

# **ETHICAL CONSUMPTION IN CHILE**

# 1. The Paradox

Sustainable consumption is nothing new as a practice, and yet it is so new as a term/concept, that people struggle to relate to it.

## Main definitions: “logic of care”

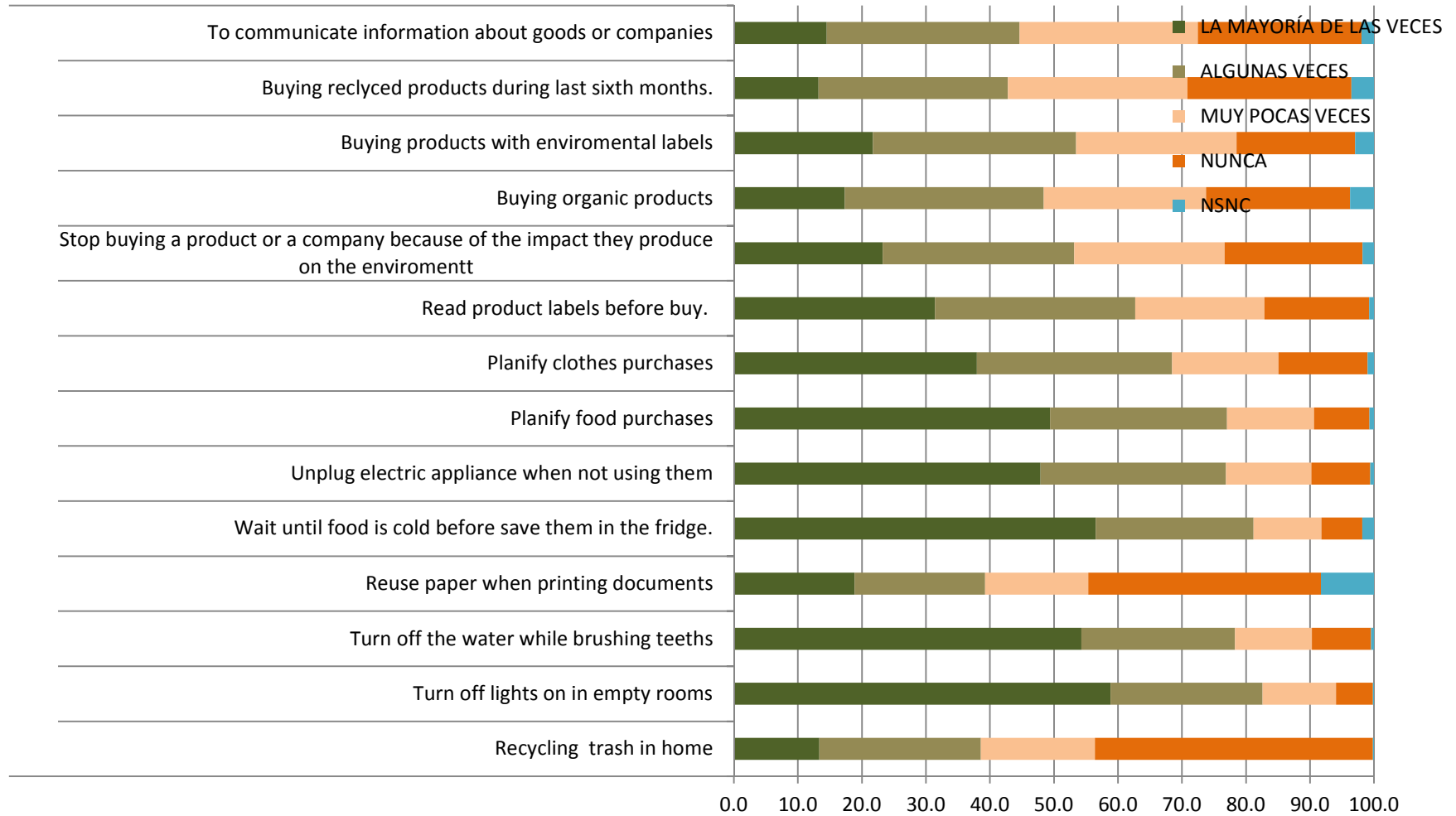
- **77,3%** of those polled think that responsible consumption consists in consuming as little as possible.

