

# Ethical consumption in Brazil and Chile.

## *Institutional context and path of developments.*

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### Abstract:

Chile and Brazil are former developing countries which now have growing ethical consumption movements. Ethical consumption, i.e. a form of consumption in which consumers use their buying power to effect social and pro-environmental change, is a growing trend in income-rich countries. This leverage can be even more powerfully used through public procurement, where the state buys goods and services in the name of taxpayers.

This paper presents the first findings of an ongoing multi-national research project between universities in Brazil, Chile and the UK, funded by the UK Economic and Social Science Research Council and the Department for International Development. The ESRC-DFID Choices project ([sustainablechoices.info](http://sustainablechoices.info)) is focused on analyzing the trends in ethical consumption and the criteria used in public procurement systems in Chile and Brazil. Against this backdrop, the paper discusses the outcomes of the first stage of the project: an extensive literature review of the developing trend towards “ethical”, “sustainable” and “conscious” consumption in Chile and Brazil. More specifically it focuses on presenting the different institutional context through which has supported the nascent movement of ethical consumption in these two countries. It argues that in order to better understand ethical consumption, we must analyse the context-specific discourses and institutions in which it is embedded.

## 1 Introduction

Like many other middle-income countries, Chile and Brazil have enjoyed continued economic growth but struggle with the challenges of poverty and social inequality on the one hand and protection of the environment on the other. In 2012, 20 years after the ground-breaking Earth Summit in Rio, there is a search going on for potential levers to turn economic development into sustainable development. This paper discusses one such lever: ethical or sustainable consumption. It presents the first publication of findings from a multi-country, multi-disciplinary project, the ESRC-DFID Choices project<sup>1</sup>, which brings together academics and NGO representatives from the UK, Brazil and Chile to analyze the potential parallel trends of ethical/sustainable consumption and ethical/sustainable procurement

Both Brazil and Chile are middle-income countries with growing economies, but poverty persists in these countries, in part as a result of very high asset and income inequalities with GINI indices of 55 and 52 respectively. At the same time, both countries are facing the threat of environmental degradation and climate change. As the world's ninth largest economy Brazil is emerging as a new centre of economic power, and also has stewardship over 4.1 million sq km of rainforest, an environmental resource of global significance. In the struggle to balance the economic, social, and environmental aspects of sustainable development both state and non-state actors, such as businesses, NGOs with environmental and social foci and indeed the public as consumers and voters have a role to play. Both Chile and Brazil have experienced a revolution in tertiary education and are now seeing the rise of an increasingly educated and informed middle class, leading to a growing number of well-informed consumers who can afford not to simply buy the cheapest product.<sup>2</sup>

Ethical consumption, i.e. a form of consumption in which consumers use their buying power to effect social and pro-environmental change is now widespread in income-rich countries. Although the idea of ethical consumption is also spreading in middle income countries such as Brazil and Chile, what is seen and practiced as ethical is negotiated differently in different societies. This is not only happening in terms of practices of consumption (Livia Barbosa, Fátima Portilho, John Wilkinson, & Veranise Dubeux, 2011)) but also in terms of discourses and institutional settings for ethical consumption and lifestyles.

Ethical consumption studies is a burgeoning field (Adams & Raisborough, 2010; Clive Barnett, 2011; Clive Barnett, Cloke, Clarke, & Malpass, 2011; Beagan, Ristovski-Slijepcevic, & Chapman, 2010; Carrigan & De Pelsmacker, 2009; Cloke, Barnett, Clarke, & Malpass, 2010; Devinney, Auger, & Eckhardt, 2010; Goodman, 2010; Hall, 2011; Jackson, Ward, & Russel, 2009; Tania Lewis & Potter, 2010; Tania Lewis & Potter, 2011; Park, 2009; Schwartz, 2010; Szmigin, Carrigan, & McEachern, 2009; Varul, 2009). However, much of the research focuses on the ethical choices of (middle class) individuals from the global North, with strong Anglo-American representation in both the empirical and theoretical literature. A comprehensive review of the body of knowledge of socially conscious consumerism prepared by Cotte and Trudel (2009) point to the fact that 90% of the consumer studies in this area relate to North American and European consumers. In fact, ethical consumption as practices and discourses are deeply embedded in places. Both kinds of ethical consumption discourses and practices take place in historical and geographical contexts with their own discourses, organizations, and institutions. This means that their development and characteristics might differ. Against this backdrop, this paper explores how

