The Magical Power of Consumers?
Effectiveness and Limits of Political Consumerism

Dietlind Stolle
McGill University
Dietlind.Stolle@mcgill.ca

&

Michele Micheletti
Stockholm University
michele.micheletti@statsvet.su.se

with Jean-François Crépault
McGill University
jf.crepault@gmail.com

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During the past few decades many innovations have occurred in the political participation repertoires of citizens in advanced industrialized democracies. Different interpretations of the nature of participation and the importance of these innovative forms have sparked a conceptual debate about the political goals, regularity, and motivations of these forms of participation. They have also led to methodological discussions about measurements and validation. One of the most nagging criticisms has been the effectiveness of these forms of participation. The question is whether they are equally effective in bringing about political and social change when compared to more conventional forms of participation such as voting and organizational membership. Very few studies have actually examined this critique explicitly. Indeed very little research has been undertaken to compare the effectiveness of various conventional and newly emerging forms of political participation.

This paper offers a first ever more comprehensive analysis of the effectiveness of political consumerism. One of its main results is that the measurement of effectiveness of these forms of participation is not as straightforward as one might believe. Whereas the question of effectiveness for conventional forms of political participation focuses usually on the analysis of public policy change (e.g. as a result of different parties leading office) or direct political change (as after an election campaign), for emerging forms of political consumerism the task is more complex as these actions are not ultimately targeted at changes in government, public officials and public policy change. Determining the effects and effectiveness of political consumerism therefore must rely on expanding our view of political effectiveness to include not only how government and public policy is changed, but also how political consumerist actors affect consumers, raises general public awareness of their cause, and how they shape the values and behaviours of corporations—the ultimate targets of political consumerism. In addition, the effectiveness debate needs to focus on how market-based behavioural change solves the problems which give rise to political consumerist activism in the first place—for example, whether it solves the actual problems of the life and rights of farmers and workers in developing countries (one of its main targets). Insights from this study also urge scholars to include considerations about the effects of all forms of participation on delivering the public
goods, policies or societal innovations and solving the problems that these actions intend to address in the first place.

The paper is structured into three major sections. The first part presents critical views of the effectiveness of political consumerism. In the second part, we present a more nuanced view of effectiveness and take a new look at the question by developing a model and measures that capture “effectiveness as a process.” We then test these processes of effectiveness in the third part of the paper and present empirical evidence that allows us to evaluate the strengths and limits of political consumerism as a political tool of engagement. For this paper our focus is (1) the effectiveness of political consumerist activism on consumers, (2) its effectiveness on both business and government, (3) the effectiveness of political consumerism as well as business actions on solving problems associated with production and consumption. In doing so, we address the changing and innovative contribution of civil society organizations to democracy by using the market as their arena for politics.

**Doubting Effectiveness**

Critical observers claim that political consumerism, for a variety of reasons, is not and cannot be an effective mechanism for globalized political responsibility-taking. They say that the consumer focus is completely wrong. Consumers cannot be trusted with responsibility for solving global problems because they are not capable of other-oriented actions. Consumers are economic and self-interested (and thus not political) agents, and even if some consumers take social and ethical values into account, political consumerism is still mostly a self-regarding activity that involves purchasing products, which mostly benefit consumers themselves, such as health benefits in organic food. That consumers might also get an “advantage or personal benefit” from their political consumption choices just shows that this form of participation is not an “effective vehicle for advancing or expressing social goals” (Vogel undated). In a nutshell, most consumers cannot think and act as citizens. Political consumerism will never capture the commitment of a sufficient critical mass of consumers; the political consumer market will remain a niche market and never be able to establish itself as a political vehicle in mainstream society. Ironically, economic self-interest has been one of the basic
assumptions about voting behavior. Anthony Downs’ statement in *The Economic Theory of Democracy* that “each citizen casts his vote for the party he believes will provide him with more benefits than any other” (1957, 37) formed the foundations for theories of “pocketbook voting” (for empirical tests see Markus 1988).iii

Another forceful criticism takes its point of departure in the market. It states that political consumerism distorts the logic of markets, thus making it unsuitable in profit-making, market-driven settings (Friedman 1963, Lindsey 2003). Corporate social responsibility, corporate citizenship (the adding of concerns for the environment and human rights into the business bottomline) and the regulation of the market especially through labeling schemes contradict with the basic capitalist principle of making money. Political consumerism is a threat to market capitalism and cannot, therefore, truly affect the thinking and actions of businesses in the market-driven economy. Socially responsible business is, as formulated by Milton Friedman (1963), a “fundamentally subversive doctrine” in a free society.

Political consumerism is also accused of harming the people whom it wants to help. Two forms of political consumerism—boycotts and “buycotts” (e.g., labeling schemes)—are attacked in this regard. Fair trade coffee, an important commodity in political consumerist responsibility-taking, is criticized because the minimum price ensured by selling beans to certified roasters is in essence a price floor that skews economic signals, and encourages farmers to artificially increase production, thus causing excess supply in a market where over-production is already the main cause of low world prices (*Economist* 2006; Lindsey 2003, Booth & Whetstone 2007). The claim is that well-meaning fair traders unwittingly contribute to the further impoverishment of coffee farmers because it floods the market. Boycotting results in similar problems. Western consumers may, for instance, boycott particular goods or corporations to express their opposition to the use of child labor but their actions may just put the child workers back on the street, foster their employment in other uncontrolled sectors, and make adult workers lose their jobs (Basu & Zarghamee 2005). Even political consumerist groups oppose boycotting; the Swedish Save the Children Foundation has, for example, publicly asked consumers not to boycott certain corporations for just this reason.
Other critics claim that political consumerism is “neoliberalism-friendly” and cannot fundamentally change business practices. Its basis in neoliberal principles and laissez-faire approaches to solving social and political problems generates soft law approaches (labeling schemes, codes of conduct, etc.) that are too weak to combat deep economic and political problems. It feeds rather than starves market deregulation, which is the fundamental threat to global human rights and stewardship for common pool resources. Soft law political consumerist voluntary regulatory tools are readily used by businesses “window dressing” (greenwash, sweatwash, etc.) to improve their goodwill in order to make profits. Corporations running their own ethical product lines as a way to take responsibility to ensure a better sourcing of commodities are also accused of window dressing. Critics distrustful of market-based mechanisms for responsibility-taking argue that these corporate ethical lines have lower the environmental and social standards and, therefore, compete unfairly with the ones run by more transparent and multi-stakeholder ones as FLO fair-trade or USDA organic labeling (Fridell 2007; Jaffee 2007).

Thus, political consumerism does not go far enough in revamping the association of production and consumption with environmental and human rights harms. It accepts the geographic mobility of capital, does not forcefully contest corporate globalization and business-driven free trade (Fridell 2007), and, for many critics, lets government off the hook. It diverts social movement attention and resources from pressuring governments and international organizations to take political responsibility by re-regulating trade in order to subordinate markets to socially determined objectives (Jaffee 2007). Similarly, political consumerism is said to individualize global problems and, thereby, leave ‘Little room to ponder institutions, the nature and exercise of political power, or ways of collectively changing the distribution of power and influence in society’ (Maniates 2002: 45, cf. Katz 1998: 52).

Generally in this critical view is the notion that corporations cannot be trusted to change their production practices unless required to do so by law and governmental regulation. What political consumerist activism does is force them into a defensive position to dodge of political activism. Here critics point to the example of how corporations have shifted their country of operation to rid themselves of problems, decided not to reveal where they manufacture goods abroad to avoid activist scrutiny,
found loopholes in international agreements, and in general made their operations less transparent in order to avoid legal suits. Thus, political consumerist activism is counterproductive. It makes it more difficult to develop mechanisms for corporate accountability.

Another forceful line of criticism is that political consumerism is a Northern project with a Northern agenda. The claim is that Western interests are its point of departure and that it lacks a good understanding of the life worlds of producers and workers in developing countries. Some critics characterize it as a new imperial formation and “left over colonialism” (Wedding as quoted in Constance & Bonanno 2000: 134) that tells the South how to manage its resources, thus reconfiguring earlier colonial power relations and economic dependencies. It is accused of undermining local cultures and communities just as much as commercially-driven globalization (e.g., Dholakia and Dholakia 2001). This charge is levied against the international fair trade organization FLO, Forest Stewardship Council, and Marine Stewardship Council. Their standards are criticized as undemocratic and un-transparent and without proper mechanisms for effective Southern producer voice.iv Political consumerist campaigns are even criticized for relying on traditional stereotypes of Third World people as disempowered victims in need of Western help to sensitize consumers and mobilize them into action (cf. Brooks 2007).

