

Fair-Trade as Sustainable Development: Education for A New-Wave of Ethical Consumers

Thesis presented to the Graduate Faculty
in partial fulfilment of the degree of
Master of Arts in International Community Development

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NORTHWEST UNIVERSITY

May 2019

Portions of this Thesis have been previously published in GLST5333 Leadership; GLST5673 Globalization and Development; GLST6423 Social and Environmental Justice during the course of study.

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Introduction

Fair-trade, which grew from alternative trade movements beginning in the early 1940's, has continued to make ethical consumption a recognized social issue affecting all people across the world. While the issue of ethical consumption is not new and is generally thought to be based on Quaker Slave Free Produce Movements of the 1800s, fair-trade also has roots in the Mennonite church's call to care for our neighbors (Guzder; Nofziger). Today, the fair-trade model is not only recognized by the general public as a social movement but as a popular consumerism trend. When I was fifteen years old, I was exposed to the concept of ethical purchasing and fair-trade, when a tragic factory fire in Bangladesh killed an estimated 112 people (Prentice & De Neve). Just a few months later, a second factory fire "killed [another] 1,134 garment workers and injured hundreds of survivors... These two incidents and a string of other disasters in garment factories across South Asia exposed the brutal employment conditions in the garment industry, and the deadly cost of 'fast fashion' to workers who produce clothes under strict deadlines for very low wages" (Prentice & De Neve). As someone who adores self-expression through fashion, I was horrified to discover that by buying fast fashion, I was contributing to its deadly cost. I was deeply moved by this realization and have been committed to buy ethically as often as I can since then. Although ethical trade movements existed before the series of factory fires in 2012 that grabbed my attention, the news surrounding these events of international labor exploitation rapidly spread awareness and contributed to the fair-trade model becoming a popular and mainstream movement. Now, there are fair-trade certifiers, organizations, stores and apps that give consumers knowledge and access to ethical products.

Presently, the fair-trade model has been in business for roughly seventy years, beginning in 1946, but labor exploitation continues to be a large global issue. The International Labor Organization reported that in 2017 "40 million people were victims of modern slavery... [which]

includes [an estimated] 25 million people in forced labor” (International Labor Organization 5). Despite the seventy years that fair-trade has existed, significant changes in its approach and regulation have yet to occur. Justifiably, the fair-trade community is now questioning what the next wave is, so that fair-trade continues to be a viable contributor to larger ethical consumerism movements including local and organic. To illustrate the need for a shift in approach, Jonathan Rosenthal, a founder of fair-trade organization Equal Exchange, states that while “corporate fair-trade is growing, it is not continuing to grow as quickly as we thought it would.” There has been a recent growth of interest regarding environmentalism and how people are making choices to live lower impact lives. But how does using consumer dollars as a vote for justice apply to environmental consciousness and sustainable development? As the fair-trade movement calls people to boycott companies and corporations that fail to operate with a moral backbone, sustainable development also requires a person’s choice to live against the status quo for a greater good. This model relies on active participation and engagement in leadership from consumers to create corporate social responsibility. When discussing leadership engagement, Kuenkel states that it is a collaborative journey towards sustainability which is the exact goal of corporate social responsibility (Kuenkel). These two social movement models work cohesively, and as sustainable development has captured the hearts of the general public today, fair-trade should be equally considered as part of this movement.

When I discovered that the fair-trade movement was slowing in growth, I began conducting qualitative interviews with field experts on what issues or short comings the fair-trade model has. In my fieldwork research, I found that there is an argument to increase fair-trade standards between fair-trade organizations and certain fair-trade certifiers. Regulatory standards have become an issue in fair-trade due to corporatization. Corporatization has lowered fair-trade

standards and is allowing monopolistic companies the ability to certify a few products as fair-trade without committing to large scale organizational change. While corporations are run by people, they favor “the corporate person over actual persons” (Schut & Greider 105). This is now an issue in the ethical community because corporatization is allowing businesses to use the ethical social movement as a marketing tool to their advantage without operating as ethical entities.

Now, as fair-trade organizations are discussing the fair-trade movements’ connection to sustainable development as rebranding, this has also become a viable opportunity to educate consumers on why fair-trade certification needs to increase its standards as this gives consumers the ability to make informed purchasing decisions. Consequently, my thesis position is that fair-trade organizations must thoroughly educate consumers on the innerworkings of its model to create a new wave of informed, ethical consumers. Moreover, fair-trade organizations must retell fair-trade’s historical development, social and economic goals, and introduce a new conversation regarding its role as a component of the larger sustainable development movement.

My thesis will be a combined project and paper that includes a curriculum for fair-trade organizations to use as education and outreach material. The curriculum will be for a one-day workshop that educates a new wave of ethical consumers and highlights the position of fair-trade as a component of sustainable development. My thesis curriculum will directly correlate to sections of my thesis paper. The first section of my thesis paper will explain the historical context and development of the fair-trade movement to restate if its goals have been accomplished. My thesis will then transition to expand on the fair-trade movement’s connection to other trade movements and how these are used by corporations as marketing tactics. I will then critique the certification process, as this has allowed corporations to act with negligence.

Next, I will demonstrate how the goals of fair-trade correlate with the goals of sustainable development. Lastly, my thesis will introduce the new conversation of fair-trade as a component of sustainable development and why fair-trade cannot be considered as an impenetrable solution by consumers.¹

Section 1: Historical Development of Fair-Trade

Considering how fair-trade developed as a social movement and into a successful business model is necessary to critique its successes, failures and future as a market tool. In the following paragraphs I will discuss how the fair-trade business model developed out of Mennonite tradition to then utilize small and democratic cooperatives as the foundation of the business model, to how fair-trade corporatized with the help of globalization, neoliberal policy, and a formal certification.

To understand historic aspects of fair-trade, I will first define what the fair-trade market system is and illustrate its scale in comparison to the total global market. The fair-trade market system is a culmination of political movements and campaigns that have formed policy initiatives to regulate employee protection standards through establishing a minimum amount an employee can be paid and ensuring safe working conditions. In terms of scale, it is difficult to paint a picture of fair-trades' impact as a contributor to total global trade. However, it is important to clarify that, "fair trade...accounts for a miniscule fraction of total global trade...it approaches 1 percent of total world trade, and in most categories, it is closer to 0.1 percent of total trade" (Fichtl 30). The reason that it is so difficult to calculate fair-trades' total impact is because fair-trade organizations may have members that sell a combination of fair-trade certified

¹ *Portions of this section appeared in an assignment submitted for the GLST5333 Leadership course.*

and non-fair-trade certified goods. In addition, fair-trade organizations aggregate sales data which makes it difficult to “ascertain accurate breakdowns between commodity (or labeled) products and non-commodity goods” (Fichtl 29). While statistical evidence of fair-trades’ overall global market scale and impact are weak, its purpose continues to be a successful model for empowering developing communities through increased market access.

To demonstrate how the fair-trade model empowers developing communities through increased market access, I will next describe the primary goals of the fair-trade movement. The primary goals of the fair-trade movement, in their traditional modality, are defined by Douglas Murray author of *Fair Trade: The Challenges of Transforming Globalization*. Douglas Murray is a professor of Sociology at Colorado State University and the Co-Director of the Center for Fair and Alternative Studies. He states that the original and primary goals of the fair-trade model are:

1. To improve the livelihoods and well-being of producers by improving market access, strengthening producer organizations, paying a better price, and providing continuity in the trading relationship;
2. To promote development opportunities for disadvantaged producers, especially women and indigenous people and to protect children from exploitation in the production process;
3. To raise awareness among consumers of the negative effects on producers of international trade so that they exercise their purchasing power positively;
4. To set an example of partnership in trade through dialogue, transparency, and respect;
5. To campaign for changes in the rules and practice of conventional international trade;
6. To protect human rights by promoting social justice, sound environmental practices, and economic security (Murray 5).

