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# PRODUCT RED

An organization on the global civil society arena and  
the global market arena

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# Abstract

PRODUCT RED is an aid organization that defines itself as a business strategy. PRODUCT RED's goal is to create a sustainable flow of capital from the private sector to the Global Fund to aid women and children suffering from HIV/AIDS in Africa. They approach this by managing a branding mechanism that gives out a license to use the brand name RED to companies. In return, the company signs up to donate a percentage of the profits for PRODUCT RED items to the Global Fund. It is up to the consumer to choose if he/she wants to contribute to the cause by selecting RED.

This thesis investigates how the organization is an actor on both the arena of the Global Civil Society and the Global Market, through consumerism. PRODUCT RED's relationship with its partners, the Global Fund and its consumers, and the power vested in them through consumer power, show how the organizations position is structured.

PRODUCT RED is generating a theoretical tension because of its position in between the two arenas. The organization is being forced to oblige to two sets of rules which at times creates problems for them, but at other times the position they have taken is an advantage to them and the cause.

*Keywords:* PRODUCT RED, the Global Civil Society, the Global Market, Consumerism, Consumer Power

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# 1 Introduction

In a time when charity has become a social activity, it is interesting to see how certain organizations focus on consumer needs to promote aid. PRODUCT RED has managed to make charity into a consumers' choice as well as a fashion statement. The big corporations, that is the global market actors, take part in this phenomenon and get both advertisement and a good reputation for joining PRODUCT RED in its fight against AIDS in Africa. PRODUCT RED describes the organization as a business strategy and everything seems to work for the good of the cause. This thesis is interesting in the sense that it takes apart the different facets of the organization and describes how PRODUCT RED is a new form of aid organization. This is a new playing field, a playing field where PRODUCT RED is an actor on two arenas, both the global market place as well as the global civil society through a consumers act.

## 1.1 Presentation of Problem

In 2006 the organization PRODUCT RED was created by U2's singer Bono and business partner Bobby Shriver. The organization's main purpose is to create a continuing flow of money from the private sector to the organization the Global Fund. The Global Fund in turn distributes the money to prevent HIV/AIDS in Africa. The organization PRODUCT RED puts the focus on the consumer and gives the people a choice when it comes to what kind of product to invest in. They give the people an option of making the manufacturer contribute to aid in Africa.<sup>1</sup> This creates a new form of aid organization which involves both the private sector and the consumer.

The question is how did PRODUCT RED evolve? How did PRODUCT RED become an actor on both the global market and the global civil society? These are questions that will be answered in this thesis, the exact research questions will be presented further into the thesis. The thesis focus will be on explaining the role of PRODUCT RED as an actor in between both playing fields and also show how consumerism takes part in this relationship. An analysis of what this specific position means for RED will also be presented. I will discuss what benefits and problems have resulted because the organization has created an in-between arena which deals with

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<sup>1</sup> *Product Red*, [http://en.wikipedia.org/wiki/Product\\_Red#Timeline](http://en.wikipedia.org/wiki/Product_Red#Timeline) used 2007-03-30; *Fact Sheet*, [www.joinred.com/facts.asp](http://www.joinred.com/facts.asp) used 2007-03-30; Heller, Laura, 2006. "Think Pink. Shop RED. What's in a cause?", *Retailing Today*, Nov 20, p. 4, 5, 40.; *(Red) Products and Organization*, [www2.oprah.com/tows/pastshows/200610/tows\\_past\\_20061013\\_b.jhtml](http://www2.oprah.com/tows/pastshows/200610/tows_past_20061013_b.jhtml): used 2007-03-03

both the global market and the global civil society, thereby following two sets of rules and principles.

## 1.2 Disposition

After a presentation of the area of research the specifics of PRODUCT RED, its partners, and the Global Fund will be explained. At the end of the introductory chapter I will present the main purpose of my work and the questions that will be answered throughout the text.

Following is the analytical framework which consists of the theories of a global civil society, a global market, and consumerism. These components will be used to describe the inner workings of the organization PRODUCT RED and how it cooperates with its partners, the Global Fund, and its consumers.

After, the structure of the thesis will be shown through a presentation of the method and material. All of the parts will come together in the analysis that follows the methodological chapter. The main questions of the thesis will be answered here. I will go deep into how you can show that PRODUCT RED is an actor both in the global civil society and the global market through consumerism. Further, the kind of opportunities and/or problems this middle position can give to PRODUCT RED will be considered. The thesis will be finalized with a section of conclusions.

## 1.3 Presentation of PRODUCT RED

PRODUCT RED has been described as one of the most praised marketing campaigns ever launched, with celebrities like Bono, Bobby Shriver, and Oprah standing behind and promoting, it is a promising project. There are numerous causes to support and RED seems to have taken charity a step further. Competition for donor dollars is strict, but with global publicity and a new format described as a business strategy rather than a charity, PRODUCT RED enters the market of aid as a new type of actor.<sup>2</sup> The spotlight is on the consumer, RED has created a consumer's community for people who identify with RED's cause. The goal of the operation is to create a sustainable flow of finance from the private sector to the Global Fund and for the choice of RED to be available everywhere.<sup>3</sup>

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<sup>2</sup> Heller, Laura, 2006. "Think Pink. Shop RED. What's in a cause?", *Retailing Today*, Nov 20, p. 4, 5, 40.

<sup>3</sup> Heller, Laura, 2006. "Think Pink. Shop RED. What's in a cause?", *Retailing Today*, Nov 20, p. 4, 5, 40.; Hampp, Andrew, 2006. "Marketers get their red out to help AIDS effort", *Advertising Age*, Oct 9, Vol. 77, Iss. 41, p. 6.

### 1.3.1 Background

PRODUCT RED was first launched in January of 2006 by front person and lead singer of U2, Bono, and his business partner Bobby Shriver who is the chairman of Debt AIDS Trade in Africa. Bobby is also a California politician and a member of the Kennedy family. PRODUCT RED was first announced at the World Economic Forum in Davos, Switzerland, since then the organization has gained several big partners in its fight against AIDS in Africa.<sup>4</sup>

The main purpose with PRODUCT RED is to contribute with money to the Global Fund who in turn distributes the money to help women and children affected by HIV/AIDS in Africa. Primarily medical help is provided but they also provide assistance for education, nutrition, and counseling.<sup>5</sup>

By teaming up with big and well known brands PRODUCT RED can both raise awareness as well as money for the cause. The founders describe PRODUCT RED as a branding mechanism where companies license to use the brand RED with one or more of their products, in turn they give up a percentage of the profit from the sales directly to the Global Fund.<sup>6</sup> The money does not go through RED, they simply make the connection and give out the branding license. They do take out a licensing fee from the joining companies to be able to finance marketing and managing. The exact percentage each company gives to the Global Fund is decided on a case by case basis.<sup>7</sup>

PRODUCT RED has not been presented as a charity or campaign but as a business strategy or economic initiative where money is moved from the private sector to the Global Fund through cooperation between PRODUCT RED, the brand names, and the consumer. The goal is to create a sustainable flow of money and initiative towards the Global Fund. The business format is also described as a way to empower consumers to be able to do good at the same time as they are gaining something for themselves while shopping.<sup>8</sup>

The organization describes the emphasis on RED as “the embrace” which refers to that the name “RED” is either presented in parentheses or brackets. By doing this the product is “elevated to the power of red”, therefore it is called (PRODUCT)<sup>RED</sup>. By presenting the product in this fashion the consumer is given the focus. The organization highlights that by “going red” you are upgrading your choice and you can be a Samaritan as well as a consumer.<sup>9</sup> The consumer is not the one paying extra to help benefit the women and children in Africa. The thought is not that the companies add on the price of the item but that they simply give up a part of the

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<sup>4</sup> *Product RED*, [http://en.wikipedia.org/wiki/Product\\_Red#Timeline](http://en.wikipedia.org/wiki/Product_Red#Timeline) used 2007-03-30, *Fact Sheet*, [www.joinred.com/facts.asp](http://www.joinred.com/facts.asp) used 2007-03-30; Heller, Laura, 2006. “Think Pink. Shop RED. What’s in a cause?”, *Retailing Today*, Nov 20, p. 4, 5, 40.