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<sup>1</sup> From Royal Holloway, University of London, Universidad Diego Portales in Chile, and Universidade Federal do Rio de Janeiro, as well as Ethical Consumer Magazine, Akatu, and Ciudadano Responsable. The project (2011-13, Grant reference-RES-167-25-0714 is funded by the Economics and Social Research Council and the Department for International Development.

<sup>2</sup> At the same time, there are many pockets of less-Westernised lifestyles still in evidence in both countries, which may be less resource-intensive and thus more sustainable. The overall project considers this, however the overview of policy and academic literature presented here makes less mention of it.

ethical consumption practices and discourses have followed different paths in the part-globalised, part-nationally specific discursive, institutional and socio-economic settings of Chile and Brazil.

Though small in size, Chile, which according to Harvey (2005) was the first neoliberal policy experiment, is cited as one of the most open and free market economies in the world (Kane et al. 2007) Brazil on the other hand, with its large domestic market, active civil society and successive centre-left governments, has been carving out a different set of institutions and discourses.

By recognizing and exploring these institutional and discursive settings we argue that the focus of ethical consumption as “individual actors making choices in the market” needs to be widened to take into account the historical and geographical context, as well as culturally and politically specific opportunities and constraints. More precisely, we argue that ethical consumption decisions are embedded in collective meaning-making. In some cases, there are institutions such as public procurement which allow collective choices to become ethical consumption choices.

The ESRC-DFID Choices project is pioneering in that it covers both ethical/sustainable consumption and ethical/sustainable procurement. Our first findings of the research phase pertain to ethical consumption, and this is what this paper is about. We will look at ethical consumption as embedded within place, discourse, history and institutions – of which we will focus on institutions the most. The paper will also offer both Chilean and Brazilian perspectives, thus showing not just that beyond a Northern, and strongly Anglo-American discourse there is a Southern perspective, but that there are *many* Southern perspectives.

## **2 Methods**

This paper brings together the first findings from a wider project focused on ethical consumption and public procurement in Chile and Brazil. The project employs a multi-method qualitative and quantitative approach, which combines reviews of academic, policy and online literature with focus groups and a nationally representative survey in each country. In the first phase (Oct 2011-March 2012) the team conducted reviews on both ethical consumption and ethical procurement in both countries. The resulting four reports are available for download on the project blog at [www.sustainablechoices.info](http://www.sustainablechoices.info).

This paper draws on the two reports on ethical consumption to develop the argument that ethical consumption needs to be understood in its institutional and discursive settings, which are inevitably socially negotiated and collectively constructed. The reports reviewed how the topic of ethical/sustainable/conscious consumption was framed in debates by the academic community, NGOs, and policy makers in international meetings, official documents, public policies, educational material, as well as articles in the specialist press. We also looked for broader existing qualitative and quantitative evidence in surveys by NGOs and governmental institutions, e.g., the Ministry of Environmental Affairs.

## **3 Ethical consumption: beyond the figure of the ethical consumer**

A common feature of recent research on ethical consumption is their focus on the figure of the ethical consumer. Authors have explored his/her motives and rationalities for being ethical (Cloke, et al., 2010; Doran, 2008; Freestone & McGoldrick, 2008; Harrison, Newholm, & Shaw, 2005a), as well as the relation between motivations and behaviours and the nature of this connection in an advance individualized postmodern cultural landscape (Cherrier, 2007; Littler, 2009). Further, research has focused on exploring how consumption and consumers have become more involved with ethical and moral values (Soper, 2007).

