

This article was downloaded by: [German Development Institute]

On: 19 May 2014, At: 01:46

Publisher: Routledge

Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: Mortimer House, 37-41 Mortimer Street, London W1T 3JH, UK



## Oxford Development Studies

Publication details, including instructions for authors and subscription information:

<http://www.tandfonline.com/loi/cods20>

### New Middle-Class Consumers in Rising Powers: Responsible Consumption and Private Standards

Alejandro Guarín<sup>a</sup> & Peter Knorringa<sup>b</sup>

<sup>a</sup> Alejandro Guarín (corresponding author), German Development Institute/Deutsches Institut für Entwicklungspolitik, Tulpenfeld 6, 53113 Bonn, Germany. Email:

<sup>b</sup> Peter Knorringa, International Institute of Social Studies, Erasmus University, Rotterdam, The Netherlands. Email:

Published online: 10 Dec 2013.

To cite this article: Alejandro Guarín & Peter Knorringa (2014) New Middle-Class Consumers in Rising Powers: Responsible Consumption and Private Standards, *Oxford Development Studies*, 42:2, 196-216, DOI: [10.1080/13600818.2013.864757](https://doi.org/10.1080/13600818.2013.864757)

To link to this article: <http://dx.doi.org/10.1080/13600818.2013.864757>

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the "Content") contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms &

Conditions of access and use can be found at <http://www.tandfonline.com/page/terms-and-conditions>

# New Middle-Class Consumers in Rising Powers: Responsible Consumption and Private Standards

ALEJANDRO GUARÍN & PETER KNORRINGA

**ABSTRACT** *In this paper, we explore how the unprecedented expansion of new middle-class consumers in Rising Powers is likely to influence the extent and meaning of responsible consumption through private standards. We find that these middle-class consumers are likely to engage in discretionary spending, even at relatively low levels of income. Unfortunately, existing research does not allow us to predict the extent to which this discretionary spending will be used for responsible consumption. We develop a simple matrix to explore where and when private standards are more likely to stimulate responsible consumption effectively, and we put forward some hypotheses for future research.*

## 1. Introduction

Private standards—regulations concerning processes and products which emanate from businesses rather than governments—are a key global governance mechanism which helps to shape development opportunities and constraints (Blowfield, 2007; Knorringa, 2011; see also the Introduction to this special issue). Leading global brands use private standards to reduce risks and transaction costs, and to differentiate themselves from competitors. For consumers, standards transmit information about a product's technical specifications, its compliance with health and safety criteria, and the quality of the labour and environmental conditions under which it has been produced and sourced (Nadvi, 2008, p. 325). In this paper, we focus on extrinsic standards—or credence goods—where consumers cannot deduce the actual implementation of, for example, decent wages for local workers from the physical end product (Tirole, 1988; Linnemann *et al.*, 2006). However, when they deliver on their promise, and are trusted by consumers, private standards can fulfil consumer demands for social responsibility through improving employment and/or environmental conditions of production.

Research into the meaning and implementation of private standards tends to focus on how lead firms—especially those with brands to protect—manage (perceived) consumer demands for responsible behaviour in their supply chains. Civil-society organizations

---

Alejandro Guarín (corresponding author), German Development Institute/Deutsches Institut für Entwicklungspolitik, Tulpenfeld 6, 53113 Bonn, Germany. Email: [alejandro.guarin@die-gdi.de](mailto:alejandro.guarin@die-gdi.de). Peter Knorringa, International Institute of Social Studies, Erasmus University, Rotterdam, The Netherlands. Email: [knorringa@iss.nl](mailto:knorringa@iss.nl)

© 2013 Oxford Department of International Development

feature in this debate as watchdogs and catalysts who are quite often able to “punch above their weight” (Gereffi *et al.*, 2001) by claiming to speak on behalf of concerned consumers. The state also plays an active role in these types of initiative by regulating what private standards can and cannot do, and in some cases by adopting successful private standards as a basis for public policy. Consumers usually feature in the background as a rather amorphous (though differentiated) mass that can be manipulated by other, better organized, and more strongly incentivized actors, such as firms, civil-society organizations and states. However, lead firms and consumer activists do not simply determine consumer behaviour (Ponte & Gibbon, 2005). Instead, many different societal actors influence consumer perceptions about what constitute (minimum levels of) quality and responsibility, and individual consumers also help to shape their own behaviour.

Elucidating when and where consumers are likely to be inclined towards responsible consumption becomes even more important in a longer-term perspective, given the swiftly expanding numbers of new middle-class consumers in the Rising Powers<sup>1</sup> and in developing countries more broadly. After all, it can make a lot of difference whether most people in a society consume products that are produced under good labour conditions or that have a smaller environmental footprint. Often these attributes come at a higher cost; where that is the case, rising incomes could remove an obstacle to responsible consumption. But income is not the whole story. Irrespective of income levels, norms and values in societies about the minimal expected level of ethical behaviour change over time, as is exemplified by how, in the last two centuries, the thinking on child labour has evolved (Appiah, 2010).

While the new middle classes are growing “twice as fast as the overall world population” (World Bank, 2007), and the proportion of consumers from developing countries in the global middle class will soon numerically dominate, we do not know whether their inclination towards responsible consumption will be similar to that of middle-class consumers from high-income countries. Moreover, we do not know to what extent successful strategies to mobilize consumers in Western countries—such as the fair trade movement—will resonate with middle-class consumers from the developing world. Finally, we do not know in what ways (changes in) norms and values in Rising Powers will influence the requirements of firms’ societal licence to operate, nor do we know the extent to which Rising Power states will react to violations of expected responsible behaviour.

Therefore, the question is not only whether the new middle-class consumers from the developing world will increase or decrease the amount of responsible consumption, but also *how* they will influence the meaning and content of what is considered to be responsible consumption. We recognize that the social concerns of individuals and groups in a society can also be expressed through very different and perhaps complementary and mutually reinforcing channels, such as political participation as citizens. However, for this paper our basic assumption is that the rapidly growing number of consumers from Rising Powers is likely to influence significantly the reach and content of private standards as a tool for enhancing responsible consumption.

The next steps in this paper are as follows. First (in Section 2), we present different definitions of the “new” middle classes and discuss their main characteristics. In Section 3, we review the question of convergence or divergence of consumer behaviour between developing and high-income countries, and we argue that no simple or inevitable trajectory is likely. In Section 4, we examine the issue of responsible or ethical consumer behaviour, particularly among new middle-class consumers, and we develop a simple

typology combining motivational and income dimensions. In Section 5, we discuss the broader implications of rising incomes and shifting consumer behaviour for private standards, and we use our typology to examine where and when public and private standards are more likely to boost responsible consumption patterns. Section 6 presents the conclusions and hypotheses for future research.

## 2. Defining the New Global Middle Classes

The rise of the new global middle classes has been a significant—if relatively silent—element of a broad change in the global landscape of poverty. The centre of global production shifted away from Europe and North America in the last quarter of the 20th century; today we are witnessing the much slower—but equally important—movement of the centre of global consumption, for the first time in recent history, away from the West (Kharas, 2010). In the last two decades, rising incomes in many parts of the developing world, but most notably in China and India, have lifted more than one billion human beings out of poverty in Asia alone. Some have called this group—projected to increase by another billion over the next two decades or so—the new global middle classes (Asian Development Bank [ADB], 2010).

We use the term “global middle classes”—in the plural, as opposed to “class”—to highlight the diversity of this group: the middle class in Bangladesh looks very different from the German one. What is global about the rising middle class is that, however defined, the number of people with discretionary spending power is so large that the phenomenon has become global in scale. This also implies a shift away from the current situation, in which most of the world’s mass consumers are concentrated in a relatively small number of countries, to a more globally dispersed consumer class.