The fair-trade movement works with the global economy but through a sustainable and ethical structure. This definition of the goals of fair-trade will be referenced throughout my thesis to lay out the argument of fair-trade as a component of sustainable development.

Now that I have defined the fair-trade market system, its scale, and the overall goals of the model, I will next discuss its inception through a historical timeline. The fair-trade movement began as a small idea by one woman, Edna Ruth Byler, in 1946. Edna saw the immaculate needlepoint works of artisans in South America and thought that their work had the ability to lift their communities out of poverty if they were given access to a fair supply chain. Byler saw this opportunity while traveling with her husband in Puerto Rico where she “met women in La Plata Valley who were struggling to feed their children. Having lived through hard times herself during the Depression, she knew the face of poverty. She also knew the importance of dignity and people wanting a way to help themselves” (Ten Thousand Villages). Edna began importing the needlepoint textiles by these small artisans and selling them out of her car to local friends and neighbors. All the while, she provided the artisans a fair wage for their work to introduce them into a market they did not have access to before. While the business started small, “Mennonite Central Committee, an aid and relief agency, saw the long-term value that sustainable income opportunities would bring to impoverished villages” (Ten Thousand Villages). Edna, with the help of the Mennonite Central Committee, started Ten Thousand Villages, my fieldwork site. Ten Thousand Villages became known as the first fair-trade organization and helped later spur what is now known as the fair-trade movement.²

² I chose Ten Thousand Villages as my fieldwork site location due to its extremely influential role in the growth of the fair-trade movement as the first fair-trade store. I conducted part of my fieldwork inside the Seattle, WA Ten Thousand Villages store location through qualitative interviews with the Store Manager, employees and customers. Ten Thousand Villages is both an in-store and online retailer of fair-trade products. In addition, to their role as a retailer, they

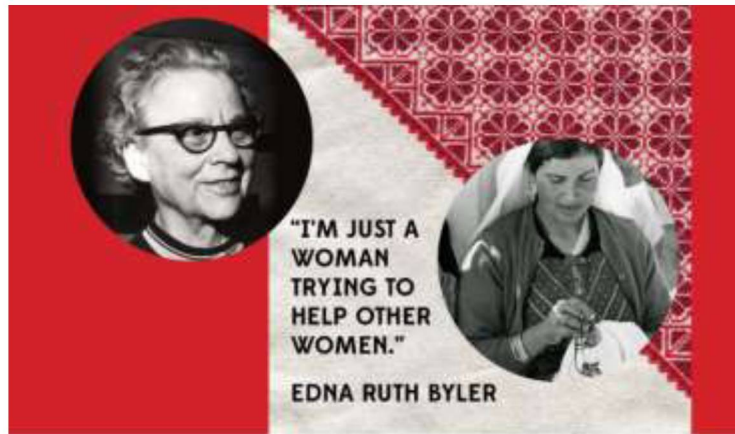


Fig 1. Image of Edna Ruth Byler, founder of Ten Thousand Villages. “History.” *Ten Thousand Villages*. <https://www.tenthousandvillages.com/about/history/>. Accessed 2 Jan. 2019.

When the first fair-trade organization was established, it became necessary to find the most effective ways to provide access to markets while giving producing communities power over their work. This is the anti-capitalist component of the fair-trade movement that works against corporate business models. Its goal is to provide developing communities wider access to markets, but to do so with dignity that lifts disenfranchised communities. The fair-trade business model did originate from a colonialist movement of people from the global north helping people from the global south. Most producers involved were drawn in from NGO partnerships in Asian, African and Latin American countries. Their products were then imported into markets in Western Europe and the United States (World Fair Trade Organization). The World Fair Trade Organization states that the “earliest traces of Fair Trade in Europe date from the late 1950s when Oxfam UK started to sell crafts made by Chinese refugees in Oxfam shops... At the same time, Dutch organizations began to sell cane sugar with the message “by buying cane sugar you give people in poor countries a place in the sun of prosperity” (World Fair Trade Organization).

produce education and outreach material to engage consumers with the movement and share how everyone can be part of the solution for total global equity in trade.

Going into the 1970's, this idea shifted when Alternative Trade Organizations (ATO's) "made a commitment to work directly with indigenous peoples and to market their products directly to consumers by cutting out middlemen" (Equal Exchange). Equal Exchange's founder, Jonathan Rosenthal, recalls "when we started there was no fair-trade movement, but we stumbled into the alternative trade movement" (Rosenthal). Equal Exchange always had a dialectical tension looking for ways to help farmers reach broader markets. Jonathan stated that the "ideological values drove this model of fair-trade markets to see what [Equal Exchange] could do to lift people with dignity in disadvantaged situations" (Rosenthal). With the rise of ATO's, activism also increased and the phrase "Trade not Aid" was coined to describe this new business model that had a heart for "equitable trading partnerships" (Fair World Project). Equal Exchange, which came out of the ATO movement, was founded in 1986 and began utilizing the fair-trade model to improve the already existing structure of democratic worker's cooperatives. Cooperatives operate from the foundation that ownership belongs to the producer. Therefore, this empowers "workers by giving them shares in the company and the power to vote for members of the board" (Strauss). Worker's cooperatives have been extremely successful in socio-economic development due to their resiliency. Because profit is not the primary objective, cooperatives "can flex with economic turbulence, worker-owners are more committed to their workplaces than traditional employees, and worker co-ops have a productivity advantage over other businesses" (Co-op Law). Justifiably, "cooperatives have become the heart and soul of the fair-trade movement" (Fair World Project). The role of cooperatives in the fair-trade model will be discussed further in the second section of my thesis paper: The Goals of Fair-Trade.

So how did the fair-trade movement corporatize and adopt a certification process? The fair-trade movement industrialized along with the global economy. The globalization of our

world economy allows the fair-trade model to import goods through international supply chains. Essentially, the fair-trade movement became a reactionary response to capitalism when individual economies globalized. To look at how globalization created a reactionary fair-trade movement, there are two systems to define: the world economy and capitalist ideology. The modern world trade system “has its origins in the sixteenth century” which looks at trade development through the lens of geographical and structural barriers (Wallerstein 56). In this model, the world economy is both a flow of capital and exchange of goods, but states that trade is limited by the routes in which products are made, bought and sold. While in the sixteenth century these divisions were mainly geographical restrictions like bodies of water and mountain ranges, today in a globalized market, these limitations in addition to being geographically linked are also restricted through international policy like trade agreements and tariffs.

But how did we get to this place? In the nineteenth century, the transition into the second wave of globalization and its modernization changed the way in which goods were produced, “things made by hand were [then] made by machines and then were mass produced” as part of the Industrial Revolution (Myers 46). As companies worked at greater speeds to meet consumer demand, local businesses turned into corporations that began to compete internationally. During this period of modernization, capitalism, the second ideological system to define, emerged and became the fundamental ideology of the market in the global North. Capitalism is the ideological system by which economic trade is regulated by large corporations, monopolies and private owners that regulate the system through pricing of goods to increase profit and reduce competition. At the core of capitalism is laissez faire ideology that allows the market to govern itself with limited barriers, restrictions or government influence. The heart of economic

globalization is this flow of “things, people and ideas with underlying beliefs in free trade, unrestrained flow of capital, and easily convertible currencies” (Myers 46).

The rise of transnational corporations only continued to speed the globalization process. Post-World War II, “global financial institutions... [including] the International Monetary Fund (IMF) and [the] World Bank, [became the] primary vehicles for promoting neoliberal economic policies forcing the deregulation of national economies” (Murray 6). These institutions then granted large transnational corporations and member governments the power to restructure global economies in ways that benefitted their member countries. It is important to note that the IMF and the World Bank are institutions of the United Nations and about “two thirds of the WTO’s... 164 members are developing countries” (World Trade Organization). Therefore, as capitalism worked hand in hand with the economy in the global North, it became the force behind how we created our global market.