Some authors argue that moralities and consumption has always been connected, consumption being a central space of cultural production (Miller 2001). Others explain ethical consumers as emerging as the consequence of recent changes in global capitalism and the spread of consumer culture (Sassatelli, 2007).

On the one hand, increasing complexity and visibility of global production chains have made the effect of our consumption more visible and therefore making us more aware of our consumption choices: “We can see and learn more about how those very technologies were produced using exploited labour, and about how clothing available on the high street was produced halfway around the world by children in sweatshops” (Littler 2009:11). On the other hand, consumer culture has made consumption choices a critical aspect of contemporary self identities, therefore encouraging a moralization of consumption which is therefore lived as a key space of identity production (Slater & Ritzer, 2001; Trentmann, 2007).

Some authors see consumption choices as a space through which people deploy their political and environmental duties. From here, ‘consumption, and in particular the act of shopping, have been politicized and made into the subject of individual moral judgment. As a result, the focus on public discourse and consumer studies shifted from consumer rights to consumer duties (Sassateli, 2006: 236) and from seeing consumers as weak, manipulated marionettes of capitalism, to seeing them as potentially sovereign, morally responsible political actors (Harrison, Newholm, & Shaw, 2005b) (Jacobsen & Dulrud, 2007: 469) .

While this literature plays a central role in terms of understanding what forces drive consumers, it has given rise to some criticism because of its over valorization of the consumer as the central figure of ethical consumption practices. As Barnett et al. (2011: 11) argue: ‘A feature of both academic and popular discussion on the growth of ethical consumption is the widespread assumption that ‘the consumer’ is the key agent of this process (Clive Barnett, et al., 2011: 11 -12). All in all, this sort of framing of ethical consumption reproduces generalizing narratives in which ‘traditional’ forms of political participation – party membership, voting – are supposed to be in terminal decline, and are being replaced by more individualized forms of action, for which buying and boycotting as a ‘consumer’ has become a paradigm (Cook, Harrison, & Lacey, 2006; Stolle, Hooghe, & Micheletti, 2005). It also downplays the role of institutional and cultural contexts in which such practices take place and the locally specific nature of consumption practices.

These criticisms of the focus on the figure of the ethical consumer relate to recent trends in consumption studies that have tended to play down the relevance of the links between consumption, subjective identities and choice (Shove, 2003; Alan Warde, 2001) focusing on how consumption (ethical consumption included) is embedded in wider cultural and institutional contexts (A Warde, 2005)

Based on this debate, three elements appear to be critical in terms of mapping ethical consumption practices in countries such as Brazil and Chile.

Firstly, authors have explored how ethical consumption choices are embedded in wider infrastructures of provision and institutional settings which broadly define what is possible (and thinkable) or not in terms of ethical practices (Shove, 2003; Southerton, Heather, & Van Vliet, 2004; Southerton, Warde, & Hand, 2004).As Shove argues, ethical consumption choices usually relate to collective choices about common standards and definitions of comfort and convenience. A central point here relates to the understanding of the connections between ethical consumption choices at the individual and collective level. One of the authors has worked on this, developing a systemic framework which shows how individuals might use their own agency to navigate existing structures, and how socially negotiated and collectively upheld structures can help bundle individual choices to become collective choice (Kleine 2010). However, as anybody living in rural areas without good public transport links knows, where such structures are not sustainable, an individual’s choices might not only be constrained in the consumption choice, but also in the political power to change such structures.

Secondly, ethical consumption practices appear, in many high-income countries, highly mediated by organizations, public policies, campaigns and other institutional contexts that themselves help to produce, shape and mobilize ethical consumption practices (Clive Barnett, Cloke, Clarke, & Malpass, 2005). A central role here has been played by international global movements for ethical consumption such as fair-trade (Wilkinson, 2007) or social banking (Buttle, 2007). As this literature argues, these movements, and powerful lead organizations within them, have played a major role in mobilizing and focusing consumer

practices. This is an aspect of great interest to our perspective of ethical consumption as embedded in institutional contexts of norms and organizations.

