Ethical Consumers and e-Commerce:
The Emergence and Growth of Fair Trade in the UK

AUTHOR(S): Anne-Marie Coles, Lisa Harris
Brunel Business School, Brunel University,

ABSTRACT

In this article we seek to investigate the claim that active consumer choice can influence societal transformation through study of the growth in the market for ‘fair trade’ goods in the UK, and by evaluating the effect of their availability through e-commerce. We assess this phenomenon with reference to the literature on ethical consumerism locating it within consumer studies, and discuss the role played by the use of information and communication technologies. Changes in the nature of consumerism have been identified, and the issue of the impact of the consumer in societal and global change is discussed here in relation to the wider issue of sustainable development.

ARTICLE

Introduction

The concept of ethical consumerism has emerged over the past 15 years to describe actions taken by individuals seeking to actively support products according to their perceived ethical credentials. Ethical consumerism attempts to utilise the rhetoric of consumer power to actively shape the market in a particular way. It therefore draws both on conceptualisations of the consumer society as well as the wider debate surrounding the process of sustainable development. This article explores the theoretical basis of ethical consumerism through the specific case of the growth of fair trade in the UK. In addition, the role of e-commerce is considered in terms of its potential to impact on the activity of ethical consumers.
Ethical Consumerism and Sustainable Development

The concept of sustainable development encompasses ethical aspects of both social and environmental justice, and academic analysis of ethical consumerism has emerged from this broad concept. Ethical consumerism can therefore be regarded as a process which contributes to an ecologically sustainable future through construction of sustainable lifestyles. Characteristics of ethical consumerism include both ‘fairness’ in the sense of support for producers and also environmental sustainability. Thus emergence of the ‘ethical consumer’ and ‘ethical shopping’ via recycling and product boycotts over the past decade demonstrates concern for sustainable consumption and social justice. Consumers, as concerned individuals, can orient their choice and exercise purchaser power in favour of products whose production has caused least harm to the environment. Through this process the consumer becomes connected to, and an active participant in, global social and environmental issues.

This approach has not gone without criticism however, as other commentators have identified consumption as a major problem both for social development and environmental sustainability. In particular Sagoff (1988) points out how individuals make choices as citizens which differ from the choices they make as consumers, furthermore while citizens have a long-term interest in protecting the environment, consumers are swayed more by short term interests and preferences. Analysing the role of ethical consumerism must take this broader picture into account, particularly in identifying its role in sustainable development. This would be helped if the relationship between social economic and environmental issues were better understood, as well as the role e-commerce takes in relation to changing consumer behaviour.

The fair trade concept, in joining the idea of both economic activity and social development, is replete with ethical and sustainable overtones. Ransom (2002 p 20) asks, 'can the process of production be democratised, ownership shared, organised labour encouraged, child labour made unnecessary, environmental sustainability and human rights promoted?' This is expected to happen through the established process of consumerism, the normal working of the market changed only slightly to ensure that a greater share of the profit is returned to the original producers.
Ethical Consumers and e-Commerce

Transferring consumer activity to the internet requires adoption of some of the values intrinsic to the technology. One aspect is the availability of free information identified as part of the web ‘gift culture’. This ethic resonates with the activity of fair trade. There appears, then, to be congruence between the ethics of fair trade and of web use where social exchanges take place between individuals who are spatially remote and unknown to each other. With web users the gift is information while with fair trade it takes the form of a contribution to social welfare.

Consumer studies has started to identify a role for ‘ethical consumers’, particularly where consumer choice has taken a lead in selecting products related to social and environmental sustainability. The case of fair trade in the UK illustrates some of the ways in which consumers are enacting their ethical credentials online. A key question is how e-commerce might help to bring the niche markets of fair trade into the mainstream of consumer activity.

The Position of Fair Trade in the UK

Although the global movement for fair trade originated around 30 years ago, each country has its own specific national organisations involved in promoting sales. Fairly traded goods carry a guarantee that part of the price is devoted to a social premium, which is invested in the welfare of the producers. The developing market indicates that some consumers are prepared to pay premium prices for such products. In the UK the Fairtrade Foundation was established in 1992, as a certification organisation, by a number of charitable and community organisations concerned with sustainable development in the third world. The UK Fairtrade mark was launched in 1994 on its first three products, Green and Black’s Maya Gold organic chocolate, Clipper tea and Cafedirect instant coffee. Globally a process of certification is essential to guarantee that products have reached acceptable standards of production and are systematically audited as such. In the UK the Fairtrade Foundation certification mark guarantees that:

- Farmers receive a fair and stable price for their products
- Farmers and plantation workers have the opportunity to improve their lives
- Farming methods demonstrate greater respect for the environment
- Small-scale farmers gain a stronger position in world markets
- Fair trade products enable a closer link between consumers and producers (Fairtrade Foundation, 2005a)
The business of fair-trade goods took off rapidly. In 1997, an ‘early day’ motion was tabled in the House of Commons by MPs Glenda Jackson, Simon Hughes and Peter Bottomley in support of the Palace of Westminster serving fair trade refreshments. This was supported by over 100 MPs. By March 2000, Co-operative Society had launched the first supermarket own brand of fair trade product, a chocolate bar. Two years later, the supermarket switched its own brand chocolate to fair trade. The same year Costa coffee became the first national chain of coffee shops to offer fair trade coffee. By 2002 all the major UK supermarkets offered a range of fair trade goods (Fairtrade Foundation 2005b; Co-operative Society 2002). Sales of fairly traded produce have been growing exponentially in Britain, and in 2004 the UK became the biggest market in the world for fair trade sales, overtaking Switzerland for the first time with annual sales of over £140m, a 51% rise since 2003 (Duffy 2005).

This effect of increasing awareness appears to be predominately apparent among middle aged women of higher social class, although it belies the fact that there are growing student campaigns in UK universities to become recognised as fair-trade organisations, starting with Oxford Brooks, which in October 2003 became the first university to be granted fair trade status (Gainsburg 2005). There is a wider campaigning aspect to the business of selling fairly traded goods, such as through the annual fair trade fortnight, which is supported by the major participating organisations. It has been described as the UK’s ‘official ethical food festival’ with around 7500 local and national events in 2005 (Vidal 2005). In addition over 100 towns and cities have been awarded fair trade status, with Garston in Lincolnshire the first. In 2004 the number of fair trade certified products in the UK exceeded 800, with coffee the biggest market followed by bananas, chocolate and tea (Fairtrade Foundation 2005a).

**E-commerce and Fair Trade**

The diffusion of e-commerce has many potential impacts on the conventional retail sector. Not least of these is the potential for consumers to become involved in the sourcing of the products they purchase through utilising the web attributes of free information gathering and exchange. Thus, as discussed earlier, web users may become empowered ‘ethical consumers’, who have access to a much wider range of products than those that will be available locally. In fact the growth in use of the web, not only for straight commercial purchasing but also for information gathering, has paralleled the growth in ethical trading over the past decade. This is
particularly true for fairly traded goods.

The value of sales of fairly traded products has been growing in conjunction with the emergence of e-commerce sites for ethical consumerism. Dedicated virtual shopping sites have been developed - Oxfam and Tradicraft, two of the original supporters of fair trade, having joined forces to launch on-line facilities (Oxfam 2005). One of the roles facilitated by web trading is to bring producers and consumers together in a more personalised and intimate relationship. A number of fair trade websites feature pictures of the producer farms and their families who are benefiting from the fair trade schemes (e.g., Clipper Teas 2005). In terms of fair trade, for example, the e-commerce customer is not restricted to what is available in the local high street, nor to repeat purchases from a known web site – although no doubt the latter limits much on-line activity. Demonstrating the possibility of information gathering, the customer can search for other fair trade sites of the same type, but in addition it is possible to gain access to much wider information about the global activities of fair trade proponents. It is easy to discover the principles on which fair trade goods are certified and how such standards are established and maintained.

**Discussion**

In the UK there has been a steady increase in consumer awareness of the meaning of the fair trade mark in conjunction with market growth. Such trends are testament to the success of a developing supply, which is a credible alternative to established sources such as the multi-national companies, which dominate the commodities trade globally. The emergence of fair trade goods in retail and on the internet can be said to have developed purposefully, in the sense that it was promoted through co-operation and campaigning activities of social groups such as charities, small firms, and community groups. The market in contrast has grown through consumer decisions based on individual ethics. The figures for the UK suggest that growing consumer awareness of the meaning of the fair trade certification mark is matched by a growing market demand. Another issue is the interaction between regional, national and global factors. Towns have achieved fair trade status through raising awareness and encouraging local retail outlets to stock goods. Firms importing goods can achieve a national certification to supply the whole country. In addition on the web they manage global networks, which inform the consumer about the activities of farmers’ co-operatives and the local projects they are supporting through the social premium on the price. .
The role of e-commerce has also worked in favour of both vendor and consumer, for retail sales and for information dissemination and communication. Both groups require information about the cumulative impact of sales and availability of new products that lie outside the more traditional aspects of retail. This type of exchange is particularly facilitated by the ethic of open exchange in which web-based activities support both individual and collective action, acting both as a market place and a community. In effect the web facilitates economic and social exchanges, acting as a forum for retail and sales and as a vehicle for information sharing and communication.

Footnotes
1. CAFOD, Christian Aid, New Consumer, Oxfam, Tradecraft and the World Development Movement. The Women’s Institute, who have a long running ‘Make Trade Fair’ campaign joined soon after.
2. A more detailed chronology can be found on the Fairtrade Foundation website www.fairtrade.org.uk

References