The impact of globalization on the economic system is revealed when capitalism and the world economy work together. When capitalism is the fundamental ideology of the world economy, there is a rise in monopolistic transnational corporations which often use unjust and unethical production. To stay competitive in the market, monopolies allow sellers to “create a relatively wide margin between the costs of production and the sales price” to increase the total profit (Wallerstein 58). To create this margin, these corporations often fail to pay their workers a fair wage, provide benefits, and maintain their facilities which is what fair-trade advocates against.

Using the understanding of how capitalism impacted the development of the global economy, I will now explain how it has impacted fair-trade certification. Some who were invested in the mission of ATO’s and fair-trade for equitable supply chains felt they had to work

with capitalist ideology to corporatize their model. This was done to incentivize corporations to join in the movement and become fair-trade certified, “with the introduction of fair-trade certification organizations like TransFair USA [which became Fair Trade USA and is now known as Fair Trade Certified,] products from around the world started to be certified as fairly traded. In an endeavor to place a world standard on what is fair, these labeling organizations came together and formed the Fairtrade Labelling Organization (FLO)” (Equal Exchange). My thesis will later explain the impact of corporatization on fair-trade certification in Section 3: Fair-Trade as a Component of Sustainable Development. However, this information has been emphasized in this section to explain how fair-trade has historically developed into a corporatized model and regulated certification, today.³

Section 2: The Goals of Fair-Trade

With the goals of the fair-trade model and its historical development expounded, I will now address whether the fair-trade model is statistically successful in meeting its objectives. Accordingly, if the fair-trade business model is contextually successful, data should first reflect that producers’ lives and their livelihoods are improved through increased market access and better prices. Secondly, it should reveal that part of the population of producers working in fair-trade are women from disadvantaged communities, as this group is most vulnerable to exploitation and women are often the custodial parent of children. Thirdly, it should result in increased awareness among consumers of the negative effects of international trade on producers and in response there is an increase in people purchasing ethically. Lastly, if fair-trade has been an effective model, there would be an increase in the number of campaigns promoting ethical

³ *Portions of this section appeared in an assignment submitted for the GLST5623 Globalization and Development course.*

international trade as well as campaigns for the protection of human rights, sound environmental practices, and economic security.

Increased Market Access and Better Prices The fair-trade business model has been overwhelmingly successful in improving producer lives and livelihoods. The fair-trade model increases producer access to trade markets and increases their livelihoods through four ways which contribute to development. The first way fair-trade increases livelihoods for producers is through price setting. Price setting standardizes the “lowest possible price that a buyer of fair-trade products must pay the producer. The minimum price is set through a consultative process with fair-trade farmers, workers and traders, and guarantees that producer groups receive a price which covers what it costs them to grow their crop” (Fair Trade Foundation). Consequently, if market price exceeds the minimum price set by fair-trade standards, then the trader is obligated to pay the market price and gives the producer a larger take home pay. Therefore, fair-trade price setting impacts producer livelihoods by giving them access to a market that increases their income.

The second way fair-trade has contributed to improving producer lives and livelihoods through better prices is by guaranteeing price premiums on products. A fair-trade premium is a calculated percentage of the value of the product sold. Fair-trade premiums are an additional sum of money producers receive that is exempt from compensation for labor. The producers are able to use this “extra sum of money to invest in improving the quality of their lives [socially, economically, and environmentally]....Cocoa farmers, as an example, receive an extra \$200 per tonne of cocoa beans they sell. In 2016, more than \$171 million of fair-trade premium was generated through sales and given back to communities” (Fairtrade Foundation). Producers democratically decide how to spend fair-trade premiums through the organization of

cooperatives which gives the producers' the autonomy to make decisions on how and where to improve their lives.

The third way fair-trade is improving producer lives and livelihoods is through the establishment of a regulatory certification process. The regulatory certification of fair-trade sets standards that comprise minimum environmental, social and economic requirements. While the requirements vary by certifier, they are continuously updated to ensure that the lives of producers and farmers are improving. By setting labor and community protection standards, fair-trade certifications improve producers' lives.

Lastly, fair-trade has advanced development through microfinance lending. In so far, fair-trade is successful at providing a route for producers and farmers to reach greater value on their products. However, fair-trade does not address the financial sustainability of its producers. Justifiably, many fair-trade organizations have evolved to use micro-finance lending. Micro-financing "is designed to be a tool for financial inclusion, offering services to the 'non-credit worthy'" (Agrofine & Cerise). While micro-financing options are not available through every fair-trade organization, they are a unique tool that enhances economic growth in developing and rural communities which additionally contributes to the goal of improving producers' lives and livelihoods.

All four of the methods that fair-trade utilizes, enhance producer lives and livelihoods through the goals of increasing market access and giving better prices. Minimum price setting, price premiums, fair-trade certification, and microfinancing have allowed farmers and producers in the last year to improve their lives. The Fairtrade Foundation reported in 2016 that "workers on fair-trade certified plantations invested 33% of their fair-trade premium in housing improvements. [In addition,] \$181.4 Million in fair-trade premium [was] paid to producers.

[Lastly,] small producer organizations spent 48% of their fair-trade premium in services for farmers like provision of agricultural tools or farmer training” for a more sustainable future (Fairtrade Foundation).

The Role of Women The second objective I will discuss is the role of women in fair-trade. If fair-trade is meeting its objectives, a second positive impact will statistically show that part of the population of producers working in fair-trade are women from disadvantaged communities. The participation of women in the fair-trade workforce is important because it ensures that women are given the same opportunities to participate in producer groups as men. When women are treated equally in the workforce it “not only [increases] their income and their influence, but it [can] also boost the bottom line for businesses and improve development outcomes for communities in some of the world’s poorest countries” (Crowther). To determine if there has been an increase of women working in fair-trade hired labor, I used comparative analysis of statistics produced by one fair-trade organization, Fairtrade Foundation. In Fairtrade Foundation’s 2008 monitoring report, they claim that “35% of workers were women, and 65% [were] men” in the global Fairtrade hired Labor category. Contrastingly, in their most recent monitoring report, the Fairtrade Foundation reported in 2016 that, “42 percent of all [global Fairtrade certified hired labor] workers [were] women” (Fairtrade Foundation). While there has been an increase of women working in Fairtrade hired labor from 2008 to 2016, it is important to highlight that while these numbers are a global count, they are only representative of women who are hired by sites that are certified by the Fairtrade Foundation. Therefore, this global statistic does not encapsulate all women working in fair-trade hired labor by all fair-trade certifiers.

The reason that there is not a global statistic that encapsulates all women working in fair-trade hired labor by all fair-trade certifiers, is because fair-trade certifiers count participants differently. One difference is the differentiation of participants recorded as hired labor versus those that are recorded as small producers. While the Fairtrade Foundation reports the role of women as hired labor, other certifiers will count them as small producers creating discrepancy in reporting.

A final issue to consider in reported statistics on the role of women in fair-trade, is cultural and political factors that misrepresent women. The reported number of women participating in fair-trade labor is skewed by the issue of women's labor being unreported in official documents as husbands are generally listed as the head of the household. An additional study done by Equal Harvest, which was published by the Fairtrade Foundation in 2015, emphasizes this issue. They report that "women make up almost half the agricultural workforce in developing countries, [but] they account for just 22 percent of farmers registered as members of the 1,210 small producer organizations that are certified by [the foundation,] Fairtrade" (Fairtrade Foundation). Therefore, as fair-trade can be viewed as a contributor to the goal of increasing the number of women in the global workforce, statistical evidence must be improved to concretely prove that women's representation has globally increased as a direct cause of the fair-trade model.

