

On The Cultural Logic of Ethical Capitalism

by Nicki Lisa Cole

University of California, Santa Barbara

nickilcole@umail.ucsb.edu

Today, the concepts of ethical capitalism and corporate social responsibility have become mainstream in the United States. Ideas about the regulation of pollution and emissions, fair labor practices and human rights, and the nuances of cultivation and production of goods are prevalent in society, as are goods marketed based on these ideas. Today one can find goods certified fair trade, organic, sustainable, sweatshop free, or eco-friendly, as various as food, beverage, tobacco, flowers and plants, clothing and shoes, jewelry, art and hand-crafts, paper and plastic goods, car tires, automobiles, and bombs and ammunitions. When Wal-Mart carries it, mass saturation has been reached.

Though not always framed and executed as critical acts by consumers, the purchasing of such products reflects a particular stance on the dominant mode of capitalism that structures social relations around the globe. More specifically, the market for ethical goods reflects critique of the social and environmental conditions generated by the current system of capitalism. In this essay I argue that ethical capitalism is emerging as a new dominant mode of capitalism, which suggests shifts in the *cultural logic of capitalism*, to borrow a phrase popularized by Frederick Jameson (2000). What are these shifts? And what is their significance?

To contemplate this we must begin by recognizing that ultimately, morality is at the heart of this matter. It is the desire to breathe morality back into the relations of production and consumption that sparked ideas and practices of ethical capitalism and consumption. I use the phrase “breathe back into” because historically, morality was extracted from the system of economic exchange. I argue that ethical capitalism reflects a desire to reinsert morality, and also importantly, the recognition of a market for this virtue.

Looking back, the relationship between morality and capitalism has been soundly theorized, though rarely in such explicit terms. When capitalism took shape during the mercantile period in Europe it displaced a feudal system organized by what E.P. Thompson described as a “moral economy” (1971). In his descriptions of the food riots that occurred throughout Britain in the context of mercantile capitalism and the formation of division of labor and class structure for industrial capitalism, Thompson illustrated how peasants who found themselves forced to buy milled wheat and baked bread at high cost expressed grievances that prices were not “fair.” These protests reflected the common expectation that merchants would not profit off of the poor, but rather should do their part to ensure the good of the community.

The idea of working for the common good traveled to colonial America with British colonists, however as the spirit of capitalist accumulation, the idea of individualism, and a sturdy belief in self-help and self-sufficiency spread throughout early United States society, the concept of moral economy, and investment in the common good that accompanied it waned (Bell 1996; Weber 1999; Lloyd and Thomas 1998). As Weber documented, the spirit of capitalism flourished as the United States emerged out of the eighteenth century. During this time period the place of morality in social life was firmly exiled to the realm of the church and fully extricated from the emerging dominant economic system – industrial capitalism. The rise and acceptance of scientific and rational thinking fueled the study of

economics as a *science* in the academy, separating “economics” from the tradition of *political economy*. Markets and morality were effectively divorced.

The industrial revolution, and following that, the shift to “finance capitalism,” or “monopoly capitalism,” as others call it, generated massive wealth accumulation for the owners of the means of production, and later, for those who financed production (Baran and Sweezy 1966). A growing wealth gap, and a quickly growing poor class of working people pressed on the moral contradictions of capitalism, however consciousness of this was muted by the firm belief in self-help, and the notion that individual success was the result of individual effort alone. These ideas were nurtured at this time by early social science, which framed poverty and destitution as deviant and pathological, and which framed racial groups other than white as culturally inferior. Yet many perceived the poor as helpless and in need of saving, and these ideas crystallized into a new title for the wealthy: Philanthropist.

In the United States during the twentieth century the introduction of installment buying helped facilitate the mass production and mass consumption of goods (Bell 1996). And in turn, the mass production of goods spurred the rise of the presence and significance of commodities in social life. Much has been written about the increased integration between capitalism and culture, and specifically between the consumption of goods and the process of identity formation from the mid-twentieth century on. During this time of suburbanization and baby booming, the notion of individualism deepened. At mid-century scholars and cultural critics began to observe disturbing trends in the decline of political and critical consciousness which appeared in tandem with the rise of consumer society and mass media (Marcuse 1964; Horkheimer 1972; Adorno 1976; Lasch 1979).

