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Ethical Consumerism - Democracy through the Wallet

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### ABSTRACT

There are many ways consumers can use their spending power to make a difference to the world. This article discusses the concept of ethical consumerism and outlines some of the significant changes in corporate behaviours that have been brought about through consumer action in recent years. In addition, trends in ethical consumerism are discussed in terms of their implications for current campaigns and the future of the ethical consumerism movement.

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### ARTICLE

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#### **The History of Ethical Consumerism**

Although the expression ethical consumerism was probably first coined in Ethical Consumer issue 1 in March 1989, it wasn't really a significant or defining moment in anybody's history except our own. Many readers will remember the beginning of the South Africa boycott in 1959 and some may even recall an early 'green consumer guide' published in 1971. In 1989, Elkington and Hailes' Green Consumer Guide was published and became an international best seller. It was not an isolated event, but part of a wave of environmental consciousness that saw Green Parties all over the globe gain significantly increased shares of the vote.

There are well-documented histories showing the use of boycotts by disempowered interest groups considerably earlier than the South Africa boycott noted above. Gandhi's use of consumer boycotts in

the struggle for Indian independence is mirrored by evidence of anti-imperialist boycotts in China in 1905. The first study of US labour movement boycotts in the struggle for trades union recognition was published in 1913, and the original 'boycott' of an oppressive Irish landowner occurred in 1880. There is even anecdotal evidence of a boycott of sugar from plantations employing slave labour during the abolitionist campaigns of the early 19th century, and vegetarianism's pedigree is positively ancient. But although the 'socially responsible' consumer was identified in academic texts as early as 1974, there is little doubt that the new wave of ethical consumerism which appeared in the late 1980s was of a different order.

Green politics had never really had a problem with ideas of individual action or responsibility, and urgent issues like the ozone hole and CFC-propelled aerosols made consumers a very obvious target for green campaigns. Companies also began to embrace green ideas in their marketing. At around the same time, anti-animal-testing groups like the British Union for the Abolition of Vivisection (BUAV) started using consumer boycotts to significant effect, and three of the world's four biggest cosmetics companies had been persuaded to abandon at least some types of animal testing by 1990 (Mintel 1999b). Their campaigns, like others to come, were enhanced by the profusion of smaller 'cruelty-free' products and brands appearing in the market.

The issue of investment in South Africa was also gaining in prominence, with religious groups in particular funding whole research teams like Ethical Investment Research & Information Services (EIRIS) and the Council on Economic Priorities (CEP) to screen their investments for involvement in apartheid. These research groups also began to work on other issues like nuclear weapons manufacture and political donations.

### **The Birth of Ethical Consumer Magazine**

It was against this backdrop of growing consumer activism that Ethical Consumer magazine was conceived. Of particular interest was the detailed company data published by ethical investment researchers and the idea that this could, relatively easily, be translated into buyers' guides for consumer products.

We were also influenced by the success of the Barclays Bank boycott and by a desire to know the truth about the companies behind the marketing images. After a series of unsuccessful attempts to raise investment for the project, we gambled everything we had (£1,500) on paying for subscription

advertisements for EC1. Much to our amazement, the readers flooded in.

Although we were always too small to engage in any significant campaigning, what we did contribute to the debate was the idea that all these phenomena - green consumerism, cruelty-free products, South Africa boycotts - shared common features. And by coining the phrase 'ethical consumerism', we allowed the process of comparing different campaign experiences to begin. We also sought, at the outset, to explain the growth of these phenomena by linking them to a general discontent with unresponsive governments and the decline in real choices in the electoral process.

### **Future growth**

At the Ethical Consumer Research Association (ECRA), we argue that the rise of ethical consumerism is closely connected to globalisation and the pressures this puts on democratic governments to avoid corporate regulation. So unless something occurs to reverse this process, we would certainly predict no early demise for ethical consumerism. Indeed, with few other ideas on the horizon which so directly address the social and environmental consequences of globalisation, most evidence points to increasing levels of activity in the field. Much of this will be focusing on improving the quality of information about ethical issues. Of crucial importance will be the development of governmental regulation of corporate disclosure, environmental claims, and general information availability. Independent monitoring of corporate ethical claims by accountants and pressure-groups will also flourish.

