

# The Rise of the Conscientious Consumer

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American consumers have a long history of acting in support of the rights of workers who produce the goods they wear and consume. From combating sweatshop abuses in the US and developing a union label for consumers at the turn of the 20th century, to solidarity boycotts of table grapes in the late 1960s and again in the 1980s that established rights for farm workers, American consumers have time and again demonstrated their commitment to ethical consumerism.

Consumer awareness and activism are more important today than ever, as consumer products ranging from coffee to computers originate not in US factories or farms, but in far reaches of the globe. Rubber for our automobile tires comes from Liberia, where it has been shown to be produced with child labor.<sup>1</sup> Electronic components for our computers and mobile phones are produced in



China, where forced labor is alleged to be used in some factories.<sup>2</sup> Most of the roses and carnations now sold in the US come from Colombia, where women workers are exposed to pesticides banned in the US and denied their basic rights.<sup>3</sup> The US government has documented the existence of forced and child labor in the manufacture of some 122 products originating from 58 different countries.<sup>4</sup> The conditions these workers and sometimes children find themselves in can be dismal, and the US, as the world's largest consumer, needs to do more to stop this.

In the 1990s, activism and media exposure of sweatshop conditions, such as in Nike shoe factories in Asia,<sup>5</sup> and in Gap<sup>6</sup> and Wal-Mart<sup>7</sup> garment factories in Central America, succeeded in pushing companies to adopt codes of conduct regarding labor and human rights and to develop private, voluntary monitoring systems to supervise these codes. While private, company-directed activities have their role in addressing labor rights abuses, they are not enough because these initiatives are often not verified and regulated by an

independent third party. Educated consumers in the US are ready to support ethically produced goods in the marketplace, and it is time for fresh thinking and new approaches to make this the norm.

## Consumers Want Ethically Produced Goods

The trend toward ethical consumerism is real, well-documented by the media and supported by academic research. Articles have appeared regularly in the *New York Times*,<sup>8</sup> *Time* magazine<sup>9</sup> and other leading publications highlighting new initiatives directed at ethical consumers. Such initiatives range from eBay's World of Good online marketplace to the socially conscious Edun clothing brand and the Red initiative working to end AIDS globally, both promoted by U2 frontman Bono.<sup>10</sup> Sustainable and ethical initiatives directed at US and European consumers now proliferate, with certification systems in place for wood and wood products,<sup>11</sup> fish and seafood,<sup>12</sup> fresh flowers<sup>13</sup> and a growing number of additional products.

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Above: A co-op member harvests a cocoa pod.  
Below: A cocoa-farming couple in front of their home in the Dominican Republic.



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Based on fair prices, ethical purchasing and sustainability, the Fair Trade certification system appeals to consumers as a powerful way to reduce global poverty through everyday shopping. The Fair Trade label connects consumers directly with small producers and farmers in developing countries to restore ethical trading relationships, stabilize markets and promote justice in conventional trade. By guaranteeing a “fair trade” price for crops, and thus influencing consumer behavior, the system has helped to expand the market for fair trade products in North America exponentially each year. More than 6,000 Fair Trade-certified products are available with an annual value exceeding \$3.6 billion.<sup>14</sup>

Organics is another movement-based certification system that has taken hold in North America, stemming from farmers who are dedicated to certain ethical principles of stewardship of the land. Organics has grown into a big business, with an estimated \$55 billion in sales globally last year.<sup>15</sup>

### Consumer Support of Ethical and Fair Trade

Can this increased consciousness of consumers translate to the issue of workers’ rights and the problem with sweatshops? Research from Harvard University suggests that the answer is yes. Based on empirical research in a New York area department store, the study found that consumers would accept price increases of up to 20 percent without any decrease in sales for products they believed to be produced with good labor practices. Over a five-month period, researchers compared the sales of products that were labeled as ethically produced. Using two different product categories—towels and candles—researchers placed comparable items manufactured by different brands side by side with only one brand displaying the label. The study found that sales of labeled items not only increased, but sales of labeled items in both product categories also increased as prices increased.<sup>16</sup>

A Harvard study found that **sales increased** for items labeled as **ethically produced** even as **prices increased** for these items.