In the latter half of the twentieth century, a period described by Jameson as “late model capitalism,” scholars became increasingly concerned with the intensified relationship between consumption and identity, and even further dissociated from political consciousness (Baudrillard 1981; Barthes 1972; Jameson 2000; Dunn 1998; Harvey 1990). Others observe that in this period there emerged a somewhat vague discourse on “values,” “tradition,” and notions of “right” and “wrong,” which individuals employed to organize and structure their lives. These vague notions allowed morality to be ultimately subjective and contextually adaptable (Bellah 1985; Taylor 1989). Bellah found that many people explained what was “right” and “good” as what felt right and good to do.

At the same time, Baudrillard noted that commodities bear moral significance in social life, and that goods speak to the morality and social status of those who possess them (also duly observed by Bourdieu (1984) in his study of French culture and values). Yet while goods took on signification of lifestyle and status they were soundly disconnected from another highly relevant source of signification – their origin and journeys through the channels of production. And, as Baudrillard points out, it is not simply that there is commodity fetishism in the Marxist sense, but that goods (commodities) fetishize the *system* of production and consumption itself.

I argue that since the scholars reviewed above shared these ideas, ethical capitalism emerged and over the last twenty years has taken shape and steadily grown and is positioned to become the new dominant mode. By dominant mode, I mean the normative, assumed mode of capitalism, and the popular way in which capitalism is understood to function. In this way, ethical capitalism represents the ultimate form of hegemonic domination. This new mode incorporates critiques of the capitalist system and affords some minor concessions to appease them, and in doing so, it absorbs and neutralizes discordant views by suggesting that the solutions to the problems attributed to the system reside *within the system itself*. With ethical capitalism the system of capitalism remains relatively unchanged, except for that it has been endowed with moral legitimacy.

I investigate these claims in my dissertation research by studying the socially responsible/ethical niche market of the coffee industry. By examining this case I hope to unearth the cultural logic that both shapes and is shaped by ethical capitalism. I am particularly interested in how notions of morality structure the marketing discourse of the goods, individual consumption choices, and identity for middle and upper class individuals in the United States. What is this morality that is fused with consumption and capitalism? What characteristics define a “good person” in this cultural climate? What is the social significance of this, particularly in relation to ideas about global capitalism?

Starbucks tells its customers that “by buying this coffee, you're doing something good.” The discourse of ethical capitalism (the packaging, marketing materials, corporate websites, and store displays) states that to be a good person is to consume the “right” products; that all one need do to help abate global social problems is to continue to consume. Thus, one can project an ethical identity through the channels of consumption. The rewarding sense of benevolence suggested by this discourse resonates with Bellah's observation that people know what is good based on what *feels* good. Certainly under these circumstances, consuming such products feels good.

Preliminary interviews I've conducted with coffee consumers and small business owners in the industry suggest that not only do people see the solutions to the problems of global capitalism in the system itself, they do not even identify the system itself as problematic. The way they speak about the coffee industry and business more generally implicates bad corporate actors who do bad things and produce bad conditions. They do not critique the system of capitalism itself. Additionally, the small business owners (café proprietors and owners of a roasting facility and distributor) position descriptions of themselves and their businesses *against* the bad corporate actors in order to illustrate their own goodness, and to effectively position themselves as part of the solution, and not the problem. This reflects the spirit of individualism that shapes our society. Much as they do not see themselves as part of the problem, they do not appear to see themselves as a part of the overall system either. They thus remove the need to consciously deal with the burden of guilt related to global social problems.

So what does this development in capitalism and consumption suggest about the culture of contemporary society? The desire to be moral and good observed by Bellah, and the emphasis on appearance and lifestyle observed by Lasch seem to coalesce here to produce the desire to project a socially conscious, moral lifestyle. Since consumption is popularly viewed as the ultimate in democratic choice, people thus channel political and social unease into consuming. Identity and morality are thus articulated through consumption of goods. The hesitancy to examine real conditions and personal culpability fuels the drive to consume morality, and often what is consumed as moral is premised on paternalist (and racist) views of the poor and working poor caught in the web of capitalism that spans the globe. It appears then that ethical capitalism, and the ideas and cultural practices that support it do nothing more than rearticulate the hegemony of global capitalism.

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