

# Organic, Fair Trade Pot? Ethical Consumerism and Legal Cannabis in the United States

## Cannabis Legalization in the United States

Although Cannabis is federally illegal, some states have voted to decriminalize cannabis-related offenses, legalize medical consumption, and/or legalize "adult consumption" (non-medical). In all states where cannabis is legal, growers and dispensaries are licensed by the state and consumers must be over 21 years old.

**1996** - California is the first state to legalize medical use

**2012** - Colorado is the first state to legalize (any) adult use

### Currently

Adult use is legal in 9 states  
 Medical use is legal in 28 states  
 60% of Americans support full legalization  
 52% have consumed cannabis at some point  
 22% currently consume cannabis  
 Disordered consumption is 4x less than alcohol

"Marijuana has gone mainstream." – John Hudak, Brookings Institution, 2016

## Study 1:

### Ethical Purchasing Initiatives: Comparing Cannabis to More Typical Sectors

**Citation:** Bennett, Elizabeth A. "Extending ethical consumerism theory to semi-legal sectors: insights from recreational cannabis." *Agriculture and Human Values* (2017).

**Research Question:** Six months after adult use cannabis became legally available in Oregon, have ethical purchasing activities emerged? Why/not? In what ways is ethical purchasing in cannabis similar to/different from other sectors? How can findings from cannabis extend theory on ethical consumerism?

**Methodology:** Most of the data were collected in March 2016 through structured visits to a random sample of half of Portland, Oregon's dispensaries (64 of 128). Two researchers entered each dispensary as consumers, asked four questions, and recorded responses after leaving. These data were coded twice and analyzed using both qualitative and quantitative methods. Additionally, US census data and GIS mapping were used to understand the demographics of each location. Finally, notes from interviews, media, and events (25,000 words) were reviewed.

**Select findings:** 81% of dispensaries reported that customers request socially responsible or environmentally products. Although 86% of dispensaries offered to sell us an "ethical" product, 16% did not know why it was ethical and 64% said they simply trusted the grower to "do the right thing." 80% of dispensaries shared inaccurate information about cannabis production.

### Analysis

Ethical purchasing in cannabis is *similar to* other sectors:

**Demographics** – Ethical products were more likely to be requested/available in high end dispensaries and in more White, wealthy, educated neighborhoods.

**Priorities** – Environmental issues were discussed more often than labor issues.

**Green/Fair-washing** – Retailers and brands overstated claims.

Ethical purchasing in cannabis *different from* other sectors:

**Leadership** – Initiatives led by the private sector—not social/environmental organizations.

**Product diversity** – No direct trade, worker coops, community supported agriculture or, codes of conduct. Initiatives limited to trusting growers and one label.

**Ethical framing** – Marketing materials did not identify social and/or environmental problems related to conventional production.

### Argument

This study shows how the legacy of prohibition—in particular, the stigmas and fear it propagates—can inhibit the development of ethical purchasing initiatives and presents challenges to the development of ethical consumerism:

1. **"Reputational risk"** prevents social and environmental movement organizations (e.g., FairTrade USA or Greenpeace) from extending their expertise/resources to cannabis.
2. **The desire to counter negative stereotypes** and portray cannabis in a positive light makes cannabis industry actors hesitant to highlight ethical issues in cannabis production.
3. **Habits of secrecy** slow consumers and supply chain actors from inquiring about and sharing information about supply chains.
4. **The promise of strict regulation** may suggest to some consumers that all ethical issues are already being addressed, and that there is no need for ethical consumerism.

## Dr. Elizabeth A. Bennett, PhD

Associate Professor of International Affairs  
 Director of Political Economy  
 Lewis & Clark College Portland, Oregon (US)



## Study 2:

### Ethical Consumerism: Before and After Cannabis Legalization

**Citation:** Bennett, Elizabeth A. "Prohibition, Legalization, and Political Consumerism: Insights from the US and Canadian Cannabis Markets," in *The Oxford Handbook of Political Consumerism*, edited by Magnus Boström, Michele Micheletti, and Peter Oosterveer. Oxford University Press (2018).

**Research Question:** What is the relationship between an industry's legal status and ethical consumerism activities? Did legalization change ethical consumerism in cannabis? If so, how?

**Methodology:** Comparative study of ethical consumerism before and after legalization, through deep narrative analysis based on data collected during field research (2015-17), analysis of 5 news outlets (48 relevant articles), academic literature on the legalization movement and on how political consumerism emerged in other US agricultural sectors.