Increasing Awareness Among Consumers

The third fair-trade objective I will examine is if certifying fair-trade products increases consumer awareness of the negative effects of international trade on producers. The indicator for this objective is determining if access to fair-trade products has created an increase in people purchasing ethically since the movement's inception; Revealing that consumers will choose to

purchase fair-trade products when given the alternative option. The fair-trade movement gained mainstream traction when consumers collectively banded against labor exploitation abuses. In order to pay workers a fair wage, the cost of a fair-trade product is more than the cost of a product that is non-fair-trade. If the fair-trade business model is successful in meeting the objective of increasing ethical purchasing, “then this should manifest itself in a [consumers] greater willingness to pay for the products” (Carlson 2). In an experiment by Jen Hainmuller of Stanford University, Michael J. Hiscox of Harvard University, and Sandra Sequeira of the London School of Economics, research concluded that when consumers were given opportunity to buy fair-trade coffee over non-fair-trade coffee, consumers would purchase the fair-trade coffee. The researchers did the experiment by marketing coffee with two labels and tracking sales. One label stated that the coffee was fair-trade, and the other label was a placebo which looked like the ethical label but did not make any fair-trade or ethical claims. The results of the study “found sales of the two most popular bulk coffees rose by almost 10% when the coffees carried a fair-trade label as compared with the placebo label” (MacBride). Because results show that consumers had to actively look to determine if the coffee was fair-trade by differentiating between the fair-trade label and the placebo label, this shows that fair-trade certification increases overall ethical consumption. The Fairtrade Foundation also released in 2017 that “77% [of] people in the UK now say they care about Fairtrade [the organization,] and 78% say they trust the label. One in four people (25%), are actively choosing to buy [the organization, Fairtrade’s,] products when they shop” (Fairtrade Foundation). While the fair-trade label may or may not be the direct cause of an increase in consumers awareness, there is statistical support showing that consumers are actively seeking out fair-trade labels to combat the negative effects of international trade on producers. This provides reasonable grounds to assert that the fair-trade

movement has been successful in increasing consumer awareness and promoting ethical consumption.

Increasing Other Social Movement Campaigns The last objective I will examine is if the fair-trade model has divulged a growing increase in the number of campaigns promoting ethical trade, protection of human rights, sound environmental practices, and economic security. As the goal of the fair-trade movement is to increase moral identity within consumers, activism for equal global partnerships should increase both within fair-trade doctrine as well as for other routes promoting ethical trade. It is difficult to articulate if overall activism increased or if agenda simply shifted as the fair-trade movement became more mainstream. Today, there are a variety of ethical trade options, some of which are marketing ploys by large companies. Yet these extensions include routes like direct trade, Whole Food's Whole Trade and Fair Trade USA's version known as Fair Trade Certified. In addition, fair-trade has also inspired other networks of ethical activism including what is labeled as Fairtrade Towns. Fairtrade Towns (FTT) uses the approach of accrediting specific locations that utilize local and ethical consumption practices. The FTT movement began in 2001 and was "formalized by the Fairtrade Foundation into a national campaign. The resulting FTT movement has been described as "a grassroots campaign to 'grow the Fairtrade market' one community at a time" (Peattie & Samuel 265). This is an example of activism agenda shifting within the fair-trade movement from being product-based to now focusing on place-based activism; Which is also an outcome of corporatized certification. Contrastingly, corporate participation in the fair-trade movement is an argument for a known increase in fair-trade activism. For example, in 2008 Starbucks announced a new line of fair-trade coffee certified by Transfair USA [now known as Fair Trade USA] (Jaffee). While the response to businesses like Starbuck's participation in fair-trade is mixed

among activists, corporate participation has increased accessibility and consumer awareness of fair-trade. It is also important to note that Starbucks has since moved away from certifying products as fair-trade and has developed their own corporate social responsibility model.

Lastly, in conjunction with the growth of the fair-trade movement, there has been a rise in advocacy for other causes including buying local, buying organic and shopping small business. All these movements promote the protection of human rights, sound environmental practices, and economic security. As personal testimony to how fair-trade has promoted or worked with other ethical advocacy movements, below is an excerpt from my qualitative fieldwork research. Grace Cox is from Olympia Food Co-op and is a Board of Director for the Domestic Fair-Trade Association. I spoke with Grace through a skype interview and later made a trip to Olympia Food Co-op for a site visit. In this quotation, she recounts why she chooses to shop ethically fair-trade and how she views activism trends and movements that work in conjunction with fair-trade. Grace has been an educator, organizer and activist for the promotion of the cooperative model as a social justice tool for her entire career. She states,

The problem with international trade is most of us can't go and see how what we buy is being produced. The parallels or goals of fair-trade and organic are similar but ultimately the government has taken over organic certification, yet nothing has changed for the fair-trade label. To me, the beauty of buying local is I can drive or bicycle to my local farms both knowing the farmers and their practices. I can even know, if they operate using seasonal labor or just on a family scale. At the end of the day, there is a big gap between local, national and international trade where I don't have the capability to have a personal relationship with the products I buy. I can't go out and visit a wheat farmer in Minnesota when I live in Washington, even if it is a staple part of my diet. [For fair-trade to work as

intended] we need trust, and there is a great need for improved standards. A lot of companies are happy to raise their prices and keep all that money instead of giving it back to the producers. [In my opinion, buying] local should be the new push for ethical. While there is no standard or label for locally produced goods, at [Olympia Food-Co-op,] our standard is products must be produced within a 5-county area, but this could also be [extended to a locality of] 5-states wide or 100-miles wide. (Cox)

While Grace agrees that fair-trade has grown the development of other movements including local and organic, she also believes that they should replace fair-trades large role in the ethical community. If the fair-trade movement, that does not support corporatized fair-trade, is going to continue to grow a support base, the way in which it is marketed must also shift. In this quotation, Grace highlights the issue of lowered standards in fair-trade certification and how difficult it can be for consumers to make informed ethical purchasing decisions. Her opinion comes from both experience as an expert in the field as well as a loyal consumer in this market. As the goal of my thesis is to provide a way to educate consumers on negligence in fair-trade certification to produce a new wave of ethical consumers and ensure that fair-trade continues to be a viable contributor to larger ethical consumerism movements including local and organic, I will now transition to discuss how fair-trade is a component of sustainable development.

Section 3: Fair-Trade as a Component of Sustainable Development

The new conversation within non-corporatized fair-trade organizations, is questioning whether marketing fair-trade products as "sustainable" rather than "fair-trade" better portrays how ethically a company operates to consumers. From the consumer perspective, it is difficult to determine the ethicality of a product simply based on the label. The general consumer would most likely not know that corporatized fair-trade certifiers have different minimum requirements

and that other companies that produce ethical products and are not certified fair-trade, may be operating more sustainably and ethically. In addition, under fair-trade certifications, the level of required environmental accountability varies. Environmental accountability is more thoroughly addressed under the organic label and while both have similar principles, they do not guarantee overall sustainability. Therefore, my recommendation to companies that operate using the original principles of fair-trade, sustainable development and environmentalism, need to market this so that consumers can make educated and politicized purchasing decisions.

To demonstrate how fair-trade is a component of sustainable development and can be marketed in this way, my thesis will discuss how fair-trade embodies the definition and principles of sustainable development. I will then articulate how Fair Trade USA is one example of a certifier that is negligent and why consumers need to have access to this information. I will then transition to discuss how allowing fair-trade certifiers to certify products that are produced by unethical companies perpetuates human rights abuses and contributes to the structural evil that fair-trade advocates against. Lastly, my thesis will provide tangible examples of non-fair-trade certified companies that use ethical supply chains, prioritize and uplift producers and operate using environmental justice and sustainable development principles.