Thirdly, understandings and uses of ethical consumption are located in specific local context and historical developments (Miller, 1994, 1995). Research on the “ethical consumer” has tended to overemphasize the figure of an individualized, “choosing” consumer, related to Western liberalism’s individualistic bias. This leaves aside the way in which ethical consumption practices might be locally defined by historical pathways shaping specific cultural and institutional context. For example, systems like the Fair Trade movement and the clean clothes campaign rely on industry-self regulation where there is no state regulation. This is due to a global division of labor which often resulted in a global race to the bottom in labor standards and wages, which global South governments failed to regulate, in some cases to protect their competitive advantage.

Against this backdrop, in this paper we aim to contribute to the increasing literature on ethical consumption. We do so by exploring ethical consumption in terms of locally produced relations and mediated by institutional, historical and cultural contexts. More specifically, we focus here on mapping how ethical consumption is a growing trend in Chile and Brazil, while understanding this trend in the context of the historical pathway and institutional environment in both countries.

#### **4 Ethical consumption in Chile**

Ethical consumption is still a minor driver among the Chilean population; research carried out by UDP and CiudadanoResponsable in 2009 showed that only 6.5% of Chileans can be classified as ethical consumers (Ariztía et al., 2009) with most of the practices related to traditional practices of resource saving.

However, it seems that the practices more commonly explored in the global discourse on ethical consumption seem to be increasing with some momentum in terms of the institutional setting and public discussion. Not only have research projects and data gathering in this area multiplied in recent years, we have also seen an increased visibility of projects and public and private initiatives related to promote more ethical consumption (Agloni and Ariztía 2012). The way in which it has been spread in the country is strongly related to Chilean particular development model marked by a strong centrality of the market. In the last 30 years – starting during General Pinochet’s dictatorship – Chile has embarked on a process of neoliberal modernization marked by economic growth, coupled with the opening and expansion of markets (Garate, 2012).

During the democratic governments of the 90s and from then on, more educational opportunities have arisen, levels of poverty have fallen and the middle classes have expanded (Tironi 2003). In a few decades Chile moved from being a society of relative scarcity to a society where the access to goods and services has reached a great part of the population (Tironi 2003).

It is possible to recognize a particular way of how ethical consumption has grown in this local version of a “consumer society”. It relates broadly to two areas; first, ethical consumption has been developed by multiple small business and non-governmental organizations which have focused on producing or commercializing ethical labels. Second, ethical consumption has been increasingly developed by companies. Against this backdrop, the state has played a minor role; indeed, it has only recently become involved, mainly through sustainable consumption campaigns, and through the consumer rights service (SERNAC.) In the following paragraphs we will describe these two institutional paths through which ethical consumption has developed in Chile.

#### 4.1 The raise of ethical consumption: local producers and NGOs.

One path through which ethical consumption has spread in Chile during the last years is through the significant growth of small enterprises and NGOs which works promoting and selling ethical products (Ariztia et al, 2009).

Tabla 1. Number of initiatives in ethical consumption according to their orientation (social, environmental, sustainable). Source: (Ariztía, Melero, & Montero., 2009)

Type of Organization <sup>3</sup>	Orientation			Total
	Social	Sustainable	Environmental	
Small producers	14	14	158	186
Manufacturing Companies	1	4	57	62
Marketers	13	8	48	69
Promoters	7	3	7	17
Total	35	29	270	334

It is now possible to find in Chile more than 300 small organization and producers that are linked to offer product and services which make ethical claims to consumers<sup>4</sup>. Most of these enterprises are focused primarily on environmentally friendly consumption rather than social consequences of consumption; 52% of these organizations are related to organic and green production and consumption and only 39% to sustainable products and services<sup>5</sup> (Ariztía et al., 2009). Most of these organizations perceived ethical consumption as something relatively new which involves a difficult and long process of promotion. However, they also see a small but increasing domestic demand that motivates them to keep working in this market (Ariztía et al., 2009).