<sup>5</sup> *(Red) Products and Organizations*, [www2.oprah.com/tows/pastshows/200610/tows\\_past\\_20061013\\_b.jhtml](http://www2.oprah.com/tows/pastshows/200610/tows_past_20061013_b.jhtml): used 2007-03-03

<sup>6</sup> *Fact Sheet*, [www.joinred.com/facts.asp](http://www.joinred.com/facts.asp)

<sup>7</sup> *Frequently Asked Questions*, [www.joinred.com/faq.asp](http://www.joinred.com/faq.asp)

<sup>8</sup> *(Red) Products and Organizations*, [www2.oprah.com/tows/pastshows/200610/tows\\_past\\_20061013\\_b.jhtml](http://www2.oprah.com/tows/pastshows/200610/tows_past_20061013_b.jhtml)

<sup>9</sup> *What (Red) Is*, [www.joinred.com/more.asp](http://www.joinred.com/more.asp)

profit they are making. This way the consumer can shop without being concerned with paying more than usual and at the same time get the satisfaction of helping others.<sup>10</sup>

### 1.3.2 Partnerships

Since the launching of PRODUCT RED they have managed to create partnerships with several iconic brands, more specifically: American Express, Converse, The Gap, Giorgio Armani, Motorola and Apple.<sup>11</sup>

The contribution amount varies depending on the brand. The Gap for example gives up to 50 percent of the profits they make on their RED items to the Global Fund. Since the initial launch they have added numerous items to their collection. Other brands has followed suit and added more RED options to their collection. For instance Converse, who has made RED available on nearly all their shoes, designed a “Make Mine RED” feature on their website where you can design your own shoes. In addition to the RED iPod, Apple added on one more product through their RED iTunes gift card. Armani who initially only made a few specific items in their collection RED now has launched more options for their RED consumers.<sup>12</sup>

Many of the corporations have created some sort of community for their RED costumers where they get deals for entering a specific program. That is the case with American Express where you contribute to the Global Fund every time you use the card. They also give the costumer the opportunity to be a part of REDdeals and REDmemberships. Motorola has created similar features for their costumers where their RED consumers get special benefits and offers through their campaign “studio RED” where they even arrange exclusive RED events to spread the word for the cause.<sup>13</sup>

### 1.3.3 The Global Fund

The money that is donated in the name of PRODUCT RED is given directly to the Global Fund where it is placed in programs already existing within the organization to promote health for women and children affected by HIV/AIDS in Africa.<sup>14</sup>

The Global Fund is an organization that was established in January of 2002 on an initiative from the 2001 G8 Summit in Genoa, Italy, where UN’s Secretary General Kofi Annan spoke for the need to increase foreign aid. It was formed to fight the

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<sup>10</sup> *Frequently Asked Questions*, [www.joinred.com/faq.asp](http://www.joinred.com/faq.asp)

<sup>11</sup> *Fact Sheet*, [www.joinred.com/facts.asp](http://www.joinred.com/facts.asp)

<sup>12</sup> *Products*, [www.joinred.com/products.asp](http://www.joinred.com/products.asp); *Product Red*, [http://en.wikipedia.org/wiki/Product\\_Red#Timeline](http://en.wikipedia.org/wiki/Product_Red#Timeline); “Gap (PRODUCT) RED collection designed to make a difference for Africa”, [www.gapinc.com/public/Media/Press\\_Releases](http://www.gapinc.com/public/Media/Press_Releases)

<sup>13</sup> *Products*, [www.joinred.com/products.asp](http://www.joinred.com/products.asp)

<sup>14</sup> *Fact Sheet*, [www.joinred.com/facts.asp](http://www.joinred.com/facts.asp); *Frequently Asked Questions*, [www.joinred.com/faq.asp](http://www.joinred.com/faq.asp)

three largest pandemics in the world; AIDS, Tuberculosis, and Malaria. In 2006 The Global Fund was the largest funding source for each of the three pandemics.<sup>15</sup>

The organization cooperates with governments, civil society, the private sector, and the communities that they plan to help. Involved are also the World Health Organization, UNAIDS, and the World Bank. The Global Fund's aim is to work as a "financial instrument" and leave the implementation to other parties which are assigned and supervised by the Global Fund. The organization is laid out so that as little money as possible goes to the management and organization of the fund and thereby uses other organizations' expertise and knowledge in the implementation process.<sup>16</sup>

The Global Fund is, according to them, an efficient organization when it comes to how they carry out their mission. They have a maximum of 150 people on their staff. By keeping the organization so slim, they are able to keep their administrative costs low. In 2004, the costs it took to run the administrations were as low as 1.5 percent of the total expenses. Another 0.8 percent was put away for oversight for the local agents to ensure that grants end up where they should. The Global Fund also makes sure that the funds they put into programs are efficient when it comes to spending money and reaching results. If programs do not accomplish the goals they are shut down. To be able to keep these important standards of operating the Global Fund must keep a high transparency within the organization and its operations.<sup>17</sup>

The result is teamwork between consumer brands that have established reputations, through PRODUCT RED and the Global Fund, which has the knowledge and resources to carry out the mission through the contributions delivered from the companies. The money raised through PRODUCT RED is transformed into RED funds upon entering the Global Fund organization. These funds are currently focused around projects in Rwanda and Swaziland. The set up of the organization's work is meant to make a speedy contribution to the recipient country and to give fast results.<sup>18</sup>

## 1.4 Purpose and Questions

The purpose of this thesis is to investigate the workings of the organization PRODUCT RED to find out how the organization is an actor in both the global civil society and the global market through consumerism. This thesis is going to show how a new sort of aid organization operates as a business strategy to involve the private sector in charity work. By giving consumers the opportunity to make a choice of what kind of product they want to invest in they are actors that take part in both the global market as well as the global civil society. This will be proved with an analysis of

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<sup>15</sup> *The Global Fund*, [www.wikipedia.org/theglobalfund](http://www.wikipedia.org/theglobalfund)

<sup>16</sup> *How the global fund works*, [www.theglobalfund.org/en/about/how/](http://www.theglobalfund.org/en/about/how/); *FAQ*, [www.theglobalfund.org/en/faq/](http://www.theglobalfund.org/en/faq/)

<sup>17</sup> *Frequently Asked Questions*, [www.joinred.com/faq.asp](http://www.joinred.com/faq.asp); *FAQ*, [www.theglobalfund.org/en/faq/](http://www.theglobalfund.org/en/faq/)

<sup>18</sup> *Frequently Asked Questions*, [www.joinred.com/faq.asp](http://www.joinred.com/faq.asp)



PRODUCT RED's work and structure, its cooperation with partners, and the Global Fund in the light of theories of global civil society, global markets, and consumerism.

Since the organization is playing on two arenas, being a part of both the global civil society as well as the global market, it is interesting to take into account the theoretical tension that must exist being in this position. Therefore, it is also my purpose to investigate what kind of advantages and/or problems that PRODUCT RED's position leads to. The research will be directed to find if there is any conflict in the principles and mechanisms that the organization is guided by from both arenas.

The thesis is limited to one organization in order to go more in depth with the research and examine the pros and cons of the position that PRODUCT RED has in the system. Consequently, I will limit myself from generalizing the results, although I believe that similar organizations experience similar situations and occurrences.

The thesis will aim to answer the following questions:

1. How can we understand the organization PRODUCT RED as an actor on both the arena of the global civil society and the global market through consumerism to promote AIDS/HIV aid in Africa?
2. What kind of advantages/problems can erupt from the organization working on both arenas?

## 2 Analytical Framework

The analytical framework consists of three main theories: the arena of global civil society, the arena of global market, and consumerism. When it comes to the global civil society and the global market the exact definition of the boundaries of the arenas are flexible. In this coming chapter I will define the main theories and give examples of how the boundaries between the arenas can be drawn.

