy had listed four rights: the rights to safety, to be informed, to choose and to be heard. IOCU had celebrated those each year. It added four more. They were the right to redress, the right to consumer education, the right to a healthy environment, and the right to basic

needs. With those, IOCU had created an expanded identity for the consumer movement and redefined its mission.

The UN Guidelines for Consumer Protection, adopted by the General Assembly in 1985, helped redefine consumer protection in a similar way. In addition to the established consumer concerns, its 46 sections included a special section, entitled “Specific Areas” That covered the needs of all consumers for health, food security, drinking water, pharmaceuticals, and safe pesticides. It recognized the globalizing marketplace and called for the cooperation of governments to work together to protect all the world’s consumers.

With President Reagan in the White House, the final Guidelines were a watered down version of what IOCU had initially lobbied for. But their adoption was a huge success for IOCU. UN recognition that consumer protection included meeting consumers’ basic needs was an important development for the global consumer movement.

When new democracies replaced dictatorships in Latin America, the Guidelines gave consumer groups tools to help advocate consumer protections in the drafting of new constitutions. The Guidelines have been described as the basis for national consumer protection regimes all over the world.

Much has happened in the world since the 1980s. Unfortunately, the transformative events I’ve talked about haven’t produced the outcomes for consumers we had all hoped for. A lot has improved. But we know that for consumers, there’s a vast desert when it comes to meeting basic needs. A close reading of Consumer Reports Magazine over the years would show that many consumer issues of the past have continued to bedevil us, to this day.

So perhaps we shouldn’t be surprised that some of those issues have become focal points in this presidential campaign. What I do find surprising is that these issues seem to have energized such a huge number of youth on college campuses all over the country. It seems to me that we’re witnessing a new generation of young people, who, in their way, are calling for consumer rights not so different from the ones advocated by Esther Peterson, Colston Warne, and advocates before and after them.

What do we make of these young people who have filled stadiums all over the country to hear Bernie Sanders’s campaign speeches? There’s continuing speculation about why they come and what this will mean in the long term. The question matters because so many people believe they hold the key to a much needed remaking of America’s political landscape – how our political democracy works and what its results are.

Those young people have listened attentively to a lengthy list of unjust conditions in this country that have gone on far too long, and haven’t been remedied. His campaign proposals sound to them like a compelling recipe for a just society. His audiences believe the kind of changes he’s calling for are urgently needed. He has struck a chord with young people who are idealistic and who want to live in a more just society, a more fair

society. They are part of a very large number of citizens who believe that the system – or the economy – is rigged, is dysfunctional and works to the advantage of the few and to the disadvantage of the many. They want it fixed.

Sanders's calls for reform have attracted more attention and more media than Hillary Clinton's. But she too is calling for some important changes, and her supporters believe that she will be effective in achieving them. Her policies and speeches may differ from Sanders's, but she also has developed an important program for economic justice.

I expect that many of these students are now or will be consumer advocates. I'm hopeful they'll retain their idealism and translate it into action. I see them as the progeny of earlier generations of consumer advocates. Perhaps one reason they feel a connection to consumer issues is that their parents and grandparents and great grandparents subscribed to Consumer Reports, and it's in their DNA.

Speaking of Consumer Reports, It seemed to me, when I listened to Sander's speeches, that he had built some of his positions after reading Consumer Reports Magazine. I know that's not too probable. But some of what he says is very much in line with articles that have appeared in Consumer Reports.

Let me give you some examples:

A minimum wage of \$15 an hour. A living wage is not only a labor issue. It's also a consumer issue. In its very first issue of Consumer Reports – Volume 1 Number 1 – in 1936 – Consumers Union introduced itself with a lengthy editorial that might have been written today. Its mission was not only information and product testing, it said, but also to cooperate and aid efforts “seeking to create and maintain decent living standards for ultimate consumers”. That could be achieved only by “helping them, in their struggle as workers, to get an honest wage.”

All the technical information in the world would not give enough food or clothing, Consumer Reports said, to workers' families living –at that time – on \$11 a week.

Today, hunger remains a major problem in our country, and not only for the unemployed. Millions of low wage workers work full time and earn too little to put food on their tables every day.

Single payer health insurance, or Medicare for All: In 1992, Consumer Reports ran a series of articles on health care reform, detailing the waste and injustice in the existing system. We called for a single payer system, “Medicare for All Americans.” Much of that article could be distributed today and would sound current.

Consumers Union was a major lobbyist at that time for the Clinton health care reform efforts, and we continued our advocacy for a single payer system.

Today, even with the Affordable Care Act, millions of Americans, poor and middle class, live without health care coverage and suffer the dire consequences.

Poverty: Consumer poverty was Consumers Union's 50th Anniversary theme in 1986. We launched a sustained effort to reflect that concern with articles, conferences, and books. The language is different today – we didn't talk then about the 1% or unconscionable disparities - but the reality is the same. This Sunday, the NY Times ran an ad on page one for Citi. Its text noted that "one in five kids in America struggle with hunger" It says dining out with your credit card can help end child hunger because it's providing 10 million meals to kids in need.

