



Ethical Consumerism

A Guide for Trade Unions





Congress would like to Acknowledge the continued support of Irish Aid for our Global Solidarity work.

Contents

Foreword	4
What is “ethical consumerism”?	5
The origins of consumer activism	7
Consumer activism and globalisation	13
Consumers' International	16
Ethical trade	19
Fair trade	23
Organic and free range produce	28
Ethical labels uncovered	34
Recycling: An essential element of ethical consumerism	36
Sustainable development	38
Ethical consumerism in the finance sector	47
Ethical investment	52
Trade union action on ethical consumerism	56
Additional Resources	59

Foreword

Congress is very pleased to be publishing the latest in our Global Solidarity series of publications - a trade union guide to ethical consumerism. One might question the timing of the publication of such a guide given the global economic crisis that is having such a devastating effect on workers around the globe. However, the evidence suggests that the predicted demise of the ethical market - 'ethical' is a fad and a luxury and now that hard times are here we'll forget this nonsense and get back to good old-fashioned value for money - is not true and in fact shoppers' interest in ethical products has gone up despite the credit crunch.

A global survey, released in May 2009 by the Fairtrade Labeling Organisations, showed that shoppers increasingly expect companies to be more accountable and fair in dealing with producers in developing countries. Among those surveyed, almost three quarters of shoppers believe it is not enough for companies to do no harm, but that they should actively support community development in developing countries. Consumers are calling for a new model in trade in which justice and equity are integral parts of the transaction. 'Active ethical consumers' make up more than half the population (55%) in the countries surveyed. These shoppers have higher expectations of companies' social, economic and environmental responsibilities. Their shopping habits and decisions tend to reward (or punish) companies that meet (or do not meet) their expectations, and they influence others with their opinions.

With the devastating impacts of the global recession and the credit crunch, the people who produce many of the products and services we consume need such action now more than ever. Trade unions can play a part in the growth of this movement. It is not just a question of justice and fairness but also a powerful instrument for shaping the kind of world we want to live in post this economic crisis. There can be no return to the fundamental economic and governance imbalances that are the direct result of three decades of neo-liberal economic policies, with the effect that the fruits of growth have not been distributed to workers. Now is the time to learn the lessons of this crisis and build a more sustainable and just future and using our power as consumers can make a powerful contribution to this.

Congress would like to thank Nick Grisewood for his work on this publication and also expresses thanks to both Irish Aid and Concern for their continued support of our Global Solidarity Work.

David Begg

General Secretary

Irish Congress of Trade Unions (ICTU)

What is “ethical consumerism”?

Over the last ten or twenty years, more and more people around the world, primarily in industrialised countries, have become better informed and more aware of the origins of the goods they purchase on a day-to-day basis, the buying policies and practices of the shops they visit and the policies and principles of the services they buy. In a growing number of cases, this increased awareness and knowledge is affecting consumer practices and may be the difference between someone buying a particular product or service or not. There are a number of reasons for this development, which is commonly referred to as “ethical consumerism”, or also “ethical consumption”, “ethical purchasing”, “moral purchasing”, “ethical sourcing”, “ethical shopping” or “green consumerism”. Fundamentally, ethical consumerism is a form of consumer activism, in other words, consumers taking responsibility for their decisions in purchasing goods and services.

Two key elements that have contributed to this development and that are interrelated are the significant and rapid progress in Information and Communications Technologies, particularly internet-based, and the role of the media in exposing bad practices in global supply chains of goods and services. If consumers log on to the internet today and carry out a search on “ethical consumerism” or “ethical trade”, they will get thousands of hits of web sites with information on these issues or specialised retail goods and services advertised as either “ethical” or “fair trade”. In addition, there are articles nearly every day in many newspapers and magazines on

life stories of exploited workers, sometimes children, who make products which are eventually sold in the west at many times the small amount of money they are paid in wages. All of which contributes to a very confusing picture for the average consumer, who is bombarded with messages of what to do or not to do.

Trade unions, charities and other civil society organisations the world over run regular campaigns to inform consumers of how the products and services they buy are manufactured, farmed or otherwise provided and produced. The aim is to highlight the significant profits made by companies and others on the backs of workers in developing countries, pointing out that a very obvious way to tackle poverty and inequality around the world would be to ensure that everyone enjoys decent working conditions and benefits from a living wage, access to adequate public services, particularly education, health and social protection, and a fulfilled and meaningful life. In this way, the fundamental principles of ethical consumerism are directly linked to the need for companies to be socially responsible in all aspects of their business activities and for governments to apply and monitor the application of international conventions relating to human rights and appropriate labour, social and environmental standards.

In essence, therefore, “ethical consumerism” applies to the intentional purchase by a consumer of products and services that have been manufactured, processed or provided through ethical means, in other words, with minimal harm to or exploitation of humans, animals and/or the natural environment. Put simply, it is about buying products and services that are made and distributed under ethical conditions by companies that behave in an ethical and socially responsible manner. Ethical consumerism is practised through “positive buying” in that ethical products, for example, those branded “fair trade”, are favoured over others.



The origins of consumer activism

So how did ethical consumerism start and what is the history behind it? Society has been aware of the power of organised consumer movements for generations. Consumer activism is not a new concept and ethical consumerism is built on the foundations laid by social activists mainly in 20th century, but going back as far as the creation of cooperatives in the mid-19th century.

Cooperative movement

In many ways, the rise of the cooperative and consumer movements were linked to that of the trade union movement and enhanced social activism. Cooperatives were an effective response by agricultural and rural communities in Europe and North America protecting their interests and livelihoods against powerful landowners and big business owners at that time who sought to exploit cheap labour, land and raw materials to make even greater profit through trade. In this respect and looking at the ongoing challenges in global trade and the economy today, not a great deal has changed. Cooperatives were - and are still - based on the principles of solidarity and community and focused on ensuring an improved standard of living for workers by providing products and services at affordable prices.

The movement became gradually more structured and organised over the years, providing health, housing and banking services, promoting gender and education equality and protecting the environment and workers' rights. Their strength was built on the fact that the cooperative - usually workers in a particular location - owned everything from the land on which crops were grown, to the factories that made comestible products and the shops that sold them. Prices were maintained at affordable levels for working people and, today, there are millions who benefit from the cooperative movement, mainly in developing countries. However, over time the



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movement faded somewhat in industrialised countries as economies grew more sophisticated and competitive. Nevertheless, a growth in ethical and environmental awareness in the late 20th century has seen renewed interest in cooperative principles and values.



The Fairtrade Foundation

The rise of consumer groups

The late 19th and early 20th centuries saw the gradual establishment of a more formal consumer movement in emerging industrialised countries, which focused more specifically on ensuring that people were able to get value for their money in terms of their purchases. For example, a Consumers League was formed in New York, USA, in 1891 and by 1898 the National Consumers League had been created. In Great Britain, the Consumers Council, which later became the Consumers' Association, was established around the time of World War I. These early movements became less concerned with political agitation or cooperative action, instead turning their attention to providing authoritative information to consumers to enable them to obtain better value for their money. This focus by early consumer activist groups led to a strengthening of the legal framework of the retail sector, including advertising regulation and improved labelling requirements of food, drugs, cosmetics and other consumer goods.

Unfortunately, whilst the loss of jobs in rich countries is in itself a serious problem for the workers who lose out there, in poor countries too there are often very negligible gains from globalisation: the workers are not well-paid, nor are they in secure employment with decent benefits and adequate levels of social protection. (See accompanying box on Uganda) What is important is

that workers throughout the world should have decent working conditions and in this the Irish trade union movement follows the ILO policy of campaigning for decent work wherever there is an opportunity of job-creation or job-maintenance.

Without significant and fundamental reform of the WTO, globalisation as it is currently being practiced cannot be 'managed' for everybody's benefit, because not everybody is engaged in the relevant decision-making processes. If the trade union movement can become a partner to help the WTO, then working people will engage in a dialogue to manage the process, to everyone's benefit. But if we continue to be excluded, then we can only oppose the current trends in globalisation.

Consumer groups began to conduct specialised research into a wide range of products to support consumer spending. One of the best known research magazines of this type is the British Consumer Association's Which?, and similar research media exist in most industrialised countries today. Experts test products usually in their own research laboratories according to a range of criteria, including price, safety, durability, effectiveness, and so on - in short, everything that will help consumers to obtain value for money. These movements focused far more on consumers' rights, information, labelling and what legal redress was available in case things go wrong.

However, this form of consumer movement faced a number of difficulties towards the end of the 20th century. First, the pace of technological change impacted on the value of consumer information as things changed so quickly. Second, retailers themselves began to address consumers' expectations and to promote themselves as consumer champions. This was done through cost-cutting promotions, establishing cheaper own brand lines, and so on, and one just has to watch and listen to advertising campaigns by big retailers in Ireland today to understand how they compete for consumer interest by promoting their own value brands. Third, the main criticisms of this form of consumerism are: that it fails to address longer-term social and environmental issues; that it disregards the plight of poorer consumers; and that it encourages a middle-class orientation of aspiring to ever increasing standards of living. In spite of these criticisms, the impact this form of consumer activism has had on business worldwide should not be underestimated. The level of professionalism applied to their consumer research means that companies and governments ignore them at their peril.

Taking on the multinationals

The late 1960s and beyond saw a rise in activism against the power of multinational corporations closely related to a parallel focus on the "corporate social responsibility" of

companies, large and small. This form of activism stemmed from a growing realisation that the behaviour and practices of companies affects the lives and livelihoods of millions of people, whether or not they are employed directly or indirectly by these same companies. This subject is covered extensively in the ICTU's publication in 2006, *Corporate Social Responsibility: A Guide for Trade Unionists*, and it would be important for trade unionists to cross-reference these two publications as there are many points of overlap. Ethical consumerism plays a significant role in obliging companies to think more carefully about their behaviour and practices.

In the USA, this emerging form of consumer activism was led by lawyer Ralph Nader, who published a book *Unsafe at any speed* in 1965 which exposed the irresponsible behaviour of the car industry in not focusing enough attention on safety in its design and building of cars. Nader pointed out that advertising was misleading consumers in believing some vehicles were safe when statistics proved that they clearly were not. His research revealed the extent of damage to property, road-related injuries and deaths, insurance claims, and so on and criticised the industry for not acknowledging the dangers of vehicle design faults. Subsequent to this publication, Nader set up his own Center for Study of Responsive Law and Corporate Responsibility which led to a proliferation of similar organisations, not only in the USA but worldwide.

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Initially, these organisations were established on a public groundswell of growing distrust of companies, particularly the larger multinational corporations, and a feeling that people needed to be able to defend their interests, health and well-being. These organisations grew from an imbalance of “David and Goliath” proportions and aimed at lobbying governments to take necessary action to protect the rights and interests of ordinary citizens through legal reform and appropriate industry standards of conduct. In addition, these organisations began to broaden the scope of consumer protection to include a range of services, such as insurance, banking and other financial services, and also health and other public services.

In the 1980s and 1990s, this form of consumer activism focused strongly on the application of international labour standards in global supply chains and informing the general public of violations of these in the production of certain goods. Campaigns were launched against such well-known multinational companies as Nike, The Gap, Reebok, Adidas and Marks & Spencer, highlighting exploitative practices used in supply chains. The early argument used by multinationals that they could not be responsible or accountable for the labour and other practices of its multitude of suppliers, particularly in developing countries, was no longer considered valid and the need for greater accountability was integrated into national and international conventions and legislation.

As a result, private companies of all sizes are more aware of the importance of behaving in a socially responsible manner throughout their business processes and across global supply chains. This period, supported by the development of the internet and other information and communication technologies, saw a surge in consumer activism and sparked considerable interest in where companies source labour, raw materials, products and services and why. Today, more and more companies pay increasing attention to their supply and investment chains to ensure that these comply with relevant international conventions and standards as to ignore this aspect of business is to risk survival in increasingly competitive private sector markets.

While there are still many challenges in monitoring the behaviour and business practices of companies domestically and internationally and ensuring that they are not just paying lip-service to their corporate social responsibilities, using it as a marketing tool for example, this form of consumer activism has had a major impact on the working conditions and socio-economic environments of workers and their families across the globe, but particularly in developing countries. Much more needs to be done, particularly within the framework of the United Nations Millennium Development Goals (MDGs) targeting poverty and hunger and environmental sustainability, but at least the role of the private sector is now acknowledged and embedded in human development processes.





Fairtrade Labelling Organizations International

Alternative consumer activism

Since the 1980s, an additional emerging form of consumer activism that has grown significantly in strength and influence has been so-called “green consumerism”, which is based on the impact of consumption on the environment. The premise of this form of consumer awareness is to limit the impact of consumption on the environment to protect the well-being and interests of future consumers, i.e. future generations. Decisions are based on guidance provided through different media on which products to buy from particular producers that either benefit the environment or inflict the least lasting damage on the environment. For example, green consumerism impacted on the sale of aerosols with chlorofluorocarbons (CFCs) and the sale of fruit and vegetables treated with pesticides.

While in the early stages of its existence, the green consumer movement remained on the margins of retailers' radars, it gradually grew in importance and influence to the extent that today green “products” are growing in both number and scope, from vegetables and fruit, to green cars and electrical products. The movement generally promotes a message calling on consumers to be more careful and informed in their decision-making on consumption, although there is also a more radical element which recommends that people should make more effort to consume less in general to protect the environment and its capacity to provide for future generations.

The emergence of ethical consumerism

As the green consumer movement became more established, it gave rise to a new form of consumer activism in the late 1980s and early 1990s, which had previously been on the fringes of the movement, namely, ethical consumerism. At first, it appeared that this new entrant into the consumer movement would forever remain a marginalised form of the mainstream movement. However, underpinned by an increasingly global focus on the principles of fair trade within the broader perspective of trade, development, environmentalism and human rights, the ethical consumer movement has grown in strength and influence, reaffirming the basic values of the very first cooperative movement in terms of bringing consumers closer to non-exploitative producers, thereby bypassing the processes of conventional trade through large supermarket chains.

The success of the ethical consumer movement can be seen more tangibly today in many supermarkets, including in Ireland. For example, most stores, including multinational retailers such as Tesco, Marks & Spencer, Aldi and Lidl, include a wide range of fair trade, organic and free range products on their shelves and are careful to ensure detailed labelling of all products to inform potential buyers of conformity with relevant ethical standards, thereby influencing decision-making and encouraging consumption. In addition, in most industrialised countries there is a wide range of smaller ethical and fair trade shops and internet-based retail sites responding to the growing numbers of consumers who are concerned about such issues as environment, fair labour standards and personal health. Indeed, personal

health and hygiene concerns have also played their part in promoting ethical consumption as citizens in industrialised countries pay greater heed to the increasing number of research reports into the effects of certain types of food and food-processing methods in terms of contemporary diseases and illnesses, such as cancer, obesity and diseases affecting the heart, the brain, the digestive and the respiratory systems, and so on. People generally pay more attention to their diet and therefore to the products they consume.