### Making Ethical Markets a Global Reality: Next Steps

There are a handful of successful experiments in the area of labor rights certification, including the path-blazing GoodWeave program to certify that South Asian carpets are child-labor-free. This program aims to transform the handmade rug industry by certifying child-labor-free rugs and by providing education and opportunities to at-risk children. GoodWeave uses

license fees collected from manufacturers to fund educational initiatives.<sup>17</sup> The handmade carpet industry exploits nearly 250,000 children to weave carpets for American homes, and a reliable certification system is imperative because an independent third party can validate manufacturers’ claims and lend credibility in the eyes of consumers.

A few companies in the United States have attempted to pioneer this approach. The Unionwear company applies the old “Look for the Union Label” approach to assure consumers that products are

made under fair working conditions.<sup>18</sup> University students have promoted a “Designated Suppliers Program” that would reward suppliers who adhere to codes of conduct with preferential treatment in the university-licensed apparel market.<sup>19</sup> TransFair USA has developed a pilot Fair Trade certification system for apparel and linens that aims to apply standards from cotton through cut-and-sew production.<sup>20</sup> Maggie’s Organics recently piloted a “Fair Labor Apparel” system,

GoodWeave helps provide education and opportunities for at-risk children in South Asia. Below, students do homework at a GoodWeave supported school in Nepal.



also applying to cotton through cut-and-sew. All of these projects are on a learning curve. However, if any of the pilot programs are able to iron out kinks, and expand globally, then increased consumer consciousness will diminish the demand for sweatshop-produced apparel and linens.

Beyond labeling, the anti-sweatshop movement needs to help consumers sort through the variety of market claims by creating information-sharing platforms. Many have begun to realize that it is just as important to rate certification systems as it is companies. Green America has built a reputation around a credible consumer guide to evaluate the relative claims of companies, and help weed through the multitude of labels on the environmental front. In the area of labor rights, an online initiative called Good Guide has begun work to undertake a similar consumer education platform.<sup>21</sup> Free2Work, a similar platform specific to the issues of forced and child labor, and providing evaluations of certification systems and labels as well as companies, is being launched by ILRF and the Not For Sale campaign.<sup>22</sup> Consumer education is a major pillar of a truly equitable, ethical, and sweat-free market.

Governments also can have a role in ending the confusion over labeling through engagement with market standards. Anti-sweatshop activists successfully pushed for the creation of a new group to evaluate market claims on ending forced labor and child labor in global agriculture. Under the auspices of the US Department of Agriculture, this new stakeholder group is tasked with determining which certification systems in place for agricultural imports can make credible claims to be ending or reducing forced labor and child labor.

Another promising avenue for activism is the focus on government-as-ethical consumer. The North American anti-sweatshop movement has, in recent years, done notable work to promote sweat-free public procurement policies, ensuring that no tax dollars are spent in sweatshops. A coordinating organization, SweatFree Communities, was founded in 2002 by anti-sweatshop organizers who were working separately on local campaigns to achieve sweat-free purchasing policies to prevent businesses from selling apparel made in sweatshops to public institutions. These campaigns have won sweat-free purchasing policies in states, cities and school districts throughout North America.

Members of SweatFree Communities protest the use of tax dollars to support sweatshops.



**What is encouraging is that the definition of business is changing and the goal is no longer to get the highest profit at the expense of human dignity, worker fairness or environmental impact.**

Pieced together, these initiatives add up to a growing movement—a movement in which consumers have a leading role. As the US public becomes increasingly aware that many daily household products are produced by forced labor, child labor or otherwise exploitative working conditions, increasingly, consumers are asking where to find ethically produced goods. Until an anti-sweatshop or “ethically produced” label is created, consumers need to do their own research. Ask your local retailers to carry ethically made products, look for the Fair Trade label and search for sweatshop-free products online through websites such as SweatFree Communities, Green America, Good Guide and Free2Work.

