

# The Impact of Consumer Organizations in Latin America and the Caribbean

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# **The Impact of Consumer Organizations in Latin America and the Caribbean**

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## **Introduction**

The main objective of this research is to measure and evaluate whether Consumer organizations in Latin America are meeting their objectives, changing societal behavior or attitudes of their target populations and influencing policy-making.

The paper presented at ISTR Conference in Dublin covers only some aspects of the research work.

All over the world, Consumer Organizations are an important component of the Third Sector and of the civil society. In Latin America and the Caribbean this type of associations are of recent creation, but they have grown explosively in the last decades.

While the first consumer organizations were founded in the 60's, the new century will witness the existence of hundreds of organizations all through the Latin American and the Caribbean Region.

The first Consumer Organization in the Americas was founded in the US in 1936 and its mission established as "to test products, inform the public, and protect consumers". The first consumer organizations in the Latin American and Caribbean Region followed this model but their development and identity has changed with time and realities.

Academic studies have paid attention for many years to consumer organizations and this research recognizes the digestion of specialized literature. However, there are no studies referred to the impact evaluation of these organizations, being this ongoing research a pioneer effort in this field.

I have been privileged with different assignments for evaluation and consultant missions for Consumer Organizations and Consumer Networks in the Region of Latin America and the Caribbean. This is not a research exclusively done from the academic desk, quite the contrary. It has been nurtured by practice and field labor, by direct work with the organizations and practical observations.

## 1. What kind of services do Consumer organizations deliver?

I was pretty surprised when I noticed that my paper had been included in a panel dealing with Civil Society and the delivery of social and health services. I had submitted a paper dealing with the impact of Third Sector and how to gauge and measure that impact. But Consumer organizations were located or placed with Women Programs in Bangladesh, organizations delivery Home care in Canada and Voluntary organizations in India and Germany.

This piece of evidence helps me to raise two different points and introduce the most important line of reasoning

- First point: I am very proud and honored to have been placed in such panel, a really intercultural and inter-regional panel. Many of my colleagues from Latin America were complaining about their placements that prevented the possibility of exchanging information with other regions of the world. It is obvious that to discuss among geographical peers is constructive and worthy. But to exchange among different regions, to be able to compare at a global level is far much more enriching and inspiring.
- Second point: this placement allows me to introduce the need of discussing the real meaning of “delivery of social services”. It also allows me to forewarn you that consumer organizations in the Latin American and Caribbean Region have experienced an important process of change as far as their missions, *raison d'être* and focus of activities are concerned.

Consumer organizations have experienced a very important and interesting evolution that has to do with the title of this panel. They have evolved from mere suppliers of concrete and specific services to providers of spaces for democratic participation and civic citizenship.

This research has studied that historical evolution and proved some important notions and views.

## 2. Materials and Methods

### 2.1 Where, how many and which types?

This ongoing research has identified consumer organizations in 26 countries and territories throughout Latin America and the Caribbean and tracked their historical development, mapping its evolution during the last four decades in the Region.

As you see in this table Consumer organizations exist and operate in most countries and territories in Latin America and the Caribbean.

