

Consumer Works !

Civil Action for Human Development¹

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Consumption and Human Development

Choice is at the heart of the human development paradigm. Within this paradigm, more choice is generally seen as a good thing. However, in the area of consumption, a greater number of options do not necessarily add up to a higher level of human development. Yet, within the world in which we live, restricting consumption options can also cause short and perhaps long term harm to those who build their livelihood strategies around the production and trade of goods and services. The challenge we face in considering consumption within a human development context is to understand what real choice means, and how these choices are affected by the collective and individual actions of people who are not just consumers but also workers, farmers, parents and - more generally - citizens.

Consumption and human development are therefore intimately intertwined, but in ways that are not always transparent, and with causal effects that are often unexpected.

Consumption can affect all aspects of human development. This occurs *directly* through the effects of goods and services on those who consume them, and the families and communities around them. It also occurs *indirectly* through the chains of production and trade which underpin patterns of consumption. The environmental consequences of both direct and indirect effects of consumption also affect human development of both current and future generations.

Consumption has collective as well as individual dimensions. A key aspect of the collective dimension is expressed through civil action that can both influence consumption patterns and, through consumption, influence the lives of those involved in production and trading chains. Such actions form one of the many bases on which democratic processes can be strengthened, and more generally can enhance the potential and realization of the human development of economically weaker individuals and groups.

Some Scene-Setting Propositions

1. **Consumption is a fundamental ingredient of human development.** Some of our basic human needs - nutrition, clothing, shelter, and energy - depend upon consumption of material resources. Beyond the meeting of these basic needs, consumption is one of the central ingredients that can enhance people's quality of life. For example, making more effective use of health and education products and services can build people's control over their lives. Similarly, the consumption of greater information, or the technology that allows communication, can enhance people's real choices. Consumption in terms of access to resources and options for self and communal improvement are fundamental ingredients of human development, and the enactment of these options, i.e. consumption itself, contributes to what gives people greater competencies and capacities, identity and social capital, and pleasure.

2. **Consumption need not be positive for those who consume in terms of human development.** In a world characterized for a large minority by ever-expanding consumption opportunities, people may consume products and services that ultimately constrain their development, either directly or indirectly. Some drugs, for example, directly undermine the health of the consumer, thereby reducing their chances of a long and healthy life. This is what Manfred Max-Neef, the Chilean economist and winner of the Right Livelihood Award, has called 'negative satisfiers'³. Products such as cigarettes and alcohol may also, for some, be purchased at the expense of other, badly needed, goods and services. Whilst some people make such 'choices' in an informed way, many others consume damaging products only as a result of *lack of* choice and information. Indirectly, the consumption of damaging drugs, whether through choice or through having no alternative, also places additional pressures on health services, constraining their ability to deliver effectively where they are needed.

3. **Consumption can influence human development through its relationship to patterns of trade, production, and the state of the environment.** Mahatma Gandhi was adamant that increased consumption of industrially-produced textiles in India would undermine the production of home and village-spun cloth, destroying village autonomy and livelihoods, undermining the inter-generational transfer of technical skills, and reducing the quality of life through the gradual disappearance of beautiful home-spun cloth. Internationally traded products sold in industrial countries such as toys, sportswear, and food products are often produced by workers earning remarkably low wages. This may include the exploitative use of child labor that constrains children's opportunities for formal education, and can reduce their health and longevity. Demand for hardwood forest products may undermine the ecological resources that provide sustainable livelihoods for

nearby communities. The 'throwaway society' can lead to patterns of pollution that damage some people's health in the short term, and constrain longer term life opportunities for many more.

4. ***Consumption can be an active process involving collective as well as individual choices, and so extends qualitatively well beyond the passive, socialized process of acquiring goods and services.*** This particular element of choice - to be active in the building of new consumption options, and to reject as inappropriate some that are passively available - is fundamental to the civil, collective aspect of consumption. It is only by conceiving of and understanding people's abilities to make real decisions about what forms of consumption do or do not contribute positively towards human development, and how best they can be acquired or rejected, that we can begin to understand this key relationship. This is best done not by distinguishing particular products and services, but by recognizing practices of consumption that are oriented towards the growth of human development.

5. ***People's conscious and active individual decisions and actions regarding what is consumed organically form a key basis for collective expression. This molds what is available for consumption, and influences how goods and services are produced, traded, and sold.***

Thus, whilst human development can certainly occur through individual action, and in many ways is fundamentally linked to individual choice and activities, this paper focuses on a particular dimension of how progress in human development is achieved; namely, civil action in the sphere of consumption.

Defining Civil Action in the Sphere of Consumption

There are many forms of civil action, and also many actions that may or may not be deemed 'civil'. Whilst there is no need or intention to construct watertight definitions around this broad analysis, it may be helpful to suggest some boundaries to the arena of action to which we are referring in this paper. A useful starting point is the definition offered by Axel Hadenius and Fredrik Uggla, who see 'civil society' as:

“a public space between the state and individual citizens where the latter can develop autonomous, organized and collective activities of the most varied nature.”⁴

Percy Lehning follows the same route in understanding civil society as:

“..a space or arena between households and the state which affords

possibilities of concerted action and social self-organization. It is the space we occupy when we are engaged neither in government activities (voting, paying taxes) nor in commerce (working, producing, shopping, *consuming*)”⁵

Lehning’s specific exclusion of commerce - in which he includes the act of consumption itself - is broadly in line with the conventional distinction between civil action on the one hand, and individual action for financial gain or other forms of personal gratification. However, this is at odds with the perspective offered in this paper in that it is argued here that commerce - whether production, trade, or consumption - *can* be a civil action where it is undertaken consciously as an element of a collective process that has objectives that extend beyond (only) either financial gain or/and personal satisfaction.

Consumption, like civil action, can be understood in different ways. One dictionary definition, as Paul Ekins points out, is to destroy, or to use up. In economic activity, Ekins continues:

“...what is destroyed by consumption is the value (from the human point of view) that was added in production. To the economist consumption is that part of gross income which is not invested.”⁶

Beyond the scientific and economic definition, however, lies a range of interesting, if less clear, defining features of consumption. The act of consumption, and the events leading up to it, are elements of individual choice, albeit within a framework of persuasion through, for example, advertising and peer group pressure. Following from this, the sphere of consumption is a major defining feature of a person’s social identity, and source of status and self-esteem. This is not a matter of good or bad.

Households, Communities, and Webs

Households and Individuals are the basic 'unit' out of which all other forms of organization are constructed. Whilst civil action is a collective process, the collective actions in most cases consist of a large number of decisions made at the individual or household level. For example, community groups, environmental organizations, and other civil institutions may encourage individuals and households to change their consumption patterns in order to support positive product discrimination, lend consumer power or boycott certain goods and services. Individual and household action in redefining personal consumption patterns is emerging as a current trend for wealthier consumers, particularly in Europe and North America. The phenomenon sometimes known as 'downshifting' has generated a range of supporting initiatives.

Local Communities. Many of the most extraordinary cases of collective action emerge from the community. Visioning processes engage people in thinking through what services and amenities can be of critical importance to the community, or how best to measure and communicate what progress is made over time. *Agenda 21* has provided a particular catalyst for these processes in recent years, encouraging the development of a host of tools. As the FAO concluded in relation to these and other, similar initiatives: '..it is the poor who are building their cities, who are providing the sanitation services in more and more neighborhoods and who are providing more and more public goods. It is becoming increasingly clear that large sections of Third World cities are only surviving because of the input of their underprivileged citizens and that good governance can only be achieved if the traditional decision makers give the poor majorities who are building the city a seat at the negotiating table'.

Webs. There has been a dramatic increase over the last five years in international collective action through consumption involving both poorer producers and workers, and those wealthier communities with influence over production and trade by virtue of their vast purchasing power. At the micro scale, the 'fair trade movement' has enabled small-scale, community-based producers - often of basic products such as textiles and crafts, coffee, and tea - to offer goods more directly to high-income consumers in industrial countries through the positive mediation of non-profit 'alternative trade organizations'. In this way, consumers have been encouraged to acknowledge and be more informed about the world of the producer, and by a process of 'positive discrimination' to select only those products where the producers have been more empowered within the supply chain, and more effectively rewarded in terms of price and security of market. At a more macro scale, international action has tended to focus on the behavior of transnational corporations operating in a relatively unregulated environment in terms of their social and environmental externalities.

Source: Zadek and Amalric, 1997⁷

Consumption, status, and identity are clearly intimately related, even where 'less consumption in pursuit of human development or environmental sanity' is a defining status symbol of the moment.

Civil action about and through consumption takes place on three broad levels, *individual/household*, *local/community* and *webs/networks* (see box) These levels provide an imperfect but useful framework for understanding the components that make up successful civil organizing and for assessing the effectiveness of various forms of action operating on the three-dimensional sphere of civil action, choice and consumption. Each level does not necessarily involve different people, but rather describes the different loci of action of the forms of civil organizing.

Understanding Producer-Trader-Consumer Civil Action Dynamics

In the context of a development perspective, including 'human development', there is one further dimension of consumption that bears some exploration: its meaning in the context of those who have little or no purchasing power with which to make 'consumer choices'. Raff Carmen puts it as follows:

“Sustainable consumption as a transformative driver of development is important because it is susceptible to citizens' political action. It is production, however, and how to go about it, which is the more important factor for those for whom development supremely matters, namely the countless millions deprived of their primary rights as citizens: to be consumers, yes, but to be producers, first.”⁸

Habaye Ag Mohamed takes this argument one stage further in pointing out that consumer action in the South involves a more complex array of actions than those understood as 'consumer action' in the North:

“The aim would not be to replicate the models of consumption civil action in the North....It is, rather, to understand the relationship between environment, consumption and poverty. The aim would be to overcome the more visible causes of poverty: the inadequate economic models, the blindness to local values and potential, mimicking the North, unequal terms of trade and exchange, unemployment and underemployment, the manipulation of laws and regulations, environmental degradation and social disparities. But also, the marginalization of the continent in terms of communication and information, denying access to productive capacities to the vast majority of the people.”⁹

Kimberly Pfeifer, finally, pins down the key issue of the relationship between people as consumers and producers:

“...consumer and producer do not constitute mutually exclusive identities. People occupy both positions and at times simultaneously. As a consequence what one produces influences one's possibilities of consumption. The work one does also shapes one's view of what things can be consumed and how... A choice to buy products not produced by local or national capital has an impact on that society's own development by hindering these efforts which reduce the producer's power as a consumer and the consumer's power as a producer in the sense that the flow of capital and exchange is reduced¹⁰”.

