

Fair Trade, Fair Food, and Food Sovereignty: Effective Strategies of Resistance or Empty Victories?

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Abstract

Fair Trade movements have emerged in the context of free trade initiatives that in many ways have failed to ensure a living wage and just working conditions for the most vulnerable of global food producers. As the definition implies, Fair Trade challenges trade arrangements that uncritically promote food production for export, and neoliberal policies of open markets, deregulation, and privatization. However, scholars, activists and industry-workers have begun to ask whether fair trade is indeed “fair” or “fairer” than other trade models. This paper contends that as it stands now, Fair Trade has not lived up to its promises of a fairer global trade system. Although Free Trade has potential, several problems, including scaling-up Fair Trade production, asymmetrical balances of power between consumers and producers, and the co-option of Fair Trade into traditional capitalist frameworks has left the future of Fair Trade vulnerable. This paper argues that the model and movement of Food Sovereignty can provide potential solutions to current Fair Trade problems and deficiencies. In particular, exploring the potential of “solidarity-based” Fair Trade movements holds the greatest current potential for fair(er) Fair Trade system. Food Sovereignty’s emphasis on sustainable economic and ecological development, its emphasis on small-scale producers, and its vision for creating a more just global food system gives greater substance to the ideals and potential of Fair Trade.

Intro – “fair” for who?

As a new food-justice related movement, Fair Trade has become a banner flown by activists, university students, corporations, and conscientious consumers whom are concerned with creating a fairer global trade system. However, since Alternative Trade Organizations (ATO’s) emerged in the 1940s and evolved over time, culminating in the creation of the 1997 Fairtrade Labeling Organization (FLO), many scholars and activists have begun to question whether fair trade is indeed fair for those it intends to (reach). As it stands now, fair trade has been beneficial for some, but must be scaled-up before it can truly be labeled “fair.” Neoliberal “free trade” still predominates and, as a niche market providing luxury products, fair trade goods continue to be subsumed by the more powerful neoliberal “free trade” system. This paper will begin with some brief remarks on the neoliberal free trade system to provide the wider context in which to contextualize Fair Trade movements. Following this, I propose we draw off of the concept and movement of food sovereignty to highlight both current problems with current Fair Trade arrangements as well as identify ways in which particular models of Fair Trade are subsumed by the global market. I will conclude with some remarks as to how drawing off of the concept and movement of food sovereignty we might still find hope for creating a “fairer” Fair Trade system.

Neoliberal free-trade vs Fair Trade: Theory and Practice

Fair trade emerged in the early 1940s and 1950s, but changed radically in the 1980s as traders attempted to gain access to global markets. As Fridell notes, in its initial phases

fair trade was characterized by a certain degree of domestic and international regulation of commodities and with the aims of “laying the groundwork for an alternative trading system... that would form part of a new international economic order based on strong state intervention at the national and international level.”¹ However, in the 1980s, goals changed and a series of fair-trade labeling initiatives sprouted. These initiatives emerged as a result and response to changing political, economic and ideological circumstances spawned by neoliberal economic policies of privatization, deregulation, and opening markets. Building momentum in the 1980s Structural Adjustment Programs (SAPs) have had a particularly detrimental effects on developing countries in the South.² Trade agreements promoted by the WTO have undermined developing governments’ ability to control and direct their domestic macroeconomic policies. In order to enter trade agreements, Southern governments been forced to “slash or eliminate subsidies of all kinds, including social services and price supports for small farmers.”³

Land reform models also followed suit as agreements (pushed) for market-driven land reform.⁴ As a result, fair trade initiatives reoriented strategies in an effort to scale-up fair trade markets. One option, which will be discussed below, was to adopt a market-driven approach that relied on “nonbinding, voluntarist commitments from private corporations.”⁵ Critics of these asymmetrical trade arrangements recognize that, while they have provided opportunities for certain niche markets in coffee, on the whole they have not benefited the poorest of the poor and instead undercut government-provided social safety nets.⁶ WTO trade agreements must also be understood in relation to neoliberal economic policies enshrined in the World Bank and International Monetary Fund (IMF). These multilateral institutional policies serve the interests of the powerful North and the US in particular; policy prescriptions were to favor US political ideology, economic stability, and military might.⁷ While intentions of World Bank, IMF and WTO policies may have originally been ostensibly motivated by improving the living conditions of the global poor, their vision of trade as a mechanism to aid these efforts has not prevailed. Furthermore, enforcement of trade agreements has been difficult, if nonexistent with respect to countries such as the US. Despite requirements to reduce or eliminate certain harmful, trade-distorting subsidies the US continues to subsidize agriculture to the tab of billions of dollars a year. For instance, the recent US Farm Bill (despite some improvements) continues to subsidize US agriculture to the tab of billions of dollars a year.⁸ The cost for these subsidies is born by the tax payers.

