

# Market Movements

## Nongovernmental Organization Strategies to Influence Global Production and Consumption

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### Summary

This article analyzes nongovernmental organization (NGO) "market campaigns" that seek to motivate changes in global consumption and production patterns. Through campaigns targeting products as diverse as paper, shoes, and computers, advocacy groups seek to use existing concerns of consumers to influence producers, and simultaneously, to expand and deepen consumer demand for more sustainable products and services. NGOs deploy both negative information to critique leading brands, and positive information to help build new markets for improved products. Successful market campaigns construct networks of actors that identify points of leverage within global production and trading regimes; coordinate research, exposure, direct action, and negotiations with brands; identify solutions; advance new multi-stakeholder standards and monitoring and certification schemes; build new nongovernmental regulatory institutions; and occasionally attempt to strengthen state regulation. Through an assessment of three market campaigns focused on Staples, Nike, and Dell, this article describes the nature of these campaigns, discusses how they function, assesses their central strategies and tactics, and analyzes whether they are actually having an impact. The article concludes by discussing the relevance and implications of these campaigns for the field of industrial ecology, and how industrial ecology might support future efforts to advance more sustainable production and consumption.

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## Introduction

Beneath debates about defining, designing, or measuring sustainable consumption lie the critical questions of how to actually motivate the public to consume more environmentally and socially sound products and how to motivate producers to deliver these improved goods and services. Numerous initiatives over the last 30 years have foundered on the rocky shores of consumer preferences. To date, both technocratic strategies (such as life-cycle assessment, design for environment, and pollution prevention) and consumer education programs (such as K–12 environmental education, eco-labeling schemes, and green marketing campaigns) have had limited impacts on actual consumption patterns (Childs and Whiting 1998; UNEP 2002).

There have nonetheless been some surprising—albeit limited—successes in motivating changes in consumption and production (Hertwich 2003). Consider, for example, growing demand for paper products made from recycled fibers and bleached without chlorine; sports shoes made without toxic glues and solvents and with explicit concern for workers' rights; and personal computers designed to be recycled at the end of their life. Although all admittedly incremental steps toward more sustainable consumption, these examples offer evidence that consumers and producers can be nudged in more sustainable directions.

The critical question of course is what drives these kinds of changes in production and consumption? And conversely, what barriers exist to moving consumers and producers toward more sustainable practices?

Many explanations have been offered for why consumers and producers have not become greener or more socially conscious. As analysts explain, efforts to promote sustainable consumption face a classic “chicken and egg” problem, or more accurately, a simultaneous supply and demand problem (Makower and Fleischer 2003). Stated simply, companies will not supply “greener” or more socially responsible products because no demand exists. And at the same time, consumers will not demand improved products until compelling alternatives are available.

This supply and demand problem is compounded by an information problem. As Butner (1995) explains, consumers only purchase greener products when they have credible information that allows them to “feel confident in their ability to evaluate whether or not their choice is actually having an impact.” Most consumers do not have access to information on the environmental or social impacts of the products they purchase, or do not trust the information that is provided by firms.

Information, however, is not the only barrier to advancing sustainable supply and demand. Consumers are clearly more environmentally and socially aware today (as poll data discussed below show), but they still do not generally consume with concern. And similarly, although producers occasionally herald a new green design or “win-win” pollution prevention option, they continue to produce sport utility vehicles (SUVs) and disposable cell phones and to depend on a “take-make-waste” model of business success (Hawken et al. 1999).

The challenge of motivating changes among consumers and producers is in some ways the Achilles heel of industrial ecology (IE). Despite over a decade of detailed analyses of the life-cycle impacts of different products, a deep understanding of the trade-offs between different goods and services, and vast improvements in tools to design more sustainable products, we still know very little about what actually motivates change within firms or consumers (Andrews 2000). And perhaps more problematically, evidence is mounting that the gains of IE—such as eco-efficiency improvements in specific products—are being outpaced by increases in overall consumption levels around the world (UNEP 2002). This adds urgency to assessment of consumption questions by the field of IE.

This article explores these questions by analyzing one recent set of strategies that appear to hold promise for motivating more sustainable consumption and production: nongovernmental organization (NGO) “market campaigns” to promote more environmentally and socially sound products. These campaigns advance a set of strategies that seek explicitly to transform the markets for specific products by shifting demand from problematic products to improved products.

Market campaigns present critiques of existing products, seek to reduce sales of these products, and then attempt to build markets for improved products or services.

In the past, where NGOs would have targeted government decision-making and regulation through lobbying, they now target consumers and corporations as the key decision makers regarding production and consumption. Through these campaigns, advocacy groups seek both to drive consumer preferences and to deploy existing consumer concerns in the cause of influencing corporations. In this process, NGOs help to advance a sort of collective consumer action—or threat of consumer action—to move markets for products and services.

