Introduction: The Fair Trade Snapshot

In his 2007 *Brewing Justice*, Daniel Jaffee provides us an in-depth snapshot of two Oaxacan communities and the relative impact of fair trade coffee programs. On the one hand, Jaffee describes real benefits attributable to Mexican producer participation in fair trade coffee. The increased income from fair trade had real net effects for the community as a whole. Fair trade farmers employed more laborers, which drove up wages, and so indirectly improved living conditions for many. Fair trade farmers were more likely to build newer, more modern homes and more likely to be able to send their children away to school. On the other hand, these positive impacts only modestly improved the lives of fair trade farmers from an all things considered perspective. They continued to struggle significantly, and they continued to increase debt during the time period surveyed. Although they brought in more money, they also had higher costs, including labor costs that ate away at the improvements that fair trade was supposed to make. At best, participation in fair trade seemed merely to temper already bad conditions rather than improve genuinely improve them.

Other studies find similar patterns. In many instances, fair trade networks provide real benefits to developing world producers, and even though there are complexities and drawbacks, the net effects are often positive. Fair trade is a booming business, with sales of goods certified by Fairtrade International totaling $5.7 billion in 2010 (Clark and Walsh 2011). There are multiple motives for consumers to participate in fair trade, but a prominent factor is simply the desire to improve the quality of life of those developing world farmers who are the producers of foods consumed in more developed countries. Fair trade is thus understood as an ethical choice, since one could purchase the food through non-fair trade outlets, and one could abstain from purchasing at all. It is both easier and cheaper to buy non-fair trade coffee, and if one simply objected to global trade in coffee one could do so by not drinking any coffee.
One way to conceive of fair trade is in terms of avoiding rights violations, and one might base the fairness of fair trade on the concept of a fair wage. Marx and others based this on a labor theory of value, but such theories have notorious difficulties (Marx 1906). The idea of a living wage is more compelling, but the obligation of a living wage would seem to lie with an employer or state rather than a consumer. A further problem is that current fair trade networks are not based on wages at all, but on a premium added to the current market price of the commodity in question. On another account of fairness, what makes “fair trade” fair is that no harm is being done, with the implication that harm is in fact being done when one purchases the equivalent non-fair trade good. Harm analysis takes different forms. From the consumer perspective, the harm in purchasing nonfair trade goods may be a relatively direct violation of worker’s rights—the commodity in question may have been made with slave labor or involve other less egregious but no less serious infringements of labor rights. Typical examples would include sick leave and safe working environments. But harms may also be indirect from the consumer’s perspective. By purchasing nonfair trade commodities, I may be participating, willingly or not, in a system that is unfair. Arguments for fair trade that criticize neoliberalism take this route.

When treated at the level of the purchasing consumer, harm analysis by itself creates considerable challenges of analysis. Agent causality in markets is multi-dimensional, and assuming that slave labor is not involved, an understanding of voluntariness and labor markets is also required. One might instead focus on principles of beneficence instead, examining the ethical motivations and arguments to help those less in need. The applicability of beneficence implies both an existing subpar state of affairs and a desirable improved condition. If I am motivated to purchase fair trade coffee for this reason, it is because I believe that the current conditions of coffee producers are subpar and that my action of purchasing stands to improve their condition, even if only marginally. I may also appeal to group effects: even if my action is individually inconsequential, by partaking in and promoting a course of action a group of consumers can have a much larger net impact.

While I will not completely ignore harm considerations, it is this latter, benevolent motivation that I wish to examine here. More particularly, I wish to ask the question: to what end “fair trade”? By this, I am not questioning the basic motivation of helping, but rather I am inquiring as to the envisioned end state that such helping aims to produce. It might be argued that participation in fair trade appeals only to principles of fairness and violations thereof, not to principles of beneficence. I don’t doubt that some are so motivated, but consequentialist (and so
beneficent) principles are built into fair trade frameworks and rhetoric. Certification by Fairtrade International (FLO) requires a “social premium” that is then used for the benefit of the community. These material benefits to the community, including news schools and hospitals, are at best indirectly related to the trade itself, and rather represent a concern to better the material and social conditions of the community.

Four Models

If a major goal of fair trade is improvement of the welfare of rural individuals and communities in developing countries, what is the end goal that we should have in mind? In other words, what counts as the right kind of improvement? For simplicity, I here consider four models. These models are by no means exhaustive; there are many possible outcomes that could result once we act on motivations to improve conditions. Although these four outcomes are fairly specific, I regard them as types, or at least paradigms, of the range of outcomes most likely to be considered. Since the focus is on beneficent action, it should be emphasized that the question is what we, the beneficent actor/the fair trade consumer, desire for them, the recipient/producer. Beneficent action involves important asymmetries, and issues arise not only about how values should be implemented cross-culturally but also about empirical matters of power and conflict. Many LDC smallholders are acutely aware of power asymmetries in the fair trade relationship as well as how fair trade organizations seek to impose their values on the producers in ways that can seem insensitive to local values and conditions.\(^1\) The assumption here is that these problems are solvable. Any idea of international fair trade is based on the premise that there exist basic values/principles that are cross-cultural in their applicability, and the principle of beneficence implies that there are in fact right ways to be beneficent. Many LDC smallholders clearly value the benefits of fair trade networks, as witnessed by their continued voluntary participation in them. Thus, in engaging in helping behavior, we are providing resources for those helped to have a better life, and it is the sort of life that presumably those helped ought to want as well.

