

Coordinating and Communicating: A Proposed Canadian Consumer Network

*An issues paper prepared for the "Building the Future," January, 1996
meeting with consumer groups exploring options for enhancing the
self-sufficiency and effectiveness of the Canadian consumer
movement*

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This paper is intended to stimulate discussion and does not necessarily represent the views of the Office of Consumer Affairs, Industry Canada or the Government of Canada.

Foreword

At the March, 1995 "Exploring the Future" meeting with consumer groups, presentations were made concerning three approaches that could enhance the effectiveness and financial self-sufficiency of the Canadian consumer movement:

Citizens' Utility Boards: The first set of presentations discussed the American "Citizens' Utility Boards" (CUBs) concept, and the transferability of CUB features to the Canadian context. Using mailing inserts to communicate with ratepayers, CUBs are membership-driven, issue-based consumer groups which make representations to government bodies on matters of particular importance to consumers/ratepayers.

A Consumer Foundation: The second presentation dealt with the possible role of a Canadian Consumer Foundation (CCF) as a specialized fund-raising and distribution body for the consumer movement. Similar to the United Way, the CCF would have the profile and specialized capability to raise funds for the benefit of consumer groups.

A Consumer Network: to close the meeting, a representative of the Canadian Environmental Network (CEN) explained how that organization facilitates communication among environmental groups, and with government. In this way, CEN can encourage the development of alliances around common issues. Possible creation of a consumer counterpart to the CEN, the Canadian Consumer Network (CCN), was briefly discussed.

For many of the groups attending the March 1995 meeting, the presentations were their first exposure to these approaches. While cautious interest was expressed, there was a general feeling that more time was needed to think through the implications before committing to any course of action.

An important objective of "Building the Future," the January, 1996 follow-up meeting, is to allow groups to discuss approaches and work out next steps, now that they have had an opportunity to consider the proposals on their own. OCA has facilitated this process by exploring the issues associated with these approaches in three papers. These papers attempt to reflect comments made by groups at the March meeting. Leadership on these initiatives must come from the groups themselves. They are in the best position to decide whether such initiatives are needed and, if so, the most appropriate processes for putting them in place.

Projects concerning CUBs/inserts, the CCF, and the CCN could be developed and operate independently from each other. However, there is considerable merit in considering them as an inter-linked package (although implementation could be phased over time). Thus, for example, the Canadian Consumer Foundation could be a beneficiary of CUB-type inserts, and could fund research undertaken in support of CUB work. The CCF could also be the institutional "home" for the Canadian Consumer Network, while the CCN could assist groups in forming coalitions so that they can more effectively engage in CUB-type advocacy activities.

There are also important linkages between the CUB/insert, CCF, and CCN proposals and the Office of Consumer Affairs study on the Grants and Contributions (Gs and Cs) Program, which will also be discussed at the January, 1996 meeting. An important conclusion emerging from that study is that groups can become more financially self-sufficient and effective by developing a more focussed understanding of their identity and the services they provide, and by improving their ability to market their expertise, specialized information and other services. Funding advocacy activities exclusively through these techniques, however, may be difficult. The CUB, CCF and CCN proposals may be particularly useful in addressing that concern.

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Introduction

The People for Affordable Telephone Services¹ and the Alliance for a Connected Canada² are recent examples of consumer and other groups working together in order to achieve shared goals, which would be difficult, if not impossible, to realize by each group operating independently. There is much to be gained through information sharing and coordinated action among consumer groups and others; these gains can include greater efficiencies in the provision of services and advocacy work, higher public profiles, and better researched projects and positions. But at the same time, there are obstacles which decrease the likelihood of groups working together. Some of the obstacles are purely logistical such as ensuring that all participants have compatible telecommunications equipment, while others are more basic, such as fears of loss of independence, visibility, and diversity.

This issues paper explores the feasibility of creating a Canadian Consumer Network (CCN) to facilitate such information sharing and alliances. As envisaged here, the CCN would be a non-government, non-profit organization, providing a democratic forum for consumer organizations of diverse size, structure, mandate and constituency to have coordinated input into national consumer policy discussions. It would also facilitate groups working together on strategies and approaches in order to better provide services to members and clients. Communication is integral to coordinated action and information sharing, and would be at the core of the CCN's reason for being. Techniques used could include an annual meeting, mail outs, a bulletin and electronic communication system, a database, and a consumer group directory.