While the term fair-trade holds various meanings, within the business model, it encapsulates a movement of groups that value their producers over corporate profit. Moreover, businesses that operate as fair-trade “aim to provide an alternative business which attempts to redistribute returns to factors of production in a manner that is ‘fairer’ for developing-country producers” (Boto). As the fair-trade model has continued to grow in response to global inequality, it is has become an alternative trade movement that is certified and regulated. Although regulation is an essential component for firm compliance and accountability, there is a

need to readdress the requirements of fair-trade certification. This is because many consumers view fair-trade as an impenetrable market solution and do not recognize that there are still flaws in its approach. This generalization is confirmed through market demand research for the fair-trade label. Survey evidence shows “that a majority of consumers say they would prefer, and would be willing to pay extra for, any products they could identify as being made in ethical ways” (Hainmueller 1). It must also be mentioned that products and companies can be either certified or verified as fair-trade which hold different compliance measures. Verification and certification differ in that verification is self-reported, whereas, certification requires a third-party auditor. Taking this generalization into account, it is concerning that one of the largest certifiers within the fair-trade community, known as Fair Trade USA and several other smaller certifiers, have corporatized their models and are certifying company’s products as fair-trade that commit the very human rights abuses that the fair-trade movement advocates against. By doing so, “Fair Trade USA [and these other certifiers,] are ignoring the very people whose livelihoods [they] claim to benefit” (Geffner). Consequently, several different fair-trade organizations are publicly protesting Fair Trade USA and the corporatized model. In doing so, they hope to educate consumers that they cannot simply rely on a fair-trade label to certify that what is bought is holistically fair-trade.

In support of the statement of fair-trade as sustainable development, “fair trade has repeatedly been recognized by the European Commission and EU member governments for its contribution to poverty reduction and sustainable development” (Boto). By educating consumers that fair-trade is part of sustainable development and not an impenetrable solution, it empowers consumers to look more closely at the organizations they buy from and what certifications or verifications they receive to make more informed and ethical decisions.

To articulate how fair-trade is a component of the sustainable development movement, the terms must be defined independently. I will once again use Murray's definition of the goals of the fair-trade model. In context, fair-trade specifically addresses a market alternative that seeks to protect producers. It diverges slightly from the definition of "ethical trade" which places a greater emphasis on adherence to labor standards. While labor standards are important in the fair-trade model, fair-trade also encompasses price setting to secure fair wages.

Again, the primary principles of the fair-trade movement are:

1. To improve the livelihoods and well-being of producers by improving market access, strengthening producer organizations, paying a better price, and providing continuity in the trading relationship;
 2. To promote development opportunities for disadvantaged producers, especially women and indigenous people, and to protect children from exploitation in the production process;
 3. To raise awareness among consumers of the negative effects on producers of international trade so that they exercise their purchasing power positively;
 4. To set an example of partnership in trade through dialogue, transparency, and respect;
 5. To campaign for changes in the rules and practice of conventional international trade;
- To protect human rights by promoting social justice, sound environmental practices, and economic security (Murray 5).

Subsequently, the definition of sustainable development produced by the Sustainable Development Commission states "sustainable development is development that meets the needs of the present, without compromising the ability of future generations to meet their own needs" (Sustainable Development Commission). With these terms defined, it can now be argued that

there is considerable overlap between the two models. Firstly, the fair-trade model ensures that there is a market alternative that promotes sustainable consumption. By simply existing as a social movement and business model, it encourages consumers to make informed purchasing decisions. Secondly, fair-trade is sustainable because it helps “the world’s poorest... [members of society] achieve sustainable livelihoods. Fair-trade brings together thousands of communities and millions of consumers who are committed to buying sustainably from fair-trade sources, improving the lives of farmers and workers alike” (Fairtrade International). Thirdly, as fair-trade addresses marginalization of the producer through opportunity, it becomes a market alternative that aligns with the definition of sustainable development. As sustainable development requires that development work does not impede on future generations’ quality of life, the way to accomplish this is by utilizing trading routes that protect human rights, promote social justice, utilize sound environmental practices, and prioritize economic security which is a principle in the goals of fair-trade.

Fascinatingly, the fair-trade model typically organizes through workers cooperatives which are acclaimed for their ability to be economically resilient in developing countries. Cooperatives are resilient because profit is not the primary objective, which permits them to “flex with economic turbulence” (Stephens). The United Nations also comments on cooperative resiliency stating, “after disasters such as earthquakes, tsunamis and floods, cooperatives have shown their ability to mobilize solidarity for reconstruction,” he continued, noting that agricultural cooperatives improve the productivity of farmers by facilitating access to markets, credit, insurance and technology” (United Nations: Department of Economic and Social Affairs). Another important factor of cooperatives is that workers are given a share of the company which makes them important stakeholders in organizational decisions. Consequently, “worker-owners

are more committed to their workplaces than traditional employees, and worker co-ops have a productivity advantage over other businesses” (Stephens). Worker-ownership is sustainable because it reduces dependency by empowering the producer. However, what is potentially the most important factor of cooperatives is that it gives its members greater access into their economies so that they have more control over production. This means that a farmer can control the methods they use to produce their products, which in turn can allow them to generate more on the final price of their item.

The fair-trade movement can be considered part of the sustainable development movement because it promotes sustainable consumption with a market alternative, provides the poorest individuals in society access to sustainable livelihoods and often uses cooperatives to maintain economic resiliency in developing contexts. In doing so, fair-trade can be a force that protects human rights, promotes social justice, utilizes sound environmental practices, and prioritizes economic security depending on a certifier’s or verifier’s requirements.⁴

Negligence in fair-trade certification

One of the most poignant reasons fair-trade must be considered a tool for sustainable development and not as an impenetrable market solution is due to discrepancies in certification and verification that are negligent. This thesis section will first reiterate how fair-trade developed to have a certification, to then articulate what a fair-trade label represents, and will lastly explain how Fair-Trade USA is an example of a negligent certifier.

When the fair-trade model popularized, a certification process became necessary to ensure that companies that were claiming that their products were fair-trade, adhered to fair-trade

⁴ Portions of this section appeared in an assignment submitted for the GLST6423 Social and Environmental Justice course.

standards. Max Haavelar formalized the first fair-trade certification label in 1988 and later Fairtrade International in 2004. However, there are now 19 different fair-trade certifiers that certify products from 24 different countries and hold different requirements. By original fair-trade principles, companies that do not wholly operate as fair-trade cannot certify themselves as fair-trade or independent products as fair-trade. This is because fair-trade intends to serve independent farmers. In the 1990's, fair-trade greatly expanded and became a sought-after demand by consumers. Consequently, businesses became interested in corporatizing the fair-trade model to meet their own marketing needs. This led to companies developing their own ATO's or trade routes that use ethical principles to attract consumers. In 2010, Transfair USA which became Fair-Trade USA, saw this as an opportunity to fill markets with ethical products to attract consumers and changed their model to begin certifying specific products produced by companies as fair-trade. This opposed the typical model of certifying individual plantations and factories to now give the option to corporations to certify specific products. In doing so, this required resignation from Fair-Trade International. Subsequently, businesses that were not interested in deep structural change to embody fair-trade principles, were able to certify a few products.

