

Could Less Consumer Choice Be A Good Thing?

By Wayne Visser

So you buy fairtrade or eco-friendly products, and you think that is a good thing, right? Think again. What if so-called 'ethical consumers' are the very ones standing between us a sustainable future?

I'm crazy, right? Maybe, but here is why I say it. By creating a premium-priced, niche market for 'ethical consumption', companies have been able to present a responsible front to the world, while leaving the vast majority of their products – which are, by implication, less ethical, less responsible, less sustainable – unquestioned and unchanged. At the same time, a small group of usually well-to-do Western consumers have been able to ease their conscience by feeling that they are making a positive difference.

Now let me be clear. I am not against organic or fairtrade or eco-friendly products per se. That would be insane. Clearly, there are groups of producers – usually poor farmers in the Third World – that have benefited from these initiatives. What I am against is the voluntary nature and premium pricing of sustainable and responsible products. The combination of these two factors has ensured that, with one or two exceptions, these products have never gone to scale. As compared with the total and ongoing impacts of mainstream shopping habits, ethical consumption, laudable as it is, has remained marginal at best and totally insignificant at worst.

The UK's Sustainable Consumption Roundtable says, 'we know that there is a considerable gap – the so-called 'value-action gap' – between people's attitudes, which are often pro-environmental, and their everyday behaviours.' We know the 'value-action' gap is partly explained by price and availability of alternatives, but there's something else. Context matters as well.

To illustrate this, Timothy Devinney, author of *The Myth of the Ethical Consumer*, reports on a very interesting experiment he conducted while researching his book. The experiment took place at a coffee shop in central Sydney, Australia, over a period of several weeks. This coffee shop displayed a large and prominent sign indicating the products available, their prices and active specials. To this was added, quite obtrusively, another special, indicating: We have Fair Trade coffee! No extra charge. Just ask.

Here's what he found. Unprompted, with only the sign to notify them of the availability of the 'ethical' alternative, less than 1% of customers bothered to ask for Fair Trade coffee, even though it was free. 'When they prompted customers with a reminder that the 'ethical' alternative was available, the number of customers opting for the Fair Trade option rose to 30%. They then went a step further and took the customer's privacy away: each time the clerk prompted a customer with the Fair Trade option, we ensured there was someone standing next to that person at the counter. In this situation, the number of 'ethical consumers' rose to 70%.

This is a hugely important lesson: If we want to achieve scalability of sustainable and responsible products and services, we cannot leave it to the passive choices of customers. Context is critical, and a little bit of peer pressure goes a long way. But do we really want to resort to public embarrassment to achieve scalability?

The alternative is the trend towards 'choice editing'. The idea of choice editing is likely to get free-market fundamentalists all in a tizz, but the fact is that manufacturers and retailers choice edit all the time – for example on quality, price, aesthetics and brand. The only difference is that now we are asking them to add sustainability and responsibility to their list of criteria.

So who is doing choice editing? Well, outdoor clothing company Patagonia converted to 100% organic cotton in 1996, frozen foods retailer Iceland banned genetically modified food in 1997 and

carpet manufacturer Interface has been using only renewable (green tariff) energy since 1998, so it's not a new idea. The difference is that now some of the big manufacturers and retailers are coming on board. For example, Unilever has committed to sourcing 100% of our agricultural raw materials sustainably, Sainsbury's only stocks Fairtrade bananas and Walmart has adopted organic cotton and sustainable fish strategy.

Let's look at Walmart in a little more detail to illustrate the point. Walmart set a target to purchase all of its wild-caught fresh and frozen fish for the U.S. market from Marine Stewardship Council (MSC)-certified fisheries by the end 2011. They are also working with Global Aquaculture Alliance (GAA) and Aquaculture Certification Council (ACC) to certify that all foreign shrimp suppliers adhere to Best Aquaculture Practices standards in the U.S. and by 2009, they were already halfway there.

Speaking to the Wall Street Journal, George Chamberlain, president of the Aquaculture Alliance puts the move in perspective: 'The endorsement drew attention; Wal-Mart buys more shrimp than any other U.S. company, importing 20,000 tons annually – about 3.4% of U.S. shrimp imports. With Wal-Mart's nod, we went from trying to convince individual facilities to become certified to having long waiting lines.'

Walmart also made a commitment to phase out chemically-treated textile crops. By 2008, Wal-Mart was the largest buyer of organic cotton, with more than 10 million pounds purchased annually. They are also the world's largest purchaser of conversion cotton – cotton grown without chemicals, but waiting to be certified as organic. Former CEO, Lee Scott, was under no illusions about the ripple effects when he made the strategic choice-editing decision: 'Cotton farmers can now invest in organic farming because they have the certainty and stability of a major buyer. Through leadership and purchasing power, all of us can create new markets for sustainable products and services. We can drive innovation. We can build acceptance. All we need is the will to step out and make the difference.'

The question is, since not everyone has the size and economies of scale of Walmart, should we pin our hopes on voluntary choice editing? Or should we be lobbying for a different, and arguably more effective, form of choice-editing, namely good old-fashioned government regulation? The state regulates to ensure the health and safety of products, so why not for sustainability as well?

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