Even the motivations of Western consumers are questioned. It is argued that political consumerism gives consumers an easy way out by buying and boycotting themselves out of guilt. They are let off the hook of taking true responsibility for rectifying the North-South power balance in the global economy and do not personally need to take many financial and political risks. This contrasts greatly with the far-reaching economic consequences for Southern workers who must struggle “against political and economic inequalities” while their Western counterparts “engage in [the luxury of] life politics” (Lyon 2007: 457).

Finally, certain critics acknowledge that political consumerism has been able to influence well-known and iconic Western brands. However, its ability to mobilize brand-aware consumers into a political power is also its Achilles heel. They find that it has no effect on corporations without Western consumer brand appeal. These corporations,
which also engage in activities harmful to human rights and the environment, are found in both Western and developing nations. In developing countries, they are represented by both domestic firms and factories owned or run by Chinese businesspeople. Thus, political consumerism is limited by its boundaries of reach (Pines & Meyer 2005). It survives and thrives on a Northern capitalist and consumer logic.

Political consumerism in sum is criticized in four major ways: (1) as an unrealistic project because it cannot influence consumers, citizens, corporations, or government into true responsibility-taking; (2) as lacking effective governing tools, which made it an inadequate proxy for a world government; (3) as a distortion of core market principles and, therefore, a dysfunctional a market-based mechanism for change, and (4) as unrealistic because it cannot green societies and help people in the South. Political consumerism is, therefore, ineffective on all fronts: it cannot inform, sensitize and mobilize sufficiently to make a mark globally. In a nutshell, it has no impact.

**How to Determine Effectiveness?**

Social scientists study the political power of individuals through voting, membership in organizations, and a battery of other participation channels. Citizenship scholars use survey data to establish whether citizens find different forms of participation effective (measurements of internal and external efficacy). Researchers also penetrate the framing, mobilizing, and agenda-setting skills of social movements, political parties, and interest groups to establish how successfully they “define problems, propose solutions, aggregate citizens’ policy preferences, mobilize voters, make demands of elected officials, communicate information about government action to their supporters and the larger public,…make relatively coherent legislative action possible” and changing social values (Burstein and Linton 2002, 1-2, Rochon and Mazmanian,1992). Effectiveness of political participation is commonly measured as the accumulated effect of pressure on legislative policy-making—policy change, policy process change, policy impact—which, interestingly, different studies find to be lower than generally assumed (Burstein and Linton 2002; Guigni and Passy no date).

Most participation scholars leave their assessment of the effectiveness of participation at that. Only scant attention has been given to assessing the implementation
of legislative gains and their impact in real settings (so-called output and impact political system responsiveness) (Schumaker 1975 as quoted in Guigni and Passy) and on the structure of the political system itself (cf. Kitschelt 1986, Giugni 2008). Research in this field has, instead, been the focus of policy study, which evaluates the capability of the public bureaucracy and processes by which its institutions put policy into effect. Policy scholars measure policy performance through economic and social indicators, in particularly cost benefit analysis of policy outcomes and impacts. Interestingly, policy scholars increasingly underscore that policy does not implement itself; “implementation gaps” must be studied. This involves investigations of whether the fit between public policy and political problems is appropriate and whether sufficient money, material, skill, and time is allocated to putting policy into effect. Availability of required resources, ability to marshal and control these resources to solve problems identified in policy-making, and communicating what is wanted to others and controlling their performance are crucial aspects in their evaluations of putting policy into effect. This means that implementing policy is viewed as “getting something done,” which frequently involves actors in compromising and adapting their initial (policy) goals. Implementing policy is, therefore, not a straight-forward “assembly job” but a negotiating, trail-and-error, and incremental process in which involved actors (the stakeholders) offer their input about policy achievements and failures (Barrett and Fudge 1981, 23).

From this short review of accumulated research we learn, firstly, that there is no tested or agreed-upon model for assessing the effectiveness of participation and that, secondly, effectiveness is a complex process that cannot be reduced to one simple measurement. Effectiveness involves the actions and learning curves of a variety of actors in different arenas as well as the maturity and legitimacy of the issue at hand. Effectiveness is, therefore, a multi-facetted process of coordinating problem definitions with policy goals and policy goals with resources. It involves defining and creating skills as well as convincing people to take operational responsibility for problem-solving tasks. This means that the process of effectiveness can have its ups-and-downs. Each component or task in the effectiveness process should, therefore, be evaluated separately before a more comprehensive judgement of overall effectiveness can be rendered. Political action that mobilizes from an early-bird warning from civil society associations.
cannot, in other words, be metaphorically seen as a gun that shoots a magic or silver bullet cutting through the whole of society and all societal institutions with a simple and straightforward impact that leads to effective resolution of societal problems and ills.

The same applies to political consumerism. An assessment of its effectiveness should, therefore, involve an assessment of the impact of at least six processes or components: (1) problem definition—how well political consumerist activists succeed in gaining public legitimacy for their way of defining the problem; (2) problem recognition—how well political consumerist activists achieve the support of other actors (individuals, civic groups, journalists, scholars, politicians, policy-makers, corporations, etc.) for their cause; (3) agenda setting—how well political consumerist activists get their cause on the dockets of their targets (consumers, civic groups, media, corporations, governments); (4) policy-making—how well political consumerist activists influence their targets to formulate policies and procedures (e.g., codes of conduct, CSR reports) to solve the targeted problems; (5) policy implementation—how policy on the problem is put into effect (behavioral change of the targets, e.g., reallocation of resources, skill creation); (6) problem-solving outcomes—how well policy implementation is solving the problem in real-life situations (cf. Keck and Sikkink 1998, 25-6, 1999, 98-9).

Due to space limitations, which do not permit a complete investigation of all components of the effectiveness process, we delimit our discussion to a few important aspects.

1. Effectiveness of political consumerist activism on consumers. Do activist campaigns convince people that there is a problem? Do people see the political, ethical, and environmental problems associated with production and consumption? Do people get mobilized to think and act on these issues?

2. Effectiveness of the political consumerist activism on business. Does business feel pressured by this activist mobilization? How does it respond to the problems that are raised? Does it recognize the problem as its responsibility? Does it make policy?

3. Effectiveness in solving problems in real-life situations. For example, does the implementation of policy change the life quality of farmers and workers in the South?
4. Has political consumerism reached the governmental level in terms of agenda-setting, policy-making and policy implementation? Although an important reason for the emergence of political consumerist activism is the inactivity of governments, the question is if and how governments have been sensitized into action?

In the conclusion, we offer a first assessment of how effective market-based consumer and corporate activism can be in solving the complex global problems associated with production and consumption.

**So, how effective is political consumerism to date?**

In this empirical section of this paper, we put the effectiveness process model to a test and examine empirically how well it performs in various areas. Most notably we examine how the movement has mobilized citizens, how movement and citizens have pressured corporations and even governments to respond to their concerns. Finally, we will take a look at how political consumerism has affected the life of people in developing countries. In this analysis, the criticisms and doubts about political consumerism examined in the first part are directly addressed.

**Political Consumer Activist Effects on Consumers**

Has the political consumer movement been able to sensitize and mobilize Western consumers? There is a wide variety of evidence that Western democracies have seen a steep rise in political consumerism. The engagement in consumer boycotts has quadrupled over the last three decades (Stolle, Hooghe and Micheletti 2005), and many citizens are “buycotters” now, and show awareness of labeling schemes. Overall, when asked whether respondents had deliberatively purchased products for ethical, environmental or political reasons (that is, “buycotted”), about 24 percent of all countries included in the European Social Survey in 2002 said they had done so in the previous 12 months. In Scandinavia, about two thirds of citizens buy products based on labeling schemes, or ethical, political or environmental considerations (own calculations from the ESS survey). However, in many Southern and Eastern European countries, such forms of
engagement have not taken off to the same extent, although also here about seven to twelve percent of the respondents indicated to have been engaged in this activity.

In short, survey data at least clearly highlight that citizens feel increasingly more drawn towards acts of political consumerism. That is citizens express a heightened awareness of the political meaning of the purchasing choices. However, in order to understand whether movement actors have been largely successful in mobilizing citizens for consumer action and reached a real behavioral change in citizens, we need to go beyond survey data to include an analysis of actual changes in purchasing choices over time. For example, does the purchase of labeled products increase over time? What kind of information do citizens have about labeling schemes? What actual demand and supply do we see in products that are made under sweat-free or exploitation-free working conditions? A brief review here reveals that the sales of fair trade food products, for example, especially of coffee, bananas, sugar, cocoa, tea, and honey is nearly eight times higher in 2005 compared to 1997 (Fair Trade Federation 2005). Also the sale of organically grown labeled products is on the rise and consumers spend increasingly more money on such products (Willer & Yussefi 2000, 2001, 2005). In 1997, global sales of organic food totaled $11 billion; they tripled to reach $33 billion by 2004 (Willer and Yussefi 2006). The US was responsible for 44% of this 2004 consumption. Finally, there is also evidence that socially and ethically responsible investments are increasing in Western European democracies; the money invested into such SRI funds in 2006 was more than three times as much compared to seven years before (Avanzi 2006). Yet whereas actual behavioral change is visible and citizens appear to be more open to choosing responsibly produced items vis-à-vis conventional ones, the actual market share of such products remains still fairly low.

