

Ethical Consumption vs. Reducing Consumption: To what extent does Fair Trade merely act to deflect the attention away from the real problem of overconsumption?

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Abstract

This essay explores the alleged trade-off between reducing overconsumption and promoting ethical consumption, especially in the form of Fair Trade. While Fair Trade is primarily concerned with promoting greater equity in international trade, it does not address problems of ecological exhaustion through overconsumption. Furthermore, Fair Trade could promote increased consumption by inducing false consciousness among consumers. In this context, I propose an integrative approach of trying to address these two problems simultaneously by changing the social patterns of consumption, instead of interpreting them as diametrically opposed. Awareness is the first step in inducing a behavioural change. On an individual level, Fair Trade is fairly successful at creating sensational feedback processes, which increase the awareness for the social and environmental implications of individual consumer behaviour. Moreover, on an aggregate level, Fair Trade changes social patterns of consumption to promote ethical consideration in the context of consumer decision-making. Although Fair Trade is not primarily concerned with the level of consumption, it can help bring forth a change in consumption patterns in order to reduce overconsumption.

Keywords: overconsumption, ethical consumption, Fair Trade, consumer behaviour

Ethischer Konsum vs. Konsumreduktion: Inwieweit lenkt Fair Trade vom Problem des Überkonsums ab?

Zusammenfassung

Dieser Beitrag untersucht einen möglichen Trade-off zwischen der Verringerung von übermäßigem Konsum und der Förderung von ethischem Konsum, insbesondere in Form von Fair Trade. Durch das Bewerben fair gehandelter Waren wird Konsument/inn/en suggeriert, dass sie durch zusätzlichen Konsum Gutes tun. Somit könnten Konsument/inn/en zu übermäßigem Konsum animiert werden. Das Argument des Beitrages ist, dass Fair Trade durch die Betonung einer ethischen Dimension des Konsumguts Bewusstsein für ökologische und soziale Auswirkungen von Konsum und so auch für das Problem des übermäßigen Konsums schaffen kann. Dieses Bewusstsein ist ein erster Schritt, um eine Änderung der Konsummuster herbeizuführen. Auf individueller Ebene versucht Fair Trade den Feedback-Prozess zwischen Konsument/inn/en und Produzent/inn/en herzustellen und damit die ökologischen und sozialen Auswirkungen des Konsumaktes sichtbar zu machen. Auch auf kollektiver Ebene nutzt Fair Trade soziale Konsummuster erfolgreich, um ethischen Konsum zu fördern. Durch einen zusätzlichen Fokus auf die Verringerung der Konsumintensität kann Fair Trade zu der für eine Reduktion des Konsums dringenden benötigten Veränderung des Konsumverhaltens beitragen.

Schlagwörter: übermäßiger Konsum, Fair Trade, ethischer Konsum, Konsumverhalten

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1. The problem of overconsumption

Material and energy intensive consumption in the western world constitutes a major problem of our time. Our use of resources has outpaced the sustainable capacity of the ecosystem, meaning that we are overconsuming. Overconsumption is defined as consuming something to excess (Oxford Dictionaries 2012). It is understood as any consumption that exceeds those consumption levels which can be supported by an exogenously given amount of resources without deteriorating the latter and therefore causing under-consumption elsewhere, be it for contemporaries or future generations (Boulanger 2007: 24)¹. The ecological footprint is one way to measure and quantify the problem of overconsumption more systematically (Wackernagel/Rees 1996; Footprintnetwork 2012).² The intensity of overconsumption “undermines a species’ own life-support system”, but is something “for which individuals and collectivities have choices in their consuming patterns” (Princen 2006: 57). What makes the problem of overconsumption so difficult to counteract is that its negative consequences are only visible on an aggregate level. On an individual level, overconsuming may be perfectly sensible, following individual preferences and social norms. At first glance, overconsumption also seems sensible on a collective level. Increased consumption fosters economic growth by stimulating the productive capacity to compete in international markets. The resulting profits can be used to reward investors and potentially also allow for sharing economic gains across society (Zaccai 2007: 3). However, in the long run, overconsumption results in the destruction of our ecosystem (Princen 2006: 57). Overconsumption therefore carries important temporal and spatial dimensions. On one hand, we are depriving future generations of natural resources, as many of them are non-renewable and we are often using them faster than

¹ Per definition, overconsumption deprives other people of their consumption and can only apply to limited goods. If a person’s consumption behaviour does not affect anyone else, it can be termed “misconsumption” (Boulanger 2007: 25).

² “A measure of how much area of biologically productive land and water an individual, population or activity requires to produce all the resources it consumes and to absorb the waste it generates, using prevailing technology and resource management practices. The Ecological Footprint is usually measured in global hectares. Because trade is global, an individual or country’s Footprint includes land or sea from all over the world.” (Footprintnetwork 2012)

they can regrow. On the other hand, western consumer goods are largely produced in developing countries using harmful methods; this implies we are effectively exporting environmental degradation. It is the poor in the Global South who suffer the most from the destruction of the environment, while they are excluded from joining the consumer culture in the north (Durning 1992), or rather a global consumer class. Despite the fact that citizens of Europe, North America and Japan form a global consumer class together with a wealthy elite in emerging economies, there is a consensus in literature that “particular responsibility for the level, composition and impact of consumption rests with the affluent inhabitants of Europe” (Spangenberg/Lorek 2002: 128).

