Psychology of environmentally and socially sustainable behavior

ENS291

19th April 2016

Contact info: gunne.grankvist@hil.no or gunne.grankvist@hv.se



For a critical discussion of the Fairtrade concept, and impact studies

- Hainmueller, Jens and Hiscox, Michael J. and Sequeira, Sandra, Consumer Demand for the Fair Trade Label: Evidence from a Multi-Store Field Experiment (March 2014). Review of Economics and Statistics, Forthcoming; Formerly: MIT Political Science Department Research Paper No. 2011-9B. Available at SSRN: <u>http://ssrn.com/abstract=1801942</u> or <u>http://dx.doi.org/10.2139/ssrn.1801942</u>
- See section: II. Fair Trade and Consumer Demand for Ethically Certified Products



An important question

- Does producers/farmers in the developing world actually benefit from participating in the fair trade system?
- See e.g.
 <u>http://www.fairtrade.net/fileadmin/user_upload/content/2009/ab</u>
 <u>out_us/2010_03_NRI_Full_Literature_Review.pdf</u> for review
 of 24 Fairtrade impact studies
- But more impact studies are needed!



A poor job or no job at all?

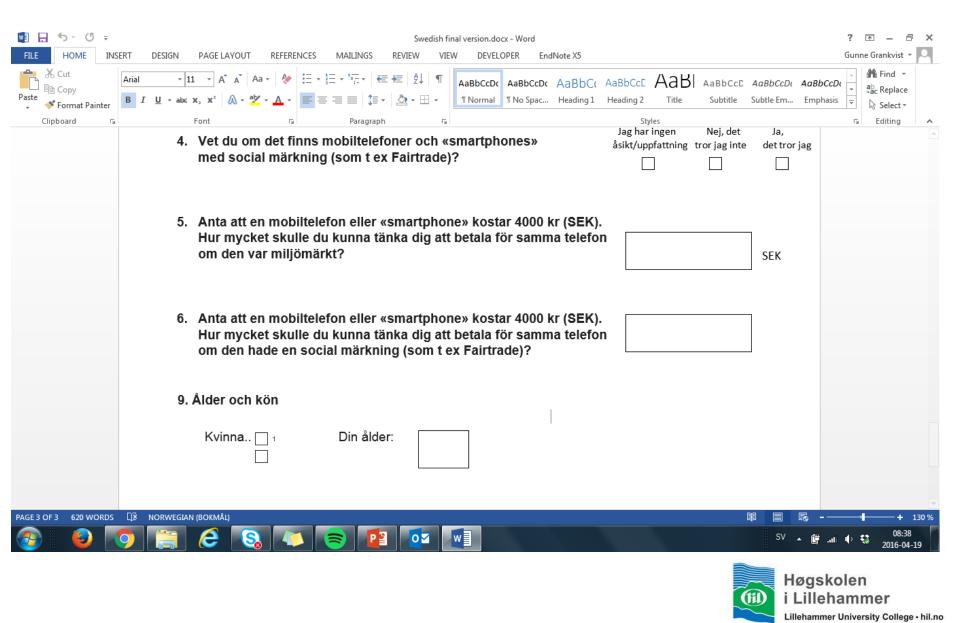
- In a developing countries, could a really bad/poor job still be a better opion than no job at all?
- Consequences of Fairtrade or buycott of unethical alternatives?
- Comments/discussion? Thoughts?



Measure attitude towards ethical principles closely associated with the Fairtrade movement (example of used survey questions)

- It is important to have solidarity with developing countries.
- When I buy something from a developing country it is important to me that farmers and craftsman are not underpaid.
- I would refrain from buying a product from a developing country if I knew that the people who produced the product have poor working conditions.
- I would be willing to pay a premium price to support farmers and craftsmen in developing countries.
- (1) "Do not agree at all" to (5) "Totally agree".





Schwartz value model

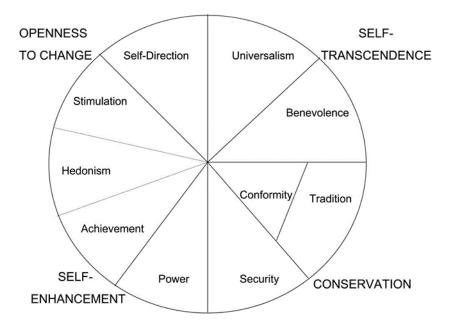
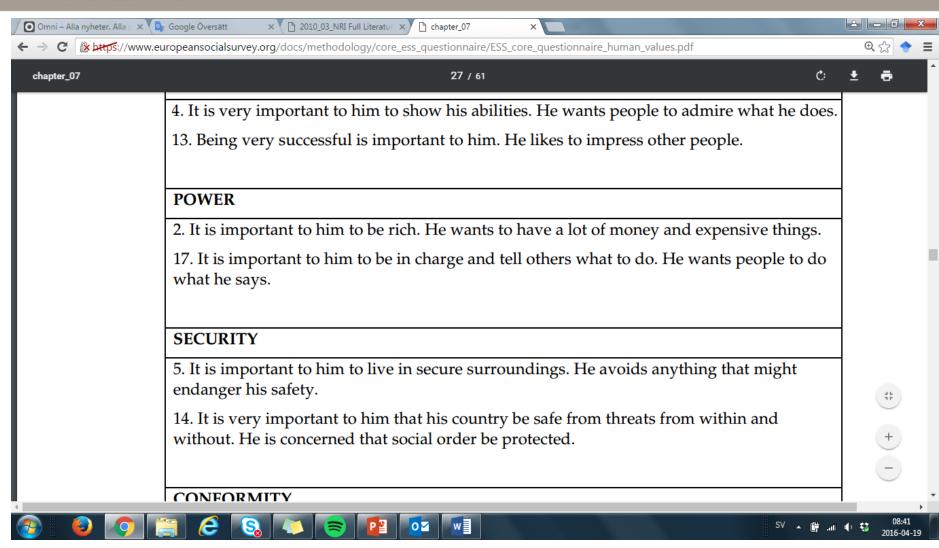