At this point in time, a few years into the new millennium, there is no doubt that mainstream products still dominate the markets around the world. The point though is that the phenomenon itself is spreading and although not many citizens practice it on an every-day basis, there is an enormous interest and potential among Western citizens to tackle ethical and environmental issues brought up by the political consumer movement. But are these citizens really able to think beyond their own interests? Our evidence so far shows that political consumers are similarly interested in the quality of the products and
in their price, but when it comes to other-regarding values, political consumers really stand out compared to other citizens (see Micheletti and Stolle 2004; Micheletti and Stolle, 2009, chapter 4). This finding certainly refutes the understanding that citizens are mostly self-interested and economic-oriented creatures. They instead underline that the political consumer movement was successful in mobilizing people beyond their personal concerns.

However, consumers might be fickle and thus political consumerism becomes a “fair weather product” and, as such, a risky venture for the South mostly because its engagements with labeling schemes depend on existing economic resources and affluence of the North. It works because Western consumers can afford to think about the politics of products and spend their money on labeled and ethically sourced goods. If consumers have less money, they must economize and perhaps begin to think only about the price and material quality of goods. Survey research from Sweden does, for instance, show that price and quality are important aspects for political consumers as well as “non-political consumers.” Political consumerism is built on NGOs that continuously engage in consciousness-raising and consumer mobilization campaigns. As many political consumerist groups are not membership-based, they need donations to work with their cause. If the Western economy takes a dive, political consumerism is doomed as a movement and market share.

The claim that consumers will flee political consumerism in economic bad times has not yet been tested empirically. Perhaps the current financial crisis will be a good case in point. So far there is no serious indication that donations for NGOs are drying up. Some of the most important NGOs in the movement are old established civil society organizations, such as unions, Oxfam, and other humanitarian associations, that have survived economic slumps in the past. Others have always been low staffed and rely on the Internet. However, on the individual level the situation may be different. Indeed, looking at the relation between economic means and political consumerism we find that income and political consumerism are related, and the poorest in Western societies are not as frequently active as political consumers. However, the general trend of political consumerism has gone up over the last three decades, despite economic ups and downs, and with a tendency to include poorer segments of the society as well. Still, it is not clear
what will happen to political consumerism in a situation similar to the oil crisis in the 1970s or the current financial crisis. However, first reports indicate that economic downturns do not negatively affect consumers’ willingness to shop for green and ethical products, which over the years have increased in number and offered in mainstream markets. For example, a survey of the Boston Consulting Group (BCG) of 9,000 consumers in North America, Europe, China, and Japan finds that more shoppers "systematically" purchased green products in the year of 2008 compared to the year of 2007. Some 34% of Europeans (up 2% from 2007) say they would continue to systematically look for and purchase green products. According to a complementary survey of more than a thousand U.S. consumers, nearly a third (32%) say they still look for or often buy green products (see Sustainable Life Media 2009). In addition, some political consumer actions such as discursive political consumerism do not depend on money and should thus be independent of the financial circumstances. Similarly, boycotting certain products and choosing an alternative product outside of the boycott should be a financially viable course of action, despite economic downturns, if the alternative products are in a similar price range. In sum, consumers seem to be increasingly interested and mobilized by the issues pushed by the political consumer movement; and actively engage in political consumer action.

**The effects of the political consumer movement and consumers on corporations**

Corporations respond to political consumerist campaigns, and in many cases their ways of dealing with activism have evolved over the years. Nike is a good case in point. In the early 1990s top Nike corporate leaders reacted to activist criticisms about the dubious working conditions in the foreign factories that manufactured their products by shrugging them off. Nike Vice President for Production illustrates this state of denial. He said: “We don’t pay anybody at the factories and we don’t set policy within the factories; it is their business to run” (as quoted in Katz 1998: 191). Continued political consumerist pressure and the ensuing media publicity forced Nike into a new position. In a CSR supplement to the New York Times in 2005 Nike’s Vice President of Corporate Responsibility explained Nike’s reborn corporate responsibility efforts as a move from “brochures to very rigorous documents” that detail an understanding of both bringing a product to
market and the impact it has “whether it be environmental or social” (New York Times November 5, 2005). Today Nike’s own business website states: “Our greatest responsibility as a global company is to play a role in bringing about positive systemic change for workers within our own supply chain, and in the industry. When we look at our overall footprint in the world, the needs of nearly 800,000 workers in our contract supply chain overshadow any other group….Our focus now is getting to the root of the problems. We’re looking end-to-end from the first phase of our product creation process to the outcome in the lives of workers in the factory that bring our product to life” (Nikebiz 2009).

These Nike quotations illustrate a common evolutio nal process of corporate responsibility-taking. Activist and media publicity play a central ole as a push factor for deepening their commitment to social responsibility. Scholars identify five stages in the corporate responsibility-taking process (Zadek 2004). The first one, as illustrated in the Nike quotation above, is denial of responsibility. They use corporate “activism management” communication skills to attempt to talk them out of responsibility-taking. If activist and public targeting persists, they then enter an initial compliance stage, which activists often consider as responsibility-taking “light”—white-, green- and sweatwash. But as public awareness grows, consumers increasingly are mobilized, and the activist-raised problems mature into serious corporate issues, business leaders realize that they are facing long-term problems that cannot be “swatted away with attempts at compliance or a public relations strategy” (Zadek 2004: 2). Core corporate divisions (managers of production, etc.) are brought in at this third stage to play an operative role in responsibility-taking. This kind of investment triggers new thinking about their business model and slowly-but-surely, in the fourth stage, they realize that deepened responsibility-taking is good business strategy and can promote goodwill and long-term financial success. As they increasingly commit themselves to solving problems, some corporations enter the final stage. They promote unconventional business commitments—public education, industry-wide collective action, new institutional mechanisms (e.g., labeling schemes, monitoring institutions), governmental legislation—to root out the complex problems associated with their business sector. In other words, they become corporate “activists” for the cause.
This section focuses in multiple ways on the evidence of how political consumer activists shape corporations to act ethically. First, we provide a brief overview of the development of corporate social responsibility. Second, we look specifically at the effects of boycott and “buycott” actions on corporations. Third, we establish through examples that there has indeed been a rise in worldwide ethical business. Finally, we examine how large retailers have developed ethical lines and we identify potential weaknesses of this process. Overall this section probes into the questions of how political consumerist activism at the group and individual level has succeeded in pushing corporations into better ethical business practice in order to draw conclusions about its effectiveness.

a) Rise in CSR

Since the 1990s, a rising number of transnational corporations have taken the idea of CSR into consideration. Corporation after corporation admit that they cannot “shirk social responsibility” (Barner 2007). Some large global brand corporations that have been the focus of political consumerist campaigns even state that they have the “ability and responsibility” to lead their industry in CSR (Nikebiz 2007) and that global problems are their problems (H. Lee Scott (CEO) told Wal-Mart’s top officers here Monday morning, in an address broadcast to employees by video conference (Barbaro & Barringer 2005). This trend is reflected in the increasing inclusion of CSR policies into corporate codes of conduct. (See Vogel 2005 for a comprehensive qualitative overview.) A study of changes in the codes of ethics of the largest Canadian corporations between 1992 and 2003, for instance, found that the number of corporations that included environmental issues in their codes rose from 9% to 25% (Singh 2006). Although quantitative, longitudinal work on changes in the content of codes of conduct is lacking (see Kaptein 2004), recent research gives us a glimpse of the content of these codes. In a 2004 survey of the world’s 200 largest companies, Kaptein found that 52.5% of these companies had a “business code” – a code of ethics or a code of conduct. Of the 105 firms that did have a business code, most were focused on traditional business concerns such as respecting local legislation and ensuring the quality of their goods or services. However, several issues of corporate social responsibility were also discussed in these codes. The five most common CSR inclusions were (Kaptein 2004: 19-20): 1) Preventing/preserving/restoring the
natural environment (56% of the 105 companies with codes; 30% of the entire sample of 200); 2) Being a good corporate citizen through charitable donations, educational and cultural contributions, etc. (36% / 19%); 3) Enhancing quality of life/contributing to sustainable development/improvement (18% / 10%); 4) Respecting human rights and promoting them wherever practicable (11% / 6%); 5) Supporting public policies and practices that promote human development and democracy (8% / 4%). So, whereas environmental issues have been adopted by the majority of companies with codes; other ethical issues, particularly human rights concerns, have not yet made it to the codes or programs of a large number of companies.