These perspectives encourage care in setting the boundaries of the 'sphere of consumption'. It is important to avoid the pitfall of conceptualizing it purely in terms of the world of the industrial consumer, who is almost always distinct from the production process from which her or his consumed items are drawn. That is, we need to ensure that our assessment of civil action within the sphere of consumption is sensitive to the world of the poor, where individuals and communities are typically excluded from consumption options which are distinct from their own production processes. The significance of this point will hopefully become clearer through the case study material offered below.

Civilizing Consumption

This section offers a number of illustrations of how civil action around consumption can affect the human development potential of those in need at the level of the household, the community, and broader national and international webs. In choosing from the wide range of possible examples, we have attempted to focus on case studies that illustrate the various forms of consumer action and civil organizing around the world, including the:

- *diversity* of situations that can be understood through the 'spectacles' of consumption;
- different *types of people and organizations involved*, including relatively higher-income consumers and those in need who tend to focus their demands for goods and services outside of the market, or through those with greater economic leverage;
- *range of goods and services* in relation to which civil action takes place;
- *environmental dimension* of consumption and associated civil action, insofar as it bears on human development potential that can be engendered or marginalized.

Household-level Action

Households are the base 'unit' out of which all forms of collective organization and therefore civil actions are built. However, it would be an error to treat households merely as elements of the aggregate. Civil action need not be large groups of individuals acting together literally, but can also be households acting as part of a common movement in their own spheres, i.e. the household itself.

Box: Downshifting: The Impact of the Global Action Plan

In the Netherlands, the University of Leiden has identified significant reductions in resource use by participants of the plan. Sizable savings were measured in waste (30%), gas usage (23.1%), electricity (6.8%), and water (4.9%)¹³. Similar work on impacts has occurred in the United States and has shown that a family that has been through the program will save each year a total of \$1,200, with reductions of 3,120 pounds of garbage, 73,000 gallons of water, ten trees, ten tonnes of carbon dioxide and 600 gallons of petrol¹⁴.

In the UK there are currently 15,450 households¹⁵ (some 40,000 people¹⁶) participating in the *Action at Home* program. The impact of the UK GAP program has not yet been assessed in the same way as in the US and the Netherlands. Instead, participants have been surveyed on changes to their behavior according to a green score. This pointed to a six percent improvement in green score amongst participants¹⁷. Interestingly, the survey highlights barriers to low impact lifestyles, primarily centered on the issue of transport. The key challenge for policy-makers is how to lower or remove such barriers to further household action.

The industrial 'North' is the major consumer of natural resources, and contributes most to environmental pollution. For example, it is often stated that 25% of the world's population in the rich North account for 80% of overall consumption of natural resources, 75% of municipal and industrial wastes and have contributed about 80% of man-made global carbon dioxide emissions since 1950. As Paul Hawken notes, "For every 100 pounds of product we manufacture in the United States, we create at least 3,200 pounds of waste....We are far better at making waste than at making products"¹¹.

The significance of these facts for human development lies both in the present and the future, particularly for those who most directly suffer through the destruction of environmentally-based livelihood options. Furthermore, continued environmental irresponsibility through 'over-consumption' by Northern consumers has established a model that emerging higher-income earning populations in Asia and elsewhere seek to emulate.

As awareness of such disparities grow, there is an emerging practice in Europe and North America amongst high-income, traditionally high-consuming households voluntarily reducing consumption and simplifying their lifestyles. The trend towards 'voluntary simplicity' has also been linked with the phenomenon of 'down shifting' - choosing more free time over more earnings. One approach to reducing resource use and improving ecological impact is that of Global Action Plan (GAP). GAP is an 'international charitable organization established to help individuals take practical environmental action'¹².

GAP is well-established in Europe, including Belgium, Finland, Poland, Sweden and the UK.

It is also active, on a somewhat lower scale, in Japan, Korea and the US. The approach in the various countries differ. In continental Europe the initiative is based around a six month 'Eco-Team Program'. Eco-Teams can be a family, or a group of some six to ten people. With the aid of information on their behavior and with a workbook with ideas on how to reduce impact, the team works on five aspects of their behavior: energy; water; shopping; transport and waste. Each month teams send in feedback sheets listing what they have done. Results are collated by the national office and results disseminated. These indicators show patterns of consumption and identify where and how consumption might be reduced.

GAP is an attempt to provide individuals with information and action tools to reduce their consumption of, and impact on, natural resources. It works by playing on two factors: the ability of households to save money by consuming less, and by encouraging a sense of participation in a collective process. In this light, GAP needs to be understood as a form of civil action even although it neither physically brings together participating households, nor is it a community-based action.

Mauritanian Camel Milk

Individual action in redefining consumption patterns is not the prerogative of wealthier households. A key strategy in many development initiatives in poorer communities involves the shifting of consumption patterns towards locally-produced products. Again, this does not necessarily involve civil action as an organized, institutionalized, collective process. However, it *does* involve civil action in the sense that it involves a conscious effort to shift people's consumption habits with developmental gains in mind.

The case of camel milk production in Mauritania illustrates this dimension of consumer-related civil action. In Mauritania, camel milk has been a traditional staple food for the pastoralists who make up the majority of the population. Camels provide meat, leather, wool and transport and their milk provides the major source of protein and vitamins¹⁸. However, desertification and political unrest have led to a large number of pastoralists being displaced and losing their traditional livelihood. Recent droughts have decimated camel populations and many herders have settled in or around the main towns¹⁹. This has meant that camel milk has been lost from diets, with negative nutritional consequences²⁰. Consumers have been unable to acquire milk or have had to rely on unprocessed milk bought from the roadside or cheap imported milk²¹. These have negative consequences for health and are a drain on local money flows²².

In recognition of this economic vicious circle, Nancy Abeiderrahmane, a local social entrepreneur established a camel milk dairy to provide locally produced pasteurized camel milk to the local population, and thereby simultaneously to strengthen the local economy,

build community-based livelihoods, and enhance people's health²³. The challenge, however, was that over time people had come to view locally produced milk as being inferior to foreign imports, essentially an issue of 'imitative status' rooted in advertising and the generic high-status enjoyed by imports over domestic products²⁴. Ironically, local milk producers themselves saw the dairy as a threat and preferred to sell directly on the 'road side' to consumers, even though this approach to marketing was clearly part of the reason why the market for local milk was in decline.

There followed a two year process of gradually growing awareness that a local, traditional product was acceptable, and that it could be a sophisticated (pasteurized) product. Part of the growth in demand was achieved through this education process. Straight price incentives were also used, with prices for local camel milk produced at the dairy being reduced by up to 25% in the initial period to be competitive with the alternatives. There then followed a period of support both from suppliers to the factory and from local consumers. Although it still took a couple of years to break even, the dairy is now a thriving concern and currently has approximately 400 regular suppliers and supplies milk to between 13,000 and 20,000 customers a day as well as distributing to about 1,100 shops around Nouakchott - all through individual consumption choices .

The dairy has provided an expansion of choice for individual consumers, and local people have exercised this choice with direct benefits for the local community. In addition, it has provided a link between traditional pastoralism and the cash economy, increasing the incomes of pastoralists and providing them with greater security and a higher standard of living²⁵. In addition, livestock, both cows and camels, are now better protected against recurrent drought as they can be fed with the money earned. Since the dairy started, the value of cows has increased five-fold and that of camels has doubled, partly as a result of increased local milk sales²⁶. Mauritania's camel milk production reached 20,500 tonnes in 1996²⁷.

According to Abeiderrahmane the most satisfying aspect of the project has been the wholehearted support she has received from the Mauritanian people. "I think the Mauritanian people are actually proud of our products", she reports. "They boast of them to foreigners and definitely cannot do without them. In fact, even perfect strangers come up to me in the street in Nouakchott or in shops and say nice things about the milk."²⁸. Consumption of the dairy's local pasteurized milk products has been increasing at an average rate of well over 20% a year since the dairy opened.²⁹ On a wider scale, since the introduction and success of the factory, a number of people have begun to think of setting up similar operations in other 'camel rich' countries in the Sahelian region.

The case of Mauritanian camel milk illustrates several key aspects of consumption and civil

action. First, the initiative sought to build, through individual consumers, a sense of pride and loyalty in a local, traditional product, and encouraged its purchase for reasons that extended beyond pure, personal welfare gains (i.e. financial or personal preferences). Yet choice could be exercised only when local alternatives became available. As with GAP, the case again illustrates that civil action need not involve the mobilization of people to act *directly* together, but can involve a more indirect, diffused sense of solidarity and civil consciousness. Second, the case illustrates that civil action can be integral to an initiative that also has commercial dimensions. Unlike the case of GAP, the dairy was established with the aim of being financially viable through the sales of milk, i.e. through commerce. At the same time, it is clear that the promoter of the initiative was driven by the non-commercial aim of reawakening an interest in consuming locally produced camel milk with a view to achieving development rather than financial gains.

Community-Level Action

Many of the most extraordinary cases of collective action emerge from the community. Community-based visioning and indicators processes engage people in thinking through what services and amenities can be of critical importance to the community, and how best to measure and communicate what progress is being made over time. Agenda 21 has provided a particular catalyst for these processes in recent years, encouraging the development of a host of tools. Mobilizing communities around what and how they consume has been a critical element of many such community initiatives.

Arugaan and Baby Milk Substitutes, Philippines

Arugaan is a non-governmental organization in the Philippines formally launched in 1989. Arugaan's work centers around education on food and healthcare, particularly the provision of consumers with information on baby feeding. As Ines A. Fernandez, the director of Arugaan, explains "...[the] organization is a support system for working women. The word '*arugaan*' means to nurture fully or to take care totally. It has a deep meaning among Filipinos"³⁰.

An important focus is to help consumers to better understand and resist seductive advertising. Information on milk and food nutrition is also disseminated through training workshops and seminars for community leaders. Since 1993, 760 community leaders have been through this process³¹. This information is then spread through community networks and is aimed at encouraging the consumption of natural and local foods.

Lobbying of the government has also occurred at the grassroots level, and through this

Arugaan helped to establish a Milk Code based on the WHO/UNICEF International Code on the Marketing of Breast Milk. To get the Code enforced, in 1986 Arugaan mobilized mass action amongst a coalition of mothers, doctors, nuns and union workers from Nestlé and Wyeth. Three large communities were also involved and staged a street play on top of a large vehicle with visual props and a sound system. Within weeks the Aquino Government approved the passage of the Code.