In 1992, the causal relationship between western overconsumption and environmental degradation was addressed at the United Nations Conference on Environment and Development (UNCED) in Rio and in the Agenda 21:

“[...] the major cause of the continued deterioration of the global environment is the unsustainable pattern of consumption and production, particularly in industrialized countries, which is a matter of grave concern, aggravating poverty and imbalances. [...] Although consumption patterns are very high in certain parts of the world, the basic consumer needs of a large section of humanity are not being met. This results in excessive demands and unsustainable lifestyles among the richer segments, which place immense stress on the environment.” (United Nations 1992)

Jansson-Boyd (2011: 35ff) outlines the causal mechanism between consumption and environmental degradation. Global warming is one of the major environmental problems. The earth’s annual average surface temperature is 0.51°C higher than it was 50 years ago. Global warming causes the sea levels to rise, depriving people of their natural environment, houses and fields. Moreover, droughts have become more common, lakes are disappearing (the Aral Sea shrunk by 75 % in the past 40 years) and soil is becoming less fertile in many areas in the Global South. Due to the increase in temperature, we suffer from an increasing number of hurricanes, floods and severe storms. Consumer activities directly impact global warming. Transportation in particular is a main cause of global warming, as goods are frequently sent around the globe for production and consumption and people make excessive use of cars and planes. Furthermore, the increased consumption of meat also contributes to global warming, as

livestock animals account for about 10 % of all greenhouse gas emissions. Additionally, consumption leads to deforestation and therefore endangers wildlife and increases disasters, such as flooding and landslides. The production of paper and timber is mostly responsible for deforestation, but woodland is also cleared in order to produce crops such as palm oil (Jansson-Boyd 2011: 35ff).

In this context, the consumption of food provides a suitable illustration of the spatial dimension of overconsumption. While about 820 million people are seriously undernourished in the developing world and about 16,000 children die from hunger-related causes every day (Jansson-Boyd 2011: 43), about one third of all food produced for human consumption is put to waste. Per capita, food wasted by consumers in Europe and North-America is 95-115 kg per year, whereas only 6-11 kg per year are wasted in sub-Saharan Africa and South and Southeast Asia (Gustavsson et al. 2011).

As previously mentioned, it is the poor who suffer the most from environmental degradation and who are directly exposed to the effects of climate change. Additionally, due to the lack of economic resources, their capability of coping with the effects of climate change is rather limited. Southeast Asia (together with India and Bangladesh), central Africa and the western part of South America are especially endangered by climate change (Maplecroft 2012). In order to solve the aforementioned problems induced by excess consumption, this paper calls for a general reduction in consumption levels rather than for “green growth”. Proponents of green growth suggest a decoupling of economic growth from resource and energy use by means of technological advancement. However, although a relative decoupling of resource use is possible (which implies that the use of resources grows at a slower rate than aggregate economic output), this strategy has a series of limitations. For sustainable growth, an absolute decoupling of resource use and economic growth would be required. This describes an absolute decline in resource use while economic output increases (Hoffmann 2011). However, as Hoffmann (2011) points out by summarising much of existing research, sustainable green growth based on absolute decoupling cannot be achieved. In fact, technological advancement could even lead to a rebound effect of increased use of resources due to lower prices (Sanne 2000). Empirical evidence suggests that efficiency gains in energy per unit of product or service in the OECD-countries increased by about 30 % between 1970 and 1991 (Schipper et al. 1997 cited in Holm/Eng-

lund 2009: 880), while there was a concomitant increase in the use of energy in these countries of about 20 % (IEA 1996 cited in Holm/Englund 2009: 880).

From this point of view, a solution to the problem of overconsumption can only be achieved by an absolute reduction in emissions, which goes hand in hand with a reduction in consumption levels. In this context, this paper focuses on the micro-perspective of individual consumer decision-making. However, both micro and macro levels are mutually interdependent and eventually have to be considered simultaneously, as argued by Vermeulen (2009: 25):

“[I]n seeking solutions to over-consumption, we need to concentrate on societies and structures as a whole [...] In the longer term, however, what is needed is a re-think of how and what we consume.”

In addition to overconsumption, current consumption practices pose a second major problem: unethical consumption. Whereas overconsumption is related to the quantity of consumption, unethical consumption is related to the quality of the production process (Jansson-Boyd 2011: 54). Ethical consumerism is defined as “buying things that are made ethically by companies that act ethically. Ethical can be a subjective term both for companies and consumers, but could be considered to mean without harm to or exploitation of humans, animals or the natural environment” (Webster’s Online Dictionary 2012). Fair Trade is the most prominent example of ethical consumption and is used for analysis throughout this paper.

