Feeling Good or Doing Good? Enabling Economic Exploitation through Ambiguous Bliss, Willful Ignorance, and Polarized Thinking

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This is the pre-publication version of an essay that will be included in Sidney Homan's forthcoming anthology "Playing with Reality: Denying, Manipulating, Converting, Enhancing What Is There."

Today, 31 million people work in modern slavery.¹ Nowhere in the world is it *legal* for one person to own another. Yet, slavery—violently coercing a person to work in dehumanizing conditions—is pervasive. Most modern slaves are held hostage through debt bondage. Some are forced into marriage or trafficked into countries where they have few rights or protections. Almost all live in chronic poverty without any reasonable alternative employment.²

Slave labor generates more than 150 billion USD in profit each year. Modern slavery is significantly more profitable than the chattel (human ownership) model. Today, businesses often recruit slaves for a low price, invest little in their health, and discharge them once their productivity wanes. These practices maximize the returns on their investments which is nearly 400%.³ Perhaps, then, it is unsurprising that wealth is increasingly inequitably distributed.⁴ That the world's wealthiest 100 people now hold more wealth than everyone in the world's poorer half combined.⁵

Unfortunately, the global market for free (meaning: non-slave) labor is only scarcely more humane. A study of 18 apparel factories in Bangladesh found the average worker would require an 80 percent pay raise to earn even the most conservative estimate of a living wage.⁶ At the same time, 99% of the retail price of a typical Asian-made t-shirt goes to everyone in the supply chain *except* all the workers who make it—they earn the last 1%.⁷ In today's economy, work is deadlier than war. Dangerous workplace hazards kill more than two million people on the job each year.⁸

The notion that *something must be done* is ubiquitous, urgent. I hear it on the news, as journalists describe the crumbling infrastructure and unsafe working conditions that left 2,515 workers injured and 1,129 dead while sewing trendy, inexpensive clothes in a Bangladesh fast fashion factory fire.⁹ I see it on posters at the university's student center, begging passersby to stand in solidarity with nonunionized janitors whose sweat cleans the dorms, or organize with the migrant farm workers whose harvests fill cafeteria plates. I witness it wash over returned study-abroad students, as they decry the difference between their Tanzanian host families' incomes and their own.

Juxtaposed against this desperation for a better world are the bright smiles, lighthearted anecdotes, and whimsical gimmicks that emerge in celebration of "doing well while doing good."

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The concept of "everybody wins" is not only a familiar heuristic, but one of immediate positive association. After all, we know that it *feels good* to help someone else; that in international trade both parties *do gain*; that declaring "everyone a winner" satisfies children at the end of a game. For these reasons, it is perhaps unsurprising that few people stand publicly against the *promise* of helping one's self while having a positive influence on the world. At the same time, the evidence is increasingly clear that genuine win-win scenarios are, *in reality*, less common than we would like to think.¹⁰

Over the past two decades, the mantra of "doing well while doing good" has metastasized and taken residence in nearly every nook and cranny of economic life. Business schools teach students how to pursue the "triple bottom line" by simultaneously serving "people, planet, and profit." Hip companies win contracts and attract talent by showing off their "B-Corp" certifications—commitments to use corporate power to "<u>b</u>enefit" society and the environment. Multinational corporations deflect critique by hiring a few corporate social responsibility experts to organize volunteer days, attend charitable events, participate in meetings about human rights, and present anecdotal illustrations of the private sector contributing to public good. Retailers promise shoppers that buying this or that product means contributing to a cause or supporting a community or helping a family. Consumers "buy one" (pair of eyeglasses or shoes or women's underpants) from brands that "give one" to a person who cannot afford their own.

The ethical marketplace promises us that markets and businesses can create a game in which everybody wins. For the past ten years, I have indulged my curiosity about what such declarations really mean: Are win-win claims truly based on "what is there?" Or is the global economic community collectively "playing with reality?" Through interviews and observations, desk research and document analysis, I have come to know many committed, passionate, intelligent, realistic people whose work I respect and consumption ethos I admire. Some of my closest friends and personal heroes work in this space. It is from this vantage point that I have come to notice patterns in how we "deny, manipulate, convert, and enhance" reality so as to *feel good* when what we really want is to *do good* in the modern economy.