A systematic analysis of the effectiveness of the work of Arugaan is not possible since there is a lack of recent survey data on breastfeeding practices in the Philippines. Even with such a survey, there would remain the inevitable problem of clarifying the link between consumer behavior and the work of one particular organization. However, the data that do exist show that 'non-exclusive breastfeeding' (ie partial use of baby milk substitutes) is on the decline. In 1973, non-exclusive breastfeeding rates were at 87 percent, while in 1987 they had declined to 80 percent³². Figures for exclusive breastfeeding have been put at 33 percent for infants under four months of age for 1993³³. Tracking this data will be a crucial indicator of success for Arugaan and baby milk substitute producers in the future.

The fact that the work of Arugaan achieved a public policy shift in favor of restrictions in the marketing of baby milk substitutes must be seen as a major success, as do the indications that breastfeeding in the Philippines is on the increase. At the same time, Arugaan, like many other community groups involved in mobilizing work, struggles against resource constraints. It has a team of just 12 people, all volunteers in a context where the market leader in baby milk substitutes, Nestlé, is the ninth largest corporation in the Philippines³⁴.

Local Exchange Trading Systems (LETS)

We have highlighted the fact that consumption and production are often in close and dynamic proximity to each other, and civil action on consumption needs to be understood in that context. This is particularly the case for poorer communities, where low levels of purchasing power, even collectively, mean that consumer action can often be put to best use in influencing human development by leveraging *local* production. This point has been illustrated at the household level through the case of the Mauritanian camel milk. However, this linkage between production and consumption can also hold true in poorer communities in industrialized countries, as the case of LETS demonstrates.

The concept of a Local Exchange Trading Scheme (or LETS) was originated by the Canadian Michael Linton in the early 1980s. It is a system for exchanging goods and services based on multilateral barter rather than money. Members of a LETS reach bilateral agreement on the terms of a purchase denominated in a 'currency' established by

the members of the LETS for their express and sole use. Payments made are debited from the purchaser and credited to the vendor through a centralized accounting system, enabling the vendor in turn to purchase goods and services to that value from other members³⁵.

LETS schemes are proliferating so rapidly in many parts of the industrialized world that the data on numbers quickly becomes out of date. Virtually unknown 10 years ago, there are now many hundreds of such schemes operating in industrialized countries, with networks of organizations actively promoting them. Germany and Australia are particular hotspots, but LETS have taken off to the largest extent in the UK, driven by a number of national organizations³⁶. In 1993 there were just 20 LETS schemes³⁷, yet by 1997 there were over 400 schemes with 40,000 participants.³⁸ LETS are not just for the affluent: unemployed people make up 25% of the membership in the UK.³⁹

Table: LETS in various countries

Country	Number of schemes	Year LETS Introduced
UK ⁴⁰	400	1985
Australia ⁴¹	250-300	1987
Germany ⁴²	180	1994
France ⁴³	109	1994
Netherlands ⁴⁴	75	1993
USA ⁴⁵	40	1985
Canada ⁴⁶	30	1983

LETS are fundamentally a way of reconnecting consumption and production within communities where local trading patterns have been undermined over time by switches in consumption towards 'imported' goods and services (money as purchasing power), and a resulting drain from the local economy of the cash required to enable local trade to take place (money as a medium of exchange). This vicious circle is challenged through establishing a local currency that can only be used to purchase local goods and services.

There are a number of resulting benefits. It helps to provide individuals with goods and services that they would not otherwise have access to. Exchange occurs locally and has a 'human face' and so helps to build community. Such initiatives are thus potentially powerful tools in tackling problems of social exclusion and reducing gaps in human development.

Table: Human development and LETS⁴⁷

Lack of human development can mean...	LETS offers...
<ul style="list-style-type: none"> Lack of money for consumption 	<ul style="list-style-type: none"> Reduced need for money for consumption
<ul style="list-style-type: none"> Lack of money to buy the materials needed to engage in formal or informal production 	<ul style="list-style-type: none"> Reduced need for money for materials
<ul style="list-style-type: none"> Fewer chances to hear of work because of reduced social networks 	<ul style="list-style-type: none"> A social network within which exchange can take place
<ul style="list-style-type: none"> Lack of skills 	<ul style="list-style-type: none"> Skills development through exchange
<ul style="list-style-type: none"> High costs of credit 	<ul style="list-style-type: none"> Zero interest credit without collateral

Nor are the benefits confined to the gains from local currency trade: members have found new strengths and skills through participation that have allowed them to enter the mainstream economy on improved terms. In Manchester (which has the largest LETS in the UK), for example, two unemployed members of a scheme used LETS to set up micro businesses. One developed an accountancy practice. Initially this was entirely in the local LETS currency and now trades for this and sterling. The other member started a marketing advice business to fellow scheme members before moving into the formal economy.

LETS as an ‘idea in action’ symbolizes the strength of the community economics movement as a practical response to the devastating effects of globalization on local economies, and on the health and opportunities of its citizens. By asserting the right of communities to establish their own measure of value and medium of exchange, LETS both reveals the nature of the problem, and simultaneously demonstrates at least some element of the solution. This solution is not a ‘technical fix’ - although the LETS itself is clearly a technique - but rather a mechanism for recognizing and building on the importance of community as a source of sustainable livelihoods. As one participant stated:

“Just about every time I trade through the LETS I get to meet someone personally. I’ve got to know an extra 100-150 people in this way. To me, that wealth of relationships in the community is synonymous with economic well-being⁴⁸”.

LETS therefore illustrates many key facets of the mechanisms and effects of civil action

in the sphere of consumption on human development. As Raff Carmen concludes:

“LETS allow the remarrying of aspects of consumption and production, and in particular the reawakening of people's minds to the opportunities for conceiving consumption within a user-friendly, localized 'win-win' economy.”⁴⁹

Communities in Control - the Case of Rufisque, Senegal

Civil action in the sphere of consumption goes well beyond straightforward consumer boycotts, as the previous examples show. The sphere of consumption has complex relationships with the spheres of production and exchange, and civil action can take many different forms. The case of Rufisque in Senegal further deepens our understanding of the wealth of initiatives which can be identified and better understood through the three-cornered prism of civil action, consumption, and human development.

The inhabitants of low income communities in Rufisque, a small township just outside Dakar, Senegal, are rapidly overcoming the problem of inadequate sanitation provision through collective action in partnership with NGOs and local authorities. In 1990, most of the housing compounds had inadequate or no piped water or provision for sanitation; waste water “was thrown into the street; the beach was used as a public toilet and an unofficial refuse dump; diarrhoeal diseases were the most commonly reported health problems at the health centers”⁵⁰.

The community discussed the problems with Enda-Tiers Monde, an NGO active in the area which had been involved with the community in a successful project to stop rapid beach erosion⁵¹. They drew up plans for PADE - the Diokoul and Surrounding Districts Sanitation Scheme. The scheme had a number of aims, including: provision of sanitation services, job creation, disease reduction and enhancing the social status of the participants. Perhaps most importantly, it was designed to “reinforce the independence of the community and give people a sense of citizenship, through training and interaction between various groups”⁵².

The project dealt with sanitation on several fronts. A revolving loan fund was used to enable people to pay for the installation of private sanitation systems. The loan fund has been very successful and at the end of 1995 assets stood at US\$ 50,000. The fund has enabled residents to use their own money to take control of the services they needed.

Compounds were provided with toilets, showers, waste water tanks and a filter system. Some compounds were connected to purification plants. One plant uses water-lettuce

which grows freely around Dakar and has been used in the Sudan as a water purifier for over a thousand years, while the other operates using micro-algae and bacteria. The purified water in turn contributes to the community by producing a rich compost from combining biodegradable waste and the purified water.

Along with sanitation provision the project also began a system of refuse collection for difficult-to-reach areas through the commonly used transport of horse and cart. This has been so successful that private entrepreneurs are now using the method.

Table : Benefits of the sewer network and the purification plant in Rufisque⁵³

Social Advantage	% of Households
Improvement of local environment	32.9
'Peace of mind' (owing to a reduction in the incidence of diseases and consequently less expenditure on health, and general improvement of living conditions)	15.0
Improved wastewater disposal	10.5
Reduced work loads for women	6.7
Reduced disease incidence	4.80
Reduced levels of frustrations	2.9
No more need to make arduous journeys	1.9
Spare containers (that had previously been used for waste water but that are now free)	1.0
No advantages	11.0
No opinion	13.3
Total	100%

The PADE project has been effective in tackling the problem of sanitation provision. By 1996 compounds benefiting from individual/public sanitation had gone from none to 420 with an equivalent number on waiting lists, and 3000 more compounds than previously benefited from daily refuse collection. Women and children's workloads have decreased as a result of the disposal of liquid and solid waste. Overall health has improved with a reduction of one third in the incidence of environmental illnesses⁵⁴.

This case illustrates that civil action by poor communities can make a difference in enhancing the provision of goods and services which are essential to securing a higher quality of life, and for progressing human development. As the FAO concluded about such initiatives:

'Now, to a great extent, it is the poor who are building their cities, who are

providing the sanitation services in more and more neighborhoods and who are providing more and more public goods. It is becoming increasingly clear that large sections of Third World cities are only surviving because of the input of their underprivileged citizens and that good governance can only be achieved if the traditional decision makers give the poor majorities who are building the city a seat at the negotiating table.⁵⁵

The case also reminds us that a major element of 'consumption' is collectively purchased and delivered: in many countries 40% or more of total national consumption. Civil action oriented to influencing this element of consumption may therefore often have a greater impact than actions oriented towards individual consumer behavior, but only if citizens are able to generate sufficient collective funds to purchaser such services.

A third dimension of this case has been its 'learning effects'. The key organization involved, Enda-Tiers Monde, has launched an 'alternative consumption' campaign to relink consumption with the struggle against poverty, drawing on its practical experience with sanitation and waste management in Rufisque. The campaign is targeted on identifying and spreading the 'front line technologies' that the poor require to meet their daily requirements. It is also suggesting new models of consumption and combating the process of import substitution for local products, partly by reinvesting local products with a sense of quality⁵⁶.

From Boycotts to Ownership, South Africa

The history of consumer boycotts in South Africa illustrates the relationship between community-based consumer action and broader national and international social and political processes⁵⁷.

In the early 1980s consumer boycotts were adopted as an important social tool in South Africa. By the end of 1981 there were several examples of employers being forced to concede to union demands due to the close working links between unionized workers and consumers in communities around the country. These experiences brought a heightened awareness of the power of consumer action, and soon led to the consumer boycott being used as a tactic for political mobilization and advocacy.