Figure 1. The Schwartz's (1992) value model



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And now - some results presented in

 Grankvist, G. (2012). "Consumer attitudes to ethically labelled products". Research report. University West, Sweden (www.hv.se). Available at

http://urn.kb.se/resolve?urn=urn:nbn:se:hv:diva-5126



- If a conventional banana cost one Euro. How much are you willing to pay for an eco or Fairtrade labelled banana?
- Such willingness-to-pay questions can be used as measures of attitudes towards....



- If a conventional banana cost one Euro. How much are you willing to pay for an eco or Fairtrade labelled banana?
- Results from a study of EU citizens in 1997
- 37% were willing to pay 10% more
- 11% 20% more
- 5%......30% more



- In a study in Belgium 2005
- How much more are you willing to pay for a cup of Fairtrade coffee?
- On average, 10% extra



- In a study with Swedish university students in 2009
- How much more are you willing to pay for a cup of Fairtrade coffee?
- On average, 20% extra
- (and 40% didn't know whether Fairtrade coffee was available on campus or not)
- In Sweden (2005-2008) Fairtrade coffe was 38% more expensive



Surveys vs "reality"

On a scale of 1 to 5 where 1 re would you rate your level of ODKINAJRE UNANP 0 On a scale of 1 to 5 where 1 ret would you rate Your level of st





Environmentally vs socially sustainable behavior

- Eco-labels vs Fairtrade-labels
- Equally important to consumers? Or not?
- Social, employee rights aspects, and in particular that no child labour has in some studies been found MORE IMPORTANT than eco-friendliness.
- In other studies no differences have been found



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Habits





Habits

- "Habits are learned sequences of acts that have become automatic responses to specific cues, and are functional in obtaining certain goals or end states" (p. 104)
- Verplanken, B., & Aarts, H. (1999). Habit, attitude, and planned behaviour: is habit an empty construct or an interesting case of goal-directed automaticity?. *European review of social psychology*, *10*(1), 101-134.



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Habits





Habits – its usually a matter of seconds...





Habits and shopping

- Compare shopping (make purchases) in a supermarket where you usually shop and to shop in a supermarket that you do not know already
- Which takes the longest time? Which requires the most energy?
- Strong habits may explain the weak correlation between good intentions and ...



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Change habits?

- How?
- There are some methods that may help sometimes



Commitment

- Tell others that the next time you will...
- E.g. choose eco-labelled milk

• Tell others about your plans creates commitment to... It is almost like make a promise to....



Implementation intentions

- Mental plans for when, where and how to go from intention to actual behavior
- "If the situation X arises then I shall do Y"
- "If I am in the store where I usually do my shopping, then I shall choose Fairtrade label chocolate"



Different strategies

- How influence consumers to choose eco- or Fairtrade alternatives?
- In this paper it is argued that different strategies are needed for different situations and different kinds of consumers.
- There is no strategy that works always and for all consumers
- Schultz, P. W. (2015). Strategies for Promoting Proenvironmental Behavior. *European Psychologist*, 19(2), 107-117.



Fairtrade certified universities

- <u>http://www.fairtrade.org.uk/en/get-involved/in-your-</u> <u>community/universities</u>
- "A Fairtrade University or College is one that has made a commitment to supporting and using Fairtrade"



Friday (10.30-12.30) in the Aula

- Values and Willingness-To-Pay for Fairtrade- or Eco Labelled Mobile Phones
- ...associations between importance attached to personal values and willingness-to-pay for mobile phones with an eco- or Fairtrade label.
- Participants were students at University West in Sweden (n = 246), Lillehammer University College in Norway (n = 196) and Hochschule Darmstadt University of Applied Sciences in Germany (n = 325).



Friday (10.30-12.30) in the Aula

- Values and Willingness-To-Pay for Fairtrade- or Eco Labelled Mobile Phones
- ...In Sweden and Norway participants were willing to pay, on average, 20 % extra for an eco- or Fairtrade labelled mobile phone. In the German sample the corresponding number was 12%.
- ...to strive for social status and prestige, as well as control and dominance over people and resources, was associated with ...





- In total about two A4 pages, that is about 1000 words
- Deadline: 10 May 2016
- Send e-mail to gunne.grankvist@hil.no