The approach of the paper is as follows:

- ▶ to explore the structure and function of networks, drawing on the experience with the Canadian Environmental Network (CEN) to identify potential benefits, operating considerations and drawbacks;
- ▶ to identify issues that would need to be addressed in assessing whether or not the network concept could work effectively for the consumer movement; and,
- ▶ to set out next steps that might be taken should there be interest in pursuing the

¹People for Affordable Telephone Service (PATS) was established in 1994 in response to a CRTC decision allowing phone companies to increase local telephone rates in order to reduce long distance rates. The coalition includes consumer groups, anti-poverty organizations, students, and other non-governmental organizations.

²Alliance for a Connected Canada (ACC) was established in November, 1995 and focuses on protecting ordinary citizens' interests in the public policy debate about Canada's information highway. The Alliance represents a number of organizations and research centres, including la Fédération nationale des associations de consommateurs du Québec, the Public Interest Advocacy Centre, the Telecommunications Workers Union and the University of Toronto's Information Policy Research Group.

creation of a CCN.

The CCN could operate independently, but there may be benefits to treating CCN as part of a package, linked, for example, with CUB/insert and CCF initiatives (both of which are the subject of separate issues papers). The CCN is likely to rely heavily on telecommunication systems, such as the Consumer Research and Information Network (CRIN) within the Consumer Online Information Network Services (COINS) platform. These linkages are explored later in the paper.

Part One: The Role and Structure of Networks:

A network is defined in the Concise Oxford dictionary as a "...chain of interconnected persons or operations...." While general, this definition captures the essence of the concept -- interconnectedness. Persons or organizations can "interconnect" in a wide variety of ways: electronically, via the mail, at conferences, and through coordinating bodies. Indeed, use of several techniques in tandem can be particularly effective.

To assist in envisaging the possible functions and structure of CCN it is useful to examine an existing network, the Canadian Environmental Network (CEN). While the consumer and environmental movements are not identical, there are lessons to be learned from the CEN experience. We will also examine an electronic network, CRIN, with a view to determining how it might assist operation of CCN.

Origins and Need for the Canadian Environmental Network

The environmental movement in Canada is very diverse, consisting of over 2000 groups, some with very narrow, local concerns, and others with a broader, even national, focus. The nature and scope of environmental issues is similarly diverse. A 1977 study by the Canadian Environmental Advisory Council recognized the need for better communication between the federal Environment Department and the non-government groups. At the same time, some of the national groups saw a need for higher levels of skills development for environmentalists, and for greater coordination of activities among groups to determine how groups and the public generally could better participate in public policy development. A Steering Committee was formed and ultimately proposed a national networking structure. Environment Canada then sponsored a series of annual meetings leading to the approval, in 1982, of a new national structure, which became known as the Canadian Environmental Network (CEN).

CEN Functions and Structure

The CEN is a non-profit, non-governmental organization providing a forum for 2000 environmental groups. It coordinates input into national environmental policy discussions, distributes material to its members, and facilitates groupings of organizations concerned with particular issues. The CEN operates a data base of information about each environmental organization, provides information and referrals to concerned citizens, publishes a bi-monthly newsletter, compiles a directory of all environmental groups in Canada, and assembles caucuses of groups interested in addressing particular environmental issues.

In addition to bringing environmental groups together, CEN acts as a liaison between environmental and governmental groups. The CEN assists in conveying the opinions, priorities, and positions of member groups to the federal government. Every year, the CEN has an annual meeting, where its member groups communicate directly with the Minister of the Environment.

While CEN itself maintains neutrality on environmental issues, the network plays a major role in the environmental movement by providing a focal point for information exchange and by helping groups to become better informed before taking positions. Over time, the CEN has been supplemented by the creation of regional environmental networks, which perform the same functions but are directed at participation in provincial policy decisions.

CEN Funding and Logistics

CEN receives the bulk of its funding from Environment Canada, with supplemental financial support from the Canadian International Development Agency and other government agencies. CEN has received contracts from Environment Canada to facilitate certain consultations, *e.g.*, concerning legislative proposals. Individual groups also pay a nominal fee for membership in CEN. Recently, CEN has begun to emphasize the sale of some of its services, such as its directory of environmental groups in Canada and data base searches. The network currently employs six core staff in Ottawa, along with 11 regional coordinators. To facilitate communication, a private staff conference is being established on the Web computer communication network.