In mid-1985, a new form of consumer boycott emerged, that of a blanket boycott of white owned shops and black collaborators. There was an organic link with earlier campaigns around labor disputes given the collaboration between unions and organizations such as the United Democratic Front. Consumer boycotts became a key tool in the fight against Apartheid. White owned businesses as well as local black authorities who collected rents from township dwellers were seen as a part of the Apartheid superstructure, and

thus became the chief targets of consumer action.

Nowhere was the strategy of consumer boycotts more effective than in the city of Boksburg, just east of Johannesburg (see box). This case of action by black residents of Boksburg illustrates that consumer power was effective in challenging local and national political issues. The white electorate of Boksburg discovered that the consequence of voting for the overtly racist CP resulted in their town becoming measurably poorer. Black businesses benefited from the boycott through increased customers and greater influence in the township. White owned businesses began to mobilize white opinion against the council and pressed the National Government to intervene.

The white businesses thus became political activists against racism after feeling the economic might of thousands of ordinary black consumers. One white store owner claimed that he suffered a heart attack as a result of stress due to loss of trade. His only consolation towards the end of the boycott was that the CP would lose the next municipal elections: he predicted that the same white voters that voted for the CP in the first instance would ensure that the CP would lose the elections⁵⁸. It was evident that the white voters had felt the 'bite' of the consumer boycott and black buying power.

Box: During Apartheid: Consumer Boycotts and the Separate Amenities Act in Boksburg

By the late 1980s residents from black townships started to use consumer boycotts to challenge a range of political issues. In 1989 these found focus in campaigns to cripple the economies of towns run by the Conservative Party, a white right wing party bent on implementing separate amenities and other aspects of petty Apartheid.

In 1989, the Conservative Party (CP) won control of the Boksburg Town Council from the National Party. A few weeks after this victory the CP announced that public facilities in the town would henceforth be for 'Whites Only', and consequently out of bounds for residents of neighboring Reiger Park and Vosloorus, the surrounding black townships. Blacks, according to the Town Council, would be welcome to work and buy in the town, but not to relax in the town's parks or use any of Boksburg's public facilities. What the CP was doing was literally applying a National Government law, the Reservation of Separate Amenities Act.

The residents of Reiger Park and Vosloorus decided to oblige the CP controlled council by 'Co-operating to keep Boksburg White', by not going into town to buy from any shop. White owned shops were particular targets. The boycott lasted for over a year, during which time some 13 large shops in the town closed down. Large retailers such as Edgar's Clothing Store lost millions of Rands; close to R500 million was lost over the two Christmas periods alone.⁵⁹ The local store manager of Edgars claimed at the time that while the store picked up on white trade, it was certainly not enough to compensate for the loss of black trade⁶⁰.

The consumer organization leading the boycotts, the "Save Boksburg Committee" basked in its new found power. They knew very well that the CP was not able to use the coercive power of the National Government to force people to buy in the town; there was no means to suppress the black revolt against racist policies. The committee insisted that consumer action would continue until the Separate Amenities Act, promulgated by the Government of the National Party and implemented by the CP in Boksburg, was scrapped.

The Nationalist Party Government, in response to the international exposure that the boycott was generating, acted by scrapping the Separate Amenities Act, thus pulling the rug from underneath the CP council in Boksburg. It was only after the Separate Amenities Act was scrapped that the Save Boksburg Committee decided to call off the boycott. The words of an executive member quoted in the press the day the Separate Amenities Act was scrapped were indicative of the sense of power and achievement as a result of their consumer action:

"This is our victory day. We have shown that we cannot be taken for

Box: Post-apartheid: The Women's Investment Portfolio Holdings (WIPHOLD)

This investment portfolio was set up in 1994 by a group of four women with the broad objective of enabling women's participation in economic empowerment initiatives. Starting with an authorized share capital of R1000, WIPHOLD had by mid-1997 realized a current investment value of around R173m, and had published a prospectus inviting women to purchase shares to the value of around R40m to refinance investments, facilitate future expansion and enhance public awareness of the company.

This dramatic growth is derived from a simple yet effective strategy: WIPHOLD's basic premise is to "invest in what you consume". The notion of brand loyalty provided the starting point for a women's investment strategy: women's bias towards consumer goods (or services) produced by a group in which they have shares will powerfully affect this group's turnover and profitability. If a company was made aware that it was the potential beneficiary of a vast constituency of women who would show loyalty at the point of consumption (or, implicitly, withhold their buying power from a company which spurned their attention) then it would more easily open shareholdings to this constituency under favorable terms. WIPHOLD thus simply sought to organize the vast constituency of women consumers towards collective action.

At the beginning, says one of the co-founders, leveraging the awareness of women's power as consumers into shareholdings in companies targeted for investment was "like selling air in a bottle"⁶². There could only be a persuasive argument for participation in the companies if there was indeed a well organized and numerically vast constituency of women participating in WIPHOLD. On the other hand a mass base for WIPHOLD amongst ordinary women would only become possible if there was compelling evidence that this was a worthwhile investment opportunity. As it turned out, the consumer power implicit in WIPHOLD proved enough to market the investment company. Three years on, with shrewd investment decisions by the founding group, there is every prospect of this becoming a formidable financial organizing base for women across South Africa and in all walks of life.

granted. We have been on this defiance campaign for little more than a year, and with the people fully behind us, we have shown that we will not bow down to the dictates of the Conservative Party controlled town council"⁶¹.

Consumer boycotts of the Apartheid era had been so successful that in post-apartheid South Africa there remains a high consciousness of the power of consumer action. Within the new democracy this has found expression in diverse arenas.⁶³ One of the most remarkable examples of how consumer power can be used as an instrument for economic empowerment is provided by WIPHOLD (see box).

Managing Shrimp in Ecuador

Civil action does not always achieve its aims, as a later section of this paper highlights and examines. A major reason for the difficulties of community-based initiatives is that they are unable to effectively challenge the real driver of the problem they seek to address. The history of the action in Ecuador to control the commercialization of shrimp fishing and farming illustrates how a failure to mobilize support from consumers undermined the effectiveness of an initiative to stem the negative environmental and social effects of large-scale, export-oriented production.

In Ecuador, for over 400 years, local people have practiced mariculture, enclosing lagoons and cultivating shrimp juveniles brought in by the sea. This low impact approach has been replaced in recent times by trawler boats and then intensive use of shrimp farms, displacing ecologically rich mangrove swamps. According to a 1995 study⁶⁴ there are 149,570 hectares of mangrove forest still standing, while shrimp farms have consumed 178,071 hectares, or 53% of the coastal ecosystem.

Table: Ecuadorian Shrimp Earnings⁶⁵

Year	Industry Earnings (US\$ m - Current Prices)
1992	525
1993	451
1994	539
1995	665

Ecuador is now one of the world's largest producers of shrimp. In 1993, the shrimp harvest was 125,000 tonnes, over 70% of this from cultured sources⁶⁶. Shrimp has become the country's third largest export earner, behind oil and bananas⁶⁷. Yet the nature of production can mean that the benefits of this type of farming are narrowly distributed and short-lived. One fisherman, living next to one of Ecuador's largest shrimp ponds warned: "We have not benefited from it. Ours is a fishing zone, but in five to six years with the mangrove destruction, we'll end up with nothing."⁶⁸

Shifts in production techniques have caused social dislocation which has constrained and redistributed choices that impact upon gender in human development. In traditional agro-forestry, fishing and aquaculture based around mangrove forests, women played an important part in gathering products. This gave them social status and equality which is

being eroded with the use of male-dominated intensive methods. Throughout the country many thousands of families have been driven from their traditional home and source of livelihood by the shrimp farms.⁶⁹

A range of responses have been taken in Ecuador by environmental groups who argue that short term gains from 'modern' production processes are outweighed by longer term social and environmental degradation. In Ecuador, a campaign of action is being run by a coalition of NGOs called CEDENMA (the Ecuadorian Committee for the Protection of Nature and the Environment). Acción Ecológica is a particularly active member of this campaign, which has campaigned at a variety of levels. First came lobbying for legal protection of mangroves. Two laws in 1985 declared the conservation and rehabilitation of mangroves a 'public interest' and prohibited aquaculturalists from destroying or affecting mangroves, from altering the surrounding soils and from installing ponds or nurseries in zones that are declared 'natural' by the state. In July 1994, these laws were strengthened by a decree which imposed a five year ban on mangrove exploitation.

With the legal framework in place Acción Ecológica's concern is that the government cannot enforce it due to the strength of the timber and shrimp industries. Acción Ecológica argues that industry influence over government has enabled it to gain concessions on environmental rules and, in some cases, circumvent the rules.

Despite the work of the campaign further changes in the environmental landscape and social fabric of Ecuador are occurring as a result of shrimp aquaculture. As disease has spread in the Southern Ecuadorian shrimp farming areas, numerous shrimp aquaculture investors and more than 50 shrimp farmers have taken their activities to the northern mangrove zone of Esmeraldas⁷⁰.

As a result, the latest strand of Acción Ecológica's campaign has been to call for a consumer boycott of Ecuadorian farmed shrimp. As most shrimp are exported to Northern markets, there has been a call for consumers to ask where their shrimps come from and how they are produced before they buy them. However, the campaign has struggled to make an impact on consumers in the North, mainly because there has yet to emerge an organization to complete the civil action 'web' in North American and European consuming markets.

"During the time that the more heavy-handed executive decrees were being implemented" notes Stephen Olsen, head of the Coastal Resources Center at the University of Rhode Island, "the cutting of mangroves actually increased." A number of environmental groups (including the Ecuadorian Institute of Natural Areas and Wildlife, the Center for Natural Resources Remote Sensing and the NGO Fundecol) have worked hard to highlight to government and business the problems associated with mangrove destruction. This has

meant that many of the new ponds for the shrimp farms have been built upland⁷¹. While the battle for the future of the mangroves is not yet won, the country may be turning the corner, through such education work by NGOs.

The pattern of human development is being changed and threatened by new aquaculture techniques of production. The campaign in Ecuador has specifically focused on high consuming Northern markets whose purchasing power provides them with influence. Yet the campaign has not been taken up on any large scale in the North due to a lack of partners publicizing the cause. However, the work of Acción Ecológica and others in Ecuador has helped to highlight to government and business the problems associated with shrimp. This is not turning the clock back to community mariculture, but it is already steering new shrimp farms away from mangrove destruction.