This article describes and analyzes these campaigns and more generally assesses how NGOs are motivating firms to produce different products and working to convince consumers to purchase those products. Through a detailed assessment of three cases, the article describes the nature of these campaigns, discusses how they function, assesses their central strategies and tactics, and analyzes whether they are actually having an impact. The article concludes by discussing the relevance and implications of these campaigns for the field of IE, and how IE might support future efforts to advance more sustainable production and consumption.

Before looking in detail at specific market campaigns, it is useful to first briefly discuss the existing gap between consumer preferences and actions and the challenges these dynamics present for attempts to promote more sustainable consumption.

### **Consumer Preferences and Actions**

International survey data consistently show that the majority of consumers in industrialized countries (and increasing numbers in developing countries) prefer not to purchase products that pollute the environment, destroy ancient forests, exploit workers, or otherwise are socially or environmentally harmful (WIITCT 2001; Wirthlin Worldwide 1999). Roughly 70% of those polled in the United States consider themselves “environmentalists” and a similar percentage claim

they would choose a “greener” product over a less green product if they were given a choice (Makower 2000). Thirty percent of U.S. consumers claim to have avoided purchasing products made by companies that pollute the environment (Cambridge Reports 1989) and over 65% assert that they would pay more for products that protect the environment (Pew Research Center 2003).

Similarly, over three-quarters of consumers polled in the United States assert that they would avoid purchasing products if they knew they were made under poor working conditions. Eighty-six percent of respondents in one U.S. survey asserted that they would pay an extra dollar on a \$20 garment if it were guaranteed to be made in a “sweat-free” factory (Marymount University 1999). Other surveys report even higher “willingness to pay” for “sweat-free” garments, with 76% of respondents in one survey asserting they would pay 25% more for a \$20 garment if it were certified not to be made in a sweatshop (PIPA 1999), and respondents in another survey claiming they would pay 28% more on a \$10 item and 15% more on a \$100 item (Elliott and Freeman 2000). Researchers surmise that these responses indicate that “consumers are prepared to alter their shopping behavior in order to help deter the practice of sweatshop labor” (Marymount University 1999).

Despite these very high numbers who claim they would avoid bad products and pay more for good products, the actual data on “ethical” or “green” consumption shows that a fraction of consumers actually implement these concerns in the marketplace. Evidence from approximately 20 years of “green consumer” campaigns indicates that although a majority of people do think and care about the ethical, social, environmental, and health impacts of their purchases, only 10–12% of consumers actually go out of their way to purchase environmentally sound products (Makower 2000). A recent study in the UK showed that ethical consumption currently represents only about 2% of market transactions, with “ethical boycotts” a leading aspect of ethical consumption (Co-operative Bank 2003). Other research has shown that approximately 5% of the public strictly follow ethical concerns in their purchasing (Doane 2002). Even these small percentages,

however, can support the creation of new markets. For instance, in Europe, where fair trade coffees garner only around 3% of the total coffee market (Elliott and Freeman 2003), this demand has supported a growing niche market for fair trade goods (Baughen 2003).

Several explanations are possible for this gap between public concerns and actual consumption. First, consumers may simply be lying to pollsters (Childs and Whiting 1998). Few people want to admit in a survey that they would buy products made in a sweatshop or that harm the environment. But in the reality of the retail or e-tail world, social concerns seem to fall by the wayside of price, quality, style, and even delivery times. And at the vast majority of “points of purchase,” consumers simply lack information on the environmental and social impacts of the products they buy (Butner 1995), which inhibits their ability, even if they did want to exercise it, to purchase their desired level of social and environmental responsibility.

Interestingly, evidence does indicate that information on firm practices and product impacts can sway consumers (Sen et al. 2001). It appears, though, that “bad news,” that is, information on the negative practices of a firm or negative impacts of a product, is more influential with consumers than positive information (Elliott and Freeman 2003). Consumers use the disclosure of negative information to help screen out and avoid socially or environmentally irresponsible companies. It is quite common now for consumers to boycott bad companies. In the UK, over 50% of respondents in a recent poll claimed they had punished a firm by boycotting it in the last year (Co-operative Bank 2003). An international poll of over 25,000 citizens in 23 countries found that 51% of respondents in North America and Australia and 39% of respondents in Europe had “punished” a company for poor environmental or social practices in the previous year, and over 40% of people worldwide had at least considered avoiding a firm with poor practices (Environics 1999).

Positive information on company practices on the other hand, appears to have a less clear influence on purchasing patterns. Elliott and Freeman (2003: 33) note a “fundamental asymmetry in responses to information about good and bad

working conditions,” and more specifically that consumers exhibit “a high elasticity of demand for products made under good conditions but a low elasticity of demand for products made under bad conditions.” Information that a product or company is better or greener or more socially responsible does not appear to be enough to generate new sales. Makower (2000) asserts that “consumers will buy the greener product— IF it doesn’t cost more, comes from a brand they know and trust, can be purchased at stores where they already shop, doesn’t require a significant change of habits to use, and has at least the same level of quality, performance, and endurance as the less-green alternative.”<sup>1</sup>

These many “ifs” leave the vast majority of consumers continuing to purchase mostly the same old stuff (or new stuff that is equally bad) and pay as little as possible for it. Even with clearly stated public desires to avoid “bad” products and companies, actual purchasing practices have not kept up with increasing awareness and concerns for the environment or social issues.