The full circle of consumer activism

Although consumer activism has taken different forms over the last 100 years or so, its fundamental principles have remained relatively consistent in that they seek to ensure fairness, social justice, equality and protection of the individual. Consumer activism aims at ensuring value for money for those who consume, while protecting their interests and well-being as well as those of workers involved in local, national and global supply chains. Ethical consumerism further reinforces these principles and values by focusing on environmental protection and sustainable development. In its purest form, ethical consumerism is about purchasing goods and services that have been produced without harm to or exploitation of humans, animals or the environment. In this respect, its philosophy appeals to the majority of consumers in the world as ideally most people would probably prefer to buy ethical products and services. The challenge is that the world is not “ideal” and consumers are obliged to make purchasing decisions based on a range of priorities and personal realities.

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Consumer activism and globalisation

The world today is shrinking and rapidly evolving in terms of technology, telecommunications, travel, and knowledge. The term “global village” has never been more pertinent, but what impact has this had on the way trade and governance works? There is a close link between consumer activism and the anti-globalisation movement, and in looking more closely at some of the factors behind the emerging ethical consumerism trend, this link becomes more evident. Many of the forces underpinning ethical consumerism are driven by single issue pressure groups, for example, those against testing consumer products on animals, resisting the use of dwindling supplies of rare wood, protecting the natural habitat of various species of animals, targeting the sale of genetically modified foods, and so on. The common thread is that of global trade and economic integration.

As economic markets become more integrated at regional and global level, the responsibility for regulation and monitoring is gradually assumed by global and regional institutions, such as the World Trade Organisation (WTO), the European Union (EU), the North American Free Trade Association (NAFTA), and other regional trade bodies, such as CARICOM (Caribbean), MERCOSUR (South America), ASEAN (South-East Asia) and SADC (Southern Africa). This development, coupled with the competitive pressures countries face to attract inward investment, has inevitably impacted on the ability of national governments to regulate the behaviour of some multinational companies, particularly the larger ones, whose financial resources, in some cases, can be larger than the Gross Domestic Product (GDP) of some developing countries.

As a result, consumer movements have become more politicised and conduct targeted campaigns to highlight flaws and deficiencies in the regulatory and monitoring

process of regional and global markets and multinational behaviour. Organisations such as Friends of the Earth, People for the Ethical Treatment of Animals (PETA), Oxfam, Amnesty International, Christian Aid, Greenpeace, Clean Clothes Campaign and many, many others spearhead a broad range of campaigns, often based on single issues, to raise awareness and lobby governments, governmental organisations such as the G7, G8 and G20, United Nations (UN) agencies, and others, to influence their policies and programmes on these specific issues. Indeed, since the 1960s, there has been a proliferation of these civil society organisations and associations, focusing on single or multiple issues that campaign and mobilise to protect their causes. More and more of these organisations focus on environmental issues which underpin the ethical consumer movement.

Some consumer organisations, for example, the Ethical Consumer in the UK, promote ethical consumerism as a form of “voting” through decisions on how consumers

spend their money. It points out that consumers have considerable political power through their spending processes and that by choosing to purchase certain products or not, they can potentially influence companies' policies in the retail market. The Ethical Consumer is the UK's leading alternative consumer organisation, researching the social and environmental records of a wide range of companies and providing information on the outcome of this research to consumers to guide their decision-making.

Its web site describes four types of ethical buying, stating that ethical consumerism is just as much about supporting "good" companies and products as it is withdrawing support from the so-called "bad" ones:

- Positive buying: Favouring particular ethical products, such as energy-saving light bulbs.
- Negative purchasing: Avoiding products of which consumers may disapprove, such as eggs laid by battery hens or large cylinder cars which give out high carbon emissions.
- Company-based purchasing: Targeting a business as a whole and avoiding all the products made by one company, for example, through national and/or international boycotts.
- Fully-screened approach: Looking both at companies and at products and evaluating which product is the most ethical overall. This is the basis of the work of Ethical Consumer, which conducts research into a wide range of products and highlights what it terms "best buys", which are essentially the most ethical, "fully screened" products that it can find. The results are then published in the Ethical Consumer Magazine.

The Fairtrade Foundation



Company and product boycotts

One of the four types of ethical buying described by the Ethical Consumer is “company-based purchasing”. This involves targeting companies which violate ethical principles, particularly in relation to international labour standards, either by taking an individual decision to avoid purchasing any of their products or organising campaigns to encourage others to join in a boycott. This was a common practice in the early days of consumer activism, particularly in the 1980s. Indeed, it was considered to have been effective in the international movement against apartheid in South Africa, forcing a number of multinational investors to pull out of that country and thereby increasing pressure on the government to abolish apartheid.

However, consumer boycotts can potentially have an adverse effect on those working for the companies concerned or their suppliers in developing countries. While the aims behind such campaigns can be ethically sound, they can result in workers losing their jobs and whole families and communities suffering the effects. It is not the fault of workers that their employers use unethical business practices and it is not the fault of suppliers that the multinationals they serve are unethical. Ultimately, the most effective solution to tackling unethical practices is through social dialogue involving local trade unions and workers and their international federations. The ICTU guidelines, *Corporate Social Responsibility: A Guide for Trade Unionists* (2006), go into more detail on the impact of international framework agreements and codes of conduct in this domain.

The Ethical Consumer web site (**www.ethicalconsumer.org**) includes a section on boycotts, offering constructive advice to consumers and emphasising the sensitivity and potential impact of such action. In some situations, there may be little choice but to proceed with a boycott to force change. However, such a decision should not be taken lightly, should involve dialogue with the workers involved and their unions and with the companies themselves. Every avenue of constructive social dialogue should be explored before proceeding with boycotts. The Ethical Consumer's web site also includes a list of current boycotts in the United Kingdom, information on how to organise them and the latest news on this issue.

Consumers' International

Consumers' International (CI) is an independent global association of organisations working in the consumer sector worldwide. This includes independent national consumer organisations and government bodies and it currently represents over 220 organisations in 115 countries. Around two-thirds of the membership are from developing countries and the other third from industrialised countries. Some independent member organisations are long-established, with hundreds of staff and millions of their own members, whilst others are semi-voluntary associations providing information and advice about basic services in some of the world's poorest countries. Because so many of its members are in developing countries, CI supports programmes to develop strong and effective consumer organisations that can impact on policy-making at national and global levels. These programmes include training, seed grants, technical assistance and information networks.

CI aims to be the campaigning global voice for consumers and to build a powerful international consumer movement to help protect consumers everywhere.

In its strategic plan for 2007-2011¹, the organisation sets out the following four-year objectives:

- to campaign on key issues of concern to global consumers and take a lead;
- to act as a global watchdog for the behaviour of international corporations;
- to help build strong consumer organisations around the world;
- to be a strong, sustainable, global umbrella organisation to protect the interests of consumers worldwide.

A key regular activity of CI is marking World Consumer Rights Day on 15 March each year, celebrated for the first time in 1983. On 9 April 1985, the UN General Assembly adopted the UN Guidelines for Consumer Protection², following a decade of lobbying by CI and other consumer organisations. The guidelines embrace the principles of eight consumer rights and provide a framework for strengthening national consumer protection policies.

The eight consumer rights are defined as follows:

- The right to satisfaction of basic needs, i.e. to have access to basic, essential goods and services: adequate food, clothing, shelter, health care, education, public utilities, water and sanitation.
- The right to safety, i.e. to be protected against products, production processes and services which are hazardous to health or life.
- The right to be informed, i.e. to be given the facts needed to make an informed choice, and to be protected against dishonest or misleading advertising and labelling.
- The right to choose, i.e. to be able to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.

- The right to be heard, i.e. to have consumer interests represented in the making and execution of government policy and in the development of products and services.
- The right to redress, i.e. to receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods or unsatisfactory services.
- The right to consumer education, i.e. to acquire knowledge and skills needed to make informed, confident choices about goods and services, while being aware of basic consumer rights and responsibilities and how to act on them.
- The right to a healthy environment, i.e. to live and work in an environment which is non-threatening to the well-being of present and future generations.

Among the key consumer issues being tackled by CI in 2009 are:

- Global consumer dialogue, education and access to information and knowledge, details of which can be found on the dedicated web site: **www.a2knetwork.org**
- The Junk Food Generation campaign targeting marketing of unhealthy food to children, details of which can be found on the dedicated web site: **www.junkfoodgeneration.org**
- The Marketing Overdose campaign targeting irresponsible drug promotion by pharmaceutical companies around the world, details of which can be found on the dedicated web site: **www.marketingoverdose.org**
- The Streetfood campaign through CI is working to preserve street food life, so that local consumers, street food sellers and travellers can continue to benefit from the traditional practice of enjoying cultural foods prepared and sold in streets all over the world. More details of this campaign can be found on the dedicated web site: **www.streetfood.org**

¹ Consumers' International web site, **www.consumersinternational.org**

² **www.un.org/esa/sustdev/publications/consumption_en.pdf**

CI also runs an ongoing campaign entitled “The Real Deal” as part of its work on sustainable consumption. Working with member organisations and partners, CI publishes a series of features on its web site to highlight unethical and unsustainable behaviour by corporations and governments around the world. The aim is to help consumers make informed and responsible choices about the products they buy and the services they use. Along with investigative reports from around the world, the campaign also cooperates with the Ethical Consumer Research Association (ECRA) in the United Kingdom to expose the facts behind some of the world's most popular brands and products. The campaign's most recent investigations have studied the coffee industry, including Fairtrade coffee; the ethics of mobile phone companies; the impact of dumping obsolete computer equipment in West Africa; and the unethical behaviour of some of the world's leading hotel chains.

CI provides a very wide range of information and research resources to consumers through its web site: **www.consumersinternational.org**. As well as its ongoing campaigns, it also conducts regular research studies into a wide variety of industries around the world to assist consumers in making informed ethical decisions about what they buy. In this respect, the organization provides a useful and informative service to those interested in ethical consumerism.



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Ethical trade

According to the Ethical Trading Initiative (ETI) in the UK, “ethical trade” can carry two meanings, one broad and one more specific. It can be an umbrella term for all types of business practices that promote more socially and/or environmentally responsible trade, or it can refer more specifically to the labour practices in a company's supply chain. ETI considers ethical trade in the latter sense in its policies and programmes and, in many respects, this focuses largely on the corporate social responsibility (CSR) practices of companies, i.e. the responsibility of a company for the labour and human rights practices within its supply chain. The issue of CSR is dealt with in detail by *Corporate Social Responsibility: A Guide for Trade Unionists* (ICTU, 2006). As consumers, trade unionists should be guided in where they shop and what they buy by CSR principles.

What do we mean by ethical trade?

Millions of people around the world work in a range of areas to provide food and many other products for sale in industrialised countries, such as Ireland and the UK. In too many cases, these workers toil in hazardous conditions, often for pay that barely covers their needs and those of their families. They may also be discriminated against, harassed and prevented from joining or forming trade unions.

As mentioned previously, as knowledge grew in the 1980s and 1990s of the impact of negative business practices in developing and transition economies, the trade union, civil society and consumer movements joined together in condemning such practices and in bringing pressure to bear on companies and governments to ensure decent working conditions for all

workers and to monitor the application of relevant international instruments. Ethical trade, therefore, involves sourcing companies, retailers and brands, taking responsibility for these workers, and striving to improve their conditions progressively.

More and more companies have adopted some form of ethical sourcing policy to address growing public concern over supply chain labour issues. Pressure on companies has been maintained as trade unions and civil society organisations, in developing and developed countries, have continued to campaign on these and related issues, for example, investment screening according to a range of social and environmental criteria. Together, these trends are making it more and more difficult for companies to ignore ethical sourcing issues.

Codes of practice

The response of many companies to the ethical trade lobby has been to develop or adapt codes of business practice, which should be the first step in addressing the issue. However, the greatest challenge facing the civil and consumer movements is that of monitoring and ensuring the application of these codes by the individual companies. In addition, a number of companies establish and impose these codes without any form of negotiation or social dialogue with trade unions, which raises questions over their content and effectiveness. There are thousands of such codes now in place around the world, highlighting a further problem, namely that of coherence. Without a more negotiated and unified approach, it is difficult to influence the content of these codes, and there have been instances of incompatible standards being used.



The key issue is that codes should reflect and directly reference existing international instruments on labour standards and company practice, including:

- the core Conventions of the International Labour Organization (ILO), including the right of workers to form and join trade unions and bargain collectively with employers, and its Multinational Enterprises Declaration;
- the United Nations Global Compact;
- the OECD Guidelines on Multinational Enterprises.

These standards are covered in detail in the ICTU guidelines on CSR. However, even codes of practice that directly reference such key standards can only be truly effective if they are implemented fully and if human and financial resources are directed towards their implementation, follow-up and reporting. Some efforts are being made towards the standardisation of codes of practice for different industries, for example, clothing, sports equipment, toys, and so on. However, the issue of monitoring implementation and the existence of mechanisms to punish violations of codes still need to be fully resolved.

ETI has produced its own Base Code which contains nine fundamental principles:

- no one should be forced to work;
- workers should be able to form and join trade unions;
- working conditions should be safe and healthy;
- child labour shall not be used;
- working hours should not be excessive;
- wages should be enough to live on and provide some discretionary income;
- workers should be treated equally, regardless of their sex, ethnic group, religion or political opinions;
- where possible, workers should be provided with regular employment;
- workers should not be verbally, physically or sexually abused or disciplined.

The code puts the responsibility on retailers and brands which outsource their production to know where and who their suppliers are and what conditions they provide for their workers. ETI promotes the practice of monitoring visits to suppliers to assess working conditions firsthand and for the outsourcing companies to work with suppliers to address areas where improvements should be made.

Ethical Trading Initiative (ETI)

ETI in the UK is an alliance of companies, trade unions, charities and campaigning organisations that work together to improve working conditions in global supply chains. Since its inception in 1998, it has developed and disseminated a wide range of tools and guidance on ethical trade, including good practices. It has galvanised industry-wide alliances that have brought about widespread change for workers around the world. ETI also provides training programmes for retailers and others working in the field of ethical trade.

Some of the complex issues surrounding ethical trade that ETI and its members tackle include: how companies can gain an accurate picture of working conditions; what they should do to help protect particularly vulnerable workers; and how they can make sure their buying practices do not detract from their suppliers' ability to provide decent pay and conditions for their workers. (www.ethicaltrade.org)



UTZ CERTIFIED - Good Inside

Is a global certification scheme covering agricultural commodities like coffee, cocoa and tea.