The case shows how an extensive, long-running, and deeply-rooted civil process sought to control an industry that was undermining crucial environmental spaces on which many communities were dependent. It does appear, however, that the action has struggled, to date, to achieve its prime objective. This is primarily because the means of controlling the principal driver, the demand for shrimp by high-income consumers in the industrial world, has not been addressed. It is only more recently that an attempt has begun to launch a consumer boycott of Ecuadorian shrimp, a boycott that has yet to take hold for want of an effective supporting network to champion it within those markets.

Civil Action Webs

There has been a dramatic increase over the last five years in international collective action through consumption which involves both poorer producers and workers, and wealthier communities with influence over production and trade by virtue of their vast purchasing power. At the micro scale, the 'fair trade movement' has enabled small-scale, community-based producers - often of basic products such as textiles and crafts, coffee, and tea - to offer goods more directly to high-income consumers in industrial countries through the positive mediation of non-profit 'alternative trade organizations'. In this way, consumers have been encouraged to acknowledge and be more informed about the world of the producer, and by a process of 'positive discrimination' to select only those products where the producers have been more empowered within the supply chain, and more effectively rewarded in terms of price and security of market. At the macro level, international action has tended to focus on the behavior of transnational corporations operating in a relatively unregulated environment in terms of their social and environmental externalities. Consumers are increasingly demanding that the goods they buy are not produced through exploitation. Post-card and letter writing campaigns, store demonstrations, posters and protests at annual general meetings, and ultimately 'voting

with their wallets', all demonstrate to companies that this is an important issue for consumers.

Recent studies suggest that many consumers in industrialized countries are willing to move their dollar in line with their ethics. One study of US consumer attitudes suggested that 76% of consumers would switch brands or retailers if they learn a company is associated with a good cause when price and quality are equal. Another recent study found 84% of US citizens willing to pay substantially more for sweatshop-free and child labor-free clothing⁷². One UK study highlighted the rise in 'ethical' or 'vigilante' consumerism'.⁷³ The survey of a sample of 30,000 food retail customers found that:

- 35% answered 'yes' to the question, 'Have you boycotted any product because you are concerned about animal rights, the environment, or human rights'.
- 60% answered 'yes' to the question, 'In the future, would you boycott a shop or product because you are concerned with these issues'.

Survey results of this kind should clearly be treated with some care since they reflect in part the view that the respondents feel they should give, and not always their actual behavior. However, the moves being made by many companies to portray their ethics on their sleeves do suggest that companies at least consider that these figures are indicative of how a significant portion of the consuming public will in practice behave.

Shifting Consumption for Health: Baby Milk Substitutes

The campaign around baby milk has perhaps been one of the broadest, most well known, and certainly the longest-running examples of civil society activism within the sphere of consumption. The campaign cannot be described as a single entity as it has many strands working at different levels towards similar ends, as the earlier case study of Arugaan in the Philippines demonstrates. In many ways it cannot even be described as a single network, since there are many often loosely connected actions in progress, each in a state of evolution. Nevertheless, the International Breast Feeding Action Network (IBFAN) has been a key focus for the campaign work and has embraced the diversity of approaches amongst its member groups.

The health and nutrition of children is central to human development, and the breastfeeding of babies has long been accepted as the best way to give a child a healthy start to life. The World Health Organization and UNICEF recommend that babies be fed breast milk only without even water for about the first six months of life.

Breast milk substitutes first came on to the market in the 1860s. For mothers unable to breast feed they provide a useful alternative. But there are potential health risks. The

substitutes must be mixed in hygienic circumstances. Where this is not the case, for example where water supplies are contaminated, substitutes become a dangerous alternative to breastfeeding. Even in developed nations, there is evidence to suggest that bottled milk may be relatively unhealthy. Compared to exclusive breastfeeding, bottle fed babies have ten times the risk of incurring bacterial infections requiring hospitalization⁷⁴.

Formula is also expensive. In Haiti, infant formula costs in the region of US\$10 a week, more than twice the typical income⁷⁵. The hidden economic value of breastfeeding is shown by the fact that if the 51 percent of Indian mothers who exclusively breast-feed were to swap this entirely with substitute this would cost about US\$2.3 billion⁷⁶.

Some 69 developing countries now collect regular data on breastfeeding patterns, more than double the figure in 1993. These figures show that, despite the virtues of breastfeeding, only 44 percent of infants in the developing world (and even less in the developed world)⁷⁷ are exclusively fed on breast milk. There is concern amongst many groups within civil society that the low breastfeeding figure is holding back human development. Some blame the low level of exclusive breastfeeding on baby milk powder producers and their marketing practices, for example promotion of their product through the health care system.

Table: Exclusive breastfeeding: Top and Bottom Five Developing Countries⁷⁸

Country	Rate of exclusive breastfeeding
1. Rwanda	90 %
2. Burundi	89 %
3. Ethiopia	74 %
4. Tanzania	73 %
5. Uganda	70 %
65. Haiti	3 %
66. Cote d'Ivoire	3 %
67. Angola	3 %
68. Nigeria	2 %
69. Niger	1 %

In 1979, in response to these concerns, on the final day of the World Health Organization/UNICEF international meeting on infant and young child feeding, six NGOs came together to form the International Baby Food Action Network (IBFAN). Its aim was to increase awareness of the importance of breastfeeding and of the potential dangers of artificial alternatives. IBFAN now has over 150 groups in 90 countries, three-quarters in the South⁷⁹. Affiliates include health organizations, consumer organizations and public

advocacy organizations. The members of the network have diverse approaches to campaigning. Their work ranges from consumer education at a grassroots level to lobbying international organizations such as the World Health Organization.

IBFAN has enjoyed success on a number of levels. At the international level it has kept baby formula agenda on the agenda of the World Health Assembly. It has influenced the Code of Marketing of Breast-milk Substitutes drawn up by WHO and UNICEF and signed up to by producers in 1981. The international Code seeks to protect and promote breastfeeding “by ensuring the proper use of breast-milk substitutes, when these are necessary, on the basis of adequate information and through appropriate marketing and distribution”⁸⁰.

Table: Enforcement of the Code⁸¹

Region	Full compliance	No action
Americas	Brazil Costa Rica Dominican Republic Guatemala Peru	United States
Central Asia	n/a	Kazakstan
East/South Asia and Pacific	India Nepal Philippines Sri Lanka	n/a
Europe	n/a	Croatia Estonia Moldova, Rep. Romania
Middle East and North Africa	Iran Lebanon	n/a
Sub-Saharan Africa	Tanzania Cameroon	Chad (no action) Somalia (no action)

Around the world 16 countries have achieved full compliance with the Code. Another 111 countries have taken legally enforceable action on some of the elements of the Code or on measures which are not enforceable such as voluntary agreements with industry. Nine countries have taken no steps to implement the Code and for the remaining countries

there is no data on actions taken.

This state of affairs means that over half the world's population now live in countries which have broadly implemented the Code as law. However, the strength of the laws can be diluted due to industry lobbying. As Patti Rundall of NGO Babymilk Action emphasizes:

“Given the vast profits that are to be made from artificial feeding it is not surprising that the efforts by governments to bring in strong protective legislation have been so consistently undermined”⁸².

Groups have been monitoring implementation of the Code, including the provision of information to mothers promoting bottle feeding and/or discouraging breastfeeding, inducements to health workers to promote products and sample supplies to mothers. In a study covering Bangladesh, Poland South Africa and Thailand (countries with less than full compliance), it was found that major companies had made numerous breaches of the Code⁸³.

IBFAN members have been involved in two phases of international boycotts against the largest manufacturer Nestlé in protest at its marketing practices. The IBFAN campaign has been able to produce direct impacts - including key concessions from Nestlé on elements of the Code. Boycotts have been reinstated with campaigners accusing the Swiss-based multinational of renegeing on agreements. Nestlé, on the other hand, have protested that their marketing of breast milk substitutes has always been ethical, although they have also found it necessary to draw up their own code. Unlike the WHO Code, however, it is not global in coverage and does not limit free supplies given to health care facilities⁸⁴. But it is an indicator of success that the campaign could influence the behavior of the 34th largest corporation in the world and its sales of US\$47 billion⁸⁵.

The campaign is ongoing. The international code of conduct has been widely breached, according to campaigners. The need for a code, and what that code should say, is disputed by significant parts of the industry who claim that their behavior is ethical. The debate between campaigners and elements of the industry has become polarized and has been described as a *'slanging match'*⁸⁶. Campaigners stress information on the merits of breast over artificial feeding, while companies see their duty as promoting the sales and hence the consumption of baby milk substitutes. Work is going on to record violations of the Code, while Nestlé has put forward an alternative code. IBFAN has clearly influenced consumers, governments, international bodies and elements of the industry, but the controversy continues and the next phase of the campaign may prove crucial.

At an even larger scale, there has been a proliferation of consumer actions to encourage companies selling toys, clothes and food to adopt codes of conduct covering the treatment of people working within the factories, plantations and workshops they buy from, particularly in those countries which have attracted investment precisely because of low wages and lax labor and environmental standards. Here, then, has been the emergence of the idea of '*lending*' consumer power in the market, where leverage through the purchasing power of wealthy consumers has been used to support the workplace demands of people in other countries who have inadequate leverage through their own collective action.

In 1985 the South Asian Coalition on Child Servitude (SACCS) began to work with other NGOs and government to combat child labor in the carpet industry. Importers' and exporters' participation in Rugmark was driven by the proposed US Pease-Harkin Bill banning the import of goods made by child labor, and the success of a consumer campaign in Germany, which led to a considerable fall in exports of carpets from the Indian sub-continent to these key markets.

As a response to governmental, consumer and importer pressure, a consortium of Indian NGOs, exporters, the Indo-German Export Promotion Council, and UNICEF-India founded the Rugmark Foundation in 1993. The Rugmark Foundation grants labels to producers that commission and market carpets without the use of child labor. Producers apply for the right to use a fixed number of labels. In order to do this they must register all their looms and one third of these are inspected. The initiative was not an alternative to legislation: child labor had in fact been banned from looms since 1986. The focus of the mark was monitoring, inspection and rehabilitation of child labor.

Rugmark licensees agree to no illegal child labor (family labor is allowed if children go to school) and to pay minimum wages. They pay 0.25% of FOB value, to cover the cost of running the inspection system. Importers pay 1% FOB price, channeled by UNICEF to educational, health and vocational programs to assist children.