Types of fair trade: solidarity vs. corporate

Different fair trade perspectives have evolved and emerged over time. Fridell describes three different fair trade models that help to contextualize our discussion of the question: Are Fair Trade Movements Fair(er)?⁹

The “Shaped advantage” model recognizes the inevitability of globalization, and in particular the inevitability of neo-classical (neo-liberal) economic theory. Fair trade initiatives need to augment institutional capacity and marketing skills to help fair trade

farmers enter the global market. The shaped advantage model will succeed to the extent that it can foster “development networks based on trust and cooperation.”¹⁰

Fridell identifies the second model as fair trade as an alternative to globalization. Similar to the shaped advantage model, the alternative model recognizes the need for peasants and small-scale producers to enter the global economy. However, this perspective envisions a more radical political project that “seeks not only to address poverty and marginalization at the local level but to confront the structural causes of these effects.”¹¹ However, as Fridell has argued, the success of the alternative model has largely been due to neoliberalism. The decline of state intervention and market regulation (i.e. neoliberal policies), with NGO-led development projects taking the lead – has facilitated the boom in fair trade initiative. However the problem with

The final type of Fair Trade is what Fridell calls Fair Trade as Decommodification. This vision of Fair Trade draws off of Marx’s analysis of commodity fetishism. As Marx aptly noted, “the mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men’s own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things.”¹² For Marx, commodity fetishism describes the situation in which laborers begin to recognize the products of their labor in terms of a relationship between “things” rather than between the types of labor and the people that labor and each other, or a relationship between actual human being.¹³ Advocates of this vision of Fair Trade see it as a direct challenge to the “core values of global capitalism and its imperatives of competition, accumulation, and profit maximization.”¹⁴ They see Fair Trade as a system that illuminates the “social and environmental conditions under which goods are produced” as well as the ways in which it may serve to replace capitalist values of competition, accumulation and profit maximization with solidarity and cooperation.¹⁵

In opposition to these iterations of Fair Trade, is the corporate model of Fair Trade. The corporate model of Free Trade is based on the idea of Corporate Social Responsibility (CSR) or what some call the “shareholder” driven approach.¹⁶ Based on a vague notion of ethical business practices, a shareholder driven approach to Fair Trade ostensibly enters into Fair Trade agreements as a way to connect producers and consumers. However, ultimately the true motivation behind CSR initiative is to tap into ethical consumer markets to improve the business’s brand image and to capture the growing market of conscientious consumers.¹⁷

Additionally, Fair Trade advocates argue that a genuine Fair Trade system has different goals than a corporate or shareholder driven model. While a genuine, or as some call a shareholder model, is motivated by the desire to provide a living wage, environmental protection, agricultural reform, etc., corporate models “do not have any broader objectives beyond their own private initiatives.”¹⁸

Historically, Fair Trade in the coffee industry exemplifies competing visions of Fair Trade. As Fridell argues, Starbucks represents a model of shareholder driven Fair Trade. According to its corporate website it is now “on of the largest purchasers of Fairtrade

certified coffee in the world,” noting that 8.1 percent of its coffee purchases were Fairtrade certified.”¹⁹ Despite its low percentage of Fair Trade certified sales, Starbucks touts itself as in “We are committed to buying and serving high-quality coffee that is responsibly grown and ethically traded. We honor this commitment through our responsible coffee purchasing practices, farmer support centers, loan programs and forest conservation efforts”²⁰

While Starbucks has made strides in Fair Trade and CSR, it is still ultimately motivated by profit and shareholder interests. Fridell documents several examples of dubious ethical behavior. For instance, in an effort to minimize labor inputs Starbucks uses Signature Packaging Solutions – a company that uses inmate labor – to package its Christmas products.²¹

How Fair Trade remains unfair for producers

According to the Fairtrade Labeling Organization (FLO), the mission of Fair Trade is to “connect disadvantaged producers and consumers, promote fairer trading conditions and empower producers to combat poverty, strengthen their position and take more control over their lives.”²²

First, has Fair Trade connected producers and consumers? Yes and no. As it stands, now Fair Trade is not fair if it operates in a shareholder type of model. In the shareholder model, asymmetrical balances of power favor the consumers and consumer demand, or what Fridell calls “consumer sovereignty.”²³

Alternatively, Fair Trade arrangements that are fair(er) need to codify standards that “support producer empowerment, closer producer-consumer relationships, gender equity, long term partnerships, transparency, and community development.” On a global level fair(er) trade arrangements need to bolster producer operations and focus on smallholders and development assistance that focuses on these producers.²⁴

IDEA of double exploitation (amplified alienation?)

Type 1 – Classic Marxian exploitation/alienation: In a capitalist economy, a portion of the value of an individual’s labor is kept by the owner in the form of surplus product (416). Coupled with this form of theft, the owner also keeps a portion of the worker’s creative power or energy. As such, labor itself becomes simply a means to an end, consumption. “Work provides neither the intrinsic creative satisfaction during the process of production nor the fulfillment of knowing that your particular skills have created a product to fulfill a want or a need in consumption.” (Hudson and Hudson, 416). In turn, consumers have little regard for the production process, they are not concerned with the manner or conditions in which commodities are produced (thus a form of alienation from fellow workers – CITE 1844 MANUSCRIPTS). “The organization of production through the purchase of commodities provides a highly effective mask over the exploitative class relationships within a capitalist economy” (Hudson and Hudson 415). If we are reduced to autonomous consumers of abstract commodities, we fail to see the exploitation of producers as well as the alienation (experienced) by both producers and consumers. As Hudson and Hudson note, “In the commodity economy, in which needs are met through

exchange in the market, qualitatively different forms of labor are transformed into homogenous, quantifiable units,²⁵ what Marx calls abstract human labor.