## Relatively unknown (Upper middle class young people define ethical consumption)

*“Por lo mismo que estamos participando acá, ahí leí y dice consumo sustentable **y lo primero que se me vino a la cabeza es que ...hable como desde mi dije “quizás las cosas que compro serán necesarias o serán un exceso, estaré gastando plata, ni siquiera las ocupo”** en eso pensé más que nada, si es necesario lo que consumo o no”* **Female young Lower class urban La Serena.**

*en el fondo **los productos que nosotros adquiramos sean sobre todo sustentables y que no dañen nada de lo que puedan disfrutar las futuras generaciones,** en el fondo si yo estoy comprando algún producto que implica derribar un bosque, eso no es sustentable por que las generaciones que vienen no van a poder disfrutar de ese bosque y aparte van a tener menos recursos para producción de oxígeno y eso ya deja de ser sustentable, tiene que ser en el ámbito económico, la calidad de vida y la salud.”* **males\_adults\_upperclass\_urban\_SCL**

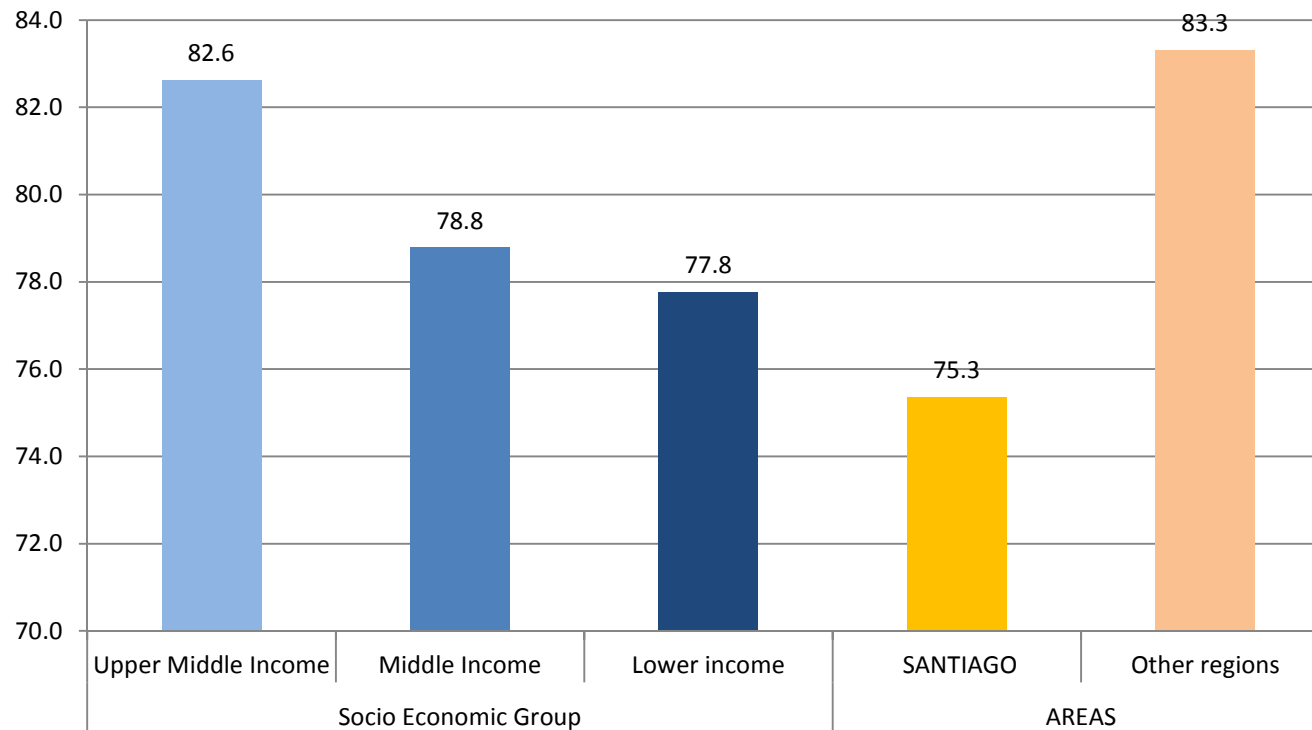
# Responsible Consumption Practices in Chile