The actual relationship between CSR policies, corporate behaviour, and reporting remains under-researched (see Mamic 2005), but anecdotal evidence suggests that CSR reporting is on the rise. A study focusing on the reporting practices of 90 “acknowledged ‘socially responsible’ companies” in Europe found that for such companies, “corporate responsible strategic orientations seem to converge on a pool of socially responsible issues wider than in the past” (Perrini 2005). A global auditing firm stated in 2005 that “A growing majority of corporations (68% of the top 250 global companies on the Fortune 500) has embraced… corporate responsibility or sustainability reporting” (KPMG, cited in Colbert & Kurucz 2007). Kaptein’s study, meanwhile, found that 25% of the corporations with business codes mention that implementation would be monitored, and 4% stated that reporting would be done by a third party. Although these studies do not directly link the relationship between the activities of the political consumer movement and consumer activism, on the one hand, and corporate social responsibility, on the other hand, what is clear is that both phenomena have experienced a rising trend in the past decades. Corporate leaders have, on occasion, also taken explicit serious notice of political consumerist campaigning.

Some corporate leaders acknowledge that they have learned about the hidden politics of their products from political consumerist activists and media programs. McDonald’s VP of Corporate Relations Karen Van Bergen openly reveals her corporation’s reactions to the aggressive Greenpeace campaign from 2006 entitled “McAmazon” that accused the hamburger chain of “eating up the Amazons” by purchasing chickens fed on soya from deforested lands. She admitted that Greenpeace
“had so much information and brought concrete facts, so there was only one way to address it” (Goldberg & Yagan 2007: 8). Marianne Barner, IKEA’s the director of corporate communications and ombudsman for children’s issues, spoke frankly that IKEA was caught “completely unaware” about the use of child labor in the production commodity chain in the early 1990. “It was not something we had been paying attention to.” IKEA’s “buyers met suppliers in their city offices and rarely got out to where production took place….Our immediate response to the [documentary on Swedish television] was to apologize for our ignorance and acknowledge that we were not in full control of this problem” (Bartlett, Dessain & Sjöman 2006: 2). As discussed below, IKEA did more than just apologize. Activism and media reporting also enters the corporate boardroom more indirectly. Paul Pressler, The GAP’s CEO and President began his letter in the corporation’s 2003 social responsibility report disclosing that “one of the first things my teenage daughter asked was, ‘Doesn’t GAP use sweatshops?’” (GAP Inc. 2003).

b) The effects of consumer boycotts

We have seen that corporations have over the last decade included more ethical and moral concerns into their corporate agenda. What is still unknown is whether changing corporate practice is “window-dressing” and whether political consumerist activism at the group and individual level are behind these changes. To address these concerns, we study consumer boycotts, a tool that has frequently been employed by political consumerist activists affect corporations.

Boycotters basically seek to pressure corporations to cease or modify practices they consider to be objectionable. Some boycotts are instrumental, seeking to pressure a target firm to change a specific practice or policy, e.g. to stop Nestlé from actively advertising infant formula in Third World countries without also talking about the value of breast milk. Other boycotts are expressive, giving voice to a more general dissatisfaction or antipathy with the target (Friedman 1999), e.g. the annual “Buy Nothing Day” promoted by Adbusters. Do boycotts change corporations’ policies and practices?

Following Smith (1990), we may distinguish between success (realization of objectives) and effectiveness (achievement of a significant economic impact on the
target). On the one hand, high turnout and participation rates for selected boycotts is certainly one type of measurement of success (Friedman 1999); although rarely have studies measured particular participation in specific boycott campaigns. The problem is that boycotters’ objectives are not always stated, or clear; and boycotts may have short-term and/or long-term effects; boycotts maybe executed according to plan, but still its ultimate goals may have not been met, etc. Thus, not only a number of factors must be considered when analyzing boycott success and/or effectiveness; but at the same time a boycott may be successful without being effective, or vice-versa. Boycotts may have economic effects in the form of an impact on sales or shareholder values, or symbolic effects – putting a corporation in the negative spotlight and subjecting it to media scrutiny. And to complicate things further, the threat of a boycott may be enough to halt objectionable behavior by corporations.

Despite these caveats, there have been attempts at studying the direct economic effects of boycott action. This approach resembles a narrow view on effectiveness of political consumerism, but such effects are often seen as hard evidence. From such an economist perspective, we would expect boycotters to go at the heart of corporations, e.g. damage their stocks or shareholder values, and reduce the sales of their products during the boycott period. The research around this question is, however, fraught with methodological problems. Clearly it is very difficult to ascertain whether boycotts are actually behind the changes of stock and shareholder value or product sales. Numerous other factors, such as the competition in this particular industrial sector, international stock values, economic developments and consumer spending, and several other factors can be behind dynamic changes of a corporation’s fortune. Perhaps for these reasons, there are few studies analyzing the effects of boycotts on target companies’ stocks or sales, and the studies that do exist are contradictory in their findings. For instance, Pruitt & Friedman (1986) examined 21 boycotts that occurred in the US between 1971 and 1980. They found that consumer boycott announcements were followed by statistically significant decreases in stock prices for the target firms. A study by Davidson et al. (1995), which studies 67 US boycotts between 1969 and 1991, reaches similar conclusions, arguing that “one way boycotts work is by damaging stockholder wealth” (Davidson et al. 1995: 190). Meanwhile, Koku et al. (1997) studied 502 boycotts called in
the US between 1980 and 1993. According to their findings, the value of target firms actually increased (by an average of 0.76%) after the announcement of a boycott, and 0.55% once it begins. Furthermore, no statistically significant difference was found between the market’s reaction to an actual boycott and the threat of a boycott. The authors explain this counter-intuitive finding by suggesting that when confronted by the threat of a boycott, “firms work hard to nullify the impact of actual boycotts or threats of boycott” – not by complying with boycotters’ demands directly but by engaging in public relations counter-offensives (Koku et al. 1997: 20) and in managing activism (Deegan 2001). According to an extended view of effectiveness though, such corporate actions might be viewed as successful boycott outcomes, as it was the goal of the boycott to change corporate behavior.

Conventional studies of boycott effectiveness though miss an important point – boycotts put activist and consumer criticism in "their face." They confront corporate leaders and employees with their demands around the clock. Their demands are present at their workplace, in their communities, and, as shown by research, even in their social life (Gillberg 1999). Thus, they can put problems on the corporate agenda and some corporations, like Ikea and H & M, took an operational approach and began to find ways to solve problems with child labor in rug weaving and sweatshop abuses in garment manufacturing (Bartlett, Dessain & Sjöman 2006ab; Fair Trade Center 1997). In other cases, a legacy of boycotting has been an important incentive for opening up to the idea of certifying products through a labeling scheme. Unilever’s decision to work together with WWF I, for example, partly explained by its negative experience with the tuna boycott of 1980s (Constance & Bonanno 2000).

These studies are concerned with boycotts aimed at companies. Studies dealing with boycotts targeting products from specific countries are similarly inconclusive: while Chavis & Leslie (2007) find that a US boycott of French wine in 2003 led to a severe drop in sales for that product, Teoh et al.’s (1999) analysis of the South African apartheid boycott concludes that there were no significant effects on American firms operating in South Africa or on the Johannesburg Stock Exchange. As David Baron (2003) notes, the quantitative work on the economic effectiveness of boycotts is inconclusive and contradictory. Monroe Friedman (2003: 98) argues that it is “difficult, if not impossible,
to determine how effective market-oriented boycotts have been in reducing consumer purchases of target products and services.” This is due, he claims, to the many and often conflicting possible criteria of success or effectiveness, the lack of reliable data, and the methodological challenges involved in attempting to determine causality. This may explain the lack of quantitative analyses on boycott effectiveness.