### 2.1 Global Civil Society

It is hard to find a clear definition of what the global civil society is. The term is most often defined by describing the globalization of the civil society. As an introduction I will therefore give a short definition of the civil society.

One can distinguish six different perspectives from the term civil society and what it entails; value, collective noun, space, historical moment, anti-hegemony, and anti-state. Although these are presented as separate perspectives they are interconnected and the civil society we know can be built up by all or most all these facets.<sup>19</sup>

A civil society of values and norms mostly speaks for itself; it means a good society or a society with moral goals. This notion of a civil society has spread from only applying to the domestic space to including well meant actions abroad, such as international aid. When it comes to the civil society as a collective noun we see it as the sum of all the institutions and organizations that work for civility. These civil society organizations are often viewed as the spokespersons for special groups of people that are in need of support somehow and thereby are involved in “change work”. This definition usually excludes the private sector and state organs.<sup>20</sup>

Civil society has also been seen as a space for action and the UN has used this definition when referring to the civil society as a space where social movements become organized. It is likened with an environment that lets the organizations prosper into a form that is profitable to the society. This definition is more inclusive when it comes to what kind of organizations can be part of the civil society. While some see the civil society as a historical moment, as a result of prerequisites of both historical and social character where the individual is liberalized, others see that this is only available to western states and prefer to distinguish the civil society as anti-hegemony. This vision is a reaction to the liberal culture and shows movements that

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<sup>19</sup> Van Rooy, Alison, *Civil Society and the Aid Industry*, 1998, p. 6, 7, 11, 12

<sup>20</sup> *Ibid.*, p. 12-15

are forming outside the normal boundaries as an anti-hegemony cluster of organizations. This can be seen as an alternative sort of democratic action.<sup>21</sup>

The last of these views or elements is widely recognized as a requirement for the civil society, namely that it is non-state. A newer belief is thought that the civil society is an antithesis to the state and that what ever power and respect the civil society gains the state loses.<sup>22</sup>

The term global civil society is both old and new. The base of the term civil society goes back a very long time. More precisely it was born in the 1750s, but the globalization of the term is more recent as less than ten years ago the existence of a global civil society was still contested.<sup>23</sup> Today the term has a safer position and is used to describe various networks and activities.<sup>24</sup>

In the process of creating a global civil society there was a globalization of the word civil society. When talking about the globalization of the word it is important to consider that the word's globalization process was followed by a visible increase in global organizations, most importantly non-governmental organizations. In this way one could see that the globalization of civil society was not only talk, but also had a real effect in the world.<sup>25</sup>

In the 1990's the use of the term spread and became more common. Today the term is often used, and misused, in the same sense as globalization. It then becomes hard to distinguish what the true meaning of the phrase is.<sup>26</sup>

### 2.1.1 Definition and Principles

Definitions of what the global civil society really is are perhaps just as many as there are researchers and writers about the topic. John Keane defines his ideal-type of global society as a system of socio-economic institutions that work outside the government and on a global scale so that it leaves multidimensional impressions all over the world. He continues his definition by exemplifying how these institutions function as socio-economic networks and pyramids that are lead through cross-border organizations and have the purpose to connect the world in new ways.<sup>27</sup> My definition of the global civil society is instead defined as an arena where socio-economic institutions work, therein my theory distinguishes itself from Keane's version of a system. Keane's definition is still relevant with exception to the term system.

The global civil society is built up by non-governmental activities and structures that can take many different shapes and forms. They can be individuals and

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<sup>21</sup> Ibid., p. 19-24

<sup>22</sup> Ibid., p. 24

<sup>23</sup> Keane, John, *Civil Society – Old Images, New Visions*, 1998, p. 32-33

<sup>24</sup> Keane, J., *Global Civil Society*, 2003, p. 8-9

<sup>25</sup> Keane, J., *Civil Society – Old Images, New Visions*, 1998, p. 33-36

<sup>26</sup> Keane, J., *Global Civil Society*, 2003, p. 1-2

<sup>27</sup> Ibid., p. 8

households. Just as likely, they can consist of profit-seeking businesses, corporate firms as well as not-for-profit NGOs and social movements. The global civil society is promoted by public people and celebrities from the multitude of media coverage; Bono for instance is a person that the global civil society feeds upon. Many international networks and organizations are presented as a part of the global civil society and charity organizations are clearly a part of it.<sup>28</sup>

While some do not think that the private sector should be included when discussing the civil society; others, like Alejandro Colás, consider the capitalist market very much a part of the global civil society. According to Colás the international civil society is an arena in which social movements work for their political goals. The arena is a result of expressions of international relations originating from global capitalism. Capitalist social movements born out of division of labor are the foundation of the civil society and therefore the capitalist market is a part of, and the originator of, the civil society. The capitalist relation of production has created connections with individuals which are summarized as the civil society. Through this the global civil society is a space created by the expansion of capitalism. By capitalism going global so did the civil society.<sup>29</sup>

So far the definition has been rather inclusive, but there are a number of criteria that the networks and activities must fulfill to be a legitimate part of the global civil society. The most important criteria are that they must operate across a significant geographical area not regulated by time. The social activity these networks conduct must also operate outside of the governmental sphere.<sup>30</sup>

Although the civil society works outside the territorial borders as a global civil society it has still kept its key features intact. Mary Kaldor explains that there is an unavoidable link between civil society and global civil society. She means that every actor in the contemporary civil society is an actor in the global civil society. This is because the networks and movements, such as NGOs and charities, of the civil society work on a global level, their goals all have influence in a global context.<sup>31</sup>

Considering Mary Kaldor's statement, it is important to remember the six key terms associated with civil society when defining the global version, namely; value, collective noun, space for action, historical moment, anti-hegemony, and anti-state.

## 2.2 Global Market

When it comes to the concept of a global market and global market actors it is hard to find an exact definition. This is probably so because the term is self-explanatory or that people find another way to refer to it. Many writers in the field of political science describe the term without using the specific name for it, or write about it

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<sup>28</sup> Ibid., p. 8-9

<sup>29</sup> Colás, Alejandro, *International Civil Society*, 2002, p. 16. 22, 33-39, 49-54

<sup>30</sup> Keane, John, *Global Civil Society*, 2003, p. 8-9

<sup>31</sup> Kaldor, Mary, *Global Civil Society – An Answer to War*, 2003, p. 10-11

without giving an exact definition. Therefore I will show some examples of how people write about global markets. I will try to draw some general conclusions about the concept and give my understanding of the term.

John Keane refers to a globalization of markets in his book about civil society. He expresses how economic governance has changed more and more to fit the needs of the prosperous big corporations that are usually operating on an international playing field. He recognizes that globalization of foreign trade and investment has taken place and that global economic forces are hard to ignore.<sup>32</sup>

Elmar Altvater extends the concept of the powerful big corporations and writes about economic policy and the role of the state. He exemplifies that the role of the state in economic relations has diminished because of the increase of international capital including; commodities, capital, and financial flows on the world market that has taken form after the Second World War.<sup>33</sup>

As a continuation of the perspective of a globalizing market John Evans explains the globalization of economic activities by showing how foreign direct investment has accelerated enormously since the late 1900s. FDI has thereby been the absolute foremost factor in the growth of trans-planetary economic activity. But there has also been an increase in international trade, international financial markets, joint ventures in production, as well as internet shopping. John Evans also brings up the fact that corporations have sought to diminish the role of the state in the global market activity. Deregulations in trade have been an important feature for the globalization of the markets and many countries have followed the western way in this concept. The world market is a desired place to do business and even third world countries do their best to fit the profile and trade on it.<sup>34</sup>

Jan Aart Scholte describes the same kind of global market features in his book "Globalization – a critical introduction" but redirects the spotlight to capitalism as the initiator. When referring to the economic side of globalization Scholte turns to capitalism and explains that globalization has not diminished but promoted capitalism and transformed it into some kind of hyper-capitalism. The new global side of markets means a multitude of trans-world companies, but also an increase in global products, money and financial flows. There has also been an increase in companies involved with globalizing technologies and communication. Dealings within the global market included consumer capital that is directed towards the global market; all promote the concept as a whole and capitalism in particular.<sup>35</sup>

Scholte brings up a further case specific definition of the globalization of economy when writing about global finance in the book "Civil Society and Global Finance". He explains how in recent history globalization has directly influenced finance in many ways and has led to a supraterritorial character of money. Financial

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<sup>32</sup> Keane, J., *Civil Society – Old Images, New Visions*, 1998, p. 34

<sup>33</sup> Waltzer, Michael, *Toward a Global Civil Society*, 1994, p. 151, 156

<sup>34</sup> Evans, John, in. *En ny världsbild – från kallt krig till global marknad*, 1999, p. 162-165

<sup>35</sup> Scholte, Jan Aart, *Globalization – a critical introduction*, 2005, p. 4, 159-161

globalization has contributed with the way which money circulates in the world.<sup>36</sup> Even though this book deals mostly with a global financial market it is easy to draw conclusions about global markets in general.