UTZ CERTIFIED's vision is to achieve sustainable agricultural supply chains where farmers are professionals implementing good practices which lead to better businesses, where the food industry takes responsibility by demanding and rewarding sustainably grown products, and where consumers buy products that meet their standard for social and environmental responsibility.

In many countries including Ireland and Britain the UTZ CERTIFIED programme is seen as being complementary to Fairtrade (www.utzcertified.org)

Impact of consumer activism

The focus on ethical trade today is very much a product of concerns expressed by ordinary consumers and trade union and civil society organisations. People wanted to know that the products they were consuming came from ethical sources. However, turning ethical trade into a reality is clearly far more complex. It involves UN agencies, international organisations, trade and industry bodies, governments, companies, trade unions, civil society and consumer organisations, and so on, from all over the world. The shared ambition is to ensure that all people benefit from decent working conditions and that the socio-economic and environmental impact of trade is more positive for current and future generations.

However, there are no easy solutions and the many processes that the movement has ignited will take time to achieve their ultimate goals. Nevertheless, the important thing is that the process has started, that people are more aware and that progress is steadily being made. It is vital that everyone, particularly consumers, continue to monitor progress and to ask questions about the ethical sourcing of all products and services.

A question commonly asked by many consumers is what the potential impact of ethical trade might be on retail prices. At present, this issue is being researched by various bodies, including governments and companies themselves. However, there is currently little research

analysis of the cost implications of meeting international standards in trade. Companies are concerned that ethical trade could squeeze their profit margins and consumers are concerned that this could result in higher prices in the shops. As yet, there are no definitive answers either way and it would be premature to draw conclusions.

Is ethical trade the same as fair trade?

Although there are many similarities between the concepts of "ethical trade" and "fair trade" which can be confusing for consumers, they are not the same. Ethical trade aims to ensure that decent minimum labour standards are met in the production of goods and services. By contrast, fair trade is primarily concerned with the trading relationship, especially those involving small producers in developing countries. Fair trade ensures that producers are paid a decent price for their goods that at least covers the true costs of production, despite often serious fluctuations in world commodity prices. Ethical trade and fair trade have distinct origins, but their approaches are complementary in that they both focus on helping make international trade work better for poor and otherwise disadvantaged people. The Fair Trade movement is dealt with in more detail in the next section, however, the table below provides some of the main differences between the two movements.

Ethical trade	Fair trade
<p>Focuses on protecting workers' rights throughout the supply chain.</p> <p>Is about the behaviour of buying companies, retailers, brands and their suppliers, and the steps they take to ensure supplier companies respect workers' rights.</p> <p>Does not depend on consumer awareness which is why there is no recognised 'ethical trade' label.</p>	<p>Focuses on helping disadvantaged producers and workers in the developing world take more control over their lives, for example, cotton, banana, cocoa and coffee farmers.</p> <p>Applies specifically to products, not companies.</p> <p>Has widespread consumer recognition and a recognised label, the Fairtrade Mark.</p>

Fair trade

Fair trade is an organized social movement and market-based approach that aims to help producers in developing countries and promote sustainability. The currently accepted definition of fair trade was agreed by FINE, an informal association of four international fair trade networks (Fairtrade Labelling Organizations International, World Fair Trade Organization, Network of European Worldshops and the European Fair Trade Association), in October 2001.

“Fair trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers - especially in the South. Fair trade organizations, backed by consumers, are engaged actively in supporting producers, awareness-raising and in campaigning for changes in the rules and practice of conventional international trade. Fair trade products are produced and traded in accordance with these principles - wherever possible verified by credible, independent assurance systems.”

There are three key strategic aims of the fair trade movement:

- to deliberately work with marginalised producers and workers in order to help them move from a position of vulnerability to security and economic self-sufficiency;
- to empower producers and workers as stakeholders in their own organizations;
- to actively play a wider role in the global arena to achieve greater equity in international trade.

European Fair Trade Association (EFTA)

EFTA is an association of 11 fair trade importers in nine European countries (Austria, Belgium, France, Germany, Italy, the Netherlands, Spain, Switzerland and the UK). It was formally established in 1987. Its aim is to support its members in their work and to encourage them to cooperate and coordinate by facilitating the exchange of information and networking. EFTA also identifies and develops joint projects and maintains a database of EFTA suppliers, called Fairdata. The association has an office in Brussels, Belgium, which is responsible for the execution of the EU-funded Fair Procura project, which aims to encourage public authorities and institutional buyers to participate in fair trade initiatives and purchase fair trade products.

EFTA produces a range of information resources on fair trade in Europe and, to date, has published five comprehensive research studies in a range of European countries. The last report was produced in 2007 and covered 33 European countries, including Ireland. This and other reports and resources can be downloaded from the EFTA web site below.

(www.european-fair-trade-association.org)

The movement was born out of a backlash against the United Nations Agreement on Trade and Tariffs and subsequently the World Trade Organization in terms of the perceived detrimental impact of global and regional trade agreements on small producers and farmers. It was felt that these small businesses were being further marginalised in global trade, particularly in terms of commodities speculation and trading, and that they were unable to compete in national and international markets to ensure they were paid a decent price for their products which would ensure a decent living for them and their families, while also being able to develop their own businesses. Global commodity speculation has been particularly detrimental to small producers and farmers, for example, according to a study by the EU, during the 1970-2000 period, prices for many of the main agricultural exports of developing countries, such as sugar, cotton, cocoa and coffee, fell by 30 to 60 per cent.

The fair trade movement therefore advocates the payment of a "fair price", as well as the application of social and environmental standards, in areas related to the production of a wide variety of goods. It focuses in particular on exports from developing countries to developed countries, most notably handicrafts, coffee, cocoa, sugar, tea, bananas, honey, cotton, wine, fresh fruit, chocolate and flowers.

The movement espouses several key aims:

- to provide market access to small producers, connecting them to customers and allowing access with fewer intermediaries;
- to provide higher prices than typically paid to producers in trading relationships, with the hope of allowing them to achieve greater financial stability, improve their general well-being and allow future investments;
- to provide information and support to enable producers to develop knowledge, skills and resources to improve their lives;
- to raise awareness of fair trade, its products and principles in industrialised countries.

Fair trade products are traded and marketed either by an integrated supply chain whereby products are imported and/or distributed by fair trade organisations, or by product certification whereby products complying with fair trade specifications are certified indicating that they have been produced, traded, processed and packaged in accordance with the relevant standards (see section on Fairtrade labelling).



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Fairtrade labelling

According to the 2008 Annual Report of Fairtrade Labelling Organisations International (FLO), fair trade certified sales amounted to approximately 2.9 billion worldwide, a 22 per cent year-to-year increase. While this represents a tiny fraction of world trade in physical merchandise, it does point to the positive impact of awareness-raising on ethical consumerism and fair trade. In June 2009, the FLO also reported that more than 5 million producers and their families were benefiting from fair trade-funded infrastructure, technical assistance and community development projects.

Fairtrade labelling is a certification system designed to enable consumers to identify goods which meet agreed fair trade standards. The system is overseen by an umbrella organisation, Fairtrade Labelling Organisations International (FLO International). Although fair trade has existed since the 1950s through the activities of Alternative Trade

Organisations (ATOs), often closely linked to volunteer groups and Third World Worldshops, it was not until 1988 that these products were expanded to mainstream retailers. A Dutch ATO, Solidaridad, created a label, called

“Max Havelaar”, which guaranteed that the goods met certain labour and environmental standards. The label only applied to coffee initially, but the concept caught on. Within years, similar labelling initiatives, such as the Fairtrade Foundation, TransFair and Rättvisemärkt, emerged across Europe and North America in an effort to follow Max Havelaar’s footsteps and boost fair trade sales.

The organizations launched their own campaigns and certification marks and originally operated independently. Then in 1997, these organizations created FLO International, whose mission is to set fairtrade standards, support, inspect, certify disadvantaged producers and harmonise the fairtrade message across the movement. In 2002, the organisation launched a new international Fairtrade Certification Mark to improve the visibility of fair trade products on supermarket shelves; convey a dynamic, forward-looking image for fair trade; facilitate cross-border trade; and simplify procedures for importers and traders. At present, 21 national labelling initiatives are members of FLO International, including Fairtrade Mark Ireland, and there are fairtrade certification marks on dozens of different products which can be found on the shelves of shops across Ireland.

FLO International develops and reviews standards and assists producers in gaining and maintaining certification, thereby being able to make the most of market opportunities. To ensure transparency, the standards are developed and reviewed by the FLO Standards Committee, which includes stakeholders from FLO's member organisations, producer organisations, traders and external experts. The actual certification itself is carried out by an independent international certification company registered in Germany, FLO-CERT, which ensures that producers and traders comply with the Fairtrade standards and that producers invest the benefits received through Fairtrade in their development. It also oversees a specially developed trade auditing system that checks that every Fairtrade-certified product sold to a consumer has indeed been produced by a Fairtrade Certified Producer Organisation which has been paid the Fairtrade Price. The system, therefore, is both comprehensive and effectively monitored, engaging consumer confidence in the Fairtrade Certification Mark.

The Fairtrade certification guarantees not only fair prices, but also the principles of ethical purchasing. These principles include adherence to ILO Conventions, such as those banning the use of child and slave labour, guaranteeing a safe workplace, decent working conditions and the right to form and join trade unions. They also include adherence to the UN Declaration of Human Rights, a fair price that covers the cost of production and facilitates social development, and protection and conservation of the environment. The certification system also promotes long-term business relationships between buyers and sellers, crop pre-financing, and greater transparency throughout the supply chain among others. More and more products are covered by the Fairtrade label, including bananas, honey, coffee, oranges, cocoa, cotton, dried and fresh fruits and vegetables, juices, nuts and oil seeds, rice, spices, sugar, tea and wine. Companies offering products that meet the Fairtrade standards may apply for licences to use one of the Fairtrade Certification Marks for those products and will then be subject to the certification and monitoring process.

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World Fair Trade Organisation (WFTO)

The WFTO, known as the International Fair Trade Association (IFTA) up until the beginning of 2009, is the global representative body of organisations committed to fair trade. It operates in 70 countries across the globe to create market access through policy, advocacy, campaigning, marketing and monitoring. The organisation and its members are committed to the eradication of poverty through sustainable economic development and pioneering social and environmental policy and practice and continual reinvestment in marginalised artisans, farmers and producer communities.

Like FLO International, the WFTO also operates a special certification system, but rather than certifying products, it certifies organizations that are committed to fair trade. Launched in 2004, the so-called FTO Mark enables consumers to recognise registered fair trade organisations and guarantees that standards are being implemented, including working conditions, wages, child labour, gender equity, transparency and the environment. (www.wfto.com)

Fair trade in Ireland and the UK

Fairtrade Mark Ireland (www.fairtrade.ie) and the Fairtrade Foundation (www.fairtrade.org.uk) are the national Fairtrade labelling organisations in Ireland and the UK respectively. They license a variety of Fairtrade products for sale in wholesale and retail outlets and the catering trade and provide information to consumers on the different products and lists of retailers. As well as business development, a key area of the work of these organisations is awareness-raising and advocacy and they provide a wide range of resources to volunteers,

organisations and individuals looking for more detailed information on fair trade and promoting this issue through their own activities.

The organisations promote such initiatives as Fairtrade Fortnight, Fairtrade Towns, Fairtrade Schools, Fairtrade Colleges and Fairtrade Parishes, which are all designed to mobilise different communities to promote Fairtrade products and work towards specified goals in order to achieve certification.

Organic and free range produce

It would not be possible to discuss the issue of ethical consumerism without addressing the growing importance of organic and free range produce. This produce can be found in a wide range of retail outlets and markets around the country, particularly farmers markets, which are increasing in popularity in Ireland. Organic produce can cover anything from fruit and vegetables to meat and other edible products, such as honey. Organic foods are grown or produced according to specific standards governed by strict certification systems, for example, the use of conventional non-organic pesticides, insecticides and herbicides. If livestock are involved, they must be reared without the routine use of antibiotics and without the use of growth hormones, and generally fed a healthy diet. In most countries, organic produce may not be genetically modified. While favouring organic produce is primarily a personal lifestyle and health choice, it also affects ethical consumer decision-making in so far as organic farmers avoid the use of chemicals on their farms, which is generally good for the environment and, of course, show concern for animal rights and welfare.

Historically, organic farms were relatively small family-run activities, which is why organic food was once only available in small stores or farmers markets. However, since the early 1990s, organic food production has experienced growth rates of around 20 per cent a year, far ahead of the rest of the food industry, in both developed and developing nations. As of April 2008, organic food accounts for 1 to 2 per cent of food sales worldwide.

Organic certification systems

It is important to point out that organic food production is a heavily regulated industry and not a form of private gardening as is commonly believed. All organic products sold in Ireland and the UK must comply with EU regulations governing organic production. These are extremely strict, legally enforceable standards that describe the inputs and practices to be used in organic farming, growing and processing. In Ireland, the Department of Agriculture and Food is the competent authority responsible for regulating the organic sector and ensuring that obligations and requirements are met. In the UK, this role is performed by the Department of Environment, Food and Rural Affairs.

In the EU, the regulation which governs organic farming, growing and processing contains a number of overarching principles, including:

- working with natural systems rather than seeking to dominate them;
- the encouragement of biological cycles involving micro-organisms, soil flora and fauna, plants and animals;
- the maintenance of valuable existing landscape features and adequate habitats for the protection of wildlife, with particular regard to endangered species;
- careful attention to animal welfare considerations;
- the avoidance of pollution;
- consideration for the wider social and ecological impact of the farming system.

Therefore, it is illegal to offer for sale in the EU any product as organic that does not comply with the EU regulations governing organic production. This means that all products labelled as “organic” are legally required to have been organically produced and certified as such. There are currently three certification bodies in Ireland and nine in the UK approved by the government to administer the organic standards. These organizations play a crucial role in ensuring the integrity of the standards and conduct audits to ensure that the farmers,

growers and processors involved in organic production have met, and continue to comply with, organic standards.

In Ireland, these organizations are:

- the Irish Organic Farmers and Growers Association (www.iofga.org)
- Organic Trust Limited (www.organic-trust.org)
- Demeter Standards (Irl) Limited (no web site)



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What about organic products imported from outside the EU?

Organic products imported from within the EU are required to comply with EU organic regulations and therefore must meet the same high standards as those produced in either Ireland or the UK. Organic products from countries outside the EU are not allowed to be imported into either Ireland or the UK unless the organic standards and certification systems in their countries of origin are deemed equivalent to those imposed by the EU regulations. Therefore, in principle, even organic foods produced outside the country meet the same high standards as those produced in Ireland and the UK.