Type 2 – Current or amplified exploitation/alienation: In the context of Fair Trade, consumers have a vague idea of the interconnectedness of workers, products, and conditions of production (i.e. fair wages, safe working conditions, etc.). By purchasing FT goods, the Northern consumer believes and is morally satisfied that they are engaging in ethically responsible consumption. Yet, as Northern consumers feel satisfied with their socially-conscientious consumption, they continue to perpetuate the problem. They “think” they have re-connected with the producer, making forms of exploitation and especially alienation all the more acute. Producers are still alienated from the products of their labor as well as from the consumers who purchase their products, but the consumers believe they have actually reduced mitigated this alienation.

FS as alternative

Food Sovereignty is a contested term, it has been defined as a political project and campaign, an alternative, a social movement, and an analytical framework.²⁶

Food sovereignty is the right of peoples to healthy and culturally appropriate food produced through ecologically sound and sustainable methods, and their right to define their own food and agriculture systems. It puts the aspirations and needs of those who produce, distribute and consume food at the heart of food systems and policies rather than the demands of markets and corporations. It defends the interests and inclusion of the next generation. It offers a strategy to resist and dismantle the current corporate trade and food regime, and directions for food, farming, pastoral and fisheries systems determined by local producers and users. Food sovereignty prioritises local and national economies and markets and empowers peasant and family farmer-driven agriculture, artisanal - fishing, pastoralist-led grazing, and food production, distribution and consumption based on environmental, social and economic sustainability. Food sovereignty promotes transparent trade that guarantees just incomes to all peoples as well as the rights of consumers to control their food and nutrition. It ensures that the rights to use and manage lands, territories, waters, seeds, livestock and biodiversity are in the hands of those of us who produce food. Food sovereignty implies new social relations free of oppression and inequality between men and women, peoples, racial groups, social and economic classes and generations.²⁷

Notice a few things about this definition that relate to our discussion on fair trade. Food sovereignty prioritizes the producers of food over and against the current system that (focuses) on market demands and the power of corporations. It advocates for transparent and Fair Trade arrangements that guarantee a just income, and income that Food sovereignty implies new social relations free of oppression and inequality.

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- 1 Gavin Fridell, "Fair Trade and Neoliberalism: Assessing Emerging Perspectives," *Latin American Perspectives*, 151 vol. 33 no. 6 (2006): 9-10.
- 2 See for instance, Walden Bello, *Dark Vicory: The United States and Global Poverty, New Edition*, (Oakland, CA: Food First Books, 1999).
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- 5 Fridell, "Fair Trade and Neoliberalism," 11.
- 6 Cf. Kim Burnett and Sophia Murphy, "What Place for International Trade in Food Sovereignty," (conference paper at "Food Sovereignty: A Critical Dialogue, Yale September 14-15, 2013). Burnett and Murphy recognize the historical harms of WTO policies, but argue that changing geopolitical alliances and power blocs may present an opportunity for developing countries to reassert negotiation and policy power. See pg 20 ff.
- 7 See Bello, "Dark Victory"
- 8 See for instance, Brad Plumer, "The \$956 billion farm bill, in one graph" Accessed 3/21/2014 <http://www.washingtonpost.com/blogs/wonkblog/wp/2014/01/28/the-950-billion-farm-bill-in-one-chart/>
- 9 Gavin Fridell, "Fair Trade and Neoliberalism: Assessing Emerging Perspectives," *Latin American Perspectives*, 151 vol. 33 no. 6 (2006).
- 10 Ibid., Critics of the position contend that "market choices that can be a matter of life and death for fair-trade producers are merely ethical shopping options for Northern consumers who base their decisions on a variety of factors, including cost, convenience, image and level of disposable income" (Fridell, 22). "Fair trade is not just about enhancing the abilities of Southern partners to survive and compete in the global economy but confronting and changing the unfair structures of world trade" (Fridell, 17)
- 11 Ibid, 18. Fridell notes the main problem with this perspective is "it does not necessarily provide a more accurate depiction of what fair trade ultimately is capable of attaining...In fact, the success of the network since reorientation has been achieved not because it is an alternative to neoliberalism but because it is highly compatible with neoliberalism" pg. 19ff.
- 12 Karl Marx, *Capital* vol. 1, (London: Penguin Classics 1990).
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- 26 See Via Campesina at the colloquium "Food Sovereignty : a critical dialogue," <http://viacampesina.org/en/index.php/main-issues-mainmenu-27/food-sovereignty-and-trade-mainmenu-38/1560-via-campesina-at-the-colloquium-food-sovereignty-a-critical-dialogue>.

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