The size and characteristics of this middle class are a matter of some debate. The first broad types of definition are based on income or consumption<sup>2</sup> and can be divided into relative and absolute. Relative definitions include that of Easterly (2001), who defines the middle class as the population belonging to the second, third and fourth quintiles of the income distribution, and that of Birdsall *et al.* (2000), who include people earning between 75% and 125% of the median income in a country. Some recent research uses an absolute definition which includes in the middle class all those who are above a standard poverty line. For example, Banerjee & Duflo (2008) include in the middle class those whose daily per capita income is as low as between US\$2 and US\$4, while the ADB (2010) uses a larger bracket (US\$2–20).<sup>3</sup> Kharas (2010) uses a higher threshold, defining the middle class as people in households with daily expenditures between US\$10 and US\$100, and Ravallion (2009) uses a hybrid approach which defines the middle class as those in households with daily expenditures between US\$2—the median value of the poverty line of 70 countries—and US\$13—the poverty line of the USA. A recent study by Goldman Sachs puts the bar slightly higher by using an income bracket of US\$6000–30 000 per person per annum (around US\$16–82 per day) to define a middle class (Wilson & Dragusanu, 2008).

Most of the economic definitions described above agree on the fact that the new global middle classes are quantitatively different from the middle classes of high-income countries. This is not only because the income brackets are much lower (an income of US\$2–4 per day would be considered well below the poverty line in the USA or Western Europe), but also because these new middle classes are emerging in very different social and political contexts.

A key feature of the middle classes in developing countries is their internal diversity. These classes appear to be composed of at least two different groups: one is firmly established in middle-class jobs and behaviour (the “old” middle class), while the other one (or “new” middle class) periodically or continuously risks falling back into relative poverty. For the most part, the new middle class is only slightly above the poverty line, and the boundary between being poor or middle class may be tenuous; those whose incomes are at the threshold are vulnerable to moving out of the middle class—and back into poverty—in the case of economic crisis (Birdsall *et al.*, 2000; Ravallion, 2009). Furthermore, the (small) disposable income of the new middle classes may not be enough to change consumption patterns radically, so the consumer habits of the members of the emerging middle class may actually be very similar to those of poorer consumers. Rather than an income difference, what appears to set the new middle class apart from the poor is the predominance, among the former, of stable, salaried employment (Banerjee & Duflo, 2008).

In sum, the emerging global middle class—a significant proportion of which is located in the Rising Powers—is characterized by its heterogeneity. It is distinct from the middle classes in advanced economies not only in terms of income, but also in the sense that its members are not—either behaviourally or economically—very far from poverty. We shall explore the implications of these particular traits in the following sections.

### 3. Consumer Behaviour in the Rising Powers: Convergence or Divergence?

The emergence of global consumer classes is likely to have far-ranging repercussions on global production and consumption patterns. The exact nature of those repercussions will depend, to a great extent, on how those consumers behave. Will consumer behaviour in emerging economies become more like what we see in rich nations today? Are consumers likely to demand the same sorts of thing—and, more importantly, will their motivations to do so become more homogeneous? Are we likely to see a convergence towards what has been called a “global consumer culture” (Alden *et al.*, 1999; Merz *et al.*, 2008)? An underlying assumption of this idea is that economic liberalization, telecommunications technologies and international brands create a consumer class that responds to similar stimuli and motivations, largely based on Western ideas of pleasure, success, style, taste and so on.

One of the difficulties with investigating such broad trends is that consumption behaviour is influenced by many different variables. An exhaustive review of the abundant literature on consumer behaviour is beyond the scope of this paper (see Hoyer & MacInnis, 2008 for a review), but for our discussion it suffices to note that consumption behaviour depends both on material possibilities—for example as measured by income—and on a host of sociocultural factors (Maheswaran & Shavitt, 2000). On the one hand, consumer behaviour has what we might call a rational dimension: this refers to the conscious decision-making based on a balancing of the costs and benefits of any particular action on the basis of the available information. In this rational dimension, price is a crucial constraint on consumer decisions.

On the other hand, there is what has been called an emotional dimension. It has been well established that people do not make entirely rational decisions, but that they rely on experience and on rules of thumb (Kahneman, 2003), and that their choices are often guided by emotion (Akerlof & Shiller, 2010). Thus, price is not the only factor taken into

consideration by consumers when making purchases. Context—i.e. the cultural, social, political and physical universe within which decisions are made—shapes the psychological constraining (or enabling) factors of consumption.

The surge in the global middle classes must thus be seen both as an economic transformation involving an increase in purchasing ability and discretionary income, and as a sociocultural transformation involving a change in beliefs, attitudes, norms and motivations. Recent and current growth patterns are signs of the first of these transformations: the available evidence points to substantial increases in per capita income in most developing countries, and projections suggest that the trend will continue—and extend to other countries—in the foreseeable future (Kharas, 2010). However, the second issue—that of sociocultural change, including consumer attitudes and motivations—is understood to a much lesser extent, and the projections in this regard are much more contentious. Research from diverse disciplines appears to show evidence of *both* an increased Westernization of lifestyles worldwide and the increased resilience of local cultures (Cleveland *et al.*, 2007). How exactly is this interaction between income and sociocultural context likely to play out?

There is no question that consumption patterns change with increased wealth. The composition of expenditures tends to shift from basic to discretionary goods, and usually these changes become expressed first in food-consumption patterns. First, the proportion of income dedicated to food decreases as income increases (the so-called Engel's Law). Second, food expenditures tend to shift from a predominance of cereals and starchy tubers towards meat, fruits, vegetables and processed food. This dietary transition is already well under way in Latin America and many parts of Asia. Consumption of meat and dairy products in developing countries has been rapidly catching up with levels seen in industrialized nations, and the projections suggest that countries currently classified as developing will become the largest consumers of animal protein within the next 20 years (Bruinsma, 2009).

Some of these changes are happening in China, India and Brazil faster, and on a larger scale, than anywhere else. A recent report on consumer expenditure in China, based on National Bureau of Statistics data, shows that consumption for all income groups in China has shifted markedly away from food and towards housing, transport and other discretionary items such as recreation, education and clothing (Hansakul, 2010). A similar shift towards greater discretionary spending as a result of rising income has also been recorded in India. For example, food and beverages accounted for 56% of all expenses in the average household in 1990, but this share had dropped to 42% in 2005 and is expected to drop further to 34–25% by 2015 and 2025, respectively. There are signs that the tipping point towards discretionary consumption is occurring at lower income levels there than in other countries (Beinhocker *et al.*, 2007). Similar trends towards discretionary spending on a very large scale have been seen in Brazil. The share of total food consumption by the urban middle- and low-income segments jumped from 51% to nearly 70% over the period of 1995–2005 (Calicchio *et al.*, 2007). A recent survey found that almost 80% of the respondents, women from all income levels in several Brazilian cities, spend considerable amounts of time and resources shopping for clothing, and their main concern is fashion, not functionality (Artigas & Calicchio, 2007).

While the general contours of these patterns are clear, the underlying motivations are not. Do these trends point to an inevitable Westernization of consumption, as posited by those who see a convergence towards a global consumer culture? One problem with

answering this question is that consumer behaviour is often inferred from aggregate consumption data—such as sales of TV sets or cars—but there is relatively little information about the actual changes in consumers' values and preferences (de Mooij, 2000), particularly in developing countries (Steenkamp, 2005). There is, for example, nothing obvious about the fact that diets tend to shift from simple cereals to meat as people become richer. Underlying this change is a complex interplay of increased wealth and a host of social, cultural and emotional changes.

Most of the current research on consumer behaviour has abandoned simplistic notions of an inevitable convergence towards a Western consumption culture. While most scholars observe powerful forces of cultural change operating through communications media, mass advertising and the aggressive expansion of global brands, they also emphasize that these changes interact with specific national and local conditions. Materialism and consumerism appear to be consistent features of human societies across cultures, but the ways in which they are expressed vary considerably (Belk & Costa, 1998; Cleveland *et al.*, 2007). China's rather idiosyncratic consumer culture offers an illustrative example. Some features of Chinese consumerism—such as the interest in home ownership and home improvement—are akin to the consumer culture of the USA, but, like Europeans, the Chinese tend to live much more densely than US citizens, and the use of personal vehicles is much more restricted (Stein, 2009). Moreover, while conspicuous consumption is a common way of signalling “graduation” into the consumer class, Chinese consumers continue to be pragmatic buyers, going to great lengths to find a good bargain (Atsmon *et al.*, 2010). In all, cross-cultural research suggests that there is both convergence and divergence, both homogenization and differentiation, in consumer cultures around the world (Ger & Belk, 1996; Cleveland *et al.*, 2007; Merz *et al.*, 2008; van Ittersum & Wong, 2010).