Organic versus conventional farming

As with organic products in the market place, organic agricultural methods are also internationally regulated and legally enforced by most countries, including Ireland and other EU countries, based primarily on the standards and principles set by the International Federation of Organic Agriculture Movements (IFOAM), a global umbrella organization for organic organisations established in 1972. IFOAM defines the overarching goal of organic farming as follows:

“Organic agriculture is a production system that sustains the health of soils, ecosystems and people. It relies on ecological processes, biodiversity and cycles adapted to local conditions, rather than the use of inputs with adverse effects. Organic agriculture combines tradition, innovation and science to benefit the shared environment and promote fair relationships and a good quality of life for all involved.”

Several surveys³ and studies⁴ have attempted to examine and compare conventional and organic systems of farming.

Broadly speaking, the general consensus across these surveys is that organic farming is less damaging for the following reasons:

- Organic farms do not consume or release synthetic pesticides into the environment, some of which have the potential to harm soil, water and local terrestrial and aquatic wildlife.
- Organic farms are better than conventional farms at sustaining diverse ecosystems, for example, populations of plants and insects, as well as animals.
- When calculated either per unit area or per unit of yield, organic farms use less energy and produce less waste, for example, waste such as packaging materials for chemicals.

However, some critics of organic farming methods believe that organic farms require more land to produce the same amount of food as conventional farms.⁵ They argue that if this is true, organic farms could potentially destroy the rainforests and wipe out many ecosystems.⁶ However, these studies are not conclusive and it is widely accepted that organic farming is generally better for public health, for the environment and for the health of farm workers by avoiding contamination with synthetic pesticides.

³ Hansen, Birgitte, Alrøe, H. J. & Kristensen, E. S. (January 2001). “Approaches to assess the environmental impact of organic farming with particular regard to Denmark”. *Agriculture, Ecosystems & Environment* 83: 11-26.

⁴ Stolze, M., Piore, A., Häring, A.M. and Dabbert, S. (2000). *Environmental impacts of organic farming in Europe. Organic Farming in Europe: Economics and Policy Vol. 6.* Universität Hohenheim, Stuttgart-Hohenheim.

⁵ Goldberg, B. “The Hypocrisy of Organic Farmers”. (www.agbioworld.org).

⁶ Leonard, A. “Save the rain forest - boycott organic?” *How The World Works*. (www.salon.com).



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One downside, however, is that organic produce typically costs 10 to 40 per cent more than similar conventionally produced products. An article on organic foods published in the *Journal of Food Science* in 2006 noted that prices

may be higher because organic products are produced on a smaller scale, may need to be milled or processed separately and are labour intensive. In the case of dairy and eggs, the animal's requirements, such as the number of animals that can be raised per acre, or the breed of animal can also affect retail costs.

Ultimately, as in all cases of ethical consumerism, deciding or not to purchase and consume organic produce comes down to individual choice, based primarily on personal ethics and beliefs. Unfortunately, in times of economic hardship, when people are concerned for their livelihoods and their ability to provide for and protect their families, these choices are quite often - and understandably - affected by cost. As organic food production and consumption grow, they should eventually reach a stage of critical mass and scale that can bring retail prices down to compete on a more equal basis with the prices of conventionally produced items.

Nevertheless, the potential impact of organic agriculture in some developing regions, particularly Africa, could be significant. In 2008, the UN Environmental Programme (UNEP) and UN Conference on Trade and Development (UNCTAD) issued a report which stated that "organic agriculture can be more conducive to food security in Africa than most conventional production systems, and that it is more likely to be sustainable in the long term".⁷ The report assessed 114 projects in 24 African countries, finding that "[crop] yields had more than doubled where organic, or near-organic practices, had been used" and that soil fertility and drought resistance improved.

Farmers markets

Traditional farmers markets are growing in popularity throughout the industrialised world, including in Ireland. There are socio-economic and health benefits in buying produce and crafts that have been grown or made locally, for example, in terms of being able to buy fresh fruit and vegetables that have travelled no further than a local farm, helping local farmers to stay in business and the social gains of community development and interaction. However, the food produce sold at these markets is not always organically grown or farmed. The Irish Farmers Markets web site focuses on promoting traditional farmers markets throughout the country by encouraging communities to set markets up and mobilising farmers and growers to join the markets.

(www.irishfarmersmarkets.ie)

⁷ UNEP-UNCTAD (2008). *Organic Agriculture and Food Security in Africa*. United Nations.



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Free range farming

“Free range” is a method of farming husbandry where the animals are allowed to roam freely on the land instead of being contained in any manner. The term may apply to meat, eggs or dairy farming. In the case of poultry, free range methods were developed in response to the public backlash against such practices as battery chicken factories where chickens were kept under inhumane conditions. Farmers practise free range for a number of reasons, including: achieving appropriate free range certification and delivering a higher quality product; reducing feed costs as the animals mainly live off the land; and generally improving the well-being of their animals.

Although the EU does regulate free range farming to some extent, the standards apply primarily to egg farming and specify the following minimum conditions:

- hens must have continuous daytime access to open-air runs (except, of course, in the case of temporary

restrictions imposed by veterinary authorities);

- the open-air runs should be covered with vegetation and not used for other purposes except for orchards, woodland and livestock grazing - this effectively means that the runs should be on grass as opposed to on bare earth or other manmade surfaces;
- the open-air runs must satisfy minimum conditions set out in the EU regulations concerning a maximum number of hens per hectare of ground available and an adequate number of shelters and drinking troughs depending on the number of hens and the total area of the run.

Egg farming in the EU is classified in four categories: organic, free range, barn and cages, each category being progressively worse for the well-being of the animal. The free range regulations relating to other animals, such as pigs, are not as stringent as above, although in order to be classified as free range, animals must have access to the outdoors for at least part of their lives

The difference between organic and free range

The growing array of ethical goods and products and the different terminology can be very confusing to consumers. One example is the difference between organic and free range eggs and poultry. The Organic Trust sheds some light on this confusion. Whilst free-range production is a method of food production, organic farming is part of a complete farming ethos. In general, free range producers feed their flocks with standard feeds, such as those used in conventional farms. There are no requirements regarding the GM (genetic modification) status of such feeds, their origin, their method of production or the type of seed used. Whereas in certified organic production, all of these areas are of primary concern.

Additionally, certified organic producers have a legislative obligation to use certified organic grain-based feeds free from specific additives. The Standards for Organic Food and Farming in Ireland stipulate the specific list of feedstuffs permitted for use in organic production systems and organic producers must adhere strictly to this listing, for example, Genetically Modified Organisms (GMOs) are prohibited throughout the organic food chain. This is not a requirement of free range systems.

In addition, the regular feeding of antibiotics to flocks of birds is a permitted practice in conventional rearing systems, including free range systems. This is the routine treatment of birds with antibiotics as a pre-emptive management practice aimed at illness prevention.

Organic producers, on the other hand, are prohibited from administering antibiotics to healthy birds and prohibited from the use of any routine or preventive veterinary treatments. Even in cases of specific illness of organic birds, medicine must be prescribed by a veterinary surgeon and their use is strictly controlled by the Organic Standards. Routine mutilations such as beak trimming are not permitted in organic production. Free-range production, on the other hand, actively encourages de-beaking and also permits practices such as clipping of claws at chick stage in order to distinguish one breed from another or even to distinguish the sexes among particular flocks.

There are also differences in the average life spans of organic and free range birds, with organic ones living almost twice the amount of time than their free range counterparts. The regulations on the number of birds per housing unit is also far stricter for organic farms. Other differences include stricter inspection requirements for organic farms than for free range ones.

Clearly, therefore, there is a difference between organic and free range production systems. Whilst free range production systems do offer the opportunity to birds to access open-air runs, in essence this is the only significant difference between free range production and conventional production. On the other hand, certified organic poultry producers are subject to a strict production regime based on specified and regulated organic principles and regulation. Therefore, all organic birds and eggs are free range, but not all free range birds and eggs are organic.



Ethical labels uncovered

Below is a sample of just a few of the many labels given to ethical, environmental and ecological products and programmes that exist today. Their number is large and growing and can cause considerable confusion among consumers as they struggle to understand what each one represents and why one should be considered over another. While some of the labels shown here are among the better known, more detailed information can be found on different labels at **www.ecolabelling.org**

This web site provides a constantly updated list of many current ethical or eco labels. It tells companies what labels are out there and what they might apply for and educates consumers about the value of the different labels. It defines an ecolabel as any consumer facing logo that claims an added environmental or social benefit.

The organisation's goals are to:

- gather all ecolabels in the world onto one common platform;
- provide standard data and analysis on those ecolabels;
- help companies buy and sell ecolabelled products and services.

If these labels are to have any value and to provide a crucial and valuable service to consumers, there needs to be trustworthy and transparent information. The issue of ecolabelling is an area that does need to be addressed as ethical consumerism continues to grow.



Organic: Products grown using environmentally friendly methods. The use of artificial fertilisers and pesticides is severely restricted and animals are reared without the routine use of drugs.



Soil Association: The word organic is defined by law, and food labelled organic must meet strict standards, the best known of which are monitored by the Soil Association, which certifies more than 70 per cent of all UK organic produce. A dozen or so other organic labelling systems also operate, however.



Fairtrade: Products produced by farmers certified to standards set Fairtrade Labelling Organisations International (FLO) ensure they are committed to improving conditions for workers and their families. Consumers pay a premium guaranteed to go to disadvantaged farmers.



MSC: The Marine Stewardship Council (MSC) has developed an environmental standard for sustainable fishing. The MSC ecolabel assures consumers that the product has not contributed to the environmental problem of overfishing.



LEAF: The Leaf mark stands for Linking Environment and Farming and denotes food produced by farmers committed to improving the environment.



Recycle: The recycle sign means a product or component can be recycled where recycling facilities allow.



FSC: The Forestry Stewardship Council (FSC) labelling means wood has come from a forest managed according to strict environmental, social and economic standards.



Carbon footprint: The Carbon Trust label (a downwards arrow above a CO₂ symbol, accompanied by a number) shows the weight of carbon produced in the manufacture of a product.



Aeroplane: Shows a product has been air freighted into the country.



Rainforest Alliance: Products produced in compliance with Rainforest Alliance guidelines, protecting the environment, wildlife, workers and local communities.



UTZ Certified: Products produced according to standards set by Utz Certified, a global certification

programme, relating to socially and environmentally responsible farming practices.



Vegetarian Society Approved:

The seedling symbol shows food, drinks and household products that are free of animal products; that eggs are free range, products are GMO-free and that items have not been tested on animals.



Rugmark: Perhaps one of the first and best-known of the ecolabels.

Rugmark is a global non-profit organisation working to prevent and eliminate child labour in the carpet industry and offer educational opportunities to children in South Asia.



European Energy Label:

This labelling system rates electrical products' energy efficiency from A to G.

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Recycling: An essential element of ethical consumerism

One aspect of ethical consumption that should not be overlooked is recycling. Any form of consumption creates waste products. In most cases, this would be in the form of packaging of a wide variety of consumer products - even organic fruit and vegetable products are packaged to some extent. However, waste disposal covers all consumer products, from small to large, and highlights an area that is often neglected within the consumption process.

Recycling involves processing used materials into new products to prevent waste of potentially useful materials; to reduce the consumption of fresh raw materials; to reduce energy usage in the recycling process; to reduce air pollution from incineration and water pollution from land filling by reducing the need for "conventional" waste disposal; and to lower greenhouse gas emissions by reducing energy needs for the recycling process. As scientific understanding and knowledge on the impact of waste disposal on all aspects of the environment have grown, particularly in terms of carbon emissions resulting in the so-called "global warming" effect, which is especially destructive, the world's governments, international agencies and other relevant organisations have begun to take appropriate steps to address this situation. Some may argue that the international community has not gone far enough and has been too slow to act. But gradually, new international legislation has been passed, resulting in improved legislative frameworks and new systems, regulations and programmes at national level.

The mission of recycling, captured by the three arrows in the recycling logo, is "Returning, Reusing, Recycling". This encapsulates the shared responsibility of consumers, producers and governments to limit the amount of waste that is collectively produced through consumption and to think much more carefully before putting anything in a

waste bin and decide if it can be reused for some other purpose, if it can be returned to the retail outlet from where it was purchased for specialised disposal, or if it can be taken to one of the recycling centres that have been established throughout Ireland. More and more materials can now be recycled, including glass, paper, metal, plastic, oil, textiles, electronics and batteries.

In addition, local authorities across the country are encouraging households to reuse biodegradable waste through "composting", through which food and garden waste can be broken down in special containers over time to be used as "compost" fertiliser on gardens. The aim is to reduce the levels of "wet waste" produced by households. Wet waste is either incinerated or put into landfill sites, both of which pollute the environment.

Recycling, however, is not without its critics, and there is a school of thought that disputes the net economic and environmental benefits of recycling over its costs. However, there is no disputing the impact recycling can have in reducing national carbon emissions. For example, the US Environmental Protection Agency found that recycling efforts reduced the country's carbon emissions by a net 49 million metric tonnes in 2005 and the UK Waste and Resources Action Programme stated that the country's recycling efforts reduce carbon emissions by 10 to 15 million tonnes a year.

Fairtrade Labelling Organizations International



European WEEE Directive

In 2003, the EU's Waste Electrical and Electronic Equipment (WEEE) Directive set collection, recycling and recovery targets for all types of electrical goods sold across the EU. The directive imposes the responsibility for the disposal of waste electrical and electronic equipment on the manufacturers of such equipment. These companies are required to set up an appropriate infrastructure for collecting WEEE in such a way that "users of electrical and electronic equipment from private households should have the possibility of returning WEEE at least free of charge". Companies are also obliged to use the collected waste in an ecologically friendly manner, either by ecological disposal or by reuse or refurbishment of the collected waste goods.

In Ireland, the implementation of the directive was supported through the establishment of WEEE Ireland (www.weeeireland.ie) in 2004. This not-for-profit organisation, whose members are the producers of electrical and electronic equipment in the Irish market, provides support, information and services to consumers in terms of understanding the recycling solutions available and to producers in meeting their obligations of the WEEE regulations. The organisation was approved by

the Minister of Environment in 2005 to operate a WEEE Compliance Scheme on behalf of the producers on the Irish market.

As a result, consumers in Ireland have two possibilities to ecologically recycle their electrical and electronic equipment:

- they can bring their unwanted equipment to their local civic amenity centre for recycling free-of-charge;
- they can bring their unwanted equipment to retailers when they purchase new equipment on a like-for-like basis - they have 15 days from purchase in which to do this.