Another important group of principles to bring in to the equation is brought up by Robert Gilpin in his book “The challenge of global capitalism: the world economy”. Gilpin takes a stance that clearly excludes civil society activities from the field of the global market, something that previous authors have not mentioned. It is important to distinguish these principles to further the analysis of what consequences PRODUCT RED’s position can bring.

The global market is defined by open markets, multinational companies, and uncontrolled capital flow amongst other things. Gilpin means that these particular activities form the arena to ignore other important areas such as social values and institutions. As a result the international competitiveness leads to a lack of civil rules. The institutions that used to regulate international trade are now inadequate and have left the arena with no regulatory establishments.<sup>37</sup> Some authors have also supported the thought that the globalization of the markets led to economic inequality between countries, or at least that it has kept the inequalities present and that the global market has other focus points than to keep the equality a top priority.<sup>38</sup>

## 2.2.1 Definition and Principles

As a summary and conclusion I would like to give my own perception of the global market based on the theories of the previous writers. The regard that I will use the concept in will mostly have to do with the global arena of the economy. Multinational businesses have, for a long time, worked on the global market by selling and trading products. The brand name products that affect my thesis have used the global atmosphere of the markets in today’s world and have ended up with a multicultural consumer base, something that will be dealt with in a later chapter. The global market has an obvious goal of searching out the consumer and increasing the profits. In the process social values are forgotten and institutions ignored. Inequality prospers as a result of the global market.

International trade, trans-border corporations, multinational products, and foreign investment are all a part of this arena. State action is usually something that is avoided and institutions are seen as a hinder to the free trade. The globalization of markets is creating a hyper-capitalism and consumer capital is a desired commodity. Globalizing technology is yet another factor that promotes the spread of a global market.

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<sup>36</sup> Scholte, Jan Aart, in: Scholte, Jan Aart – Schnabel, Albrecht’s *Civil Society and Global Finance*, 2002, p. 15-17

<sup>37</sup> Gilpin, Robert, *The Challenge of Global Capitalism: the world economy*, 2000, p. 3, 5, 9, 10

<sup>38</sup> *Ibid.*, p 10; Scholte, Jan Aart, *Globalization – A Critical Introduction*, 2005, p. 329

## 2.3 Consumerism

Consumerism may be considered to be a phenomenon of the present, but it is also very much a thing of the past. Through the expanded market for sugar in the eighteenth century, consumerism took shape in Western Europe and quickly spread to the European colonies in America. Trends of desire were set by the rich and they were quickly switched out for new ones. Needs and desires have since the beginning been key to the concept of consumerism.<sup>39</sup>

Today, this ancient form of consumerism has transformed onto a totally different scale, especially regarding the geographical scale. More recent expansion of the concept has been a result of globalization of market forces. The international linkage of companies and advertisement has been a factor in the globalization of consumerism, as has the online world. More specifically three factors have laid the foundation for a global existence of consumerism's network; new technologies, multinational business, and westernification.<sup>40</sup>

### 2.3.1 Definition and Principles

Consumerism is a behavior that has the primary goal of instant gratification, a fulfillment that usually is short lived. A consumer purchases products spontaneously and often discards them just as fast. The phenomenon is centered on feelings of desire, cravings and satisfaction. The particulars craved are fashion, novelty, entertainment and pleasure. There are a multitude of examples on what consumer capitalism entails, such as brand name foods, designer clothing, health aid's etc.<sup>41</sup>

Through the existence of consumerism the amount of consumer capital has radically increased in the second half of the twentieth century. Consumer capital refers to the additional capital that is acquired through consumption on this level. Consumerism is interlinked with satisfaction of desire and markets aimed to create items and the desire to have them through presentation and design. Another key element to the contemporary markets is to create branding strategies that will increase the value of their specific item by making them unique. Product promotion through advertisement has become extremely important in the game of consumerism.<sup>42</sup>

Another important point to bring up about consumerism is the power vested in the consumer through the reliance on the consumer for companies' survival. The

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<sup>39</sup> Stearns, Peter, *Consumerism in World History – The Global Transformation of Desire*, 2001, p. 15-23

<sup>40</sup> *Ibid.*, p. 125, 73, 59

<sup>41</sup> Scholte, Jan Aart, *Globalization – A Critical Introduction*, 2005, p 162-163

<sup>42</sup> *Ibid.*, p. 163

consumers' power has been shown through boycotts to get something back from the companies.<sup>43</sup>

Michele Micheletti explains the existence of consumer power through the term political consumerism. Together with Andreas Follesdal and Dietlind Stolle Micheletti, they highlight how the political environment of the markets is a result from the neo-liberal capitalism's entrance on the arena. Corporations' power has increased as well as consumer power, and with it they can use the market as a political sphere. The power of consumers gives them the capability to react to values that the previous never could. Companies' policies as well as products are now subject to the consumer's choice. Political and ethical values guide the consumer's choice in the contemporary market place and self-interest economic values are now being pushed back for the political consumer.<sup>44</sup>

As one of many consequences to globalization the politics of the companies' products have become more visible and in many cases because they campaign their virtues to the consumer. The global market arena actors are definitely influenced by the consumer's choice, which is more and more reached by ethical and political virtues.<sup>45</sup>

Consumers are more ready to take charge, to keep some kind of responsibility for what the world is becoming with ethical guidelines to lead them. A globalized and some how more chaotic world contributes to people seeking out the areas in which they have control. Through boycotts and buycotts the global market has become the arena for action.<sup>46</sup>

Through boycotts the consumer can take action against the manufacturers and show their strength by choosing other products. This way they can stimulate policy change in the private sector to better fit their principle values when it comes to politics and ethics.<sup>47</sup>

## 2.4 Summary Analytical Framework

This analytical framework is designed to explain and exemplify the unique position of PRODUCT RED. The organization works as an actor in between the two arenas presented here, the global market and the global civil society. Consumerism is a part of the game as a key activity that gives the organization this special position.

The distinct divide between the arena of the global civil society and the arena of the global market is diffuse and depending on which theory you choose to use the

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<sup>43</sup> Ibid, p. 164

<sup>44</sup> Micheletti, Michele – Follesdal, Andreas – Stolle, Dietlind, *Politics, Products, and Markets – Exploring political consumerism past and present*, 2004, p. ix-xiv

<sup>45</sup> Micheletti, Michele, *Political Virtue and Shopping: Individuals, Consumerism, and Collective Action*, 2003, p. x-xi

<sup>46</sup> Ibid., p. 149-150

<sup>47</sup> Friedman, Monroe, in: Micheletti, Michele – Follesdal, Andreas – Stolle, Dietlind, *Politics, Products, and Markets – Exploring political consumerism past and present*, 2004, p. 45-47



position of PRODUCT RED can look different. I have presented a few different alternatives which will be exemplified in the analysis.

The global civil society can come in many shapes, for example as profit seeking businesses, as the capitalist market, as non-profit NGOs, as charity organizations, as social movements and so on. The main criteria for the global civil society are that the organizations are socio-economic institutions that work on a cross-border basis and manage themselves outside the government. Their transworld operations are supposed to work to connect the world in a new way.