Some scholars have carried out qualitative work on the question of boycott successes. Much of this work consists of case studies that focus on the interactions between activists and the firms they pressure. Smith (1990), for instance, points to four possible corporate responses to a boycott, whether threatened or actual: corporations can ignore, fight, fudge or comply with the boycotters concerns. Spar & LaMure (2003) in reviewing three case studies of boycott actions (Unocal, Nike, and Novartis) argue that a firm’s sensitivity to activist pressure is dependent on a number of factors, one of them being the perceived costs of compliance. Whereas it might be easier and less costly for Nike to switch to suppliers that do not use child-labor in the production of sport shoes; this might be a different story for ExxonMobil which has been asked to reduce its production of fuels that may contribute to climate change, as Greenpeace demands (Economist 2003: 55). However, ignoring a boycott altogether is rare – very few instances are mentioned in the literature. The next factor is brand identity and brand vulnerability: responsiveness is more likely when the firm’s brand and overall image are significant. This would distinguish firms dealing in branded commodities, (e.g. apparel companies like Nike) from firms dealing in non-branded commodities (e.g. oil companies like Unocal), with the former more likely to consider political consumers’ demands: “where brand matters, it may be better to talk than fight. That was Nike’s response” to a late-90s boycott (Economist 2003: 55; see also Bennett & Lagos 2007). However, firms dealing in non-branded goods further up the commodity chain are not immune to boycott pressure either: Klein (2000: 425-6) gives an example of activists successfully targeting a pulp and paper company (Daishowa) accused of logging on traditional Cree land in northern Alberta. The activists aimed their boycott at the company’s clients – clothing retailers and fast food companies – and were soon successful in achieving their aims with regards to Daishowa’s practices through this “secondary boycott.” Third and finally, firms may capitulate if this gives them a competitive edge vis-à-vis their rivals, in what
Spar and LaMure refer to as the “competitive dynamics of concession.” Where one or more of these conditions are present, a boycott action is more likely to be successful. For example, in the late 1980s a coalition of animal rights groups led by PETA launched a boycott campaign against a number of clothing companies that used animal testing, including Benetton. Corporate responses to the boycott varied, but Benetton—a brand company that perceived little costs in this change and wanted to stay competitive— not only complied with all of the activists’ demands but even made its new position part of its marketing campaigns, and became a vocal supporter and donor of PETA (Friedman 1999).

Similarly, PETA also launched successful boycott campaigns against McDonalds and Burger King in order to change the treatment of egg-laying hens, demands to which these chain restaurants complied by increasing the requirements of space above the current industry standard. Finally, environmental groups working to save ancient forests calculated that their best boycott targets were the vulnerable buyer-driven parts in the global forestry commodity chain. They called boycotts of the logo giants IKEA and Home Depot and were successful. Rainforest Action Network’s boycott of Home Depot to take the lead in ethically sourcing its wood involved Greenpeace and the Sierra Club, used film and sport celebrity endorsements, mobilized demonstrations outside over 700 U.S. Home Depot stores, and ended when it took out a full-page ad in New York Times in 1999 urging U.S. consumers to shop again at Home Depot because the corporation decided to pioneer responsibility-taking (Cashore et al 2004; Conroy 2007).

The question remains: what are the effects of boycotts?

1) **Boycotts may cause their target firms to incur significant economic losses.**

As discussed above, quantitative studies have yielded mixed results but it seems clear that boycotts can, and frequently do, have an economic impact on their targets. However, occasionally targeted firms may themselves admit the effects of a boycott. Executives of Barclays Bank, which was targeted by activists in the 1980s for their presence in apartheid South Africa, stated in a leaked memo that their market share among students had dropped significantly as a result of the boycott campaign (Smith 1990). Shortly thereafter, Barclays left South Africa. This type of admission is rare. Occasionally, a firm’s revenue figures may indicate that a boycott has had economic effects. For instance
in 1980, three years into the US boycott of Nestlé for its sales and advertising practices with regards to infant formula in the South, Nestlé forecast 15% annual growth but instead faced a drop in its sales and profits; it has been argued that this was a direct result of the intensification of the boycott campaign (Johnson 1986).

2) **Boycotts may cause target firms to change their practices in accordance with the demands of activists.**

Whether through economic pressure or by bringing unwelcome public attention to corporate practices, boycott campaigns may convince corporations to change their behaviour. Clouder and Harrison (2005: 92-3), for instance, list 37 successful boycotts from 1986-2004, where “success” is defined as a change in target firms’ policies or practices. Eight of these involve firms pulling out of Burma as a result of boycotts by the Burma Campaign in North America and Europe. The aforementioned Benetton, Barclay, and Nike boycotts are also on this list. Friedman (1999) adds the late-1980s boycott against a number of food companies involved in tuna-fishing that was allegedly responsible for the death of numerous dolphins; in 1990, Heinz complied with activists’ demands, causing a domino effect that saw its competitors also commit to dolphin-safe practices, after which the boycott was lifted. As mentioned above, these changes in corporate practices and policies may be due to image and branding considerations rather than immediate, direct economic impact of the boycott. This would seem to be the case for Benetton and Nike in particular. A recent study by Brayden King (2008) suggests that the most significant element of an effective boycott – that is, of a boycott that succeeds in changing corporate behaviour – is its ability to damage corporate reputations through negative media attention. The study found that this was a greater predictor of boycott effectiveness than financial losses. Either way, these cases speak to the power of well-organized, properly targeted boycott campaigns.

3) **Some boycotts may not achieve their intended outcome.**

As mentioned above, boycotters have diverse objectives, ranging from expressing dissatisfaction with corporate practices to forcing a change in those practices. Whatever their objectives may be, not all boycott campaigns are successful or effective in achieving them. The review of quantitative studies discussed above shows that some boycotts do not have a negative economic effect on their targets. Although scholars pay less attention
to unsuccessful or ineffective boycotts, it also seems clear that not all boycotts succeed in changing corporate behaviour, and not all are able to communicate their message to consumers.

We should add here that although several methods have been used in the study of boycott effects, the results still might not be entirely conclusive. This is because boycott studies, as well as most studies of social movement and interest group impact, often just focus on successful and effective cases. There is, thus, a lack of scholarship to develop a more nuanced analysis of the factors and mechanisms that explain boycott effectiveness and non-effectiveness.

c) *Rise of ethical business*

Rises in political consumerism have not only revealed the hidden politics of products to the general public and corporate leaders and led to increased use of labeling schemes. It has also functioned as an incubator for what scholars call “ethical businesses.” The people who decide to establish a company whose business model involves ethical and environmental problem-solving are frequently enthusiastically dedicated to sustainable production and consumption (Roddick 2006, Watson 2009, Reinhardt et al 2004). In some cases, the point of departure of their business ventures is engagements with political consumerism. Their personal and company mission statements, marketing campaigns, and successes in selling their products show how political consumerism can trigger a virtuous cycle that starts and ends with consumers. Concerned shoppers send signals to the market that there is a consumer demand for ethical products. These signals are picked up by businesspeople who decide to engage in progressive business. Their market successes lead other businesspeople to follow suit. It is possible to speak of waves of ethical capitalism that stimulate imitators, educate consumers, and innovate capitalism by creating and reinforcing political consumerist values (see Mirvis 1994; Kennedy 2006). Ethical capitalists are found in most fields of political consumerism.

Well-known pioneering ethical businesses include The Body Shop (established in 1976), Patagonia clothing (1972), Ecover (1980), and Whole Foods Market (1980). Their business model is to provide consumers with environmentally-friendly sourced cosmetics, clothing, household detergents and cleansers, and food respectively. Over the
years and after criticism about the depth of their commitment to the value-driven business model (cf. Kennedy 2006) by activist groups wanting to push them into further commitments, they have added concerns about animal testing, garment-workers’ rights, and farm animal treatment to their list of concerns. In the 1990s and 2000 ethical capitalism mushroomed into a market segment of its own and now has its own distribution and marketing information chains, as exemplified by Ethicalsупerstore.com Ltd (founded in 2003) and the numerous sustainable lifestyle magazines now on the market in North America and Europe. Newer ethical businesses in the garment trade that have received considerable attention are Blackspot shoes, which started as a political project started by the Adбuster’s Media Foundation, one of the most vocal critics of transnational logo corporations and promoter of culture jamming, that has sold over 25,000 pairs of “earth-friendly, anti-sweatshop, and cruelty-free” shoes, American Apparel (founded in 1997), which is the largest clothing manufacturer in the United States and has been scrutinized critically by trade unions, No Sweat Apparel, founded in 2000, and Ethical Threads, a fair trade company from the early 2000s that is committed to ensuring that its products are sourced from manufacturers who comply with the core International Labor Organization conventions. The 1990s and 2000s also witness a mushrooming of organic, fair trade, and slow food restaurants, cafes, and catering, which build on the experience of vegetarian and vegetarian-friendly restaurants with historical roots from the late 1800s and since 1999 have a website to offer assistance in finding suitable eating places around the world. Individuals have even used their professional skills and dedication to fight the urban sprawl and promote good ecological practice. They do this by developing ethical housing—eco-villages and sustainable communities in North America and Europe—which avoid political gridlock and the pitfalls of attempting to legislate a balance of business interest in profit-making with activist commitment to environmentalism by fusing the two interests (Watson 2009, http://www.ekoby.org/casestudies.html). Ethical capitalism is also promoted by such newspapers as The Guardian which has a directory of ethical fashions and other goods. Ethical businesses are even diversifying and starting their own ethical lines, as illustrated by Divine Chocolate Limited, a farmer-owned fair trade company (Doherty, Tranchell
established with investment from The Body Shop, the Dutch Twin Trading fairtrade group and with support from Comic Relief and Christian Aid.

d) The adoption of ethical lines by major retailers

Not only are ethical businesses on the rise, mainstream retailers have started to adopt either their own, third-party organic or ethical lines. Indeed, transnational corporations are becoming major players in political consumerist markets such as organics and fair trade coffee, drawn by the soaring demand and high growth rates in these sectors. Certainly, these can be seen as efforts to take green / ethical commerce beyond niche market status and into the mainstream. The development of fair-trade and organic lines in major retailers is a good example of this trend.