WEEE Ireland organises the treatment and recycling of waste electrical and electronic equipment and batteries and accumulators from authorised collection points around the country. It also operates a schools awareness project and public collection days for waste equipment around the country. The WEEE logo on equipment packaging indicates a cross over a waste bin to inform consumers that the product should be recycled.

Sustainable development

The whole issue of recycling is closely linked to the broader issue of sustainable development. The term “sustainable development” was first coined by the UN's Brundtland Commission⁸ in 1987, when it defined it as development that “meets the needs of the present without compromising the ability of future generations to meet their own needs.” Sustainable development is the ultimate goal of ethical consumerism.



The concept of sustainable development encompasses economic, social and environmental concerns. It aims to achieve socio-economic and political development in a way that will benefit all countries in the world and bring developing countries to parity with their industrialised counterparts while ensuring that this development does not erode the environment and destroy basic ecological systems. The indigenous groups of the world have also called for sustainable development policies and programmes to ensure that continued human development does not erode the rich, cultural diversity that exists.

Following the Brundtland Commission report, the UN organised the so-called Earth Summit (United Nations Conference on Environment and Development) in Rio de Janeiro, Brazil, in 1992. Out of this conference emerged the Rio Declaration on the Environment and Development, a global plan of action entitled Agenda 21 and principles for sustainable forest management, as well as a number of international bodies focusing on sustainable development. It also led to the development of a crucial international convention, the UN Framework Convention on Climate Change (UNFCCC).⁹ This treaty aims to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous interference by humankind with the natural climate system.

The Kyoto Protocol on Climate Change

Although the UNFCCC did not contain any binding limits on greenhouse gas emissions, nor any enforcement measures, there have been a number of subsequent updates to the treaty, called “protocols”, which have proceeded to set mandatory and enforceable limits. The best-known of these is the Kyoto Protocol of 1997. The protocol establishes legally binding commitments for the reduction of four greenhouse gases (carbon dioxide, methane, nitrous oxide and sulphur hexafluoride) and two groups of gases (hydrofluorocarbons and perfluorocarbons). Ireland, like most other nations, has signed this treaty and must abide by its limitations range. There are severe financial penalties for countries that fail to achieve the set targets. Under Kyoto, industrialised countries agreed to reduce their collective greenhouse gas emissions by 5.2 per cent compared with 1990, whereas the EU agreed to reduce its collective level by 8 per cent.

The five principle concepts of the Kyoto Protocol are:

- Commitment: The heart of the protocol lies in establishing commitments for the reduction of greenhouse gases that are legally binding.
- Implementation: To meet the objectives of the protocol, countries are required to prepare policies and measures for the reduction of greenhouse gases in their respective countries.
- Minimising impacts on developing countries: By establishing an adaptation fund for climate change.
- Accountability: Putting in place accounting, reporting and review systems to ensure the integrity of the protocol.
- Compliance: Establishing a Compliance Committee to enforce compliance with the commitments under the protocol.

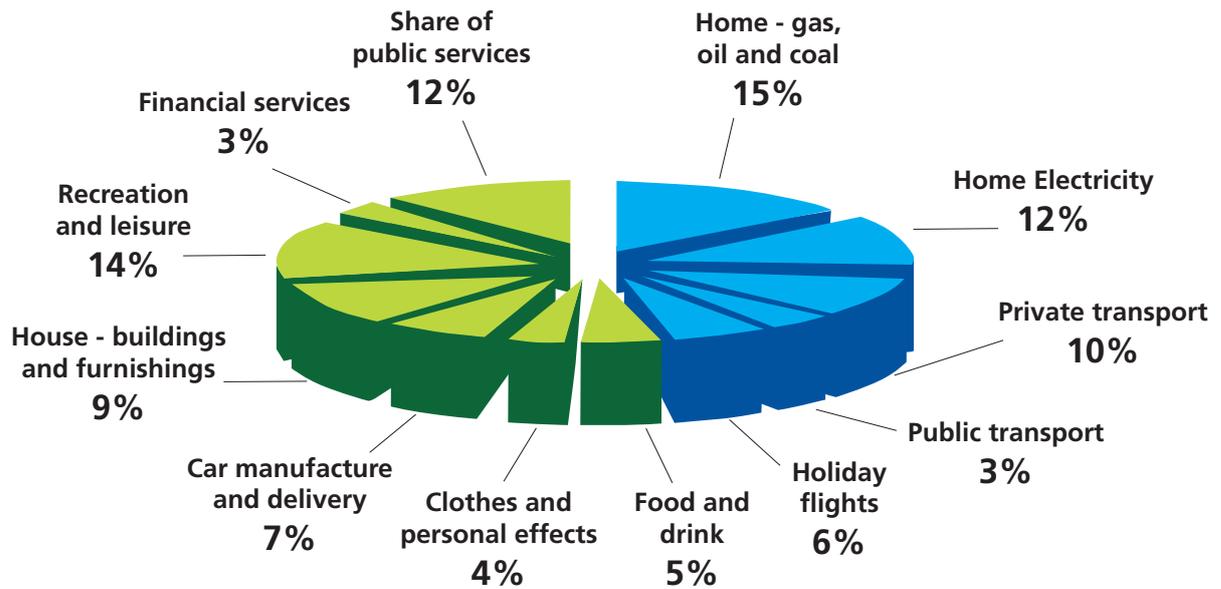
The Kyoto Protocol has been hailed as a first step towards achieving the main goals of the UNFCCC. These instruments are ambitious and while not perfect and not without their critics and detractors, at the very least they represent a step in the right direction and an acknowledgement by all UN member States that the world faces an environmental crisis beyond imagination if it continues its reckless and irresponsible use and abuse of natural resources and the environment. The EU and its members have been strong supporters of the protocol and represent somewhere in the region of a quarter of the world's greenhouse gas emissions. In 2000, the EU launched the European Climate Change Programme.

Combat Climate Change Campaign

The Combat Climate Change Campaign is run by Sustainable Energy Ireland (SEI). The campaign aims to make people aware of the issue of climate change and understand what they can do about it. The web site includes a special section for primary and secondary schools, as well as information on energy saving and a carbon footprint calculator. (www.combatclimatechange.ie)

⁸ United Nations (1987). “Report of the World Commission on Environment and Development.” (www.un.org/documents/ga/res/42/ares42-187.htm).

⁹ Web site of the United Nations Framework Convention on Climate Change, unfccc.int.



What is a carbon footprint?

A carbon footprint is a measure of the impact a person's activities has on the environment, and in particular climate change. It relates to the amount of greenhouse gases produced in our day-to-day lives through burning fossil fuels for electricity, heating and transportation, etc. A carbon footprint is made up of the sum of two parts, the primary footprint (shown by the green slices of the pie chart below) and the secondary footprint (shown as the yellow slices). The pie chart shows the main elements of a typical person's carbon footprint in the developed world.

The primary footprint is a measure of direct emissions of carbon dioxide from the burning of fossil fuels, including domestic energy consumption and transportation, such as cars and air travel. These are things over which consumers have direct control. The secondary footprint is a measure of the indirect emissions from the whole lifecycle of products used by consumers associated with their manufacture and eventual breakdown. In the end, the situation is quite straightforward: the more consumers buy, the more emissions will be caused on their behalf.

Ireland and greenhouse gas emissions

However, Ireland is still struggling with its reduction commitments. Each year, the Environmental Protection Agency (EPA) calculates the actual emissions for the entire country. In 2006, Ireland's emissions were still rising and the country was approximately 7 million tonnes above its set target. It is essential that Ireland achieves considerable reductions in the coming years to

meet its Kyoto commitments. Domestic energy consumption is an important subsector when considering Ireland's greenhouse gas emissions. Although there was an increase of about 17 per cent in domestic energy consumption between 1990 and 2006, this is now slowly decreasing. This is mainly due to the preference in oil and natural gas heating, rather than carbon-intensive fuels such as coal and peat.

As mentioned earlier, waste production and processing are important sources of greenhouse gas emissions. This is mainly the result of the conditions of landfill sites, which are still the principle means of waste disposal in Ireland. The EPA has noted a slight reduction in emissions from this sector thanks to the utilisation of gas produced from landfills at a number of sites around the country. However, one way of significantly reducing emissions from waste processing would be simply to reduce the amount of waste that is sent to landfills. Recycling can make a major contribution to reducing landfill waste.

The government is also tackling emissions through the domestic sector by introducing stricter building regulations which aim to improve insulation and ensure that heat is conserved in homes. There have also been advances in the design and manufacture of heating systems, including geo-thermal systems which draw heat from the earth, solar systems and more efficient domestic heating boilers. The overall aim is to improve energy conservation and therefore reduce emissions. As part of this process, the government has introduced a grants system to encourage house owners to look at ways to use energy and heat more efficiently. Trade unionists can play their part by having the energy efficiency of their homes assessed and potentially benefiting from the grants scheme to reduce domestic emissions.

Sustainable Energy Ireland (SEI)

Ireland's national energy agency was set up by the government in 2002 with the aim of promoting and assisting the development of sustainable energy through:

- improving energy efficiency;
- advancing the development and deployment of renewable sources of energy and combined heat and power;
- reducing the environmental impact of energy production and use.

The SEI also runs programmes to raise awareness, to provide information and advice to consumers, and to carry out research and development in this field. It also publishes statistics on sustainable energy. In addition, the SEI manages grants schemes for different sectors, including domestic homes.

The grants for homeowners include the following:

- Greener Homes Scheme - provides assistance in buying and installing renewable heating systems for existing homes
- Warmer Homes Scheme - aims to improve the energy efficiency and comfort conditions of low-income households
- Home Energy Saving Scheme - provides grants to homeowners to improve energy efficiency to reduce energy use and costs as well as greenhouse gas emissions. (www.sei.ie)

Sustainable energy

Sustainable energy is the provision of energy in such a way that it meets the needs of present generations without compromising the ability of future generations to meet their needs. Current fossil fuel sources are being rapidly depleted, and the situation has been exacerbated by the rapid global economic growth of the last 20 years

or so, including in such countries as India and China, the most populous countries in the world. Against this backdrop and in the light of ongoing research around sustainable development, a number of renewable energy sources have been developed, including biofuels, solar power, wind power, hydropower, geothermal power and tidal power.

Birth of renewable energy industry in Northern Ireland

Strangford Lough in County Down, Northern Ireland, separated from the Irish Sea by the Ards Peninsula, is a popular tourist attraction noted for its fishing and the picturesque villages and townships which border it. The lough is a conservation area and its abundant wildlife recognised internationally for its importance. Almost totally landlocked, the lough is approached through 8-kilometre-long fast-running tidal narrows. It is these narrows which led to the lough being chosen as a source of potential renewable energy.

In 2007, Strangford Lough saw the birth of a new industry as the world's first commercial tidal power station was installed in the narrows. The 1.2 megawatt underwater tidal electricity generator, part of Northern Ireland's Environment and Renewable Energy Fund scheme, takes advantage of the fast tidal flow in the lough, which can reach up to 4 metres per second. Although the generator is powerful enough to provide electricity to a thousand homes, the turbine has a minimal environmental impact, as it is almost entirely submerged, and the rotors turn slowly enough that they pose no danger to wildlife.

Achieving the goals of sustainable energy will require changes not only in the way energy is supplied, but in the way it is used. Energy efficiency has become a buzzword in recent years, particularly on the back of the Kyoto Protocol. It has also become a crucial component in construction and in the domestic housing market. The good energy efficiency rating of a home is considered a significant advantage in the property market. Renewable energy and energy efficiency are sometimes said to be the "twin pillars" of sustainable energy policy. Both must be developed in order to stabilise and reduce carbon dioxide emissions.

The issue of energy efficiency is, of course, more important in industrial economic sectors and the public sector. If energy is used more efficiently, the demand for energy within the economy slows down, which enables renewable energy sources to be further developed and promoted to compete more effectively with energy supplies based on fossil fuels, such as oil. If energy demand grows too fast, as was the case in recent years, particularly during the rapid economic expansion of China and India, then renewable energy development will be left behind. In addition, it is vital that renewable energy supplies are rapidly made available. Slowing demand growth for fossil-based energy through improved efficiencies is only one half of the equation in reducing carbon emissions. It is equally important to reduce the carbon content of new energy sources. Any serious vision of a sustainable energy economy requires commitments to both renewable energy sources and efficiency.¹⁰

In Ireland as elsewhere around the world, renewable

energy and energy efficiency are no longer niche sectors that are promoted only by governments and environmentalists. The increased levels of investment and the fact that much of the capital is coming from more conventional financial actors suggest that sustainable energy options are now becoming mainstream. An example of this in Ireland would be companies such as Airtricity, which develops and operates wind farms across Europe. Previously, Airtricity only supplied the business market. However, it now also supplies the domestic energy market. The company claims that 79 per cent of its energy comes from a renewable wind source and homes that switch to their energy supply can reduce their carbon emissions by around 2 tonnes a year. A mark of the seriousness with which mainstream energy companies regard renewable energy development is that Airtricity was bought by Scottish and Southern Energy Plc in January 2008. In terms of ethical consumerism, these developments will continue to expand the level of choice for individual consumers, enabling us all to make choices that can impact on the environment.

According to a trend analysis by the United Nations Environment Programme (UNEP),¹¹ climate change concerns coupled with high oil prices and increasing government support are driving increasing rates of investment in the sustainable energy industries. Global investment in sustainable energy in 2007 was higher than previous levels, with US\$148 billion of new money raised in 2007, an increase of 60 per cent over 2006. The mainstream capital markets are "now fully receptive to sustainable energy companies, supported by a surge in funds destined for clean energy investment".

Action you can take

Reducing carbon emissions and protecting the environment are key elements in campaigns to promote ethical consumption. There are many advertisements in the media today regarding the way people use energy in their homes and workplaces. Burning fossil fuels to generate heat and electricity is the main source of greenhouse gas emissions, including in homes. These emissions can be reduced through actions that lead to greater energy efficiency and can also reduce household energy expense.

Below is a list of a few simple actions that individuals can take to improve energy efficiency. More comprehensive lists can be found on the web sites of Sustainable Energy Ireland (www.sei.ie) and the Electricity Supply Board (**ESB**, www.esb.ie).

