ABSTRACT. In a recent article in JCP (Vol. 7, pp. 323–341), Blomqvist argued that consumer researchers should show more interest in the consumer cooperatives' potentials as consumer welfare organizations. The present article supports this view, though with some modifications. An evaluation of the consumer cooperatives' welfare promoting impact depends heavily upon which paradigm of cooperative theory is used. According to ideal type cooperative theory, consumer cooperatives are the best possible spokesmen for the consumers in the marketplace. The cooperatives of today are, however, more accurately described by real type cooperative theory, and according to this, there are severe restrictions on the consumer cooperatives' possibilities to further consumer interests. Nevertheless, the cooperatives are still more consumer oriented than their competitors. They are still very interesting research objects for consumer welfare studies.

CONSUMER WELFARE ORGANIZATIONS

The need for consumer welfare promoting action (consumer policy, if executed by public authorities and legislative bodies) originates from incompatibilities between many and diverse characteristics of social actors, objects and structures. In modern Western, market oriented societies, consumer problems arise as the theory of the market economy is applied to reality, the characteristics of which do not fully correspond to the presumptions of the theory. Consumers, firms, products, competition, information systems, etc., do not act as perfectly as theory premises. Instead, various consumer problems come up, the type, scope, and weight of which depend on which incompatibilities are at hand on each specific occasion.

The pure market mechanism can be described as "coordination-by-feedback" (March & Simon, 1958, p. 160). The existence of consumer problems is a consequence of the fact that this mechanism has shown itself to be insufficient. Therefore, it must to some extent be supplemented with organized action, i.e., the principle of "coordination-by-plan." Certain presumptions of the theory of the planned economy are combined with those of the theory of the market economy, and so, the markets become subject to some degree of regulation and control.

In what proportions the two principles of coordination should be combined, depends on how the characteristics of reality relate to the
sets of presumptions that the two types of theories are based on. For example, in some situations, the consumer might be only slightly disadvantaged, and so, a minor regulation would be sufficient. On other occasions, consumers might be so extensively disadvantaged that comprehensive intervention is required.

It should be added that in the world of reality, one can never rely on just one of the principles of coordination. They always operate in combination, though in widely varying proportions. Hence, in real life, there could not exist an absolutely pure market, in the sense of the theory of the market economy. There must be at least a certain superordinate control of the functioning of the market (Polanyi, 1957). In all events, the consumers have some so-called collective interests, apart from their individual needs and requests, and these can be met only by joint, organized action (Olson, 1965).

All of this means that consumer welfare promoting action by necessity is organized action within the framework of markets. The market mechanism's feedback information to the decision-making processes of producers as well as consumers is supplemented with various flows of control information. The systems of production, distribution, and consumption will be guided not only by the attempt to attain consumer satisfaction but also by consumer welfare goals.

There are different types of organizations, all trying to influence and change the functioning of the markets, all mediating various kinds of control information to their environments, and all having a superordinate consumer welfare goal. The following is such a classification of consumer welfare organizations (Nilsson, 1983, p. 184):

- Consumer policy authorities, including political decision-makers (provided one has a well-functioning democratic system in the political sphere of society)
- Consumer organizations (e.g., car owner associations, pressure groups, activist groups)
- Consumer cooperatives.

Even though the three types of organizations have similar objectives, viz., to support the welfare of larger or smaller groups of consumers, there are also considerable divergences between them. Their existence is based on different types of resources, and so, their work is composed of different kinds of activities (Scherhorn et al., 1975). It is this very characteristic — the basic type of resources — that constitutes the criterion for classifying the organizations.

The consumer policy authority is based on political power and