There is also an increasing number of NGOs who are helping by promoting ethical consumption and supporting small producers to get certifications and commercialize their products. Some of these NGOs have a long tradition, such as the *Red de Economía Solidaria*, however they have had a limited visibility since they have focused on particular sectors and areas (for example in craftsmanship).

More recently, we have seen the raise of other types of NGOs which have tended to focus on more sustainable consumption practices and lifestyles<sup>6</sup>. In a recent review conducted by the NGO CiudadanoResponsable, 12 different programs of environmental education were identified as being carried out by these types of organizations, half of them promoting sustainable consumption practices in schools? (Valdivieso, 2011). Furthermore, recent years have seen several collective movements related to different aspects of what could be interpreted as a more “ethical” lifestyle, such as cyclist movements or the farmers’ markets association.

In sum, we could say that there is an incipient ethical consumption movement involving small producers and promoters, however, these initiatives still have significant room for development; social activism has been left behind for years and there is a fragmentation of this sector, in discourses as well as in practices, that has reduced the potential for consolidating ethical consumption discourses in Chile.

<sup>3</sup> Small producers are defined as local and microenterprise, usually small rural family business, Manufacturing Companies are defined as exported oriented formal companies of middle or big size, Marketers involve organizations that commercialize ethical products, finally promoters are those non for profit organizations that work promoting ethical consumption and production.

<sup>4</sup> For a detailed list of these organizations see Ariztía, Melero& Montero, 2009.

<sup>5</sup> Understanding “sustainable” as products or services that consider a combination of social and environmental criteria in its production, promotion, comercialization or discarding.

<sup>6</sup>For example Casa de la Paz, Prohumana, among others.

## 4.2 Corporate Sector

Corporate Social Responsibility has related to the ethical consumption sphere in different ways; from the incorporation of ethical products to the development of public campaigns of ethical consumption.

Given the export-led orientation of Chilean economy, several companies related to natural resources have started to react to international ethical consumers and certification schemes. While some years ago environmental and social certifications were relatively unknown, these have spread among Chilean export industries such as forest production, wine and others<sup>7</sup>.

On the other hand, companies are increasingly investing in sustainable practices and also in communication strategies to advertise their positive social and environmental actions. From the year 2000 until 2007, CSR reporting has shown an explosive growth going from just a couple to 36 companies reporting on their environmental or social practices (PriceWatersCooper 2008).

All in all, while this has been increasingly visible, there are still questions about to what extent CSR accounts for a real change in companies' operations towards more sustainable practices or whether it is mainly a communication strategy, a form of "whitewash". In this context, companies have started to tackle the nascent trend towards ethical consumption as part of their CSR programs. For example, recently Wall Mart Chile and other companies signed their incorporation into the sustainability consortium, a group of companies that seek to improve sustainable consumption and production.

In sum, we can see that ethical consumption is taking off among Chile's private sector corporations. However, there are some specific characteristics of this trend. Firstly, most of the actions in this direction are centred on environmentally sustainable consumption more than socially sustainable consumption. Second, the way in which ethical consumption appears is strongly linked to two particular elements: certifications in the export industry or CSR for big corporations. With the latter aspect, it is still a big question whether these efforts relate to serious changes or are becoming basically a new form of corporate "whitewash" and "greenwash".

## 4.3 The role of the State

In this institutional history of ethical consumption, in Chile the state has been perhaps been the last institutional space in which ethical consumption has started to be considered in terms of public policies and practices. Small producers and NGOs had recently complained about the extremely passive response from the government to ethical consumption (Ariztía et al, 2009). Nevertheless, as a result of external influence (from consumers and from international standards) ethical consumption is gradually taking a place in the public debate and actions. This has somehow started changing the role of the state, with new policies on ethical consumption being developed recently. For instance, the national consumer organization (SERNAC) has started focusing in what they call "social responsibility in consumption" and additionally, the public procurement system has started to promote the use of social and environmental criteria in public purchases.<sup>8</sup> At the same time, we see now several efforts in terms of promotion and education of responsible energy and water consumption (for an extensive map of these policies and projects see Valdivieso (2011)). There is, however, still a vast path to go for making the government a leading actor in terms of the promotion of ethical consumption among the Chilean population.