The research question this paper addresses is whether there is a trade-off between Fair Trade and the aim of a reduction of consumption levels. To the best of my knowledge, this question has only been broached in academic literature and therefore I aim to narrow the gap between research on Fair Trade and on overconsumption, two interests that rarely have been combined. While Fair Trade is primarily concerned with promoting greater equity in international trade, it does not address problems of ecological exhaustion through overconsumption and could promote increased consumption by inducing false consciousness among consumers. Fair Trade could create a potential rebound effect by increasing its customers’ consumption by giving them the impression of doing something good by consuming additional Fair Trade products (that exceed their needs).

This essay explores the alleged trade-off between reducing overconsumption and promoting ethical consumption, especially in the form of Fair Trade. In this

context, I propose an integrative approach of trying to address these two problems simultaneously by changing the social patterns of consumption, instead of interpreting them as diametrically opposed. The focus on ethical consumption can assist in bringing forth a change in consumption patterns, which would help to reduce overconsumption.

The paper proceeds as follows: In section two, I establish a theoretical approach to overconsumption and unethical consumption. I show that the main theoretical perspectives of International Political Economy (IPE), liberalism, economic nationalism and Marxism do not acknowledge the social formation of individual and aggregate consumption patterns. A constructivist approach is adopted instead, arguing that individual preferences are endogenous, depending on collectively shared interpretations about the world, social environment and social interactions. Section three provides a short overview of theories dealing with the formation of consumption patterns and in turn explores the hypothesis that consumption patterns are socially mediated. In section four, the means and objectives of Fair Trade are considered and interpreted as a case of ethical consumption. Furthermore, the question of whether Fair Trade has the potential to change individual and collective consumption patterns on a more fundamental level than previously assumed is discussed. In section five, the trade-off between reducing overconsumption and promoting ethical consumption is assessed. The final section offers some concluding remarks.

2. Theoretical approach

Consumption is an under-explored aspect of IPE, which needs to catch up in its study of socio-economic developments such as Fair Trade or sustainable consumption (Fritsch 2011). Fair Trade and overconsumption/sustainable consumption have been approached from the point of view of sociology, (development) economics, ecological economics, anthropology, gender studies and natural sciences. This paper, however, hopes to participate in this debate from an IPE perspective. The research question is inspired by Sanne's (2000) analysis of "gains in eco-efficiency [that] are likely to be annihilated by a larger consumption" or by a "rebound effect" and applies this line of reasoning to Fair Trade and a reduction in consumption levels.

In order to analyse the possible trade-off between reducing consumption and promoting ethical consumption, a theoretical framework able to incorporate

both concepts is required. In this case, the main IPE theories do not suffice, which is the reason why these approaches are complemented with a constructivist approach with regard to the formation of consumption patterns.

The liberal or rationalist tradition in IPE incorporated neoclassical economics and describes a person as a rational actor and an individual utility maximiser (Fritsch 2011: 2ff), whose consumption decision is based on the main axioms of completeness, ordinality, consistency and optimisation (Kapeller et al. 2013). Completeness denotes full information about all alternatives, ordinality is present if the actor can rank all consumption goods in terms of "better" and "worse" and consistency is based on a transitive preference ordering. Finally, the actor maximises utility, which is based on the premise "more is always better". In this framework it is basically never rational for people to reduce their consumption and, therefore, to reduce environmental degradation, given that the environment is a public good. Everybody faces strong incentives to free-ride, meaning a person can still enjoy overconsumption and a healthy environment if the contemporaries improve the environment by reducing their consumption. According to this perspective, environmental degradation arises out of market imperfections. The full costs of using natural resources are not incorporated into the price, meaning they are overexploited. Alternatively, the extension of market principles and the allocation of property rights would lead to better environmental protection (Gravelle/Rees 2004: 314; O'Brian/Williams 2010: 350ff).

Economic nationalists or realists, by contrast, analyse environmental degradation on a national level. As states aim to maximise their military and economic power, international cooperation on environmental issues is only subsidiary to states' individual political power goals. Therefore, cooperation on the environment is only possible where "states perceive such cooperation to be in their interests" and where it is also supported by dominant states. Based on these assumptions, realists fail to explain existing cooperation in absence of dominant states, such as with the Kyoto Protocol (O'Brian/Williams 2010: 348ff). Although Marxist concepts such as alienation and commodity fetishism help to analyse certain aspects of Fair Trade and are applied in section four, Radical/Marxist theories do not explore the complex issue of consumer habits. Instead, they deny the consumer any potential for inducing social or economic change.

Marxism tends to “neglect any analysis of the consumer per se, who is often rendered passive and plastic, if not redundant, to the grand scheme of things” (Edwards 2000: 4). Marxists see the cause of overconsumption and concomitant environmental degradation in current economic practices. They neglect any potential for change within the capitalist system, as it is perceived to be inherently exploitative. Therefore, the exploitation of resources is seen as a direct consequence of the imperative of growth (O’Brian/Williams 2010: 351). As the shortcomings of traditional IPE theories are apparent, an alternative approach to simultaneously analyse overconsumption and ethical consumption is needed.

