Colloque international
Politique commerciale socialement responsable
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Contribution de

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The Consumer Imaginary
Imagine, if you will, the person who sewed the zipper onto your favorite jacket. Have you ever met this person, or anyone who has worked in a garment factory? If not, how do you imagine him or, most likely her, to be? What is her name? Is she married? Is she a mother? What kind of home does she sleep in at night? What does her workplace look like? Smell like?

Now think a moment about the cup of coffee that you drank this morning. Picture the landscape of the plantation on which the coffee bushes grew? In your mind, form an image of the faces and the hands of the people who picked the raw coffee beans that eventually made it into your mug. What do you think were the working conditions of those people whom you now have a mental image of?

Is this something you even think about at all?

If you “played along” in the exercise above, you have just engaged in what I term the “consumer imaginary.”

That is, you created for yourself a narrative and mental image of the producers and origins of two distinct products that are staples for hundreds of millions of people. Yet it is highly likely that you have neither worked on a coffee farm nor in a garment factory; and it is also likely that you have not had significant if any social contact with anyone who has. Nevertheless, it is quite possible that your consumption choices are or could be affected by the ways in which you imagine, or are made to imagine, the context in which the goods you consume were produced, and the degree to which you feel a bond with the producers of those goods. The relationship between consumer...
and producer are in this since imagined much like the imagined relationships that Benedict Anderson argued define the bonds between citizens – they are forged through imaginary ties and commonalities, but they are incredibly strong.

In this project I argue that the consumer imaginary and consumer citizenship are underutilized tools in the effort to make supply chains The story begins with the rise of the supply chain economy. As the economist Richard Baldwin argues, the global economy has slowly shifted from one that was local and vertically integrated, to one in which production has become disaggregated, and spatially separated from consumption. The causes of this include 1) reduced transportation costs, 2) a lowering of tariffs, and 3) the development of information and communication technologies. Indeed, some 80% of trade is now estimated to be linked to global supply chains. Many lead firms have become supply chain management operations. Boeing outsourced some 75% of the parts for its 787 plane. Nike and Apple make nothing. They are design and marketing firms. Now, lead firms do not directly employ or have control over the working conditions of the vast majority of people that actually make their stuff.

But as production has been pushed up the supply chains, consumers have been made increasingly aware of the sometimes abusive working conditions that the things that they buy are made in. Made aware of these situations by new technologies and by transnational labor activist networks, consumers have engaged in a kind of Polanyian double movement. They are pushing back to re-embed the markets for goods into the social.
Citizen Consumers

In other words, consumers are becoming citizen-consumers. In consumer citizenship, political activity occurs at the site of consumption and market transactions. In short, as defined by Micheletti & Stolle, consumer citizenship is the “consumers’ use of the market as an arena for politics in order to change institutional or market practices found to be ethically, environmentally, or politically objectionable.”

This shift to the market and to consumption as a situs of political engagement provides opportunities for policymakers and scholars to think about how public policy interventions can help mobilize citizen consumers to compel lead firms to take action.

But before we get to how we might do that, I’d like to share some research on the degree to which consumers in fact care about and are willing to act on those preferences to purchase products that comport with their social preferences.

The first way to measure this is through surveys. Shareen Hertel et al surveyed 508 respondents in the US and asked how much they would willing to pay for a sweater made in non-sweatshop conditions. The researchers found that “[a] sizable majority (62 percent) report that they are willing to pay at least five dollars more, and more than one-third of Americans report that they would be willing to spend 10 dollars more.” A similar result was obtained for fair trade coffee consumption. That is, the authors reported that according to their surveys “more than 75 percent of coffee

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buyers would be willing to pay at least 50 cents more per pound for fair-trade, while more than half would pay a premium of one dollar or more.”

Stolle and Micheletti, drawing on surveys in the European Social Survey (2003) and the Citizenship, Involvement, and Democracy Survey in the US (2006), analyzed self-reported political activity by consumers in the course of consumer activity. According to these surveys, about 31% of people surveyed reported actually engaging in either boycotting, boycotting, or both. In Sweden, approximately 60% of respondents reported doing so, and in the U.S., 28%.

But surveys are limited because people lie or don’t know themselves. So experimental research can help us better understand the way people act in real world situations. In a study by Hainmueller and Hiscox, the authors compelled the US-based retailer, Gap Inc, which owns the retail brand Banana Republic, to allow an experiment in Banana Republic outlet stores. Researchers conducted a study in 111 Banana Republic outlet stores in 38 states over a period of four weeks. Researchers placed two different signs over three different clothing items in Banana Republic stores: a $130 women’s suit, an $18 women’s yoga pant, and a $12 men’s t-shirt. One sign emphasized the fashion aspects of the product, but stated nothing about labor conditions. The other emphasized the company’s commitment to promote fair and safe working conditions, and stated that consumers can ‘feel good about what you wear.’ The researchers found that the signs promoting good labor conditions in the production of women’s suits significantly boosted sales of that item. But shoppers in the market for the lower

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3 This is not insignificant given that between 2001 to 2005, the authors report, the average price of a pound of coffee was $3/pound. Id. at 455.
4 Stolle and Micheletti, Political Consumerism: Global Responsibility in Action, supra note 1, at 97.
6 Id. at 22.
cost items showed no statistically significant inclination to spend more on items made in good conditions.\(^7\)