Higher taxes on corporations and the wealthy: In 1985, responding to Reagan's efforts at tax reform, a Consumer Reports article called for corporations to pay a larger share of the Federal tax revenues. It urged that loopholes be closed, and that the federal tax system be made fairer.

Campaign Finance: The untenable power of big money in government decision making was an old story in 1978, when Consumer Reports ran an analysis of the vast expenditures and resulting political influence of the business lobby and its campaign contributions. We called it a "Threat to the Consumer Interest". It is still, and that threat to the consumer interest has gotten worse over the years.

In addition to those, Consumer reports at various times reported on climate change, drinking water quality, global trade, abusive lending, the cost of pharmaceuticals, and a goodly number of other consumer issues that are still alive today.

Consumer Reports did not report on the issue of college tuition and student debt during my tenure there. It's an issue that has mushroomed over the years. It's become the single most outrageous issue for most students. While the total debt is now something like 1.3 trillion dollars, the extent of the damage to students' lives and futures is incalculable. It affects their choices of study and career; it captures a sizable portion of their earnings. It delays buying a home, raising a family, contributing to charities, helping other family members, even paying for the education of their children. Its reverberations are felt within many segments of our economy.

This is inexcusable. The call for free or affordable tuition in public colleges today is a call for access to education. That access existed in earlier eras with land grant colleges and free or low cost public academic institutions. It needs to be fought for once again.

Some people believe that this new youth movement will fizzle, that it's a creation of the moment, without substance and without a future. But I believe it can be sustained. It can be done.

I believe teachers have a role to play. Students need classrooms where basic issues are analyzed, and where policy and legislative changes are discussed. Teachers

need to go beyond narrow issues to include these fundamental impediments to consumer well-being.

Here are just a few examples: When it comes to universal health care, I often hear: a good idea, but America isn't Denmark. It can't be done here.

When it comes to tuition free public colleges, I hear: it's totally impractical, there's no money for it. When it comes to a much higher minimum wage, we're warned that it will cost jobs and raise prices. When it comes to free trade agreements, we hear from one group that they create jobs and from another that they cost jobs.

Students who have cheered for universal health care, for tuition free public colleges, for a higher minimum wage, and so on, should know how these can be achieved. Their curriculum should include courses on social and economic policies and conditions that affect consumer well-being, about those that can work and those that can't. About those that have worked and those that failed. About the tradeoffs involved in changing policies.

Consumer Reports has helped train its readers to look beneath the claims and noise of sellers and politicians, to find the facts and the policies that work. We need a society that can do that. We need a society educated to know, for example, how other developed economies afford universal health care. Why one child in five suffers from hunger in the US, but not in other developed countries. The true costs and benefits of subsidizing public higher education. They need to understand tax policy and our tax system, and how it shapes our lives.

A reading of the *New York Times* over just the last few weeks gives us an idea of issues that concern the public and go to the heart of consumer well-being. Here are some examples:

Payday lending: So much of this is abusive and predatory. What needs to be done for low-income consumers who are driven to rely on this? Will information and advice help those consumers? Will regulation?

Excessive and hidden bank fees imposed on small depositors: Will more transparency, information, and education prevent this? What regulation is needed?

Skyrocketing and unjustifiable drug prices: Will the market economy eventually serve the consumer need for affordable drugs? When a company increases the cost of an essential drug by 800%, what remedy should be available?

Free trade and free trade agreements: Are these benefits to consumers? Primary voters recently seem to think not. Do free trade agreements result in job gains or job losses? Do they help consumers? How can they help consumers? The *Times* writes that U.S. trade with China has cost many U.S. jobs and depressed workers' earnings, but companies have profited. Did the U.S. fail to adopt necessary policies?

When nearly half the U.S. households surveyed by the Federal Reserve say they're unable to cover an unexpected expense of \$400, can consumer information and education help them unless it's in the context of remedies for the fundamental economic reasons for their condition?

With so much attention directed at students in this election campaign, it's clear that teachers matter a lot. There need to be meaty and stimulating courses where students master the facts and policy issues that have dominated this presidential campaign.

In addition to what students learn in their classrooms, there's much to learn outside. Much of campus life is lived outside the classroom. Students can be engaged in student organizations and off campus efforts that affect the well-being of consumers. Their teachers can help nurture and support these efforts.

Teachers can do something in addition. Teachers can be models of citizen engagement for their students Teachers as citizens can express their own views, on and off campus, on major policy issues. They can be articulate, informed, knowledgeable voices for policies that promote consumer well-being.

Does ACCI have a role? I believe that's an important part of its mission. I hope it will engage in useful discussions of its role in this very challenging context.

This is a very unusual political year for academics concerned about consumer well-being. Students are attentive and energized by many important consumer issues. It's an opportunity for teachers. It's a moment when teachers can honor the achievements of Esther Peterson in a way she would surely treasure.

Thank you.