In contrast to neoclassical postulates, where goods only comprise of and are judged by a single dimension, Lancaster (1966: 134) introduces the concept of multi-dimensional goods, which provides a more promising starting point for further analysing individual consumer behaviour:

“(1) The good, per se, does not give utility to the consumer; it possesses characteristics, and these characteristics give rise to utility. (2) In general, a good will possess more than one characteristic, and many characteristics will be shared by more than one good. (3) Goods in combination may possess characteristics different from those pertaining to the goods separately.” Lancaster (1966: 134)

Moving beyond Lancaster, overconsumption and unethical consumption both can be understood as different, but potentially neglected dimensions of any consumer good. Ethical and/or ecological characteristics are an “immaterial component” of the product, which consumers could choose the product for (Zaccai 2000). While Fair Trade attaches an ethical dimension to a given consumer good and respectively makes ethical considerations visible for individual consumer decision-making, the problem of overconsumption becomes apparent only in the aggregate.

Although overconsumption and unethical consumption address different dimensions of a good, they can be unified through a constructivist perspective. Constructivists argue, similar to many institutional economists and economic sociologists, that economic relations are socially constructed (Fritsch 2011: 16). The identity and self-interest of individuals are perceived as endogenously determined by collectively shared interpretations about the world and therefore shaped by the social environment and social interactions (Ruggie 1998; Adler 1997). Wendt (1999: 1) summarises these basic constructivist assumptions by stating “(1) that the structures of human association are determined prima-

rily by shared ideas rather than material forces, and (2) that the identities and interests of purposive actors are constructed by these shared ideas rather than given by nature”.

Besides the emphasis on agency, constructivists acknowledge that individual actions are constrained by structure (Hay 2002: 209). In the context of this essay, structure can be indicated by the current economic order. It can be stated that individuals are constrained by a social pressure to consume and the often limited availability of fairly traded consumption choices. Nevertheless, every economic order is “pro-actively created” and not “naturally given” and thus can be changed again (Fritsch 2011: 17). The Fair Trade movement implicitly builds on a constructivist approach, aiming to “[transform] ideas and norms related to consumer decisions with the goal of modifying actor behaviour and thereby socio-economic institutions” (Fritsch 2011: 18).

As has been outlined, liberal or Marxist approaches in IPE do not acknowledge the social formation of consumption patterns. However, knowledge about social patterns of consumption offers important insight into what is needed to effectively tackle overconsumption and unethical consumption.

3. Formation of consumption patterns

Based on the constructivist assumption of endogenous preferences, this section explores how consumption patterns emerge out of social constraints. Röpke (1999) gives a comprehensive account of the driving forces of consumption and the “willingness to consume”. In this context, a thorough understanding of the formation of consumption patterns is essential to successfully counteract overconsumption and to promote ethical consumption.

Veblen’s theory of consumer behaviour provides valuable insights into the formation of consumption patterns. Instead of believing in a rational act of a homo oeconomicus, Veblen traces human behaviour back to instincts. Instincts are evolutionary, action leading schemes, which are supplemented by culturally learned rules of conduct. Contrary to rational choice theory, which discusses only preferences for outcomes, Veblen’s theory acknowledges preferences for particular kinds of actions based on instincts. The famous “instinct of the workmanship” provides a suitable example pointing at a preference for productive action, that is, for building and fabricating things. This instinct

is to be understood as an unconscious, cultural and social-emotional influence on human behaviour (Saßmannshausen 2009: 74ff). In short, Veblen's analysis of instincts and institutions addresses nothing less than a constructivist structure and agency relationship. As Fritsch (2011: 13ff) argues, "this relationship is open to change, as is the institutional selection process, because human beings as pro-active agents can [sic] modify their habits by negotiating their various instincts through reflection and knowledge."

According to Veblen, "the possession of wealth has become the basis of commonplace reputability and of a blameless social standing" (Veblen 1899/2005: 23). As prosperity increases in a given society, a leisure class develops that is defined and maintained through its consumption patterns, whereas lower social classes are characterised by their need for wage labour. Leisure is understood as a non-productive activity, as a mode of wasting time, money and other resources (Veblen 1899/2005). Thereby, the visibility of these acts of consumption is decisive for receiving social gratification. Hence, Veblen terms this behaviour "conspicuous consumption". Conspicuous consumption is not explained in terms of its utility, but rather in terms of its symbolic significance. People consume luxury goods in order to be seen consuming, which enhances their reputation and social standing. Accordingly, conspicuous consumption is "a routine source of social cohesion or community on the one hand and a form of social division or individualism on the other" (Edwards 2000: 26).

Collateral to conspicuous consumption is the concept of conspicuous waste. Veblen suggests that whether expenditure is wasteful or not should be judged by "whether it serves directly to enhance human life as a whole" and whether "the custom on which it rests is traceable to the habit of making an invidious pecuniary comparison" (Veblen 1899/2005: 75). Consequently, in order not to be conspicuous waste, consumption should be undertaken for the purpose of personal gratification opposed to social gratification, and it should have some kind of practical value that is independent from social judgement.