- Replace regular incandescent light bulbs with compact fluorescent light bulbs (cfl): all EU countries have agreed to progressively phase out incandescent bulbs starting in 2009 and finishing at the end of 2012. By switching to energy saving bulbs, the EU hopes that countries will save almost 40 terawatt hours (TWh), the equivalent of the electricity consumption of almost 11 million European households, which would also lead to a reduction of about 15 million tons of carbon emissions per year.
- Turn thermostats down 2°.
- Choose energy efficient appliances when making new purchases: check the energy efficiency labels of electrical appliances.
- Wrap water heaters in insulation blankets.
- Use less hot water: it takes a lot of energy to heat water.
- Turn off electronic devices you are not using.
- Unplug electronic devices from the wall when you are not using them: even when turned off, many electronic devices use energy.
- Insulate the house.
- Make sure to recycle at home.
- Buy recycled paper products: it takes 80 per cent less energy to make recycled paper and it prevents the loss of forests worldwide.
- Plant a tree: over its lifetime, a single tree will absorb one tonne of carbon dioxide.
- Buy fresh food instead of frozen: frozen foods take ten times more energy to produce.
- Support local farmers markets: farmers markets reduce the amount of energy required to grow and transport food to the consumer.
- Avoid heavily packaged products: energy footprints can be reduced by minimising waste packaging.

¹⁰ American Council for an Energy-Efficient Economy (2007). The Twin Pillars of Sustainable Energy: Synergies between Energy Efficiency and Renewable Energy Technology and Policy (www.aceee.org).

¹¹ UNEP (2008). Global Trends in Sustainable Energy Investment 2008 (www.unep.org).

Water: The world's most valuable resource

The principles of ethical consumerism also apply to the consumption of the world's most valuable resource: water. Overall, the quality of water in Ireland is still quite good compared with other countries. Over the past 30 years, however, water quality has reduced significantly and incidences of pollution have emerged, notably the outbreak of cryptosporidium, a parasitic organism, in Galway in early 2007. Although the issue of water conservation might seem strange for a country renowned for its wet climate, there are concerns that more needs to be done in Ireland to conserve water resources to ensure sustainability for future generations. This not only involves governments, local authorities, industries and those in the agricultural sector, but also homeowners and consumers. It has to be a combined effort to preserve the country's largest natural resource.

Implementation of the EU's Water Framework Directive began in 2003 with the aim of improving the quality of the water environment across the EU. Its principal objective is "to achieve good status in all waters by 2015 and must ensure that status does not deteriorate in any waters". The directive is guiding Ireland's work in the field of water conservation. To increase public awareness regarding the need for sustainable water supplies, the Sustainable Water Network (SWAN) was established. This group comprises national, regional and local partners, mainly environmental groups, and its aim is to preserve Ireland's waters through cooperation between the government, SWAN's partners and the Irish community as a whole. The organization provides information on the

situation with Ireland's water resources and provides assistance to a wide range of groups to raise awareness and get actively involved. It also closely monitors the work of the Irish government in fulfilling the requirements of the EU's directive on water.

As consumers of this valuable resource and in applying ethical values to our consumption practices, there is much that we can all do.

There are several key information sources in Ireland that provide assistance and guidance in taking steps to conserve water in the home and in workplaces, including:

- **www.taptips.ie:** provides practical ideas for conserving water in the home and in the workplace and includes a special section for children
- **www.slowtheflow.ie:** a water conservation campaign initiated by Galway City Council and covers schools, the home and garden, and businesses
- **www.dublin.ie/environment/water.htm:** highlights the challenge of water conservation in the Dublin area and provides links to resources on water conservation and other relevant web sites
- **www.dublincity.ie/WaterWasteEnvironment/Water/Pages/WaterConservation.aspx:** Dublin City Council has created an easily accessible information pack about conserving water in the home.

AskAboutIreland

AskAboutIreland is a major internet information resource set up by the Department of the Environment, Heritage and Local Government and the Cultural Heritage Project. It is an initiative of public libraries together with local museums and archives in the digitisation and online publication of material from their local studies' collections to create a national internet resource for culture. Participating organisations select material of particular public interest from a variety of topics. The material is then digitised and set in a narrative context.

AskAboutIreland is a constantly growing resource with content being added to the web site on an ongoing basis. The site also includes a special section dedicated to the environment, ENFO. (**ams2-aai-web-1.anu.net/**)

Looking after the world's oceans and forests

The oceans and forests on our planet are the largest natural carbon sinks. In other words, they absorb vast quantities of manmade carbon dioxide which can have a highly negative impact on the ecological systems supported by these two natural resources. Oceans represent the largest active carbon sink on Earth, absorbing an estimated one-third of manmade carbon emissions.

The Marine Stewardship Council (MSC) runs an ambitious programme, working with partners to transform the world's seafood markets and promote sustainable fishing practices. The organisation has developed standards for sustainable fishing and seafood traceability, both of which are based on independent third-party assessments by accredited certifiers. In addition, the MSC offers fisheries around the world a way to be recognised and rewarded for ethical management. By working in partnership with sustainable fisheries to create a market for sustainable seafood, other fisheries are also encouraged to change their practices. The distinctive blue ecolabel helps consumers ensure that they choose fish products from sustainable sources and thus contribute to replenishing the oceans' stocks. It also runs a special fisheries programme for developing countries as half of the world's seafood comes from the developing world. The MSC is encouraging developing world fisheries to take part in its sustainable fisheries and certification programme.

A 40-year study of African, Asian, and South American tropical forests by the University of Leeds in the United Kingdom shows tropical forests absorb about 18 per cent of all carbon dioxide emitted by fossil fuels, thus buffering some effects of global warming. However, the problem is that forests, particularly the rainforests, around the world are disappearing at a much faster rate than they are being replaced, particularly for commercial and development purposes, which will reduce their natural capacity to absorb carbon dioxide and thus increase the rate of global warming, with all the negative connotations that has for climate change.

An example of the level of reforestation that would be required for the United States alone to further reduce its carbon dioxide emissions by 7 per cent, as stipulated by the Kyoto Protocol, would require the planting of "an area the size of Texas every 30 years".¹² Reforestation programmes to tackle carbon emissions are currently planting millions of trees around the world each year. The Intergovernmental Panel on Climate Change¹³ concluded that "a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber fibre or energy from the forest, will generate the largest sustained mitigation benefit". Sustainable management practices of the world's forests are critical in achieving the Kyoto goals and in keeping the promise for future generations.

Oceana: Protecting the world's oceans

Founded in 2001, Oceana is the largest international group focused solely on ocean conservation. It has offices in North and South America and Europe and works on a number of strategic campaigns aimed at saving the world's oceans and returning them to their former levels of abundance. The organization is highly scientific in identifying problems and solutions for the world's oceans. Its institutional web site provides information on campaigns and activities around the world to protect oceans and their myriad of ecological life systems, all of which are under threat from commercial fishing and greenhouse gas emissions. (www.oceana.org)

¹² William H. Schlesinger, dean of the Nicholas School of the Environment and Earth Sciences at Duke University, Durham, North Carolina, USA.

¹³ The Intergovernmental Panel on Climate Change was established in 1988 by the World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP). It is a scientific body tasked to evaluate the risk of climate change caused by human activity. (www.ipcc.ch).

Forest Stewardship Council (FSC)

The FSC is an independent, non-governmental, not-for-profit organisation established to promote the responsible management of the world's forests. It provides standard setting, trademark assurance and accreditation services for companies and organisations interested in responsible forestry. Products carrying the FSC label are independently certified to assure consumers that they come from forests that are managed to meet the social, economic and ecological needs of present and future generations.

The FSC's vision is that: "The world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations." It points out that socially beneficial forest management helps both local people and society in general to enjoy long-term benefits and also provides strong incentives to local people to sustain the forest resources and adhere to long-term management plans. FSC is not opposed to the commercial use of forests, but it believes that this can be done without generating financial profit at the expense of the forest resource, the ecosystem or affected communities. The organisation's web site provides more information on activities and research in sustainable forestry management, facts and figures and ways to support sustainable forests around the world. As a first step, consumers should keep an eye out for the FSC label on any wood and paper products, particularly those made from protected hard woods, such as teak.

The FSC has very strict accreditation standards which:

- prohibit conversion of natural forests or other habitat around the world;
- prohibit the use of highly hazardous pesticides around the world;
- prohibit the cultivation of genetically modified trees (GMOs);
- respect the rights of indigenous peoples around the world;
- control each certified operation at least once a year, and if they are found not to comply, the certificate is withdrawn.

(www.fsc.org)

Ethical consumerism in the finance sector

In considering the scope of ethical consumption, it is important to note that this does not only refer to comestible and other material consumer products. It also covers the services industries, including banking, investment and other financial services. Prior to the global financial crisis which emerged in 2008-2009, the concept of ethical banking and ethical investment may not have stirred the interest of many consumers in industrialised countries. However, the impact of the crisis on the financial sector, particularly in terms of poor regulation and monitoring of ethical business practices, has led to calls for greater independent regulation at national and international level. Consumers today might think more carefully about which financial institutions they might use and where and how they might invest their savings.

An ethical bank is one which is concerned with the social and environmental impacts of its investment and loan activities. These banks are regulated by the same authorities as traditional banks and have to abide by the same rules for the financial sector, but they differ in that they insist on transparency and social and/or environmental aims of the projects they finance over and above that which is demanded by legislation and regulation. Many ethical banks invest in development projects all over the world, as well as in their countries of origin. Because ethical banks mostly work with narrower profit margins than traditional ones, they may have fewer offices and operate mainly by phone, internet or mail. Among the most best known ethical banks in the United Kingdom are the Cooperative¹⁴ and Triodos¹⁵ banks, while there is the ShoreBank¹⁶ in the United States and the Cultura Bank¹⁷ in Norway. As of April 2009, there were no ethical banks established and operating in Ireland, but this may well change in the future.

To provide some idea of the approach of ethical banks, below is the mission statement of the Triodos Bank:

Triodos Bank finances companies, institutions and projects that add cultural value and benefit people and the environment, with the support of depositors and investors who want to encourage corporate social responsibility and a sustainable society.

Our mission is:

- To help create a society that promotes people's quality of life and that has human dignity at its core.
- To enable individuals, institutions and businesses to use money more consciously in ways that benefit people and the environment, and promote sustainable development.
- To offer our customers sustainable financial products and high quality service.

¹⁴ www.co-operativebank.co.uk

¹⁵ www.triodos.co.uk

¹⁶ www.shorebankcorp.com

¹⁷ www.cultura.no

European Federation of Ethical and Alternative Banks

Created in 2001, the European Federation of Ethical and Alternative Banks (FEBEA) is a non-profit organisation based in Brussels, Belgium, and which currently boasts 25 members from 13 different countries across Europe. These financial institutions share a common aim to finance social and solidarity-based businesses in their countries, for example, farmers starting up in organic produce. Social and solidarity-based businesses are what would be termed “ethical”.

FEBEA's members support each other through the exchange of experience and expertise in order to improve and broaden their range of financial services and products to support ethical projects in their various countries. In addition, the organisation has established a mutual guarantee fund to underpin further financial support for applying projects. It has also established a solidarity investment fund (SICAV) that invests in solidarity companies to enable them to continue to develop.

(www.febea.org)

Financial or ethical gain?

Financial institutions play a significant role in national and global economies - as can be seen from the fallout from the global financial crisis in the first decade of this century - and can therefore have an equally profound impact on sustainable development. A large part of their business involves placing depositors' money in investment areas which maximise returns, leading to improved rates of return for the depositor but also to greater profits for the bank. In turn, profits made by banks benefit those who have invested as shareholders. Conventional banks focus primarily on the potential level of return of investment and they benefit from access to a wide range of detailed knowledge and information systems to assess potential investments and make appropriate decisions. In the majority of cases, depositors will be unaware of where exactly the bank is investing its funds and, indeed, this has arisen as an area of concern to be addressed in the light of the global financial crisis. It is



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possibly true that many clients may not inform themselves of their bank's investment decisions or may not even care. Ultimately, the objective is to maximise returns and improve income potential.

However, if clients knew more about the investment practices and decisions of their conventional banks, for example, in Ireland the Bank of Ireland and Allied Irish Banks (AIB), it is possible that they might not approve of some of these and may prefer their personal savings funds to be used for more ethical, moral and socially and environmentally acceptable ends. The onus would therefore be on the client to seek detailed information from the bank on its investment areas. However, due to the large investment portfolios managed by most conventional banks, this level of detail might not be readily available and some banks may not be able or willing to provide it at all. In such cases, clients who are concerned with issues of a higher moral standing than a simple level of return of investment could turn to placing

their business in the hands of an ethical bank, which only seeks investment areas that are morally, ethically, socially and environmentally responsible. Unfortunately, these investments may not always provide the same level of return as other conventional investments, but ethical consumers may not always be as concerned about the level of return on their investment as feeling confident that their money is being used in ethically and morally acceptable ways. For example, Triodos publishes a list of every organisation to which it lends to ensure that its clients can inform themselves of how their savings are being used. Indeed, the Triodos Individual Savings Account (ISA) is described by the Ethical Consumer magazine as “the best ethical ISA” in the United Kingdom.

Services offered by ethical banks

Most ethical banks provide traditional banking services, including:

- current and savings accounts;
- mortgages;
- loans;
- credit cards;
- insurance services, including car, home, life, business and other insurances;
- investment services, including stocks and shares, trust funds, investment bonds, pensions and related services;
- corporate financial services.

They also provide a wide range of ethical investment opportunities, which usually take into account social, ethical, environmental and management issues across the funds they manage. Some banks will provide very specific information to clients to enable them to choose their investment areas.

In addition, these banks contribute significantly to community development, for example, supporting schools, education programmes, awards, and so on, and also support social and environmental organisations in their ongoing development, for example, fair-trade brands, organic farms, projects to alleviate poverty and renewable energy companies.

The “carrot-and-stick” theory

According to authors Jeucken and Bouma in their book *The Changing Environment of Banks*,¹⁸ for ethical banking to have greater impact on society, it would be necessary for banks to be able to promote socially and environmentally oriented companies and penalise those that do not conform to appropriate standards, for example, through a “carrot-and-stick” approach, where conforming companies would pay less interest than the market price for borrowing capital, while those that do not conform would pay a much higher interest rate. The authors also suggest that banks could develop more sustainable products, such as environmental, social or ethical investment funds. However, without giving banks the authority to take punitive action against those companies that do not conform to appropriate ethical, social and environmental standards, supported by appropriate governmental regulation, these suggestions would be pointless and possibly counter-productive. Comprehensive change, backed by relevant enforceable regulations and legislation, would be crucial in ensuring that all banks abide by moral and ethical norms.

There are very few such financial institutions operating at present, although one potential outcome of the global financial crisis could be a growth in the number of ethical banks and/or a more transparent approach to ethical investment by conventional banks, underpinned by stronger government regulation of the financial sector overseen by effective independent regulatory bodies equipped with the requisite authority to take action in cases of violations.