In this essay I offer three data-driven fictional vignettes. Each illustrates a distinct way in which companies, brands, and retailers make it easy for consumers to "buy" into a delusional reality. In Act One: Clothing, businesses and non-profit organizations claim to pay tens of millions of people a living wage, but never do, and forget to update marketing materials accordingly. By engaging in *aspirational bliss* we celebrate the *idea* that something good *could happen* without waiting for signs of real impact on the targeted beneficiary group so we feel good! In Act Two: Coffee, a hopeful entrepreneur aims to do no harm but searches for evidence of exploitation in all the wrong places. By choosing *willful ignorance*, avoiding information that could expose potentially painful realities about our role in supply chains, so we don't feel bad! And in Act Three: Cannabis, weed dispensaries both promote and dismiss ethical products without actually knowing what ethical claims really mean. Through *polarized thinking* we evade the uncomfortable mess of ambiguity by assuming that ethical claims are either fully justified or completely fabricated, so that we can enjoy knowing that we are right! Through clothing, coffee, and cannabis we see how—in any sector—suppliers and consumers might support each other in aspirational bliss, willful ignorance, and polarized thinking.

In the discussion that follows, I ask: So what? Who cares? What happens when we selfplacate in these ways? How can playing with reality enable economic exploitation and perpetuate modern slavery?

Act I. Clothing and "Aspirational Bliss"

In the late 1990s, most countries lowered trade barriers, opened financial markets, and deepened commitments to economic integration. Social justice activists identified globalization as an opportunity to create a new global economic order. They lobbied for national and international policies prioritizing living wages, stable commodity prices, safe working conditions, and union rights. Largely disappointed by policy results, some activists appealed directly to markets. One strategy was to develop business regulations that upheld social and environmental values, and then pressure brands (such as Nike) to voluntarily purchase from suppliers—factories in low income countries—that verified compliance with these standards through third-party audits. Consumers could incentivize specific brands by purchasing goods with fair trade certifications and eco-labels. Over the past two decades, voluntary ethical certifications have proliferated. They are used in most countries and cover a wide range of products—from chocolate to soccer balls. Voluntary standards influence the income and working conditions of tens of millions of wage workers and small-scale farmers and are part of a broader strategy to address modern slavery and child labor. They have had some limited success.¹¹

Today, many university bookshops and clothing stores offer ethically certified apparel. If you visit the certification organization's website for more information, you are likely to see claims about farmers and factory workers receiving a fair, decent, or living wage.¹² This is exciting! Living wages are perhaps the most basic and important step toward achieving the United Nations Sustainable Development Goals for 2030, which include decent work, ending poverty, and reducing inequalities. Of course, if a parent is not paid enough to feed their family, what about the arrangement could be called "a fair and decent living wage"?

Over several years of research on certifications, I began to notice a trend: certified factories and farms reported not receiving a living wage; impact reports suggested workers and farmers were struggling to make ends meet; and certification organizations admitted they had yet to figure out how to deliver on this promise.¹³ In 2018, I decided to systematically study how 16 textile certifications implement their living wage standards. I reviewed certifications' instruction manuals for auditors, consulted auditor trainers, discussed implementation with standards directors, and met with the executive directors of several certification organizations. My findings show that not one certification actually fulfills this promise. It is an open secret that most sustainability labels simply verify payment of minimum wage—which can be a fraction of the cost of living—while others do nothing at all.¹⁴ When I inquired about the disconnect between marketing claims and workers' realities, most interviewees in the certification community reported that living wages are an aspiration intended to guide reality in the right direction. Despite twenty years of good intentions, this goal has yet to be realized. I have come to identify this way of playing with reality as "aspirational bliss." When we engage in aspirational bliss, we celebrate only a hoped-for reality—that is, a fantasy.

Act II. Coffee and "Willful Ignorance"

About a decade into the blitz of eco labels and fair-trade certifications, around 2010, a critical countermovement began to emerge. International development organizations reported that certifications failed to deliver results. Watchdog groups showed how social and environmental standards had been diluted to cut production costs and appease corporations. Academics documented how the value added from ethical claims accumulated in the same pocketbooks as traditional capital.¹⁵ For these reasons, a new trend emerged: making products "ethical" by highlighting the fairness of a small business's actual relationships with suppliers. In this way of thinking, you could check that ethical claims are real by seeing for yourself.

In the coffee sector, micro roasters and independent coffee shops exploded with claims about their direct, personal relationships with small coffee farmers. As evidence, cafés posted farmers' names on tasting menus, displayed maps of coffee-growing regions, and plastered enlarged photos of café owners arm-in-arm with smiling growers in the fields. The coffee was advertised as fair, just, sustainable, community-oriented, supportive, and equitable. Supply chain actors would put aside traditional differences in bargaining power to distribute profits equitably and provide one another with steady business and long-term partnership! A few of these initiatives are brilliant.¹⁶ Others are concerning.