As I have mentioned, the global civil society has kept the key features of the original civil society and nowadays every civil society more or less works on a global scale or in a global context. This makes the perspectives on a civil society implacable on the global version. Value and norms are important in the workings of the civil society; it is a society with moral goals. It is also a sum of all the organizations that work for the good of civility, as is it a space for action. It can also be a historical moment, an anti-hegemonian statement, as well as an antithesis to the state.

The global market is an arena filled with trans-world companies, global products, foreign trade, cross-border financial flows, and deregulations in trade. A new form of hyper-capitalism steers the global economy and the former regulatory institutions are ignored while the free markets are expanding as the desire for the commodity of consumer capital grows. The new technologies of the globalization give individuals and consumers new ways of being involved on the global market. Although open markets, multinational corporations, and uncontrolled capital flow has given a whole new arena for monetary gains, the international competitiveness has also lead to disrespect of social values and institution as well as a lack of social rules.

Consumerism builds on the goal of instant gratification and feelings of desire, cravings, and satisfaction. Objects that are desired are for instance fashion, novelty, entertainment, and pleasure. Designer clothing, brand-name food, and health aids are shapes that the desire comes in. Internet shopping has made consumerism available to a large part of the population. Branding strategies and advertisement make the products seem unique through presentation and design. But one must not forget the consumer power that is vested in the individual through the amount of choices there are out there and the competitiveness of brands. Political consumerism is becoming more common and the power of the consumer is taking up more space on the global market then ever before.

# 3 Method and Material

## 3.1 Method

The method in use has been a qualitative case study. Through a qualitative method one must read the parts of the text, make conclusions about it as a whole, and analyze the context in which it is written. One must look at the quality of the text and thereby make a choice of what parts are important for the research.<sup>48</sup> A qualitative method allows the researcher to go in depth with the problem area and describe the structure and connections between the various sources.<sup>49</sup>

A qualitative method has mostly been used to produce the informational parts, more precisely chapters about PRODUCT RED and the analytical framework. I have implemented a qualitative method in my research by using a multitude of sources that have been read and analyzed to find the essential information needed to construct my work. By connecting the different sources of information the structure of the cooperation taking place between the components of the thesis has been found; that is, how the organization is an actor on two arenas, the global civil society and the global market.

In a case study the researcher focuses on one specific case and does a thorough examination of that case. Thereafter one tries the chosen theory on it. In a case study one context is tried and analyzed, compared to a comparative study in which you use more than one context to compare and contrast.<sup>50</sup>

This thesis is focused on PRODUCT RED and its structure, partners, and workings. Therefore, the thesis is classified as a case study in the sense that it deals with one context, PRODUCT RED, in the light of an analytical framework based on the global market, the global civil society, and consumerism. An alternative would have been to use a comparative method where more than one organization was examined under the same analytical framework. The purpose of this thesis is not to generalize a phenomenon but simply explain how the organization PRODUCT RED interacts in the analytical framework. This is to show an example of how an actor can be part of both the global market and the global civil society, it is up to other researchers to take the next step and implement this theory on other organizations like

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<sup>48</sup> Esaiasson, Peter – Gilljam, Mikael – Oscarsson, Henrik – Wängnerud, Lena, *Metodpraktikan – Konsten att studera samhälle, individ och marknad*, 2004, p. 233

<sup>49</sup> Lundquist, Lennart, *Det vetenskapliga studiet av politik*, 1993, p. 104

<sup>50</sup> Esaiasson, Peter – Gilljam, Mikael – Oscarsson, Henrik – Wängnerud, Lena, *Metodpraktikan – Konsten att studera samhälle, individ och marknad*, 2004, p. 119-120

PRODUCT RED. For that reason, the method of a comparative thesis is not applicable in this case.

The validity is important to consider to be sure that you research what the theory is meant to investigate. This means that we use the correct components to come to our conclusions.<sup>51</sup> I have tried to uphold this through thorough explanation of the concepts so they can be implemented in the right manner in the research.

The reliability is important in all studies but is hard to prove in qualitative studies. The reliability is meant to ensure that measuring made is made correctly. This is tended to by seeing that the operational tools make it possible to do a precise reading of the outcome.<sup>52</sup> It is hard to incorporate a measurement scale in this particular type of thesis. I have focused on what I consider reliable facts available and thereby ensure that the operational tools of my thesis are constructed to produce a reliable result.

### 3.3 Material

Secondary sources and qualitative data have been used for research. This was found most useful since the area of research demands a great amount of information to fully understand the situation.

For information about PRODUCT RED, its partners, and the Global Fund I turned to internet sources since the organization is new and printed literature on the subject is lacking. The official organization's/corporation's web sites were able to give me updated information about the research area. For the analytical framework primarily printed literature was used.

My aim has been to focus on sources and authors that are generally well known and active in the field of study. Authenticity, independence, concurrence and tendency of the sources have been considered.<sup>53</sup> I regard the authenticity of the sources as sufficient to be able to build the analysis on the facts collected. I have kept in mind that facts taken from the internet can be troubled by lack of this requirement, but because I have used websites that are case specific and maintained by the official organizations/corporations the information should be accurate. The sources appear to be independent from each other and represent different views and issues of relevance. To meet up with the requirement of concurrence I have concentrated on current information that has been found on the web or through the web as well as in recent books relating to the analytical framework. Tendency has been a difficult factor to take into account. If a source has a tendency it represents a view of the concept at hand that might be distorted in some way<sup>54</sup>. Some of the sources can be considered to have an opinion not supported by everyone since the sources, especially when it comes to PRODUCT RED and their partners, have been constructed by the

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<sup>51</sup> Thurén, Torsten, *Vetenskapsteori för nybörjare*, 2002, p 22

<sup>52</sup> Lundquist, Lennart, *Det vetenskapliga studiet av politik*, 1993, p 99

<sup>53</sup> Esaiasson, Peter – Gilljam, Mikael – Oscarsson, Henrik – Wängnerud, Lena, *Metodpraktikan – Konsten att studera samhälle, individ och marknad*, 2004, p 304

<sup>54</sup> *Ibid.*, p 311

organizations/corporations themselves. Therefore they are representing the organizations/corporations and might just mention the information beneficial to them. Since I mainly have used information from their websites regarding fundamental structural issues, and because all the sources mention the same specifics, I feel confident in using these sources. When it comes to the literature used for the analytical framework I have used different sources viewing various definitions to be able to overcome the tendency issue.

## 4 Analysis

This section will tie the analytical framework to the presentation of the organization and show how RED is an actor playing on two arenas and how consumerism is a part of this. I will also look into what kind of theoretical tension this unique position results in and analyze the criteria of each arena as well as the positive/negative effects these brings with them to PRODUCT RED's operation. By doing this I will also go into the discussion of border definition.

### **4.1 PRODUCT RED: An actor on both the arena of the global civil society and the global market through consumerism**

PRODUCT RED has created a very unique position for itself. It is an organization that works for fighting AIDS in Africa by creating a brand that represents a better cause. This business strategy has placed PRODUCT RED as an actor on two arenas, the global civil society and the global market, working on an arena in between them to connect the two.

The work PRODUCT RED does have contributed an admirable amount of financial aid and informational focus for the cause of saving lives in Africa; this makes the organization a prominent actor on the global civil society arena. The values and norms reflected in the organization have evolved with the purpose to, in some way; make the world a better place. This exemplifies the first perspective of what the civil society is, described by Alison Van Rooy in her book "Civil society and the Aid Industry"<sup>55</sup>.

Even though I believe that this first definition identifies PRODUCT RED in the best manner I will also go over the other perspectives presented by Van Rooy which are; collective noun, space for action, historical moment, anti-hegemony, and anti-state.<sup>56</sup> This will be done to see how and if the organization can be seen through these. As a collective noun for civil society PRODUCT RED has made them a part of the collection by being an organization working for a civil cause. Their work for change in Africa, dealing with people who have a hard time getting heard, categorizes the organization as a part of the civil society under the perspective of a collective noun. But at the same time PRODUCT RED's title is taken away when we learn that the private sector is excluded from the collective noun, resulting in a position for

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<sup>55</sup> Van Rooy, A., *Civil Society and the Aid Industry*, p. 19-24

<sup>56</sup> Van Rooy, A., *Civil Society and the Aid Industry*, p. 19-24

PRODUCT RED that is neither on the civil society arena nor solely on the arena of the private sector. This perspective illustrates PRODUCT RED's position as an in between actor but ostracizes them from the arena of civil society. Therefore the perspective doesn't fully explain the organization's setting without bringing in other perspectives to broaden the view.