TABLE No. 1

	<b>COUNTRY</b>	<b>CONSUMER ORGANIZATION</b>	<b>DATE CREATED</b>
1	<b>ARUBA</b>	Aruban Consumers in Solidary	1990
2	<b>ARGENTINA</b>	ADELCO	1980
		Consumer Law Institute	1991
		Consumidores Argentinos	1998
		Users and Consumers Union	1996
3	<b>BOLIVIA</b>	Consumer Defence Committee	1987
4	<b>BRAZIL</b>	Brazilian Institute Consumer Law	1990
		CIDOC	1990
		IDEC	1987
5	<b>CHILE</b>	Consumer Guidance Center	1990
		ODECU	1993
6	<b>COLOMBIA</b>	Colombian Consumers	1999
7	<b>COSTA RICA</b>	Consumers Network Association	1997
8	<b>CUBA</b>	Nature Foundation	1985
9	<b>DOMINICAN REPUBLIC</b>	Consumer National Council	1992
10	<b>ECUADOR</b>	Tribune	1994
		Guayaquil Consumers Network	1990
11	<b>EL SALVADOR</b>	Consumer Defense Committee	1989
12	<b>GUATEMALA</b>	LIDECON	1992
13	<b>GUYANA</b>	Guyana Consumer Association	1973
14	<b>HONDURAS</b>	CODECOH	1993
15	<b>JAMAICA</b>	Consumer Affairs Commission	1972
		National Consumer League	1965
16	<b>MARTINIQUE</b>	Labour Association for Consumers	1987
17	<b>MEXICO</b>	AMEDC	1971
18	<b>NETHERLANDS ANTILLES</b>	Fundashon pa konsumido	1979

19	<b>NICARAGUA</b>	LIDECONIC	1994
20	<b>PANAMA</b>	Consumers and Users Foundation	1997
		National Consumers Union	1993
		Panamenian Institute Consumer Rights	1995
21	<b>PARAGUAY</b>	Alter Vida	1995
22	<b>PERU</b>	Peruvian Association of Consumers	1995
		Peruvian Baby Food Committee	1984
23	<b>ST.VINCENT &amp; THE GRENADINES</b>	National Consumer Association of St. Vincent & the Grenadines	1986
24	<b>TRINIDAD &amp; TOBAGO</b>	Consumers Association of Trinidad and Tobago	1986
25	<b>URUGUAY</b>	CEADU	1990
		Uruguayan Consumers (CUA)	1996
		LIUDECO	1983
26	<b>VENEZUELA</b>	ANC	1990
		Consumers Initiative Movement	1985

These some 40 or 50 organizations in 26 countries do not comprise either the whole Consumer Movement in the Region of LAC. This research is not exhaustive and of course we know there might be more consumer organizations. This is also, as the whole Third Sector is a world characterized by turbulence, changing patterns, uneven developments, organizations that suffer quick life processes.

There is not either ONE kind or type of consumer organizations throughout the LAC Region. In this case I am always referring to Third Sector institutions, independent Non Governmental organizations. But there are small and big organizations, older and new, specific oriented and with broader vision and missions.

Consumer movement in Latin America and the Caribbean includes NGOs, non-profit organizations, voluntary associations, self-help and mutual organizations and community organizations, among other types of groups.

You know that to try to classify is a very “academic” propensity, a propensity that often is turned down by reality. Organizations and associative life is somewhat similar to the creation of words and language. : An outstanding Latin American writer, Nobel Prize winner Gabriel García Márquez said that academics capture words and put them into alphabetical order often when they do bear any longer the meaning that the original creator though for than word. Organizations of the Third Sector behave in some way similar to words, vocabulary and lexis, they defy and disobey all academic intention of classification.

Consumer movement is diverse and heterogeneous and within that diversity FOUR types could be more clearly identified.

- **RESEARCH CENTRES / PROFESSIONAL GROUPS**
- **COMMUNITY ORGANIZATIONS / GRASS ROOT ORGANIZATIONS**
- **LOBBY / PRESSURE GROUPS**
- **INFORMATION AND DOCUMENTATION CENTERS / SERVICES**

But some organizations do both research and lobby, some community organizations serve as information and documentation centres. But this is the closest we could come to a categorization and taxonomy of Consumer Organizations in Latin America and the Caribbean. The points in the map as said are not exact locations or identifications, since some organizations can fit in three of these types. But it helps us as a practical approach to this complex and diverse world.