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<sup>7</sup> For example, now the Chilean wine industry has 24 companies with certifications related to environmental or social attributes, and it is also possible to find them in honey, fruits and other natural products (Ariztía & Melero 2012).

<sup>8</sup> The Chilean state runs a digital platform, Chilecompra, through which all public purchases have to be made. The service operates by reverse auction or by a catalogue function with a list of products and services that can be chosen by public institutions. Chilecompra does not force any public institution to choose a particular company nor to consider ethical criteria. What Chilecompra can do is to promote the use of these criteria and to educate the buyers to choose these products.

In conclusion, while in Chile ethical consumption discourse and practice is expanding, mainly at the level of local organizations and the private sector, the state has only recently started to focus on promoting ethical consumption through public policies. At the same, the uses of ethical consumption are in some case strongly related with corporate social responsibility and marketing, with a stronger focus on environmental than on social issues. This strongly differs with the Brazilian cases, where ethical consumption has been predominantly encouraged from the state.

## **5 Ethical consumption in Brazil**

Brazil is now considered the 6<sup>th</sup> largest economy in the world and at the end of 2010 the country had a GDP of 3.67 trillion. It has a population of 194 million people (World Bank, 2012) and occupies an area of 8,514,876.599 km<sup>2</sup> (IBGE 2012), three times larger than the UK and eleven times larger than Chile (World Bank, 2012). The Brazilian population is concentrated in urban centres; only 15.65% Brazilians live in rural areas. Brazil is characterized by an ambiguous situation which is not unlike Chile's: at the same time that economic growth and GDP per capita income has increased, high levels of inequality still persist. This inequality is geographically marked, as the majority of the economic active population live in the Southeast, Centre West and South. The economic growth in the last ten years has resulted in a strong domestic market, and according to the National Domicile Survey carried out by the Brazilian Institute of Geography and Statistics (IBGE), between 2003 and 2009, 29 million people moved to class C (those with a gross monthly family income ranging from R\$ 1,126 to R\$ 4,854). This represented a growth of 34, 3% (MMA - MINISTÉRIO DO MEIO AMBIENTE, 2011: 22).

This economic growth generated new jobs, increased income for millions of workers and social inclusion. Coupled with demographic growth (estimated to be two million people a year) the inclusion of a great part of Brazilians into consumer markets represents an enormous growth in consumption. In a context where there is so much celebration of this growing consumer market - with the ascent of the so-called 'new middle class' and of the access to goods and services for those who have been previously excluded from this space it is worth asking whether there is a place for ethical/sustainable/'conscious' consumption in Brazil.

Brazilian scholars (Livia Barbosa, Fátima Portilho, John Wilkinson, & Veranise Dubeux, 2011) studying the theme have argued that there are a number of points that show a potential politicisation of consumption in Brazil: '(1) the creation of NGOs focused specifically on this issue. (2) the frequent publication of article on "conscious" consumption in several vehicles of mass communication; (3) the establishment of programs of "Education for Conscious Consumption," both in the governmental and the nongovernmental and business spheres; (4) the explosion of Corporate Social Responsibility initiatives; (5) the proliferation of certification and labelling systems; and (6) the strengthening of so-called new social and economic movements which presuppose the existence and action of "conscious consumers," such as the solidarity economy, fair trade, and slow food movements'(Barbosa, et al., 2011: 89).

Indeed, a number of campaigns have been launched in support of ethical consumption in Brazil in the past few years. Examples of these are: Saco é um Saco (MMA) aiming at reducing the use of plastic bags; Nota Verde (MMA) informing consumers on the environmental performance of cars; Hora do Planeta (WWF) calling attention for the need to reduce energy consumption; More is Less (Instituto Akatu) showing the dysfunction of predatory consumption.