### Motivating Changes in Producers and Consumers

NGOs have learned from this gap between public concerns and consumption and from mounting evidence of the influence of strategically deployed negative information on market dynamics. NGOs are thus no longer waiting for green consumers to emerge or hoping for a sea change in consumer lifestyles. Instead, they are advancing new strategies that use existing concerns of consumers to influence producers, and simultaneously working to expand and deepen these consumer concerns to demand greater improvements in products and services. Market campaigns have discovered that a relatively small percentage of consumers—and even sometimes just the threat of consumer action—can influence an industry. NGOs are thus both using negative information to attack existing products, brands, and markets and deploying positive information to help build new markets for improved products.

Consumers are both actors and subjects in these campaigns. Market campaigns gain their power from the fact that consumers care about

the conditions under which the products they buy are made and can shift their purchasing. But NGOs also seek to change and strengthen consumer awareness and demands for improved products.

A critical fulcrum of leverage in these campaigns involves threatening to damage a corporate brand. Brands have become in many ways the primary currency—and central piece of information needed—for global sales of products. Consumers depend on brands and information implicit in brands regarding value, quality, dependability, and so on to reduce transaction costs in selecting products. Global brands are thus particularly susceptible to attacks—even on just one dimension of the brand—which might damage an overall reputation or otherwise undermine consumer trust in the brand (Klein 1999).

This represents a real shift in NGO tactics on environmental and social issues. As Spar and La Mure explain (2003, 81), “Instead of taking their protests directly to the offending states or governments and instead of lobbying their own governments to engage in the timeworn process of diplomacy, they are taking their protests to the streets again, and to the market, trying to persuade corporations to do the work once reserved for governments.” By targeting branded, reputation-sensitive firms and motivating a class of consumers to express their concern about specific issues, market campaigns create leverage over firms and industries. Ultimately these campaigns are competing with major global corporations for the hearts, minds, and wallets of an emerging global consumer class—a group that increasingly wants the same brands, same products, and same quality of life.<sup>2</sup>

NGOs are advancing these strategies primarily through information delivery, that is, by providing credible information to consumers about the negative environmental and social impacts of their product choices and about improved alternatives. As firms themselves have little incentive to disclose details about the environmental or social impacts of their products or processes, NGOs play a critical role as information providers, analysts, and verifiers of product claims. NGOs are thus also participating in efforts to develop credible certification systems of products and processes (such as through the Forest Stewardship Coun-

cil, the Fair Labor Association, the Fair Trade Labeling Organization, etc.) in order to support consumer confidence in new products. NGOs are also working to directly build demand for socially and environmentally improved products through pressuring (and negotiating with) institutional buyers such as group purchasing organizations, universities, corporations, and government agencies.

The critical question of course, is whether these market campaigns are effective. To assess actual campaigns we turn now to three recent cases from different industrial sectors.

## Case Studies

The cases below involve market campaigns that have sought to change quite different kinds of products and industries—from paper, to shoes, to computers—at different stages of product life-cycles: from extraction, to manufacturing, to end-of-life disposal. For each case, we briefly describe the actors involved, their goals and strategies, and the outcomes of each campaign.<sup>3</sup>

### *The Paper Campaign*

Concerns about protecting “old-growth forests” and the ecosystems and species they support have led to a range of campaigns focusing on changing patterns of consumption and production of wood and paper products. These campaigns have demanded that leading companies not only stop destructive forestry practices, but also implement sustainable forest management systems, reduce toxic chemicals used in production, and increase supplies of recycled and tree-free paper products. A particularly instructive example of these campaigns involves a recent campaign focusing on Staples, Inc.<sup>4</sup>

Staples became the central target of the U.S. “paper campaign” in October 2000, as the campaign declared its goal “to save forests by transforming the way the US market produces paper” (Paper Campaign 2002). After several national meetings, a coalition of NGOs—including ForestEthics, Dogwood Alliance, EcoPledge, Student Environmental Action Coalition, and Free the Planet—joined forces to focus on the retail office paper sector as a means of promoting a

shift in paper production and consumption in the United States that would ultimately serve to protect endangered forests. This coalition involved groups with very different foci, strengths, and strategies. A combination of various “inside” and “outside” tactics was useful for both applying pressure and working collaboratively with Staples to find solutions.

Staples was selected as the campaign target because it is the number one retailer of paper and office supplies in the United States. The company has annual sales of \$11 billion per year, is heavily branded, and has a large number of institutional customers. Staples has over 1000 retail outlets, so the campaign had physical targets in virtually every major city in the United States. Staples was also viewed as a “laggard” in responding to environmental concerns and in offering greener products in its stores (ForestEthics 2003).