Hopefully we will also see the current growth in ethical marketing by companies sustained and increased. Although there are a huge variety of approaches, from the reluctant multinational displaying an eco-label to an outspoken campaigner like the Body Shop, each of these companies is in some sense an ally with campaigners in their field. It is arguably this phenomenon which makes the last ten years different from earlier experiences of ethical consumerism, and which has given the whole movement an additional momentum.

The belief of individuals that they can make a difference is surely the crucial distinguishing feature between ethical and non-ethical consumers. If this is the case, further dramatic demonstrations of consumer power, like the Esso boycott over climate change, will have very positive consequences for the movement as a whole.

### **Consumer Power Success Stories**

For the last 30 years or so, multinational corporations have been trying to shape the decisions of elected governments to fit their vision of a global free market. And whilst governments have in most cases been pretty obliging, it is the ordinary people that buy their products who haven't been so convinced. The corporate vision of a morally barren future where only the strong survive and where money is the only measure of value was hardly going to meet with universal acclaim. But the scale of opposition from a new wave of ethical consumers has taken some companies aback.

Many would-be 'ethical consumers' express despair at the scale of the world's problems, and ask what consumers could possibly do to alleviate them. The list of ethical consumerism successes below shows that the actions of individual consumers can have a significant effect.

## **Animal Welfare**

### *Live exports*

Respect for Animals' campaign to stop the export of live animals resulted in the P&O, Brittany, and Stena Sealink ferry companies stopping their carriage of livestock in 1994. The boycott was successful within only a few months, and the companies publicly acknowledged that they had been overwhelmed by the public response (Ethical Consumer (EC) 32 1994).

### *Free range and organic*

According to the Soil Association, the organic market is increasing at around 30% a year (Independent on Sunday 1997). In 1997, Viva! (Vegetarian International Voice for Animals) UK successfully campaigned to get Tesco to withdraw from sale ostrich and kangaroo meats, and other supermarkets may be following suit (EC49 1997). Marks & Spencer has announced its decision to only stock free range eggs in its stores, and the organic beef market in Europe is predicted to triple to \$1billion in 5 years time (Snape 1997).

### *Endangered species*

Taiwan reacted promptly to the Environmental Investigation Agency's boycott of goods from the country in 1993. The president of Taiwan immediately banned trade in endangered Rhinoceros horn (ECRA 1997).

### *Angling*

By November 1994 Jack Daniels, Grolsch-Ruddles, and Stones Ginger Wine had all stopped sponsoring angling competitions - a response to the boycott campaign run by Pisces (formerly the Campaign for the Abolition of Angling) (EC39 1996).

### *Dolphins*

In 1990, a US boycott of Heinz, in protest at the 100,000 dolphins killed each year in 'purse-sein' fishing nets used to catch tuna, forced Heinz to take action. Later that year, a scheme run jointly by the tuna trade and the Whale and Dolphin Conservation Society, launched a 'dolphin friendly' logo (EC4 1989, EC8 1990).

### *Whaling*

In 1989 an Icelandic fish boycott called by Greenpeace proved quick and decisive. The objective was to stop whaling and lost sales were estimated at \$50m before Iceland declared an end to its 'scientific' programme (EC4 1989).

In response to the Environmental Investigation Agency's ongoing boycott of fish from Faroe Islands (due to whaling), many supermarkets have refused to stock Faroese fish, including the Co-op, ASDA, Spar, Iceland, and Safeway. In 1994 it was estimated that the Faroese lost £12 million worth of fish sales to the UK (EC25 1993, EC33 1995, EC35 1995).

### *Vegetarianism*

The UK population of vegetarians and vegans has doubled since 1984, to over 5%, and the market for vegetarian food grew by 83% between 1992 and 1997 (Financial Times 1997). In 1999 the Vegetarian Society estimated that there were 4 million vegetarians in the UK.

