

1

Fair Trade: why it's not just for *coffee farmers* anymore

Overview: as we embark on our exploration of Fair Trade, this chapter considers the context for Fair Trade at the global, societal, and personal levels. A definition of Fair Trade is supplied and a roadmap to the rest of the guide is presented.

Generally speaking, residents of the United States, like myself, do not think of Canadians as a rowdy bunch. They are, according to benign stereotypes, our kinder, gentler neighbors to the north, not known for making a ruckus, unless watching a contentious hockey game. So, I was delighted one September evening in 2005 to witness a dozen Canadian fair traders, proudly waving a banner of the International Fair Trade Association (I.F.A.T.) and chanting, “Hey, hey, ho, ho: Fair Trade is the way to go.” These Canadians were not, I should say from the outset, at an anti-globalization demonstration in front of the World Bank or International Monetary Fund. They were crowded into a Chicago, Illinois, hotel banquet hall with some 750 consumers, producers, businesses, and advocates from twenty countries to partake in the first Fair Trade Futures conference.

I start this beginner's guide with a reference to the conference, not only because the event was a testament to the vitality and credibility of the phenomenon known as Fair Trade, but because each attendee was, most probably, similar to the typical reader of a beginner's guide. Each individual came to the conference with a

2 Fair Trade: A Beginner's Guide

common desire to understand what Fair Trade is about and how, or whether, she or he wanted to “Live a Fair Trade Life,” as the conference motto suggested. I imagine a beginner's guide reader to be the kind of person who is drawn to the notion of Fair Trade for a variety of reasons.

Maybe she's traveled to other countries and knows first-hand about the incredible poverty that billions of people struggle with on a daily basis. She has heard that Fair Trade helps create income for poor people.

Maybe his place of worship promotes Fair Trade, but he's never had a chance to read the congregation newsletter as to why. Now this reader is willing to spend a bit of time to dig deeper to find out if Fair Trade matches his values.

Maybe the reader is a college student who has never joined a campus campaign but has heard a lot of buzz about Fair Trade in the dining hall. Maybe she can even earn some extra credits for reading this book.

Maybe he is an American curious about a little black and white label that keeps popping up at the grocery store or a European seeking information about what the blue and green seal in the supermarket means.

Maybe she is a business leader who cares about workers and customers. This reader wants to know what this latest trend in social responsibility is all about.

If any of these matches your profile or interests, Fair Trade may be for you. It is definitely for billions of people in isolated villages and dilapidated shanty towns who haven't experienced all the benefits of globalization or “free trade.” Fair Trade is for regular women and men who want to work hard, play by fair rules, and take advantage of sustainable economic opportunities, yet find few options available to them. It is particularly for under-educated women and other disadvantaged groups fighting to survive on the fringes of society in the face of discrimination or against invisibility in a world where the rich and powerful are held up as role models.

Fair Trade: why it's not just for *coffee farmers* anymore 3

FAIR TRADE DEFINITION

Fair Trade is a trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations (backed by consumers) are actively engaged in supporting producers, in awareness raising and in campaigning for changes in the rules and practices of conventional international trade.

Endorsed by F.I.N.E., a group composed of the Fairtrade Labelling Organizations International, the International Fair Trade Association, the Network of World Shops, and the European Fair Trade Association.

My goal for this guide is to help the reader understand and analyze Fair Trade. I want this because I believe that Fair Trade is one solution to poverty and marginalization. I also believe it can address some of the problems consumers face in what is now commonly called the Global North, the set of industrialized countries that have relatively robust economies and stable governments. Over consumption, unethical business practices, and environmental concerns can all be observed through the lens of Fair Trade. All around the globe, Fair Trade has the potential to reshape how products are made and consumed. As such, it can influence how we relate to each other as human beings.