The campaign had two primary demands: that Staples end sales of paper products made from endangered forests, and that the company increase its sales of recycled paper. The campaign employed a wide range of strategies to achieve these goals. The campaign coordinated over 600 protests around the country during the 2-year campaign, including several national days of action involving coordinated protests and leafleting in front of Staples stores. The campaign also organized letter-writing efforts, e-mails, and calls to the chief executive officer of Staples. And on occasion, the campaign coordinated celebrity endorsements and critiques of Staples (such as a series of public service announcements by the rock band REM).

The campaign also conducted extensive research and presented exposés on the environmental and social impacts of old-growth logging and paper manufacturing (ForestEthics 2003). Through research on the paper supply chain—from logging to chipping, to pulping, to paper making, to packaging, to retailing—the campaign was able to identify key problems in Staples’ supply chain and show that the company was not selling available recycled paper products.

The campaign both invoked and educated consumers. Campaign materials and letters to Staples regularly cited consumer surveys showing that two-thirds of the U.S. public oppose logging old-growth forests, 60% support a ban on log-

ging endangered forests, and 44% say they are less likely to buy from a company that sells old-growth products (EcoPledge 2001). The campaign thus used consumer concerns to threaten Staples’ sales. EcoPledge also not very subtly threatened that its 100,000 members would pledge to not “work for, invest in, or buy from” a company that sold old-growth products.

Although focusing on Staples, the campaign also targeted suppliers to and buyers from Staples. Agreements by corporations and universities to avoid old-growth paper were critical in showing and growing demand for alternative products. For instance, in 1998, 27 U.S. corporations, including IBM, Dell, Kinko’s, Nike, and Levi’s, were convinced to stop using old-growth wood and paper, and in 2001, a group of high-tech companies including Microsoft, Intel, and AT&T agreed to stop purchasing old-growth products (Paper Campaign 2002), largely due to campaigns that were able to leverage consumer and university buying pressures on these firms.

The campaign also sought to identify and advance alternative paper supplies that were not sourced from old-growth or endangered forests. The campaign worked with companies such as New Leaf Paper and “solutions groups” such as Conservatree and Environmental Defense to show that sources of postconsumer recycled paper products existed and that this paper could meet customer quality expectations. The campaign also coordinated with groups working to develop certified papers such as the Forest Stewardship Council (FSC).

The campaign has worked as well to create competition among other paper retailers. The campaign thus widened its spotlight to the top three office supply stores—Staples, Office Depot, and Office Max—and has used existing market competition among these firms to motivate improved environmental policies.

After 2 years of campaign work (and almost 1 year of prior research and internal organizing) the paper campaign announced a “victory” in November 2002 as Staples agreed to “phase out the sale of products made from endangered forests” and to “achieve a minimum average of 30% post consumer recycled content across all paper products it sells” (ForestEthics 2003). The campaign celebrated in strategic fashion by first

having their celebrity endorsers publicly pat them on the back. They then placed ads in major newspapers commending Staples and simultaneously asking Office Depot and Office Max to “meet or beat Staples’ policy” to eliminate old-growth paper products and to sell more postconsumer recycled paper.

The focus and pressure of the campaign thereby shifted to the number two target (Office Depot) in a long-term plan to transform the U.S. market for paper.

### ***The Sweatshop Campaigns***

Concerns about the environmental and social impacts of global manufacturing practices, and particularly about adverse impacts on workers and communities in developing countries, has fueled an international campaign against “sweatshop” manufacturing of products such as toys, electronics, garments, and shoes. These campaigns demand that leading companies stop specific practices (such as using toxic glues and solvents, forced pregnancy testing, harassment of workers in their factories, etc.) and improve overall conditions for workers and local communities (such as providing a “living wage,” ensuring the rights of workers to organize, etc.).

Nike became the central focus of the anti-sweatshop campaigns in 1997 after a series of well-publicized exposés on poor conditions in its contract factories in Asia.<sup>5</sup> A coalition of NGOs, including the groups Press for Change, Global Exchange, Sweatshop Watch, the National Labor Committee, Campaign for Labor Rights, United Students Against Sweatshops, the European Clean Clothes Campaign, Justice Do It! Nike, the Hong Kong Christian Industrial Committee, Asia Monitor Resource Center, and Oxfam Community Aid Abroad, joined together in a loosely coordinated “Nike Campaign.” This coalition proved to be more contentious and fragile than the Paper Campaign coalition. Differences in strategies and demands led to sometimes acrimonious debates within the movement. Despite these tensions, most of these NGOs have continued to focus on Nike and to share information across their campaigns.