Between 2010 and 2012, I began asking *who decides* what is fair, and *how can we trust* their claims. My research included interviews with more than a hundred people working in "ethical" coffee supply chains. I asked many café owners very basic questions about their "trips to origin" to meet the farmers who grow their ethically traded coffee: What portion of coffee prices go to the farmer? How does the farmer's revenue compare to a living income? How often do children attend school and what do they eat? Has the direct trade relationship smoothed commodity price volatility or made it worse? As one café owner explained to me: "When I go to origin, I don't see children being beaten. Everybody smiles at me. There is no forced labor—I know this because I did not see anyone wearing ankle chains. I never met the migrants, but I'm sure they're treated well—the farm owner is a nice guy." He also confessed that he had never asked the coffee importer for this information or tried to understand more about how his economic relationship with the farmer measured up to his concept of economic justice. I have come to identify this approach to playing with reality as "willful ignorance." When we engage in such willful ignorance we choose to avoid encountering information that may challenge an optimistic assessment of reality and/or overestimate the quality of information we have.

Act III. Cannabis and "Polarized Thinking"

In 2014, Oregon voters legalized cannabis (marijuana) for adult use.¹⁷ When the first dispensaries opened in 2016, I was curious to know how sustainability certifications, fair trade claims, and other forms of ethical consumerism manifested in America's fastest-growing agricultural sector. I was particularly interested because, historically, cannabis production can be hard on the environment and prone to various forms of workplace abuse.¹⁸ With a team of undergraduate research assistants (who were at once surprised and delighted by the assignment), I visited a random sample of half of the dispensaries in Portland. We asked "budtenders" four questions: 1) Do you have any socially responsible or environment? 3) Do consumers request

ethical products often? 4) Why don't you think there is greater demand for ethical products? We recorded and coded their responses and repeated the process again three years later, in 2019.¹⁹

Along with four years of interviews, media analysis, and participation in industry events, the budtenders' responses disclosed two common approaches to ethical products-opposite sides of the same coin. The first was to assume that ethical claims are not only valid but also make other, unrelated positive attributes more likely to be true. As one budtender explained: "You might try this cannabis edible! It's an organic chocolate bar with weed! The wrapper is made from recycled material. Hmm... I think it's probably fair trade, too-it's from a small company and everything is from here-it's made locally." Unfortunately, there are no organic standards for cannabis, there was no indication that the ingredients were fairly traded, cacao and sugar do not grow locally, and the company was owned by a large investment group. Yes, it was made locally-but is that really a special selling point when cannabis cannot cross state lines? We pressed him to explain how he knew so much about the company and its practices. "Oh, it's just one of those companies that does stuff like that, you know? Like, I'm sure they probably pay a living wage. My boss says the owner is a really nice guy." We were unconvinced that he had legitimate evidence to support his claims. This budtender avoided navigating the trouble of evaluating the validity of claims and the contradiction of products being ethical in some ways but not others by assuming all claims are true, and that virtuous properties often go together.

The opposite version of this approach is to assume that all ethical claims are fabricated marketing myths, and that any trait that is not particularly ethical undermines the value all other ethical claims. I witnessed this logic in motion when meeting with the founders of a new sustainability certification for cannabis. I suggested they require growers to provide health, dental, and vision insurance, as well as ergonomic consultations to prevent repetitive motion injuries common among cannabis trimmers. I pointed to the example of a farm I *know* has these policies. Yet, the founders insisted that growers *never* live up to such claims and—even if they did—that farm should not be considered sustainable because it uses electric grow lamps to augment sunlight. The notion that "you can't trust a farm that calls itself sustainable *and* uses grow lights!" was repeated over and over.

What unquestioning optimism and critical dismissal have in common is an unwillingness to embrace the ambiguity, paradox, and contradiction that defines the very intersection of markets and morality. When we engage in "polarized thinking" we reject the discomfort of being neither right nor wrong, good nor bad. In doing so we allow perfection to make an enemy out of what is relatively good.