Terms such as "conscious consumption" have been coined and defined in a recent survey by Instituto Akatu (2005: 10) as 'the consumption act or decision (to buy or use services or industrial or natural recent, goods) practiced by an individual taking in consideration the balance between personal satisfaction, environmental impacts and the social effects of his/her decision'. Looking more specifically for 'ethical consumers' a survey conducted by Institute Akatu in 2005, identified that 6% of the consumers take into consideration the environmental impacts of their purchases and 37% were identified as 'committed consumers'. Brazilian consumers are more consistent in expressing values (70% of positive

answers) than to exhibit behaviours (58% positive answers). However, even the less conscious consumers showed to have incorporated saving behaviours such as: 'avoid leaving lights on in unoccupied rooms' or turning the tap of when brushing the teeth'. The adoption of these practices 'presuppose a direct benefit to the individual as they consider the economy of resources to bring an immediate or short term return' (Instituto Akatu & Castell, 2006: 10). So it can be argued that there is an underlying understanding of the need for change among the mass of Brazilian consumers in this vast domestic market, however, few actually translate this in their actions.

### 5.1 Organizations that relates to ethical consumption

The understanding of ethical consumption in Brazil cannot be decoupled from the organisations and institutional framework which played a fundamental role in the diffusion and consolidation of these ideas. NGOs have been key actors, not only in raising awareness of a range of 'ethical' consumption issues but also in understanding and researching ethical consumers. These NGOs emerge from a vibrant civil society sphere in Brazil. Two of them have been particular important in terms of promoting ethical consumption. The Instituto Brasileiro de Defesa do Consumidor – IDEC (Brazilian Institute for Consumers Rights) is an independent organization created in 1987 and associated with Consumers International. It promotes awareness of consumers' rights and ethics in consumer relations through courses, publications, etc. Furthermore, producers and consumers networks such as Rede Ecológica (Rio de Janeiro) and Rede de AgroEcologia Ecovida (South of Brazil) are result of social movements fostering ethical, solidarity and ecological consumption. It is formed by consumer groups who by making collective purchases from producers have access to organic and agro-ecologic products at affordable prices. Instituto Alana – their Child and Consumption Project (Projeto Criança e Consumo) has a number of activities aiming at promoting critical awareness among the Brazilian population to the consumption practices and products of teenagers and children. Instituto Kairos has also been working since 2000 with educational projects, consulting and research in the areas of responsible consumption and fair trade.

A number of organizations and NGOs are also responsible for the diffusion and consolidation of Corporate Social Responsibility, among them Fundação Abrinq (Children's Rights); Instituto Brasileiro de Análises Sociais e Econômicas (IBASE) and the Institutos Ethos de Responsabilidade Social. Among them, Instituto Akatu – created in 2000, as part of the Instituto Ethos, is one of the ethical consumption NGOs at national level more clearly linked to Corporate Social Responsibility. Through their national bi-annual surveys they have been able to start segmenting the ethical consumer market in Brazil. Corporate social responsibility debates start in Brazil at the end of the 1980s, when companies start to give attention to 'social investments' and the so called 'social marketing'. In a context where social movements in Brazil were fighting for political, environmental and social rights, as well as transparency in the government and other organizations, companies became more attuned to the relations theirs companies had with the social reality they were embedded in. Coupled with a shrinking role of the state due to neoliberal reforms, companies started to get involved in projects which before had been areas of state intervention.

### 5.2 The role of the state

Besides NGOs, the Brazilian state had recently played a central role in promoting ethical consumption. Indeed, the last three governments, all centre-left, have featured traditional Brazilian environmental and social activists in positions of power, and this has certainly contributed to the institutionalisation of many changes demanded by sectors of Brazilian society in terms of social and environmental justice. Activist demands have been turned into state policies and programmes.

