Social Movement Lessons from the Fair Trade Movement

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Abstract

This report aims to assess (1) the extent to which the international Fair Trade movement, especially from 1964 to the present, can be said to have successfully achieved its goals, (2) what factors caused the various successes and failures of this movement, and (3) what these findings suggest about how modern social movements should strategize. The analysis highlights strategic implications for a variety of movements, especially those focused on moral circle expansion. Key findings of this report include that engaging directly with mainstream market institutions and dynamics can enable a social movement to influence consumer behavior much more rapidly than efforts to build “alternative” supply chains, though such mainstream engagement may also lead to co-option and a lowering of standards; and social movements may need to prioritize strategies to resist pressure from private sector businesses to weaken the standards of certified products.
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Introduction

One definition of Fair Trade, jointly agreed by several international Fair Trade organizations, is:

[A] trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers—especially in the South. Fair trade organisations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.¹

The nonprofits, activists, and mission-driven businesses promoting this kind of trading partnership comprise the “Fair Trade movement.”²

The Fair Trade movement’s intended beneficiaries are “disadvantaged producers” in the Global South.³ Fairtrade International (also known as Fairtrade Labelling Organizations International or FLO), summarizes that, for participating producers, Fair Trade means:

● “Prices that aim to cover the average costs of producing their crop sustainably – a vital safety net when market prices drop
● The Fairtrade Premium – an extra sum of money paid on top of the selling price to invest in business or community projects of their choice
● Decent working conditions and a ban on discrimination, forced labour and child labour
● Access to advance credit ahead of harvest time
● Being able to plan more for the future with more security and stronger relationships with buyers.”⁴

Consumers and institutions in the Global North are the key audience of the Fair Trade movement. For example, 97% of the Fair Trade retail sales value in 2017 reported by FLO came from countries in North America, Europe, and Oceania.⁵ Hence, this movement supports, at least in part, an expansion of the moral circle of people in the Global North to encompass geographically distant human beings. Although there are differences between the Fair Trade movement and other social movements focused on moral circle expansion, such as the farmed animal movement, these other movements can glean some strategic insight about which strategies are most effective from the history of Fair Trade.⁶

This case study has a broader geographic focus than Sentience Institute’s previous four social movement case studies,⁷ primarily because there is often limited evidence or information about Fair Trade in individual countries. Otherwise, this report uses similar methodology and framing to SI’s previous case studies.⁸

This report uses the term “co-option” to refer to the idea of stakeholders replicating some aspects of Fair Trade without fully adopting its ideals. This is similar to the usage by sociologist William Gamson, who defined success for social movement organizations in terms of either “acceptance” by their antagonists or “new advantages” accrued for their intended beneficiaries; “co-option” (co-option) is where an organization or movement achieves “acceptance” but not “new advantages.”⁹ The terms “Global North” and “Global South” are used, following recent scholarly usage.¹⁰ The meaning is similar to the terms “developed” and “developing”; the former category contains North America, Europe, Australia, and a handful of other countries (such as Japan, South Korea, and Israel), while the latter term includes most of Asia, Central America, South America, and Africa. “Northern” and “Southern” are used as the adjectives for these terms.
From the 1990s, coffee became an important part of the Fair Trade movement’s product mix. Many scholars focus primarily on coffee when evaluating the Fair Trade movement. Given the greater availability of evidence and analysis for this product type, sometimes this report discusses Fair Trade coffee assuming that it is fairly representative of Fair Trade foodstuffs more widely. Note, however, that there may be differences from product to product, and the movement sells a larger volume of Fair Trade bananas than coffee. Many scholars also focus primarily on the movement in the UK, though this seems more clearly justified, given that the UK sells the most Fair Trade products.

Summary of Key Implications

A single historical case study does not provide strong evidence for any general claim on social change strategy; the value of these case studies comes from providing insight into a large number of important questions. This section lists a number of strategic claims supported by the evidence in this report:

- Engaging directly with mainstream market institutions and dynamics will enable a social movement to influence consumer behavior much more rapidly than efforts to build “alternative” supply chains.
- Engaging directly with mainstream market institutions and dynamics may lead to co-option and a lowering of standards.
- Social movements should implement strategies to resist pressure from private sector businesses to weaken the standards of certified products.
- Social movements should seek to minimize the number of competing certification schemes.
- Certification schemes may be ineffective or counterproductive in high-priority countries.
- Marketing efforts likely increase awareness and purchases of certified products, but high awareness and support do not necessarily lead to widespread changes in consumer behavior.
- Individuals who participate in consumer action are more likely to participate in other forms of activism.
- Social movements engaging with market mechanisms may be able to draw substantial funding from for-profit organizations.

A Condensed Chronological History of the Fair Trade Movement

Early history of Fair Trade

In the 19th and early 20th centuries, there were likely several examples of companies that implemented policies resembling those of the more recent Fair Trade movement, such as The Hamodava Tea Company, set up in 1899 by the Salvation Army, which sought to pay farmers fair prices and enable them to buy the land that they worked on.

There have been previous examples of ethically motivated “buycotts,” which urge consumers to purchase ethically preferable goods. These include the US “white label” campaigns in the late 19th and early 20th centuries which encouraged the purchase of goods certified by Consumers’ Leagues rather than goods produced by workers in poor conditions. There have also been efforts to alter the norms of exchange more
broadly, such as the Co-operative movement of the 19th century onwards and various efforts in the Global South to support producers and create alternatives to international trade.

In the 1940s and 1950s, Christian groups began selling craft goods to support marginalized peoples and refugees:

- The Mennonite Central Committee started Self Help Crafts (later called Ten Thousand Villages) in 1946 to support Palestinian refugees and people from Puerto Rico and Haiti; initially Puerto Rican needlework was bought and sold onwards in the US.
- In 1949, Sales Exchange for Refugee Rehabilitation and Vocation (SERRV) began selling handicrafts from displaced European refugees to US members of the Church of the Brethren. The organization also traded with poor communities in the Global South.
- In the 1950s, Oxfam sold handicrafts made by Chinese refugees alongside secondhand goods; Oxfam had been started in 1942 by Quakers and other religious groups to feed the hungry in Greece.
- In the Netherlands, Catholic group Fair Trade Organisatie (originally known as S.O.S. Wereldhandel) began selling handicrafts produced by Southern artisans.
- In the late 1950s, Dutch Catholic activists started selling cane sugar, saying that this would “give people in poor countries a place in the sun of prosperity.”

1964-88: Alternative trade

Over the course of the second half of the 20th century, global levels of trade and inequality both increased substantially. In 1964, the dissatisfaction of governments in the Global South with existing international trade institutions led to the creation of the United Nations Conference on Trade and Development (UNCTAD). At the UNCTAD Conference in 1968, in Delhi, developing countries called for “Trade not Aid” to address their problems. Their demands were rejected, but the calls for fairer international trading may have influenced the nascent Fair Trade movement.

In 1964, Oxfam created Oxfam Trading, the first Alternative Trading Organization (ATO). ATOs have been defined as “nonprofit businesses that market crafts, gifts, and food from developing countries… Combining functions of exporters and retailers, ATOs work directly with producer groups on product design, quality control, management, and shipping.” Dutch groups sold handicrafts from the Global South and opened the first “world shop” in 1969. The world shop model — selling artisanal and Fair Trade products from the Global South — seems to have spread fairly rapidly in Europe. These world shops seem to have been intended at least partly to raise awareness of development issues and the ideals of the Fair Trade movement. By 2005, there were over 2,800 world shops in Western Europe. However, business scholar Matthew Anderson notes that, in the 1960s and early 1970s, Oxfam Trading and other ATOs “were not offering wages any better than the market rate, they did not make advance payments and did not give producers any commitment to long-term development.” Initially, the only evidence of the “fairness” of alternative trade that was readily available to consumers came from the claims and assurances made by the importers and retailers themselves.

During the 1960s and 1970s, NGOs and socially motivated individuals in Asia, Africa and Latin America established Fair Trade organizations and made connections with the new organizations in the Global North, seeking greater equity in international trade. During the 1970s, earnings from exports of raw materials...
stagnated, and the influence of multinational corporations in international trade expanded, perhaps increasing the apparent need for fairer trading systems.42

In 1973, the Dutch organization Fair Trade Organisatie imported the first Fair Trade coffee from cooperatives of small farmers in Guatemala.43 Over the next decade or so, other Fair Trade food products began to be sold, such as “Campaign” coffee in the UK.44 Alongside this development, alternative trade in handicrafts continued to grow.45 The first European World Shops conference occurred in 1984.46

Equal Exchange, the US’ first Fair Trade company, was founded in 1986.47 Equal Exchange was (and still is) a cooperative, focusing first on exploiting a loophole in the Reagan administration’s ban on imports from Nicaragua in order to support Nicaraguan farmers; the founders used lawyers and a political campaign to resist restrictions.48 In 1987, the European Fair Trade Association (EFTA) was created, comprising the 11 largest importing Fair Trade organizations in Europe.49 Subsequently, numerous regional networks of Fair Trade organizations have been established.50

1988-97: Product certification and the switch from handicrafts to foodstuffs

Business scholars William Low and Eileen Davenport cite claims from the International Federation of Alternative Trade that, by the late 1980s, growth in the number of new Fair Trade organizations and in sales volumes had slowed significantly.51 Additionally, in the 1990s, some Alternative Trading Organizations began to lose money.52 The following factors contributed to these developments:

- A reduction in tariff barriers which enabled competitors to sell lower-cost clothing and other goods that used materials and styles from the Global South.53
- A global recession in the mid to late 1980s which reduced Northern consumers’ willingness to pay for Fair Trade items.54
- The increasing demands of consumers and health and safety regulators in the Global North, which increased costs.55
- The inefficient operating models of many ATOs.56 This probably meant that the handicrafts they sold were expensive and appealed mostly to a niche group of privileged consumers.57

Fair Trade products continued to be sold mainly in niche “Fair Trade Shops” in the US and Europe,58 though in the years to come, the movement shifted away from handicrafts towards a focus on foodstuffs. At a similar time, there was a shift in discourse in the movement from “alternative trade,” an idea associated with non-mainstream distribution channels such as world shops and with broader social justice campaigns, to “fair trade,” an idea focused on mainstream consumerism and fair prices for producers.59

In addition to the decline in handicraft sales, a number of other factors outside the direct control of the Fair Trade movement may have encouraged these two shifts:

- The failure of international institutions’ efforts to create a fairer trading system and a rise in neoliberal, free trade policies.60
- The rhetoric of neoliberal politicians, which emphasized the power of consumer action.61
- The broader rise in ethical consumerism evidenced by various consumer surveys and purchasing data.62
The increased media attention and public awareness of other issues of corporate social responsibility in the 1990s, such as the use of sweatshops. 