## **Animal testing**

### *Cosmetics testing*

The success of consumer boycotts addressing animal testing in the late 1980s still influences the tone of contemporary campaigns. In 1989 a spokesperson for Avon said that consumer boycotts and demonstrations against the company had influenced its decision to stop animal testing (EC11 1991). US group PETA (People for the Ethical Treatment of Animals) has run two recent successful boycotts of high profile cosmetic companies, L'Oreal capitulating in 1994 and Gillette in early 1997 (EC39 1996, EC45 1997). Over the period 1989-97, a number of other mainstream companies announced that they were to cease testing cosmetics on animals: Wella, Neutrogena, Boots (own-brands), Max Factor, Rimmel, Revlon, Yardley, Chanel and Estee Lauder (EC21 1991). Reflecting the decrease in companies involved in vivisection, the number of animals tested for cosmetics in the UK dropped from 12,090 in 1989 to 3,082 in 1991 (EC21 1991).

Unfortunately, however, some of the brands above still do not fulfil strict BUAV criteria because ingredients used may themselves have

been tested on animals. However, more positively, the number of genuinely animal-test-free brands has proliferated over the same period. The Body Shop's growth symbolises this - its turnover increased over three times between 1990 and 1996 (ECRA 1997).

#### *Other testing*

General Motors was boycotted from 1991 to 1993 by PETA and BUAV because the company carried out crash tests on live animals. It ended when the company replaced them with inanimate dummies (EC39 1996). According to PETA, "GM was the last of the big three auto-makers to abandon the practice of animal crash tests", and "was responsible for the deaths of over 20,000 pigs, dogs, ferrets, rats and other animals" (Co-op America 1993).

BUAV's ongoing boycott of airlines transporting live monkeys for vivisection, which began in 1993, has resulted in British Midland and several other airlines stopping the practice (EC39 1996). In August 1999, Britain's last breeding farm for cats destined for experimentation closed.

## **The Environment**

#### *Brent Spar*

The most dramatic and memorable environmental boycott of recent years has to be Greenpeace's 1995 campaign against the dumping of the Brent Spar oil platform (owned by Shell). Sales of Shell petrol were down by 70% in some German outlets and the company gave in after only a few days (EC39 1996).

#### *Timber*

In 1991, Friends of the Earth launched a campaign against the stocking of 'unsustainably-sourced' tropical timber by the 'big six' DIY chains. The campaign eventually became a consumer boycott and proved tremendously successful. By June 1994 all six had agreed to stop selling mahogany, and mahogany imports fell by 68% between 1992-96 (ECRA 1997).

In February 1994 Greenpeace threatened a boycott of Scott Paper. Scott Paper responded quickly by cancelling its contracts with a company clear-cutting timber at Clayoquot Sound, Canada (EC39 1996).

#### *PVC and chlorine*

ECRA first wrote about PVC and a Norwegian campaign to ban it in 1992. We reported in 1994 that Body Shop, Ikea, AEG, Sony, Denmark's leading supermarket chain, and hospitals in Germany, Austria, and Denmark had started eliminating the use of PVC

products (EC32 1994). In December 1999 an EU ban was imposed on soft PVC baby teethingers.

The Women's Environmental Network's high-profile campaign against the use of chlorine bleaching in sanitary protection led to a number of manufacturers switching to non-chlorine bleached pulp (EC48 1997).

#### *Ozone depletion*

After the successful use of consumer power to address the issues of CFCs in aerosols, ethical consumerism has also encouraged the early phase-out of the worst ozone-depleting and greenhouse gases in fridges and freezers. In 1994 we reported that Electrolux was to follow fridge manufacturers Bosch, Siemens, Liebherr, and AEG in their commitment to replacing HCFCs and HFCs with hydrocarbons by 1995. At the time this meant over half the UK fridge market was committed to hydrocarbons (EC32 1994).

#### *Organic agriculture*

In 1997 the UK's organic food market was worth over £200 million and has increased rapidly since the anti-GM food campaign (The Grocer 1997). In 1995 it was estimated that there were at least 625,000 people supplied by a variety of organic direct marketing schemes (SAFE 1995). The UK organic market grew at a rate of 33 per cent during 2000-2001 with sales of £802 million (Soil Association 2002).