A major limitation of the existing research in applied fields like marketing and consumer-behaviour research is that, while implicitly claiming universal validity, it is based on a highly skewed sample of the human population—what Henrich *et al.* (2010) call WEIRD (Western, educated, industrialized, rich and democratic) people. Therefore, it is of critical importance to develop a better understanding of how and why consumer behaviour among new middle classes of consumers from the Rising Powers might diverge from behaviour in the Western world.

One useful approach to the systematic study of how cultural differences shape consumer behaviour is Geert Hofstede's model of cultural dimensions (Hofstede, 1980). A widely investigated aspect of culture associated with consumption is the degree of collectivism, which is seen as typical of poorer societies, versus individualism, which is seen as prevailing in richer countries. Does increased wealth imply a shift from collectivist to individualist societies? The evidence suggests a complicated picture that does not lend itself to easy generalizations. Academic and marketing research indicates that urban consumers in the coastal regions of China are more Westernized than those in the inland regions, and that consumption patterns show a clear transition from collectivist to individualist values (Xin-an *et al.*, 2008; Atsmon *et al.*, 2010). At the same time, there is evidence of some cultural traits that endure despite increased income and Westernization. For example, consumers in Shenzhen and Tianjin have markedly different levels of Westernization, but respondents from both cities showed similar preferences for cooking at home, taking time to cook and buying fresh food from street stalls (as opposed to hypermarkets) (Ho & Tang, 2006). Similarly, a study comparing the relationship between preference and choice among wealthy students in the USA and India indicated that, while



subjects in the USA made choices based solely on their personal preferences (demonstrating, in other words, individualism), their Indian counterparts factored in other concerns, such as the desires and expectations of their social and family peers (Savani *et al.*, 2008). As de Mooij (2000) suggests, instead of being a homogenizing force, rising incomes might have the effect of letting people express their own cultural differences more fully.

In short, while it is relatively clear that consumption patterns change as incomes increase, with regard to the motivational and cultural dimensions of that change the picture is much less clear. Two broad conclusions can be drawn from the above discussion. First, the tipping point towards discretionary consumption appears to be reached at lower income levels in emerging economies. This means that what is traditionally considered to be middle-class behaviour (for example the consumption of non-basic goods) occurs within a much wider income bracket in developing countries than it does in rich countries. This observation highlights the income diversity of the rising global middle class. The second conclusion is that, while there is a strong Western bias in the research about consumption behaviour (and human psychology in general), what we know about non-Western consumers indicates that consumer behaviour and motivation will not simply converge. This points to the motivational and behavioural diversity of the new middle classes.

#### 4. The Middle Classes and Responsible Consumption

Responsible (or ethical) consumption adds an additional layer of complexity to the issue of convergence or divergence discussed above. Multiple definitions of ethical and responsible consumption exist (see Peattie, 2010). These terms are often used to refer to slightly different things, but here we use them interchangeably to refer to the decisions about the purchase of goods and services that involve a claim about concern with social equity, environmental sustainability or both. We make no assumptions about the veracity of such claims. There is an active debate about their actual effect, and the extent to which decisions are based on adequate characterization of the origin of raw materials, freedom of association, workers' salaries, the absence of child labour and so on (Barrientos & Smith, 2006). What concerns us here is only that these claims to social justice or sustainability are made, that the consumer is aware of them and that someone purchases the product in the marketplace because he or she is sufficiently confident that these claims are legitimate.

Empirical research suggests that goods which make such claims to environmental or social responsibility tend to be more expensive (for example de Pelsmacker *et al.*, 2005; Oberholtzer *et al.*, 2005). The logic is that the costs of paying better salaries, improving working conditions or investing in machines that cause less pollution are in part passed on to the customer in the form of higher prices (although this assumption has been questioned, for example, by Locke & Romis, 2010). Thus, the existence of ethical or responsible behaviour involves a rather enigmatic situation from a purely economic point of view: a consumer puts up with an immediate cost (commonly the payment of a higher price) in exchange for the rather abstract—and at best long-term—benefit of contributing to a larger cause (McCarty & Shrum, 2001). Furthermore, environmental and especially social attributes are, for the most part, invisible to consumers (Goswami, 2008). Why do they do it, then? People receive both personal and social (non-monetary) benefits—such as avoiding guilt about environmental degradation or the pleasure of being seen as a good citizen by one's peers—which may compensate for the costs (Starr, 2009).

Ethical consumption has become increasingly important in rich countries (Elliott & Freeman, 2001), and the market share of broadly defined ethical products (including organic and fair trade food) has grown substantially in the last two decades (Carrigan & de Pelsmacker, 2009). While the growth of this market segment is undeniable, one of the most intriguing aspects of responsible consumption is the well-known difference between what people say about their ethical beliefs and motivations, on the one hand, and their actual behaviour in the marketplace, on the other. There is substantial evidence of this attitude–behaviour gap (de Pelsmacker *et al.*, 2005; Basu & Hicks, 2008; Bray *et al.*, 2010), and a considerable amount of recent research has aimed to quantify and understand it—or, as Auger *et al.* (2003) put it, “to determine [ . . . ] whether or not consumers are little more than ‘arm chair’ ethicists” (p. 285).

There is overwhelming evidence from polls, surveys and qualitative research that consumers care about social and environmental issues. How this concern is translated into consumption is much more complex, because ethical or responsible behaviour means different things to different people, and the ways of acting on those concerns are extremely varied (Moisander, 2007). One often used way of gauging the environmental or social commitment of consumers is to measure their willingness to pay extra for such ethical concerns. Recent work suggests that consumers are willing to pay a significant amount of money for social and environmental attributes (de Pelsmacker *et al.*, 2005), and that the size of this premium depends on specific attributes of the product, such as biodegradability or the absence of child labour in its production (Auger *et al.*, 2003), and on the amount of information available to them regarding the specific impact of their purchase (Basu & Hicks, 2008), among other things.

This willingness to pay, however, does not always translate into actual purchases. Rates of responsible consumer behaviour (i.e. purchases) are around 10 times lower than the willingness-to-pay that is stated in surveys or experiments. One possible reason is purely methodological: respondents might overstate the extent of their ethical concerns to avoid making a bad impression on the researchers. Other intervening factors which may explain why there is a gap between stated and actual preferences include higher prices and the lack of direct personal repercussions from (un)ethical consumption (Bray *et al.*, 2010).

#### 4.1. Responsible Consumption in Rising Powers

Responsible or ethical consumption in Rising Powers—and in developing countries more broadly—is an under-researched topic. Because it can carry an extra cost, responsible consumption is often considered to be a luxury available only to wealthy people and rich countries (Auger *et al.*, 2010). This assumption has its roots in Maslow’s (1943) influential work on the hierarchy of human needs. This model suggests that human needs form a pyramid in which the fulfilment of higher needs is predicated on the fulfilment of underlying ones. At the bottom are basic material needs such as food and shelter, which ensure subsistence. Only after these are met humans can begin to pursue other needs related to spiritual and emotional well-being. Maslow’s model makes a strong assumption about the relationship between material possibilities and human needs.