**CONSUMER ORGANIZATIONS IN LAC  
FOUNDATION PROCESS**

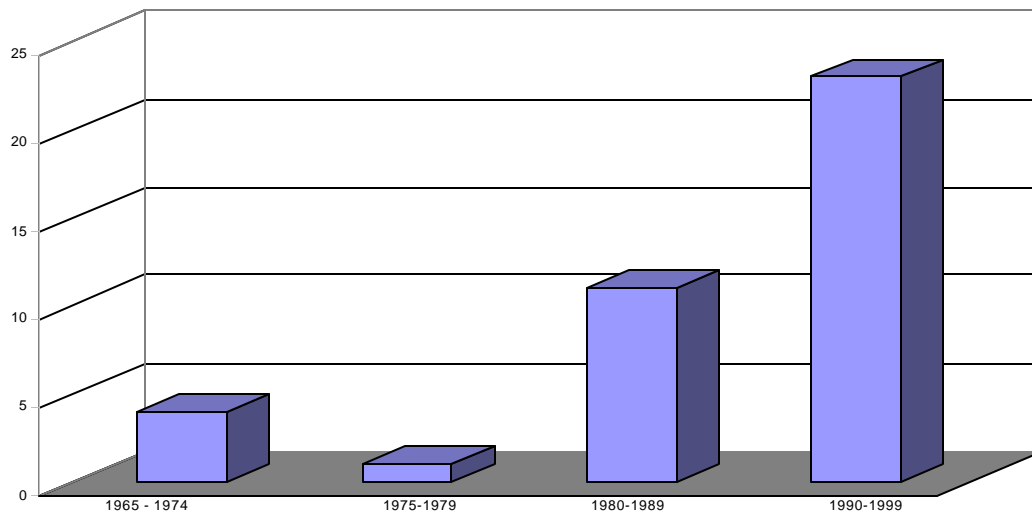


Table No.1 has another important information, namely the date of creation or foundation of the different consumer organizations identified. The foundation process is an attention-grabbing element, as shown in the above graph.

Consumer organizations are undoubtedly a recent phenomenon in the Latin American Context. Even if some consumer organizations emerged in the 60's and 70's (mainly in the English Caribbean), more than 80% of the consumer organizations identified were founded in the 80's and 90's, and 60% of all of them were founded in the last decade of the past century, during the 90's.

Why do consumer organizations flourish in the 80's and expand enormously in the 90's? The answer links up to the social and economic situation of those two decades in the Region. The "lost decade" as many history and political science researchers first called the 80's has become a popular term. The 80's represent in many countries the end of a long decade of authoritarianism, leaving the region in a profound economic crisis (expresses in high national debts, unemployment, inflation). This complex situation made that important sectors of the population rehearsed and practice real surviving strategies and new citizen initiatives and enterprises and among them those organizations protecting rights to health, education, basic services for popular sectors.

Consumer protection as a topic is given birth by organizations that tried to improve the level of consumption, the standard of living, the access to a basic food basket for impoverished sectors. These first steps influenced the historical evolution of the consumer movement in the Region.

## 2.2 The historical evolution

When the Consumer Movement and Consumer organizations are analyzed in Latin America and the Caribbean from a historical perspective, it is important to take into account the profile that has shaped different organizations through the years.

The missions and visions of the organizations evolve and change. Organizations that were created in the late 70's and the early 80's argued, as many documents from those periods stated, that they worked "to improve the living conditions of consumers". The final goals for those organizations were the better consumption and accessible products.

Organizations created later, by the end of the 80's wanted to go further and to advance to the provision of some services, for instance consumer education and information.

In the 90's consumer organizations want to influence public policies, want to make a difference in society, want to help to strengthen democracy, want to be a forum of civic participation.

Consumers organizations' missions in the last 3 decades in LAC develop from the mere defense of consumers' rights and the disadvantages of the consumers vis-à-vis the rules of market to the promotion of civic participation, community development and citizenship and the contribution to more democratic societies.

## 2.3 The ethical evolution

Organizations share values and ethic principles, which make their social services of special kind. They go into other disciplines and we can even say that they cross the threshold of a technical relationship to go into fields as human rights, participation and moral.