One of the most interesting experimental results, albeit in lab not field conditions, is reported by Pigors and Rockenbach. Like other researchers, the authors found that under experimental conditions, consumers are indeed generally price sensitive, but that when the right balance is reached between price and social responsibility, which in their experiment the authors uniquely define to mean producer wage levels, consumers do take wage levels into consideration as a decision criterion.\(^8\) But I believe what is particularly interesting are the authors’ conclusions related to what they refer to as “social distance” and direct communication. The authors look at two willingness to pay measures: one by managers, and one by consumers. In the first finding, the authors find that in experimental conditions, managers choose to pay higher wages to workers in competitive environments when there is direct communication between workers and consumers about the satisfaction workers feel or don’t feel about those wages. According to the authors, the reasons that managers pay the higher wages is because “direct communication between workers and consumers reduces the social distance and triggers social concerns of the consumers for the workers, which results in higher wages for the workers.”\(^9\)

The authors also investigate consumer willingness to pay for goods made by workers that are paid higher wages. The authors found that in conditions of producer competition, i.e. when there is price competition, consumers are willing to pay more for a good when there is some indication that workers are paid

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\(^7\) Id. at 13.
\(^8\) Mark Pigors & Bettina Rockenbach, Consumer Social Responsibility, MANAGEMENT SCIENCE 1, 2 (2016).
\(^9\) Id. at 9.
higher wages, whether through a label, or when there is complete transparency.\textsuperscript{10} Moreover, when there is direct communication between workers and consumers regarding workers satisfaction with their wage, then consumers are most willing to pay more for those goods.\textsuperscript{11} While this still only constitutes about 28\% of buyers, it is still a significant number, even if relatively small.\textsuperscript{12}

This leads me to a brief discussion about what is to be done. I focus on two legislative interventions that we can think about how to harness the consumer imaginary that I discussed above. A challenge of the consumer imaginary is that the relationships between consumers and producers are in a supply chain economy largely imagined. So the key is to figure out ways to activate it in such a way that consumers will be mobilized to make purchasing decisions based on information about their imagined producers.

The first place is trade. Labor provisions in trade agreements as I have argued elsewhere and at length\textsuperscript{10}, suffer from being stuck in a state action state sanctions model. Rather than triggering action within society that might improve labor conditions in a sustainable way, they aim to pressure states to change their de jure laws and their enforcement upon pain of sanction, or in the European instance, of being dialogued to death. But I and others in this room have suggested that this is a largely ineffective approach. I have made various proposals on how we can move beyond this paradigm, but here is another.

\textsuperscript{10} Id. at 11.
\textsuperscript{11} As the authors put it, “[w]hen suppliers compete… we find that consumers take SR in production as a decision criterion and go for the SR-produced good whenever the price premium for SR is not too high”. Id. at 2.
\textsuperscript{12} Id. at 11. Specifically, the authors claim that consumers will purchase from the higher price firm 27.8\% of the time when there is direct communication between workers and producers indicate that they are happy with their wages.
Trade agreements must take account of the fact, as Marley mentioned yesterday, that they are in large part supply chain regulation tools. The same goes for labor. One way to approach this is to think about how the agreement can govern supply chains that are outside of the regulatory reach of importing countries. As we learned, consumers are more likely to take action when there is more direct communication between consumers and producers about their working conditions.

One example of how U.S. trade and labor provisions hinder consumer mobilization is that the complaint process for violations of labor chapters are kept secret until a report is issued by the US government. Although it would be contrary to typical state practice, there is no reason why more transparent mechanisms couldn’t be negotiated into the labor chapter complaint processes. There could be more public forums in which the affected workers could give testimony about labor rights violations in their workplaces, and that testimony could be made public in various fora. A similar focus could be on transparency laws. Dodd Frank and the California Transparency in Supply Chains Act are examples of laws that require that covered companies report on their due diligence and efforts to eradicate slavery and human trafficking from their supply chains, in the case of the CTSCA, and conflict minerals in the case of Dodd Frank.

Some scholars, such as Chilton and Sarfaty have argued that to improve on these laws, consumers be provided with information at the checkout counter rather than with hard to understand due diligence reports. But I would suggest that we go a step further and think about not simply ratings or labels, which are relatively cold and impersonal. Instead, we should think about creating psychic and imagined linkages

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13 Of course there would also have to be a parallel set of protective laws that the parties agree to implement to prevent retaliation against those workers akin to anti-retaliation rules in the National Labor Relations Act (Section 7 and 8(a)).
between the consumers, the suppliers, other consumers, and of course, the workers. This would entail forms of direct communication from the workers themselves, as described in the work of Pigors and Rockenbach that was discussed earlier.\textsuperscript{14} This might include, for example, worker testimonies that have been provided by NGOs and TLANs that work in the field. To ensure fairness to companies, the NGOs could go through a governmental certification process that requires them to meet certain accreditation standards and that requires them to comply with their own due diligence standards.

\textsuperscript{14} Pigors and Rockenbach, supra note 8.