Scenario One I will call “Pre-Green Revolution Subsistence (PGR-Subsistence).” The picture I have in mind is what might be considered typical smallholder subsistence farming prior to the advent of agricultural

\(^1\) Jaffee, for instance, documents an attempt to require coffee producers to grow even their subsistence plots without pesticides, even though the food grown in these plots is intended only for local consumption. Mark Moberg (2010) argues that FLO required inappropriately large buffer zones between farms and waterways, a requirement that put significant burdens on producers given the already small size of their farm plots. More complicated issues arise concerning expectations of fair trade participation which may seem irrelevant to the trade relationship from the perspective of the producers. Expectations of strong environmental protections and requirements that producers participate in democratic organizations both come up as issues.
revolution of the mid-20th century. In other words, before mechanization, hybridization, artificial fertilizers, and artificial pesticides/herbicides. Such farmers had no access to modern medicine and no real educational opportunities. Partly as a consequence, they suffered high infant mortality and much truncated average life spans by modern standards. Many such communities were typified by gender inequality, although for our purposes we do not need consider it a requirement. They would also suffer from significant food security issues, and they would be heavily dependent on the impacts of local weather patterns and social conditions. Presumably, such subsistence farmers were worse off in many aspects than their contemporary subsistence counterparts, but this is uncertain. At the least, it seems likely that the negatives they suffered were at best approximately the same on average as those experienced by subsistence farmers currently. But it should be emphasized that this life still has its many positive. Children are born, festivals are held, and friendships are formed.

I take the PGR-Subsistence scenario as a kind of control scenario. We can imagine it as a “do-nothing” scenario with the added assumptions of stasis and isolation, that the LDC community in question lacks the ability or desire to develop technologically and socially. These two assumptions of stasis and isolation are highly implausible, but I think it is useful to consider it as a sort of extreme case to focus on what the aims of fair trade are.

The second scenario I will call “Former Farmer.” In this case, the LDC farmer gives up farming to work in a factory. Here it is useful to consider two variants. The first, “Futile Factory Worker,” envisions a condition where the new line of work is characterized by low pay, poor working conditions, and no real opportunities for the improvement of one’s life or of one’s family/descendants. The second variant, “Prosperizing Factory Worker,” envisions the opposite result. While both wages and working conditions may initially be poor, they are such that they provide opportunity for the workers to improve either their own lot, that of their relatives/descendants, or both. Further, we can imagine Prosperizing Factory Worker to include longitudinal national develop, that the worker is part of a national cohort that is transitioning to MDC status as predicted by traditional models of development. Thus, even though the farmer in this case must make significant short term sacrifices, there is the reasonable expectation of improved life, either for the farmer or for her/his affiliates. As a further assumption, we will stipulate that the farmer was not directly forced off the land; either the farmer voluntarily left to seek better prospects or the farmer was “indirectly forced” off the land by economic competition.

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2 Among other issues, gender roles in agriculture differ significantly in place in time (cf. e.g., Alesina and Nunn 2013).

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The third scenario I will call “Consolidating Farmer.” This too is a currently existing and familiar type. This farmer successfully participates in the advance of green and gene revolution agriculture. Because the farmer is successful, he or she is able to expand land holdings and thus productivity, and we will suppose the farmer does so fairly and not through coercion. I also assume that even though the farm is comparatively large and probably has some hired hands, that it is still primarily a family farm, with most of the labor being done within the family.

Because of the farmer’s success, the farmer helps contribute to the national economy and (if not solely growing commodity crops) its food security as well. Success implies greater wealth for the farmer, and because of this the farmer’s family can increasingly afford both material goods and services such as better health and education.

Again, there are two relevant subtypes, this time having to do with sustainability. The Unsustainable Consolidating Farmer employs agricultural methods that are environmentally unsustainable, whereas the Sustainable Consolidating Farmer (SConsolidating Farmer) does not. Some may argue that, given my description, a Sustainable Consolidating Farmer is a contradiction in terms. According to this criticism, both Green and Gene revolution agriculture is long term unsustainable, and since any larger farm must use such technologies, any larger farm is by definition unsustainable. But this conclusion is far from obvious. Certainly, green and gene revolution agriculture cause a range of environmental problems, but it is not clear that they are permanent problems. The development of “big organic,” while not solving all problems and in some respects creating new ones, indicates that larger scale farming need not be monolithic or equally harmful in its methods. Larger scale farming in principle is not opposed to sustainability, and among its benefits are increased economic efficiency, which translates to cheaper food for everyone.³

³ Proper evaluation of the possibility of this scenario would take us far afield, and so I present it here with only modest argument. But a few additional points are worth making. First, it is important to keep in mind that the world now depends on higher yield farming. A world fed only by PGR-Subsistence farms will suffer significant starvation, since modern farms produce yields ten-fold of those prior to 1920 (Paarlberg 2010). This is the “feed the world” argument, but I am not using it here to defend all current methods of modern farming but to indicate that simply appealing to an idyllic portrayal of PGR Subsistence farms argument will not do. Put another way: either it is possible to jointly feed the world, farm sustainably, and farm prosperously, or not. The assumption here is that it is, although there may be much improvement needed. Further, it is assumed that such a scenario would require larger farms than those that exist in many developing countries to take advantage of efficiencies. But it is important to note how small many developing world farms are. Consequently, it is quite easy to endorse farm consolidation in many cases where it is done ethically; because of their small original size, a consolidated farm may still be small, but its larger size would help bring prosperity. And even if it is not currently possible to jointly feed the world, farm sustainably, and farm prosperously, it is reasonable to conjecture that it will be so in the future, whether it be by development of Wes Jackson’s dream of perennial crops, the use of robotics, or some other
The final scenario is that of “Fair Trade Farmer.” Again, there are two sub-types. The first, Marginal Fair Trade Farmer, envisions a continuation of the reality that many current fair trade farmers face. While their life is better than it would be if they were not participating in fair trade, it is still a life that is only marginally better. Such a farmer is able to continue indefinitely as a smallholder, and the fair trade premium that they and the community earns enables improvements in their quality of life, including improved educational opportunities for their children. But, because their life is only marginally better, they still struggle with such basics as adequate health care, financial security, and even food security. The accoutrements of daily life that most Americans and Europeans take for granted—modern plumbing and sanitation, efficient transportation networks, and internet access—remain a distant dream.

By comparison, we can imagine a brighter alternative: Prosperous Fair Trade Farmer (PFTrade). In this case, the farmer remains part of a fair trade network, but is able to do much better than the Marginal case. Presumably, the farmer in question would still be a smallholder, and this is one of the features that distinguishes the PFTrade Farmer from the SConsolidating Farmer. Like the SConsolidating Farmer, the PFTrade Farmer is able to “get ahead” in ways that are recognizable: they are able to achieve food security and adequate health care, and they have the financial resources to access the internet to the extent that it is available in their country.