One hundred and sixty eight exporters had been licensed by mid-1997, with 18,377 looms (some 11% of the total number in India). In the course of their work, Rugmark inspectors have found 1,072 illegal child laborers on 642 looms. In all, 600,000 carpets have been labeled under the scheme⁸⁸.

There are no reliable figures on the prevalence of child labor in carpet manufacture, one study by SACCS claims that there are about 300,000 child laborers in the main Indian carpet belt in Uttar Pradesh⁸⁹; UNICEF India has different figures and suggests between 70,000 and 100,000 working on carpets, less than 1% of all child laborers in India⁹⁰. Certainly the number is substantial.

This has at times taken the form of individual purchasing decisions, or in other cases involved more organized collective action, such as consumer boycotts. In some instances, such consumer action - either actual or threatened - has been enhanced by related public policy and action. Many companies have responded by drawing up codes of conduct which promise that working conditions in their factories meet basic standards⁹¹. But without effective monitoring these offer no guarantee.

The case of the *Rugmark* (see box above) illustrates the way in which coalitions can be built around a single issue using consumer power as the key point of leverage,

complemented by public policy. The Rugmark is one of a number of initiatives which seeks to provide consumers with information about the way in which goods are produced and so to encourage changes in the entire chain of production. Unlike many Northern-based labeling and fair trade initiatives, the Rugmark is a label awarded in India (one of the world's major carpet producers) to domestic producers who make carpets without the exploitative use of child labor. Rugmark highlights the success of alliance-building to draw attention to child labor in the Indian sub-continent and mobilize consumer action in those countries to which carpets are exported.

There is evidence that the initiative has put pressure on government and industry over the issue of child labor⁹². Rugmark has drawn in significant sums of money for use in Uttar Pradesh, a stronghold of Rugmark projects, according to Richard Young of UNICEF⁹³. The government has responded by promising action and money for rehabilitation and education of child laborers in the state. In 1996 the Prime Minister of India announced a large child labor program to be initiated in 133 districts within the carpet belt of Uttar Pradesh and Bihar with US\$280 million to be spent on enforcement of labor statutes, non-formal education and advocacy of primary schooling⁹⁴.

Rugmarked carpets now account for about one third of the hand-made carpet market in Germany and are making in-roads in the UK and the Netherlands. Long waiting lists exist for Rugmark licenses. Ironically, one sign of success is that fake labels can now be purchased⁹⁵. However, genuinely Rugmarked carpets can be traced through to a specific export order and to a specific loom.

A number of new challenges now face the initiatives, including the possibility that carpet makers will relocate to new areas of India where monitoring is weaker. There is also debate on the most effective methods of rehabilitating former child laborers. There have also been allegations - so far unproven - of corrupt practices in the system of licensing. CREDA (Center for Rural Education and Development Action) is a leading NGO on the board of Rugmark and is concerned about possible negative effects of the Rugmark. For example it cannot be guaranteed that children released from Rugmark looms are not in fact transferred to other non-participating looms. Nor is it adequate for children to simply be returned to their parents (who were forced to bond them in the first place). Rugmark now encourages parents to send their freed children to the Rugmark rehabilitation center.

In a complex and intensely politicized environment, the Indian government has now set up a new label: *Kaleen*. This rival is being heavily promoted by the Indian government, Indian manufacturers and exporters. Whichever of the two initiatives eventually emerges as *the* label of child labor free carpets, Rugmark's impact on child labor in the carpet industry is unmistakable.

The Rugmark has had quantifiable positive direct impacts, in terms of reducing child labor, getting looms registered, channeling money into rehabilitation and highlighting the problem of child labor. It has also stimulated a government response, albeit a competitive one. The secondary and longer term effects of Rugmark are less certain, and difficulties of measuring the full impact of consumer action is a challenge which faces many of the other initiatives highlighted in these case studies.

Consumer-Producer Solidarity: the Case of Cafédirect

After oil, coffee is the most important internationally traded commodity, with 75% of production exported. Between 20 and 25 million people throughout the world depend on coffee for their livelihood. In Latin America 60-80% of coffee is produced on family-owned farms (80-100% in Africa and Asia)⁹⁶.

Since the collapse of the economic provisions of the International Coffee Agreement (ICA) in 1989, price volatility has been a characteristic of the market. Price fluctuations like these can be disastrous for coffee growers. Coffee bushes take four years to mature and by the time for harvest the value of the crop can have dropped to a fraction of the estimated value, causing the coffee grower to face financial ruin.

In order to provide a more secure trading environment for small scale coffee producers, four UK alternative trading organizations, Equal Exchange, Oxfam Trading, Traidcraft, and Twin Trading initiated the development of a national brand of fair-traded coffee in the UK. The aim was to introduce a fairly traded coffee from multiple smallholder and farmer owned supply companies, available through mainstream supermarkets.

In the UK, Cafédirect has been marketed since 1991⁹⁷ to provide consumers with the option of choosing a fairly traded coffee. The Cafédirect brand now carries the 'FairTrade Mark' of the Fairtrade Foundation which represents a social as well as a commercial contract. It shows that the product is one which is bought on preferential terms from producers. International norms as laid out in the international coffee register, include a guaranteed minimum price and a premium of 5 cents per pound when the world price is above this level (Cafédirect pays a higher value 10% premium). Terms also include pre-finance for producers, and a commitment to long-term trading partnerships.

The suppliers of Cafédirect are 14 farmer organizations in Africa and Latin America. Previously most of these suppliers had worked nationally only and sold their coffee at the farm gate, the local town or village, or to nationally-based agents of large international corporations based in their countries. Through trading with Cafédirect, these coffee growers have access to higher and more secure earnings, which makes it possible for them to pursue human development goals, often in the form of improved housing and

education as well as invest in coffee production itself.

An example of these positive benefits can be found at Kagera Co-operative Union (KCU) in Tanzania, one of Cafédirect's partners. Its involvement in fair trade helps it to fund various social projects, including three secondary schools. In KCU the fair trade premium is targeted according to the need identified by farmers. When prices are low, farmers get help with their overheads, when they are high, investment into the quality of the coffee is the priority⁹⁸.

Cafédirect is sold in 1,700 supermarkets in the UK, including all the leading supermarkets⁹⁹ and retails at a cost of about 5-10% higher than its conventional competitors¹⁰⁰. In its six year history Cafédirect has achieved a 3% market share by value for roast and ground coffee and 2% of the freeze dried granule market¹⁰¹ and sales are reported to be "strong and growing"¹⁰².

Cafédirect is therefore making a positive impact on producers/growers and in the UK coffee market. This latter effect seems to be having a knock-on effect on the behavior of multinationals selling coffee. It is this effect which may be Cafédirect's most important contribution to human development.

Nestlé is the UK's leading seller of coffee with 54% of the instant market¹⁰³. It is also the world's leading buyer of green and processed coffee with 12% of this market¹⁰⁴. Nestlé has responded to the challenge laid out by Cafédirect and fair trade in a number of ways. In March 1995 they issued a press release headlined *Nestlé does more good for coffee growers in the third world than all the charity coffees put together*. The statement goes on to say that "consumers should buy Cafédirect if they prefer its taste, but not for any ethical reason"¹⁰⁵

One argument used is that Nestlé buys larger quantities and thus has a bigger impact. Nestlé also emphasized that it buys directly from producers. A policy to increase purchases direct from farmers and co-operatives was launched in 1986 and in 1995 about 10% of Nestlé's coffee was bought directly¹⁰⁶. Nestlé has also signed an agreement with a 67 member co-operative federation in El Salvador to test market organic coffee in Europe. Although few details of the deal are known, this type of work has traditionally been the area in which fair traded coffees operate¹⁰⁷. Nestlé even has a document called *A Partnership for Fair Trade*.¹⁰⁸

Another impact relates to a capacity to bargain. As Pauline Tiffen of TWIN trading states:

"After 10-15 years of developing fair trade from farmers to markets a new kind of market awareness has been developed. This kind of awareness is timely as we now operate in

a global market. For farmers to have this market awareness is crucial as business has had it for years”¹⁰⁹.

The impact of Cafédirect has several dimensions. The fair trade growers receive benefits through higher revenues for personal and community benefit. As with the case of KCU in Tanzania much of these additional revenues are invested in securing further human development. As Cafédirect and other fair trade coffees establish and expand market share, more growers are likely to benefit. On another level, the fair trade coffees are clearly provoking a response from the multinationals. Nestlé has a policy to buy direct and has defended itself in the language of fair trade. It is not clear whether there will be further convergence between fair trade and the multinational coffee business, but impacts are being made.

Self-Reflection to Confrontation

The sections above have illustrated many kinds of civil action that work through and directly influence consumption. It is possible to view such approaches along a spectrum: from those that provide a *reflective* basis for changing *one's own* behavior to those that provide a more *confrontational* basis for shifting the behavior of *others*. Ivan Illich talks of ‘tools for conviviality’, essentially what we need to be more conscious of what we do, what would be good for us and others, and how best to move in this direction.

Following Illich, we can describe as ‘*civil tools*’ those initiatives which are essentially self-reflective, informative, and supportive of more progressive behavior of individuals, communities, and organizations. In contrast, borrowing from economics the term ‘*instruments*’ to refer to fiscal and regulatory approaches (such as interest rate policy and taxation) that governments use to influence the behavior of others, we can talk about ‘civil instruments’ as those approaches deployed by civil institutions to encourage, pressure, or even force others to behave differently.

Civil tools are those processes that are principally persuasive through their engaged, educational nature. They are used by people and institutions in relation to themselves, rather than to persuade others. A product sold with a ‘fair trade label’ developed in conjunction with small-scale community producers seeks to persuade the individual consumer to ‘care’ about the production process in her or his choice of purchase. Fair trade labels are thus a *tool*, used by civil organizations to encourage behavioral change through education and understanding. The development of the local camel milk dairy, and the encouragement of the purchase of its output by the local community is a case of a civil tool in action, as is the example of the work of the Global Action Plan (GAP) as a civil tool for higher-income households taking the decision to change their consumption

patterns.

Civil instruments, on the other hand, are those processes which seek to persuade through more forceful measures. They are more often wielded by one group on another, concerned with bringing others 'to account' for their actions. A forceful persuasion process involving high-profile public campaigns and actual or threatened consumer boycotts, and which leads to the company agreeing to adopt a labor code of conduct can be understood as the wielding of a civil instrument. In this case, the effect of the instrument is the actual or threatened undermining of a company's 'good name', with associated implications for the way it is viewed in the market by consumers and investors, and also possibly its relationship with regulators, and so the company's profitability. From the cases in the previous section, the examples of the initiative in Ecuador to reduce the level of environmentally destructive shrimp farming, the baby milk campaign, the consumer boycotts and consumer-investor actions, and the case of the Rugmark, all illustrate to varying degrees what we have called 'civil instruments'.