A fall in the price of green coffee beans from around $1.30 per pound to below $0.60 while the cost of production remained around $1.10, which created financial difficulties for coffee producers. The decrease was encouraged by a deadlock within the International Coffee Organization and failure to negotiate a new International Coffee Agreement between 1989 and 1994, by which point it commanded lower international influence.

In 1988, Dutch activists and Mexican smallholders who grew coffee created the first Fair Trade guarantee label, Max Havelaar, to certify products that met their standards and facilitate Fair Trade products’ introduction into mainstream retailers. Within a few years, Max Havelaar-certified coffee seems to have represented around 2% of the Dutch coffee market. Activists pressured supermarkets to introduce Max Havelaar coffee, and by 1990, 89% of Dutch supermarkets had done so. New organizations were set up in other countries to certify Fair Trade goods, such as the UK’s Fairtrade Foundation (1994). In their first years, the Dutch and Swiss Max Havelaar organizations seem to have had budgets in the hundreds of thousands of dollars.

In 1989, the International Federation of Alternative Trade (IFAT, later renamed the World Fair Trade Organization or WFTO) was set up in the Netherlands. It represented both producers in the Global South and retailers in the Global North, as well as various other supporting organizations. Business scholar Matthew Anderson sees WFTO as supporting the “integrated supply chain route” to Fair Trade that is distinct from the “independent product certification route.” WFTO later offered a “mark” which certifies an organization’s (rather than a product’s) compliance with Fair Trade values.

The Network of European World Shops (NEWS!) was created in 1994. The Fair Trade Federation was created the same year in North America to fulfill a similar role to the European Fair Trade Association.

According to business scholar Alex Nicholls and Fair Trade marketer Charlotte Opal, in the mid-1990s, “a sales value ratio of 80 per cent crafts/textiles to 20 per cent food was the norm,” but cite a survey of the 11 constituent members of the European Fair Trade Association from 2001 finding that handicrafts had fallen to only 25% of sales value compared to 69% for food. Perhaps exacerbating the rise of foodstuffs relative to handicrafts, Nicholls and Opal (2005) claim:

Fair Trade food positioned itself from the 1990s onwards as premium quality rather than ethically driven. Thus, it immediately appealed both to the multiple supermarkets and a broader customer base and could grow a new market quickly. Companies selling Fair Trade crafts and textiles (with the exception of People Tree, a Fair Trade clothing brand carried in Selfridge’s department stores) did not reposition themselves to address new markets, preferring instead to consolidate their position with ATOs and world shops. Secondly, the Fair Trade certification process is far better suited to commodity foods, such as coffee and tea, than to handicrafts or textiles. This is because the latter are far more diverse in terms of production techniques and specifications and it is, therefore, nearly impossible to devise and audit certification standards that can be broadly applied to them all… Consequently, crafts and textiles do not benefit from the marketing impact of a Fair Trade product logo.
Cafédirect, the first Fair Trade brand of coffee, was established in 1991 in the UK by four UK ATOs (Oxfam, Traidcraft, Equal Exchange and Twin Trading) seeking to gain access to supermarket distribution. Cafédirect’s founders mobilized supporters to encourage supermarkets to stock the products. In 1991-2, mainstream UK retailers The Co-op, Safeway, and Sainsbury began to sell Fair Trade chocolates and coffee; this process may also have been encouraged by Fair Trade advocates within the companies. Similarly, NGOs were mobilized in a campaign to demonstrate sufficient demand for Divine Chocolate, another Fair Trade product.

1997-present: The mainstreaming of Fair Trade

In 1997, Fairtrade Labelling Organizations International (FLO) was set up. The organization was intended to set international standards for Fair Trade products. National labelling organizations like the UK’s Fairtrade Foundation, formed three years earlier, became members of FLO.

In 1998, FLO, IFAT, NEWS! and EFTA started to collaborate explicitly. Collectively known as FINE (the first letter from each group’s name), they aimed to support their members to cooperate on campaigning, standards, and monitoring of Fair Trade. FINE established an advocacy office in Brussels to influence European policymakers.

Equal Exchange helped to launch the US labeling initiative, Transfair USA (now Fair Trade USA), in 1998. From that point, activist groups sought to encourage US market adoption. Student groups successfully demanded that Fair Trade coffee be served on university campuses. Activist groups pressured Starbucks to sell Fair Trade certified coffee through demonstrations and threatening consumer boycotts. Fair Trade USA distanced itself from this activism, sending a softer message to consumers and businesses; since that time, it has used the slogan “every purchase matters,” and its leadership, staff, and board have tended to have business degrees and corporate experience.

The activist campaign against Starbucks may have accelerated both the mainstreaming and loosening of Fair Trade standards. The Fair Trade seal was granted by Transfair USA to Starbucks in 2000, even though only 1% of the company’s coffee purchases met Fair Trade standards. This altered Transfair USA’s informal policy of not certifying organizations where less than 5% of their total sales met Fair Trade standards. The proportion of Starbucks’ coffee purchases that were Fair Trade subsequently grew to over 10%. Historian Matthias Schmelzer noted in a 2010 article that Starbucks alone accounted for 16% of global Fair Trade imports and 32% of US Fair Trade imports. Subsequently, other major international chains have sought and received Fair Trade certification, though the Fair Trade purchases of some of these chains, such as J. M. Smuckers, make up less than 1% of their total purchases. Additionally, city councils in San Francisco, Berkeley, and Oakland agreed to buy Fair Trade brands after pressure from Global Exchange, one of the nonprofits that had campaigned against Starbucks.

The number of Fair Trade certified commodities expanded from seven in 1998 to 18 by 2004. During the same period, the number of enrolled producer groups grew from 211 to 433 and sales of certified products rose from 28,902 to 125,595 metric tons. This expansion meant that a greater proportion of workers for Fair Trade certified producers worked on plantations rather than small farms. FLO imposed a temporary moratorium on certifying Latin American plantations and reviewed its labor standards; in 2005, this led to new “Hired Labour Standards” that improved workers’ training and strengthened workers’ organizations.
In the late 1990s to early 2000s, the number and resources of world shops continued to grow in Europe, though at a lower rate than supermarkets (see table 1). Similarly, it seems that growth in Fair Trade foodstuff sales continued to outstrip growth in handicraft sales and growth in sales of FLO-certified products outstripped growth in ATO turnover.

Table 1: Fair Trade dynamics and resources in Europe in the early 2000s, from Wilkinson (2007).

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>2004 or latest year available</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Importing organizations</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales outlets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Worldshops</td>
<td>2,740</td>
<td>2,854</td>
<td>+4</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>43,100</td>
<td>56,700</td>
<td>+32</td>
</tr>
<tr>
<td>Others</td>
<td>18,000</td>
<td>19,300</td>
<td>+7</td>
</tr>
<tr>
<td>Total</td>
<td>63,800</td>
<td>78,900</td>
<td>+24</td>
</tr>
<tr>
<td><strong>Paid staff</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importing orgs</td>
<td>746</td>
<td>851</td>
<td>+14</td>
</tr>
<tr>
<td>Worldshops assoc.</td>
<td>32</td>
<td>107</td>
<td>+234</td>
</tr>
<tr>
<td>Labelling orgs</td>
<td>71</td>
<td>113</td>
<td>+59</td>
</tr>
<tr>
<td>Total</td>
<td>849</td>
<td>1,071</td>
<td>+26</td>
</tr>
<tr>
<td><strong>Turnover in 000 €</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importing orgs</td>
<td>118,900</td>
<td>243,300</td>
<td>+105</td>
</tr>
<tr>
<td>Worldshops (net retail value)</td>
<td>41,600</td>
<td>103,100</td>
<td>+148</td>
</tr>
<tr>
<td>Labelling orgs (net retail value)</td>
<td>208,900</td>
<td>597,000</td>
<td>+186</td>
</tr>
<tr>
<td><strong>Education/PR/marketing in 000 €</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Importing orgs</td>
<td>5,600</td>
<td>11,400</td>
<td>+104</td>
</tr>
<tr>
<td>Worldshops assoc.</td>
<td>1,000</td>
<td>1,700</td>
<td>+70</td>
</tr>
<tr>
<td>Labelling orgs</td>
<td>3,500</td>
<td>5,100</td>
<td>+46</td>
</tr>
<tr>
<td>Total</td>
<td>10,100</td>
<td>18,300</td>
<td>+81</td>
</tr>
<tr>
<td><strong>All world shops in 000 €</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net retail value estimate</td>
<td>92,000</td>
<td>120,000</td>
<td>+30</td>
</tr>
<tr>
<td><strong>All FT products in 000 €</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net retail value, estimate</td>
<td>260,000</td>
<td>660,000</td>
<td>+154</td>
</tr>
</tbody>
</table>

Business scholars William Low and Eileen Davenport provide anecdotal evidence that, between the late 1990s and early 2000s, the Fair Trade movement increased its emphasis on the idea of “sustainable development,” which incorporates concerns for the environment and for future generations.

In several instances in the 1990s and 2000s, the European Parliament called on public institutions to use Fair Trade criteria in their purchase of goods and services and asked the European Commission to support this position. The Committee of the Regions and the European Economic and Social Committee have supported similar positions, and various European politicians have publicly supported Fair Trade. From 2001, numerous members of the US Congress also began to express support for Fair Trade. Business experts
Andy Redfern and Paul Snedker (2002) claim that, “[a]s a direct result of lobbying by ATOs, there is now a commitment from the EU to support trade development activities, including the promotion of Fair Trade.”

Indeed, all EU institutions came to buy and serve some Fair Trade coffee in this period and some also used Fair Trade tea. However, the European Commission’s position has not been consistently positive, leading to difficulties for associated public institutions in procuring Fair Trade goods.