Credit unions in Ireland

Although there are no ethical banks or branches of foreign ethical banks operating in the country at present, Ireland does benefit from the existence of a well-established credit union network, which shares some of the principles of ethical banking and is not part of the mainstream banking system.

A credit union is a cooperative financial institution that is both owned and controlled by its members and provides loans and other financial services to them. In many instances, credit unions were established to further community development and, in some cases, sustainable international development. This form of financial institution varies from country to country. In some, they are small, not-for profit organisations, sometimes run by volunteers, whereas in others, they are profit-making and may have hundreds of thousands of members and assets running into billions of euro.

In Ireland, credit unions began to appear in the late 1950s. The Irish League of Credit Unions (ILCU) currently represents just over 500 of these institutions, which are Ireland's leading providers of social finance and, in early 2009, claimed around 3 million members. Credit unions are based on cooperative principles, bringing together people in a community or group of communities to save together and lend to each other at fair and reasonable rates of interest. In this way, its members, ordinary people in the community, own the institution and exert greater control over their financial activities, ensuring that their own savings work in and for the community by contributing to loan funds. Irish credit unions are not-for-profit organisations, as surplus income is returned to members by way of a dividend and/or is directed to improved or additional services required by the members.

From the perspective of ethical consumerism, the benefits to the community of this type of lending are significant, including employment, community development, education and environmental enhancement. In addition, the ILCU points out that as Irish credit unions have progressed over the last 50 years, they have also begun to play a growing role in tackling poverty in developing countries by promoting the credit union self-help concept and supporting credit union start-ups and developments.

Challenges in the ethical banking sector

Ethical or alternative banking is a relatively new sector, which brings its own set of challenges, and how the sector deals with these will shape its future as a viable alternative to conventional banking. These challenges lie mainly in the level of transparency of ethical banking practices and the confidence therefore of potential clients. For example, at present, there is the challenge facing potential clients of knowing how some ethical banks measure or qualify their ethical policies. While established banks, such as the Cooperative Bank in the United Kingdom, can provide detailed statistics on the number of companies that they have screened for loans and how many of these may have been accepted or refused and for what reasons, others may simply state that they seek to work with organizations that demonstrate a commitment to ethical business practices. This statement may sound positive to a potential client, but it is not really clear what it means and there may not always be a transparent means of finding out. If banking institutions wish to claim that they are ethical and profile themselves to consumers under this description, then it is vital that their practices and

¹⁸ Jeucken, M. H., and Bouma, J.J. (1999), *The Changing Environment of Banks*, Greener Management International, pp. 21-35.



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activities can stand up to scrutiny. This implies that these banks must themselves be subject to a high level of relevant regulation and monitoring to ensure that they are what they say they are and do what they say they do. It would also be important for any form of monitoring to be carried out by an independent regulatory body that sets and applies minimum legal standards. Indeed, ethical banks will need to comply with regulations above and beyond current levels in order to set themselves apart from their conventional counterparts.

When ethical banks do not lend to companies that do not satisfy their minimum ethical standards, these borrowers will often turn to other conventional banks. This highlights again the importance of industry-wide regulation, which could cover all banks and which could ensure that unethical businesses would not be able to find funds to finance their projects. This possibility is not unattainable either. For example, current industry codes prohibit the financing of illegal drug production. Ultimately, expanding industry regulation will take time and significant pressure from civil society, but it is not an

impossible challenge and especially in the context of the public backlash against conventional financial institutions and governments following the financial crisis of 2008-2009.

Complying with such standards and the challenges of internal monitoring of investment activities to ensure that these meet the bank's own ethical standards brings challenges of its own in the form of higher costs and lesser returns. As with the fair trade industry, the problem is how much consumers will be willing to pay for these ethical services and generating the level of critical mass of customers necessary to enable the banks to function and flourish in a highly competitive market.

During times of socio-economic crisis, there will inevitably be a limit to the amount consumers will be willing to pay for ethical goods and services. This challenge raises its head time and again across the various elements of the ethical consumer movement and will need to be addressed if ethical consumerism is to become a mainstream sustainable movement.

Ethical investment

Ethical investment, more commonly known as socially responsible investment, describes an investment strategy which seeks to maximize both financial return and social good. In general, socially responsible investors favour ethical corporate practices that promote environmental stewardship, consumer protection, human rights, and diversity. As with other aspects of ethical consumerism, ethical investment activities are not new, with the very earliest recordings of such practices dating back to the early Quaker movement in the 18th century and remained closely linked to religious movements since that time. The fundamental premise is to ensure that investment funds favour those companies, projects or other investment opportunities that maintain certain ethical standards and avoid those which do not. For example, in the 1960s, social investors increasingly sought to address equality for women, civil rights and labour-management issues. In the late 1970s, increasing attention was given to nuclear power and the control of vehicle emissions.

Government-controlled funds, such as pension funds, are often very large players in the investment field, and civil society often seeks to bring pressure to bear on governments to adopt investment policies that encourage ethical corporate behaviour, respect the rights of workers, take environmental concerns into account and avoid violations of human rights. Trade unions, especially in the United Kingdom and United States, are quite often the largest representative group on pension fund boards and in some cases control major pension funds. These funds are usually very large and are therefore significant in terms of the impact they can have in certain investment sectors. Trade unions are particularly concerned that these funds are invested in

ethical companies and projects that espouse the fundamental principles and values of the trade union movement itself. Sometimes these investments can directly benefit trade union members, for example, in the form of union-built social housing projects or improved medical facilities to benefit workers. The issue of investment of pension funds has been global front-page news in recent years, particularly in situations where major companies have collapsed and their pension funds with them. There have been many tragic stories of workers on the brink of retirement who have lost everything with no recourse to recover their losses. These stories multiplied in the global economic crisis as values of pension funds tumbled in the financial markets.

While one can only speculate as to what might have happened if some pension fund investments had been subject to greater ethical standards, it does nevertheless raise the issue as to whether the losses might not have been so catastrophic and irreversible in some situations if decisions were made on a more ethical basis. Pension funds provide significant sums for potential investment worldwide and are also a financial safeguard for millions of workers in their retirement years. In this respect, it is incumbent on governments and companies to protect them as much as possible, including through applying greater ethical standards in investment decisions, with trade unions playing a monitoring role.

Socially responsible investment can be a powerful tool in activism. For example, the apartheid regime in South Africa was eventually brought down through international pressure manifest in a variety of ways, including wide-ranging divestment of funds, including pension funds, from companies operating in South Africa. The subsequent negative flow of investment eventually forced a group of businesses, representing 75 per cent of South African employers, to draft a charter calling for an end to apartheid. While efforts to impact on investment alone did not bring an end to apartheid, they did focus persuasive international pressure on the South African business community. A similar initiative was launched against Sudan in 2006 following the atrocities in the Darfur region and the Sudan Divestment Task Force was set up.

In more recent years, ethical investment has become increasingly defined as a means to promote environmentally sustainable development, and this can be seen in the significant increase in the number of government and private sector policies and programmes to recycle waste and reduce carbon emissions and other outputs that impact on the environment.

Principles for Responsible Investment

In an effort to address the lack of an international framework on environmental, social and corporate governance (ESG) issues to guide investors in their work, in early 2005 the UN Secretary-General invited a group of the world's largest institutional investors to join a process to develop Principles for Responsible Investment (PRI). Individuals representing 20 institutional investors from 12 countries agreed to participate in this effort and were supported by a large multi-stakeholder group of experts

from the investment industry, intergovernmental and governmental organisations, civil society and academia.

Coordinated by the UNEP Finance Initiative (UNEP FI) and the UN Global Compact, the process was concluded in January 2006 with the emergence of an agreed set of principles (www.unpri.org). The PRI reflect the core values of the investment industry and are open to all institutional investors, investment managers and professional service partners to support. Following the launch of the principles, significant efforts have been made to promote adoption of the PRI by investors worldwide. The PRI initiative is governed by an elected board of 11 representatives from signatory organisations and two representatives from the UN. The secretariat is operated by UNEP FI and reports to the PRI Board. The secretariat provides comprehensive resources to assist investors in implementing the principles, including a reporting and assessment tool. It also facilitates exchange of information and experiences among signatories.

There are six broad principles altogether which commit investors to the following:

- incorporating ESG issues into investment analysis and decision-making processes;
- to be active owners of the PRI and incorporate ESG issues into their policies and practices;
- to seek appropriate disclosure on ESG issues by the entities in which they invest;
- to promote acceptance and implementation of the PRI within the investment industry;
- to work together to enhance effectiveness in implementing the PRI;
- to report on activities and progress towards implementing the PRI.

Each principle includes a set of possible actions that investors could take to assist them in implementing the principles in practice. The list of signatories to the PRI is growing rapidly and includes a wide range of companies and institutional investors, including the National Pensions Reserve Fund of Ireland and Northern Ireland Local Government Officers' Superannuation Committee. The role of this international initiative in reinforcing efforts to promote ethical investment practices around the world is significant.

Ethical investment creates new business opportunities

The issue of socially responsible investment, ethical banking and the growing range of ethical financial products has led to the creation of new business opportunities for investment and financial advisors. These advisory companies specialise in socially responsible investment and provide advice and guidance to governments, private companies, and individuals wishing to invest their savings ethically. The existence of such advisors is important for those concerned about the way in which their savings are invested and wanting to change to more ethical choices but who might be overwhelmed by the broad range of ethical investment products and lack confidence in taking the right decisions. Ethical Futures is a company based in Edinburgh, Scotland, that provides extensive advice on ethical investments.

The company points out that:

“We continue to see a steady increase in clients interested in investing ethically. We're glad to see that more people are realising that they can make their money change their world. This trend is mirrored nationwide and there are now over 90 ethical investment funds available to the public, and in excess of £6.1 billion is invested ethically in the UK.”

Over the years, more established national networks have emerged, including the Sustainable Investment and Finance Association in the United Kingdom (UKSIF), which provides services and opportunities to its members to work together to align investment profitability with social and environmental responsibility.

European Sustainable Investment Forum (Eurosif)

Eurosif is a pan-European not-for-profit group which aims to address sustainability through financial markets. Current affiliates of Eurosif include pension funds, financial service providers, academic institutes, research associations and non-governmental organizations, ranging from HSBC Limited to Greenpeace, Amnesty International and Oxfam. Sustainable Investment Forums (SIFs) are gradually being established across Europe, although by early 2009 this was not yet the case in Ireland.

Eurosif has four main activities:

- European Union lobbying: representing the views of its membership in relevant EU fora;
- Research: providing members with access to current research on legislation, policies and practices for the integration of social, environmental, ethical and governance issues into European financial services;
- Initiatives: participating in a number of pan-European initiatives in a range of areas such as pension funds, trustee education and guideline development;
- Events and communications: participating in various related events on the state of socially responsible investment across Europe and globally.

(www.eurosif.org)



© International Labour Organization

Some social investors have sought to address the rights of indigenous peoples around the world who are affected by the business practices of various companies. However, healthy working conditions, fair wages, product safety, equal opportunity employment and the environment remain the key concerns of many social investors. Socially responsible investing is a booming market in both the United States and Europe, with assets in socially screened portfolios reaching trillions of dollars by 2007. According to the SIF in the United States, as of 2007 around one out of every nine dollars under professional management in the United States is involved in socially responsible investing. Research estimates predict that the market in the United States alone will reach US\$3 trillion by 2011, whereas the European market grew from 1 trillion in 2005 to 1.6 trillion in 2007. Whether this growth will continue given the global financial crisis remains to be seen. However, these figures clearly indicate the growing level of importance of the socially responsible investment market in the world.

Social investors use four basic strategies in their work to try and ensure maximum financial return with maximum social good:

- **Screening:** This process aims to exclude certain investment possibilities based on social and/or environmental criteria. For example, many socially responsible investors screen out tobacco company investments.
- **Divesting:** This process involves removing stocks from an existing portfolio based on ethical objections to certain activities of a particular company.
- **Shareholder activism:** This describes the process of shareholders trying to positively influence company behaviour. As part of the investment process, these activists become shareholders in a range of companies, including multinationals, and this enables them to represent the views of ethical investment and concern with company management and submitting and voting resolutions at shareholder meetings. Through enhanced collective action, socially responsible shareholders can influence company decision-making to ensure that ethical and environmental considerations are taken into account.
- **Positive investing:** This process involves making investments in activities and companies believed to have a high and positive social impact.

Trade union action on ethical consumerism

Ethical consumerism and people's awareness of what this means and how it affects their personal, professional and family lives are growing rapidly. More and more individuals and companies are taking an active interest in what they consume and why and are subsequently changing their behaviours and attitudes. In the case of individuals, these changes may come about because of concerns over their health and the collective health of their families, or it might be because of genuine concern that a particular product has been manufactured, processed or grown under unacceptable and unethical conditions. Changes are also occurring because of a growing understanding of how consuming products and/or services in one country can impact negatively in another. People are thinking more about what they can do to improve the lives and well-being of themselves and their families and improve the lives of others in different parts of the world through the simple and daily act of consumption.

Companies are sitting up and taking notice of this growing phenomenon of consumer power and awareness. The more enlightened companies and service providers are understanding the new opportunities these developments can create in providing a more transparent, fair and ethical business relationship with consumers and suppliers. If the ultimate goal of sustainable development is to be believed, then the

world has decided to set itself on a course towards raising the socio-economic, political and environmental standards of all countries to eventually achieve parity on a global scale. This is a challenging ambition, but is what human development is all about, and either the international community is serious about this perceived goal or not. We must assume it is and it is vital that we, as trade unionists, play our role in achieving this goal.

The objective of these guidelines is not to persuade trade unionists to change their consumption behaviour overnight. The simple fact is that ethical consumerism over the years has always been an approach by consumer activists to ask questions to find out the truth behind what people consume, from food, to electronics, to cars, to energy, to retirement funds, and so on. We hope that this guide will stimulate thinking and start conversations and a process of discussion. It has attempted to cover as much of the broad range of issues involved in ethical consumerism as possible and to provide the reader with a more detailed understanding of what these issues are. And what we would suggest is that, as a trade unionist, you should give greater consideration to your actions as a consumer and to the products and services you consume, your families consume and that your workplace consumes.

Efforts are being made at all levels, by individuals, organisations, companies, local and central government authorities, schools, universities, retail outlets, and so on, to change their purchasing and consumption practices and to be guided in these in future by more ethical considerations and standards. Examples of this include decisions to purchase fair trade products in offices or homes, improving insulation efficiency to reduce heat loss in houses, ensuring more household waste is either recycled or composted - the list continues. The questions of are we doing enough or fast enough are another matter. If we are to achieve the reduction of carbon emissions we need to in order to reduce global warming and climate change to an acceptable level, then we are not doing enough as a nation and we are not acting quickly enough. Much more needs to be done.