Nike was chosen as the target of the campaign because it is the number one merchandiser of

sports shoes in the world, with over \$10 billion in annual sales. As Global Exchange explains, “Nike is the biggest shoe company in the world and puts itself forth as an industry leader. . . . By targeting the industry leader, we hoped to make changes throughout the whole industry.”<sup>6</sup> Nike is also a clear example of global outsourcing. Nike owns none of the factories that produce its sports shoes or garments, and is now somewhat infamous for moving its production from country to country in search of cheaper manufacturing. Nike has become in essence a “poster child”—resonating with the public and the media—for globalization and footloose multinational corporations.

The Nike market campaign has employed traditional advocacy strategies such as exposés, national days of protest, leafleting in front of Nike-Town stores and other retailers (such as Foot Locker), bringing Nike workers on speaking tours to the United States, and letter-writing campaigns, e-mails, and calls to the CEO of Nike. This campaign, however, has thrived on exposés. Case after case of problems in Nike’s long, complex supply chain has been presented to the media and the public. By monitoring factories in producer countries and transferring that information to consumer countries, these campaigns have increased public awareness of “sweatshop” issues in the United States and Europe. Several of these groups have called for boycotts of Nike products, while others have lobbied government bodies to require Nike to change its practices (Benjamin 1999; Bissell 1999; Shaw 1999).

The campaign against Nike has been centered squarely on Nike’s brand image and has regularly deployed a sort of “brand jujitsu” to turn Nike’s own marketing (for which it spends almost \$1 billion per year) against itself. Campaign materials juxtapose Nike’s claims of empowering women (and men) through sports with images of women workers clearly disempowered while producing Nike products. Campaigners also regularly compare the salaries earned by factory workers with those of Nike endorsers such as Michael Jordan and Tiger Woods.

The Nike campaign has been quite sophisticated in its media work. Both the foreign press and international NGOs have publicized problems in Nike’s factories around the world. This information has played a central role in the

transnational advocacy networks that connect workers in developing countries to local NGOs, to developed country NGOs and unions, to the media, and ultimately to consumers. International campaigns are now closely coordinated with local campaigns.

Anti-sweatshop market campaigns such as the campaigns against Nike have also sought to promote solutions to sweatshop problems. NGOs and unions have identified a range of improved practices—including paying a living wage, respecting worker freedom of association, protecting workplace health and safety, complying with environmental laws, and phasing out specific toxics (such as benzene in shoe production). These principles have been incorporated into codes of conduct that NGOs ask companies to agree to, and then into systems of independent monitoring of factory compliance with these codes. NGOs have played an important role in creating several new institutions to monitor and/or certify code compliance, such as the Fair Labor Association, Social Accountability International, and the Worker Rights Consortium in the United States and the Ethical Trading Initiative and Fair Wear Foundation in Europe (O'Rourke 2003).

NGOs have also played a role in supporting the development of a market for “sweat-free” products. One of Nike’s most vocal critics, the founder of Press for Change, is now a principal in a company called “No Sweat Apparel” that sells union-made clothing and shoes. Another long-time Nike critic, the magazine *AdBusters*, recently developed a “sweat-free” shoe, dubbed the “blackSpot” sneaker, which they began selling in 2004.

This strategy of creating a more socially or environmentally sound alternative to mainstream products is obviously much more difficult than criticizing existing products. Not only is it hard for NGOs and socially responsible businesses to manufacture products in a clean and green way, but it is increasingly difficult to build a “brand” that can sell these products. Creating and advancing alternatives—such as the blackSpot sneaker—is a new strategy for the labor rights community. Although this is more developed for environmentally sound and healthy products such as organic foods, it is still a relatively recent development. And convincing consumers to pur-

chase products that benefit workers half a world away, or that reduce greenhouse gases, is still a much tougher sell than convincing them to buy pesticide-free food for their children.

The Nike campaign has thus resulted in both a number of victories on environmental health and safety issues, and continued frustrations for advocates of labor right issues. For instance, Nike pledged in 1998 to meet U.S. Occupational Safety and Health Administration air quality regulations in all its factories around the world, created a shoe take-back program called “reuse-a-shoe” (through which it currently recycles about 2% of its shoes), reduced organic solvent content in its shoes by 95%, is phasing out polyvinyl chloride, and agreed to a no-old-growth pledge. Nike is also now investing in developing alternative, more environmentally sustainable products. The company is now the world’s number one consumer of organic cotton for use in its garments, and the company has pledged to phase out toxics in its products in 10 years through green design (Locke 2002). To the chagrin of anti-sweatshop activists, Nike still has not agreed to pay a “living wage” to its workers, is still reluctant to support unionization, and has not agreed to full transparency or truly independent monitoring of its factories.

The anti-sweatshop campaign thus continues to press Nike and its leading competitors—Reebok and Adidas—to transform the global market for garments and shoes.