#### *Out-of-town superstores*

A groundswell of opposition to out-of-town superstores (including boycott calls by local communities, supported by EC), eventually led to the introduction of new planning guidelines in March 1994 to help the revival of high streets and prevent further out-of-town developments. Although many argue that the changes came too late, local shops and their customers are continuing to fight back against encroachments by supermarkets with loyalty schemes such as the 'Loyal to Leominster' scheme (EC44 1994).

### **Fair trade and workers' rights**

#### *Fair trade companies*

Consumer demand for fair-traded goods has led to a growth in sales for companies such as Equal Exchange Trading, whose turnover tripled in the 1990s, and Cafédirect, whose turnover also increased nearly 50% in 1996 (ECRA 1997). Cafédirect is now estimated to have 3% of UK sales of roast and ground coffee (Financial Times 1997). Traidcraft and Green & Black's have also experienced growth in this period (ECRA 1997). Sales of fairtrade-marked products grew by a third in 1996 (personal communication from the Fair Trade

Foundation 1997). In 2000, the Fairtrade Foundation announced that 70 brands of food carried the Fairtrade mark, and at the beginning of that year FT bananas appeared in British shops.

### *Clothes*

When Ethical Consumer magazine covered clothes shops in December 1994, awareness of workers' rights issues amongst retailers was minimal and only three out of all the clothes shops we looked at had anything like a passable code of conduct. A further three years of pressure from consumers meant that this number had trebled when we looked at retailers again in 1997 and then further increased to 15 in 2002. Independent monitoring of these codes is rare.

### *Sports shoes*

Our Spotlight on Nike in 1992 highlighted abuses of workers' rights in factories in Indonesia and resulted in a number of European NGO's getting involved with pushing sports shoe firms to develop codes of conduct and independent monitoring. Our sports shoes report in April 1997 found 5 out of the 11 companies covered had codes of conduct - five more than there were in our earlier report in 1989 (EC4 1989, EC46 1997).

### *Toys*

During autumn 1995 a campaign to introduce a safety code for Asian toy factory workers was initiated by the World Development Movement (WDM), amongst others. The possibility of consumer pressure in the run-up to Christmas may have been a factor in the British toy industry's speed in adopting the code (EC39 1996), and in May 1996 the code was also adopted by the International Council of Toy Industries (EC42 1996). As ever, the sticking point appears to be the need for more comprehensive codes that are independently monitored (EC48 1997).

### *Footballs*

A very successful campaign by Save the Children and trades unions in 1997 concerned conditions of workers making footballs in Pakistan. It led to a number of sports companies, including Nike, Reebok, Adidas, Umbro, Mitre, and Puma, pledging to phase out child labour within 18 months and notably allowing for the independent monitoring of suppliers (EC46 1997).

### *Carpets*

In 1994, Indian and European campaign groups introduced an independently-monitored 'child-friendly' labelling scheme, 'Rugmark', to denote that child labour had not been used. The scheme aimed to force the Indian carpet industry to employ adults instead of children. Support from consumers, particularly in



Germany, has led to the expansion of the scheme to Nepal and Pakistan in addition to India. In 1995 the Rugmark was estimated to cover one in nine of all carpet looms in India (EC40 1996).

### *Supermarkets*

Christian Aid's campaign to improve supermarkets' policies towards Third World producers was launched in 1996. Tens of thousands of consumers have been involved. In October 1997, it was reported that seven of the biggest chains have adopted ethical policies, that six were drawing up codes of conduct, and that Tesco has agreed to the principle of independent verification. However, although there has been progress it may be some time before the supermarkets put their words into practice and Christian Aid still wants consumers to keep up the pressure (Christian Aid 1997, Independent on Sunday 1997).

### *Trades union campaigns*

Several UK trades unions have also successfully marshalled consumer power and boycott tactics to address labour disputes, e.g., Middlebrook Mushrooms (run by the Transport and General Workers' Union) (EC34 1995), Pall Mall (Unison) (EC47, 1997), and Pergamon Press (National Union of Journalists) (EC21 1992).