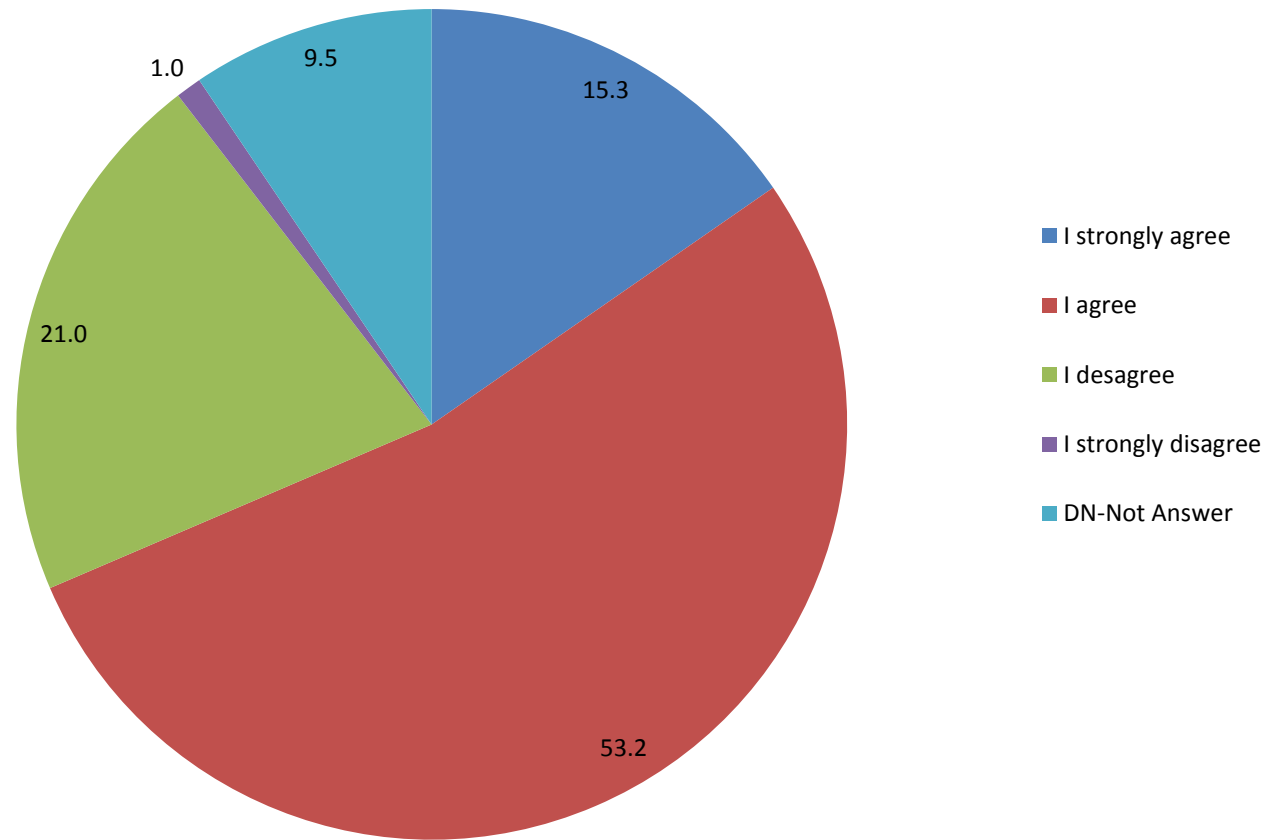
# Consumption as a tool for change

- **A significant proportion of the population think consumption is a practice that can generate social transformations.**
  - **81,2%** agree with “I can contribute to create a fairer society through my purchase decisions”.
- **However, in higher income groups this belief is stronger than in lower income groups.**
  - **84.1%** in high income groups agree with the statement: “I can contribute to creating a fairer society through my purchase decisions”, while 73.8% agree with this in lower income groups.
  - While **24,1%** of high income consumers agree with “consumers have changed a lot these last years and they expect more from companies in environmental and social terms”. However, just **15,6%** of lower income groups think so.

**“consumers have changed a lot these last years and they expect more from companies in environmental and social terms”**  
(% agreement)



# “Consumers take into account the environmental and social behaviour of companies”



## 2. Responsible purchasing criteria

Assuming that price and quality are the same, which of the following factors would be important in your purchase decisions?

RANKING	Very important + Important (%)
Company is committed to energy saving	80,6
Product has a certification seal that guarantees the protection of the environment	79,7
Product has a certification seal that guarantees good working conditions	78,0
Company has good community relations	77,2
Animals were not mistreated during the production process	75,3
Product is Chilean	74,8
Brand is well known	67,2
Product is organic	65,5
Company is small (PyME).	51,4

- Environmental factors are the most relevant, particularly energy saving. However, people keep mentioning price and quality as priorities.
- When analyzing this for groups some differences are observed: lower income groups and older groups tend to assign more importance to national production.