However, it is not only conspicuous consumption of the upper classes that contributes to overconsumption; ordinary consumption does so as well. Douglas and Isherwood (1980 cited in Röpke 1999: 406) describe the consumption of goods as "means for making sense" of the environment. Societies are hierarchically divided into different groups, and consumption practices

act as a bond between its members and a boundary to non-members. Goods are part of our culture, as they are part of rituals and are closely related to all social interactions (Douglas/Isherwood 1980 cited in Röpke 1999). In a wedding celebration, for example, a lavish white dress that is only worn once indicates the kind of celebration it is. For guests, it is a social convention to bring gifts of high value (even if they may not prove to be very useful in the future) and the small talk guests engage in often revolves around their consumption experiences (jewellery, holidays, cars, cameras etc.).

Based on the preceding explanation that these acts of consumption are determined by individual instincts as well as by social conventions, approaches regarding changing these patterns of consumption are explored. Simple monetary incentives, as proposed by neoclassical/rational choice theory, are not enough. As Buenstorf and Cordes (2008) outline, given apparently insatiable human desires, a voluntary reduction of consumption is unlikely to happen without social learning and a change in social consumption patterns. Technological innovations continuously offer new opportunities for consumption and productivity gains often enable increased consumption. As Buenstorf and Cordes (2008) point out, monetary punishments to prevent overconsumption would have to be extremely high to be effective. This forced restraint would face major legitimacy issues and would be unlikely to succeed in a democratic procedure.

Instead, Buenstorf and Cordes (2008: 647ff) suggest that consumer learning might result in a shift towards more sustainable patterns of consumption. According to the "learning theory of consumption" (LTC), people consume to fulfil innate wants such as food, sleep, entertainment or social recognition. Through a feed-back process of associative learning, which is usually unconscious, an association is formed between initially neutral activities and the satisfaction of innate wants. Additionally, a "consumer culture" is created through public advertisements and marketing, which transform human wants into commodities. Labels are transformed into lifestyle concepts, suggesting that simply choosing the right commodities will satisfy all kinds of human needs (Sanne 2002).

Nevertheless, consumer behaviour can be modified by "consciously controlled learning processes that lead to the acquisition of explicit knowledge on the characteristics of goods as well as on how specific activities and goods contribute to the satisfaction of wants" (Buenstorf/Cordes 2008: 647). Most of the

information concerning consumption is provided by the environment, including individuals' activities and communication. If the locations of production and consumption are close, a feedback loop is created and consumers are forced to witness the social and environmental problems caused by the production of their consumption goods. Only through a break in this feedback loop can environmental harmful production be sustained (Hudson/Hudson 2003: 418).

Moreover, cultural conventions determine the pool of acceptable behaviour and actions. Based on this idea, Buenstorf and Cordes (2008: 647) propose using role models to modify people's behaviour. If role models act against overconsumption, other people who compare themselves to these role models are likely to reduce consumption as well. People tend to emulate other people's behaviour, especially when there are no established standards for comparison. Furthermore, it is important to make people believe that it is the norm to engage in sustainable consumption practices, which subsequently should become the norm. Engaging in socially acceptable consumption behaviour is a way to signal group membership and, hence, leads to social recognition (Jansson-Boyd 2011: 49ff).

Similarly, social practice theory suggests that the "social and collective organization of practices – broad cultural entities that shape individuals' perceptions, interpretations and actions within the world" are central when it comes to changing people's behaviour (Hargreaves 2011). Environmentally-friendly actions are not rooted in individuals' values, but can be considered to be part of "the routine accomplishment of what people take to be 'normal' ways of life" (Shove 2004: 117 cited in Hargreaves 2011: 83). However, individuals in turn shape social practices by their actions. Hargreaves (2011) studied a construction company that was subject to an attempted change of these social practices towards pro-environmental behaviour. A team of volunteering "Environment Champions" was selected among the employees, who assessed the resource use at the company and set goals for their colleagues, such as using duplex printing or switching off non-used electrical equipment. Although the Champions could not effectuate many proposed changes due to opposition from the Facilities Management team, a 5.4 % decrease in electricity use and a 29 % reduction of landfill waste could be achieved. The interaction of employees had changed, as they reminded each other of environmentally-friendly behaviour. Although the way the work was done had not changed much, the

practices had been modified, as new pro-environmental meanings and accomplishments were adopted into everyday working life. An employee described the change as follows (Hargreaves 2011: 94):

"I almost think that what we have done is made it the rule to a certain extent that you have to recycle your stuff ... So why an office light left on looks weird is because it's not what the rules are anymore ..."

A change in consumption patterns is difficult if sensory feedback is missing and people cannot directly perceive the harmful impacts of their consumption. In these circumstances it is especially important to acquire knowledge about the environmental impact, which may directly enhance subjective attractiveness of a given product. However, while sustainable consumption can be learned, individuals can easily fall back into old consumption patterns if incentives to do so exist in their environment (Buenstorf/Cordes 2008). Therefore, sustainable behaviour should be embedded in the organisation of social practices (Hargreaves 2011).