In the context of consumer activism, to "play with reality" is to overestimate the power of markets, undervalue inconvenient truths, dismiss the complexity of modern slavery and, ultimately, enable economic exploitation. Ambiguous bliss, willful ignorance, and polarized thinking may enable suppliers and consumers of ethical products to feel better, but at what cost? By endorsing a culture of "everybody wins" we may come to believe that all complex problems can be resolved without either party engaging in sacrifice. By ignoring the differences between brilliant, equitable business models and cheap marketing ploys, we miss the opportunity to support real social change. In thinking that we have allocated resources toward addressing a problem, we

may be less likely to contribute to other, potentially more impactful, strategies for change. And by training ourselves to believe in easy, clean answers to complex problems, we may misunderstand the root causes of suffering in other situations, too. In a moment marked by pandemic, climate change, and growing inequality, the notion of compromising humanity's capacity solve problems is terrifying.²⁰

What troubles me *even more*, however, is how we respond to the realization that we (or others) have been playing with reality. For suppliers and consumers alike, the temptation is often to not only abandon the ethical marketplace—a grave error, in my opinion—but also to ignore the nagging sensibility that *something must be done*. "If buying (or selling) this thing doesn't solve the problem completely, then there is no way to be part of the solution!" This line of thinking can be the beginning of a cycle of cynicism and political disengagement. It not only strips us of our own agency, but also makes us more vulnerable to the sorts of ideas we might ordinarily find abhorrent: some people are more deserving than others; some countries should be satisfied with less than others because it is more than they had before; some communities should have been more clever. At our worst, we might even think: it's always been this way and it always will; even though I have privilege, it's not my job to dismantle hierarchies of oppression.²¹

Must ethical consumerism allow problems to flourish while disabling humanity's inherent ability to work for change? No—there is another way forward: instead of checking *out* of reality, we can pay closer attention to *what is really there*. This means approaching consumer activism as an opportunity to learn about complex problems, understand the human consequences of supply chains, draw connections between markets and public policies, and, occasionally, find a company or brand that we are thrilled to support. On the consumer side, when we see t-shirts boasting fair trade for factory workers, for example, we might ask how living wages and healthful working conditions are verified. In a coffee shop selling "its own version" of fair trade, we can become curious about how profits are distributed, whether prices have stabilized, how much farmers' incomes have gone up. Buying a joint can occur alongside conversation about why some ethical claims are legitimate, while others are not. On the supply side, we can make it easier for consumers to learn about the choices we've made and the information we have about the ethical products we provide. While ethical markets, themselves, may not be THE solution, they most certainly offer the opportunity to become more effective agents of change.²²

If you are a person who aims to vote with your dollar, perhaps you will consider joining me in an experiment. What happens when we refrain from seeking relief by overstating impacts, avoiding distress by understating problems, and creating comfort by avoiding ambiguity? Can we see reality more clearly? Are we actually *better equipped* to address economic exploitation and end modern slavery when we *stop feeling good* and start *playing with what is really there*?

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¹ Siddharth Kara. *Modern Slavery: A Global Perspective*. New York: Columbia University Press, 2017, pg. 18. Similar estimates are provided by the International Labor Organization and Walk Free Foundation in "Global Estimates of Modern Slavery: Forced Labour and Forced Marriage." International Labor Office: Geneva, 2017.

² Siddharth Kara. *Modern Slavery: A Global Perspective*. New York: Columbia University Press, 2017, pgs. 10-30. For more resources on modern slavery, see: Walk Free Foundation (walkfree.org) and the Council on foreign Relations (cfr.org/modern-slavery).

³ This is much greater than the 10-20% ROI on slaves in the United States before the civil war. Siddharth Kara. *Modern Slavery: A Global Perspective*. New York: Columbia University Press, 2017, pgs. 20-30.

⁴ For more on the socio-political dynamics of domestic and international wealth distribution, see Thomas Piketty's *Capital in the Twenty-First Century*. Cambridge, MA: Harvard University Press, 2014.

⁵ Siddharth Kara. *Modern Slavery: A Global Perspective*. New York: Columbia University Press, 2017, pgs. 20-30.

⁶ Fair Labor Association. "Toward Fair Compensation in Bangladesh: Insights on Closing the Wage Gap." Washington, DC, April, 2018.

⁷ Mark Starmanns. "Purchasing Practices and Low Wages in Global Supply Chains: Empirical Cases from the Garment Industry." *Conditions of Work and Employment Series*, No. 86, Geneva: International Labor Organization, 2017.

⁸ Michael J. Piore and Andrew Schrank. *Root-Cause Regulation: Protecting Work and Workers in the Twenty-First Century*. Cambridge, MA: Harvard University Press, 2018.