## 2. Responsible purchasing criteria

❖ Durability and reusability are key factors, especially for lower income groups. Even when these are not ethical consumption in a narrow sense, they have positive consequences for the environment.

❖ Some social criteria appeared spontaneously: national production and labour conditions. Solidarity with other Chileans is greater than with “workers” in the abstract. Poorer people tend to argue more strongly for national production (Good support for Chilean brands, but also risk of economic nationalism and xenophobic discourse)

*de repente hacer una buena inversión y que te dure a largo plazo, quizás te va a salir el doble, pero te va a durar más y por ese lado como se supone que lo caro dura más...a la mano dependiendo del uso que uno le de*  
**Male Lower-class urban La Serena.**



## 3. Obstacles

❖ **Generalized distrust and pessimism:** One of the biggest obstacles is distrust – even more than lack of information. The information deficit is well-documented in the literature

❖ **Consumers and transnational companies:** TNCs have a reputation for quality but are also hated

❖ **Lack of transparency and information**

Education and awareness raising are key ways to overcome these limitations.

*“El tema de certificación ambiental, estoy de acuerdo que es otro negociado, pero es el único sistema que nos puede avalar en este sistema capitalista que todo es un negociado. Esta la certificación ambiental, que una empresa certifica y en el proceso y efectivamente te dice que está ocupando esto en el escritorio y que no lo usan en animales, no sé, que no está matando animales para hacer el escritorio, es la única manera, es la única manera que los empresarios pongan valor a las decisiones que están tomando.*

*De hecho las certificadoras son globales, es un negociado que esta fuera de nuestro alcance, pero es la única manera en el fondo de poder crearle ahora.*

*¿Es una fuente de información?*

*Es una fuente de información que puede estar manejada como todo, pero prefiero una fuente de información a no tenerla.” **Female adults upperclass urban\_SCL** .*

## Slide 9

---

**G3**

I included this so that you have an idea of the way Chile is building the information in the report. You may not want to include everything, but provide a basis...

Graca, 18/10/2012

# **PUBLIC PROCUREMENT IN CHILE**

## Ethical Criteria in Public Procurement

❖ The concept and functioning of the public purchase system is unknown to most of interviewees and their perception is highly **mediated by their opinion about the Government and politics in general.**

❖ Interviewees make a distinction between the criteria public authorities commonly use for public purchases and the factors they themselves would consider if they had the power to decide.

❖ They claim lack of transparency and make show in their discourses how little they know about the system.

*el alcalde compraría en una grande que sería más barato*

*Si tú fueras el alcalde, tú tuvieras el poder de decisión...*

*M1: yo no compraría muebles, porque si ya tienen **no compraría...pero si hay que comprarlo los mandaría hacer a una empresa chica y como que lo vayan a la medida y lo hagan todo, es más barato.***

*A veces los pequeños ni siquiera te cobran como tanto gasto, por ejemplo de traerlos de otro lado y lo van hacer y toman las medidas y van, listo*

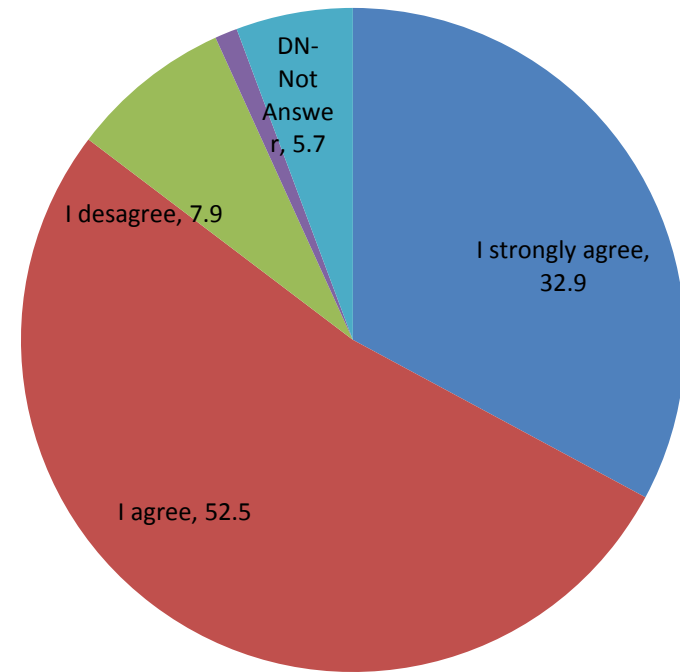
*Entonces sería una empresa más chica por el tema de costo*

**male&females\_young\_lowerclass\_urban\_LaSerena.**

## Who should the State privilege in its purchase decisions?

- **86,6%** think the State should use public purchases to help small enterprises and producers.
- **85,3%** of those polled agree with the statement “The State should only buy from companies with good social and environmental behaviour”.