Changes also occurred at the national level. For example, from 1999, the French government sought to create a national legal framework for Fair Trade; a working group was created with this goal within the French Normalisation Association, including various French Fair Trade organizations and representatives from the French retail industry. By 2005, this effort had collapsed amid disagreements over the extent to which Fair Trade standards and ideals could be diluted. Instead, a non-binding information manual was published in 2005. The French government also began using Fair Trade products in its public purchases. By 2009, this represented nearly one-third of the sales of Fair Trade products in France.

The people of the town of Garstang in the UK voted almost unanimously for Garstang to become the world’s first Fair Trade town in April, 2000; the number of Fair Trade towns and regions in the UK grew to 77 by 2007, with 175 further applications pending. Low and Davenport (2007) explain that, “[i]n order to become a fair-trade town/region, five goals must be met:

1. The local council must pass a resolution supporting fair trade, and serve fair-trade coffee and tea at its meetings and in offices and canteens.
2. A range of fair-trade products must be readily available in the area’s shops and served in local cafés and catering establishments (targets are set in relation to population). Fair-trade products must be used by a number of local workplaces (estate agents, hairdressers, etc.) and community organisations (churches, schools, etc.).
3. The council must attract popular support for the campaign.
4. A local fair-trade steering group must be convened to ensure continued commitment to fair-trade town status.”

The Fair Trade towns initiatives institutionalize Fair Trade values, encouraging activism that focuses both on pressing the corporate sector to support Fair Trade and on influencing consumer behavior. Various other public and nonprofit institutions have adopted ethical purchasing policies which include commitments to Fair Trade.

By the year 2000, the European national Fair Trade labelling organizations were spending hundreds of thousands or millions of Euros on marketing (see Table 2). Consumer awareness was quite high in some countries, but Fair Trade coffee beans (one of the movement’s most successful products) only represented about 3% of the market in The Netherlands, Luxembourg and Switzerland and around 1% in most other European countries.
By comparison, Linton, Liou, and Shaw (2004) note that, “in 2001 TransFair USA spent US$486,202 on marketing and consumer education, or about $0.002 per capita. TransFair Canada spent CA$23,468, or about $0.001 per capita.”

In the early 2000s, Fair Trade turnover increased nearly ninefold in France. A poll conducted by IPSOS and Max Havelaar France found that public recognition of Fair Trade increased from 9% in 2000 to 81% in 2007 — consumer recognition seems to have at least doubled in the UK at this time. French NGOs also underwent some reforms to professionalize and build capacity. FLO-certified coffee substantially increased its market share in various countries between 2000 and 2007, including from 0.1% to 7% in France and 0.2% to 2% in the US; in the UK, FLO-certified coffee rose from 1.5% of the market in 2000 to 20% in 2004.

In 2001, following recommendations by McKinsey consultants, Oxfam decided to shut down its ATO and focus more on advocacy and political campaigning, though it subsequently launched Progreso cafés, which partnered with three coffee co-operatives in Honduras, Ethiopia and Indonesia, sold only Fair Trade coffee, and explicitly promoted Fair Trade. In the early 2000s, Cafédirect (a UK-based ATO) shifted to a more mainstream, product-centered marketing strategy, moving away from their former emphasis on the intended beneficiaries; Nicholls and Opal argue that this was part of a broader marketing shift in the movement at this time to achieve more mainstream consumer success. Other ATOs also seem to have shifted their distribution methods and adopted more conventional business strategies at around this time.

The International Social and Environmental Accreditation and Labelling Alliance was founded in 2002 by FLO and various accreditation labelling organizations from beyond the Fair Trade movement. Its stated mission is to “strengthen sustainability standards systems for the benefit of people and the environment.”

### Table 2: Public awareness of Fair Trade in Europe, from Linton, Liou, and Shaw (2004)

<table>
<thead>
<tr>
<th>Country</th>
<th>Expenditures on education, PR, &amp; marketing (2000)</th>
<th>% public awareness of Fair Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€</td>
<td>Per capita</td>
</tr>
<tr>
<td>Austria</td>
<td>380,000</td>
<td>0.05</td>
</tr>
<tr>
<td>Belgium</td>
<td>770,000</td>
<td>0.08</td>
</tr>
<tr>
<td>Denmark</td>
<td>310,000</td>
<td>0.06</td>
</tr>
<tr>
<td>Finland</td>
<td>180,000</td>
<td>0.03</td>
</tr>
<tr>
<td>France</td>
<td>530,000</td>
<td>0.01</td>
</tr>
<tr>
<td>Germany</td>
<td>1,300,000</td>
<td>0.02</td>
</tr>
<tr>
<td>Ireland</td>
<td>170,000</td>
<td>0.04</td>
</tr>
<tr>
<td>Italy</td>
<td>210,000</td>
<td>0.00</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>50,000</td>
<td>0.13</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2,230,000</td>
<td>0.14</td>
</tr>
<tr>
<td>Norway</td>
<td>80,000</td>
<td>0.02</td>
</tr>
<tr>
<td>Sweden</td>
<td>300,000</td>
<td>0.03</td>
</tr>
<tr>
<td>Switzerland</td>
<td>420,000</td>
<td>0.06</td>
</tr>
<tr>
<td>UK</td>
<td>2,970,000</td>
<td>0.05</td>
</tr>
<tr>
<td>Average</td>
<td>707,143</td>
<td>0.05</td>
</tr>
</tbody>
</table>

*Eurobarometer 1997. The survey question describes fair trade products in general, then asks if respondent has heard of these products. **Small surveys compiled by the European Fair Trade Association (EFTA). The knowledge question pertains specifically to awareness of the country’s labeling organization.
though political scientist Gavin Fridell describes its “primary goal” as “to gain credibility in the eyes of international trade bodies and demonstrate that its members’ initiatives do not pose a barrier to free trade and neoliberal restructuring.”

In 2002, the first FLO certification for an industrial product — sports balls — was launched, despite some criticism of the standards from within the Fair Trade movement and from labor rights activists.

On May 4, 2002, the first World Fair Trade Day was celebrated; this is now an annual occurrence. The movement has also promoted “Fair Trade months” and other promotional periods.

The 2004 UN Conference on Trade and Development included a symposium on Fair Trade, with nearly 200 attendees in the morning policy session, including many government officials. According to Nicholls and Opal, This event resulted in the São Paulo Fair Trade Declaration that, “actively challenged UNCTAD to support the management of world commodity markets and foster greater trade price stability and fairness… The declaration was signed by more than 90 Fair Trade organizations from 30 countries, was entered into the UNCTAD record, and was also hand-delivered to UN Secretary General Kofi Annan.”

In 2004, Cafédirect launched its initial public offering; this seems to have been the first IPO on the stock market for a Fair Trade company. In the same year, Nestlé, Sara Lee, Kraft, and Tchibo signed a “Common Code for the Coffee Community” to improve conditions on coffee farms.

In 2005, Media, Pennsylvania became the first Fair Trade Town in the US. Two years later, Fair Trade USA, Lutheran World Relief, and Oxfam America jointly funded a website, coordinating staff and organizing toolkits for a broader Fair Trade Towns USA initiative. This initiative does not seem to have been as successful in the US as in some European countries, however; the Fair Trade Towns International website lists 2,030 Fair Trade Towns in 34 countries, 45 of which are in the US, with the number per country ranging between one (eight countries) and 687 (Germany).

In 2005, the Network of European World Shops (NEWS!) was integrated into the World Fair Trade Organization. The WFTO’s income was around €0.9 million in both 2008 and 2018, compared to €6.4 million and €21.4 million for FLO in those two years. This is suggestive of the decline of the importance of world shops and the integrated supply chain approach to Fair Trade relative to certification of products sold in mainstream retail outlets.

In 2010, the International Labour Rights Forum published a report documenting the failure of FLO certified soccer ball factories to pay minimum wages, as well as their use of child labor. FLO posted a response on the public relations-focused “Latest News” section of its website and substantially increased the number of its articles that discussed labor issues. In the same year, FLO established a Workers’ Rights Advisory Council, and in 2012, FLO’s board voted unanimously to adopt the Council’s “New Workers’ Rights Strategy.”

In September 2011, Fair Trade USA separated from FLO, seemingly because Fair Trade USA sought to use a lower standard for Fair Trade certification and increase its appeal to mainstream US businesses. At that time, its certified products are estimated to have represented 90% of the US Fair Trade market. The decision has been criticized by FLO and the WFTO, as well as Equal Exchange (who published a full page advertisement in the Burlington (VT) Free Press encouraging the multi-billion dollar corporation GMCR to
withdraw its support for Fair Trade USA and circulated a petition in support of “authentic fair trade”\(^\text{150}\) and various other US Fair Trade organizations.\(^\text{151}\) Given that Fairtrade America have continued to offer FLO-certified products\(^\text{152}\) but Fair Trade USA’s certification no longer meets FLO standards, the split has contributed to an increase in the number of competing Fair Trade labels with slightly different visions that are offered to US consumers; the four now available are Fair Trade USA, Fairtrade America, Fair for Life, and the Small Producer Symbol.\(^\text{153}\) Numerous producers and mainstream retailers have continued to support Fair Trade USA; over 100 have signed on as supporters of its *Fair Trade for All* initiative, for example.\(^\text{154}\) Despite the split, sales of Fair Trade USA\(^\text{155}\) and FLO-certified products have continued to grow; the US retail sales value of products that meet FLO’s criteria had nearly reached $1 million by 2017, close to the retail sales value before the split.\(^\text{156}\) Since the departure of Fair Trade USA (which had long advocated a more mainstream approach to certification\(^\text{157}\)), FLO has, for the first time, given as many board seats to producers as to national labelling initiatives.\(^\text{158}\)

In 2013, members of the WFTO approved a new Guarantee System for Fair Trade verification.\(^\text{159}\) In 2014, FLO adopted a revised Standard for Hired Labor.\(^\text{160}\)

FLO’s 2016 global strategy document outlined a plan to build a “truly global support base for Fairtrade” by 2020, “putting products on ever more shelves across the world” and prioritizing “growth in Brazil and India.”\(^\text{161}\)