The point of departure of our analysis of responsible consumption in Rising Powers is that theories such as Maslow’s “reflect the culture of origin of the designers of these theories” (de Mooij & Hofstede, 2011, p. 186) but that they cannot be generalizable for the whole human population. The available evidence suggests that assumptions about why and

how responsible consumption occurs in rich countries cannot be transplanted automatically to the developing world. As we show below, there is a great diversity of attitudes and behaviours regarding consumption in developing countries; there is no simple model to predict how these change as material needs are increasingly met. What has been termed responsible consumption has been largely understood in the light of consumption in rich countries, but there is nothing to suggest that people in developing countries are less prone to consume sustainably simply because they have less money. Income is one important variable to explain different consumer preferences, but cultural, social and political differences matter too. Whether the preferences and actions of consumers in developing countries turn out to be different from those in rich countries is something that needs to be carefully demonstrated empirically, rather than assumed as a matter of fact.

The little research devoted to the ethical behaviours of consumers in developing countries suggests that ethical concerns—and behaviours—are much more important than previously thought (see Peattie, 2010). Obviously, the prices of ethical products can be a barrier to access, but the evidence suggests that, in some situations, poor consumers too are willing to pay—and, crucially, do pay—a premium for ethically produced goods. As in the case of richer consumers (and richer countries), willingness to pay and actual purchasing behaviour may be two very different things.

Concern for the environment and for social issues is not exclusive to rich people or rich countries (Martínez-Alier, 2005). Recent literature which carefully explores consumers' attitudes and motivations concerning environmental and social issues in a cross-culturally explicit way suggests very clearly that this concern exists elsewhere. A survey of relatively wealthy and well-educated middle-class consumers in urban China found that “protecting the environment” was an important factor affecting consumption decisions, even more important than variables such as price, brand and fashion (but not quality) (MasterCard Worldwide Insights, 2007).

In another study, Auger *et al.* (2010) comparatively examined the role of social and environmental attributes in consumer purchases in Germany, Spain, Turkey, India, South Korea and the USA. Even though the sample was drawn from what was considered to be the typical middle class in each of the countries, the authors had expected that consumers from wealthier countries would attribute more importance to ethical attributes than consumers from developing countries would. While this was generally true, the effect was slight; moreover, a significant fraction of consumers in India and Turkey (which are poorer than the other countries in the sample) showed concern for both the social and environmental issues embodied in their purchases. A separate study of consumer preferences for garments with eco-labels (i.e. garments that claimed to be produced using environment-friendly textiles and dyes) among urban middle-class buyers in India (Goswami, 2008) found that consumers have different degrees of interest in these types of certification. However, a large proportion of those sampled (around 85%) indicated that they would be willing to pay extra for environmentally certified garments. In a study of green consumption in Malaysia, Mohamed & Ibrahim (2007) found that, among a sample of middle-class urban consumers, the majority (around 60%) of the respondents said that they would not pay a premium for environmentally certified wood products, but a considerable portion (39%) said that they would; 32% of the respondents said that they would be willing to pay, on average, a 14% premium for environment-friendly products. Pro-social concerns and behaviours have also been found among poorer consumers.

For example, at least 40% of the subjects who participated in a study of firewood consumption in rural Guatemala paid a price premium for ethically (i.e. legally) sourced wood (van Kempen *et al.*, 2009). A survey of more than 800 urban consumers in Brazil found that, while wealthier people tended to be both more concerned and more active with regard to social and environmental consumption, at least one-third of poorer consumers expressed such concerns and behaviours as well (Instituto Akatu & Instituto Ethos, 2007).

The evidence suggests, then, that consumers are at least in principle willing to consume responsibly, quite aside from their socio-economic status. As in rich countries, there is a gap in developing countries between ethical attitudes and actual behaviour, but so far the research is too limited to assess whether the reasons for this gap, or its size, differ from those in rich countries. There is also insufficient information for a systematic assessment of what factors shape stated or actual preferences for responsible consumption in developing countries (Peattie, 2010). Until now we have used broad notions such as preferences and motivations, but it is still unclear what or who is shaping these preferences. One good candidate is culture—a term that, we are quick to clarify, we use with caution. For example, the widespread positive attitude towards environmental issues in China appears to be rooted in the traditional Chinese view of the importance of a harmonious relationship between humans and nature (Chan, 2001). However, when it comes to purchasing behaviour, Chinese buyers show their pragmatism and are not generally willing to change their consumption behaviour unless the negative consequences affect them directly (Harris, 2006). Similarly, consumption patterns have been shown to be different in societies where Hofstede's (1980) "dimensions of national culture" prevail (see de Mooij & Hofstede, 2011). The effects of culture on responsible consumption are, however, difficult to assess. For example, it is conceivable that members of more collectivist cultures would be more prone to pro-social or pro-environmental behaviour than members of individualist cultures, because they value being perceived as good citizens by their peers. On the other hand, in individualist cultures people are more likely to use objective information to make choices, and this could lead to more responsible consumption.

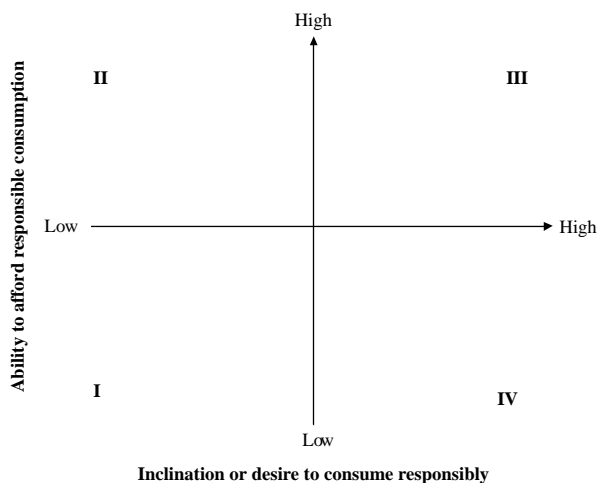
Broader sociopolitical factors, such as the relationship between civil society and the state, can also play a role in shaping responsible behaviour (Barnett *et al.*, 2005). In rich countries it is more or less assumed that the state acts independently in the public interest, that regulations matter and that they are enforced. Strong consumer protections in Western Europe and North America emerged during the second half of the 20th century precisely as a way of shifting the risks of consumption from the consumers to the state and (through regulation) to the private sector—a change which created what Trumbull (2006) has called "consumer capitalism". This shift implied both an increasingly organized and well-educated civil society, and responsive public institutions. Neither of these preconditions can be assumed in the Rising Powers, or generally in developing countries. Trust in the regulating power of the state is uneven, sometimes with good reason, so individual consumers resort to other ways to reduce uncertainty. In many cases they rely on informal networks of trust and kinship, such as knowing that the local grocer is a friend of the family. Brands are another very important way for consumers in developing countries to reduce uncertainty. Some brands are intensely sought after, not only because they signal certain consumption status and thus improve social recognition, but also because they are a guarantee of quality—an especially important feature for buyers whose funds are limited (Auger *et al.*, 2010).

These different configurations of the relationship between consumers and the state are likely to have important repercussions for responsible consumption. Where consumers are not sufficiently well organized, or the state is too weak to enforce consumer demands, pro-social and pro-environmental consumption behaviours may take unforeseen forms. For example, the apparent lack of green consumers in China may have to do with the fact that consumers do not trust the environmental claims of the products that are available, and that there is a wide perception that the government and businesses—rather than consumers—should be more responsible (Chan, 1999). We explore this issue further in the following sections.

#### 4.2. A Model for the Study of Responsible Consumption in Rising Powers

As discussed above, consumer behaviour is influenced by both material and cultural factors. To address the question of ethical consumption in developing countries in a way that makes these factors visible and easier to study systematically, we propose the simple model below. We suggest that responsible consumer behaviour can be construed as the intersection between *willingness to consume responsibly*—whether a consumer has a preference for sustainable products—and *purchasing ability*—whether he or she has enough income to express those preferences (see Figure 1). The vertical axis in the figure (ability to afford responsible consumption) is based on objective measures such as income. The horizontal axis (willingness or desire to consume responsibly) is much more controversial, as ethical concerns emerge from many different sociocultural factors. However, we are using this variable here as a proximate cause which may push someone towards buying an environmentally or socially sustainable product.