## “The State should only buy from companies with good social and environmental behaviour”.



# Which purchase criteria should the State consider beyond price and quality?

(% Very Important + Important)

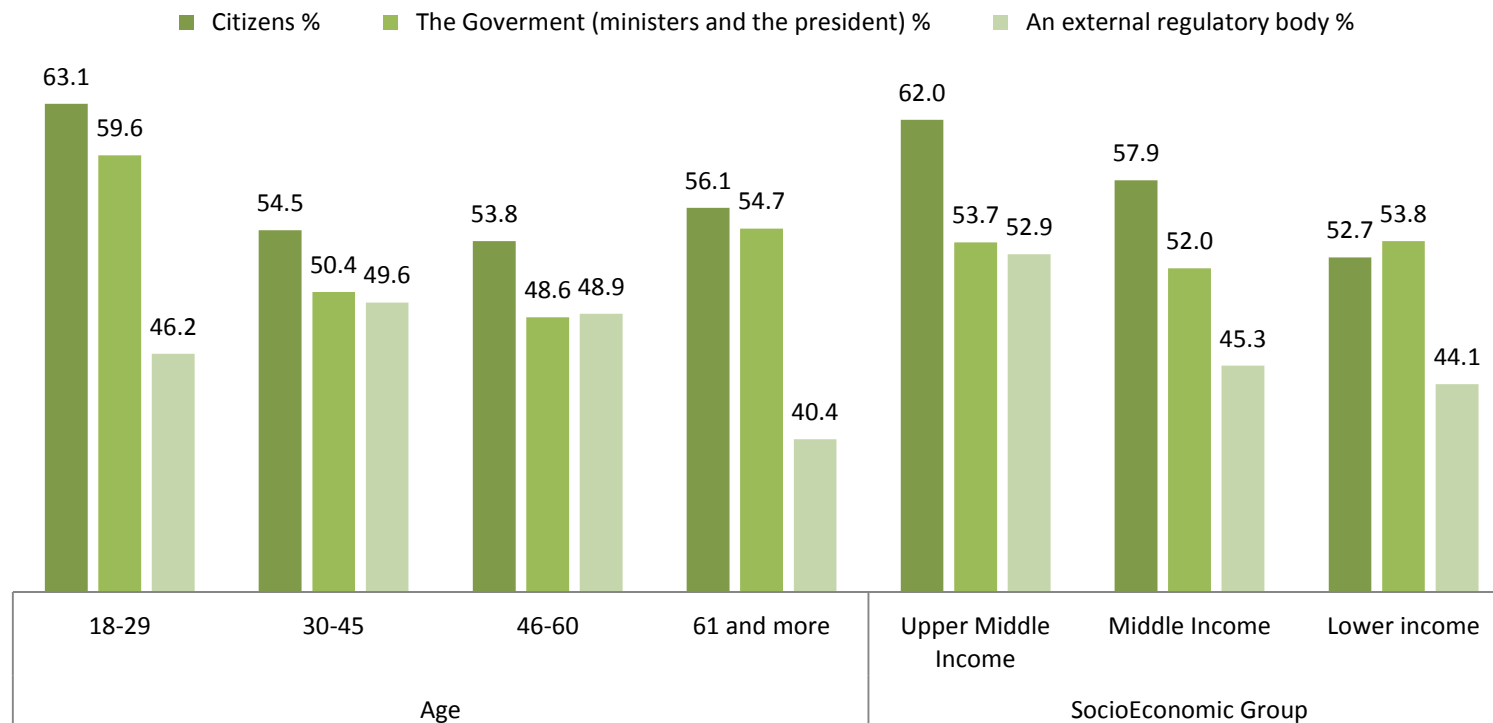
	% Very Important - Important
TOTAL	
Product has a certification seal that guarantees protection for the environment	83,1
Company is committed to energy saving	81,5
Company has good community relations	79,0
Product has a certification seal that guarantees good working conditions for employees	78,4
Animals were not mistreated in the production process	76,5
Product is Chilean	74,4
Product is orgánico	71,0
Brand is well known	70,3
Company is small (PyME).	58,9

- **Environmental criteria** are the most relevant. However, the qualitative data shows price, quality and durability as key.
- Higher income groups give more importance to labour conditions.