Whether a particular form of civil action involves tools or instruments will often shift over time. In South Africa, the government has been encouraged by civil organizations to threaten withdrawal of government purchasing contracts as a means of persuading companies to use more black-owned sub-contractors, clearly an instrument of coercive persuasion. This might well be followed, however, with a government-sponsored small business development program to bring such contractors up to the necessary level of quality in terms of their products and services. Here then is an example of instruments being followed by tools. Similarly, civil action oriented towards consumer behavior may use both the instruments and tool approaches simultaneously. For example, a fair trade label on a jar of coffee for sale in a supermarket is both a tool to educate consumers, and an instrument that challenges companies offering competing 'unlabelled' coffee brands, as the response by Nestlé to Cafédirect and other 'fair traded' coffee illustrates.

So Does it Work?: a critical perspective

There is clearly an enormous range of civil actions in the sphere of consumption. The previous section has suggested, through the cases presented, that such civil actions *can* change the manner in which business is done and the terms on which livelihoods are crafted. It is a truism that since people can choose to stop buying a company's products and services, they have ultimate 'sovereignty' over business viability. It is also true that if communities orient their collective purchasing power towards local production, human development gains within those communities are likely to be achieved. So collectives such as 'consumers', 'investors', the 'community', and even 'staff', *do* have ultimate power. At least in theory.

However, there is a large step between this theory and the realities of civil organization, action, and effect. Can one conclude just how much change such actions do or can hope to achieve?

Critics would argue, for example, that the small number of exciting cases of 'fair trade' are still in existence because they have tapped a small and limited 'niche' of people willing to take the social conditions of producers in distant communities into account. Is fair trade simply not enough of a threat for the mainstream business community to bother targeting as serious competition? Have examples of civil action influencing the behavior of large companies only worked because they have been *ad hoc* and of limited effect, again drawing on a small consumer constituency? And are these consumers in any case only willing to be mobilized around peripheral consumption areas that do not challenge the real meat of the effects of their lifestyles on others?

The success of LETS, the Global Action Plan, or any one of the increasing numbers of local initiative strategies for moving people through collective action to rethink and redirect their consumption habits could again be attributed to the fact that they are marginal movements involving particular sorts of people, and will suffer the same fate as the 'alternative lifestyle' movement of the sixties.

Ward Morehouse illustrates this critical stance viewpoint in his examination of the case of Union Carbide, and its response to the Bhopal disaster. We quote him at length given the importance of his argument, and the significance of his testimony as a long-time civil rights activist with many years of work on behalf of the victims of the Bhopal disaster.

"Carbide's management recognized after the disaster that they were vulnerable to boycotts of their consumer products, and as one element in their strategy of responding to this massive human tragedy divested themselves of

all of their consumer products within a couple of years after the disaster. This was done ostensibly as part of the Carbide management's defense against a hostile take-over bid by another chemical company. But there is little doubt in the minds of those of us who have been supporting the struggle of the Bhopal victims for justice that insulating the corporation from a possible consumer backlash over Bhopal was also a critical determinant in this divestment strategy. By the time these divestments were effected, Union Carbide Corporation announced to the world that it had become an "industrial company", meaning that it sold goods and services only to other industrial companies, which in effect screened Carbide from consumption-based civil activism"¹¹⁰.

Morehouse argues that whilst it is correct in theory that consumer-based civil actions could be transforming drivers in moving the world toward a more sustainable path of development, they are not likely to do so unless they address the roots of corporate power. He concludes that although there are dozens if not hundreds of consumer boycotts in progress at any given moment, few of them in practice achieve the desired transforming effect on their proclaimed targets.

Morehouse's view illustrates considerably more than his central argument. First, and in a sense ironically, it illustrates the significance of the 'vigilante consumer'. That is, although investor action may also provide a crucial influencing path for civil groups, such action is likely to be less effective if the company concerned is not vulnerable to consumer power 'in the shops'. Whilst this *can* be achieved even with companies that do not sell consumer products directly, it clearly helps in raising the public profile of any campaign. Morehouse's case suggests that Carbide did in fact see civil action as a significant threat, and fundamentally restructured its business in part as a response to this threat. Morehouse's illustration thus supports the view that civil action can be a major change agent, but highlights the fact that companies will seek to find, and in some instances will succeed in finding, ways to offset such influencing factors.

What Morehouse fails to consider is that in some cases, and arguably in an increasing number of cases, the company may find that the cheapest way of avoiding damage to its business is to agree to what is being asked for. This possibility will clearly be less likely the more radical are the changes being demanded. For example, Shell International has clearly been unwilling to withdraw from Nigeria following the assassination of Ken Saro-Wiwa. However, there are signs that the company is gradually shifting its position on how transparent it needs to be with respect to its own social performance, and whether it needs to establish and put into action a human rights position, a step it has historically always refused to take.

The question 'does it work?' presents equally if not more problematic dilemmas when one turns to civil actions at the more micro, household and community (as opposed to 'web'), levels. The normal critique of initiatives such as LETS and GAP is that they are for the few, and in the main not for the poor let alone the poorest. From this perspective, the language of 'utopianism' and 'sixties throw-backs' is often evoked with the intention of suggesting that these initiatives are marginal and temporary, and that their participants are deluding themselves, deliberately or otherwise. As Nick Robins and Sara Roberts conclude, "'Downshifting' by an affluent fringe of Northern households simply does not address the scale of the crisis"¹¹.

There are broadly three responses to this critical viewpoint to tool-based initiatives. The first is essentially factual and quantitative: that there are people demonstrably benefiting from such initiatives, and that the numbers participating are certainly increasing. The cases in the previous section have highlighted these numbers, whether in urban Manchester, or the coffee-growing areas of Latin America.

The second response is that there are indications that these relatively small-scale initiatives influence larger-scale processes, such as the role of 'fairly trade coffee' in encouraging mainstream coffee houses to reassess their coffee-purchasing regimes, and the effects of the fair trade movement as a whole on the development of labor standards and processes for monitoring and verification of corporate behavior.

Third, and most diffuse and difficult to demonstrate, is the effect of such initiatives on the 'TINA' problem: that is, the passivity born of the view that 'there is no alternative' to, for example, worldwide poverty, or corporate irresponsibility, or poor and corrupt government. Morehouse may ultimately be correct in arguing that permanent and meaningful changes require deeply-rooted shifts in the location and management of power over the economy. However, this is not a distinct agenda from raising people's consciousness through partial but effective action of *what is possible* in the here and now.

The TINA dilemma is most pronounced not within but between nations, and in particular between the wealthiest nations, which can argue that global consumption is now 'getting out of hand', and the poorest nations who insist that it is 'their turn' to consume, irresponsibly or not. William Greider describes this dilemma as follows:

"if industrial growth proceeds according to its accepted patterns, everyone is imperiled. Yet if industrialization is not allowed to proceed, a majority of the world's citizens are consigned to a permanent second-class status, deprived of the industrial artifacts that enhance life's comforts. The result is that the world has entered new ground, a place where people have never been

before. They will have no choice but to think anew¹¹².

Robins and Roberts thereby define the challenge for small-scale initiatives by individuals organized formally or loosely into civil action in the sphere of consumption:

“The planetary consequences of consumption in one country for distant people, far-off lands and future generations mean that the rich in the industrialized world -- along with the rich within the developing world -- can no longer insulate their practices from international scrutiny. The consumption patterns pioneered by the industrialized world are not only unsustainable because of their direct impacts, but because they provide the model emulated by the emerging economies in their current phase of 'upshifting', powerfully supported by the trade and investment strategies of international corporations.”

This is a major challenge, perhaps the biggest facing us today. Wide-spread poverty can both be increased *and* reduced through growth based on consumption patterns that are both directly exploitative of people, and indirectly reduce our chances of the long term progression of human development as a result of environmental limits being reached and exceeded.

Does civil action in the sphere of consumption work? The answer must surely be that it does, but that it should not surprise us that we fear that it is not enough in its current forms to tackle this challenge on its own.

Conceiving Public Policy

It is in this context that we turn to the final question addressed in this paper, that of the role of the government, or more generally, public policy and practice. Governments at the 1992 Earth Summit acknowledged that unsustainable patterns of consumption and production, particularly in the North, both exacerbated environmental problems and deepened poverty and social exclusion. The North appeared to accept responsibility for developing and implementing new concepts of wealth and prosperity less dependent on the Earth's finite resources. Simple arithmetic informed governments and other participants that "it is simply impossible for the world as a whole to sustain a Western level of consumption for all", as Gro Harlem Brundtland noted in 1994. As the OECD Environment Directorate has since recognized, this means constructing "a wider vision of welfare in which the satisfaction of needs, rather than consumption *per se*, is the aim".¹¹³

Governments face very significant dilemmas in addressing the issue of consumption, however clear the need may be for a radical rethink of what and how we consume. The conscious intrusion of the state into consumption patterns raises not merely the resistance of vested interests, but also raises the age-old questions about what constitutes reasonable 'need' within those societies that have - for most citizens - moved well beyond any easy biological foundation. Arguably, the state as a democratic institution is not well suited to addressing this issue. As the UK Advisory Council on Business and the Environment put it, "a sustainable future conjures up negative impressions - colder, darker and offering less choice and comfort"¹¹⁴. Citizens of democratic nations will not easily proscribe their options in pursuit of an anti-poverty strategy, a sound environmental future, or even often to secure their own health, as the case of cigarette smoking clearly demonstrates.

The implication of this is that in today's political context in more or less every country in the world, public policy needs to be articulated within a broadly permissive environment in terms of individual consumer choice. To be clear, that is not to say that the authors view more prescriptive public policy to be wrong - only unlikely to be adopted within the current political and ideological environment.

What this means in practice is that we need to conceive of public policy as including in particular educational, informational, and market-based instruments. Clearly there is an enormous range of public policy options that influence consumption patterns, and thereby may in some ways effect human development. This considerable range is not, however, the topic of this paper. What is relevant here are those public policy options that can *strengthen the effective relationship between civil action, consumption, and human*

development.