4. Ethical consumption

Ethical consumption, especially in the form of Fair Trade, "aims at the transformation of consumer behaviour by raising awareness for moral and ethical implications of consumer choices" (Fritsch 2011), as proposed by the LCT. In order to assess the educational impact of ethical consumption and to answer the question of whether Fair Trade is deflecting attention away from the real problem of overconsumption, it is necessary to examine the objectives and methods of ethical consumption or Fair Trade respectively. Ethical consumption is exercised either in the form of positive buying – favouring ethical products and companies – or in the form of a moral boycott, which means avoiding or boycotting products which are produced unethically (Jansson-Boyd 2011: 59).

The most prominent example of ethical consumption is the Fair Trade movement. It is used as representative for the many individual forms of ethical consumption. Fair Trade can be defined as:

"trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awa-

reness raising and in campaigning for changes in the rules and practice of conventional international trade.” (World Fair Trade Organization 2009: 6)

Fair Trade is built on five core principles (World Fair Trade Organization 2009: 7ff). Firstly, market access for marginalised producers is ensured by buying directly from them and by implementing shorter trade chains. The second principle promotes sustainable and equitable trading relationships. Fair Trade accounts for direct, indirect and environmental costs of production. Prices are determined by social and environmental well-being with a guaranteed floor price compared to a competitive market price. Thirdly, capacity building and empowerment are emphasised through producers’ education about market conditions and trends and the development of knowledge, skills and resources for producers to lead a self-determined life. Fourthly, Fair Trade aims to raise consumer awareness and advocacy by connecting producers with consumers and informing consumers of the need for social justice and opportunities for change. Fifthly, Fair Trade sees itself as a social contract. It is a commitment to a long-term trading partnership, in which buyers and producers agree to do more than on a conventional market (World Fair Trade Organization 2009: 7ff).

In order to achieve its core principles, Fair Trade aims to modify individuals’ consumption behaviour. In particular, goal number four “consumer awareness raising and advocacy” could help to bring about a change in social consumption patterns. This goal is based on a constructivist understanding that people’s behaviour is not exogenously given and determined by financial incentives, but shaped by the social environment and social interactions. People look at the world through different “lenses”, aiming to create meaning of the world. These lenses are formed by their past experiences and own active learning, and can thus be influenced by education.

Accordingly, Fair Trade strives to reconstruct social interactions, specifically to “reconstruct otherwise impersonal market relations as fundamentally social and politically charged relations based on qualitatively different socio-economic bonds between consumers and producers” (Fritsch 2011). Establishing personal market relations is an attempt to make the market exchange qualitatively different and to circumvent the problem of commodity fetishism. For Marx, individuals are transformed into consumers and producers by the market mechanism of the capitalist system. Through commodity fetishism “social relations between people”

appear “as a relationship between things”. People no longer connect through personal relations but only via the products of their labour; therefore social relations exist not between the people exchanging goods, but between the commodities themselves (Edwards 2000: 16ff). Marx (1867/1975: 77) explains commodity fetishism³ as follows:

“A commodity is therefore a mysterious thing, simply because in it the social character of men’s labour appears to them as an objective character stamped upon the product of that labour; because the relation of the producer to the sum total their own labour is presented to them as a social relation, existing not between themselves, but between the products of their labour.”

Therefore, not only are producers alienated from their work, but consumers are also alienated from their purchases. As Hudson and Hudson (2003: 416) point out, consumers’ experience of the goods they buy is limited to the final product, its quantity and price. They know nothing about the process of production, the actual producer or its social and environmental impact. Marketing and long-distance trade further hide the character of the product, as physical distance, more than anything else, veils the environmental impact of production. However, if production and consumption are close, a feedback loop is created that forces consumers to witness the social and environmental problems caused by production and the level of consumption. Only through a break in this feedback loop can environmental harmful production be sustained (Hudson/Hudson 2003: 418).

Moreover, the neglect of production processes is promoted by international trade law, which can be seen as “structure” out of a constructivist perspective. According to the rules of the World Trade Organization (WTO), it is only possible to implement trade restriction based on features of the final product, but not to discriminate against the product based on its production process. For example, if the product itself poses a health risk for consumers, it could then be banned, but if toxic chemicals are used during its production that destroy the environment and can cause locals’ deaths, no action can be taken in line with the WTO (Hudson/Hudson 2003: 418).

³ According to Marxist theory, the worker’s alienation of his product takes away his reward and thus causes perpetual and insatiable needs. Workers search for a fulfilment of these needs through consumption, but it fails to fill the perceived gap (Edwards 2000: 17).