When fair-trade became a certification, it allowed companies to market that their products used trade routes that support a more equitable future. A fair-trade certification seal holds that a product “was made according to rigorous social, environmental, and economic Fair-Trade standards, and the farmers, workers, and fishermen behind it earn additional money from [the customers’] purchase to empower and uplift their communities” (Fair Trade Certified). But as the fair-trade movement has drastically increased since the early 2000's, there are now 19 fair-trade certifiers as mentioned previously. While some certifiers adhere to rigorous regulations,

others are less transparent and utilize fair-trade certification as a marketing tool. Fair Trade USA, “the largest fair-trade standard in the United States, has been largely responsible for this trend” (Geffner). Specifically, Fair Trade USA “has attempted to water down fair-trade standards and monopolize the movement” (Geffner). Rather than prioritizing producers, Fair Trade USA will certify specific products from companies that operate unethically. At the beginning of Fair Trade USA’s shift, non-fair-trade certified companies including Nestle and Starbucks certified that one type of their chocolate and coffee was produced ethically while other lines of products were not produced under these standards. In addition to this lowering of standards, Fair Trade USA also only began requiring that a percentage of what is contained in a fair-trade product be fair-trade. This means that under Fair Trade USA’s label, 30% of coffee in a bag labeled as fair-trade must be fair-trade, but the remaining 70% in that same bag may be unethically produced. When corporations begin certifying specific products as fair-trade, then they also have the authority to make decisions about how fair-trade price premiums are used. This means that how fair-trade premiums are spent is no longer only up to a democratic vote of the workers but also includes the voices of business executives. Unfortunately, in this scenario, the true needs of that community can be left unaddressed. Due to this gross negligence and discrepancy in certification, fair-trade organizations that operate fully ethically are pushing for greater integrity in the system. With Fair Trade USA being one of the largest certifiers and not operating as how is marketed, consumers must be made aware. Fair Trade USA deceives consumers who care about how the products they use are produced by lowering the regulatory standards and using certification as a

marketing tool. This ultimately denies consumers the ability to make choices that reflect sustainable development and environmental justice.⁵

Negligent Certification and Good Certification When fair-trade begins placing profits over people, it becomes another market system that perpetuates human rights abuses and systemic evil. Companies that do not fully operate under the principles of fair-trade should not be allowed to certify specific products. Just because one bag of coffee from a company is fair-trade, does not neutralize the economic consequences of that company. While one bag of coffee may be fair-trade, that company may still be illegally dumping waste, not monitoring factory emissions, and exposing workers to hazardous products: all of which pose health risks to employees and are human rights abuses. The biggest concern in working within fair-trade is the relationship between the buyer in the global North and the producer in the global South. If companies from the global North make trade partnerships in the global South and then operate in an unethical manner, it is not only human rights abuse but perpetuates systemic evil. Systemic evil lies within social structures and it is no secret that “our food, clothing, transportation, housing and consumption are from the grind of environmental racism,” colonialism and market imperialism (Moe-Lobeda 37). As fair-trade seeks to provide the ethical alternative in the market, allowing any percentage of structural injustice within it, only contributes to greater structural evil within the global market. An example of how negligence in fair-trade certification perpetuates human rights abuses and systemic evil is Fair Trade USA’s recent certification of melons in Honduras.

Fair Trade USA certified Fyffes’ Honduran melon subsidiary (Suragroh) in April 2018, despite a long list of serious human and labor rights violations. Those include failure to

⁵ Portions of this section appeared in an assignment submitted for the GLST6423 Social and Environmental Justice course

pay minimum wages, exposure of workers to hazardous agrochemicals, illegal firings of pregnant workers, blacklisting, harassment and illegal dismissal of union members.

Workers report the company fails to provide them with statutorily mandated benefits, including denial of healthcare, social security, maternity leave, education vouchers, overtime pay, sick leave, and vacation. These violations have been documented in international press coverage and represent a labor dispute between the company and its workers that go back over a decade. (Geffner)

This is one example of why allowing fair-trade certifiers to certify products as fair-trade that are produced by non-fair-trade companies perpetuates human rights abuses and contributes to the structural evil fair-trade advocates against. Good fair-trade includes all the standards outlined in the principles of the fair-trade movement to create protections that unmask systemic evil and not contribute to it.⁶

Companies that Operate Using Fair-Trade, Environmental Justice, and Sustainable

Development Principles As fair-trade organizations are questioning whether marketing fair-trade products as "sustainable" rather than "fair-trade" better portrays how ethically a company operates, my thesis will next highlight two businesses that are doing this well. Camano Island Coffee markets itself as a fairly traded social enterprise that goes above and beyond the requirements of fair-trade. Jeff Ericson, the CEO and founder of Camano Island Coffee states that "a good social enterprise is a system or structure of different groups working together, all while dedicated to solving the social, economic and environmental problems that have plagued human kind" (Ericson). To Jeff, operating a social enterprise with ethical products means that his

⁶ *Portions of this section appeared in an assignment submitted for the GLST6423 Social and Environmental Justice course*

customer is his producer (Ericson). This means that Camano Island Coffee works to provide producers power over their own decisions and ensures that everything from how the coffee beans were grown and turned into coffee is environmentally, socially and economically conscious. Camano Island Coffee is labeled as fairly-traded, though pays above fair-trade minimum price standards, is certified USDA Organic and the coffee beans are shade grown which uses agroforestry to reduce the number of trees cut for coffee plantations. By operating in this manner, Camano Island Coffee embodies all principles of the fair-trade and sustainable development models.

Another example of a sustainable and fair-trade company is Equal Exchange. Equal Exchange was the first fair-trade organization to formalize the cooperative model within fair-trade and was recognized in 2017 as “Massachusetts Sustainable Business of the Year by the Sustainable Business Network of Massachusetts” (Equal Exchange). Equal Exchange’s cooperatives are run similarly to Camano Island Coffee’s. While Equal Exchange’s focus is to operate as a fair-trade organization, they also draw from the social enterprise model. In doing so, Equal Exchange not only builds ethical supply chains but emphasizes improving the environmental health of the communities they work in. This is done through a commitment to not use pesticides, to address environmental issues caused by climate change with sustainable solutions and organizational efforts to limit waste both at their headquarters and Ecocafé location.

Each of these businesses exemplify all principles of the fair-trade movement and emphasize why it is important that fair-trade is recognized as a component of sustainable development. While these companies both sell ethical products, Camano Island Coffee is not certified as fair-trade whereas Equal Exchange is. I have provided these businesses as examples

of why it is important that companies that operate sustainably, environmentally conscious, and ethically must market this and not rely on simply using fair-trade certification label to describe this to customers.⁷

In this section I illustrated how fair-trade is a component of sustainable development through principles and explained how there are opportunities for negligence in certification that perpetuate human rights abuses and systemic evil. To provide tangible examples of how difficult it can be for consumers to differentiate between good fair-trade and corporatized fair-trade, I provided two examples of companies that operate using fair-trade, environmental justice, and sustainable development principles where only one is certified as fair-trade. I will now provide my recommendation as a next step for fair-trade organizations to educate a new-wave of consumers.

Section 4: The Next Step

The goal of this thesis was to persuade fair-trade organizations that educating a new-wave of consumers to understand fair-trade as a component of sustainable development is a viable way to increase fair-trade and ethical consumerism. In this thesis, the historical development of fair-trade, its goals, weaknesses, where opportunities of negligence exist and how it correlates with sustainable development were expounded to argue the case that fair-trade is in fact a contributor to sustainable development. Therefore, the next step this thesis suggests is the incorporation of a curriculum that teaches the thesis content in an approachable and tangible way to consumers. The thesis curriculum has been translated into a one-day workshop that

⁷ Portions of this section appeared in an assignment submitted for the GLST6423 Social and Environmental Justice course

educates a new wave of ethical consumers and highlights the position of fair-trade as a component of sustainable development.

Conclusion

To educate consumers on the interworking's of fair-trade, fair-trade organizations must begin introducing the conversation to consumers that fair-trade is part of the sustainable development movement. To support this claim, I first discussed the historical development and social and economic goals of fair-trade, I then articulated its successes and how certain fair-trade certifiers are negligently certifying products and why consumers need to have access to this information. I also discussed how allowing fair-trade certifiers to certify products as fair-trade that are produced by non-fair-trade companies perpetuates human rights abuses and contributes to the structural evil fair-trade advocates against. Lastly, I provided tangible examples of companies that produce fair-trade products and operate using environmental justice and sustainable development principles as this is the right way to do fair-trade. Reiterating that fair-trade is sustainable development is one step towards educating consumers on how to vote for change that orientates “our economy and our lives around the principles of ecological sustainability, environmental equity, economic equity, and distributed power” to combat the realities of systemic evil in our market system (Moe-Lobeda 241).