Right now in many places and in many ways, relations are not all that encouraging. Of greatest concern to me is the gap between rich and poor people and nations. The United Nations estimates that a person needs at least four dollars a day, about \$1500 a year, to live a basic, decent life. By this measure, of the 6.5 billion people in the world today, four billion people do not live a decent life. Of those, fully one billion live on less than one dollar a day. Yet, at the same moment in history, at least seventy-five million

4 Fair Trade: A Beginner's Guide



Figure 1 Women in Africa and around the world find opportunity through Fair Trade.

people have *at least* fifty-five dollars worth of purchasing power a day. In the United States, 300 million people, roughly four percent of the world's population, consume more than twenty-five percent of the planet's energy resources. Meanwhile, the four billion impoverished people live in rural villages, or urban slums and shantytowns, where they have limited access to social services such as health care, education, water, electricity and transportation.

Readers may have encountered these statistics before. I am not going to make the familiar argument that this level of consumption is unsustainable. I am not going to deconstruct history

Fair Trade: why it's not just for *coffee farmers* anymore 5

and blame inequality on colonialism or corruption or even capitalism. I am merely going to point out what you probably already suspect: this type of disparity is not acceptable. This beginner's guide will help explore whether Fair Trade can help change the way the world works for all of us on the planet.

Consumers definitely benefit from Fair Trade. They obtain unique, high quality products. But more than that, they are involved in a powerful type of consumption. Through this guide you can consider the impact and influence of your purchases and how they connect you with people in your own community and country and around the world. As is often said, a dollar – or a pound or a Euro – is an economic ballot. Consumers make choices each and every day about how to spend money and exercise economic power. What clothes to buy, what Internet service provider to use, what cars to drive, what food to buy. When consumers make conscious decisions about how to spend money on items that do not depend on the exploitation of human labor, the destruction of the environment, or the homogenization of culture, they are voting for the kind of world they want to live in. And, they are engaged in creating that world. The topic of free trade will come up in this beginner's guide, and I argue that a frequently overlooked freedom of our current trading system comes from being able to exert individual power – economic, political, and moral – to support Fair Trade.

But consumers cannot do this alone. The immense problems of poverty cannot be solved by Fair Trade by itself. Development assistance, improved governance structures, and even reformed conventional trade in the sectors that Fair Trade does not involve, such as technology and transportation, are all parts of a multi-faceted solution to poverty and lack of opportunity. At the turn of this century, the United Nations (U.N.) adopted a set of goals and targets for combating poverty, hunger, disease, illiteracy, environmental degradation, and discrimination against women. These are referred to as the Millennium Development Goals, and they

6 Fair Trade: A Beginner's Guide

provide the entire U.N. system with a framework for reaching them by 2015. Former Secretary General Kofi Annan has said:

We will have time to reach the Millennium Development Goals – worldwide and in most, or even all, individual countries – but only if we break with business as usual. We cannot win overnight.

THE MILLENNIUM DEVELOPMENT GOALS TO BE ACHIEVED BY 2015

End Poverty and Hunger: Reduce by half the proportion of people living on less than \$1 a day. Reduce by half the proportion of people who suffer from hunger.

Education for All: Ensure children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Equality for Women: Eliminate gender disparity in education

Save Children's Lives: Reduce by two-thirds the under-five mortality rate

Make Motherhood Safe: Reduce the maternal mortality ratio by three-quarters

Stop HIV/AIDS, malaria, and other diseases: Have halted and begun to reverse the spread of HIV/AIDS. Have halted and begun to reverse the incidence of malaria and other major diseases.

Protect the Environment: Integrate the principles of sustainable development into country policies and programs, and reverse the loss of environmental resources. Reduce by half the proportion of people without sustainable access to safe drinking water and basic sanitation. Achieve significant improvement in the lives of at least 100 million slum dwellers by 2020.

Build a Global Partnership for Development: Address needs of the least developed countries. Further develop an open trading and financial system. Deal comprehensively with developing countries' debt. Develop job strategies for youth. Provide access to affordable essential drugs in developing countries. Make available new technologies, especially information and communications.