The Brazilian governmental policy that incorporates sustainable consumption more directly is the Action Plan for Sustainable Production and Consumption (MMA - MINISTÉRIO DO MEIO

AMBIENTE, 2011) which is linked to the Brazilian Ministry of Environment. The six priorities of the Action Plan for Sustainable Production and Consumption are of a practical nature and aim at engaging various sectors of society in implementing its goals in order to: a) increase recycling, b) incorporation of environmental agenda in public administration, c) sustainable procurement, d) sustainable buildings, e) sustainable consumption and retailing as well as education for sustainable consumption.

A number of different actions have taken place, initiated by the Ministry of the Environment in partnership with other institutions, such as Shared Sustainable Public Purchasing, awareness campaigns for the reduction in the use of plastic bags, recycling campaigns etc. However, so far there has been the provision of basic guidelines and the setting up of priorities so that a set of expressed and appropriate actions can be put in place. The implementation of these plans still has to be achieved.

It is also worth mentioning the considerable steps the Brazilian government has taken towards incorporating social and environmental criteria into public procurement and the institutional recognition and support to social movements such the creation of the National Secretary for the Solidarity Economy, in 2003. The program Solidarity Economy in Development started to be implemented in 2004, marking the introduction of specific public policies for the solidarity economy at national level. At its core is an attempt to ‘promote the economical and political empowerment of the bottom layers of Brazilian society’ (Esteves, 2011: 1). According to FACES do Brasil, Fair and Solidarity Trade should be understood as a differentiated commercial flow which, from the establishment of ethical and solidarity relations among all the chain links, results in the empowerment of workers, farmers, family workers, indigenous tribes, quilombolas<sup>9</sup>, peasants and extractivist workers, who are disadvantaged or marginalized by the conventional system of commercial relations. Brazil is nowadays the ‘Latin American focus for Fair Trade and Solidarity Economy, where the debates are centered on the creation of a regional model with new formats for commercial relationships and certification processes’ (ICLEI & LACS, 2006).

The latest big impulse into democratising ethical consumption for the bottom layers of society comes from the decision of the Brazilian government to make use of legislation to put good quality, healthy food on the plates of public school children. Legislation determines that 30% of the money spent on public school meals has to be bought directly from small-scale farmers. Even recognising that organic produce is about 30% more expensive, the law says that these products should have priority over conventional products (CEPAGRO, 2011).

These changes in Brazilian public procurement will be explored further in a forthcoming paper on procurement. For now it suffices to say that there have been substantial and favourable changes towards the inclusion of social and environmental criteria in public purchasing. Research confirms that the Brazilian government has played its part as a catalyst for ethical consumption behaviour through widely articulated government campaigns, by developing new policies and by passing legislation. It will be worth exploring whether these governmental actions have resonated with companies and if they will change their production logics and practices to adapt to these new regulations.

## **6 Final discussion**

As the first neoliberal experiment (Harvey 2005) and as a great proponent of free market capitalism a la Chicago, Chile works as a case in which ethical consumption discourses and practices are confronted by a neoliberal institutional setting. Brazil, on the other hand, provides also a very interesting case for studying how ethical consumption is localized within Latin America: it has the size to create its own rules, and is currently run by consecutive centre-left government. Brazil has institutional space for “light-red” experimentation within the capitalist framework.

While in both countries there is a drive toward a green agenda in which ethical consumption is being increasingly valued, we argue that both countries shows different paths of the ethical consumption trend

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<sup>9</sup> Descendants of runaway slaves. Quilombos where the places where they used to hide.

in terms of their institutional and historical background. We draw the differences and similarities in both cases. In one case ethical consumption has arisen from market driven forces such as companies, consultancies and citizen organizations. In the case of Brazil, its developments seems to be much more connected with efforts emanating from the state to actively encourage and incorporate alternative consumption and economic movements such as “Economía Solidaria”. We argue that these two cases involve different interpretations of the state-market relationship and the role that ethical consumption might play within it.

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