### ***The Computer Take-Back Campaign***

Concerns about the environmental and health impacts of increasing consumption of electronic products, and specifically the toxic chemicals in personal computers (PCs), have motivated a number of campaigns to pressure computer manufacturers to assume full responsibility for the full life-cycle impacts of their products. These campaigns have sought to advance new levels of “product stewardship” and “take back” policies (sometimes called extended producer responsibility) that would incentivize green design and manufacturing. NGOs have also critiqued computer companies for exporting their electronic wastes (old PCs and printers) to developing countries, and demanded that these firms establish reverse

logistics programs and infrastructure to fully recycle their products. One of the leading examples of these campaigns is the Computer TakeBack Campaign.<sup>7</sup>

As they explain, the goal of the Computer TakeBack Campaign (CTBC) is “to protect the health and well-being of electronics workers, users and the communities where electronics are produced and discarded by requiring consumer electronics manufacturers and brand owners to take full responsibility for the life cycle of their products.” The campaign has a simple slogan: “Make it Clean. Take it Back. Recycle Responsibly” (CTBC 2002). A key tactic of this campaign has been to influence end-of-life product management by targeting retail sales of new PCs.

The CTBC was formed in 2001—bringing together a coalition of NGOs including the Silicon Valley Toxics Coalition, the GrassRoots Recycling Network, EcoPledge, Clean Water Action, and the Institute for Local Self-Reliance—and immediately honed in on Dell Inc. as the focus of its campaign. Dell is the leading seller of personal computers in the world and the market leader in sales to universities and government agencies. Dell is also a market innovator in supply chain management and direct sales, and now sells over \$32 billion of electronic products per year. Dell has also been accused by NGOs of being a market laggard in environmental and social issues (CTBC 2002).

The Computer TakeBack campaign has deployed a range of strategies including exposés on the e-waste management practices of leading firms, such as exporting e-waste to China, and Dell’s use of prison labor to recycle its old PCs. The campaign has conducted creative protests, including one involving a group dressed up like a prison chain gang recycling old Dell machines. Student groups have sponsored anti-Dell protests on university campuses. The campaign has developed—as would fit a high-tech campaign—a number of effective Web sites that attack Dell’s brand image.<sup>8</sup> One, for instance, presents a “toxic dude” campaign, playing on Dell’s primary ad campaign at the time, and asking “Dude, why won’t they take back my old Dell?”

The campaign has also systematically compared Dell to its competitors. The Silicon Valley

Toxics Coalition now produce an annual computer “report card” in which they compare U.S., European, and Japanese manufacturers of PCs and score them for their environmental programs and disclosure. As Ted Smith explained, “We used our report card on electronic waste as a way to get companies to provide information about their practices” (Shellenberger 2003, 9). The campaign has also targeted key buyers such as universities, government agencies, and group purchasing organizations.

The CTBC campaign has also advanced a number of solutions to the “e-waste” problem. The campaign regularly invokes policies in Europe that require product takeback and recent designs for environment innovations that eliminate the most toxic components of computers. The campaign has also lobbied state-level governments to ban e-waste landfilling (as another incentive for firms to recycle their products) and to implement extended producer responsibility in the United States.

Although certainly not entirely victorious, the CTBC campaign has successfully raised public awareness about the environmental impacts of the electronics industry and squarely framed e-waste as “the responsibility of producers, not consumers” (Shellenberger 2003, 14). The campaign has also notched up some partial victories. Dell recently announced that they would stop using prison labor to disassemble their computers and signed contracts with recycling companies to recycle their PCs in the United States. And Hewlett Packard recently announced that they would support takeback legislation in the United States. The campaign, however, continues to work to transform markets for electronics by focusing on end-of-life management around the world.

## The Market Campaign Model

These disparate campaigns, although unique in certain regards, have a number of characteristics in common that underlie a general model for motivating change in production and consumption. This strategic model hinges on the ability of NGOs to highlight bad actions or negative impacts of specific firms’ products. With

this information, they seek to damage the general reputation and brand of these firms. Negative information on corporate practices serves as a sort of “anti-advertising” that undermines the credibility of these brands. And although most consumers are not willing to search out improved products, they are inclined to avoid “bad” or untrustworthy brands. Corporations are thus motivated to act to protect their brands and reputations.

Market campaigns first identify a specific problem that resonates with consumers (e.g., shoes made with child labor, phonebooks made out of old-growth forests, computers made with toxic chemicals) and then connect these to larger issues (e.g., labor rights, sustainable forest management, toxic use reduction). NGOs then work strategically to frame these problems in a way that supports consumer understanding and action and that places responsibility on specific corporations. Successful NGOs strategically reframe existing problems to present both specific culprits and consumer alternatives (Shellenberger, 2003).

To be successful, NGOs must conduct research on the global production networks connected to their issue. Research plays a critical role in identifying drivers in the production system and weak links that may be susceptible to pressure. This research helps market campaigners identify top suppliers, retailers, or purchasers of a specific product and then helps them assign responsibility to key actors in a supply chain.