### The Extent of the Success of the Fair Trade Movement

#### Changes to Behavior

Global retail sales of FLO-certified Fair Trade products have increased from €0.8 billion in 2004 to €9.8 billion in 2018 (see figure 1 below). There is little evidence of the growth rates declining, even when the data is analyzed within the major product types or countries. The main exception is the United Kingdom, where retail sales grew roughly tenfold from 2004 to 2013 (from €206 million to €2.045 billion) but have stagnated since then (€2.014 billion in 2017).\(^\text{162}\) Additionally, the total weight of FLO-certified Fair Trade products sold (as opposed to their total retail value) appears to have plateaued in 2018 and 2019.\(^\text{163}\) If non-certified Fair Trade goods (e.g. handicrafts not amenable to certification) were counted, all these figures would be slightly higher.\(^\text{164}\)

Although Fair Trade products have captured substantial market share for some product types in some countries,\(^\text{165}\) the €9.8 billion retail sales value of Fair Trade products in 2018 represents less than 1% of the value of international trade in that year.\(^\text{166}\) It would be premature to say that the Fair Trade movement has failed, since it may continue to grow. However, it does not yet seem to have gone very far towards achieving its ultimate goals.\(^\text{167}\)
Factors which prevent further expansion of Fair Trade include:

- The perceived low quality of some Fair Trade goods.\(^{169}\)
- Insufficient consumer demand in the Global North, which prevents the expansion of involvement in schemes in the Global South.\(^{170}\) Some major companies have bought substantial amounts of Fair Trade coffee but then been unable to sell it.\(^{171}\)
- The alternative, lower quality Fair Trade initiatives set up by some Northern retailers.\(^{172}\)
- The direct marketing and labelling initiatives by some Southern producers that undermine international Fair Trade initiatives by undercutting prices while providing lower standards.\(^{173}\)
- A lack of awareness and understanding among Northern consumers,\(^{174}\) perhaps due partly to a “decentralized and unstrategic” branding process.\(^{175}\)
- A lack of awareness and understanding among Southern producers, which may reduce their long-term commitment to the schemes.\(^{176}\)
- A preference among some Northern activists and consumers for supporting local producers over premium for foreign Fair Trade products.\(^{177}\)
- The slow and expensive standards setting process; Redfern and Snedker (2002) noted that there were only “seven product categories with agreed standards [after] 13 years” of FLO certification.\(^{178}\)
- The burden that the Fair Trade standards require of the producers themselves.\(^{179}\)
- The high standards and demands that make involvement less attractive to mainstream retailers.\(^{180}\)

Fridell hypothesizes that the greater success of Fair Trade in Europe than North America may be partly due to historical cultural factors and partly due to FLO and Fair Trade mainstreaming having been initiated in Europe.\(^{181}\)
Benefits to the Intended Beneficiaries of the Movement, Assuming Changes to Behavior

As long as the Fair Trade floor price is above the market price (see, for example, figure 2 below), participating producers receive a higher price for their produce. They are also paid an additional Fair Trade “premium” and tend to be given long-term contracts. Nicholls and Opal (2005) summarize other intended benefits for producers: “Transparent and long-term trading partnerships… Co-operative, not competitive, dealings… Provision of credit when requested… Provision of market information.”

Figure 2: Fair Trade coffee prices compared to conventional coffee prices, 1985-2010, from Bacon (2010).

There has been some empirical research into these intended benefits. For example:
- Surveys find that Fair Trade–certified coffee producers receive higher prices than conventional farmers, though Bacon (2010) found that, “Fair Trade minimum [coffee] prices lost 41 percent of their real value from 1988 to 2008” (see Figure 2).
- A number of case studies find evidence that participating producers have superior economic and social conditions. There is some evidence from interviews and statistical analysis of the sales data of certified and non-certified producers that Fair Trade participation causes these improvements.
- Economic modelling by Robbert Maseland and Albert De Vaal (2002) suggests that, at least in the short-run, Fair Trade is only sometimes better for producers than free trade; this depends on variables such as the goods traded and transportation costs.
- Using data from FLO’s annual report, we can estimate that less than 10% of the price markup paid by consumers was actually received in “Fairtrade Premium” payouts by farmers and workers in 2018. This estimate does not account for any of Fair Trade’s other benefits, including financial benefits from the minimum price guarantee. Some previous estimates by other researchers have been similar, even when accounting for the price guarantee, though the evidence is mixed. Accounting for positive indirect effects makes the efficiency of Fair Trade certified products in terms of transferring money from Northern consumers to Southern consumers seem better.

A number of other effects on producers have been hypothesized and researched. For example:
- There is evidence that some producers have become dependent on ATOs.
- By interfering with free market mechanisms, Fair Trade might hinder economic growth in the Global South.
- There seem to be some positive effects of Fair Trade on gender equity among producers.
- Fair Trade may bring educational and psychological benefits to partnering communities and help to preserve indigenous culture.
• Fair Trade may encourage greater representation for workers relative to owners and for cooperatives relative to plantations.\textsuperscript{198}
• Some scholars have argued that some Fair Trade marketing actually reinforces the sense of superiority of Northern consumers over Southern producers.\textsuperscript{199}
• Some Fair Trade requirements, such as prohibitions on child labor and genetically modified crops, seem to reflect the preferences of consumers in the Global North rather than the best interests (or at least autonomy) of Southern producers.\textsuperscript{200}
• Fair Trade may have substantial negative effects on non-participating producers.\textsuperscript{201}
• Even if it has a positive effect on participating producers, Fair Trade often seems to have no positive effect on wage laborers employed by these producers.\textsuperscript{202}

Legislative and Legal Changes

Despite buying some Fair Trade products and making pronouncements in support of the ideals,\textsuperscript{203} international institutions (such as the European Commission and World Bank) and Northern national governments have continued to implement various neoliberal and free trade policies\textsuperscript{204} or use tariffs that harm producers in the Global South.\textsuperscript{205}

Nevertheless, the introduction of ethical purchasing policies by political and public service institutions is not trivial, since they make up a large proportion of total consumption\textsuperscript{206} and seem likely to affect broader social norms.

Acceptance and Inclusion

There have been various favorable statements by politicians.\textsuperscript{207} The government institutions in the United Kingdom have demonstrated relatively strong acceptance and inclusion of Fair Trade organizations and their goals:
• Traidcraft and other Fair Trade organizations were consulted by the UK’s Department for International Development (DFID, set up in 1997\textsuperscript{208}) for its early policies and white papers.\textsuperscript{209} DFID seems to have remained supportive of the ideals of Fair Trade and continued to seek input from Fair Trade organizations.\textsuperscript{210} However, despite the objections of Fair Trade organizations,\textsuperscript{211} DFID has now merged with the UK foreign office.\textsuperscript{212}
• The UK government funds the Fairtrade Foundation and provides procurement contracts.\textsuperscript{213} DFID provided £1.9 million in grants to support the work of the Fairtrade Foundation between 1999 and 2008.\textsuperscript{214}
• Municipal governments provide some support for Fairtrade School and Fairtrade Town programs.\textsuperscript{215}
• The Scottish Parliament and the UK House of Commons buy and serve some Fair Trade coffee.\textsuperscript{216}

Various companies have also expressed support for the goals of Fair Trade.\textsuperscript{217} Some major coffee companies have attempted to resist legitimating the Fair Trade movement and its goals,\textsuperscript{218} though some have also purchased Fair Trade raw materials.\textsuperscript{219}

Overall, the movement seems at risk of co-option — securing acceptance, inclusion, and rhetorical support, despite only securing limited benefits for its intended beneficiaries (see “Changes to Behavior” above).\textsuperscript{220}
Changes to Public Opinion and the Salience of the Issue

Although difficult to measure and quantify, the growth of the Fair Trade movement has likely encouraged a social norm of considering the needs of geographically distant human beings and a wider norm of “corporate social responsibility.”221 For example, DFID’s 2002 survey found that 73% of UK consumers were “concerned” about poverty in the developing world and 69% saw this poverty as a moral issue.222 It is unclear, however, to what extent these views have been influenced by the Fair Trade movement. Fair Trade USA claims that “consumer awareness” had reached 60% by 2018.223 Certainly, Fair Trade has become widely recognized in many countries in the Global North (e.g., see Table 2). YouGov found that, in the UK, 89% “have heard of” The Fairtrade Foundation, 65% have a “positive opinion” of the organization, and only 5% have a “negative opinion” of it, the Fairtrade Foundation “the 39th most popular charity & organisation and the 32nd most famous” in the UK.224 Various surveys have been conducted that show overall support for Fair Trade.225

Sociologist Kathryn Wheeler, examining data from several iterations of the UK Centre for National Statistics’ Omnibus Survey in 2002, found that 35% of respondents selected “Buying fair-trade goods” as first or second when asked: “In which ways, if any, do you think you as an individual can most effectively contribute to reducing poverty in developing countries?” and provided with a list of ten options.226 This was the second most popular option, beneath “Donating to charities or other appeals on behalf of developing countries” (56%) but above “Putting pressure on politicians to increase the assistance which the Government gives to developing countries” (23%).227 The proportion choosing fair-trade first or second increased yearly to 45% in 2005; in 2007 and 2008, buying Fair Trade overtook donating to charity as the most popular response.228

In general, however, there is relatively little polling explicitly about opinion on Fair Trade, its importance, or the movement’s goals.229

Provider Availability

Fair Trade products are sold in tens of thousands of outlets (see Table 1). FLO provides the following statistics for involvement in Fair Trade in 2019:230

- 1,822 Fairtrade-certified producer organizations,
- 1.7 million farmers and workers in 72 countries,
- More than 2,785 companies have licensed more than 35,000 Fairtrade products worldwide.

Currently, these numbers represent very small percentages of the potential providers and beneficiaries, globally,231 though they may continue to grow.

Organizational Resources

FLO’s income was €21.4 million in 2018;232 Fair Trade USA’s income was $19.2 million and the UK’s Fairtrade Foundation’s income was £12.2 million in the same year.233 FLO lists 21 affiliated National Fairtrade Organizations234 and the UK is, by quite some distance, the country with the highest value of annual Fair Trade retail sales.235 Hence, it seems likely that the total resources dedicated to Fair Trade nonprofits each year does not currently substantially exceed $100 million.236 This figure would presumably be much...
higher if resources from involved for-profit organizations (ATOs or mainstream retailers like Starbucks) were also counted.