I do find that the organization fits the description as a space for action in the way that Alison Van Rooy puts it. Much so because this perspective is more inclusive when it comes to what actors belong to the civil society giving PRODUCT RED a more obvious place on the arena. But also because the organization is a part of a larger organized cluster of social movements that all are connected to work for the same goal, to bring aid to Africa. The definition of a space for action will be further explored in the second part of the analysis.

The perspective of the civil society as a historical moment might much well be a suitable definition of how PRODUCT RED is a part of the civil society, but also how they are an actor on the global market. One could view the historical and social prerequisites to PRODUCT RED as indicators that point to that an organization working for a noble cause needs to be an active participant of both arenas, or even to ignore the whole arena aspect, to be able to succeed. The market oriented format and the civility in the cause binds these together and works on the prerequisites that the capital society and the negative effects that it has brought to the world in equality has created.

To view PRODUCT RED as an anti-hegemonian movement is easy if you refer to the statement that the civil society is movements that form outside the normal boundaries to form a cluster of organizations. In that I mean that PRODUCT RED's position has been placed outside the normal boundaries of both the global civil society and the global market and through this has created an innovative middle space for action. The other criterion for the anti-hegemonian model is that it creates an alternative sort of democratic action which, in a way, is true with PRODUCT RED since it is a non-state initiative which creates opportunities for change in a political way.

This leads us to the last perspective, the non-state civil society. It is clear that the organization works outside the states boundaries both when it comes to the global civil society and the global market. Although making it the antithesis to the state seems overstated. Sure the actions the organization contributes give them the power of accomplishment in that field over state actions, but the organization is a result of a lack of involvement by state parties. Therefore, the organization's actions do not minimize the role of the state in that sense.

Although PRODUCT RED's cause clearly states that their organization is part of the civil society it is hard to categorize the form of the institution. Even though the organization is not a profit seeking corporation it is described as an economic initiative which puts the organization in a position unlike many others. They do not want to be described as a charity organization, but at the same time their actions paint them as such, which gives PRODUCT RED a given spot in the civil society. The best

way to describe PRODUCT RED might be through John Keane's term, as a socio-economic institution, working on both a sociological and an economic base and marrying the two to become one<sup>57</sup>.

The most important criterion for an actor on the global civil society arena is that they work on a global scale; this is agreed upon by the theorists used for this analysis<sup>58</sup>. PRODUCT RED has obvious cross-border connections in the work they do. The organization was created in the United Kingdom; it was first presented at an economic forum in Switzerland; it has been promoted by many celebrities in the United States; it has engaged companies from numerous countries; and it creates possibilities for change for people in Africa. The list can go on and on to describe the ways in which the organization has international connections, I will stop here because I find that the list has already proven my point; PRODUCT RED is working on a global scale to endorse its mission.

The organization is working for its goal by operating outside of the government, which is a criterion set out by for instance, John Keane and Alison Van Rooy<sup>59</sup>. In their "change work" they have also been engaging other parties to join their cause. By doing this they are making innovative connections throughout the world. This last statement incorporates the idea that the organization should have the purpose to connect the world in new ways to be a part of the global civil society arena<sup>60</sup>.

The civil society has often times excluded the private sector in its community, but John Keane has stated that it is clear that profit seeking businesses can be part of the global civil society<sup>61</sup>. This is one of those times. PRODUCT RED is an organization working on the global civil society arena, but at the same time it is working on the global market arena through its partners. The companies that RED cooperates with have a strong position on the global market as corporate profit seeking firms, the connection with RED creates a link between the two arenas and invites the private sector to engage in the global civil society arena.

Alejandro Colás gives us a different perspective on why the organization PRODUCT RED as an actor on the capitalist market should be considered a part of the civil society. By perceiving the RED organization as a result of international relations created through the capitalist market, which their corporate partners exemplify, it is a part of the international civil society that Colás describes. Consequently, the organization is also defined as being a part of the capitalist market, aka the global market.<sup>62</sup>

The corporations that PRODUCT RED licenses their brand out to are all well established transnational businesses that use the global atmosphere of markets to sell their brand name products. The global atmosphere of markets is illustrated by the

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<sup>57</sup> Keane, John, *Global Civil Society?*, 2003, p. 8-9

<sup>58</sup> Ibid., p. 8-9; Kaldor, Mary, *Global Civil Society – An Answer to War*, 2003, p. 10-11

<sup>59</sup> Keane, John, *Global Civil Society?*, 2003, p. 8-9; Van Rooy, Alison, *Civil Society and the Aid Industry*, 1998, p. 24

<sup>60</sup> Keane, John, *Global Civil Society?*, 2003, p. 8

<sup>61</sup> Ibid., p. 8-9

<sup>62</sup> Colás, Alejandro, *International Civil Society*, 2002, p. 16. 22, 33-39, 49-54

reasoning about how money circulates in the world explained by Jan Aart Scholte in his book “Civil Society and Global Finance”<sup>63</sup>. Through this the companies have ended up with a multicultural consumer base for their global products, which makes it clear that the markets have gone through globalization<sup>64</sup>. These global products now bear the RED name.

The trans-world companies trade on an open market close to free from state intervention by regulatory institutions<sup>65</sup>. There is an understanding amongst theorists that the power stated in the corporations these days has diminished the role of the state and given more room for company action<sup>66</sup>. An international arena is open for the global market actors and the companies involved here have taken their positions on it. There are no doubts that the corporations involved in this establishment are actors on the global market arena, which puts the organization PRODUCT RED in a position where they have strings attached on both playing fields.

The partners the organization has and the values and goals that steer their work all shows that the position the organization has is one that can be categorized to fit both playing fields. This exclusive middle position has been reached by directing the spotlight towards the consumer and conducting the business on the guidelines for a consumerist’s community. Aid campaigns have increased tremendously in recent years. Causes have multiplied and it is hard to stand out in the parade of colored ribbons. The competition for donor dollars has increased. All of these facts have made it crucial for new aid organizations to create a name for themselves even before the cause enters the market. PRODUCT RED has brought something new to the game; aid is now a desired commodity. The companies’ desire for consumer capital has made them commit to a strategy which will give them financial gains, publicity and a good reputation. The consumers enter into the arena for other reasons.

Consumerism is a modern day condition that most everyone at one point or another is effected by. A feeling of desire for certain products has been created by persistent PR, directed by the market actors. The desire has the goal of instant gratification, and after being fulfilled, the craving often sets in for something new. Satisfaction is top priority and fashion, entertainment, and novelty is what will fulfill these needs. Consumerism has gone global in the same way the products have. Multinational businesses and technology have made products available to a multicultural consumer base and advertisement has created the desire.<sup>67</sup>

In this sense PRODUCT RED works as a branding mechanism that creates the desired item by making the connection with the product designer and manufacturer. The corporations in turn create an image of the product through advertisement and publicity. For example, the GAP launched a promotion campaign with several

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<sup>63</sup> Scholte, Jan Aart in: Scholte, Jan Aart – Schnabel, Albrecht’s, *Civil Society and Global Finance*, 2002, p. 15-17

<sup>64</sup> Scholte, Jan Aart, *Globalization – a critical introduction*, 2005, p. 4, 159-161

<sup>65</sup> Gilpin, Robert, *The Challenge of Global Capitalism: the world economy*, 2000, p. 3, 5, 9, 10

<sup>66</sup> Altvater, Elmar, in Waltzer, Michael’s, *Toward a Global Society*, 1995, p. 151, 156

<sup>67</sup> Scholte, Jan Aart, *Globalization – A Critical Introduction*, 2005, p. 162-164; Stearns, Peter, *Consumerism in World History – The Global Transformation of Desire*, 2001, p. 125, 73



celebrities, including Steven Spielberg, Chris Rock, and Penelope Cruz, posing with their favorite RED item and Giorgio Armani presented their collection of RED items at a special RED fashion event during London's fashion week<sup>68</sup>. Besides the companies' advertisement, PRODUCT RED has also promoted the different products by engaging other celebrities in speaking out about the product and cause, like Oprah for example. PRODUCT RED also creates an image and a desire at every public appearance they do where they promote the cause and inform about the organization and its goal.