As with the case of SConsolidating Farmer, there are reasons to be skeptical that PFTrade Farmer presents a reasonable scenario. After all, the need for PFTrade, it may be argued, arises out of the dysfunctions of agricultural trade policy at the national and international levels. If these are fixed, then the incentives to participate in Fair Trade will be removed. Because PFTrade farms are small, they may never be capable of being prosperous by developed world standards. While I will address the larger issues of trade policy in the final section of the paper, there are ways that PFTrade may be made more plausible. Fair trade premiums, for instance, may be raised, or farms that participate in fair trade may receive government subsidies. For present purposes, the main point is the PFTrade Farmer is a logical possibility, and one that is ethically relevant.
Moral Frameworks, Capabilities, and Fair Trade

The presuppositions in the analysis that follows are of the sort found in the capabilities framework of Martha Nussbaum and Amartya Sen. I have already mentioned categories of harm, rights, and beneficence, and my assumption is that these are usefully cashed out in terms of human flourishing. The capabilities approach is useful both because it puts some flesh on the bones of what “flourishing” is understood to mean and it also provides thickness to what are otherwise thin categories of harm and beneficence. Nussbaum provides a list of ten capabilities that she considers basic. For simplicity, I will here condense these to three: health-related capabilities, affiliation-emotion-education capabilities, and control-autonomy capabilities. Both Nussbaum and Sen place emphasis on freedoms rather than functionings, with the implication that states have obligations to provide the freedom to develop capabilities, but they do not have the obligation to develop or require individuals to achieve their capabilities threshold. Nussbaum conceives this in terms of a threshold account, and she argues that states have an obligation to aid individuals in achieving threshold status, but they are only required to provide the opportunity to achieve full functioning of capabilities and thus functioning. For the purposes here, I will follow Nussbaum on both these points.

The capabilities approach is vague on some important issues, and I address two of relevance here. The first of these concerns the relation of a capabilities approach to international obligations generally. That I ought to seek the development of my own capabilities may seem obvious, but it is less clear how a capabilities approach leads to an endorsement of ethical commitments across borders. I argue elsewhere for a grounding based on mature moral reasoners (Peterson in progress). To be a mature moral reasoner is in part to have well-developed and well-tuned

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4 Life, bodily health, bodily integrity, senses-imagination-thought, emotions, practical reason, affiliation, other species, play, and control over one's environment (political & material). See Nussbaum 2011, 34.
5 Health-related capabilities obviously include the categories of life, bodily health, and bodily integrity. Affiliation-emotion-education captures some of what Nussbaum construes in terms of senses-imagination-thought as well as emotions and affiliation. These are likely linked in Nussbaum’s account and are not independent variables. All three also have, arguably, development trajectories that are also linked. Control-autonomy includes practical reason and control over one’s environment. This leaves play, which also has importance but is not a primary concern here. For a different arrangement of a capabilities informed approach, see Caney 2005.
6 One caveat I have concerns obligations of the state to contribute to above threshold achievements for its citizens. Nussbaum argues that the state does not have obligations to aid or require citizens to develop capabilities above threshold. The reason for this is grounded in part in a commitment to Kantian-style autonomy partly to a commitment to a Rawlsian-type liberalism which rejects perfectionist accounts in favor of providing a shared grounding for citizens to pursue their own understanding of the good. Liberalism is rightly concerned about the dangers of imposing comprehensive views on a citizenry, but this does not necessarily mean that there can be no agreement at all on the desirability of some above threshold capabilities.
capacities of empathy as well as an understanding of the good of broad and cross-cultural networks of affiliation. Consequently, other-concern is not merely limited to existing affiliates or defined by national borders. A state significantly composed of mature moral reasoners ought to act on their other-concern by definition, and states not so composed (i.e., non-ideal states) ought to do so to the extent that they are able. Individuals ought to do likewise. But this does not mean that states and individuals have identical duties across the globe, since there may be forms of actions in which states are most effective and forms where individuals are most effective. This distinction is of some importance for analyzing fair trade movements, which are non-state organizations and networks dependent on the moral motives of individual consumers.

A second issue concerns how other-concern is more specifically cashed out in terms of obligations. The framework presupposed here is one that cashes out obligations in terms of harms and benefits, and which makes a distinction between the kind of obligations involved towards those who are below threshold for specified capabilities and those who are above threshold. In particular, we have a strong duty (ceterus paribus) to not directly cause harms to those who are already below threshold for a given capability or to directly drive someone below threshold. There exists as well a duty to not directly reduce the capability of someone who is above threshold, but I assume it to be less stringent, and must be more carefully weighed against other considerations. Greater moral urgency applies to an action of mine depriving a child of the food and nutrients needed to grow normally than to an action that results in a young adult with a solid high school education having difficulty getting into a quality college. Of course, it would be preferable if both harms could be avoided, but in complex situations this may not be the case. I take actions that improve capabilities to be at least a good, and in some below-threshold cases an obligation. Such beneficent actions I take to be forms of altruism, and such altruism may or not involve sacrifice in practical terms. Nussbaum (2011) suggests that there is a connection between capabilities and traditional rights talk, and this seems to me correct. Rights involve obligations regarding capabilities, and can serve as shorthand for understanding capability obligations within specific social contexts.