The different levels of income and willingness create a space of possible responsible consumer behaviours. The two axes of variation divide the diagram into four quadrants, which represent extreme or idealized versions: the bottom-left quadrant (I) represents consumers who are neither driven to behave responsibly nor able to afford the extra expense. Consumers in quadrant II have enough disposable income to afford higher prices



**Figure 1.** A simple model to analyse responsible consumption in developing countries.

but are not particularly inclined towards consuming in a responsible way. In quadrant III we should find the highest degree of responsible consumption, given that consumers here are both driven towards sustainability and can afford the higher costs. Finally, consumers in quadrant IV are concerned about social and environmental issues but do not have enough disposable income to act on those concerns.

Some actual behaviours are more likely or better understood than others. Most of what we know tends to cluster along the top-right to bottom-left diagonal. This is not unexpected: value is the main motivation for consumption among those with lower incomes, because of limited purchasing ability and concern with meeting basic needs. At the higher end of the income scale, there are fewer budgetary constraints, so consumption is more likely to be guided by concerns about self-realization and personal pleasure.

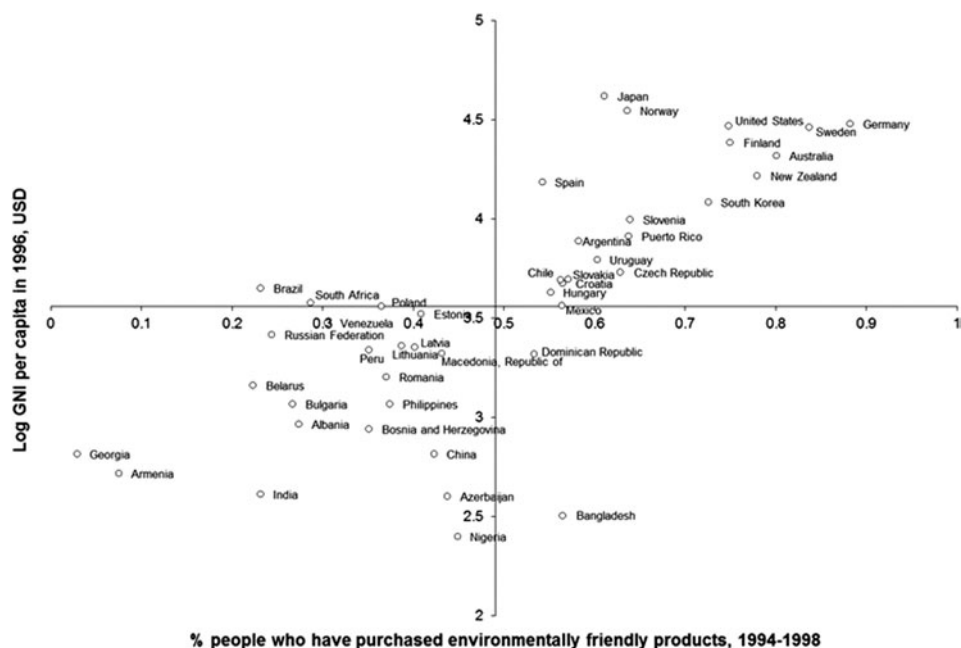
A preliminary application of the model yields interesting results, even though it uses countries as units of analysis, instead of consumers or groups of consumers. Using the latest data available from the World Survey of Values ([www.worldvaluessurvey.org](http://www.worldvaluessurvey.org)), we examine the relationship between income and environmentally responsible consumption. Figure 2 shows the relationship between the countries' income levels and the respondents' stated willingness to pay a premium for environmental products. In line with the findings discussed above, we can see that there is a very wide dispersion across the graphical space, meaning that there is no obvious correlation between environmental concern and income.

The situation regarding actual environment-friendly behaviour is somewhat different (Figure 3). The graph shows income versus the percentage of respondents who said that they had purchased environment-friendly products. Here, we see that the points tend to



**Figure 2.** Stated willingness to make green purchases versus income.

Source: Own calculations, based on data from the World Survey of Values ([www.worldvaluessurvey.org](http://www.worldvaluessurvey.org)) and the World Bank online database.



**Figure 3.** Effective green purchases versus income.

Source: Own calculations, based on data from the World Survey of Values ([www.worldvaluessurvey.org](http://www.worldvaluessurvey.org)) and the World Bank online database.

cluster along a diagonal line that goes from bottom-left to top-right, suggesting an income effect. This is what we would expect if environment-friendly products carried a price premium.

In sum, the above discussion and the preliminary application of our simple model highlight two basic points. First, there is a gap between consumer intention and actual behaviour. Even though the data on actual behaviour are scant (especially in developing countries), the proportion of people who admit interest in or concern for social and environmental issues tends to be much higher than the proportion of those who actually act on those concerns. Second, while income does not have a deterministic effect on people's ability to consume responsibly, the data suggest that the relationship is non-random. At the level of both consumers and countries, higher incomes appear to be related to more actively pro-social and pro-environmental consumer behaviour. In the following section, we take these insights further and discuss their implications for the nature of private standards.

## 5. Standards and Responsible Consumption

The changing face of consumption in the Rising Powers and across the developing world is likely to influence how firms organize production and, as a result, the scope and content of private standards. The aim of this section is to address this relationship, and to use the simple model that we developed above as a systematic way to study the implications for standards of the rising global middle classes. The importance and functioning of private

standards are discussed at length in the introductory article to this special issue; here, we focus on the role of consumers as agents that have a role in shaping private standards.

Before we discuss the problem of new mass middle-class consumers and standards in developing countries, we should ask what the experiences in the West tell us. Several groups of actors shape the form and content of private standards. For example, firms demand standards from their suppliers to ensure the quality and reliability of their production processes; governments set standards to protect the public's health and safety (Kaplinsky & Farooki, 2010). Consumers have played a key role in this process—particularly in Europe and North America in the post-war period—in two broad ways: through their individual purchasing behaviour and through organized mobilization which exerts pressure on other public or private stakeholders. While the emphasis of this paper has been on the first of these roles, there are limits to the power of consumers to alter corporate behaviour through their purchasing decisions alone. The pressure exerted by NGOs, consumer advocacy groups and other forms of civil-society mobilization is crucial to effect changes towards more socially responsible behaviour (O'Rourke, 2008). Research suggests that many of the successful movements that have changed corporate behaviour and forced the establishment of more stringent social standards have required institutional-level pressure by civic organizations and the state (Seidman, 2003; Bartley, 2007).

In practice, the behaviour of individual consumers—expressed primarily through their purchasing decisions—and the activities of organized civil society are complementary. As Elliott & Freeman (2001) put it,

The *sine qua non* of activist efforts to improve labor standards around the world is that consumers care about the conditions of the workers who make the items they consume. If consumers do not care or do not associate the conditions with their consumption, human rights vigilantes could not pressure firms to improve working conditions. (p. 2)

According to this view, activists must identify “latent” demands by consumers and then use them to create specific actions (or the threat of actions) that may eventually lead to social change. The process is highly contested and difficult, but there are several examples of success stories (O'Rourke, 2008).

To understand how and why consumers can push firms to self-regulate—which is, in essence, what private standards imply—it is necessary to understand that standards play two key functions for firms. First and foremost, standards carry information about quality and other attributes to the consumer; this enables firms to differentiate their products from those of other firms, allowing them to carve out market share (Henson & Humphrey, 2010). Second, and as a result, standards are a means for firms to differentiate their products and protect the reputation of their brands.