The evolution could be described as follows:

1<sup>st</sup>. STAGE

- Suppliers → recipients

→ better consumption and products

2<sup>nd</sup>. STAGE

- providers → beneficiaries

→ better informed consumers

3<sup>rd</sup>. STAGE

- stakeholders → participation societies

→ better societies, more democratic

### 3. Impact Evaluation

#### 3.1 Methodology and impact evaluation

Before I present some key aspects regarding the impact of consumer organizations, let me mention some phrases regarding the methodology of this research.

The identification of consumer organizations is extremely supported in the different observations allowed by many field visits to most of the 26 countries I mentioned before. Methodology has included surveys to appurtenant organizations, in-depth interviews with national and regional leaders of consumer organizations, government officials and other key actors in the regional scenario. Senior and junior staff of consumer organizations has also been targeted and documentation and reference works studied in detail.

#### 3.2 Internal and external indicators

To gauge the impact of Consumer Organizations, adequate indicators were defined, namely internal indicators and external indicators. Traditional evaluation tools as the log-frame have proven not to comply sufficiently while measuring the impact of social and Third Sector organizations.

This is why the need of suitable indicators was devoted important work and resources. The need of defining the indicators *a priori* was one of the main conclusions when many documents could not be retrieved, when many results were not adequately recorded. After all, we are dealing with a highly informal world, where documentation centres often do not exist, where lack of own headquarters do not allow to keep archives of the organizations' own history, press clippings, old materials as leaflets or press releases. To apply a scientific and validated methodology was not an easy task.

Two kind of indicators were considered necessary:

- **Internal indicators** evaluate the organizational capability of the different groups. They refer to the overall planning process capacity of the organizations, their adaptability and management capacity.
- **External indicators** measure the influence of consumer organizations in modifying the current reality and gauge the impact of their actions in the society and the surrounding environment.

For measurements of internal indicators comparative studies of organizations based in different countries have been conducted, covering topics as management styles, training and capacity building processes, people empowerment, leadership style, organizational

climate and monitoring of outputs and activities are some of the indicators used in this part of the study.

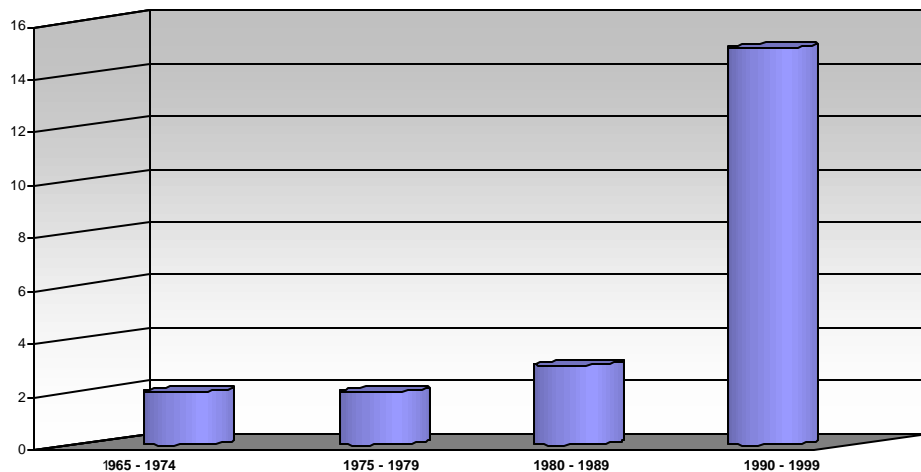
External indicators take into account the changes that have taken place in the regional situation in the last decades, identifying critical working areas and advocacy objectives of consumer organizations.

Both are important and they have a mutual and reciprocal relationship. Due to time constrains I will only make reference to some external indicators and the consequential measurement results. Consumer Legislation, Public Policies, Consumer Education and Capacity of Networking will be tackled.