## **Oppressive regimes**

### *South Africa*

One of the most high-profile boycotts ever was of South African produce, eventually called off by Nelson Mandela in 1993. The ethical investment movement succeeded in blocking over \$300 billion in investments in US companies operating in South Africa and 200 companies pulled out during the boycott (Co-op America 1994).

### *Burma*

More recently, pressure from campaign groups, including the Burma Action Group, has focused on human rights abuses in Burma. PepsiCo Inc, Amoco, British Home Stores, Heineken, Apple, Levi Strauss, Reebok, and Coca Cola have all pulled out of Burma in the last few years in response to campaigning. Some tour operators have also suspended their tours to the region (EC45 1997). In June 2002, US campaigners for human rights in Burma announced that imports of clothes manufactured there into the US had dropped by 30% this year, after companies such as Diesel and Triumph pulled out.

### *China in Tibet*

In 1997, a sustained boycott campaign in the UK and USA by groups such as the Tibet Support Group persuaded Holiday Inn to

back out of its partnership with the Chinese government for the Holiday Inn in Tibet (EC49 1997).

## **Nuclear power and armaments**

### *Nuclear testing*

France became the subject of worldwide condemnation and was forced to cancel part of its (declared) South Pacific nuclear testing programme due to a successful boycott of French products and services begun in November 1995. The Campaign for Nuclear Disarmament (CND) focused on wines - French wine growers' share of European imports into the UK fell from 70% in 1994 to 53% in 1995. However, other companies were also affected, including Danone and Bic. Eighty percent of New Zealanders were boycotting French goods. "'Pocket power' is people with muscle," said a CND spokesperson. "I think it will be a long time before a government tries to defy public opinion so openly again" (EC40 1996).

### *Armaments*

In 1991, immediately after the outbreak of the Gulf War, German campaigners Verbraucher Initiative launched a boycott campaign against a number of companies that had supplied the Iraqi regime. Siemens was quick to respond, saying it would re-evaluate its arms exporting policies (EC13 1991).

US group INFAC began a boycott of General Electric in 1986 because of its involvement in nuclear weapons. The campaign ended in April 1993 when the company sold its aerospace division to another company. The support of health institutions meant GE's medical equipment sales were hit worst of all, with roughly \$50 million lost in 1993 (EC24 1993, Co-op America 1993).

## **Money and ethics**

### *Ethical investment*

There are now more than 50 retail ethical investment funds in the UK. These funds all apply environmental, social and/or other ethical criteria to the selection of their investments. The estimated value of these funds stood at £4 billion in August 2001. In addition to this there is now a large amount of institutional investment money which is either screened according to ethical criteria or where an ethical engagement policy is applied to lobby companies in order to improve their policies and practices. Many churches and charities, pension schemes, and local authorities now have ethical or socially responsible investment policies (EIRIS 2002). This was spurred on when the UK government introduced new regulations in July 2000 requiring pension fund trustees to disclose their policies on incorporating ethical issues into their investment decisions.

In 1991 the Bishop of Oxford won a legal case, clearing the way for charity trustees to use greater discretion in applying ethical criteria to investments. Many charity funds are now, to a limited extent, ethically screened. A 1997 survey found that a group of ethically-managed charity funds achieved the same return on their investment as a group of charity funds which did not have ethical restrictions (Financial Times 1997). The Ethical Investors Group, which only advises on ethical investments, has seen its turnover increase by 100% in two years (ECRA 1997).

### *Ethical banking and money*

The Independent reported that the 'ethically in-your-face' Co-operative Bank has sharply increased its turnover and profits in recent years: up by 34% in 1995 (Independent on Sunday 1997). In 1992 it saw a 13% rise in deposits and its high-profile, ethically-based media campaign was cited by over half its new customers as the reason for joining (EC25 1993). On a smaller scale, assets at the very environmentally conscious Ecology Building Society (EBS) reached £20 million in 1997. EBS's Chief executive commented: "These figures show the viability of the concept of 'green' lending and the increasing interest by the public in finding a home for their savings that will result in positive social and environmental benefit" (EC48 1997). Triodos Bank, the ethical bank originally from the Netherlands which merged with the UK's Mercury Provident, has seen growth in all areas. It more than doubled in size in its first year in the UK, 1996 (ECRA 1997).