The Cases: Subsistence and Former Farmer

7 Gillian Brock (2009) correlates capabilities with her own “needs-based” floor approach that has some resemblance to the approach taken here. Brock also makes an argument that relates needs and capabilities to language of rights.
Let us suppose then that participation in fair trade is at least a good. Changes in macroeconomic policy over the past half century have at least sometimes harmed specific communities in less developed countries, and a good case can be made that agricultural workers are among those who have been so harmed (Jaffee 2007, Fridell 2007). Such acts might involve requirements of reparation, but any such reparations would be the duty of the relevant states in question, not individual citizens and consumers who may not have even been born when the policy changes were implemented. Even in the absence of such policy changes, it is plausible to suppose that many smallholder farmers living in LDCs would still be struggling with basic issues of subsistence and achieving a minimal threshold of capabilities. As typically understood, the “fairness” of fair trade networks do not involve reparation payments but rather an attempt to restructure the trade relationship as it ought to be. This restructuring of the trade relationship includes increased payments and a social premium to be invested in the community. When a consumer purchases higher priced fair trade coffee, it is with the knowledge that part of that extra price goes directly to the producers with the reasonable expectation that their lives are improved thereby.

In acting so as to improve the quality of life of the producers, the fair trade consumer is implicitly rejecting our first scenario, PGR Subsistence. In the communities described by Jaffee, smallholders do not have to grow coffee and the farmers in St. Lucia described by Moberg do not have to grow bananas. They do so because they are better off growing commodity crops than not. The MDC consumer could choose not to purchase coffee or bananas at all. If all MDC consumers stopped purchasing bananas and coffee, the smallholders in question would likely be worse off, at least temporarily. By purchasing bananas and coffee, the MDC consumer makes the smallholder slightly better off than otherwise. By purchasing equivalent fair trade products, the MDC consumer makes a more substantial difference. By choosing to purchase fair trade rather than refusing to purchase at all, the MDC consumer is choosing against the PGR-Subsistence scenario. On a capabilities approach, this is commendable, since the state of PGR-subsistence scenario involves significant capabilities limitations.

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8 I raise the issue of reparation only as a possibility. Changes in economic policy always involve winners and losers, and understanding obligations to the losers is difficult at best, especially in the international case. Cf. James 2012 for one approach to these issues.

9 We can ask, counterfactually, what would the lives of smallholder coffee producers in Mexico be like if the international price support regime had not collapsed. Certainly, they would have been better off than immediately after the collapse. But farmers prior to the collapse hardly lived lives of luxury, and it is doubtful that the kind of improvements in standard in living that the farmers would have experienced had not liberalization taken place would have significantly improved the state of their capabilities to the point of being securely above threshold.
This moves us quickly to the second scenario: Former Farmer. Obviously, this is not a goal of the fair trade consumer. The first variant, futile factory worker, in particular has little to commend it. Even if Futile Factory Worker does not involve violation of labor rights, it is a bleak life with no hope of attaining a better one, and it is quite possible that it would be better to be PGR-Subsistence than Futile Family Worker. But what of Prosperizing Factory Worker (PF Worker)? Clearly the fair trade consumer does not desire this outcome either, since the entire point of participating in fair trade is to enable better livelihoods as producers. But is PF Worker a bad outcome? Not obviously, and while PF Worker may not be an optimal outcome, it is better than many others. Yet, some of the rhetoric that emerges out of fair trade and related movements such as food sovereignty and eating local movements suggest that it is. Two lines of argument crop up. One line of argument appeals to the intrinsic value of farming as an occupation and the intrinsic disvalue of factory labor as an occupation. Certainly, many do find a deeper significance in farm labor and derive great satisfaction from not only the activity of growing but also of contribution to feeding the world. But many do not, and in LDCs many farm simply because they do not have any better choice. Of course, one might argue that they ought to like farming more, but this seems a tenuous argument at best. There are many good things in life that one can do, and even if farming is an important sort of good to achieve, it is by no means the only one. While a stronger case can be made for the intrinsic unworthiness of factory work, it is important to be cautious about this claim as well. Even though most of us would rather not work in a factory, indeed do anything but work in a factory, this is not equally true of all, especially when such work provides opportunities that one would not have otherwise.

The second argument is based on the idea that there is a right not to be a displaced worker. Recall that by stipulation the PF Worker may either have chosen to give up farming voluntarily or have done so as a result of economic displacement. Farmers may choose by their own volition to give up farming and pursue factory work, and the motives for this may be multiple. Working in a factory may prove to be the better long-term option economically, or the farmer may feel confined by the limitations of rural living and be attracted to the opportunities and diversity of city life, or the farmer in question may have longstanding and deep personal conflicts with other individuals in the community, and simply leaving them behind may seem the best option. Such decision-making is best characterized as private and as an exercise of personal autonomy and opportunity. It would be difficult to claim that there is some general ethical obligation to be a farmer or to continue to be one, whatever cultural or familial expectations may be.
Some may think that involuntary economic displacement is another matter. Some cases of worker displacement may involve culpability. An obvious example would be a case where land is wrongfully seized and the workers forcibly evicted from the land and their livelihood. Culpability is often alleged in cases where workers have engaged and specialized in a line of work under an implicit contract of support only to have that support withdrawn without consent. This is a common interpretation of the action led by the United States to terminate the International Coffee Agreement in 1989, an action which resulted in the displacement of approximately 200,000 coffee producers (Jaffee 2007, 46). The “coordinated market economies” of Germany and Japan are often understood to run on such a framework, and the implication is that if (say) Germany reneged on its commitment to the kind of welfare that supports the risks taken by workers of specializing in an occupation, then the German government would have failed in its obligations and be responsible appropriate reparations to those workers who suffered (Hall and Soskice 2001, Fukuyama 1995).

But absent this sort of arrangement, it is difficult to argue that there is generally speaking a right against job displacement. Two lines of argument are relevant here. First, the history of industrialization is in no small way a history of progressive job displacement: weavers were replaced by textile mills and cobblers by shoe factories. The invention of the automobile eliminated the carriage industry, and the invention of desktop computers did away with the need for typewriters and large secretarial pools. This amounts to a *reductio*: one could be opposed to all of these displacements, but this would be tantamount to being opposed to industrialization and modernization, in effect embracing the PGR-Subsistence scenario, which we have already rejected. Second, there is no known way of matching meaningful work to workers in a way that will satisfy everyone or even a majority. A great many people desire to be actors, poets, and musicians. Who dreams of being an accountant? Yet, we need more accountants than actors, and because that is where employment demand is, those are the jobs many practically-minded individuals gravitate towards, eventually including many would-be actors.