With high growth rates and increasing publicity in the late 1990s, fair trade gained the attention of corporate distributors and retailers. That is particularly true for coffee. In recent years, the main players in the global coffee industry have stepped up efforts to penetrate the market for “sustainable” or “ethical” coffee. As sales of FLO-certified fair trade coffee rose in the late 90s and early 00s, several large European and American corporations began to offer fair trade coffee as well. The four largest global buyers of coffee (Altria*, Nestlé, Procter & Gamble, and Sara Lee, together known as the Big Four), which together buy about half of the world’s coffee beans, all have sustainable coffee lines now (Fortune 2002; Guardian 2004.).

Nestlé and Procter & Gamble sell FLO-certified coffee. In this they are joined by Starbucks, which is now one of the top sellers of fair trade coffee in the US (Fridell 2007). In all three cases, the percentage of total coffee purchases made through fair trade contracts is about 2%. Competing “sustainable” coffees are increasingly offered next to fair trade – Starbucks, for instance, sells fair trade-certified coffee alongside coffee certified by the Rainforest Alliance and its own “Shade Grown” label.

One of the main issues here from the side of political consumer movement is that the addition of retailer’s own ethical lines will lead to a dilution of standards, since these ethical lines are often adhering to a different standard than suggested by the Fairtrade Organization (FLO) and frequently less transparent (Fridell 2007, Jaffee 2007). Activists fear that consumers who are unaware of the difference between labels may have a
diminished willingness to pay for more expensive fair trade coffee, and corporations tend
to prefer the schemes that place the least demands on them (Renard 2005, Bennett &
Lagos 2007). However, overall the upward trend of ethical and organic lines at major
retailers is quite noticeable. For several years now, Tesco, the world’s fourth largest
retailer with 13 million customers visiting it weekly, has marketed over 1,200 organic
products and 130 fairtrade lines; a good portion of which are its own ethical line (Tesco
2008; Nichols and Opal 200. 183-5). Another large British supermarket chain,
Sainsbury’s, which received the “Best organic supermarket of the year” award several
years in a row from the British Soil Association and the “Ethical Award” from Observer
Magazine in 2007, moved all its bananas, Red Label tea and own-brand sugar in 2008 to
Fairtrade and committed to switch the remainder of their tea range plus all roast and
ground coffee and hot chocolate to Fairtrade. Similar developments are found in the US.
Wal-Mart began expanding its assortment of organic food in 2006, and now markets its
own line of organic and fair-traded goods, including coffee and cotton items. In 2008 it
received the Best Green Companies award from Working Mother Media.

The question is why these retailers decide to adopt ethical lines, and which role
political consumer organizations played in this process. We examined the case of Procter
& Gamble in more depth. In September 2003, Procter & Gamble announced that it would
begin selling fair trade coffee through its premium Millstone line. This decision came
about as the result of a two-year campaign by a wide variety of civil society groups, who
applied pressure on the corporation using an array of different strategies. Pressure on
Procter & Gamble came both from within, through shareholder activism, and from
without, with a coalition of NGOs carrying out a campaign of public education and letter-
writing (see Global Exchange 2008; Oxfam 2008).vi In September 2003, Procter &
Gamble announced that it would begin selling fair trade coffee through its Millstone line
of specialty coffees. Although some activists were disappointed that the company at the
end declined to sell fair trade coffee through its more popular Folgers brand and refused
to commit to buying a minimum of 5% of its coffee via fair trade contracts, the
announcement was nonetheless hailed as a victory for the fair trade movement (Equal
Exchange 2008). Procter & Gamble became the first of the Big Four roasters to offer fair
trade coffee on a large scale. The move was hailed by an Oxfam spokesperson as a
“tipping point;” indeed, by the end of 2005 the other members of the Big Four had begun to offer fair trade coffee as well (Jaffee 2007; USA Today 2003).

This case is instructive for the variety of actors and strategies involved. Development-focused NGOs, a coalition of religious groups (IFTI consists of several Protestant, Catholic, and Jewish organizations), and socially responsible investment firms cooperated in this effort. Moreover, these groups worked together to combine traditional strategies such as public education with the more innovative tactic of shareholder activism. Although more research is needed to determine the extent to which each strategy influenced the outcome, it seems likely that forcing Procter & Gamble to address a formal shareholder resolution on fair trade had a significant role in the movement’s success.vii

Environmental and ethical sourcing is trickling down to the business world. Businesses respond to political consumerist demands by deepening their engagement with corporate social responsibility. Once they begin, it is difficult for them to stop. Political consumerist activism pushes corporations into increased commitment to better business practice and corporations are pulled into them by their need to remain competitive. If one corporation in a competitive commodity market is publicly applauded for taking responsibility-taking seriously, the market instincts of others in the same industry have been found to entice them to begin to follow suit. In particular, well-known brands in sensitive and highly competitive buyer-driven commodity markets—affordable apparel, cosmetics, food—have shown themselves to be vulnerable to the spiral of political consumerism. Corporate commitment comes, however, at a price. Political consumerist activists are, by nature, not satisfied unless they reach their goals completely and monitor corporate actions carefully for signs of lack of sufficient commitment to putting their policies into effect or what is commonly called greenwash, sweatwash and whitewash. Businesses are beginning to experience an overload of responsibility-taking both in terms of societal expectations on them to solve general problems in particular country settings (e.g., the activist claims that are put on Shell Oil in Nigeria, Holzer 2007) as well as the impact that they can make as role leader in their own industry. This experienced sense of responsibility overload leads them to promote innovative business commitments and partnerships and, at times, even advocate a role for government.
Nevertheless, political consumer activists remain critical and at times suspicious of business. They question whether corporations are doing everything in their power to make policy for responsibility-taking and to implement their formulated policy to its fullest. Political consumer activists have had a critical view of corporate adoption of ethical lines. Yet its spread shows that business feels the pressure and is latching on. Whether the ethical lines remain a niche market that is potentially less regulated and thus “less ethical” remains to be seen.

**Movement and Consumers Push Government**

While consumer activism results often from the inactivity or inability of governments to act on issues of importance, governments can also directly be targeted by political consumer action. In fact, many political consumer groups would like some kind of government regulation, for example in the form of labeling schemes, regulations regarding animal treatment or human rights abuses in corporations even on foreign soil, or at least government’s active support of their goals (see Levi & Linton 2003, Maquila Solidarity Network 2006, Murray 2004). However, for several political consumer issues there is no easy national or even international legal solution (see more in Chapter 1 in Stolle and Micheletti, 2009). Political consumers individually and collectively try, therefore, attempt to get government engaged through their purchasing practices. Deregulation, privatization, and globalization have turned governments into the single largest consumer in the global economy. On average, between 8 and 25% of a nation’s gross domestic product is spent on public purchasing globally (UNEP 2009a). Among their large purchases are commodities targeted by political consumerism: clothing, energy, food, office supplies and equipment, transportation vehicles, construction materials, and surgical instrument. Governmental procurement must accord with the World Trade Organization’s rules regarding open, transparent and non-discriminatory trade policy. Thus, even if there may be a political will to practice political consumerism, there are legal restrictions on how much governments can shop for a better world. Labeling schemes are important here because they help ensure that public procurement is free trade. Governments are allowed within WTO’s free trade rules to use information contained in labeling schemes (and underlying the eco-label) if they meet certain
conditions including evidence that the requirements for the label are drawn up on the basis of scientific information, are adopted using a procedure in which all stakeholders, such as government bodies, consumers, manufacturers, distributors and environmental organizations, can participate, and are accessible to all interested parties.

In terms of commodity focus, green public procurement (GPP) is most advanced. All layers of government include clauses that facilitate green buying in their public procurement policy. Construction, energy, furniture, and IT equipment are the major areas (Erdmenger 2003). Paper, IT equipment, and cleaning products are other important areas. Energy use is a central concern. Social considerations—fair trade, human rights, and labor conditions—play a more minor role. The United Nations, World Bank, and OECD promote green and sustainable procurement policy and have task forces in place to facilitate better shopping within the boundaries of the WTO free trade regulations (UNEP 2009b). Sustainable procurement policies—those involving environmental, social justice, and economic considerations—have been launched in many OECD countries (including USA, Japan, Canada, Australia, and South Korea) as well as in rapidly developing countries (such as China, Thailand, and Philippines). All OECD countries have committed to foster green purchasing among their national, regional, and local administrations and to monitor purchasing processes and Austria, Denmark, Sweden and Japan now have green purchasing governmental institutions or multi-stakeholder institutions (Ochoa, Führ & Günther 2003). However, the European Union is the supra-governmental level most engaged in political consumerism. It has developed a public procurement policy and action plans to implement among its member states. Some of the formulated criteria are based on existing European and national eco-labeling schemes and information collected from stakeholders of industry and civil society.