Applicability of CEN Experience to the Proposed CCN

A number of features emerge from this cursory description of the CEN experience which would be relevant to any initiative to create a Canadian Consumer Network. These include:

- creation of the network resulted from group and governmental recognition of the need for better communication between the two, and need for coordination among groups while respecting the diversity of the members;

- the network itself is a non-profit, non-governmental organization that remains neutral;
- the network functions primarily as a communications and coordination tool for member groups;
- it facilitates coordinated action on issues;
- it provides a centralized referral service for groups;
- it facilitates consultations between government and groups, conveying the diverse perspectives and positions of its members; and,
- it uses electronic communications techniques to enhance the communication and information sharing between members.

It is probably a safe assumption that both the federal government and consumer groups recognize the need for better communication. The existence of the People for Affordable Telephone Service (PATS) and Alliance for a Connected Canada (ACC) alliances provide some indication of recognition within the consumer movement community of the value of coordinated action among consumer and other groups. Discussions with some of the key personnel behind the PATS initiative suggest that developing and coordinating alliances is a burdensome task for groups to take on among themselves, in addition to the other functions these groups perform. A centralized body devoted to the task of facilitating alliances could reduce this burden.

Arguably, the functions and features of the CEN summarized above could usefully be replicated by a CCN, working on behalf of its member groups. There are, however, important distinctions between the CEN and any CCN initiative. First, the consumer movement is significantly smaller than the environmental movement, in terms of both public profile and resources. In some respects, the smaller numbers might suggest there is no need for a centralized coordinating and communicating body. However, if the PATS alliance is any indication, groups with consumer-oriented mandates³ probably number between 50 and 100, enough to suggest a network could have real benefits. The costs of coordinating this number of groups are likely to be considerable, although clearly not of the magnitude of the costs incurred by the CEN. A modest office (e.g., one full time staff person, one part time) could be fully occupied coordinating 50 to 100 groups with consumer mandates.

A second and related difference pertains to funding. In today's fiscal restraint climate, the financial support supplied by Environment Canada to assist CEN in its activities is simply not

³ In addition to groups exclusively concerned with consumer issues, other organizations interested in consumer matters, such as seniors and student groups, may wish to join.

available through the Office of Consumer Affairs vis-a-vis consumer groups. Seed money and some project funding could conceivably be available through OCA's Grants and Contributions program, but other sources of operating funds would need to be investigated in detail.

Funding constraints need not preclude the establishment of a CCN, however. A consumer network would be much smaller than the environmental one, and the logistical and administrative aspects of the CCN could potentially be performed through the offices of a Canadian Consumer Foundation. If the CCF concept is not developed, the coordinating functions could be undertaken out of the offices of an existing consumer group, on a rotating basis. In fact, the CEN initially operated in this manner.

Existing Electronic Consumer Networks and the CCN

The Consumer Online Information Network Services (COINS), with its Consumer Research Information Network (CRIN), is an electronic communications platform which holds considerable promise for consumer groups and others (see Annex for details). This electronic network can be used to facilitate the sharing of information and strategies, as well as the development and delivery of ideas, projects and services.

The ability of the CCN to communicate with its members and to help build alliances would be greatly enhanced through the use of COINS and CRIN. The CCN provides the administrative and institutional support necessary to encourage inter-communication, while CRIN and COINS would be part of the means-- invaluable tools that would be drawn on in carrying out the network's communication, coordination and alliance-building functions. There could also be overlapping membership between COINS, the CCN and perhaps the CCF, providing opportunities for efficiencies in management and administration.

The CCN could also draw on the Canadian Consumer Education and Information Forum (CCEIF). The CCEIF is a collection of about 50 people in academia, business, government and consumer organizations who are interested in consumer education and information issues. The group is currently developing a home page on the Internet, and is linked to CRIN and the Industry Canada online superserver.

Part Two: Issues around the Establishment of a Canadian Consumer Network

- *Would the creation of the CCN negatively affect the independence, effectiveness, and public profile of existing consumer groups?*

Similar to the PATS or ACC initiatives, the CCN is designed to enhance the voice and effectiveness of existing groups by facilitating alliances where there are common interests and positions, while respecting the diversity and independence of existing groups. In a sense, the CCN fosters creation of temporary "virtual" national consumer groups which have a high profile but are disbanded when an event has passed or a goal has been achieved. The CCN itself would be neutral, and so would not conflict with the positions taken by groups. Moreover, membership in CCN as well as participation in any alliances would be entirely voluntary.

- ***Given advances in communications technology, is the idea of an office performing communications and coordination functions outdated?***

Electronic communications networks can perform an important role in facilitating the exchange of information, ideas, and expertise and in delivering products and services. A CCN would rely extensively on the existence of such communications tools. But the task of organizing, coordinating and bringing together diverse groups, and communicating their positions to government and the public cannot be completed without the exertion of one or more individuals. This task could be and currently is performed by consumer groups, but at the expense of taking away from the groups carrying out their own activities.