Yet, meaningful work is a good, and a prima facie case exists for supposing that some forms of work are more meaningful, more satisfying, than others. In terms of capabilities, some occupations enable one to develop one’s capabilities more than others, and this is a good. How do we conceptualize this? Sen in particular speaks of capabilities as freedoms, and to borrow rights language, we can ask whether meaningful work is an opportunity right or a claim right. To assert that meaningful work is a claim right would be to assert what we have just rejected, that
the government has an obligation to secure meaningful work for everyone. But it is a more plausible claim to argue that governments should, to the extent possible, maximize opportunities for meaningful work, recognizing that it is then up to individual citizens to seize those opportunities or not.

To summarize: there is not a general right against worker displacement, and there is not a claim right to meaningful work. There is an opportunity right for meaningful work, and this can be understood to emerge out of a capabilities framework. Governments, particularly LDC governments, have many challenges before them, but it is plausible to conclude that among their obligations is an obligation to provide opportunities for meaningful work. Worker displacement does not necessarily involve harms in terms of capabilities. If a worker is displaced and is able to find roughly equivalent work, there is not necessarily any harm done, and good may result. The goods involved may be merely those of economic efficiencies, but in some instances it is possible that one’s circumstances may improve because of displacement: wages may increase and job prospects diversify. But of course worker displacement often does involve harms if there is no adequate safety net provided, as was the case in the displacement of Mexican coffee workers in the 1990s. Such harms are external to the question of the meaningfulness of work and have to do with financial and social benefits of work. There are thus obligations that arise when unemployment related capabilities harms occur, obligations that pertain particularly to the governing state of those who suffer the employment-related harms, but also more generally fall upon the world community in terms of obligations of beneficence.

Let us suppose, then, that we are mature moral reasoners residing in a northern hemisphere MDC. Suppose that we see LDC smallholders involuntarily lose their livelihood in a nonculpable way. Suppose further that their country does not have the resources to provide the kind of safety net to adequately avert capabilities harm. As a mature moral reasoner, I seek out ways to aid those so harmed. We are now ready to pose the relevant question: is it better to find ways to aid the smallholders to stay smallholders? Or would it be better to aid them in finding other forms of work, perhaps through retraining programs and assistance in moving to a city? There are some prima facie reasons to prefer aiding the smallholders in keeping their original profession. In addition to the possibility that they find this work meaningful (a point that is not automatic), there are the benefits of stability and community that are retained if they do not have to move. But this also is by no means automatic, and broader social and economic

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10 Social benefits include the stability in location and community that work provides; sudden unemployment can imperil both of these.
conditions may entail that the best option is to aid them in leaving the farm. Some smallholders are very smallholders, and even in the best of times they have struggled to subsist. Or it may be the case that some smallholders cannot compete with other smallholders even within their own country, possibly because their land is more marginal, or they are poorer and cannot afford relevant equipment. Those who drive them out of business are not seeking to do so, they are simply trying to make ends meet for themselves, and the smallholders that are displaced are a byproduct.\footnote{11} In such cases, dollars that would have been spent on fair trade products might be spent on retraining and other relevant forms of support.

Many will no doubt object to the claim that smallholder displacement is not always bad and may in some circumstances be a good. Those influenced by Marxist approaches criticize modernized (i.e. Green and Gene Revolution) agriculture as succumbing to commodification and industrialization and not recognizing the social embeddeness of agricultural systems.\footnote{12} A second objection we may call the “Agrarian Objection,” and is rooted in the claim that there is something special about the small family farm, and some agrarians draw on Jefferson’s claim that of a linkage between independent farmers and democracy.\footnote{13} To support movement off the farm, on this account, is automatically a form of decline from a form of work that is both meaningful and socially valuable. A third criticism we may call the “Minimal Sovereigntist Objection.” Food sovereignty movements are characterized by a wide range of claims, but among these is a stress on peoples and nations to be able to make decisions for themselves, and possibly further the claim that they should also be able to feed themselves.

The food sovereignty objection to this particular case seems weak. There may be in many cases prudential reasons for desiring food sovereignty in the literal sense of a nation or people being able to entirely feed itself, but it is difficult to see how this is by itself an ethical requirement. Further, the existence of smallholder displacement could in some cases enhance a country’s food security and production goals if it thereby enables more efficient

\footnote{11}{These are, I submit, relatively benign forms of displacement in the sense that no harm is intended and there is no known system of labor and production that can avoid problems of this kind without causing worse problem. Displacement due to international trade is more complex, involving assessments of the desirability of reduced international trade barriers and their impacts on local markets. In the case of coffee, many Vietnamese profited from its deregulation, but arguable at the expense of other producers who suffered the impacts of a flooded market (Jaffee 2007, Doutriaux, Geisler, and Shively 2008).

\footnote{12}{Jaffee, for instance, relies heavily on the work of Karl Polanyi and Polanyi’s emphasis on embeddedness. But see also Doane 2010 and Goodman and Goodman 2001.

\footnote{13}{Berry 2009. For a discussion, see Thompson 2010.}
farms as a result. If food sovereignty means simply opposition to smallholder displacement, we have already given reasons why this ought not be automatically endorsed.

The agrarian objection also suffers difficulties. Besides the fact that its empirical claims are doubtful, there is also the issue that American agricultural production is in important ways distinctive, and that the model of the independent farmer family that owns the land it cultivates is not one that is replicated everywhere in the world, and, to the extent that it is, is due partly to the influence of European immigrants and the influence of northern hemisphere models of production. In many places, peasants worked land they did not own (e.g., India), and in some land is held communally (Mexico). In many places, the agrarian ideal farmer first had to be invented in order to even worry about displacement.

The Marxist objection is more complex, and combines claims about the meaningfulness of work with claims about the dependency of economic structures on larger social ones. But the argument here concerns the movement of some former farmers to other lines of work, and this does not necessarily destroy the cohesion of the communities they leave. Assuming that such anti-commodification arguments are not merely reactionary responses to any social change, we should also be careful about claiming that the former farmer’s new life must necessarily entail a decline in the quality of embedded social structures. Certainly, many current manufacturing concerns are guilty of this—think of Foxconn’s treatment of employees—but this need not be a given, and the individual concerned with fair trade would presumably seek to help make such transitions positive rather than negative.