Features of the Fair Trade Movement

Intended Beneficiaries of the Movement

- Producers in the Global South are excluded from humanity’s moral circle in the sense that they do not have access to the same rights, welfare, or standard of living afforded to other humans, and international trading practices do not necessarily prioritize the wellbeing of producers in the Global South.

- Policy and consumption-related decisions in the Global North are mostly made by people who live (and whose recent ancestors lived) there rather than by producers in the Global South, indicating that the movement’s intended beneficiaries are limited in their ability to participate in it.

- The number of direct intended beneficiaries of the Fair Trade movement is larger than some movements encouraging moral circle expansion (e.g., the prisoners’ rights movement) but smaller than others (e.g., the farmed animal movement).

- ATOs often work closely with Southern producers. Some Fair Trade standards and strategies have been designed by Northern buyers, retailers, and activists in collaboration with Southern producers. Others have not included Southern producers in the design, however, and mainstream Fair Trade is sometimes criticized for having insufficient involvement from its intended beneficiaries.

- Fair Trade products sometimes promote personal narratives about the producers of the products, which may help to drive sales and activist motivation.

Institution

- The institution targeted by Fair Trade is the system of international trade and economic relations between countries. Debate around Fair Trade is often integrated into wider debates about economic systems.

- The “fairness” of trade is relative. This means that declining standards are a more serious concern than for some other consumer movements. Similarly, it is possible for consumers to seek to shift more of their consumption towards Fair Trade certified products without firmly committing to consuming only certified products.

Advocacy

- The Fair Trade movement has sought to build awareness of Fair Trade among consumers and encourage them to buy Fair Trade products. Fair Trade marketers have utilized celebrity support, run promotional campaigns, sought coverage in mainstream media, and reached out to students and activists.

- The Fair Trade movement has also targeted businesses, encouraging them to pledge to sell Fair Trade products. In some cases, it has prioritized companies already favorable to socially responsible practices.
There seem to have been few instances of confrontational corporate campaigns against businesses.\footnote{p.\text{256}} Student activists have sought to encourage university campuses to procure Fair Trade products.\footnote{p.\text{257}} National nonprofits provide some support for this activism.\footnote{p.\text{258}} There have been limited efforts by the Fair Trade movement to lobby or pressure governments and international institutions to improve international trading systems.\footnote{p.\text{259}} There has been some continued pressure for international reform in this manner from Southern governments and NGOs.\footnote{p.\text{260}} Some supporters of the Fair Trade movement are more interested in broad social and economic change — such as providing an “alternative to the dominant paradigm of international free trade and the hegemony of transnational capital” — than they are in providing direct support for producers in the Global South.\footnote{p.\text{261}} Nevertheless, a study of framing used by the Fair Trade movement in print media and radio found that only 1% of comments used anti-capitalist framing.\footnote{p.\text{262}} Though some efforts at movement-wide coordination, such as the development of FLO, have been given substantial funding,\footnote{p.\text{263}} various other efforts have received little support.\footnote{p.\text{264}} Fair Trade companies and Fair Trade nonprofits may draw on a similar pool of job candidates who are highly supportive of the movement’s goals.\footnote{p.\text{265}} In addition to the founding role of Christian groups in ATOs, world shops,\footnote{p.\text{266}} and Fair Trade nonprofits,\footnote{p.\text{267}} religious networks have continued to be mobilized for Fair Trade advocacy, though they do not seem to have dominated the movement.\footnote{p.\text{268}} The Fair Trade movement has broadly attempted to improve the world in various ways rather than focusing exclusively on a single set of intended beneficiaries. There has been some overlap between the Fair Trade movement and the environmental movement.\footnote{p.\text{269}} FLO encourages organic certification\footnote{p.\text{270}} and, for a while, FLO considered only cooperatives that already had organic certification for Fair Trade certification.\footnote{p.\text{271}} However, environmentalism has not been a high priority for the Fair Trade movement.\footnote{p.\text{272}} The Fair Trade movement has also included some emphasis on improving gender equality\footnote{p.\text{273}} and banning child labor,\footnote{p.\text{274}} even though these efforts are not necessarily core to the goal of “offering better trading conditions to, and securing the rights of, marginalized producers and workers.”\footnote{p.\text{275}}

**Society**

- People in the Global North likely grant more consideration to geographically distant human beings than they do to other groups of sentient beings that are excluded entirely or partly from the moral circle. For example, a study that asked participants to rate 30 different entities by the “moral standing” that they deserved found that “outgroup” members (a foreign citizen, a member of an opposing political party, and somebody with different religious beliefs) were deemed by participants to deserve more moral standing than animals, the environment, or villains, but less than stigmatized individuals (a homosexual, a mentally challenged individual, or a refugee), ingroup members, or family and friends.\footnote{p.\text{276}} Concerns about global injustice and strong identification “with all humanity” are associated with the consumption of Fair Trade products.\footnote{p.\text{277}} The consumers of Fair Trade goods tend to be fairly privileged.\footnote{p.\text{278}} This tendency may have been reinforced by targeted Fair Trade marketing.\footnote{p.\text{279}} Female consumers seem to be slightly more aware of, optimistic about, and likely to buy Fair Trade products than male consumers.\footnote{p.\text{280}}
• A 2011 US survey found that Buddhists and Hindus reported being more likely than nonreligious people to buy Fair Trade, while Jews, Protestants, Catholics, and other Christians reported being less likely to do so.281 Those indicating that religion influenced how they consumed were more likely to report buying Fair Trade products.282 Interviews by sociologist Kathryn Wheeler suggest that some see their consumption of Fair Trade products as part of their efforts to be good Christians and come to participate in the movement via “faith-based networks.”283
• Wheeler’s interviews suggest that, for some consumers, Fair Trade constitutes “an alternative culture which allows its participants to attach meaning to their everyday actions and ways of life.”284

Strategic Implications

Consumer Action and Individual Behavioral Change

• Engaging directly with mainstream market institutions and dynamics will enable a social movement to influence consumer behavior much more rapidly than efforts to build “alternative” supply chains.

There does not seem to be clear sales data for the Fair Trade movement in its early years. However, scholars often claim that the movement’s growth was beginning to stagnate in the 1980s.285 By contrast, FLO’s data on international sales since their founding in 1997 suggests steady growth.286 We could hypothesize that this renewed success might have been encouraged by indirect, exogenous factors such as continued economic growth in the Global North permitting more spending on “ethical” products,287 or a more general expansion of the moral circle. The rise in ethical consumerism288 and developments in other movements, such as the environmental movement and anti-death penalty movement,289 at around this time provide some evidence for this.

However, intuitively, this renewed success seems likely to have been caused, at least in part, by the introduction of Fair Trade certification schemes combined with the shift from handicrafts to foodstuffs and from “alternative” trade to a mainstream “fair” trade commercial strategy. Some of the movement’s later successes, such as the partial switch to Fair Trade-certified products by multinational corporations like Starbucks,290 presumably could not have occurred without certified foodstuffs. At the least, the sale of certified foodstuffs expanded the Fair Trade movement’s reach into new product categories, such as coffee.291

Several chronological and geographical comparisons also provide evidence that the change in strategy played an important role in the movement’s renewed success:
• The movement was still focusing on “alternative” trade in handicrafts in the 1980s, when it began to stagnate.292 By the late 1990s, the movement had switched towards foodstuffs, product certification, and mainstream distribution.293
• Handicrafts fell from roughly 80% of Fair Trade sales value in the mid-1990s to roughly 25% in 2001.294 This trend seems to have continued after 2001.295 Additionally, the number and resources of supermarkets selling Fair Trade grew faster than the number and resources of world shops (see table 1), and growth in sales of FLO-certified products outstripped growth in ATO turnover.296
• Marketing scholars Bob Doherty, Iain A. Davies, and Sophi Tranchell argue that there was more rapid growth of Fair Trade in the UK, which adopted a more mainstream approach than Italy, which
prioritized the “alternative” and solidarity aspects of Fair Trade; France adopted a more moderate mainstreaming strategy and experienced moderate growth.297

At least some consumers purchase Fair Trade products without being aware that they are doing so; accidental purchases would presumably be less frequent without mainstream distribution. Occasionally, mainstream partners may actively promote relevant products and ideals, too.299

- **Engaging directly with mainstream market institutions and dynamics may lead to co-option and a lowering of standards.**

There has been a lowering of standards for various Fair Trade programs (see Table 3) which has been associated with the involvement of plantations and mainstream companies in Fair Trade.

Table 3: “Cooptation in fair trade,” from Jaffee and Howard (2010).300

<table>
<thead>
<tr>
<th>A: Process</th>
<th>B: Domain</th>
<th>C: Specific instances or claims</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory capture</td>
<td>Reduced democratic input</td>
<td>Professionalization of FLO leads to ISO certification (2007), aligning fair trade with trend toward global harmonization of agrifood standards and away from small farmer concerns (Mutersbaugh 2005; Fair Trade Association of Australia and New Zealand 2007).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Southern producer groups remain a clear minority on FLO board of directors and key committees, despite recent increase in representation (Renard and Peregrinos 2007; FLO 2007b; FLO 2008a).</td>
</tr>
<tr>
<td>Limited regulatory oversight</td>
<td></td>
<td>Licensing fee structure leads to lack of independence, creates disincentive to carefully regulate high-volume licensees (Bahra 2009).</td>
</tr>
<tr>
<td>Weakening standards</td>
<td>Lowered entry requirements</td>
<td>Fair Trade seal granted by Transfair USA to Starbucks in 2000 for only 1% of coffee purchases, altering agreement not to certify below 5% of total sales. Significant opposition from movement NGOs and smaller roasters (Rice 2005, personal communication; Bahra 2009).</td>
</tr>
<tr>
<td>Fair trade minimum prices</td>
<td></td>
<td>Nestlé granted fair trade seal (UK) in 2005 by Fairtrade Foundation, over objections of many fair trade organizations. Nestlé’s Partners Blend represents a fraction of 1% of Nestlé coffee purchases (Crowther 2005; Tucker 2006).</td>
</tr>
<tr>
<td>Certification of plantation agriculture</td>
<td></td>
<td>Failing real value of minimum prices; coffee price not adjusted for inflation until minor 2007/2008 increase; has still lost 30–60% of original (1988) purchasing power. Farmgate fair trade prices remain below cost of production for many producers (Bacon and CLAC 2006; Jaffee 2007).</td>
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<td></td>
<td></td>
<td>Proposals within FLO to lower or eliminate minimum prices for coffee; social premium for tea lowered in 2008 (Bastian 2006; FLO 2008a).</td>
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<td></td>
<td></td>
<td>FLO dramatically increased certification of agribusiness plantations since 2002 for all but four products (coffee, cotton, cocoa and honey); many new products (e.g., cut flowers) introduced with exclusively and/or predominantly plantation production (Goigoi 2008).</td>
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<tr>
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<td>FLO wage-labor standards for plantations do not guarantee union representation (only right to unionize); fair trade social premiums are jointly administered by management and workers through controversial joint associations. Standards only require payment of national minimum wage, not living wages (FLO 2008b; Goigoi 2008; Bahra 2009).</td>
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<tr>
<td></td>
<td></td>
<td>FLO and national initiatives court large transnational firms for licensing deals (e.g., Chiquita), and fail to protect small producers from unfair price competition from certified plantations (Tucker 2006).</td>
</tr>
</tbody>
</table>