The second one of these functions assumed particular prominence during a series of scandals in the early 1990s which threatened to damage the brands of major corporations in the USA. Such scandals included allegations about a lack of environmental sustainability (such as deforestation or pollution) and social irresponsibility (the use of “sweatshops” and child labour). While the actions of these corporations were not strictly illegal, the potential effects of these negative perceptions prompted several of them to quickly adopt means of self-regulation (Seidman, 2003). Consumer pressure and mobilization played a key role in this change in corporate behaviour (O'Rourke, 2008). A vociferous—if relatively small—

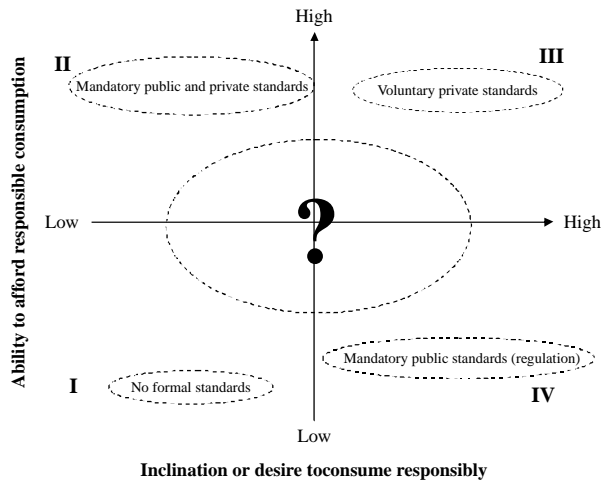


group of consumers called attention to these practices, and spurred an ongoing process of negotiation between firms and consumers, including the establishment of verification mechanisms in the form of third-party certification schemes (Bartley, 2007).

Brand protection continues to be a key part of private standard setting by firms. This is especially due to the fact that consumers appear to be much better at punishing corporations for perceived misdeeds than rewarding them for socially responsible behaviour (Seidman, 2003). However, importantly, firms pursue private standards in order to succeed in an ever more competitive market (Henson & Humphrey, 2010). Standards are a means to reach consumers who are more sophisticated and better informed than ever before. Private standards allow firms to convey very specific information about the attributes of a product. Independent certification that lends credibility to such information is thus crucial—particularly in the case of labour standards, which, as we discussed earlier, cannot be deduced from the physical end product.

In rich countries, the development of regulations that ensured quality and safety for consumers—transferring the responsibility for this to the firms—was the result of organized consumer pressure and effective state action (Trumbull, 2006). As we noted earlier, neither of the two can be assumed in developing countries. Organized consumer mobilization is still relatively weak, and the role of NGOs is much more muted, particularly in China. In addition, the state in developing countries is generally much less able to propose and enforce regulations of the production process. These characteristics do not apply universally to developing countries; and, as we have insisted earlier, the future configurations of consumer demands and state responses are not likely to follow an inevitable direction. There are, in addition, two other factors which complicate the picture of private standards and consumers in developing countries. First, the emphasis of the theory (for example Jenkins, 2001; Bartley, 2007) is on transnational value chains, but a key feature of the phenomenon of a surging global middle class is the development of extensive domestic markets, particularly in China and India. It is unclear if private standards as they currently exist (i.e. conceived to guarantee certain attributes to consumers located primarily *away* from the centres of manufacture) will be transplanted, modified or replaced by something different—or nothing at all—as trade within Rising Powers becomes more important. Kaplinsky & Farooki (2010) are not optimistic: they contend that relatively low incomes and weak state institutions in developing countries are not likely to be conducive to the development of private standards. Second, as we have seen, current theory and evidence about responsible consumption in developing countries is largely biased towards branded products. But these products, while important, represent only a fraction of the conceivable universe of goods that are available for consumers in developing countries; here, only a relatively small subset of local firms has recognizable brands or a reputation to protect.

Consumer behaviour and income are likely to be important factors shaping private standards in Rising Powers and other developing countries, just as they were in the West—even if we do not know what the outcome will be. In the remaining part of this section, we use the simple model developed above to explore some possible scenarios. This conceptual model (see Figure 4) allows us to locate likely types of standard adopted or formulated by producers within the spectrum of consumer behaviour and income. Obviously, the four spaces in the model provide only rough initial indications of what types of standard—if any—to expect in the different quadrants. Moreover, the more promising areas for future research might be at the intersections between the quadrants.



**Figure 4.** Relationship between consumer motivation and purchasing ability and its implications for standards.

Finally, the model is not based on an assumption about preferred or predicted processes of change that imply an “end of history” with one dominant quadrant.

Our present knowledge of consumers and private standards is clustered around the top part of the graph, i.e. the wealthier consumers; this is the site of Trumbull’s (2006) “consumer capitalism”. The types of standard that are likely to be found in this area are relatively well understood. At the top-left corner of the graph (quadrant II), we have mandatory public or private standards that apply regardless of people’s motivations. Their purpose is to ensure minimal levels of quality and safety, for example, with regard to food products. Because these standards are mandatory, firms do not expect to be able to profit from product differentiation based on particular social or environmental attributes. As we move towards the top right of the graph (quadrant III), more sophisticated and more diverse consumer demand is likely to be governed primarily by private standards. Here, nuanced market differentiation and catering to demands for specific attributes come on top of broader public regulation. Whether or not consumers opt for responsible consumption, and what types of standard are successful, depends on how the attitude–behaviour gap is resolved.

We know much less about the bottom end of the graph, which represents consumers with the lowest income. Towards the bottom left of quadrant I (low inclination and low income), we would not expect to find formally established standards. In this quadrant informality reigns, chains are fragmented (for example as in street food markets) and transactions are governed primarily by informal standards based on interpersonal trust, tradition or custom. While from a policy perspective the implementation of minimum social standards is most needed here, it is also most absent. Moving to the right towards quadrant IV, we find a high level of consumer awareness, combined with limited purchasing ability. With organized consumer mobilization, we would expect to find public standards playing a strong role. Governments, even though strapped for resources, are legitimized by consumers to implement regulations on the minimal acceptable level of social behaviour by firms. This scenario, while theoretically possible, is much harder to envision in the absence of a strong civil society and a developmental state.

But it is in the middle, with the big question mark, that we focus this paper. This is the space occupied by the new global middle classes. Their levels of incomes are not as high as they are in rich countries, but they are not poor either. Furthermore, as we have seen, their motivations and behaviour are diverse. The empirical evidence that we have examined suggests that people in the new middle classes are concerned with product differentiation and branding, even at relatively low levels of income. Within the conceptual space of our model, consumer demand in the Rising Powers is likely to be transitioning from one quadrant to the other—both horizontally and vertically. This dynamic situation is likely to be taking place not just within a group of consumers, but indeed within the individual purchasing decisions of each consumer.

Kaplinsky & Farooki (2010) argue that consumers in the Asian Rising Powers, due to their low incomes and relatively weak governments, will probably demand cheap, undifferentiated commodities, and that this will not be conducive to the widespread development of private standards. What we have attempted to show is that the picture is more diversified and requires empirical research. Our simple model can serve as a guideline for developing a more systematic research agenda to explore what types of standard are more likely to emerge, and where and when. It provides a sense of direction for empirical research on the significance of public and private standards, and for more likely interaction patterns. This could help to overcome one of the deficiencies of earlier research on the role of standards, which tended to investigate public and private standards separately, instead of exploring their different but often connected roles in development. For example, the model leads to two testable hypotheses: first, public social standards are more necessary when consumer decisions are more strongly based on price considerations, and second, private social standards can be more effective when consumer decisions are based on a higher inclination to consume responsibly, combined with the ability to afford such behaviour.

## **6. Conclusions and Hypotheses for Future Research**

Research on private standards has tended to focus on the firms and civil-society organizations that develop and implement them, and on the extent to which such standards affect issues such as labour conditions, freedom of association or environmental protection. Case studies typically display how subcontractors in developing countries manufacture or grow products that are subsequently marketed by lead firms with well-established brand names to target middle-class consumers in rich countries. Lead firms, and civil-society organizations that claim to speak on behalf of concerned consumers, are seen as the key actors in such case studies, with state actors in a more secondary role.

As a complement to this, our contribution has ventured into the rather uncharted territory of where and when the new middle classes in Rising Powers and other developing countries are likely to mobilize as socially responsible consumers. We argue that from a longer-term perspective, and with such profound changes in the numbers and characteristics of middle-class consumers in Rising Powers, we should not assume that the extent and content of socially or environmentally responsible consumer behaviour is more or less given. Drawing on the limited available research, we identify three main lines of enquiry.