Educating a New Wave of Ethical Consumers One-Day Workshop

Course Supply List: Please have all course participants bring a computer or smart phone to conduct research and a pen or pencil to complete worksheets.

Section Title: Introduction

Content: Introduction and why consumers should have knowledge of fair-trade's role in sustainable development to become the new-wave of educated ethical consumers.

Method: Lecture
Estimated Time: 15 minutes

Welcome Message

Trainer welcomes class participants and will review the purpose of the training.

Practice: Warm-up exercise
Worksheet #1

Trainer will have class participants describe what they know about fair-trade, any companies they know of that produce fair-trade products and describe what they would like to learn from taking this course.

Present: Explanation of Training Purpose

Trainer will give an overview of the purpose of the course and introduce the roadmap of the workshop's content.

Purpose: To educate a new wave of ethical consumers on fair-trade and its participation in the sustainable development model to allow them to make more informed ethical conditions in the current market climate.

Present

Objectives for Course Competency

- Students will understand the workshop's significance.
- Students will have a developed roadmap of the course.

Content Roadmap

- Firm understanding of the goals of the fair-trade movement and the goals of the sustainable development model and how they correlate.
- Developed understanding of the rise of other alternative trade movements (ATO's) including direct-trade and whole-trade. The purpose of this lesson is to educate consumers on how companies and corporation use ATO's as a marketing tool.
- Developed understanding of fair-trade labels and what they require. Exposure to the negligence of

	<p>certain fair-trade certifiers and a guide on navigating ethical consumerism within this reality.</p> <ul style="list-style-type: none"> • Introduction to the new-wave: fair-trade as a part of sustainable development. Outline of who is participating in the shift and companies that harbor the fair-trade and sustainable development model well.
Goals of the Fair-Trade and Sustainable Development Movements	
<p>Content: Discuss Murray's definition of the goals of the fair-trade model and the Sustainable Development Commission's definition of sustainable development.</p>	<p>Method: Lecture and group or paired discussion Estimated Time: 30 minutes</p>
<p>Defining fair-trade and sustainable development lecture.</p> <p><i>Present</i></p>	<p><i>Trainer will provide the definition and goals of the fair-trade movement and the definition and goals of sustainable development.</i></p> <p>Goals of fair-trade as defined by Douglas Murray author of <i>Fair Trade: The Challenges of Transforming Globalization</i>.</p> <ul style="list-style-type: none"> • To improve the livelihoods and well-being of producers by improving market access, strengthening producer organizations, paying a better price, and providing continuity in the trading relationship; • To promote development opportunities for disadvantaged producers, especially women and indigenous people and to protect children from exploitation in the production process; • To raise awareness among consumers of the negative effects on producers of international trade so that they exercise their purchasing power positively; • To set an example of partnership in trade through dialogue, transparency, and respect; • To campaign for changes in the rules and practice of conventional international trade; • To protect human rights by promoting social justice, sound environmental practices, and economic security (Murray).

<p><i>Practice:</i> Discussion question for group or paired discussion.</p> <p>Objectives for Course Competency</p> <ul style="list-style-type: none"> • Students will know the definition of fair-trade goals developed by Murray. • Students will know the definition of sustainable development developed by the Sustainable Development Commission. • Students will be able to have interactive discussion of the term's similarities, differences and their perceived independent shortcomings. 	<p>Definition/ goals of sustainable development</p> <ul style="list-style-type: none"> • Sustainable development is development that meets the needs of the present, without compromising the ability of future generations to meet their own needs" (Sustainable Development Commission). • How do the definitions of sustainable development and fair-trade overlap? • Comparing the goals of fair-trade to the end goal of sustainable development, where do you anticipate the fair-trade model falls short? • How is the fair-trade model environmentally conscious? • Is ethical consumerism and corporate social responsibility enough to drive a global push for sustainability?
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The Development of ATO's and Their Role as a Marketing Tool

<p>Content: Developed understanding of the rise of other alternative trade movements (ATO's) including direct-trade and whole-trade that mimic the goals of fair-trade. This will transition into a lesson on how companies and corporation use ATO's as a marketing tool.</p>	<p>Method: Lecture, group or paired discussion, worksheet #1</p> <p>Estimated Time: 1 hour</p>
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Defining Alternative Trading Organizations (ATO's) lecture. Definition from the European Fair-Trade Association.

Present

Trainer will first define what an ATO is by function and then outline how the fair-trade model formalized out of the ATO movement.

Definition of an ATO

- An alternative trading organization (ATO) is a non-governmental organization (NGO) aligned with the fair-trade movement which, according to the European Fair Trade Association (EFTA), aims “to contribute to the alleviation of poverty in developing regions of the world by establishing a system of trade that allows marginalized producers in developing regions to gain access to developed markets” (EFTA).

Facts about ATO's

- ATO's arose from political and religious movements in the 1970's and early 1980's.
- ATO's intend to humanize trade routes by giving marginalized communities access to markets.
- More specifically, the original ATO commitment was to work directly with indigenous peoples and market their products directly to consumers by cutting out middlemen.

Formalization of Fair-Trade from the ATO Movement

- The term fair-trade was coined by Max Havelaar in 1988 when the first fair-trade label was made. However, the model was created by the organization Ten Thousand Villages which is one of the most successful ATO's.
- While Ten Thousand Villages started the model with imported handicraft work, Equal Exchange used the fair-trade model and expanded it with the use democratic cooperatives. The combination of these two is what we now recognize as fair-trade.
- Define a democratic cooperative and why it is successful in the fair-trade model?
- What organizations are you familiar with that rose from an ATO?

Practice: Discussion questions for group or paired discussion.

Present

How corporations and businesses are using ATO's as a marketing tool today.

- When the fair-trade model popularized, a certification process became necessary to ensure that companies

<p><i>Produce:</i> Worksheet #2</p> <p><i>Practice:</i> Discussion questions for group or paired discussion.</p>	<p>that were claiming that their products were fair-trade, adhered to fair-trade standards.</p> <ul style="list-style-type: none"> • Max Haavelar formalized the first fair-trade certification with Fairtrade International in 1988. However, there are now 19 different fair-trade certifiers that certify products from 24 different countries and hold different requirements. • By original fair-trade standards, companies that do not wholly operate as fair-trade cannot certify themselves as fair-trade or independent products as fair-trade. This is because fair-trade intends to serve independent farmers. • In the 1990's, fair-trade greatly expanded and became a sought-after demand by consumers. Businesses became interested in corporatizing the fair-trade model to meet their own needs. • This led to companies developing their own ATO's or trade routes that use ethical principles to attract consumers. In addition, businesses that are not interested in deep structural change to embody fair-trade principles can become certified by third-party certifiers. • In 2010, Transfair USA, which became Fair-Trade USA, changed its model to begin certifying specific products produced by companies and business as fair-trade. This opposed the typical model of certifying independent workers as fair-trade and in doing so they resigned from Fair-Trade International. <p>Facts about Fair-Trade Certifications</p> <ul style="list-style-type: none"> • They spread awareness about social, environmental and economic issues within our market system. • They provide “consumer peace” which often leads consumers to not look at the requirements behind the label. This leads to consumer trust that every certifier shares the same values as that consumer. <p><i>Trainer will pass out worksheet #2 to class participants and in group discussion address the following questions:</i></p> <ul style="list-style-type: none"> • Which of the 5 companies identified is fair-trade or another version of an ATO? • For the companies you identified as using a different ATO, how similar or different were the trade goals from Murray's definition of fair-trade?
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<p>Objectives for Course Competency</p> <ul style="list-style-type: none"> • Class participants will understand what an ATO is. • Class participants will be able to recount the rise of the fair-trade movement and certification from the ATO model. • Class participants will begin recognizing how the corporatizing of the fair-trade model is a marketing tool and will be exposed in how to research the integrity of an ethical product. 	<ul style="list-style-type: none"> • How would you rate each of these companies ethically? Would you buy from any or all these companies?
<h3>Understanding Fair-Trade Labels</h3>	
<p>Content: Class participants will be given outlines of various certifiers requirements and will then return to Murray's definition of fair-trade for comparison. This lesson will outline what a fair-trade label generally requires.</p>	<p>Method: Lecture, worksheets and group or paired discussion.</p> <p>Estimated Time: 1 hour</p>
<p>Present: Defining the difference between fair-trade certification and fair-trade verification as these are commonly used interchangeably. Please keep in mind that some agencies both certify and verify products as fair-trade.</p>	<p><i>Trainer will provide the definition and requirements of the fair-trade certification and fair-trade verification.</i></p> <p>Verification</p> <ul style="list-style-type: none"> • Evaluates the entire business to ensure that it follows all fair-trade principles. • Verifies businesses that source products internationally in the U.S. and Canada. • Verification is self-reported and delivers what the individual business model represents. <ul style="list-style-type: none"> ○ Ex. Fair Trade Federation <p>Product verification certifies specific products that have been produced, traded, processed, and packaged in accordance with a prescribed set of standards.</p>