Additionally, Low and Davenport (2006) provide examples of the Body Shop, Nestlé, and Ahold Delhaize seeming to use terminology and ideas similar to the Fair Trade movement, but without “the oppositional and transformative elements that call for root and branch restructuring of international trading regimes.”301 Some companies have also set up alternative, lower quality Fair Trade initiatives (sometimes alongside purchasing small amounts of Fair Trade certified products).302 Several companies have signed onto
the Sustainable Agricultural Initiative, which offers weak protections for laborers,\textsuperscript{305} or used the Rainforest Alliance certification scheme, which includes wage and working conditions standards (amongst other requirements focused on environmental goals)\textsuperscript{306} but lacks minimum price requirements.\textsuperscript{305} (Indeed, sales of Rainforest Alliance certified products have overtaken sales of Fair Trade certified products.\textsuperscript{306}) These actions could be seen as mainstream retailers autonomously driving further momentum for the Fair Trade mission,\textsuperscript{307} though sometimes partial steps by mainstream retailers towards Fair Trade’s goals have been coupled with a public critique of the movement.\textsuperscript{308}

This process of co-option may have been encouraged by financial incentives at the participating companies (who can use certification as a marketing tool)\textsuperscript{309} and at the certifying organizations themselves (who receive license fees for certifying products).\textsuperscript{310} Despite the pressures from private sector businesses, a study of the movement’s representation in mainstream media from 1997 to 2007 suggests that Fair Trade continued to be represented as being primarily about “decommodification” and “fair exchange” rather than just creating a “warm glow” for consumers.\textsuperscript{311}

There has been substantial debate within the movement\textsuperscript{312} and among academics\textsuperscript{313} about whether the introduction of Fair Trade certification schemes, combined with the shift from handicrafts to foodstuffs and from “alternative” trade to a mainstream “fair” trade commercial strategy, were positive overall for the movement’s intended beneficiaries. In the short-term, given the size of the increase in Fair Trade sales (see the strategic implication above), it seems likely that this mainstream adoption has helped producers in the Global South. The longer-term consequences are much less clear. In addition to the concerns about co-option and lowering of standards, some worry that mainstream companies might not protect Fair Trade ideals and supply chains if consumers lose interest or economic conditions become less favorable.\textsuperscript{314}

Several researchers note that a similar process of co-option and weakening standards has occurred in the organic movement.\textsuperscript{315} In that movement, the USDA and US Congress have been involved in setting relatively low standards, such as preventing organic certifiers from enforcing stricter standards than the USDA’s requirements.\textsuperscript{316}

- Social movements should implement strategies to resist pressure from private sector businesses to weaken the standards of certified products.

Daniel Jaffee and Philip H. Howard (2010), after examining the evidence of co-option in the Fair Trade and organics movements, argue that, “alternative agrifood initiatives, particularly those based on certification,” should:

- Carefully monitor and manage market growth,
- “[D]esign explicit barriers within their rules and standards that simply prevent the entry of big players” that might lower standards,
- Design “the structure of governance institutions” so that proponents of the movement are “guaranteed sufficient ongoing representation to ensure that their core principles remain in control.”
- Possibly “steer clear of state-based standards,” although non-state standards are also subject to downward pressure.\textsuperscript{317}

A number of other tactics that could plausibly reduce the risks of mainstream engagement have been suggested by scholars of Fair Trade. These include:
• An increase in boycotts and other “naming and shaming” corporate campaign tactics (the ‘stick’) alongside certification schemes (the ‘carrot’).\textsuperscript{318}
• Internationally “solidifying the certification process in order to achieve a universal public standard.”\textsuperscript{319}
• Seeking state recognition and institutionalization of the criteria for Fair Trade certification.\textsuperscript{320}

Minimizing the number of competing certification schemes and offering binary (e.g., vegan or not) rather than relative (e.g., more or less high welfare) certification schemes also seem likely to help resist downward pressure (see below).

• Social movements should seek to minimize the number of competing certification schemes.

Confusingly, the Fair Trade movement has multiple competing standards and certification bodies.\textsuperscript{321} Additionally, some products may be candidates for certification on multiple different ethical or sustainability issues, such as Fair Trade, organic, and shade-grown standards for coffee.\textsuperscript{322} These different certification schemes could signify vastly different standards and impacts, yet companies can use the various schemes interchangeably, offering a variety of products to consumers without seeking to promote particular standards more universally within their supply chain.\textsuperscript{323} Given that many consumers do not understand the complex motivations behind Fair Trade,\textsuperscript{324} they’re unlikely to be able to assess the extent to which different certification schemes successfully achieve those goals.

Consider by analogy that the public seems to vastly underestimate the differences in cost-effectiveness between different charities.\textsuperscript{325} Hence, companies have little incentive to adopt high standards if they can gain similar amounts of ethical credibility by adopting a low standard and using comparable labelling and marketing.\textsuperscript{326} Indeed, some of the largest purchasers and retailers of coffee have taken a variety of initiatives to address the concerns of the Fair Trade movement without adopting Fair Trade standards or buying much Fair Trade certified coffee.\textsuperscript{327} Despite this complexity, the use of a relatively common, shared logo has been seen as a strength of the Fair Trade movement when compared to the organics movement.\textsuperscript{328}

Offering as few certification schemes as possible will presumably therefore help to reduce consumer confusion and opportunities for companies to lower standards while receiving similar marketing benefits. This suggestion seems consistent with standard economic theory: since mainstream companies act as the consumers of product certification schemes given that they use the schemes as marketing devices, we should expect competition among certification schemes to benefit mainstream companies. Social movements should be seeking good deals for their intended beneficiaries, not.

• Relative, flexible certifications may be especially susceptible to downward pressure.

The Fair Trade movement has faced downward pressure on standards from its mainstream corporate stakeholders.\textsuperscript{329} All else equal, it may be preferable for social movements to focus on binary rather than relative certification schemes, since these may be more easily defensible against industry pressure. For example, the farmed animal movement could focus efforts on the certification of products as free from animal ingredients, rather than the certification of products as high welfare. On the other hand, sociologist Curtis Child has compared the Fair Trade movement to the movement for socially responsible investing and
hypothesized that Fair Trade’s more “concrete” (binary) industry-wide standards have given it a more “polarizing quality,” creating a “cleavage point around which coalitions [of opposition] are built.”

- **International standards may be seen as more credible than local or national standards.**

Economists Arnab K. Basu and Robert L. Hicks (2008) found through choice experiments and econometric modelling that, “in both the US and Germany, the FLO had the strongest effect [on willingness to pay for Fair Trade coffee] relative to the in-country certifying agency and local growers associations.” The reasons for this discrepancy are not explored in their paper. This could be explained by differing levels of credibility between international and national certification bodies or just by differing levels of brand recognition.

- **Certification schemes may be ineffective or counterproductive in high-priority countries.**

Evidence suggests that Fair Trade does not help producers in the poorest countries and “may be diverting at least some demand from poor to better-off countries whose producers have a better capacity to organise and pay the relevant fees.” Comparably, sociologist Peter Leigh Taylor (2005) analyzes forest certification and labelling schemes, noting that, “in practice, market mechanisms currently appear to encourage concentration of forest certification in Northern temperate and boreal forests, rather than in the tropical forests certification originally aimed to protect.” In this sense, it seems that certification schemes provide most assistance to those suppliers who can deal with the “significant obstacles to success with certification.” Arguably the farmed animal movement also needs to prioritize its efforts towards the Global South because of the large numbers of farmed animals there, but the Fair Trade movement’s experience serves as a reminder that relatively poor producers in the Global South may find it more difficult to meet welfare requirements, so the certification schemes may struggle to reach a critical mass of engagement.

- **Certification schemes risk driving up the price of ethical products.**

Certification schemes can involve more expensive production or supply chain processes, such as the minimum price that must be paid to the producers of Fair Trade certified products, and the payment of the Fair Trade Premium. The certification process itself also involves costs for participating businesses. Although these businesses may shoulder some of these costs themselves, they may pass costs onto consumers in order to maintain profits. Additionally, private sector businesses may use certified products to “identify price-insensitive consumers who are willing to pay more,” adding price premiums that increase their own profit margin without further benefits for the intended beneficiaries of the certification scheme.

- **Price, quality, and the benefits accrued to the intended beneficiaries all seem to affect consumer demand and willingness to pay.**

A meta-analysis of over 80 research papers testing willingness to pay for socially responsible products that benefit people, animals, or the environment found that “the mean percentage premium” that people are willing to pay for these products is 16.8% and that, “on average, 60% of respondents are willing to pay a positive premium” for them.

Basu and Hicks (2008) found through choice experiments and econometric modelling that higher prices had significant, negative effects on willingness to purchase Fair Trade coffee and that grower revenue from the
products had significant, positive effects. Subsequent surveys and experiments provide evidence that consumers are willing to pay more for Fair Trade products but are still somewhat sensitive to price changes, especially for lower-quality products, and will often still buy less ethical products that excel on other attributes. A small survey of 14 businesses in Seattle also found that respondents believed that price was an important factor, though businesses expected that quality and consumers’ “Social Consciousness” were stronger predictors of Fair Trade demand. Sociologist Kathryn Wheeler summarizes from interviews with UK Fair Trade consumers that, “[c]ompeting ethical labels, family concerns, price and quality were all factors that made Fairtrade options less appealing.” Focus groups have suggested that price, quality, and value are more important in affecting consumer demand than a company’s ethical behavior, though this latter factor still affects willingness to pay.