Fair Trade: why it's not just for *coffee farmers* anymore 7

Success will require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses, and engineers; to build the roads, schools and hospitals; to grow the small and large businesses able to create the jobs and income needed.

In this guide, I share some of my personal and professional influences, as well as insights and analysis from producers and consumers with whom I am fortunate to be connected by virtue of the shared concerns and aspirations referred to as Fair Trade. Despite my use of the term Fair Trade as if it were a monolith, we will see early into our exploration that Fair Trade encompasses a diverse array of interpretations and manifestations. All over the world ardent fair traders are debating and refining what Fair Trade is and is not. Still, I have consciously used the term movement to describe this phenomenon. This designation in part reflects my aspirations that Fair Trade will become a force that transforms society alongside labor and solidarity movements, civil rights movements, and peace and justice movements.

Especially here, in my home country of the United States, I want Fair Trade to affect fundamental change in the way Americans think about their consumption, their relationships to others, and their place in the world. But, I recognize that Fair Trade is many things to many people. Movement may be too broad a term, and business model definitely too narrow. Some, such as Fair Trade pioneer Pauline Tiffen, suggest thinking of Fair Trade as being part of a “marketplace,” a more humane and spirited collection of activities than the neutral, invisible market of economist Adam Smith. And we can go even further, as human beings are more than consumers in the marketplace. We must pay attention to the real benefits and costs of purchases, but our biggest concern as fair traders may be the awareness that the best things in life are not things we can buy.

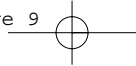
I stopped in my tracks during a morning jog in Washington, D.C., recently when I saw an advertisement for a luxury car that

8 Fair Trade: A Beginner's Guide

read, "A strong want is a justifiable need." I reject the notion advertisers relentlessly promote: that consumers are entitled to everything they want, or everything marketers want them to want. Through Fair Trade, consumers can help themselves and others meet their basic and sustainable needs. With Fair Trade modern consumers can rethink some of the entrenched attitudes of our generation.

In many ways, my philosophical approach to the many meanings of Fair Trade is not new. In chapter two I consider the roles the free market economy plays in our lives and in relation to Fair Trade. Chapters three and four examine the principles of Fair Trade and how they are linked to fine traditions of justice embodied by outstanding individuals and enterprises. I describe in chapter five the rather humble beginnings of Fair Trade, rooted in people-to-people partnerships, and the array of organizations at the forefront of its development. Chapter six considers whether and how Fair Trade affects lives, and in chapter seven, I offer the examples of average people who make those impacts possible. Chapter eight will help put Fair Trade in the broader political context of the international trading system.

At this point, I offer another clarification about terminology: the first time the term "Fair Trade" was used in its current context was by author and advocate Michael Barratt Brown at a conference in London. Up to that point in the movement, the term "alternative trade" had been used. The word "alternative" reflected non-traditional methods to reach markets such as craft sales in church basements. It suggested a different way to do business that favored the marginalized and disadvantaged and it strove for alternative mechanisms to reform an international trade system that Oxfam has since dubbed as being full of "rigged rules and double standards." Barratt Brown distilled those goals into the desire for "fairness." However, as the Fair Trade movement evolves, some consider the current usage of Fair Trade too limited in that it can be narrowed in application to only a fair price. Others



Fair Trade: why it's not just for *coffee farmers* anymore 9

find it inferior to goals such as those of the solidarity trade movement, which seeks to nurture local, community-based markets. The future of Fair Trade, which is the consideration of chapter nine, will be shaped by how consumers interpret these debates. Chapter ten closes the guide with ideas for how the reader can broaden Fair Trade commitments and participate in defining the future. I also offer an appendix and list of readings for deeper exploration because this book is more than a guide, it is an invitation to take a role in shaping what the future of Fair Trade can be.