A final note: there is an important sense in which fair trade networks already sponsor such movement off the farm, and this is through both direct and indirect support of schools and education. There is of course no contradiction in being educated and being a farmer, but education also provides an important first step for a universe of other occupations, and a repeated theme in anthropological studies of fair trade farmers is their desire for education for their own children, which may entail temporarily sending the children out of the community (see e.g., Jaffee 2007, chapter 6).

Consolidating Farmer

In supporting fair trade, the mature moral reasoner works to oppose PGR-subsistence and so to help enable a better life for smallholder producers. Among the desirable outcomes is, somewhat paradoxically, that some
farmers no longer farm but seek other means of prospering. But what the average fair trade supporter more likely has in mind is that the farmers so supported will prosper as farmers, that they would be able to achieve an economic solidity that secures not only a threshold level of capabilities but which also provides them the opportunity to develop their capabilities above threshold in a way that is familiar to those living in Northern hemisphere MDCs. One way for this to occur is if the farmer is able to increase profits on the land that they have and cultivating it the way that they have, a case that I will take up under the Fair Trade Farmer scenario below. Another way for this to occur is for the fair trade farmer to expand and improve operations. Although fair trade premiums currently provide only modest benefits, these could improve, and a sufficiently prudent farmer could use the profits to invest in operations, either by expanding the size of the farm or by investing in equipment and technology to make the farm more efficient and productive, further securing the prosperity of the farming family. At some point, the consolidating farmer would no longer need to participate in fair trade networks, and would leave them behind to participate in the broader market.

On the face of it, the consolidating farmer scenario seems unobjectionable. After all, if the goal is to aid farmers in securing better livelihoods, this seems one of the most likely scenarios, and there is a good chance that farmers will pursue this line independently of the desires of the fair trade consumer. Should the mature moral reasoner see this as a desirable outcome? One reason for opposing the consolidating farmer scenario is if it resulted in the displacement of other farmers. This is a point that we have now covered, and as long as such displacement is not culpable, no wrong is done. If the farmer is using green and gene technologies, this raises potentially significant issues of sustainability. This leads us into complicated territory, but we can approach it by considering two subscenarios: Unsustainable Consolidating Farmer and Sustainable Consolidating Farmer. I leave the scope of “Unsustainable” undefined, but green revolution farming can create a number of environmental issues, both short term and long term. In addition to issues of long term soil erosion (depending on location, soil, and method of farming), artificial fertilizers can pollute waterways and pesticides and herbicides can impact both human and wild

\[14\] The ability and means of expanding farm size will depend on context. The communities that Jaffee documents hold the land collectively, and so expansion would either have to be due to converting unused land to cultivation, buying out members of the community, or an abandonment of the communal system. Jaffee documents how, in the wake of out-migration, some families have in a sense been bought out.

\[15\] Dolan 2010, Moberg 2010, and Jaffee 2007 note the disparity in desired outcomes between fair trade organizations and producers, and whereas fair trade organizations place high value on such concerns as environmental sustainability, democratic organization, and gender equality, producers are much more focused on the strictly economic benefits that result from participation.
populations. There are also a range of views on how to treat unsustainable practice. One might endorse a zero-tolerance policy, or one might allow practices that are temporarily unsustainable, or ones that do not impact the environment above a specified level or duration. Presumably there is some threshold, \( X \), beyond which agricultural practices are unsustainable and should be considered as such. Clearly, if the farming practice is unsustainable, then it should be discontinued; Unsustainable Consolidating Farmer is not an ethically desirable outcome.

What of Sustainable Consolidating Farmer? As already noted, although some may argue that there can be no such thing as Sustainable Consolidating Farmer, there are not strong reasons to think so. Sustainable Consolidating Farmer certainly seems possible. Such a farmer would be both compatible with environmental concerns and self-sustaining, enabling the farmer’s family to thrive, seek capability opportunities, and the increased prosperity of the farmer would have further indirect impacts on the community. What could be wrong with this?

The likely objections are those we have already considered with respect to the Former Farmer scenario, objections concerning commodification, the value of small family farms, and food sovereignty. Of, these, food sovereignty concerns seem the least applicable, since the farmer in question would be opting for the changes voluntarily, and any expansion of the farm would also involve voluntary transactions. Consolidating farmer would thus be an example of food sovereignty.\(^{16}\) The Marxist concern about commodification would be well founded if indeed the changes in place were over the long term destructive to important elements of the social fabric. But we should be careful of confusing social change, which inevitably involves the abandonment and loss of former ways of life, with social changes that are inherently bad, all things considered. Consolidation of farms can certainly cause short term harms if it is done unfairly, rapidly, or as the result of bad policy. The U.S. farm crisis of the 1970s, caused in part by shifts in government policy, serves as an example of the short term suffering that can be involved. But this is different than saying that the new form of life is inherently bad. Are contemporary consolidated farms in the U.S. and Brazil bad just because they are consolidated? Wendell Berry and others lament the decline of rural populations as a result, but one can recognize the loss that change brings while recognizing that neither the change nor the new state resulting from the change are not morally prohibited and indeed have their own goods. A parent

\(^{16}\) The food sovereigntist may argue that there are significant ways in which current Consolidating Farmers are improperly constrained in their choices by broader unfair market forces, and this may influence the kind of food grown, one of the food sovereigntists concerns. I partially concede this point, which I take up in the last section, but the hypothesis here is that such transactions are free and fair. Even if broader market forces are unfair, it is reasonable to think that Consolidating Farmer represents an ethically desirable scenario.
may love and admire the grown child while simultaneously missing the carefree toddler that is no more. The lover of a forest may lament the destruction of a forest fire while at the same time admiring the new forms of life that emerge. The loss that Berry laments is more complicated, but we should be cautious about generalizing the particulars of an American case. Human communities come and go; they are dynamic, almost living things in and of themselves.