*a. Consumer Legislation*

- Consumer Legislation: the legislative impact of the actions of consumer organizations has been tracked throughout the last two decades, relating such actions to achievements and defeats in modifications in new legal and regulatory frames. Consumer Legislation

**CONSUMER LEGISLATION IN LAC  
APPROVAL AND UPGRADING PROCESS**



in all countries in Latin America and the Caribbean has been mapped and compared to the original advocacy proposals of consumer groups.

The table shows country by country the approval or upgrading of Consumer Protection Laws. As it is noticeable and clear from the table, the greatest majority of legislative changes occurred in the 90's (12 approvals and 2 upgrades). Only 3 approvals go back to the 70's or 80's.

The approval and improvement of Legislation is part of the common agenda for action for all Consumer organizations in LAC. These results suggest a high impact in this

field and it is almost amazing to compare the Foundation process graph with the Legislation approval process. They almost overlap!

*b. Public Policies:*

- The approval of Consumer Legislation brought together the expansion of Public Policies in the field Consumer Protection. The creation of national and municipal Consumer Protection agencies, the official recognition of Consumer organizations and their role in society was included in many country laws and regulations. Regulations even reached regional influence since a Consumer Protection Code was approved by the Latin American Parliament (PARLATINO) in 1998. Consumer Organizations, in partnership with other forces of society, are accountable for the elimination of lead in gasoline. By yearend 1997, 13 countries in the Region had eliminated lead from gasoline and nine others have targeted elimination in the near term

*c. Consumer Education*

- Consumer Education: formal and informal education systems (elementary school, middle school, high school and university) are incorporating consumer issues in their curricula. is evaluated together with the evolution of Consumer Protection towards an autonomous academic discipline. Consumer Education did not exist in the mind of teachers, policy makers, instructors or parents until Consumer organizations started to lobby Education authorities and started to implement projects to educate teachers and trainers. This is the area where more results and greater impact was proved: in the number of teachers that were trained, in the number of students that were reached, in

*c. Capacity of networking*

- Capacity of networking: the capability of consumer organizations to interact with other actors in the national and international field has also been included as an impact indicator. Interactions among consumer organizations at national and international level and interactions with ecological and environmental groups, women organizations, church and local governments have been assessed from the point of view of the outputs and impact on the other organizations' policies.

The capacity of networking has developed simultaneously with the strengthening of the organizations, its visibility and ability to negotiate –with peers and with other sectors. As an example, Consumers International, a worldwide non-profit federation of consumer organisations, dedicated to the protection and promotion of consumer interests was founded in 1960 by 5 organizations and nowadays brings together 264 member organizations in 112 countries. In Latin America and the Caribbean, the membership of Consumers International has quadruplicated (multiplied by 4) going from 10 organization sin 1985 to 40 in the year 2000.

*d. Media impact*

- **Media impact:** the attention devoted by mass media to activities and campaigns conducted by consumer organizations has been assessed by means of a follow up of a sample of media contents in selected countries. This has been one of the most difficult indicators to gauge. Few organizations record all their exposures or lack of space prevents them to keep records for a prolonged lapse of time. Furthermore, comparisons should be as objective as possible, trying to contrast previous periods with the present one, measuring the exposures in the respective periods.

In spite of the difficulties, a greater public appreciation for the entire field of philanthropy and an increasing visibility of consumer organizations in mass media can be observed. Both written press, TV and radio programs pay more attention to consumer issues and the activities of consumer organizations. Some mass media channels have started to publish regular columns and many major newspapers cover consumer issues as a beat.

The impact in mass media is crucial since it is one the main channels for fulfilling one of the principal objectives of Consumer Organizations: behavioral changes.

One of the results of the research aims to be the development of a model useful for consumer organizations and other Third Sector institutions in Latin America and the Caribbean to evaluate the impact of their communication programs. Partly based upon the model of behavior changes<sup>1</sup>, tools to evaluate the reactions of intended audiences to the messages of consumer organizations are under experimentation and are being tested in pilot countries. The model attempts to measure the degree of knowledge, approval, intention to go into practice and support from the intended population towards the messages disseminated by consumer organizations.