Green buying is the EU’s main focus. Its priority areas are construction (including wood procurement), food and catering services, transport and transport services, energy, office machinery and computers, clothing, workwear and other textiles, paper and printing services, furniture, cleaning products and services, and equipment used in the health sector. Some priority areas are favorable for FSC, MSC, organic food labeling, the EU-flower and other general eco-labeling. On the basis of a recent study on GPP performance across EU Member States, the Commission proposes that, by the year 2010,
50% of all tendering procedures should be green. Although less advanced, all layers of government increasingly consider how they can purchase fair-traded and organically labeled goods. Engaged public procurement officers encourage their sourcing through voluntary non-contractual means and as an alternative for individual choice, for instance the inclusion of fair traded and organic goods as a choice alternative in vending machines in hospitals, schools. Climate change and public health have even piqued government interest in procuring more organic food. Sustainable food initiatives are particularly found in the EU and US. This effort is particularly strong in the UK, which shows governmental concern for local, organic, fairtrade, and healthy food as well as fair treatment of suppliers, religious, culture and ethnic diets, waste avoidance, and vehicle emissions for food delivery reduction. The UK Department for Environment, Food and Rural Affairs (DEFRA) encourages public purchasers for the British National Health Service to set a target of between 30-60% organic ingredients to be used in recipes within approximately five years instead of encouraging caterers to provide an organic option, which it has found to be impracticable (DEFRA 2009). In Sweden, the official goal is 25 percent of the food in the public sector as organically labeled. Yet even though governments are only beginning to put green procurement policy into operation and formulate their views on fair-trade and criteria for sourcing foreign manufactured clothing and equipment, their activities show effects. Their public procurement policy sends a strong signal to the market to be more environmentally and socially viable, as shown in the case of internally sourced wood and paper purchasing, and has pushed forest products industry (harvesting and processing) to adopt better CSR practice. In the Netherlands, sustainable procurement has even stimulated timber importers to increase their share of certified products. The main obstacles governmental political consumerism identified by the EU are limited established environmental criteria for products/services and where these do exist often insufficient mechanisms (e.g., databases) that publicize them, insufficient information on life cycle costing of products and the relative costs of environmentally friendly products/services, low awareness of the benefits of environmentally friendly products and services, uncertainty about legal possibilities to include environmental criteria in tender documents, the lack of political support and resulting limited resources for implementing/promoting GPP (improved training is
particularly necessary), and the lack of a coordinated exchange of best practice and information between regions and local authorities.

Political consumerism targets government in one other way. It uses jurisdictions—towns, cities, villages, counties, zones, islands, boroughs—and their local institutions—schools and churches—to create “geographies of responsibilities” (Massey 2004). “Fairtrade settlements and cities” are the best example. The latest statistics show that over 500 such entities now exist in seventeen Western countries. They have consciousness-raising, agenda-setting, public procurement, and market effects (Fairtrade Foundation 2008; Malpass et al. 2007).

**Political Consumerism—Problem Solver on the ground? Outcomes for farmers and workers in the developing world.**

So far we have shown how political consumerism has mobilized consumers over the last decades; and how (potentially as a result of their joint actions) corporations have changed their consideration of ethical issues in their production. Moreover, although governments are less frequently targeted by political consumer actions, they have been drawn into adopting a more political consumerist agenda, which is particularly visible in changing procurement policies and the rise of fair-trade cities. In this section, we examine how political consumerism has been able to solve problems on the ground, namely whether it is able to engage in solving the problems that its actions are designed to change. How, for example is the life of farmers in developing countries changed through the actions of political consumerism?

The empirical evidence for this section is mostly drawn from case-studies of fair-trade coffee farmers. Fair-trade labeling is an important tool within the political consumer movement and several political consumers both at the individual and institutional level engage in buying fair-trade products. Fair trade is also a critical test of political consumerism as it calls on consumers to give priority to other-regarding values over the self-interested ones that can be found in motivations for supporting organic and eco-labeling. The findings of 13 case studies of fair-trade coffee farmers carried out between 2000 and 2005 will be synthesized. These case studies, which rely primarily on interviews with fair trade coffee producers, cover 21 cooperatives in six countries, with
approximately 20,000 members between them. By comparing the researchers’ findings and distilling the commonalities, a clearer picture of the benefits and challenges of fair trade emerges.

**Benefits of Fair-Trade for the Farmers**

The main benefits of the Fairtrade model for producers may be divided into two categories: material and social/cultural, both of which will be examined in turn. Research shows that fair trade coffee farmers enjoy a significantly higher income than do conventional coffee farmers.\(^{ix}\) In 2002, the fair trade coffee farmers of Majomut, a co-op in Chiapas, Mexico, earned $1,700 for their average annual harvest of about 1,500 pounds. Their non-fair trade counterparts in the region earned $550 – more than three times less (Pérezgrovas & Cervantes 2002). This was a year when world prices were particularly low; the difference between fair trade and conventional coffee farmers is not always so dramatic. But this is precisely the point: like most commodities, global coffee markets are highly volatile; under fair trade arrangements, producers earn a higher salary but also one that is guaranteed. Fair trade arrangements also require that coffee buyers extend pre-financing to producers at world market rates. Moreover, many producers have found that they have greater access to credit from traditional sources, with lenders perceiving certified co-operatives to be safe investments (Aranda & Morales 2002, González 2002, Lyon 2002). Together, the guaranteed fair price and access to credit ensure a higher standard of living, reduce producers’ economic vulnerability and bring an element of predictability to their business.

In addition to the minimum guarantee, the fair trade price includes a “social premium,” which is to be spent at the producers’ discretion. FLO encourages co-ops to invest it in local development. Researchers have observed that the social premium is variously used to repay co-op debts, used to launch economic diversification schemes such as small textile factories and bakeries, invested in infrastructure, including health, education, and transportation, re-invested in coffee operations in order to improve the quality of coffee or efficiency of production, or simply distributed evenly among co-op members. One success story promoted by FLO is that of the Coocafé consortium in Costa Rica. This organization invests the bulk of its social premium into a Social Capital Fund,
which is used primarily to purchase school supplies and to provide high school and university scholarships; nearly 7,000 scholarships were provided to students in coffee-growing communities between 1997 and 2007 (Ronchi 2002, FLO 2007).

Finally, the material benefits of fair trade production extend beyond producers and their families. A thriving cooperative may provide seasonal employment, for example. In addition, investment in infrastructure such as roads, as well as the purchase of hospital and school supplies, can be advantageous to individuals in the broader community (Aranda & Morales 2002, Pérezgrovas & Cervantes 2002, VanderHoff 2002).

However, the advantages of fair trade for producers go beyond the strictly material. Successful fair trade co-operatives allow individuals to stay in their home region instead of migrating in search for work; producers have cited this as promoting family and social cohesion (Aranda & Morales 2002; Pérezgrovas & Cervantes 2002; Murray, Raynolds, & Taylor 2003). Where the social premium is invested in education, more children are enrolled in school and continue on to the secondary and tertiary levels (Lyon 2002, Ronchi 2002, CI & IIED 2005). On a more individual level, producers say that controlling production gives them a sense of empowerment and pride (Aranda & Morales 2002, Lyon 2002, Méndez 2002, Pérezgrovas & Cervantes 2002). Finally, the vast majority of fair trade coffee is also organic and shade-grown and in addition to the environmental benefits – protection of the soil, promotion of biodiversity, and the elimination of synthetic (and often harmful) inputs – it has been noted that in converting to organic methods, producers in Central America have also revived and adapted traditional indigenous farming techniques. In this way, some producers have found that fair trade has contributed to a revival of their culture (Lyon 2002, VanderHoff 2002).

**Issues and Challenges**

Notwithstanding these very real benefits, the FLO fair trade model has drawbacks and faces major challenges. These issues, which we may divide into four categories, will not easily be solved.