Put differently, there is no necessity in the claim that the emergence of consolidating farmers leads to capabilities harms, while there is reason to think that it will lead to capabilities improvement for the consolidating farmers in question. There of course may be exceptions, but in those cases we should expect the harms to involve either outside factors which should be treated separately or unethical practices by the consolidating farmers themselves.

Since the assumption is that consolidating farms are still family farm, that particular form of agrarian objection does not apply, but the agrarian may object that small is also important, and they will note that a major reason that small farms are not economically sustainable in the way that they once were is due in large part to changes in global trade policy. But let us suppose that global trade policy had not pursued the liberalization began in the 1980s. This would have indeed left many but not all farmers better off, and many farms would still have been too small to have been sustainable, and so would still benefit from a capabilities perspective from being consolidated. Consolidation dynamics would be ruled more by internal dynamics than external ones, but they would not have gone away.

Implied in Berry’s claim that there is perfect ratio of “eyes to acres” is the idea that there is a morally optimal size to a farm. But I have no idea what this size will be.\(^\text{17}\) We may find that, statistically speaking, there is an optimal size in terms of profitability and yield, or that there is an optimal size with respect to environmental impact or social capital in a given context. But these would have to be worked out, and what is optimal for one crop and soil type may not be optimal for another. In the case of coffee and other commodity crops, a particular concern emerges with plantation farms that have a history of having greater environmental impacts along with poor working conditions. These concerns may be legitimate and so I am willing to treat the plantation farm as distinct from the

\(^{17}\) Fearnside 2008, Jackson 2010; Berry acknowledges the variation of geography and soil in the Fearnside interview, but not other factors.
case of Sustainable Consolidating Farmer, which is still assumed to be primarily a family operation. But it should be noted that the negatives of plantations farms involve not simply the size of the farm, but more general features of labor law and the protection of rights in a society.\(^\text{18}\)

Sustainable consolidating farmer thus seems a worthy goal for the morally mature consumer purchasing fair trade products. Much rides on properly understanding the constraints of “sustainable,” but it is reasonable to suppose that the sustainable consolidating farmer scenario is not only possible but can be widespread. If “consolidating” involves physical expansion of farms and not only intensification, the widespread adoption of this scenario would in some places result in significant social change. Much would hinge on how that social change proceeded, but under proper conditions it would be fair and improve over the long term not only the consolidating farmer’s quality of life but also that of the community, even though the constitution of that community may be different as a result. This is, of course, the scenario envisioned; it is the desirable outcome, but not the only possible outcome. Not all consolidating farmers may act fairly, and particular social structures in particular countries matter. Necessary for fully assessing consolidating farmer is both qualitative and quantitative data that provides an ongoing picture of the changes involved. These will likely vary country by country, and as a result the effects will vary as well.

**Fair Trade Farmer**

This leaves the Fair Trade Farmer scenario. Recall that here we envisioned two subtypes as well: Marginal Fair Trade Farmer and Prosperous Fair Trade Farmer. As already described, Marginal Fair Trade Farmer has little to commend it. In this case, fair trade makes the life of the farmers in question better, but only marginally better, and it does so in a way that barely aids the farmer in achieving threshold capabilities and no more. Marginal Fair Trade Farmer would be a desirable end only if there were no other possibilities, if the only alternative available were PGR-Subsistence, Futile Factory Worker, and Unsustainable Consolidating Farmer. Prosperous Fair Trade Farmer (PFTrade Farmer) is obviously a preferable outcome. On this account, it is assumed that, contrary to the

\(^\text{18}\) Thus, Besky (2010) documents the conditions of tea plantations in Darjeeling, India, noting that the plantations are applying for Fair Trade status at the same time that they are fighting to repeal labor protections instituted by the British. She quotes one worker who states bluntly, "The British time was better" (p. 118). The indictment is not of trade per se and Besky is not endorsing the British colonial system, but the case reveals some weaknesses of the fair trade system and suggests that, under proper legal conditions, plantations can provide good working conditions.
Consolidating Fair Trade Farmer, PFTrade Farmer neither extends the farm nor uses green/gene revolution intensification techniques beyond those already employed. Because the current fair trade market demands products to be organic and environmentally sustainable, PFTrade Farmer meets these criteria as well. By definition, PFTrade Farmer would be “doing well” financially, and so be able to meet and exceed those threshold capabilities that better financial status can provide. In addition, since PFTrade Farmer does not involve the consolidating of smaller farms into larger ones, it does not entail the kind of social change associated with Consolidating Farmer. While avoiding social change is not a moral obligation, the lack of social change can make it easier to maintain existing social networks supporting relevant capabilities, and so in this respect has some benefit. Because the PFTrade Farmers are themselves more prosperous, this would also have an indirect impact on the prosperity of the community, an impact documented in some existing fair-trade networks.

Is PFTrade Farmer realistic? One issue commonly cited is that fair trade products are more expensive than non-fair trade products, and as a result they can never be more than a niche market. There is nothing wrong with promoting a niche market that enables the promotion of well-being, but it is clearly a suboptimal result, since a mature moral reasoner would desire that, ceterus paribus, all producers and not merely some were able to lift themselves above threshold level. It is an unsatisfactory situation when minority coffee producers receive the added benefits in participating in a fair trade network while the majority toil at a lesser level. Of course, it need not be this way. Some express the hope that one day all coffee will be fair trade coffee, and they chastise large corporations like Starbucks for “fairwashing” their products by token participation in fair trade networks. That all coffee and commodity crops generally would one day be part of a fair trade network seems an unlikely scenario as it would involve a major societal change among consumers, but it could happen. Would that solve the problem? It seems that it would, though likely at a price, since all coffee would be more expensive, some would simply choose to drink less, thus reducing demand, and so reducing the number of producers who could make a living as fair trade farmers. In this scenario, the result would be social change similar to that of Sustainable Consolidating Farmer.

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19 Keeping in mind that existing social structures might not always be salutary, and that increase in prosperity within the community will itself alter the existing social structures.