Civil Action: Filling the Public Policy Gap

Consider first, then, how civil action can influence and strengthen public policy in this sphere. In some respects, civil action emerges *because* of a failure of public policy and action to effectively monitor, guide, and where necessary direct, individuals and businesses towards socially and environmentally responsible behavior. Social labeling, such as the cases of Rugmark and Cafédirect described above, illustrate this point. The Rugmark has emerged because of a view that legislation covering the employment of children is either inadequate or not enforced, or both. Indeed, the 'voluntary' nature of social labels such as the Rugmark are themselves a reflection of the fact that government-sponsored labels of this kind are illegal under international agreements such as those enforced by the World Trade Organization. Similarly, Cafédirect and other fairly traded products have developed because of the inequities in the 'rules' of international trade that are designed or endorsed by governments and their agents.

Civil Action: Influencing Public Policy

Civil action arising through a (perceived) lack of government engagement is also a means of encouraging government action. After many years of civil action to pressure companies supplied from the developing world not to exploit child labor, the US government has very recently passed new legislation - the so-called Harkin Bill - banning the import of products into the US produced using child labor. Similarly, both the work of Arugaan in the Philippines and the international baby milk campaign have resulted in new public policy initiatives in these spheres.

Civil Action: Against Compliance-Oriented Legislation

The Harkin Bill also highlights the unfortunate fact that government regulation, even of a liberal and apparently supportive kind, can be very problematic. Whilst greeted positively by some civil groups, the legislation has also met with considerable criticism from child labor campaigners. The point they make is that the compliance-orientation of the legislation will lead to many children losing their source of income, thereby harming their families' livelihoods. Indeed, when the so-called Pease-Harkin Bill was introduced as a possible piece of legislation in 1992, it led almost immediately to widespread dismissal of child labor in factories across Bangladesh supplying the US market. Furthermore, the *intention* of such a piece of legislation can be questioned, largely from the perspective that it serves as a protection for US produce against low-cost imports.

This two-part critique that legislation is bad for business and bad for those whom it is

intended to assist is structurally similar to that raised in objection to a social clause in the WTO trade regulatory framework. It highlights the fundamental difficulties in introducing compliance-oriented legislation within a context of globalised trade, and given the fact that the livelihoods of many poor people depend on competitive advantage gained at the expense of poor labor and environmental conditions.

At a very different level, the future of such community-based initiatives such as LETS hangs to a large degree on whether governments deem participation as legally 'economic' even though no cash has actually been earned, which would make those participating eligible to be taxed and to lose their welfare benefits. Much of the lobbying that has gone on in the UK over recent years in relation to LETS, therefore, has been to encourage government to 'ignore' LETS in legislative terms.

Civil Action: Building Public Incentives

An alternative approach is for governments to respond to consumer-based civil action by introducing financial incentives for countries and companies to offer their customers 'ethically produced and traded' goods. The European Union, for example, is currently considering an extension of the application of the Generalized System of Preferences (GSPs) to countries that both sign up to and are seen to enforce core ILO protocols covering labor standards. This would be seen as a means of rewarding countries which do ensure that their own labor laws are enforced in ways that civil actions have long demanded. Here, however, rather than the reward being the withdrawal of negative consumer action from particular companies, all companies exporting from those countries would gain through lower import tariffs to lucrative markets.

One attempt has been made in the US to introduce a bill through Congress that would have offered companies fiscal incentives for achieving certain 'corporate responsibility' standards. The bill failed to progress, but there is a strong case for introducing a 'Corporate Responsibility Act' at national levels (or regional in the case, for example, of the EU) that offered positive incentives to encourage companies to move beyond compliance to a more proactive approach to key aspects of corporate responsibility.

In each of these cases, actual or proposed legislation has emerged following concerted and often long-term civil action in the sphere of consumption, and to varying degrees is intended to enhance the effectiveness of civil action to influence corporate behavior as it interfaces with human development directly, or indirectly through influencing environmental security.

Building Civil Partnerships

Legislative action is not the only tool available to government in supporting and enhancing the effects of civil action in the sphere of consumption in pursuit of developmental gains. There is considerable scope, for example, for government support in civil initiatives seeking to turn historically confrontational civil action with respect to business towards productive outcomes. The US government has without doubt accelerated the dialogue between companies and civil groups over the development and adoption of labor standards in supply chains of apparel companies selling through the White House Apparel Industry Partnership. Similarly, the Ethical Trading Initiative in the UK that brings companies, trade unions, and NGOs together to agree on common standards for monitoring and verifying the adoption of labor codes of conduct is receiving the support of the British government and public resources, both critical elements of a successful initiative to realize the substantive benefits of civil action. As we have argued elsewhere:

“...in a time where statutory regulations that confine or bound the scope of corporations are in retreat, civil partnerships, civil frameworks, and civil regulations do offer a way in which some concrete gains can be achieved in improving the lives of millions of people around the world. Governments can help to make these gains real by supporting what are often experimental, risky, and always tortuously difficult attempts at meaningful partnership. ...Governments, and also labor unions and other traditional institutions, therefore have critical roles to play. They should and can represent massive constituencies with an interest in these processes and their outcomes. They should build public awareness and encourage wider participation. They should create spaces for, and bring their experience to, the dialogue, particularly in building capacities of weaker partners, as well as the understanding of those which are stronger but less flexible. Governments can in these ways help to create the visionary context and practical environment to help such partnerships emerge, develop, and work”¹¹⁵.

Focusing Civil Action through Education, Information, and Standards

One particular area where governments can provide specific, non-legislative support is in the development of high-quality information about corporate responsibility that can be used by civil groups to inform their constituencies and their own strategies and initiatives. As the Co-ordinator of the Northern Alliance for Sustainability, ANPED, Iza Kruszewska, argues:

“..to be effective, consumers must have information. The arrival of genetically engineered food on supermarket shelves throughout Europe and North America

with no labeling, prevents consumers from exercising their right to choose what they eat.¹¹⁶

There is a growing number of non-profit organizations providing consumers and investors with information ('screens') about the social and environmental performance of major retail companies, and the social and financial dimensions of retail products, such as the Council for Economic Priorities (US), Ethibel (Belgium), the Ethical Investment Research Services (UK), and the Swiss Info Centre. Similarly, there is a proliferation of social labels associated with particular products, as is there an emerging body of experience and standards in corporate social and ethical accounting and auditing.¹¹⁷

All of these initiatives serve the central aim of building a foundation of information on which to improve the awareness and understanding about corporate social behavior of individual citizens and the civil groups which act on their behalf. Through this, screens, labels, social reports and other sources of information seek to enhance the extent, strength, intelligence, and effectiveness of civil action in the sphere of consumption and investment. Despite initial resistance from business to such sources of information, companies are increasingly embracing the need for such high-quality information to avoid misplaced campaigns and misinformation about their own activities, both of which can be very costly in terms of short term loss of business and profits, and longer term damage to corporate reputations.

Governments have crucial roles to play in supporting the development of such information flows, and their stabilization through the development of acceptable standards for auditing, labeling and monitoring. For example, interventions such as the European Union's eco-labelling scheme, designed to combat a proliferation of 'green' labels, have themselves not been taken up, leaving individual governments to step in to fill the gap. Beyond this, however, is a need for a more comprehensive educational approach to the whole area, drawing in particular from the experience of environmental education over the last two decades.

Consumer Works !

The relationship between civil action, consumption, and human development is truly an entangled one. The viewpoint that it 'must have something to do with boycotts' is soon left behind as very incomplete, as is the view that 'only wealthy consumers have a role to play'. Furthermore, the view that civil action in the sphere of consumption should be seen separately and as distinct from actions in the spheres of production and exchange has been shown to be flawed. This is particularly true where initiatives by poorer people on behalf of themselves rather than 'lent' consumer power is involved.

Consumption clearly has many dimensions, and also many opportunities for building associated civil actions in pursuit of developmental gains. While there is a clear distinction between passive, information-based tools and more active, campaign-based instruments, there is no evidence that one approach is more effective than the other. The view that civil action may be about business but cannot be with it is thrown into question through the examples given, where commercial interests are by no means necessarily antagonistic to the interests of other civil actors, and can in some instances can be marshaled in their support.

Similarly, public policy and practice needs to be understood *in relation to* rather than *distinct from* civil action. In the last section, we have stressed in particular a series of ways in which public policy can reinforce the effectiveness of civil action in the sphere of consumption, and how civil action can be effective in instances where the relatively heavy hand of government is at times ineffective or indeed counter-productive.

There is mixed evidence with respect to the effectiveness of consumption-related civil actions. Direct financial and other benefits to those participating are relatively easy to demonstrate in many instances, although it is certainly possible to list failures as well as successes. Longer and larger-scale changes are more difficult to measure, and even more difficult to forecast. Civil action has, however, been the primary driver behind the current emerging pattern of new 'civil standards' for business behavior, and the renewed interest and status afforded patterns of localization of production and exchange. These developments do offer some reason for hope, and do tend to highlight the critical role that civil action within the sphere of consumption does have to play.

Endnotes

1 This paper has been commissioned by the UN Human Development Report Office to explore the relationship between consumption and human development from the particular perspective of the ways in which it is influenced by civil action about and through consumption. We are very grateful for the comments on early drafts of the UNHDRO team, and also for the insights of other contributors to the UNHDRO efforts in the area of consumption, from whom we have learnt much. We are also appreciative of the collaboration with Wendy Harcourt and Franck Almaric of the Society for International Development in preparing a special issue of the *SID journal Development* on the subject of civil action and consumption, from which we have learnt and borrowed much.

2 The New Economics Foundation is a research and policy institute based in the UK focusing on identifying, developing, and promoting 'ideas in action' which promote key principles of social justice and environmental sustainability in economics, economy, and business. Simon Zadek is NEF's Development Director, and Sanjiv Lingayah and Sara Murphy are both researchers and activists working at NEF. Comments are welcome to the authors at neweconomics@gn.apc.org, or by post to 112-116 Whitechapel Road, London E1 1JE, UK.

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in the northern suburbs of Johannesburg, withhold payment of their rates as a
protest against the Council's cross-subsidisation policy, implemented to raise
standards of living in townships that have a low tax base as consequence of
Apartheid policies. At the same time the Masakhane Campaign initiated by
Government seeks to reverse a practice of years of boycott of rent and utilities
payments in the Black townships. The strategy of Black Empowerment in the
financial sector emerges in recognition of the implicit power of consumer action;
corporations and commercial groups finance participation of mass-based
organisations in consortia which bid for ownership of newly-privatised radio stations.
Civic organisations urge Government to favour companies which use black-owned
sub-contractors when awarding contracts or tenders; the investment arms of the
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