*Fair trade markets in the North are stagnant*

Because the fair trade coffee price is always higher than the conventional price – sometimes sizably – capacity vastly exceeds demand. Virtually all producers would
prefer to earn the higher, stable income promised by fair trade. Yet, sales of fair trade coffee are stagnant in most countries, seemingly unable to crack the glass ceiling of the 3% market share. This has ramifications not only for the number of producers who have access to the fair trade market, but also for which producers have access to it. Almost all coffee marketed as fair trade is high-quality specialty coffee, and under these conditions importers can choose among a wide variety of producing cooperatives. These expectations of quality tend to eliminate small, poor producers who are unable to meet them due to a lack of expertise and equipment. Such producers find it impossible to break into the fair trade market. The vast majority of fair trade producers are mid-sized to large co-ops, leading small growers to lament that fair trade production has been captured by “an elite group of producers” (González, quoted in Taylor 2002: 25). In fact, many of the most successful fair trade coffee co-ops were already well-organized, relatively well-off cooperatives prior to receiving fair trade certification (Taylor 2002). This inability of small producers – arguably those who would benefit most from fair trade – to enter the fair trade market is of major concern to a number of producers and researchers.

Due to limited Northern markets, even those co-operatives lucky enough to locate buyers may find Northern demand for fair trade coffee insufficient. Among the co-ops surveyed, the majority were not able to sell their entire crop under fair trade arrangements. Despite the fact that all of these co-operatives’ coffee is produced according to fair trade guidelines, fair trade buyers often can only be found for a small proportion of the crop. In one extreme case, a Mexican co-op was de-certified after unsuccessfully searching for fair trade buyers for ten years (Martinez 2002; Murray, Raynolds, & Taylor 2003). One researcher studying co-ops in northern Nicaragua found that because these producers were able to sell less than half of their crop on fair trade markets, their quality of life was indistinguishable from that of conventional producers (Bacon 2005). This is a critical qualification to the above discussion of the benefits of fair trade: “the benefits accrued in direct proportion to Fair Trade sales—including guaranteed prices, social premiums, long-term contracts, and low-interest credit—are clearly reduced as less coffee is sold in Fair Trade markets” (Murray, Raynolds, & Taylor 2003: 16).
Co-ops in this situation are increasingly forging agreements with transnational corporations, selling them coffee directly under “ethical” or “green” labeling schemes that compete with FLO. These schemes are less advantageous for producers than the FLO model in that they usually do not offer a guaranteed minimum price, a social premium, or credit for producers – though they usually offer better returns than conventional coffee markets. While some producers worry that they may be helping these TNCs “fair wash” their corporate image, they seem to have few alternatives (González 2002, VanderHoff 2002).

**Problems with FLO governance and monitoring**

A common complaint among producers is that the FLO model, for all its benefits, is a top-down affair. The development of standards is said to be undemocratic, with producers lacking voice. Producers speak of a lack of transparency and an arbitrariness in the monitoring process, with FLO monitors sometimes showing a lack of understanding of local issues or refusing to disclose evaluation results (Lyon 2002, Martinez 2002, Pérezgrovas & Cervantes 2002, VanderHoff 2002.). Another governance issue raised by producers is that while fair trade began as an attempt to create equitable, direct relations between consumers and producers, FLO’s approach has become depersonalized and marketing-oriented, and is pushed “more by commercial considerations than solidarity” (Renard 2005; also González 2002, Murray, Raynolds, & Taylor 2003).

Some of these case studies were carried out before 2003, when FLO re-organized itself – partly in response to the first criticism – in order to give producers a greater say in the development of standards and make them better represented within the organization (Renard 2005). The extent to which this has helped solve these problems is unclear. The second criticism will be more difficult to address. If Northern fair trade markets are to be expanded, it seems reasonable that marketing and “commercial considerations” should be essential to this effort. The challenge will be to work towards this goal while giving producers a central role in decision making.

**The fair trade model does not address structural problems faced by the south**

There are several major factors involved in the chronic poverty of the global South, none of which fair trade is capable of tackling. Commodity dependence and export concentration continue unabated. Northern protectionism plays a central role in this
dependence through the use of market barriers such as tariffs that differentiate between low- and high-value-added products, reserving higher protection against the latter and thus effectively preventing their production in the South. This factor is of course beyond the reach of fair traders, and it is true that fair trade mitigates the vulnerability of coffee farmers to the price fluctuations typical of coffee and other commodities. But despite FLO’s promotion of the social premium as a way to promote economic diversification, sustainable economic diversification does not seem to be occurring in the coffee-growing communities under study. While several coops have launched projects meant to create new income streams, producers remain heavily dependent on coffee for their income; furthermore, some such projects fail after a time (Aranda & Morales 2002, Fridell 2007, Méndez 2002, Pérezgrovas & Cervantes 2002). The livelihood of Southern fair trade coffee producers remains very much dependent on the whims of consumers in the North.

On Balance

For those who can access it, fair trade is an effective strategy to mitigate the instability, vulnerability, and low (non-living) wages associated with conventional coffee production, despite significant researcher concerns over gender equality and producer unease over the top-down character of FLO. Expanding Northern markets – especially to low-quality coffee – would presumably extend these benefits to more individuals. This in itself is a huge challenge. xi But even with expanded markets, fair trade can be no more than a limited coping strategy in the absence of “fair” practices at the macroeconomic level by the North. This illustrates the limits of market-driven activism: political consumerism cannot directly solve the structural problems that characterize commodity dependence and Northern protectionism. Power in these matters lies with governments and international organizations, although they seem unwilling at present to face and address these issues.

CONCLUSION

Political consumerism has revealed the “hidden politics of products” and changed corporations’ sense of responsibility for their commodity chains. It has put the environmental and social justice problems associated with production and consumption
on the public and corporate agenda and forced corporations to develop policies and solutions for these problems. Political consumers at the individual and group level have played an important role in ending the corporate “race-to-the-bottom” that has defined their bottomline as profit-making without concern for workers, the environment, and the planet. Today many brand corporations in the Western world are devising strategies to mark themselves as “race-to-the-top” businesses that care about social and environmental responsibility-taking. What is interesting about this process is that government did not play a strong role in pushing the issue. It did not devise policies and laws to address most political consumer concerns. Instead, governments feel themselves pressured to take on some of these values.

Although we believe that our analysis has shown that political consumerism is indeed an effective tool of political action, it is also clear that we cannot show a direct causal link between political consumer activists and the outcomes identified in this paper. In part, this problem is shared with most studies of influence, which have only been able to establish causality by following particular cases in detail over time. The problem of causality is also compounded because activists often use “hidden” strategies and do not always publicly reveal all the methods that they use to push corporations into responsibility-taking. Some scholars have referred to this phenomenon as the “gun behind door.” Moreover, corporations tend not to feel comfortable with admitting that they have made concessions to political activists. Only a careful timeline research of political consumer activism and corporate action can really disentangle these causal issues (see Stolle and Micheletti 2009).

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Sustainable Life Media 2009


Vogel undated


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i Because of limitation of space, we do not discuss how the movement affects the media.

ii The following surveys found that in the UK, US, France, Germany, and Canada, health and nutrition are consistently given as the top reason for buying organic: Dimitri & Greene 2002, Hallam 2003, Halpin 2004, Kortbech-Olesen 2004, Leifert & Bournakis 2004.

iii These insights have been updated today, and we know that voters make most frequently political choices based on socio-tropic economic evaluations on how well “the country is doing” (Lewis-Beck and Stegmaier 2009).

iv The combination of dependence on Northern markets and disproportionate Northern participation in political consumerism caused one farmer to refer to fair trade as *neocolonialismo buena onda* (“feel-good neocolonialism”) (González 2002).

v Formerly known as Philip Morris, and owner of Kraft Foods.

vi This process began in 2001, with a crash in global coffee prices as the backdrop. In October of that year, American NGO Global Exchange led a group of Procter & Gamble shareholders in calling on the company to begin selling fair trade coffee. When Procter & Gamble rejected this proposal, a coalition of NGOs including Oxfam, Global Exchange, and the Interfaith Fair Trade Initiative (IFTI) launched a campaign of consumer education and mobilization in order to “shame” Procter & Gamble into action. At the same time, Oxfam publicized its “Coffee Rescue Plan,” which among other things recommended that the “Big Four” coffee roasters (Kraft, Nestlé, Procter & Gamble, and Sara Lee) take an active role in expanding fair trade markets. In December 2002, a group of shareholders collectively controlling 500,000 Procter & Gamble shares, led by American organizations Domini Social Investments and the Center for Reflection, Education, and Action (CREA), entered into dialogue with the company. In April 2003 the coalition filed a shareholder resolution calling on Procter & Gamble to begin offering fair trade coffee, while Oxfam and its allies continued its pressure campaign.

vii For more on the opportunities and limitations of shareholder activism, see O’Rourke 2003.

viii We would like to thank Tomas Mitander at Karlstad university for help in collecting materials on public procurement policies for us.


xi For a discussion, see Levi & Linton 2003.