20 I am admittedly conjecturing here. One might argue that prices would go down, since normally economies of scale would take over. But fair trade networks, committed as they are to smallholders and limits on technology use, are expressly set up to prevent economies of scale, and so it seems likely that increased demand would not reduce prices. Indeed, the elevation of price is the point of fair trade.

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This brings up a related issue: the accuracy of fair trade labeling. Julia Smith (2010) documents the efforts of businesses to “cash in” on the fair trade market by setting up their own certification procedures which are less rigorous and which, in some cases, may be non-existent. This is a familiar free rider problem in the public goods literature, for once a public good exists individuals may unfairly capitalize and deplete the public good at the expense of others. In this case, businesses cash in on the reputation of fair trade but in the process create confusion of what properly counts as fair trade, and so as a result damage the long term prospects of fair trade in the process. Organic producers experienced the same problem in the United States, resulting in governmental action defining “organic.” Government action solved the problem, but also created new ones, since its definition was easily subject to criticism (Pollan 2006).

But these do not seem to be insurmountable obstacles. Prosperous Fair Trade Farmer seems at least a possible outcome and a desirable one. It is much less clear that it is the most desirable outcome, and much hinges on how we conceive the broader aims of fair trade. To this I now turn.

Fair Trade, Fair Trade Exemplars, and Wider Goals for Global Trade

There thus seems to be no single goal that the mature moral reasoner need envision when participating in fair trade networks as a consumer. There are clearly outcomes that are undesirable, including PGR subsistence and Unsustainable Consolidating Farmer. But there is more than one path that producers participating in fair trade can take that will yield net goods, and we might expect different producers to take different routes depending on their circumstances. Somewhat paradoxically, positive outcomes include the possibility that some farmers will choose occupations other than farming, but this is consistent with the overall goal of improving well being. While such improvements may result in significant social changes in the rural areas of origin, this is not inherently bad and may in fact provide significant net positive effects, however much we and members of the rural communities may value some of the old ways left aside.

But considering these multiple paths of development raises important broader issues, raised in particular by the scenario of PFTrade Farmer. Fair trade movements developed alongside of the shift to what is often called a neo-liberal or Washington consensus model of global markets (Willis 2011, Rodrik 2007), characterized by significant lowering of trade barriers and the liberalizing of global finance. The neo-liberal paradigm dominated the
thinking of global finance and trade institutions (WTO, World Bank, IMF) and served as the impetus and rhetorical framework for bilateral trade agreements. Criticisms of neo-liberalism figure prominently in the fair trade literature, and fair trade is often put forward as a response to the negative impacts of neo-liberal economics (Moberg 2010, Goodman and Goodman 2001). Such criticisms typically include criticisms of agricultural trade subsidies by MDCs, and so in many cases these might better be construed as criticisms of “Neo-Liberalism Plus,” as opposed to what may be called Neo-Liberalism Proper. Arguments for Neo-Liberalism Proper are based on the body of economic theory and literature supporting the principle of comparative advantage, and links between involvement in global trade and economic development (e.g. Bhagwati 2007). In addition to the specific empirical evidence concerning the impacts of liberalizing policies on LDC agricultural sectors, there also exists significant reason to think that the models employed to support neo-liberalism do not apply well to developing countries and that those countries which were once most cited as neo-liberalism success stories—countries such as South Korea, Taiwan, and China—were successful precisely because of the way they selectively engaged global markets (Stiglitz and Charlton 2005, Rodrik 2007).

Let us suppose that these criticisms are correct, as seems likely, that Neo-Liberalism Plus has done significant damage to LDC agricultural sectors and that even if Neo-Liberalism Plus were replaced by Neo-Liberalism Proper this would still leave LDC countries on (at best) less than optimal developmental trajectories, and in some cases may do active harm. What role then does participate in a fair trade network play? If the true cause of LDC rural poverty lies in internationally agreed upon terms of trade, and if the true solution lies in revisions of both international trade policy and in national level economic policy, it is not clear that participation in fair trade is likely to be anything more than a band-aid on a much larger problem. The efforts of the mature moral reasoner might be better spent elsewhere.

Band-aids, however, are not bad things. It is no small thing to improve people’s lives, and when one works in concert with a network, such effects are magnified. But there are arguably two other positive effects of fair trade participation networks. First, participants in fair trade networks may serve as exemplars, and thus impact other consumers through their actions. In practical terms, persuasion may work through action as much, if not more, as through philosophical argumentation, and action can spur discussion leading to other forms of persuasion, the first step of which is raising awareness that there is an issue to discuss. Second, fair trade networks can serve to raise
awareness among producers as well as develop skills of political engagement. Fair trade networks include stipulations that encourage such developments, including democratic representation within organizations of producers, but currently there is evidence of significant gaps in implementation, among other issues.\footnote{Cf. footnote 15, Moberg 2010, Dolan 2010. Among the issues already mentioned, there exist gaps in the perceived goals of fair trade between producers, who can be focused solely on the economic benefits of fair trade, and the more socially idealistic goals of the networks.}

Conclusion

Participation in fair trade is then a good, but it is likely not an obligation. If one does not drink coffee, one is not \textit{obligated} to start drinking coffee so as to provide better lives for LDC producers. Although fair trade employs the language of fairness, it is in its current incarnation easier to conceptualize in terms of principles of beneficence, and this can be done within the framework of a capabilities approach that appeals to the reflection process of mature moral reasoners. But it is a mistake to think that, in participating in fair trade as a consumer, a single outcome need be envisioned for the smallholders who benefit from the interaction. While Prosperous Fair Trade Farmer is a possibly desirable outcome and the one that is perhaps most commonly envisioned, other positive outcomes are also conceivable, although these may be contrary to the goals of some of those who currently support fair trade. Further, when cast in the light of the broader dimensions influencing global trade, there is reason to think that the impact of fair trade networks may remain relatively modest. As such, any participation in fair trade must be seen in this light, providing a stepping stone for those who benefit while serving as an example for those who can also serve as agents of change.
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