First, responsible consumer behaviour by new middle-class consumers in Rising Powers is not likely to simply follow the same trajectory as that of middle-class consumers in rich countries. Two major issues are at stake here. First, existing research indicates that the tipping point towards discretionary spending is reached earlier in emerging economies.

Groups of consumers who are still poor by European or North American living standards, but who can be positioned at the higher end of the lower income strata in Rising Powers, tend to exercise aspirational motivations in their consumption behaviour. Second, we know very little about the extent to which (part of) this discretionary spending will be used for more responsible or ethical consumption. Existing research into consumer behaviour focuses almost exclusively on Western consumers. In order to gain a better understanding of where and when responsible consumer behaviour is more likely to become significant, research is needed on new middle-class consumers in the Rising Powers.

A second line of enquiry explores the differences and interaction patterns between different types of labour standard. Also, because production and consumption take place simultaneously in the Rising Powers, it is becoming increasingly pertinent to investigate where and when private and public standards play different or complementary roles in pushing for socially responsible behaviour by firms and consumers. We have proposed a simple model for consumers in the Rising Powers, regarding the inclination to consume responsibly and the ability to afford responsible behaviour. This model leads to two hypotheses for further research. First, public social standards are more necessary when consumer decisions are more strongly based on price considerations. Second, private social standards can be more effective when consumer decisions are more strongly based on aspirational considerations, in the case of consumers who can afford such considerations.

The third line of enquiry focuses on the roles of consumer activists, civil-society organizations and other change agents in mobilizing the latent social concerns of new middle-class consumers. A key issue here is to what extent earlier models of mobilization can be used as sources of inspiration for new approaches oriented towards new middle-class consumers in Rising Powers.

Put together, these three lines of enquiry can provide a clearer perspective on the role of consumers in enhancing responsible consumption through private standards. Moreover, this can then be systematically linked to where and when public regulation is needed to ensure a minimal acceptable level of firm behaviour on labour and environmental issues. At the lower levels of income, the reach of private standards in Rising Powers is likely to remain very limited (Mayer & Gereffi, 2010), and states will inevitably need to play an active and important role in enhancing responsible consumption. But as incomes rise, the multiple types of interaction between consumers, firms and the state are likely to offer a fertile and exciting ground for research and action on private standards.

## Notes

<sup>1</sup> We use the definition of “Rising Powers” as set out in the Introduction to this special issue, namely as “the emerging economies, in particular, but not least, China, India and Brazil, whose economic dynamism has begun to transform the contours of the global economy”.

<sup>2</sup> In many developing countries, income is difficult to establish for poor households, so consumption or expenditures are used as proxy variables.

<sup>3</sup> All US dollar values cited here are in Purchasing Power Parity.

## References

- ADB (2010) *Key Indicators for Asia and the Pacific 2010* (Manila: ADB).  
 Akerlof, G. A. & Shiller, R. J. (2010) *Animal Spirits: How Human Psychology Drives the Economy, and Why It Matters for Global Capitalism* (Princeton, NJ: Princeton University Press).

- Alden, D., Steenkamp, J. E. & Batra, R. (1999) Brand positioning through advertising in Asia, North America, and Europe: the role of global consumer culture, *Journal of Marketing*, 63, pp. 75–87.
- Appiah, K. A. (2010) *The Honor Code: How Moral Revolutions Happen* (New York: W.W. Norton).
- Artigas, M. & Calicchio, N. (2007) Brazil: fashion conscious, credit ready, *McKinsey Quarterly*, 4, pp. 76–79.
- Atsmon, Y., Dixit, V., Magni, M. & St-Maurice, I. (2010) China's new pragmatic consumers, *McKinsey Quarterly*, 4, pp. 1–13.
- Auger, P., Devinney, T. M. & Louviere, J. J. (2003) What will consumers pay for social product features? *Journal of Business Ethics*, 42(3), pp. 281–304.
- Auger, P., Devinney, T. M., Louviere, J. J. & Burke, P. F. (2010) The importance of social product attributes in consumer purchasing decisions: a multi-country comparative study, *International Business Review*, 19(2), pp. 140–159.
- Banerjee, A. V. & Duflo, E. (2008) What is middle class about the middle classes around the World? *Journal of Economic Perspectives*, 22(2), pp. 3–28.
- Barnett, C., Cloke, P., Clarke, N. & Malpass, A. (2005) Consuming ethics: articulating the subjects and spaces of ethical consumption, *Antipode*, 37(1), pp. 23–45.
- Barrientos, S. & Smith, S. (2006) *Evaluation of the Ethical Trading Initiative* (Brighton: IDS).
- Bartley, T. (2007) Institutional emergence in an era of globalization: the rise of transnational private regulation of labor and environmental conditions, *American Journal of Sociology*, 113(2), pp. 297–351.
- Basu, A. K. & Hicks, R. L. (2008) Label performance and the willingness to pay for fair trade coffee: a cross-national perspective, *International Journal of Consumer Studies*, 32(5), pp. 470–478.
- Beinhocker, E., Farrell, D. & Zainulbhai, A. (2007) Tracking the growth of India's middle class, *McKinsey Quarterly*, 3, pp. 51–61.
- Belk, R. & Costa, J. A. (1998) The mountain man myth: a contemporary consuming fantasy, *Journal of Consumer Research*, 25(3), pp. 218–240.
- Birdsall, N., Graham, C. & Pettinato, S. (2000) *Stuck in a Tunnel: Is Globalization Muddling the Middle Class?* Working Paper (New York: Brookings Institution Center).
- Blowfield, M. (2007) Reasons to be cheerful? What we know about CSR's impact, *Third World Quarterly*, 28(4), pp. 683–695.
- Bray, J., Johns, N. & Kilburn, D. (2010) An exploratory study into the factors impeding ethical consumption, *Journal of Business Ethics*, 98(4), pp. 597–608.
- Bruinsma, J. (2009) *The Resource Outlook to 2050: By How Much Do Land, Water and Crop Yields Need to Increase by 2050?* (Rome: Food and Agriculture Organization of the United Nations).
- Calicchio, N., Francis, T. & Ramsay, A. (2007) How big retailers can serve Brazil's mass-market shoppers, *McKinsey Quarterly*, 2, pp. 51–57.
- Carrigan, M. & de Pelsmacker, P. (2009) Will ethical consumers sustain their values in the global credit crunch? *International Marketing Review*, 26(6), pp. 674–687.
- Chan, R. (1999) Environmental attitudes and behavior of consumers in china, *Journal of International Consumer Marketing*, 11(4), pp. 25–32.
- Chan, R. (2001) Determinants of Chinese consumers' green purchase behavior, *Psychology and Marketing*, 18(4), pp. 389–413.
- Cleveland, M., Papadopoulos, N., Laroche, M., Berács, J., Hallberg, A., Elliott, S., Rojas-Mendéz, J. I., Solano, R. & Verma, B. (2007) Ethnic identity, consumer ethnocentrism, and materialism: an international exploration of convergence and divergence, *Proceedings of the Administrative Sciences Association of Canada Annual Conference*, 28(3), pp. 290–306, Ottawa.
- de Mooij, M. (2000) The future is predictable for international marketers: converging incomes lead to diverging consumer behaviour, *International Marketing Review*, 17(2), pp. 103–113.
- de Mooij, M. & Hofstede, G. (2011) Cross-cultural consumer behavior: a review of research findings, *Journal of International Consumer Marketing*, 23, pp. 181–192.
- de Pelsmacker, P., Driesen, L. & Rayp, G. (2005) Do consumers care about ethics? Willingness to pay for fair-trade coffee, *Journal of Consumer Affairs*, 39(2), pp. 363–385.
- Easterly, W. (2001) The middle class consensus and economic development, *Journal of Economic Growth*, 6(4), pp. 317–335.
- Elliott, K. & Freeman, R. B. (2001) *White Hats or Don Quixotes? Human Rights Vigilantes in the Global Economy* (Cambridge: National Bureau of Economic Research).
- Ger, G. & Belk, R. (1996) I'd like to buy the world a coke: consumptionscapes of the 'less affluent world', *Journal of Consumer Policy*, 19, pp. 271–304.