- Marketing efforts likely increase awareness and purchases of certified products, but high awareness and support do not necessarily lead to widespread changes in consumer behavior.

Linton, Liou, and Shaw (2004) analyzed data from a 1997 Eurobarometer survey that “describes fair trade products in general, then asks if [the] respondent has heard of these products.” They found through logistic regression that, after controlling for an individual’s income, age, gender, and political leanings, “the odds of knowing about Fair Trade increase with the time that a labeling organization has existed in one’s country of residence” by 10% per year. Using the same survey, the authors conducted a “logistic regression of buying Fair Trade products (given that one knows about them)” and found that “the odds of buying increase by 8% per year of [a national labelling organization’s] presence in one’s country.”

These regressions do not account for differing amounts of spending per capita on Fair Trade marketing, though the authors note that this ranges from less than 0.01 Euros to 0.14 Euros. The authors also ran regressions that include an additional variable signifying residence in The Netherlands; this was the strongest predictor of awareness (odds ratio 9.37) and of buying Fair Trade products, given that one knows about them (OR 1.63). The authors note that, “Max Havelaar Netherlands and TransFair-Minka Luxembourg spend about twice as much as other European labeling organizations on education and promotion,” which may explain why residence in the Netherlands is such a strong predictor of awareness and consumption of Fair Trade products. They list several other possible contributing factors: the longer history of the movement in the country, the greater apparent availability of certified products in mainstream retailers, and the wide variety of certified product types.

Of course, there are limits to the achievements that marketing alone can yield. An experiment with German students provides mixed evidence about whether knowledge of Fair Trade increases consumers’ willingness to pay. High theoretical support from consumers for Fair Trade and high consumer awareness have not translated into high market share for Fair Trade products.

- Individuals who participate in consumer action are more likely to participate in other forms of activism.

Political scientists Dietlind Stolle, Marc Hooghe, and Michele Micheletti (2005) conducted a survey of 1,015 students in Canada, Belgium, and Sweden. They created a scale that measured participation in political consumerism (e.g., boycotting products. Scores on this scale did not have significant negative associations with any of the “conventional” political participation methods that they asked about: student voting, political
party participation, contacting politicians or organizations, or appearing on media. There was also no significant positive association with the overall measures of “conventional participation” or “individualistic participation” (e.g., “[s]igning petitions, wearing T-shirts”). However, there was a significant positive association with a combined measure for other forms of “unconventional participation” — “[d]emonstration, culture jamming, internet campaign, civil disobedience, globalization advocacy.”

Stolle, Hooghe, and Micheletti also analyzed the results of a previous international survey series showing that fewer than 5% of respondents had been involved in boycotts in 1974 and that this rose to above 15% by 1999; involvement in other forms of political activity (petition signing, demonstrations, and building occupation) also grew during that period, albeit at lower rates.

Political scientists Jørgen Goul Andersen and Mette Tobiasen (2004) found in a study of Danish consumers that individuals who boycott consumer goods do not generally distrust political institutions. Economists Carola Grebitus, Monika Hartmann, and Nina Langen (2009) found in their experimental auctions and choice experiments with 38 German students that whether the participants had donated to charity in the last year or not had no significant association with willingness to pay for different coffee types (conventional, organic, Fair Trade, organic and Fair Trade, or “cause-related marketing coffee”). Sociologist Kathryn Wheeler notes from UK survey data that individuals who selected “Buying fair-trade goods” as first or second when asked: “In which ways, if any, do you think you as an individual can most effectively contribute to reducing poverty in developing countries?” were more likely to also believe that “Government should be working for a fairer trading system” after controlling for other factors. Some of Wheeler’s interviewees from Chelmsford, UK also seemed to both proactively buy Fair Trade products and support other forms of charitable and political activity.

These findings do not necessarily mean that participation in political consumerism increases an individual’s likelihood of engaging in other forms of activism; the associations in the surveys above could be explained by lurking variables, such as dedication to Fair Trade, moral motivations, conscientiousness, political engagement, and so on. The results suggest that if social movements encourage their supporters to undertake consumer action, this will not substantially reduce their willingness to engage in other forms of activism.

There is a broad literature on political consumerism that has not been fully explored here. Sociologists Jörg Rössel and Patrick Henri Schenk (2018) summarize that, “[p]olitical consumption is a flourishing field of research… Some authors suspect that [political consumption] may distract citizens from more challenging forms of participation (crowding-out thesis). In contrast, most empirical research has shown that political consumers are also more active than the general population in other forms of political participation.” The results from their own study show that, “fair trade consumption is only weakly related to other forms of engagement for Global South issues, thus it does not distract from more challenging forms of engagement, but it is also not part of a more general engaged lifestyle.”

- Providing consumer action opportunities might be a valuable addition to a social movement’s repertoire, even if they are not the most cost-effective actions that an impact-focused individual could take.

Individuals may choose to purchase Fair Trade or other ethical products that have a price premium compared to conventional products. Alternatively, a highly impact-focused consumer could spend the same amount of
money but divide it between the purchase of a cheaper, less ethically produced item and a charitable donation that directly benefits stakeholders that the consumer wishes to help. For example, instead of purchasing a Fair Trade banana, a consumer could purchase a conventional banana and then donate to GiveDirectly, a nonprofit that makes unconditional cash transfers to some of the world’s poorest people.\textsuperscript{361} After considering each of these options, you might reasonably conclude that the latter option is more cost-effective for achieving your altruistic goals.\textsuperscript{362} However, not everyone donates,\textsuperscript{363} let alone makes these sort of cost-benefit calculations. Individuals who do not donate might still be encouraged to engage in political consumerism, and donors might be encouraged to engage in political consumerism in addition to the donations that they already make.\textsuperscript{364} Therefore, even if purchasing more ethical but more expensive products is not cost-effective for highly impact-focused individuals because it reduces the donations that they can make, it may still be cost-effective for a social movement to promote consumer action opportunities.\textsuperscript{365} For example, Nicholls and Opal estimate that every dollar spent by a member national initiative yields $2.80 in increased farmer income.\textsuperscript{366}

### Institutional Reform

- **Victories can likely be won through campaigns pressuring institutions, even with relatively low investment of movement resources.**

The organization Global Exchange has had some success through its pressure campaigns against companies and public institutions,\textsuperscript{367} despite having lower funding than organizations focusing on consumers.\textsuperscript{368} However, a survey of 14 businesses in Seattle in 2003 suggests that, “[t]hreats of negative publicity and/or picketing by Fair Trade activists” was a far less important factor in their decisions of whether or not to sell Fair Trade coffee than considerations of quality, demand, or price.\textsuperscript{369}

- **It may be important to lobby for favorable international regulations.**

Unfavorable tariffs and international trade regulations seem to have made it difficult for Fair Trade to be both profitable for Northern businesses and beneficial for producers in the Global South.\textsuperscript{370} The collapse of the International Coffee Agreement seems to have caused problems for producers and may have encouraged the development of Fair Trade coffee.\textsuperscript{371} Some scholars argue that improved international regulations need to be part of the effort to support impoverished producers in the Global South.\textsuperscript{372} Nevertheless, the Fair Trade movement has only made limited efforts to lobby national politicians or international institutions for favorable trade regulations.\textsuperscript{373} Of course, lobbying to change international trade regulations could have been expensive and ineffective, so it is unclear whether more investment in lobbying would really have been a cost-effective use of movement resources.

- **There may be opportunities for low-cost, grassroots initiatives in local politics that promote support for consumer movements.**

Fair Trade towns do not seem to have been well-funded or supported by central movement organizations.\textsuperscript{374} Nevertheless, there are apparently now 2,030 Fair Trade Towns in 34 countries.\textsuperscript{375} These initiatives do not ban particular product types but offer support and targets to encourage higher availability of the desired product types.\textsuperscript{376}
Social movements engaging with market mechanisms may be able to draw substantial funding from for-profit organizations.

In 2019, 79% of FLO’s income came from membership fees, compared to only 14% from “contributions and donations” (including grant funding) and 7% from sales. FLO explains that it “receives membership fees from the national Fairtrade organizations (NFO), which receive licensing fees from companies that license the FAIRTRADE Mark for use on their products.” Therefore, the vast majority of FLO’s income comes from for-profit companies, rather than socially-motivated donors. FLO’s revenues were €27.7 million in 2019, a substantial stream of income to the Fair Trade movement.

In 2003, FLO’s total income was only €2.5 million; most of the growth since then has come from membership fees. Grant income peaked at €0.7 million in 2011 and then declined to €0.4 million by 2019. A very similar process has occurred for Fair Trade USA, whose income grew from $0.7 million in 2001 to $19.2 million in 2018, with the percentage attributable to licensing fees rising from 45% to 78%. This suggests that donors play an important role funding certifying organizations until the organization achieves a sufficient level of influence, at which point industry funding becomes the primary source of income. The importance of licensing fees varies between the national Fairtrade organizations, though they are often a substantial proportion of income.

By contrast, Global Exchange, one of the activist groups that pressured Starbucks and other institutions to adopt Fair Trade products, had only $2.6 million revenue in 2016. The World Fair Trade Organization had an income of only €0.9 million in both 2008 and 2018; in 2018, 62% of this came from “annual membership contributions.”

Potential Items for Further Study

Interviews with Fair Trade advocates or surveys in various countries in the Global North could lead to further insights. For example, I identified disappointingly little research into the campaigns by Fair Trade activists targeting companies and governments. What effects did such campaigns have?

Are there important contributions in the social scientific literature on the Fair Trade movement that I have not included here?

Are there further important strategic implications to be gleaned from the broader research literature on “political consumerism” and “ethical consumerism”?

Are there further important strategic implications to be gleaned from the broader research literature on corporate social responsibility?

Many of the strategic implications from this report could be further analyzed in the context of other social movements. For example:

- Is there wider evidence that engaging directly with mainstream market institutions and dynamics has enabled social movements to influence consumer behavior much more rapidly than they otherwise would have done?
• Is there wider evidence that engaging directly with mainstream market institutions and dynamics has led to co-option and a lowering of standards?
• Have other social movements successfully implemented strategies to resist downward pressure from private sector businesses?