At the grassroots level, local exchange trading systems (LETS) were pretty new when ECRA first reported on them. Now there are some 400.

### **Other successes**

#### *Lesbian/gay rights*

In 1991, Marlboro and Miller Beer were the subject of a boycott called by the US-based Aids Coalition to Unleash Power (ACT UP). The boycott was called to protest Philip Morris' contributions to the re-election campaign of Senator Jesse Helms, 'a vehement opponent of AIDS funding to gays and lesbians'. It was called off when the company agreed to contribute \$2.6 - \$3 million annually to AIDS and gay/lesbian organisations for the duration of the AIDS crisis (Co-op America 1991).

UK lesbian and gay rights campaign, Outrage! claimed a partial victory for its boycott of Romanian wine after anti-gay legislation in Romania was put on hold. The boycott continues (EC49 1997).

### *McDonaldisation*

McDonalds may have won the McLibel case, but what a lot it lost besides. The day of the trial decision was decided in advance to be a 'Victory Day of Action'. Five hundred of the UK's 750 stores were picketed and actions took place all over Europe, North America, Australia, and New Zealand. Since the writs were originally served, 2,500,000 leaflets have been distributed and the campaign (and boycott) goes on (ECRA 1997, EC48 1997).

### *Anti-consumerism*

Awareness of anticonsumerism is growing around the world, principally thanks to small groups of campaigners such as Enough in the UK, Omslag in the Netherlands, and the Media Foundation in Canada. Over 60 actions in towns and cities in the UK, as well as many others in Australia, the USA, Canada, the Netherlands, Norway, and New Zealand marked No Shop Day in 1997. In the UK, Friends of the Earth gave the event official support - proof indeed that the time has come at last for acknowledging that the environmental crisis is inextricably linked to economic inequality.

### **Key trends in ethical consumerism.**

Surveys show that it isn't just a small minority of campaigners who understand the need for corporate ethics, but between 40 and 70% of all consumers. And whilst there is still a very long way to go to translate these good intentions into markets where 70% of all products are sold as ethical, hardly a week goes by without some progress being made.

Market research is a vital indicator of the emerging trends that comprise the term 'Ethical Consumerism.' Evidence shows that consumers, and more slowly, corporations, are grappling more enthusiastically with the ethics of the free market economy. As people's faith in the influence of governments has declined, consumers are increasingly taking matters into their own hands. Of particular concern to business will be the fact that 95% of those who boycott vow never to give back their custom (Financial Times 1997).

The following are documented trends in ethical consumerism, many of which indicate the increasing relevance of this movement.

#### **1. Ladies first**

One fairly overwhelming trend is that women are more active as ethical consumers than men. For example, 66% of female respondents to one survey said they would buy ethical products compared with only 54% of men (Keynote 2000). According to

another survey, women made up a third more of respondents stating that they always or nearly always buy or use ethical products and services, or who try to make purchasing decisions on the basis of ethical issues (Mintel 2001). Self-perception appears to reflect this trend. According to research carried out in 1998, 30% of women compared to 20% of men considered themselves to be 'strongly ethical' (Mintel 1999c). Although this trend seems to apply across a range of ethical issues, there appears to be little research into the reasons why.

## **2. Apathetic, or just plain broke?**

A rather surprising finding of some of the research is that younger age groups are now the most apathetic when it comes to ethical issues. Often thought of as the most radical socio-political group, it seems unlikely that the younger generation should suddenly become transfixed by the bright lights of corporate marketing. This trend may be attributable to purchasing power. Younger people are less financially stable, so may not be willing to pay the extra premium often associated with ethical goods. Studies show that the more affluent social groups feel most empowered in terms of influencing companies' behaviour (MORI 2000). Perhaps the younger generation will be more inclined to purchase ethically when they reach a more financially stable stage of life. Some research has suggested that this trend may also be because teenagers are searching for new issues to adopt, rather than taking on the same issues of previous generations (Mintel 1999c).