# Who should take the decision in public purchases?

- **74%** of the population think the State should consult citizens on what criteria should be used in public purchasing.
- Most people consider citizens as the ones that should have the most influence in public purchases (56,9%), followed by the Government (53,2%) and an external regulatory entity (46,9%).

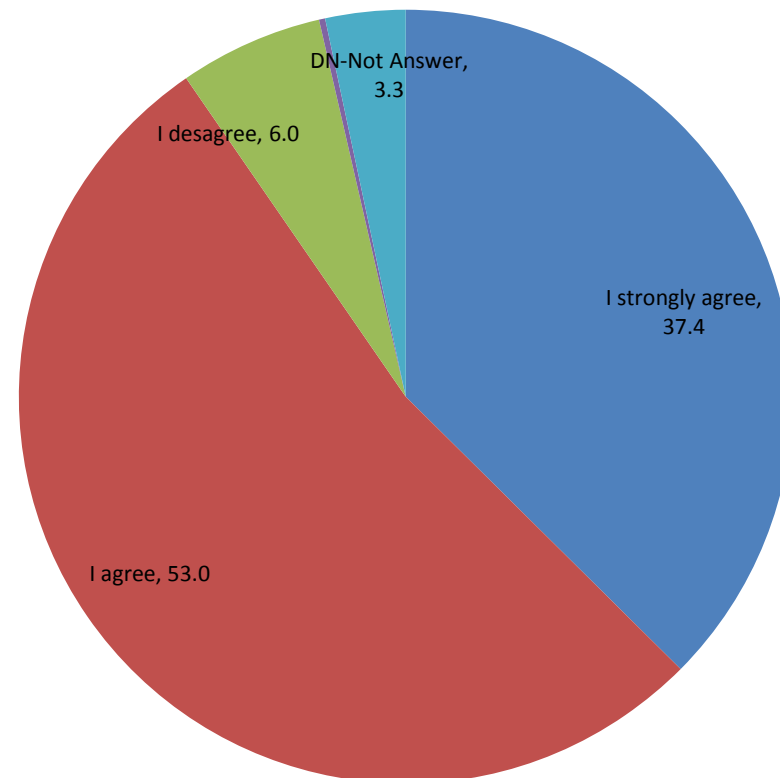
**From the following list, rank the three institutions that should have the greatest influence in public purchases (% Total of mentions)**



# Information

- 90,4% of people agree with “the State should force companies to provide information about their social and environmental impact”.
- the most trusted sources of information to know companies' behaviour are the experts (58,7%), NGOs (53%) and companies themselves (46,4%).

The State should force the companies to provide information about their social and environmental impact .





# Take-away points for NGOs

- Part of the challenge for NGOs is to link “traditional” sustainable practices to new trends and discourses.
- campaigners need to try and tackle not only the information deficit, but also distrust and cynicism.
- There is the potential to realise environmental benefits from consumers’ preference for durable, reusable goods. This suggests that policy makers might choose more longer-term durable and thus environmentally friendly products.
- There is a good support for Chilean brands, but also risk of economic nationalism and xenophobic discourse.
- Quality gap needs to be addressed; if small companies can compete on quality, Chileans will buy from them.

# **METHODS**



## Methodological Aspects UDP Survey

### UNIVERSE:

Population over **18 years**, living in 86 “comunas” of over 20.000 inhabitants of all regions, excluding Aysén and General Ibañez. Represents **84,6 %** of urban population and **73,6%** of national population.

### SAMPLE SIZE:

Face to face interviews with **1295 persons**, sample error of **+/- 3,0%** with a confidence level of 95%.

### TYPE OF SAMPLE:

Probabilistic at all stages:

- a) Stratified, not proportional (34 comunas of Gran Santiago and 52 cities from Arica y Parinacota to Región de los Lagos).
- b) By conglomerate (selected blocks).
- c) Random households selection and random person selection (over 18 years old).

### FIELDWORK:

Executed by ICCOM. Interviews were carried out between 29 th of July and 29th of August, in 33 days.

### REPLACEMENTS:

**74,5% of interviews were conducted in the original households and subjects.** Replacement reached **17,5%**.

## Focus Groups Methodological Aspects

- ❖ 16 focus groups with between 5 and 8 participants each.
- ❖ Sample was built based on the following segmentation variables:
  - Age
  - Socioeconomic level
  - Gender
  - Rural/Urban
- ❖ focus groups were carried out from April to June this year in different localities across Chile: Santiago, La Serena, Concepción and Alhué