- Gereffi, G., Garcia-Johnson, R. & Sasser, E. (2001) The NGO industrial complex, *Foreign Policy*, 125, pp. 56–65.
- Goswami, P. (2008) Is the urban Indian consumer ready for clothing with eco-labels? *International Journal of Consumer Studies*, 32(5), pp. 438–446.
- Hansakul, S. (2010) *Understanding China's Consumers* (Frankfurt: Deutsche Bank Research).
- Harris, P. G. (2006) Environmental perspectives and behavior in China: synopsis and bibliography, *Environment and Behavior*, 38(1), pp. 5–21.
- Henrich, J., Heine, S. & Norenzayan, A. (2010) The weirdest people in the world? *Behavioral and Brain Sciences*, 33, pp. 61–135.
- Henson, S. & Humphrey, J. (2010) Understanding the complexities of private standards in global agri-food chains as they impact developing countries, *Journal of Development Studies*, 46(9), pp. 1628–1646.
- Ho, S.-C. & Tang, F. (2006) An exploratory investigation into the food-shopping attitudes and behavior of Chinese shoppers, *Journal of International Consumer Marketing*, 19(2), pp. 53–74.
- Hofstede, G. (1980) *Culture's Consequences: International Differences in Work-Related Values* (Newbury Park, CA: Sage).
- Hoyer, W. & MacInnis, D. (2008) *Consumer Behavior*, 5 edn (Mason, OH: South-Western).
- Instituto Akatu & Instituto Ethos (2007) *Responsabilidade Social das Empresas: Percepção do Consumidor Brasileiro. Pesquisa 2006–2007* (Sao Paulo: Instituto Akatu and Instituto Ethos).
- Jenkins, R. (2001) *Corporate Codes of Conduct: Self-Regulation in a Global Economy*, Technology, Business and Society, Programme Paper No. 2 (Geneva: United Nations Research Institute for Social Development).
- Kahneman, D. (2003) A perspective on judgment and choice: mapping bounded rationality, *American Psychologist*, 58(9), pp. 697–720.
- Kaplinsky, R. & Farooki, M. (2010) *What Are the Implications for Global Value Chains when the Market Shifts from the North to the South?* Working Paper No. 5205 (Washington, DC: World Bank).
- Kharas, H. (2010) *The Emerging Middle Class in Developing Countries*, OECD Development Centre, Working Paper No. 285 (Paris: OECD Development Centre).
- Knorrige, P. (2011) Value chain responsibility in the global south, in: S. M. Murshed, P. Goulart & L. A. Serino (Eds) *South–South Globalization: Challenges and Opportunities for Development* (London/New York: Routledge), pp. 194–208.
- Linnemann, A., Benner, M., Verkerk, R. & van Boekel, M. A. J. S. (2006) Consumer-driven food product development, *Trends in Food Science and Technology*, 17(4), pp. 84–190.
- Locke, R. M. & Romis, M. (2010) The promise and perils of private voluntary regulation: labor standards and work organization in two Mexican garment factories, *Review of International Political Economy*, 17(1), pp. 45–74.
- Maheswaran, D. & Shavitt, S. (2000) Issues and new directions in global consumer psychology, *Journal of Consumer Psychology*, 92(2), pp. 59–66.
- Martínez-Alier, J. (2005) *The Environmentalism of the Poor: A Study of Ecological Conflicts and Valuation* (New Delhi: Oxford University Press).
- Maslow, A. (1943) A theory of human motivation, *Psychological Review*, 50, pp. 370–396.
- MasterCard Worldwide Insights (2007) Dynamic drivers of China's consumer market – the middle class, modern women and DINKs (MasterCard and HSBC). Available at: <http://www.mastercard.com/us/company/en/insights/pdfs/2007/ChinaConsumerDrivers-S.pdf>
- Mayer, F. & Gereffi, G. (2010) Regulation and economic globalization: prospects and limits of private governance, *Business and Politics*, 12(3), article 11, pp. 1–25.
- McCarty, J. A. & Shrum, L. J. (2001) The influence of individualism, collectivism, and locus of control on environmental beliefs and behavior, *Journal of Public Policy & Marketing*, 20(1), pp. 93–104.
- Merz, M., He, Y. & Alden, D. (2008) A categorization approach to analyzing the global consumer culture debate, *International Marketing Review*, 25(2), pp. 166–182.
- Mohamed, S. & Ibrahim, M. L. (2007) Preliminary study on willingness to pay for environmentally certified wood products among consumers in Malaysia, *Journal of Applied Sciences*, 7(9), pp. 1339–1342.
- Moisander, J. (2007) Motivational complexity of green consumerism, *International Journal of Consumer Studies*, 31(4), pp. 404–409.
- Nadvi, K. (2008) Global standards, global governance and the organization of global value chains, *Journal of Economic Geography*, 8(3), pp. 323–343.
- Oberholtzer, L., Dimitri, C. & Greene, C. (2005) *Price Premiums Hold on as US Organic Produce Market Expands* (Washington, DC: US Department of Agriculture, Economic Research Service).

- O'Rourke, D. (2008) Market movements: nongovernmental organization strategies to influence global production and consumption, *Journal of Industrial Ecology*, 9(1–2), pp. 115–128.
- Peattie, K. (2010) Green consumption: behavior and norms, *Annual Review of Environment and Resources*, 35(1), pp. 195–228.
- Ponte, S. & Gibbon, P. (2005) Quality standards, conventions and the governance of global value chains, *Economy and Society*, 34(1), pp. 1–31.
- Ravallion, M. (2009) *The Developing World's Bulging (But Vulnerable) 'Middle Class'*, Policy Research Working Paper 4816 (Washington, DC: World Bank).
- Savani, K., Markus, H. R. & Conner, A. L. (2008) Let your preference be your guide? Preferences and choices are more tightly linked for North Americans than for Indians, *Journal of Personality and Social Psychology*, 95(4), pp. 861–876.
- Seidman, G. W. (2003) Monitoring multinationals: lessons from the anti-apartheid era, *Politics & Society*, 31(3), pp. 381–406.
- Starr, M. (2009) The social economics of ethical consumption: theoretical considerations and empirical evidence, *Journal of Socio-Economics*, 38(6), pp. 916–925.
- Steenkamp, J. E. M. (2005) Moving out of the US silo: a call to arms for conducting international marketing research, *Journal of Marketing*, 69(4), pp. 6–8.
- Stein, K. (2009) Understanding consumption and environmental change in China: a cross-national comparison of consumer patterns, *Research in Human Ecology*, 16(1), pp. 41–49.
- Tirole, J. (1988) *The Theory of Industrial Organisation* (Cambridge, MA: MIT Press).
- Trumbull, G. (2006) *Consumer Capitalism: Politics, Product Markets, and Firm Strategy in France and Germany* (Ithaca, NY: Cornell University Press).
- van Ittersum, K. & Wong, N. (2010) The lexus or the olive tree? Trading off between global convergence and local divergence, *International Journal of Market Research*, 27(2), pp. 107–118.
- van Kempen, L., Muradian, R., Sandóval, C. & Castañeda, J.-P. (2009) Too poor to be green consumers? A field experiment on revealed preferences for firewood in rural Guatemala, *Ecological Economics*, 68(7), pp. 2160–2167.
- Wilson, D. & Dragusanu, R. (2008) *The Expanding Middle: The Exploding World Middle Class and Falling Global Inequality*, Global Economic Paper No. 170 (New York: Goldman Sachs).
- World Bank (2007) *Global Economic Prospects: Managing the Next Wave of Globalization* (Washington, DC: World Bank).
- Xin-an, Z., Grigoriou, N. & Ly, L. (2008) The myth of China as a single market: the influence of personal value differences on buying decisions, *International Journal of Market Research*, 50(3), pp. 377–402.