- ***What costs are associated with creation and operation of the CCN?***

In its most modest form, the CCN consists of an individual or individuals who would act as communications liaison between government and consumer groups, and among consumer groups themselves. This function could be performed from within an existing consumer group office, on a rotating basis, and would involve the salary of the staff member, plus costs associated with communications initiatives (e.g., telephone, computer, long-distance costs, printing costs for newsletters). If the CCN were to have its own office, there would be naturally be additional costs associated with office rental, furniture, hydro, etc.

- ***Who would pay these costs?***

One possible source of funding for this initiative could be the Canadian Consumer Foundation (CCF). As discussed in the CCF issues paper, the CCF would receive its finances from individual, private sector and government donations, as well as court directed fines, and civil damage awards. The CCF office could also house the office of the CCN, thus minimizing costs. There is no guarantee that the CCF will be pursued, however.

A second source of funding could be fee for service products (such as directories of consumer organizations) and memberships, although it is clear revenues from these sources would be minimal. A more substantial source of funds might be contracts with government departments to arrange and coordinate consumer group input on certain issues. In some circumstances private sector groups or individual firms might also be prepared to pay the CCN to coordinate the provision of consumer perspectives on business decisions.

- *Do the benefits of the CCN outweigh the costs?*

The efficiencies, higher profile and potentially more effective voice consumer groups could achieve through the CCN would have to be balanced against the human resource, equipment, and communications costs of establishing and running the CCN. Consumer groups would be in the best position to determine whether the benefits merit the expense.

Part Three: Next Steps

Should there be interest in exploring the feasibility of creating the CCN, there would be value in consumer organizations forming a working group to investigate a number of issues:

- whether there is a need for a CCN;
- what its mandate should be;
- how it would be organized and structured;
- who would be eligible to join (*e.g.*, just consumer groups, or all non-profit groups with a consumer mandate, such as seniors organizations who are active on some consumer issues); and,
- how would it be funded.

The Office of Consumer Affairs may be able to facilitate such a working group through its Grants and Contributions Program. The lead role, however, would have to be taken by the consumer groups.

The Way Ahead

The task of coordinating and communicating among consumer groups, and between consumer groups and governments, consumes valuable time and resources. Yet if such coordination and communication does not occur the losses in efficiency, visibility and effectiveness of consumer groups could be significant. In the long run, the types of "inter-connectivity" activities performed by the proposed CCN could be a wise investment, and may even be self-financing.

Although the CCN could operate independently, it may be particularly effective if developed in conjunction with other initiatives, such as Citizens' Utility Boards and the proposed Canadian Consumer Foundation. Either way the CCN, through its facilitation of alliances and information exchange, could play an important role in bringing the consumer movement closer to financial self-sufficiency.

Annex

Consumer On-Line Information Network Services (COINS)

The overall project is comprised of two parts, each with the related purpose of increasing consumer knowledge and impact on the marketplace. In combination, both sides of the COINS platform should result in a positive influence on marketplace integrity, thereby promoting greater consumer confidence and a healthier economy.

Part one, **INFORMATION ON CONSUMERS AND THE MARKETPLACE (ICM)** is a data base and exchange forum for consumer market information. It is designed to collect, organize categorically and provide through a single window, information from various sources that are of interest to consumers and those players in the marketplace who benefit from consumer spending activity. Benefits of this type of network include:

- 1) increasing consumers' awareness of pertinent issues through information that educates them about their rights and responsibilities and the regulatory framework promoting consumer protection.
- 2) providing strategic consumer information to marketplace suppliers that would complement existing and future strategic information to the business community.

Part two, the **CONSUMER RESEARCH INFORMATION NETWORK (CRIN)** will provide consumer affairs practitioners the opportunity to interact with each other in a virtual community that offers bulletin board and EMail services plus electronic conferencing opportunities. In the short term, CRIN hopes to influence a greater awareness by consumer affairs practitioners of their presence in the marketplace and their collective experiences. In the long term, CRIN hopes to promote improved understanding of the consumer perspective to all members active in the field of consumer affairs. Through virtual interaction, CRIN aims to bring greater value to the efforts of individual practitioners, resulting in more knowledgeable consumers, better consumer protection through smarter regulatory proposals, and more successful consumer advocacy in critical areas where the consumer's voice must be heard.