<p>Present: What does fair-trade certification not require?</p> <p>Present: Opportunity for negligence in fair-trade certification</p> <p>Practice: Discussion questions for group or paired discussion</p>	<p>Membership-based verification evaluates companies and organizations based on their overall commitment and practices to a set of fair-trade principles.</p> <p>Certification</p> <ul style="list-style-type: none"> • Evaluates a producer site, product/ product line or ingredient. • Certifies producer sites or organizations that products can then be imported from. • Certification requires an audit from the certification agency and delivers what the individual certification agency requires. <ul style="list-style-type: none"> ○ Ex. FLO International Fair-trade Labeling Organization, Fairtrade International and Fair for Life. • Fair-trade certification does not require that a fair-trade product be certified as organic as this holds its own certification. • Fair-trade certification does not require specific environmental standards, though many certifiers have this incorporated into their own individual requirements. • In 2010, Transfair USA which became Fair-Trade USA corporatized their model to begin certifying specific products produced by companies as fair-trade. • This opposes the typical model of certifying independent workers and farmers to instead certify whole factories or plantations as fair-trade and, in doing so, their required resignation from Fair-Trade International. • Subsequently, businesses that were not interested in deep structural change to embody fair-trade principles were able to become certified by third-party certifiers. <ul style="list-style-type: none"> ○ <i>Think back to Worksheet #1.</i> Ex: Starbuck's fair-trade line of coffee • Discuss the pros and cons of fair-trade certification and verification- does one seem more ethical to you? • Who certifies certifiers? Why is this important? • How does the knowledge that different fair-trade labels adhere to different standards affect you?
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<p>Objectives for Course Competency</p> <ul style="list-style-type: none"> • Course participants will understand the difference between fair-trade verification and fair-trade certification. 	
<p>The New-Wave: Fair-Trade as a Part of Sustainable Development</p>	
<p>Content: Depicting the idea of a new-wave; fair-trade as a part of sustainable development. This section will outline who is participating in the shift and companies that harbor the fair-trade and sustainable development model well. It will also provide tips to be a better ethical consumer.</p>	<p>Method: Lecture, worksheet and group or paired discussion. Estimated Time: 30 minutes</p>
<p><i>Present:</i> Defining fair-trade as sustainable development</p> <p><i>Produce:</i> Worksheet #3</p>	<ul style="list-style-type: none"> • In this course, we have learned that while fair-trade has great intentions, it also has weaknesses that consumers must be aware of in order to make better informed decisions. The concept of fair-trade should not be abandoned. However, consumers need to take responsibility to determine how “fair” the products they want to buy must be. • Defining and laying out your own personal value system to purchasing is this new-wave of fair-trade. This means, you as a consumer are not simply reliant on the label but are using the principles of sustainable development to determine how fairly traded the product is. <p><i>Trainer will pass out worksheet #3 to class participants and in group discussion address the following question:</i></p> <ul style="list-style-type: none"> • Have a few class volunteers discuss the principles they wrote down as necessary in creating their personal definition of what is “fair-trade?”

<p><i>Present:</i> Businesses that operate using fair-trade and sustainable development principles</p> <p><i>Present:</i> Tips on buying as a New-Wave Ethical Consumer</p> <p>Objectives for Course Competency</p> <ul style="list-style-type: none"> • Course participants can develop a personal value plan that will influence how they will shop to be New-Wave consumers that are not reliant on a certification label • Course participants can determine approximate ethicality of a brand or product • Course Participants are made aware of tips on how to shop ethically as a new-wave consumer 	<p><i>Trainer will discuss the business models and principles each of these businesses operate by highlighting why they can be considered as sustainable brands but are also highly regarded fair-trade brands.</i></p> <ul style="list-style-type: none"> • Camano Island Coffee Roasters • Equal Exchange • Olympia Food Co-op • Mata Traders <ul style="list-style-type: none"> • Use an App Ex: Do Good, Good Guide or Fair-Trade Finder. • Wait to make purchases to ensure you have done enough research. • Use your definition from worksheet #2 to influence your purchasing decisions. What values are most important to you? • Choose quality over price. • Buy specifically from fair-trade stores or from companies that source and manufacture in developed countries. • Buy second-hand.
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WORKSHEET #1

Warm-Up Activity

In a few words, describe what you currently know about the fair-trade movement and business model.

Do you know of any specific fair-trade stores or companies that produce fair-trade items?

What is your reasoning and interest for taking this workshop? What do you hope to learn from this workshop?

WORKSHEET #2

The Use of ATO's in Current Businesses and Corporations

Instructions: Independently research on your computer or smart phone how each of the companies are marketing the use of ethical production. Determine if you can find if all their supply chains are ethical or how specific products are certified as ethical.

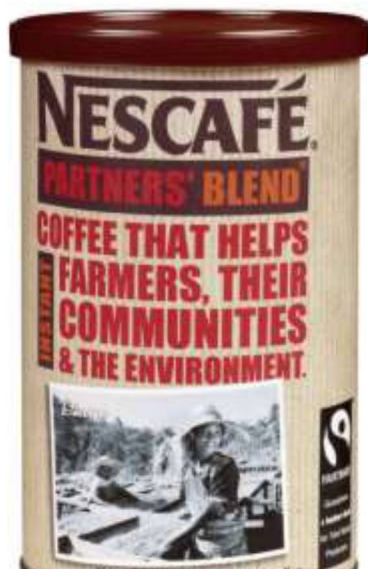
Home » Whole Foods Market » About Our Products » Our Quality Standards » Whole Trade®



WHOLE TRADE®

Improving Lives with Every Purchase®

At Whole Foods Market we've been offering fair trade products for decades. In 2007, we created our Whole Trade Guarantee to highlight our commitment to ethical trade, working conditions and the environment, while also meeting our standards for high quality products. Plus, every purchase funds community projects — such as schools and health clinics — determined by the workers themselves.



something similar you'd... aling - we're here
to help!

STUMPTOWN
COFFEE ROASTERS

Most of our coffees are Direct Trade. We're as serious as it gets about our sourcing practices. Our approach of coffee sourcing is called Direct Trade, which means that we have a close relationship with our coffee producing partners and pay them excellent rates for their premium work. We work hard to ensure that our supply chain is transparent from farm to cup. That means regular visits, implementing new techniques and equipment when possible, and forming long-term partnerships.

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