There is significant scope for us as individuals and as a trade union movement to do more:

- We should ask more detailed questions of our politicians and government in terms of whether we are on target for carbon emission reductions and, if not, why not? Where can more be done and how can we make it happen quicker?
- We need to know more about how and where pension funds are being invested, particularly national pension funds, and to ensure that ethical considerations are guiding decisions.
- We need to engage employers and the government in dialogue on fair trade and other ethical issues regarding international trade. This is not something that can change overnight, but rather it should be part of a coordinated global campaign, built on dialogue and respect for fundamental standards. There are many more workers in conventional food production and processing than there are in organic or free range sectors and they have rights too. It would not be possible to change the basis of trade and production quickly and it would not be desirable either. However, the process of dialogue needs to get under way and should involve all stakeholders, particularly trade unions.
- We need to understand what we can do practically within our personal situations and circumstances to support ethical consumerism and what we feel strongly about. Some ethical products can be more expensive than their conventionally produced counterparts and if consumers are restricted in their purchasing decisions based on available family income, then what choices are available in reality?
- As taxpayers, do we really take enough active interest in what our government does with tax revenue, particularly in so far as it concerns such issues as trade, development, aid, and so on? Are we even aware of its policies in these areas and the programmes that it implements worldwide? Could the government do more or could it at least be more efficient and effective in its activities?
- We need to know more about the ethical and ecological labelling programmes that exist around the world and what they actually mean so that when we see them in shops and on packaging or company leaflets, that we know exactly what they are and how they should influence our consumption decisions.

These are just a few of the questions that we should all be asking ourselves as individuals and trade unionists. These guidelines are not designed to provide a comprehensive and practical list of do's and don'ts in ethical consumerism. We strongly recommend that you look closely at the additional resources pages of this publication and the ICTU's guide to CSR. These will provide you with a wide range of useful and interesting web sites where you can learn a great deal more about the various aspects of ethical consumerism and CSR and obtain practical advice. There are some aspects of ethical consumerism that concern personal views, beliefs and principles and our aim is not to prescribe what trade unionists should and should not do.

Clearly, we can all contribute to improving the lives and well-being of others in different countries around the world. We can contribute to the protection and well-being of our planet, our environment and the very air we breathe and make sure that we look after the interests of future generations. We can contribute to our own health and well-being by being more aware of what we consume. We can ensure that our savings and investments are used for the greater good of the more vulnerable and weak in our society and in the wider global society. We just need to take the time to be conscious of what we consume in every aspect of our lives and to give greater consideration to an activity that we do so often and in so many different ways that we do not even realise we are consuming. Our lives are based on consumption in some shape or form every day.

We hope that the information included in this guide will provoke and stimulate much needed thought and debate on a personal and professional level. Ethical consumerism is an issue that affects us all and we all have a significant role to play in taking responsibility for our actions.

Additional resources

The resources below provide useful additional information and links to those interested in understanding more about ethical consumerism and the issues surrounding it. Readers are also advised to visit the web sites included in the guidelines themselves and to refer to the Useful Resources section of the ICTU's publication Corporate Social Responsibility: A Guide For Trade Unionists.

Civil society organisations and campaigns

Global Solidarity Project

The Irish Congress of Trade Unions (ICTU) is taking steps to foster a greater understanding within the trade union movement on the island of Ireland about the causes and effects of global poverty and inequality. It believes it is essential to deepen global solidarity between a trade union members in the Republic of Ireland and Northern Ireland with trade unions in developing countries. The activities of ordinary trade union members are key to building a safer, more just and ethical world. The web site includes a wide range of information resources and links on issues of global solidarity concern.

www.ictuglobalsolidarity.org

Consumers' Association of Ireland (CAI)

The Consumers' Association of Ireland is an independent, non-profit organisation working on behalf of Irish consumers. It publishes a regular consumers' magazine, Consumer Choice, in which it reports on products and services available on the Irish market and comments on consumer rights in general.

www.consumerassociation.ie

Ethical Consumer

The Ethical Consumer Research Association Ltd (ECRA) is the United Kingdom's leading alternative consumer organisation. It provides a wide range of information resources and guides for those interested in ethical consumerism, investment and trade. In addition, it provides a comprehensive range of links to web sites related to ethical consumerism, human rights, trade union rights, animal rights, environmental issues, peace, and so on.

www.ethicalconsumer.org

www.ethicalconsumer.org/AboutUs/UsefulLinks.aspx for useful links

Consumers International

Consumers International is the world federation of consumer groups that aim to secure a fair, safe and sustainable future for consumers in the global marketplace.

The web site is both informative and wide-ranging and those interested in further research on ethical consumerism should refer to its many publications and resources on the challenges facing consumers today.

www.consumersinternational.org

Clean Clothes Campaign

The Clean Clothes Campaign is an alliance of organisations in 12 European countries, including trade unions and non-governmental organisations, covering a broad spectrum of perspectives and interests, such as women's rights, consumer advocacy and poverty reduction. It supports garment workers in their efforts to create substantive, sustainable improvements in working conditions. In this respect, it relies on a partner network of more than 200 organisations and unions in garment-producing countries to identify local problems and objectives and to help develop campaign strategies to support workers in achieving their goals.

www.cleanclothes.org

Traidcraft

Traidcraft is a UK-based non-governmental organisation which aims to fight poverty through trade, practising and promoting approaches to trade that help poor people in developing countries transform their lives. Established in 1979, it combines a trading company and a development charity and builds lasting relationships with producers, supports people to trade out of poverty and works to bring about trade justice.

www.traidcraft.co.uk

International Labor Rights Forum

The International Labor Rights Forum (ILRF) is a US-based advocacy organisation dedicated to achieving just and humane treatment for workers worldwide. A section of its web site is dedicated to the issue of ethical consumerism, entitled Creating a sweat free world with reference to the campaign against sweatshop labour.

www.laborrights.org/creating-a-sweatfree-world/ethical-consumerism

Organic and free range organisations

Organic Guide

Organic Guide is a private web site dedicated to organic lifestyles. As well as providing a forum for like-minded people and professionals, the Guide also provides reliable, comprehensive, and practical information on organic food and farming, including the strict certification process in different countries.

www.organicguide.com

Organic Farmers and Growers

Organic Farmers and Growers is a leading UK organic control body which carries out inspection and licensing of organic food processing, farming, body care products and other organic enterprises, as well as composting certification. Its web site also carries useful information resources on organic issues, including composting in the home. www.organicfarmers.co.uk

Organic Monitor

Organic Monitor is a specialist research and consulting company that focuses on the global organic and related product industries. It provides a range of business services to organisations active in these industries, including business research publications, customised research, business consulting, seminars and workshops. www.organicmonitor.com

International Federation of Organic Agriculture Movements (IFOAM)

IFOAM brings together organisations and professionals in the organic agriculture movement from around the world, including Ireland, to foster debate on standards in the organic movement and integrate scientific and business expertise into organic agriculture. www.ifoam.org

Organic Matters

Organic Matters is the bi-monthly magazine of the Irish Organic Farmers and Growers Association for farmers, gardeners and consumers. It features articles on a wide range of related issues, including organic farming, gardening tips, organic recipes, environmentalism and consumerism. www.organicmattersmag.com

Sustainable development

Agenda 21

Agenda 21 is a comprehensive plan of action to be taken globally, nationally and locally by organisations of the UN system, governments and other organisations in every area in which humankind impacts on the environment. The full contents of the plan of action can be found at the web site below.

www.un.org/esa/sustdev/documents/agenda21/english/agenda21toc.htm

Rio Declaration on Environment and Development

The 27 principles of the Rio Declaration can be found at the web site below:

www.unep.org/Documents/Multilingual/Default.asp?DocumentID=78&ArticleID=1163&l=en

Statement of Principles for the Sustainable Management of Forests

The full text of the UN Statement of Principles for a Global Consensus on the Management, Conservation and Sustainable Development of All Types of Forests can be found at the web site below.

www.un.org/documents/ga/conf151/aconf15126-3annex3.htm

Commission on Sustainable Development

The UN's Commission on Sustainable Development is located in the Division for Sustainable Development of the UN Department of Economic and Social Affairs. Full details of the work and activities of the Commission can be found at the web site below.

www.un.org/esa/dsd/csd/csd_csd16.shtml

United Nations Environment Programme (UNEP)

UNEP is the UN's environmental agency. It focuses on a broad range of issues concerning all aspects of the environment, including what it terms "sustainable consumption and production". It provides information resources and training tools for governments, businesses and civil society organisations and is a vital source of information for those interested in all aspects of ethical consumerism in so far as this impacts on the environment.

www.unep.org

Department of the Environment, Heritage and Local Government

The web site of the Irish government's Department of the Environment, Heritage and Local Government includes information and resources on a wide range of topics that would be related to ethical consumerism, including the environment, water, waste, genetically modified organisms, building standards, and so on. www.environ.ie

Friends of the Earth Ireland

Friends of the Earth campaigns for environmental justice and sustainability. The organisation believes in sustainable development and is a strong campaigner on climate change. Internationally, Friends of the Earth is the world's largest network of environmental groups. www.foe.ie

Carbon Footprint Limited

Carbon Footprint Limited is a UK-based consultancy firm specialising in the environment. The firm assists companies looking at carbon management and reduction and offers a wide range of services to companies in terms of reducing their carbon footprints. The company is represented in Ireland. The web site also includes a carbon calculator for companies and individuals interested in assessing their carbon emissions. www.carbonfootprint.com

Water Framework Directive Ireland

A public web site to provide information to the general public on the EU directive and setting out the Irish government's response. The web site seeks to involve citizens in understanding what needs to be done, what is being planned and what has been done. It also invites public participation in the programme.

www.wfdireland.ie

The Marine Stewardship Council (MSC)

The MSC has developed an environmental standard for sustainable fishing. Well-managed fisheries that are independently certified as meeting this environmental standard may use the MSC ecolabel on seafood from their fishery. Strict rules are in place to control how the ecolabel can be used. Before a store can sell fish or seafood with the MSC label, every company in the supply chain must be certified as meeting the MSC Chain of Custody standard for seafood traceability. This ensures that products with the MSC ecolabel can be traced back to a certified fishery.

www.msc.org

Ethical banking and investment

The Ethical Investment Co-operative

The Ethical Investment Co-operative Ltd are specialists who offer financial advice to clients who want to align their investments with their ethical preferences. The Co-operative has adopted a structure whereby all members are equal and decisions are made on simple majorities. The Co-operative is independent and transparent with regard to its operations and costs. The company works closely with Amnesty International UK.

www.ethicalmoney.org

Ethics Foundation

The Ethics Foundation is a membership-based organisation in the United Kingdom that seeks to build the ethical capacities of members, companies, organisations and individuals. It operates a certification scheme, The Ethics Mark, which is an independently verified symbol of ethical commitment that helps organisations to demonstrate trustworthiness, transparency and ethical accountability.

www.ethicsfoundation.com

The Ecology Building Society

Established in 1981 in the United Kingdom, the Ecology Building Society is one of the fastest growing building societies in the country. The organisation promotes the concept of sustainability through its mortgage lending and also offers a range of ethical savings accounts to support this. The society favours properties which include ecologically sound features measured against a set of guiding principles.

www.ecology.co.uk

Ethical Futures

Ethical Futures is a group of independent ethical financial advisors based in the United Kingdom. They specialise in ethical investment advice and only recommend financial services and products that are ethically screened or that meet the company's own ethical criteria.

www.ethicalfutures.co.uk

Ethical retail

Ecolabelling.org

This organisation was launched to counteract the increasing number and differing quality of ecolabels around the world which were creating confusion among business and consumers. It provides information on a wide range of ethical and eco labels and describes what each is supposed to mean and the accreditation process. It also provides links to the labels' sites.

www.ecolabelling.org

Get Ethical

Get Ethical is a not-for-profit organisation set up in 2001 to promote and advance ethical consumerism and support social business and social enterprises in the United Kingdom. In August 2008, it partnered with Ethical Junction, the United Kingdom's ethical business network. Both companies, their members and suppliers are committed to operating according to a core set of values, including taking active care for the environment, having responsible, fair and sustainable trading practices and the equality of opportunity and promotion of diversity. The web site promotes a wide range of ethical products from independent suppliers. Its mission is to provide a trustworthy and safe market place for conscious consumers, acting as a one-stop shop for information and products.

www.getethical.com

Ethical Junction

The Ethical Junction Network was launched in the United Kingdom in 1999 originally as a web-based portal for different ethical issues, from consumers looking for organic compost, to ethical businesses looking for finance. Its constitution as a not-for-profit community interest company ensures that any profit is donated to causes that promote sustainable living. Members are companies selling ethical products and services and must endorse the six ethical principles of Ethical Junction.

www.ethical-junction.org

Ethical Superstore

The Ethical Superstore is a major online ethical retail site which offers a wide range of fair trade, organic and eco friendly products. The site offers product background information to assist consumers in making informed ethical purchasing decisions, including explanations of ethical labels. The company also evaluates the ethical credentials of its suppliers.

www.ethicalsuperstore.com

Flower Label Programme

The objective of the Flower Label Programme (FLP), based in Cologne, Germany, is to improve labour, social, health and safety standards for flower farm workers; improve the use of chemicals and pesticides used on the flowers; and to follow stringent standards to protect the environment.

www.fairflowers.de

Rainforest Alliance

The Rainforest Alliance certification is a conservation tool whereby an independent third party awards a seal of approval guaranteeing consumers that the products they are buying are the result of practices carried out according to a specific set of criteria balancing ecological, economic and social considerations. At the request of a resource user, such as a forest or farm manager, or a tour boat operator, a multi-disciplinary team of Rainforest Alliance experts conducts a series of assessment activities for evaluation by an independent, voluntary committee of outside experts. Once the standards are met, the operation is permitted to display the Rainforest Alliance Certified seal.

www.rainforest-alliance.org

Rugmark

Rugmark is a global non-profit organisation working to prevent and eliminate child labour in the carpet industry and offer educational opportunities to children in South Asia. The organisation randomly inspects the carpet looms of companies that agree to employ adults only. Through independent certification and rigorous inspections, rugs and carpets are given the Rugmark label, which indicates that no child labour has been used in the carpet supply chain.

www.rugmark.org

Publications

The Ethical Consumer

By Rob Harrison

Terry Newholm and Deirdre Shaw

SAGE, 2005

www.uk.sagepub.com

Journal of Consumer Policy

Published by Springer Netherlands

www.springerlink.com



Ethical Consumerism

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