NGOs usually begin their campaigns by conducting an exposé on a leading firm. Campaigns are framed to challenge or undermine a company’s brand reputation, targeting how it sells itself, and raising questions or highlighting hypocrisies within the brand (e.g., Nike empowering women consumers but exploiting women workers, Dell trumpeting a recycling program that turns out to involve prison labor, etc.). The media are key to these information campaigns and brand attacks. As Michael Marx, the executive director of ForestEthics, explains, “Companies track the success of your campaign not by how many protests you have but rather by how much media you generate. So the main point of protests should be to generate media coverage” (Shellenberger 2003,12). This again returns the

focus of the campaigns to influencing a corporation’s general public reputation.

Campaigns also research and target other vulnerable links in the supply chain that might be influenced or brought to the campaign’s side (e.g., institutional buyers or reputation-sensitive retailers). NGOs then pressure these organizations to pressure the primary target.

Market campaigns have to present a credible threat of consumer action, and more importantly, a credible impact on a company’s brand image. Corporations certainly know the data on how few consumers are willing to buy greener or more ethically sound products. So although they may not fear an immediate impact on their sales from a market campaign, a threat to their brand and their overall reputation—which might potentially undermine long-term sales and customer trust—can motivate action.

Market campaigns also attempt to promote solutions. NGOs work with multiple stakeholders (including progressive firms and government agencies) to identify and support the adoption of alternative production practices. Activists no longer simply decry problems and demand that the government regulate them more effectively. They are now engaged in finding and promoting solutions in the marketplace. This often entails both an “outside” strategy of external pressure on firms and an “inside” strategy of negotiations to help firms identify solutions that are implementable. These alternatives both provide consumers with real options in the marketplace and point out once again that leading companies are making choices to not produce these improved products.

NGOs increasingly also recognize that they must create or support mechanisms to monitor compliance with the new standards they are promoting. Past backsliding and greenwashing by firms have led NGOs to invest significant resources in creating mechanisms of monitoring and certification of firm performance. Activists are now engaged in creating nongovernmental systems of standard setting and enforcement that provide credible information in the marketplace to help build confidence in and demand for greener/cleaner/sweat-free products. NGOs then pressure firms to join these organizations or source their products from suppliers certified through

these initiatives. Through “organic,” “fair trade,” and “sweat-free” certification schemes, NGOs are building their own “brands” and seals of approval for better practices.

Finally, individual market campaign victories are used to build broader corporate accountability movements and to support efforts to transform entire markets. NGOs are increasingly seeking to hold corporations accountable for their environmental and social impacts and to demand continuous improvement in their products. NGOs are thus developing long-term engagement programs that advance continuous improvements and deeper corporate accountability.

### Evaluating Market Campaigns

Most market campaigns seek both to punish “bad” firms by decreasing sales of environmentally or socially harmful products and simultaneously to reward and promote “good” firms and the improved products they bring to the market. The question remains, however, how effective these campaigns have been, and whether they can be built on to advance deeper changes in production and consumption.

Unfortunately, essentially no public data assessing the impacts of market campaigns are currently available. Because they are so new, and few firms are willing to openly discuss how external pressures influence their decisions, we are left largely with NGO claims about the successes and failures of these campaigns and anecdotal evidence in the media about ongoing market changes.

Although the evidence is still quite limited, NGOs do appear to be effective at punishing poorly performing firms in the marketplace. Research, for instance, has shown statistically significant negative stock market responses to public disclosures of poor labor and environmental practices (Rock 2001; Hamilton 1995). Further research is needed to evaluate causal processes between NGO campaigns, consumer purchasing patterns, investor preferences, and management decision making. In the Staples, Nike, and Dell cases it is difficult to show direct causal links between market campaigns and stock values, for instance. Nonetheless, these campaigns were able to connect specific brands to environmental or

social problems, thereby threatening or damaging the brands, and ultimately winning specific concessions from these firms.

It is still unclear, however, how well NGO campaigns have helped to create new markets for more environmentally or socially sound products. Some evidence of growth in sales of some specific products such as Forest Stewardship Council-certified wood, sweat-free garments, and fair trade coffee is emerging (Ford 2001; Baker 2003). In a recent experiment at two Home Depot stores, Oregon State University researchers showed that eco-labeled products outsold non-eco-labeled products by 2 to 1 when the price was equal, and by 1.7 to 1 with a 2% price premium (GreenBiz 2004). Even so, markets for certified products remain miniscule in comparison to markets for mainstream products, and it is not yet clear whether new greener and more ethical products will sink or swim in the choppy waters of global competition.

Market campaigns also face a number of challenges and limitations. First, to date, these campaigns have focused almost exclusively on branded, reputation-sensitive firms. So even though it may be possible to win concessions from Staples, Nike, and Dell, this may not tell us much about the potential to influence production and consumption that falls outside this top tier of consumption.

Furthermore, even when these campaigns are effective, some analysts are concerned that NGOs are turning regulatory issues into consumption debates, thereby taking regulation out of the hands of elected officials and putting it into the much more fickle hands of consumers. Some critics also fear that these campaigns and nongovernmental monitoring and certification schemes are effectively privatizing regulation, further eroding the role of the state in regulating industry (Justice 2001).