⁹ For more about the Rana Plaza fire and global response, read about the Bangladesh Accord: <u>https://bangladeshaccord.org/about.</u>

¹⁰ See: Anand Giridharadas. *Winners Take All: The Elite Charade of Changing the World*. New York: Penguin Random House, 2019. Mara Einstein. *Compassion, Inc.: How Corporate America Blurs the Line between What We Buy, Who We Are, and Those We Help*. Berkeley, CA:

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¹¹ Elizabeth A. Bennett. "Business and Human Rights: The Efficacy of Voluntary Standards, Sustainability Certifications, and Ethical Labels" in the *Research Handbook on Business and Human Rights*, Eds. Axel Marx, Geert Van Calster, and Jan Wouters, pp. TBD. London: Edward Elgar, 2022.

¹² Elizabeth A. Bennett. "Voluntary Sustainability Standards: A Squandered Opportunity to Improve Workers' Wages." *Sustainable Development* 26, no. 1 (2017): 65–82.

¹³ MSI (Multi-Stakeholder Initiative) Integrity. "Not Fit-for-Purpose: The Grand Experiment of Multi-Stakeholder Initiatives in Corporate Accountability, Human Rights and Global Governance," Berkeley, CA, 2020 (https://www.msi-integrity.org/not-fit-for-purpose/).

¹⁴ This research is part of a broader book project. The conference paper detailing these findings has been presented at three academic conferences and is available by request: Elizabeth A. Bennett. "Bold Claims, Weak Wages: The Implementation of "Living Wage" Standards in Voluntary Sustainability Certification Programs," prepared for presentation at the Society for the

Advancement of Socio-Economics (SASE) Annual Conference, New York City, 2019; International Studies Association (ISA) Annual Conference, Toronto, 2019; Fair Trade International Symposium (FTIS), Portsmouth, UK, 2018. ¹⁵ Stefano Ponte. *Business, Power and Sustainability in a World of Global Value Chains: A History of Power, Politics and Profit.* Chicago: Zed Books Ltd., 2019.

¹⁶ For example: Catracha Coffee, Equal Exchange, Maggie's Organics. For more on Catracha's profit-sharing model, see: Elizabeth A. Bennett and Janina Grabs. "Rethinking the "necessary" trade-offs of distributing value to suppliers: An analysis of the profit-sharing model" *Harvard Kennedy School Working Paper Series*, 2021

(https://carrcenter.hks.harvard.edu/publications/rethinking-

%E2%80%9Cnecessary%E2%80%9D-trade-offs-distributing-value-suppliers-analysis-profit).

¹⁷ "Cannabis" is the plant's genus and the term used in international treaties. "Marijuana" is used in some legal documents but has historically been deployed within racist scapegoating campaigns. See John Hudak. *Marijuana*. Washington, DC: Brookings Institution Press, 2016.
¹⁸ Elizabeth A. Bennett. "Consumer Activism, Sustainable Supply Chains, and the Cannabis Market" in *The Routledge Handbook of Interdisciplinary Cannabis Research*, Eds. Dominic Corva and Joshua Meisel, pp. 192-200. London: Routledge, 2021.

 ¹⁹ Elizabeth A. Bennett. "Extending Ethical Consumerism Theory to Semi-Legal Sectors: Insights from Recreational Cannabis." *Agriculture and Human Values*, 35(2), 295-317, 2018.
 ²⁰ Mara Einstein. *Compassion, Inc.: How Corporate America Blurs the Line between What We*

Buy, Who We Are, and Those We Help. Berkeley, CA: University of California Press, 2012. ²¹ For more on "the space between the hubris of benevolence and the paralysis of cynicism" (to use the words of scholar Ananya Roy), see Danielle Puretz's "Moving Beyond Benevolence and Cynicism: A Graduation Speech." Berkeley, CA: University of California, Berkeley, 2015. (https://blumcenter.berkeley.edu/moving-beyond-benevolence-and-cynicism-the-global-povertypractice-minor-a-graduation-speech/).

²² Fair World Project is a non-profit organization that has produced some of my most trusted resources for navigating "ethical" markets. (<u>https://fairworldproject.org/</u>). See the "International Guide to Fair Trade Labels: Edition 2020" co-published with three other fair trade watchdog organizations: Commerce Équitable France, FairNess, and Forum Fairer Handel (<u>https://fairworldproject.org/wp-content/uploads/2019/12/international-Guide-to-Fair-Trade-Labels-2020-Edition.pdf</u>).