After presenting these facts and thoughts it is important to mention the occurrence of consumer power. Even though many consumers fall for the glittery façade that the companies portray in their RED campaigns there are the ones that do choose RED as a result of consumer power.

Michele Micheletti uses the expression "political consumerism", this term is very useful to explain the workings of the organization PRODUCT RED as a result of consumer power. The global market arena has become a political arena. The consumer has changed priorities which have resulted in virtue, politics and ethics entering the arena when it comes to shopping choice. The power of the corporations has increased with capitalism's globalization, but so has the power of the consumer and corporations which are forced to consider the newer needs of the customer. Ethical values guide the consumer, and responsibility for the state the world is in has lead to boycotts, where choosing the ethical product gives the consumer the final say.<sup>69</sup> PRODUCT RED is an obvious answer to the consumer's desire for an ethical choice, a product that satisfy the need for a feeling of control in a chaotic world, an item that speaks out for the political virtues that the consumer wants to live by.

The choice is there, to go RED or to buy the original product that lack the cause. The power is in the consumers hands and hopefully a great number of them go RED because they believe in the good it does. How many, percentage wise, go RED because of consumerism or consumer power is impossible to find out. Regardless, the cause is still being reached and the organization PRODUCT RED has become a success story. Consumers are being convinced that RED is the way to go, companies make money on the deal and wins points in goodwill, the Global Fund receives contributions to distribute to the women and children suffering from AIDS in Africa, and PRODUCT RED is the actor that makes all this possible. By making itself an independent organization that reaches out and works in an unconventional way, they reach two very different arenas and a prosperous aid organ has been created.

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<sup>68</sup> *Products*, [www.joinred.com/products.asp](http://www.joinred.com/products.asp); *Gap (PRODUCT) RED collection designed to make a difference for Africa*, [www.gapinc.com/public/Media/Press\\_Releases](http://www.gapinc.com/public/Media/Press_Releases)

<sup>69</sup> Micheletti, Michele, *Political Virtue and Shopping: Individuals, Consumerism, and Collective Action*, 2003, p. x-xi, 149-150; Micheletti, Michele – Follesdal, Andreas – Stolle, Dietlind, *Politics, Products, and Markets – Exploring political consumerism past and present*, 2004, p. ix-xiv

## 4.2 Advantages and problems originating from PRODUCT RED's position

The global civil society and the global market are run by different and sometimes contesting mechanisms and principles. This creates an undeniable tension in the position that PRODUCT RED holds. Since the organization is an actor on both arenas they must try to oblige to both sets of rules. At times the principles can coexist without any problems but the organization will find itself in a situation where they have to go one way or another without compromise. This part of the analysis will investigate what kind of principle areas can result in a problematic situation for PRODUCT RED and also highlight which mechanisms can coexist peacefully within the organization's middle position. As a part of the consequence-debate I will also touch on the discussion of border definitions.

I will go over the mechanisms and principles that the arenas have in common and the ones that set them apart simultaneously. I will direct my analysis in this manor because a principle that connects the two can at the same time work as a disadvantage if seen in a different light. An analysis of what these advantages and problems can result to will also be presented.

Surprisingly the two global arenas of civil society and market have quite a lot in common which is a huge advantage for PRODUCT RED. One of the most important principles that they have in common is that both arenas are located outside the government, for the most part. One of the main criteria for the global civil society is that the organizations and institutions within it are non-state actors and so it is filled with non-governmental organizations<sup>70</sup>. PRODUCT RED is one of them. The markets have long experienced that the state has had a diminishing role in the game and the global market arena has been lacking regulatory institutions<sup>71</sup>. This creates a space for the actors on the global market where they have the power to steer their actions to maximize their profits.

The fact that both arenas have little or no state interventions leads to a space for action for both parties, which is defined as a perspective of the civil society by Alison Van Rooy<sup>72</sup>. None the less, the space for action we are referring to here is a global space for action since the parties both operate on a global scale. PRODUCT RED and organizations like it are thereby left with the power to act in the organization's best interest without consulting other organs. The same is true for the global market actors which in turn benefits the RED organization. This since they are directly a part of the global market through their partners and the fact that RED brand name products are playing on an international field of commerce.

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<sup>70</sup> Keane, John, *Global Civil Society?*, 2003, p. 8-9

<sup>71</sup> Altvater, Elmar, in: Waltzer, Michael's, *Toward a Global Civil Society*, 1994, p. 151, 156; Evans, John, in: *En ny Världsbild – från kallt krig till global marknad*, 1999, p. 162-165; Gilpin, Robert, *The Challenge of Global Capitalism: the world economy*, 2000, p. 3, 5, 9, 10

<sup>72</sup> Van Rooy, Alison, *Civil Society and the Aid Industry*, 1998, p. 19-24

The non-governmental ties that the arenas have are an advantage to the RED organization. A non-governmental space for action exists for the two and places the actors on the arenas in a common place where they both follow the same mechanism that the non-state space inflicts. But at the same time this can work as a disadvantage for the position of PRODUCT RED. Robert Gilpin portrays this best by stating that since there are no regulatory institutions that steer the interactions there is an obvious lack of civil rules on the global market arena<sup>73</sup>. Even though the global civil society lives in the same non-governmental environment they have the social norms and values that direct their work<sup>74</sup>. The global market does not. The global market has an obvious goal of searching out the consumer and increasing the profits. This is what the corporations bring with them to the table when they choose to work with the global civil society arena. The mechanisms that steer the global market are more hard core profit seeking and thereby creates a different atmosphere for action. Without regulatory mechanisms and with a lack of civil rules and norms the global market can directly work as an organ that creates inequality<sup>75</sup>. The result is a condition that the global civil society has set out as a goal to prohibit. The lack of values that the global market lives with is in stark contrast to the norms and values that the global civil society lives by.

This breeds an inherent conflict between the two arenas, one that can be hard to overcome. It is hard to say exactly what kind of implications this has had on the organization PRODUCT RED. The organization lives under the rules of the civil society, the goal of fighting HIV/AIDS in Africa makes that hard to contest. At the same time they take a step away from some of the values that belongs to actors on the global civil society arena when accepting partners on the global market arena without investigating the exact indifferences they have when it comes to values. One must confess that since the corporations willingly engaged in the cause that PRODUCT RED promotes; should speak that they, on some level, live by the same rules and norms. At the same time it seems reasonable that PRODUCT RED has chosen to ignore the specifics which the companies operate under when producing RED products to make themselves not seem responsible for the actions that can seem conflictive with the values of the global civil society.

Therefore it is hard to say if this particular indifference and tension can lead to specific disadvantages for PRODUCT RED. It could be a setback for them if it was pointed out to the public that the organization lives a double life and also lives off of the market that breeds inequality in the world. But the organization has been open with its identity as a party that works on both arenas and has concluded that the most efficient way to generate donor dollars is to join the global market instead of fighting it. We will just have to wait to find out what kind of implications it will have in the long run, if it will result in something good for human kind or simply empower the existing system of inequality.