Such a movement is poised to grow and catalyze more ethically produced goods. Changes in behavior and consumption will inevitably give rise to new questions and challenges. But one thing is clear: Few individuals want to exploit workers for products even if they are just a bit cheaper, and this message is growing louder. The companies that make the goods we buy need to make profits to survive. But what is encouraging is that the definition of business is changing, and the goal is no longer to get the highest profit at the expense of human dignity, worker fairness or environmental impact.

Commerce needs not be a linear race to the top, but rather designed in a circular manner where community benefit and corporate citizenship play an equal role.

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## What you can do to be an Ethical Consumer:

- Ask your local retailers to carry ethically produced products.
- Search for sweat-free products on sites such as: [SweatFree Communities](#), [Green America](#), [Good Guide](#), and [Free2Work](#).
- Ask your state and local government to make sure that your tax dollars are not spent on sweatshop products.

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## The Role of Business in Tackling Tough Social Problems

Some businesses are changing their business models. They are showing that the purpose of business is to serve. For them, profits are a tool but not the ultimate goal. These businesses are developing products that solve society's most pressing problems, from point-of-use water purifiers, rollable water containers and foot-powered irrigation pumps to sugar cane charcoal, solar ovens and peddle-charged batteries.



More than 1 billion people around the world lack access to clean drinking water and nearly 2.5 billion lack adequate sanitation. Water-borne diseases cause 80 percent of all illnesses in developing countries and account for an estimated 2 million deaths annually. Life and Water Development Group Cameroon (LWDGC) along with Thirst Relief International USA are working to save lives and improve health by providing clean water to developing areas from two unlikely sources: dirt and bacteria. The filter removes 99 percent of the bacteria in the water. The two organizations have been installing bio sand filters in villages throughout Cameroon, Africa.



Realizing that donations are not a long-term solution for impoverished people, social entrepreneurs Nick Moon & Martin Fisher began designing and developing tools to create jobs and wealth for poor people in Africa. Villagers purchase the low-cost tools and establish small businesses. Moon and Fisher's company, Kickstart, creates tools that are profitable, durable, affordable and easy to operate and maintain. Tools such as the micro-irrigation "MoneyMaker" pump and "Mafuta Mali" sunflower and sesame oil press have helped create 35,000 businesses and \$35 million annually in profits and wages.

In 2006, American traveler Blake Mycoskie befriended children in Argentina and found they had no shoes to protect their feet. Wanting to help, he created TOMS Shoes, a company that would match every pair of shoes purchased with a pair of new shoes given to a child in need. Blake returned to Argentina with a group of family, friends and staff later that year with 10,000 pairs of shoes made possible by TOMS customers. TOMS has given over one million pairs of new shoes to children in need around the world.<sup>1</sup> TOMS' one-for-one mission has also begun to attract partnerships and spins off Ralph Lauren, Element Skateboards<sup>2</sup> and the SunNight Solar Corp's BoGo flashlight.<sup>3</sup>



Newman's Own began with salad dressing created for actor Paul Newman's friends and family. The company now manufactures food products such as spaghetti sauce, frozen pizza, lemonade, salsa, cookies, coffee, iced tea, dog food, cat food and many others. One hundred percent of all profits and royalties are donated to educational and charitable organizations worldwide. The company has given \$300 million to charity.<sup>4</sup>



*The International Rescue Committee, a Newman's Own Foundation beneficiary, responds to the world's worst humanitarian crises and helps people rebuild their lives.*

Clearly, businesses have an important role to play in addressing global social issues and we are seeing a radical positive shift in public interest in social entrepreneurship and the number of businesses working to solve society's toughest problems.

from the editor