### Analysis

**During prohibition** ethical consumerism was driven by cannabis consumers, not growers. The goal was to highlight the ubiquity of cannabis use, normalize consumption, and suggest that the industry is more "mainstream" than marginal. Participants showed off their cannabis-inclusive lifestyles by wearing cannabis leaf clothing, convinced celebrities/CEOs/politicians to "go public" about their consumption, and publicly consumed cannabis in front of the White House on April 20 (the unofficial US cannabis holiday). **Since legalization**, ethical consumerism has been led by growers who aim to differentiate products in the marketplace by highlighting the ethical attributes of their products. The goal, similar to other agri-food industries, is to convince consumers to "vote with their dollar" by purchasing socially responsible and environmentally friendly products.

### Argument

This case highlights three ways in which legal status may affect political consumerism:

1. **Goal** – The objective of political consumerism may shift from normalization and legalization to addressing ethical issues related to methods of production.
2. **Form** – Political consumerism before prohibition may manifest as alternative lifestyle politics—in an effort to frame engagement as socially acceptable, ubiquitous, and mainstream—and shift toward ethical purchasing and marketing after legalization.
3. **Leadership** – During prohibition, supply-side actors may be less likely than consumers to engage in public advocacy, leadership, and organizing because their participation in illegal activities may be more difficult to deny/obscure and consequences may be greater.

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[www.ElizabethAnneBennett.com/](http://www.ElizabethAnneBennett.com/) / [ElizabethBennett@lclark.edu](mailto:ElizabethBennett@lclark.edu)

## Cannabis in Global Perspective

Under international law, cannabis is a controlled substance, meaning its production, possession, and trade are only permitted for medical and scientific purposes. However, it is widely produced, traded, or consumed in almost every country. Since 2012, several countries and subnational regions (e.g., states) have decriminalized possession and/or legalized for medicinal or any adult consumption. Some examples of countries relaxing policies in the last few years:

**Czech Republic**  
**Mexico**  
**Costa Rica**

No longer punish personal possession of small amounts

**Canada**  
**Uruguay**  
**United States (some states)**

Legalized cultivation, sales, purchase, and consumption for medicinal and adult use

In many places of the world, cannabis is "legali-ish." –Thrillist, 2015

## Study 3:

### Sustainability Certifications for Cannabis: Who establishes them? Are they robust?

**Citation:** Bennett, Elizabeth A. "Voluntary Sustainability Standards and Cannabis (Marijuana): Political Consumerism and Environmental Movement Organizations in Anomalous Industries" (under review).

**Research Question:** What types of actors establish sustainability certifications in the context of newly legalized cannabis? Do the institutions and standards they create follow best practices? Are they likely to have meaningful impact?

**Literature:** Voluntary sustainability certifications (VSCs) facilitate political consumerism by helping supply chain actors communicate their environmental commitments and aiding consumers in identifying environmentally responsible products. Often, VSCs—such as Forest Stewardship Council or Rainforest Alliance—are established by industry associations or social/environmental movement organizations. The literature suggests that VSCs established by social/environmental movements are more likely to generate robust standards and verification processes than those beholden to industry interests.

**Puzzle:** Some industries, like cannabis, lack well-established business associations and are not engaged by environmental movement organizations. In these anomalous sectors, it is unclear which types of actors may emerge to initiate VSCs, and how their allegiances to industry interests or environmental issues may affect outcomes.

**Methodology:** Interviews with founders of all nine cannabis VSCs in the United States (semi-structured, 25 questions, average time 90 minutes).

### Analysis

Although most cannabis VSC founders are committed to environmentalism and interested in social justice, they have created organizations vulnerable to industry capture:

- Founders draw on previous work experience to create a model that is familiar—not one that accounts for established best practices in standards-setting.
- Founders have experience in business, marketing, entrepreneurship, agriculture, and environmental work. They do not have union, fair trade, fair labor, or workers' rights training and rarely consult labor experts in meaningful ways.
- Founders maintain control over most aspects of the initiative and rarely develop multi-stakeholder governance models.
- Standards setting and auditing are conducted by the same individuals.
- Key decision makers tend to also have vested financial interests.
- Revenue models that raise funds for standards setting by selling ancillary services to certified growers create a conflict of interest between financial viability and audit integrity.

### Argument

This study suggests that when environmental/social organizations do not provide sponsorship, training, endorsement, and oversight, VSCs may struggle to privilege their missions over industry demands. Even in the absence of strong industry organizations, sustainability standards can be vulnerable to business cooptation through their governance structures, revenue models, and conflicts of interest. Sustainability certification accreditors and watchdogs should intervene.