Fair Trade attempts to solve the above outlined problem of commodity fetishism by establishing a relationship between consumers and producers. It seeks to make the social and environmental conditions a visible part of the product and to thereby create a process of associative learning. As proposed by the LTC, educating the buyer about the product by using histories, descriptions, pictures and videos of producers and the production process creates a feedback process. The information provided usually includes personal stories and appealing visual material, thereby creating the important sensory feedback that has been lost through globalised outsourcing. Product knowledge combined with sensory feedback directly enhances the subjective attractiveness of the product. Therefore, the product characteristics not only include the characteristics of the final product (as in a neoliberal market), but also the producers themselves, the social relations of production and its ecological character (Fritsch 2011).

The Fair Trade marketing process is based on goal four “consumer awareness raising and advocacy” and evolved in three stages, opening up three different strata of society. This process is explored by analysing the situation in the UK. The first marketing process strove to raise awareness among naturally sympathetic consumers for ethical consumption. These citizens, who are usually affluent, educated and middle-aged, account for about 5 % of the UK population. The strategy is to move by education from unawareness to awareness, comprehension, conviction and eventually a modified purchasing behaviour. Moreover, the knowledge about the social relations a specific product is embedded in attributes a new dimension to any given product. As this group is naturally sympathetic to ethical consumption, not much behavioural change is necessary, but the goal is to establish trust in the credibility of Fair Trade products. This is achieved through local campaigning and lobbying, an online presence and media coverage, and various special events, such as the annual Fair Trade Fortnight in the UK. This first phase of Fair Trade is basically supplier driven and only reaches a small amount of consumers. In order to reach the next upmarket target group, which accounts for about 18 % of the UK population, Fair Trade extended the focus and combined ethical values with unique and premium quality. This consumer group makes purchasing decisions based on differentiation and quality of the product, while they are also receptive to ethical values. Thus, the brand message was broadened to include lifestyle characteristics.

In phase three, Fair Trade tries to reach 49 % of the population by addressing the “do what I can” group. This group has low ethical concerns, but is interested in social and environmental issues, especially if they are connected to the local area. The emphasis here is not on the individual perspective, but tries to address the social practices, which serve as a foundation for individual consumer behaviour as suggested by social practice theory. Thus, this marketing approach aims to connect local communities with ethical concerns. If towns fulfil certain criteria (e. g. Fair Trade products offered by private and public institutions), they can be accredited as a “Fair Trade Town” (Nicholls/Opal 2004: 164ff). Jansson-Boyd (2011: 27) summarises this approach and understands “consumer behaviour as the result of group identity”. People’s actions are partly constructed by their community, as people follow consumption patterns to conform to group norms resulting in direct or indirect pressure to act and consume in ways that are perceived positively by fellow group members.

Despite its success, the position of Fair Trade as “lifestyle good” has caused much controversy. Specifically, it is argued that Fair Trade has become a means of conspicuous consumption (Nicholls/Opal 2004: 164ff) and has reworked commodity fetishism. As Watson (2006: 443) highlights, “what is commodified is the knowledge that one’s actions as a consumer will be seen to be consistent with a cross-border ethic of care. This knowledge is priced into the terms on which the exchange relation is established, such that it is given a monetary value and is actively traded.”

Emphasis is then put on the Fair Trade labels, which “function as a mirror for the consumer in securing the benefits of self-expression and positive social identity” (Zadek et al. 1998 cited in Nicholls/Opal 2004: 165) and thus create “an ethical ‘feel-good factor” (Nicholls/Opal 2004: 165). This group of Fair Trade consumers places emphasis on the visibility of fairly traded goods. Thereby, the relationship between consumers and producers is no longer properly acknowledged, but in danger of being commodified through the Fair Trade premium. Moreover, Fair Trade has been subject to various forms of criticism, ranging from the non-transparent use of the Fair Trade premium, failure to control its standards to collaborating with capitalist companies such as Starbucks. Practical criticism concerns the distance between production and consumption. Fair Trade products are manufactured in the Global South, meaning that they need to be

transported long ways. Products like coffee or tea will always have to be imported into Europe, while jam or sugar, for example, can be produced locally without the necessity of a long transport route.

Most importantly, Fair Trade has been accused of promoting overproduction of goods by offering prices higher than the market price. Following this line of argument, the minimum price introduced by Fair Trade encourages producers to further increase their production. However, as the demand for Fair Trade products is not large enough to absorb all goods produced by Fair Trade accredited producers, these goods are sold at the spot market and lead to a decrease in the world market price (Henderson 2008). By contrast, Fair Trade (The Fairtrade Foundation 2008) argues that its producers are traditional farmers and due to limitations of land and finances they are not able to significantly increase production. Instead, they try to increase their sales to the Fair Trade market. However, as Fair Trade accounts for only 0.5 % of the global market, its impact is rather small (The Fairtrade Foundation 2008). The excess supply of Fair Trade products is accompanied by the Fair Trade marketing strategy to increase its demand by “the mainstreaming of its products, i. e., the entry of Fair Trade products into conventional shopping circuits supported by labels and certifications, and the incorporation of its objectives into dominant political discourse” (Wilkinson 2007). The attempt of Fair Trade to increase its market share by stimulating consumption could potentially counteract efforts to reduce overconsumption. This trade-off is examined in detail in the following section.