There also appear to be limits regarding the issues for which these campaigns are effective. Some campaign issues resonate with the public (and the media), whereas others do not. Many of the more complicated and mundane challenges of industrial regulation may simply not be “sexy” enough to capture consumer attention. NGO campaigns thus by no means eliminate the need for government regulation.

Finally, and not surprisingly, industry has also responded strategically to market campaigns. A number of industry trade associations have unveiled their own “campaigns” to establish environmental and social standards (often weaker and less demanding than NGO demands) and to certify these standards. These competing standards and labels are already creating confusion among consumers and undermining efforts to establish new standards and new market alternatives.

### Implications for IE

One might ask how IE fits into the processes underlying market campaigns, and how IE tools might better support consumer and producer decision making.

First, positively, it is important to note that IE does provide tools and strategies for improving products and services. Many market campaigns have taken up the mantle of IE in their demands for toxic use reduction, material substitution, extended producer responsibility, and loop-closing through recycling. IE principles are thus central to campaigns to transform existing product markets.

IE has been much less successful in translating its best research and analysis into useful information for consumers or NGOs. Current life-cycle assessments (LCAs) are of limited value to market campaigns, because these detailed quantitative data can rarely be translated easily into consumer choices. Current LCAs also face problems in integrating data that are not quantitative or in including data on social issues (such as treatment of workers, social impacts, etc.) that are of increasing concern to consumers (Heiskanen et al. 2002). Lifestyle assessment tools such as the ecological footprint are similarly of limited use in informing consumers of specific trade-offs in consumption choices.

This critique notwithstanding, IE could certainly play a stronger role in providing new kinds of information and analysis to the public, to NGOs, and to firms. As the World Summit on Sustainable Development recently declared, a pressing need exists for “effective, transparent, verifiable, non-misleading and non-discriminatory consumer information tools to provide information relating to sustainable con-

sumption and production” (WSSD 2002). The IE field could help fill this gap by working to develop better information and analysis tools on the relative impacts of different products within an industry, overall impacts of aggregate consumption (with critical impacts to be avoided), information on best practices within a product category, and perhaps ultimately simplified LCA-like tools to help consumers make decisions at the point of purchase. In the interim, IE practitioners can also make clear the types of data and indicators needed if society is going to seriously compare products and consumption practices, and can lay the scientific groundwork for future efforts to create publicly accessible consumer information systems.

### Conclusions

Even accepting their limitations and problems, market campaigns appear to be having important impacts on consumption and production practices in the sectors they target. NGO-led initiatives are advancing campaigns both to undermine existing markets for problematic products and to help build new markets for more environmentally and socially sound goods and services, thereby working to simultaneously change producers and consumers.

Successful market campaigns construct networks of actors that identify points of leverage within global production and trading regimes; coordinate research, exposés, direct action, and negotiations with brands; identify solutions; advance new multi-stakeholder standards, monitoring, and certification schemes; build new non-governmental regulatory institutions; and, occasionally, use these campaigns to strengthen state regulation. Although market campaigns have clearly influenced reputation-sensitive firms, there is a long way to go to create rigorous systems of analysis and comparison that might truly inform a transformation of consumption choices and further motivate improvements in global production practices.

Market campaigns offer enough potential in otherwise bleak times to merit further research and consideration from those interested in advancing sustainability. Much certainly still needs to be learned about the effectiveness and

limitations of these campaigns and about deeper processes influencing corporate decision-making. This learning is all the more pressing as we collectively attempt to reduce the environmental and social impacts of global production and consumption.

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## Notes

1. The Toyota Prius hybrid-electric car may be an example of a product meeting all of these conditions and thus creating a new market for an environmentally improved product.
2. Sixty-nine percent of those surveyed in an international study conducted for UNEP asserted that they considered themselves part of a global class of consumers (Bentley 2000).
3. Material for these case studies was drawn from interviews with NGO representatives, participation in an international workshop on market campaigns in June 2003, and review of media reports, academic analyses, and organizational Web sites.
4. See <<http://foresethics.org>> and <<http://thepaper-campaign.org>> for detailed materials on this campaign.
5. See <[www.globalexchange.org/campaigns/sweatshops/nike/](http://www.globalexchange.org/campaigns/sweatshops/nike/)>, <[www.cleanclothes.org/companies/nike.htm/](http://www.cleanclothes.org/companies/nike.htm/)>, and <[www.caa.org.au/campaigns/nike/](http://www.caa.org.au/campaigns/nike/)> for detailed materials on this campaign.
6. See <[www.globalexchange.org/campaigns/sweatshops/nike/faq.html](http://www.globalexchange.org/campaigns/sweatshops/nike/faq.html)>.
7. See <[www.computertakeback.com](http://www.computertakeback.com)> for detailed materials on this campaign.
8. The Dell brand is particularly sensitive, because it is actually the name of the company's founder—Michael Dell—who considers himself socially and environmentally responsible.

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