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<sup>73</sup> Gilpin, Robert, *The Challenge of Global Capitalism: the world economy*, 2000, p. 3, 5, 9, 10

<sup>74</sup> Van Rooy, Alison, *Civil Society and the Aid Industry*, 1998, p. 19-24

<sup>75</sup> Gilpin, Robert, *The Challenge of Global Capitalism: the world economy*, 2000, p. 10

It is important to mention in this discussion that profit seeking businesses can be a part of the global civil society, that they can be guided by the same values and principles that guide, for instance, charity organizations<sup>76</sup>. This puts the corporations that PRODUCT RED deals with in a position where their behavior is important when determining if tension surfaces and becomes a problem or not. But it is a fact that not-for-profit organizations make out the majority of the global civil society and organizations that are not are under observation in a way that not-for-profit ones are not. This in it self can create tension on the arena.

As an extension to the previous argument, companies that use the global market in their business are thrown into a world of international competitiveness which is hard to avoid according to Robert Gilpin<sup>77</sup>. One can draw the conclusion that the lack of values previously described are a result from this competitiveness and to stay on top of the game it is hard to go your own way on this issue. This takes us back to the conclusion we landed on in the previous discussion: that it is hard to know the individual positions for the corporations involved with RODUCT RED. But the fact that they cooperate with RED's cause grants them some points for civility, but at the same time they are gaining financial grounds and profits by working with RED and previous actions are not being investigated by RED. The in between position that PRODUCT RED has in this dilemma creates tension but by going beyond the civil society instinct and working with the corporations the cause is being elevated to a whole new level.

Another argument that supports the corporations in that they live with the same values as the civil society is the consequence of consumer power. Michele Micheletti's definition of political consumerism emphasizes this argument when he describes that the consumers directs their shopping according to the political and ethical virtues that they live by<sup>78</sup>. If the corporations were not backed up by the global civil society the consumers would choose to go another way. One could also argue that the companies' cooperation with PRODUCT RED gives them a given spot on the arena of the global civil society, both by the consumers and the actors in the civil society. Cooperation with the RED organization is a conscious choice to do something good, to contribute to a civil goal, therefore the corporations has not joined the fight on a whim but are actually part of the civil society process.

As a different sort of consequence of PRODUCT RED's position I want to turn the spotlight towards the dilemma of defining boundaries. All through the first part of the analysis my goal was to identify PRODUCT RED's position in relation to the arena of the global market and the global civil society. It has been problematic in ways since the organization has characteristics that resemble the profile of both arenas. It is therefore important to bring up to discussion the effectiveness of dividing the world

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<sup>76</sup> Keane, John, *Global Civil Society?*, 2003, p. 8-9; Colás, Alejandro, *International Civil Society*, 2002, p. 16, 22, 33-39, 49-54

<sup>77</sup> Gilpin, Robert, *The Challenge of Global Capitalism: the world economy*, 2000, p. 3, 5, 9, 10

<sup>78</sup> Micheletti, Michele – Follesdal, Andreas – Stolle, Dietlind, *Politics, Products, and Markets – Exploring political consumerism past and present*, 2004, p. ix-xiv

into arenas. A proper divide between the arenas is hard to find and the question is if you really need an exact border.

The argument can be explained through the exploration of boundary division that was developed in the first part of the analysis. On many occasions you can find that the definition of the civil society arena overlaps the arena of the global market. When the term of the civil society is inclusive it is hard to find any distinctive objectives that set the two arenas apart, the global market actors then work on the same field as the civil society actors. But when it excludes the private sphere it is easy to find examples where the capitalist market should be considered a part of the civil society arena. A question well worth an answer is if the distinction is useful. I feel that the border branding has been more useful in the past and that through the entrance of social values on the field of the global market the definitions are getting softer edges. One example of this progress is consumer power where the market arena has become a political sphere for action. Today it is easy to categorize certain organizations and actors to fit the two arenas, but at the same time it is getting more difficult to keep them separate and more easy to find actors that fit them both simultaneously. This is something that PRODUCT RED exemplifies. The organization has created a position and name for themselves which is different from other actors that have gone out to work on both arenas. RED's structure and aim sets them apart from previous organs, therefore the uniqueness of the organization is to me obvious.

If this is a positive or negative consequence of what PRODUCT RED resembles is up to you to decide. I find that a discussion on the subject of the importance of dividing borders is needed and PRODUCT RED's innovative stance creates an opportunity for an open debate. To simplify the matter I choose to describe the organization's position as an actor with ties to both arenas. Even though the arenas are hard to distinguish the organization clearly takes part of both a perception of what the global civil society entails as well as what the global market contributes with.

As an organization living under civil society norms and values and at the same time surviving through the capitalist market structure, PRODUCT RED has taken a risky position. A possible disadvantage for the organization can come out of this relationship when considering the amount of trust they put into their cooperation with businesses that are profit seekers. The corporations have entered the partnership with an uncertainty of what the outcome might be. If the items were not to be well received by the consumers they would retract their end of the deal and drop the RED items from their collection. Another result could be that after the products have been sold the companies realize that they do not make enough profits to fill their needs and thereby break with PRODUCT RED.

All these are possible outcomes of the partnership between the actors and the uncertainty for PRODUCT RED is easily detected. This is a risk they must take, that the profit seeking businesses may dissolve the relationship after coming to the conclusion that they loose too much in the deal. At the same time this is a gamble that every organization and company takes when incorporating a business strategy. It is also interesting to bring in to the equation the fact that political consumerism is taking

up more space on the global market and corporate solutions to that is illustrated by ideas like PRODUCT RED.

The fact that both arenas have a global atmosphere enhances the opportunities for PRODUCT RED's success. Actors on both arenas are given a chance to take advantage of the positive effects that are results from that the global character of the arenas leaves doors open for action. It is needless to say that as a result of the globalization of markets and the civil society, both are given a larger playing field and an opportunity to apprehend a bigger member base. What is interesting though, in the case of PRODUCT RED, is that they are receiving these positive effects in twofold. As an actor on the global civil society arena the word for their cause is being spread world wide throughout a multicultural member base. As an actor on the global market the organization is operating on a maximum scale to make the products available to the consumers. This results in a trans-world consumer base and a great intake of consumer capital, which is fed back to the global civil society through contributions to the Global Fund. All in all the global playing field that the two arenas share is working as an advantage for the organization and its cause.

In the end the cooperation between PRODUCT RED and the corporations result in something good for the organization and thereby is an advantage for the organization as a contributor to and a cause of the civil society. The companies all add to the sum that is given to the needing countries, both in monetary gains and in publicity. A well organized and well carried out mission reflects back to the organization which stands in focus as the director of the work, in this case PRODUCT RED.

## 5 Conclusions

This thesis shows how we can conceptualize PRODUCT RED as an organization acting in between the arena of the global civil society and the global market arena by working on both of them.

The organization's goal and ambition clearly sets out values and norms associated with the global civil society. They work as a socio-economic institution on a global scale to connect the world in a new way through their civil cause. Their non-governmental position, along with the previous criterion presented, gives them an obvious place on the global civil society arena.

Other factors make the positioning on the civil society arena less clear and direct the organization to more fit the definitions of the global market. The corporations that PRODUCT RED licenses their brand out to are well established international companies that take advantage of the globalized market. As global market actors they bring other sorts of criteria, like deregulation in trade, global products, and a profit seeking business model, to the cooperation.

Consumerism and, as a part of that, consumer power is the phenomenon that binds the two arenas together in PRODUCT RED. Consumerism creates the desire for RED items and consumer power creates the setting for political action on the global market arena. The result is an ethically and politically correct brand name product which feeds off of both the global market and the global civil society.

The relationship that PRODUCT RED exemplifies is built on the existence of two different sets of rules originating from the arenas. At times, these fundamental principles are contesting and thereby breed an inherent tension between the arenas. PRODUCT RED may at times suffer some problems from being in a position where they act on both arenas. At other times the position can be a benefit to them and the rules and norms associated with the fields rather help them out than bring them down.

Even though the values and norms of the arenas are different and can create tension, the arenas do have a lot in common and the fact that they both come together in the organization PRODUCT RED give the conclusion that cooperation is possible. The goal of the operation is being fulfilled, what ever the motivation is for the parties to coexist in middle position of PRODUCT RED that fact still stands clear and strong. In the end that is really all that matters; that the cooperation exists, works, and help bring aid to suffering people in less privileged countries.

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