5. Finding the balance: Fair Trade vs. reducing overconsumption

Fair Trade and a reduction of overconsumption appeal to different dimensions of a product. While Fair Trade adds an ethical dimension to a given branch of goods, it is primarily concerned with trade justice, but does not specifically promote a reduction in consumption. Fair Trade commercials in particular (as described by Brait 2013) could, due to their superficial nature, motivate consumers to buy more dispensable Fair Trade goods as an act of charity and not of necessity. The emphasis of Fair Trade lies on the production process and justice in international trade, whereas the level of consumption is usually not criticised. Thus, the illusion could be created that it is acceptable to consume any amount of a product, as long as it is produced ethi-

cally. Nevertheless, as Fair Trade goods are produced according to environmentally-friendly standards and their higher prices are likely to decrease aggregate consumption, they help to make consumption more sustainable. In order not to deflect attention away from the problem of overconsumption, it is important that Fair Trade incorporates the goal of reducing consumption levels and modifies its educational strategies accordingly. Encouraging consumers to buy more ethical goods but less in absolute values is certainly very unusual for a market-oriented organisation, but a possibility if the maximisation of profit is not the priority. Moreover, the many initiatives aiming to deviate from the imperative of growth and to acknowledge pressing environmental and socio-economic problems could eventually bring forth a change in paradigms and, thus, in social practices related to consumption. Since the mechanisms that Fair Trade uses to promote ethical consumption are in principle also appropriate for reducing overconsumption, synergy effects can be realised by simultaneously addressing both problems.

Both problems are reflected in the social patterns of consumption and thus require a behavioural change of consumers. According to the LTC, change can be brought about by education and by creating awareness of harmful consequences. It is important to create a feedback process, appealing to the sensations of consumers and making them aware of the impact that their purchasing decisions have. Furthermore, if social ideals and community values can be modified, as proposed by social practice theory, consumers will eventually feel obliged to adapt their consumption patterns to the “new rules”. Ethical consumption and a publicly displayed reduction in consumption can then act as a new form of conspicuous behaviour. From a strictly ethical point of view, this new form of conspicuous consumption is not desired (and reinforces commodity fetishism), whereas from a more pragmatic point of view, it can be accepted as a suitable means to an end because it promotes the consumption of ethical goods.

In conclusion, ethical consumption in the form of Fair Trade might deflect attention away from the problem of overconsumption. However, by introducing an ethical dimension to a series of consumer goods Fair Trade can also provide a means for raising awareness and pave the way for the ethical considerations associated with a critique of overconsumption in affluent societies. Therefore, it is all the more important that Fair Trade contributes to counteract the problem of overconsumption. By introducing a new ethical pro-

duct dimension, Fair Trade creates awareness and concern for the social relations and environmental impact of a product, ensuring a friendly resource-use and educating producers about sustainable production methods. It is not only successful in raising awareness for the social relations of production through education and creating a sensorial feedback process, but also it effectively changes social patterns of consumption. Therefore, I argue that rather than seeing both as competing problems to be solved, the success of Fair Trade could also be used to counteract overconsumption by addressing and changing the social patterns of consumption.

6. Conclusion

In this essay, I have attempted to show that overconsumption and ethical consumption do not necessarily lead to a trade-off in the traditional sense, but instead that the routines developed in the context of Fair Trade might be useful for addressing the problem of overconsumption as well. Based on a constructivist understanding, both problems eventually require a change in consumption patterns and social values in order to be adequately addressed. Thus, reducing consumption and making ethical consumption the social ideal prevents excess consumption. However, the link between awareness and behaviour is rather complex (and not necessarily causal) and is subject to much debate and different suggestions. According to the LTC, it is important to create a feedback process to enable associative learning on an individual level. On a societal level, change can be induced by creating the image of excessive and unethical consumption as being undesirable and “against the rules”. In this context social practice theory offers valuable insights. Concerning the wider implications, changing consumer behaviour by means of financial constraints would certainly face problems of democratic legitimacy. However, if behavioural change is based on sensation and education, as proposed by the LTC, a change in social consumption patterns can even support the democratic functionality of a society. In a capitalist society, the exchange of goods and services requires only brief and superficial contacts, thus fostering anonymity and making feelings of caring and solidarity obsolete. Due to the simplicity of commodity markets, people are less able to deal with complexity, which is at the bottom of a well-functioning democracy (Bowles 1991 cited in Hudson/Hudson 2003). As Bowles (1991: 419) argues, “empathy for

others and the complex decision-making skills that are both necessary for the implementation of a functioning democracy are not cultivated when people act only as self-interested consumers of commodities.”

This essay is written out of a western, developed economies’ perspective. However, it should be stated that emerging economies (e. g. BRICS) demand their share of growth and consumption. Therefore, it is all the more important that western consumers, having already benefited from growth and consumption, make their contribution to a sustainable environment and lead by example. If all seven billion people were to enjoy the same level of material well-being that the world’s richest one billion currently enjoy, the resources of another three planet earths would be necessary (Jansson-Boyd 2011: 35).

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