## **3. The Green Gauge**

Green issues that dominated the popular imagination for so long in the UK are beginning to lose such widespread popularity, but continue to receive support from a stable and committed group of 'dark green' shoppers, comprising around 40% of all consumers through the 1990s (Mintel 1999c). Some have suggested that consumers are suffering from that well-known condition called 'conscience fatigue' (Mintel 1999c), whereby the great load of possible environmental causes to be supported becomes too much. The environment, however, is by no means dropping off the agenda. For instance, 'good environmental performance' came second out of six criteria respondents were offered to vote for as indicators of good corporate social responsibility (Kellner 2001).

The numerous food scares of the last decade have indirectly bolstered the environmental side of ethical consumerism, leading shoppers to buy into the organic market. In fact, research suggests that twice as many people buy organic for health as for environmental reasons (Mintel 1999c), although the question is not

quite as straightforward as it first looks. Whatever the motivation, UK organic food and drink retail sales are booming. They soared from £121m in 1994 to £550m in 1999 (Mintel 1999b). The only barrier to further growth is price, which is considered a significant disadvantage by around a third of consumers thinking of buying organic food (Mintel 1999b). This is especially the case among women (Mintel 1999b). This could easily be addressed if calls for the localisation of organic food are answered. At present, around 75% of organic food is imported (New Economics Foundation 2001), meaning transport costs can inflate prices. For the international conscience though, environmental issues are high on the agenda. Research done on a global scale reveals that concern about most environmental issues has increased, especially in Asia, since the end of the 1990s (Enviroics International 1999). As grassroots activism continues to boom in developing countries, this suggests that the next green trailblazers may come from further afield.

#### **4. Going the extra mile**

The leading issue motivating ethical purchases is human rights, particularly the emotive situation of child labour. Recent high-profile campaigns have significantly raised the profile of sweatshop labour conditions in the developing world. Consumers expect companies to go the extra mile, and contribute directly to ameliorating these conditions. Simply making contributions to charities is no longer satisfactory (Enviroics International 1999). Widespread support for labour rights issues has also led to the success of initiatives such as the Fairtrade Mark and the establishment of groups such as the Ethical Trading Initiative (ETI).

#### **5. Issues of trust**

Public pressure on companies to take up the gauntlet of corporate responsibility is reaching new heights as consumers attain new levels of confidence in their ability to influence big business behaviour. Measures of mistrust and cynicism towards large corporations increased steadily throughout the 1990s (The Co-op Bank 2000), and as corporate wrongdoing continues to hit the headlines, it seems likely that the trend will continue.

The world-wide popularity of corporate citizenship is in fact quite overwhelming. As a factor influencing consumers' impressions of companies, it comes before both brand reputation and financial factors (Enviroics International 1999). Research shows that globally, two thirds of citizens want companies to broaden their role beyond that of profit making to contributing to broader societal goals (Enviroics International 1999). Just over half the UK population bought a product and recommended a supplier during

2000 because of its responsible reputation (Cowe and Williams 2000).

## **6. More information please**

Improved provision of information, it seems, would open the floodgates for consumer power. Evidence suggests that most consumers feel they are both in a position to influence corporate behaviour, and desire to do so, but lack the facts necessary to make informed purchasing decisions. Consumers are looking to manufacturers and suppliers to provide this information (Keynote 2000), an expectation that runs somewhat contrary to the public's mistrust in the transparency of corporate behaviour.

The current boom in Forestry Stewardship Council (FSC) timber products is an example of what can be achieved through corporate 'ethical adoption' (Cowe and Williams 2000) of a scheme securely anchored in independent monitoring and approved by the campaign group sector. Major high-street firms such as B&Q have enthusiastically promoted FSC timber, and it is predicted that it will soon reach a 10% market share (Cowe and Williams 2000).

If consumers are to enjoy the level of information provision they desire, the government may have to step out of its cosy relationship with industry and learn to name and shame on a more regular basis. We outlined measures for governments to adopt in our manifesto in EC72 (2001). A copy of this manifesto can be found on our website at [www.ethicalconsumer.org/aboutec/manifesto](http://www.ethicalconsumer.org/aboutec/manifesto).

## **7. The '30:3 syndrome'**

A lack of information could well be a contributory factor to what The Co-operative Bank has termed the '30:3 syndrome'. It defines this as "...the phenomenon in which a third of consumers profess to care about companies' policies and records on social responsibility, but ethical products rarely achieve more than a 3% market share." Whilst respondents to surveys on ethical consumerism do appear to exaggerate their level of interest in the matter, such a large gap can scarcely be attributable to this alone. At ECRA we argue that the lack of high-quality, competitively priced alternatives is another key factor.

## **8. Ethical Investment**

Although public awareness of ethical investment is currently running quite low, this isn't reflected in its success of recent years. Ethical banking and investment has grown at a consistent rate of 20% per year (New Economics Foundation 2001), and ethical funds have

shot up in value by 400% since 1995 (Keynote 2000). Because as much as two thirds of the adult population have a low level of understanding of what is ethical investment<sup>11</sup>, the potential for growth in this area is great. Contrary to the broader trend described above, women are less likely to purchase ethical financial services than are men, as are those in the 'family lifestage' (Mintel 1999a). The potential for growth in ethical investments could be further harnessed if a parliamentary bill, proposing that Independent Financial Advisors (IFAs) be required to offer them as an option, is successful.

Of course, most consumers don't talk in terms of globalisation or international competitiveness, they just boycott products or write angry letters saying "I've heard your company is cruel to animals or responsible for toxic pollution". And it is on this level, addressing the actual details about the way each product is made, that companies have few answers other than to look embarrassed, prevaricate, or try to obscure the issues. The key movers in galvanising consumers to act, and in providing the detail that companies would rather you didn't know, have been single-issue pressure groups like Greenpeace and PETA. The animal testing and environmental lobbies that blazed the trail of corporate campaigning in the late 1980s have now been joined by powerful Third World 'development' organisations. We are already fast approaching the situation where it is unusual to find a pressure group without some kind of 'consumer awareness campaign' aimed at influencing corporate behaviour.

The last piece of the jigsaw is filled by companies that market their products as ethical or green. Many of these ethical marketing claims have been rightly pilloried as cynical or misleading, but there is a core of companies whose intentions are genuine. And although there is a huge variety of approaches, from the reluctant multinational displaying an eco-label to an outspoken campaigner like the Body Shop, each of these companies is in some sense an ally with campaigners in their field. Boundaries are further blurred between campaign groups and companies when Greenpeace promotes eco-fridges or Oxfam markets fair trade products. As a result, campaigners are learning that although it is easy to lambast the self-proclaimed ethical company caught out completing a less than ethical deal, it is better in the long run to focus their energies on those companies - and there are still many - that refuse to accept that ethics have any role to play in the way they run their businesses.

### **Where to go for information**



Many consumers cite lack of information as a reason for not taking their ethical consumption further. There are, however, many different places to go for such information. The following are just a sample of the resources available to the would-be ethical consumer:

*www.responsible shopper.org*

This is a US-based website which gives data on the ethical records of consumer brands, although much of the information comes from the firms themselves.

*Campaign Groups*

Individual consumers may be more concerned about a specific issue, such as animal testing or the environment. Groups such as PETA, Greenpeace, Friends of the Earth, Amnesty International, or Christian Aid may be helpful in giving advice for those wanting to use their consumer power to exert pressure on single issues.

*Co-op America*

This group runs the [www.boycotts.org](http://www.boycotts.org) website that lists a range of international boycotts and carries news on their progress.

*Ethical Consumer Research Association*

Last but not least, ECRA is a UK-based, voluntary workers' co-operative. The organisation produces Ethical Consumer magazine, which focuses largely on the UK market but covers many international companies. Subscriptions to the magazine are £19 (£28 airmail international). Also offered are research and other services. Details can be obtained from [www.ethicalconsumer.org](http://www.ethicalconsumer.org) or [mail@ethicalconsumer.org](mailto:mail@ethicalconsumer.org).

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