Selected Bibliography


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2 Gavin Fridell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto, Canada: University of Toronto Press, 2007), 23 uses the term “fair trade network” to “refer to a formal network of NGOs that connects peasants, workers, and craftspeople in the South with partners in the North through a system of fair trade rules and principles – what authors typically refer to when they speak of fair trade commodities or handicrafts. In contrast, the ‘fair trade movement’ refers to a broader movement, which has had significant influence in international development circles since the end of the Second World War. This movement has no official existence, but rather is a term used here to encapsulate a variety of initiatives headed by Southern governments, international organizations, and NGOs with the purpose of radically altering the international trade and development regime in the interest of poor nations in the South.” This report’s usage of “the Fair Trade movement” is closer to Fridell’s “fair trade network” — though other scholars do not necessarily define their terminology as explicitly as Fridell, this seems to be a more common usage.

Laura T. Raynolds and Elizabeth A. Bennett, “Introduction to Research on Fair Trade” in Laura T. Raynolds and Elizabeth A. Bennett (eds.) *Handbook of Research on Fair Trade* (Cheltenham, UK: Edward Elgar Publishing, 2016), 5-6 explain that their handbook “discusses two major facets of fair trade, distinguished via their spelling. Expressed as two words, ‘fair trade’ refers to the concept, the movement or products/organizations/businesses promoting the general fair trade vision. This ‘fair trade’ includes the original direct trade model and practices that were developed first in handicrafts and persist in this and to a lesser extent other commodity areas [i.e. the organizations and ideals discussed in the section below on “1964-88 Alternative trade”]. However, much of fair trade’s recent growth has been through the certification of products by Fairtrade International… Spelled as one word and capitalized, ‘Fairtrade’ refers to this specific certification system.” This report’s usage of “the Fair Trade movement” more closely matches Raynolds and Bennett’s “fair trade,” including both the “alternative trade” model (e.g. Alternative Trading Organizations, handicrafts sales, and World Shops) and the product certification model.
In response to the question of “Why doesn’t Fairtrade include farmers in the Global North,” “Frequently Asked Questions (FAQ),” Fairtrade International, accessed December 17, 2020, https://web.archive.org/web/20201217074556/https://www.fairtrade.net/about/faq notes that, “[t]he FAIRTRADE Mark was established specifically to support the most disadvantaged producers in developing countries by using trade as a tool for sustainable development. Many local farmers face similar issues for getting a fair return for their crops, but there are also some major differences. For example, farmers in developing countries often have little infrastructural support, nor social security systems or other safety nets if they cannot get a fair price for their products. Fairtrade is specifically focused on enabling producers in developing countries to tackle poverty through trade.”

Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 5 describe Fair Trade as “the most important market-based mechanism to improve the lives of producers in developing countries.”

Eleftheria J. Lekakis, *Coffee Activism and the Politics of Fair Trade and Ethical Consumption in the Global North: Political Consumerism and Cultural Citizenship* (Basingstoke, UK: Palgrave Macmillan, 2013), 13 notes that the description of “the operations of the fair (and solidarity) trade movement” using “terms such as ‘global South’ and ‘global North’” relies on “artificial categorisations.” However, Lekakis uses these terms “because they are specifically defined in terms of the dichotomy between production and consumption of fair trade goods respectively.”


Overall, 23 of the 32 countries for which FLO has reported retail sales in their annual reports from 2004-2017 were in North America, Europe, or Oceania.

For a review and critique of the prevalence of dichotomizing characterization of the stakeholders in the Fair Trade movement into a “consuming north” and a “producing south,” see Lindsay Naylor, “Some Are More Fair Than Others: Fair Trade Certification, Development, and North–South Subjects,” *Agriculture and Human Values* 31, no. 2 (2014), 273-84.


For discussion of the extent to which the farmed animal movement can learn from history, see Jamie Harris, “What can the farmed animal movement learn from history?” (May 2019), https://www.sentienceinstitute.org/blog/what-can-the-farmed-animal-movement-learn-from-history.


8 See Jamie Harris, “Social Movement Case Studies Methodology, Goals, and Caveats” (forthcoming).


10 See, for example, Lemuel Ekedegwa Odeh, “A Comparative Analysis of Global North and Global South Economies,” *Journal of Sustainable Development in Africa* 12, no. 3 (2010), 340-1.
Consumers' Leagues, was taken up by other groups. Of products from the perspective of consumers that spread from the USA to Europe in the 1950s and 1960s and that were more concerned producers, in the late 1920s and 1930s the NCL also changed tactics, focusing increasingly on legislative tactics. “After testing form of consumer expertise of relevant publications are revealing. Consider, for example, Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” Politics and Society 31, no. 3 (2003), 407-32, and Sushil Mohan, Fair Trade Without the Truth (London, UK: Institute of Economic Affairs Monographs, 2010). Google Scholar searches (conducted February 16, 2021) for “Fair Trade Coffee” and “Fair Trade banana” OR "Fair Trade bananas" identify 12,800 and 1,190 results, respectively. See the tab “Volume of products sold by product type” in the spreadsheet “FLO data,” which uses data from the reports accessed via a search for “Annual+report” in “Library: Fairtrade Research and Publications,” Fairtrade International, accessed December 14, 2020, https://web.archive.org/web/20201217074323/https://www.fairtrade.net/search/library?fma=Annual+report.


See the tab “Retail sales by country (€)” in the spreadsheet “FLO data.” If sales by Fair Trade USA were counted alongside the sales of FLO-certified products, then the US might have similar Fair Trade retail sales value to the UK, though the former has a far larger population than the latter. See “[meta] Social movements vs. EAA randomized controlled trials (RCTs) vs. intuition/speculation/anecdotes vs. external findings” in “Summary of Evidence for Foundational Questions in Effective Animal Advocacy,” Sentience Institute, last updated August 13, 2020, https://www.sentiencinstitute.org/foundational-questionssummaries#%20meta-socia Movements-vs.-eaa-randomized-controlled-trials-(rct)-vs.-intuition/speculation/anecdotes-vs.-external-findings, Jamie Harris, “What can the farmed animal movement learn from history?” (May 2019), https://www.sentiencinstitute.org/blog/what-can-the-farmed-animal-movement-learn-from-history, and Jamie Harris, “Social Movement Case Studies Methodology, Goals, and Caveats” (forthcoming).

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Teresa da Silva Lopes, “Building Brand Reputation Through Third-Party Endorsement: Fair Trade in British Chocolate,” Business History Review 90, no. 3 (2016), 457-82 summarizes that, “[t]his study looks at the evolution of the British chocolate industry from the 1860s to the 1960s, a period when it was dominated by Quaker businesses - Cadbury and Rowntree, and their predecessor Fry’s. It provides evidence of early forms of fair trade by these Quaker businesses showing that they carried out social change and contributed to improving living standards and long-term sustainable economic growth in developing countries before the Fair Trade Movement took off from the 1970s.”

Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” Management and Organizational History 5, no. 2 (2010), 221-50. Schmelzer summarizes that, “[t]he limited success of the White Label Campaign, licensing at its peak in 1904 up to 60 factories all over the USA, led to exuberant praise by many academics – mirroring the comments on fair trade today that put consumers as political agents of change centre-stage. The NCL’s white label campaign ended in 1918 in the context of the general decline of the first consumer movement of the Progressive Era, which tapered off by the end of the First World War, and due to changes in consumer taste, mainly fostered through mainstream commercial advertisements, and because of competing labour union labels. Realizing the limitations of raising consciousness and relying on voluntary compliance of consumers and producers, in the late 1920s and 1930s the NCL also changed tactics,” focusing increasingly on legislative tactics. “After the Second World War, these efforts were transformed into the modern comparative-testing form of consumer expertise that spread from the USA to Europe in the 1950s and 1960s and that were more concerned with the security and quality of products from the perspective of consumers – the issue of responsibility for producers, so central to the rise of the Consumers’ Leagues, was taken up by other groups.”
Matthew Anderson, *A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance* (Basingstoke, UK: Palgrave Macmillan, 2015), 7-11 discusses several more tenuous historical parallels of the Fair Trade movement in the United Kingdom, including the “Buy Empire Goods campaign” of the early 20th century and the “moral economy in the English crowd in the eighteenth century,” which “asserted the right of the poor consumers to gain access to the means of life.” Anderson comments that, “[t]aken together the concepts of ‘market failure’ and ‘consumer duty’ have been fundamental to Fair Trade campaigns.” Similarly, Frank Trentmann, “Before ‘Fair Trade’: Empire, Free Trade, and the Moral Economics of Food in the Modern World,” *Enviroment and Planning D: Society and Space* 25, no. 6 (2007), 1082 highlights the “buying for empire campaigns and the movements for a ‘just’ world food plan” in the 1920-40s. The rest of Trentmann’s article provides further information on these movements, which appeared to be encouraged by concern for producers in other parts of the world as well as by patriotism and imperialism. Some evidence is also presented of expanding moral consideration for individuals in distant locations over the course of the 20th century.


20 William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” *Sustainable Development* 13, no. 3 (2005), 145-6 note that, “[e]xamples from the sub-continent are particularly interesting because of the Khadi movement and the Indian co-operative movement, which began in the 1920s. Southern fair trade organizations developed out of indigenous income generation initiatives, such as EMA (Equitable Marketing Association), SASHA, SILENCE, SKVIS and TARA Projects in India, and with Northern NGO development assistance, such as CORR—The Jute Works in Bangladesh. These organizations play a key role in representing the interests of producers in the supply chain by consolidating orders, arranging export logistics and coordinating social development initiatives such as saving schemes and health and welfare projects. An important aspect of Southern FTOs has been their emphasis on producer empowerment through, for example, democratic decision making within cooperative structures.”


Mark Hudson, Ian Hudson, and Mara Fridell, *Fair Trade, Sustainability and Social Change* (Basingstoke, UK: Palgrave Macmillan, 2013), 28 note that, “there are about 150 retail outlets [of Ten Thousand Villages] in the United States and another 50 shops in Canada” and that “these stores offers crafts from dozens of countries, and they sell about $17.5 million of handmade crafts in Canada and $25 million in the United States.”


28 Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 18 note that, “[t]otal trade in 2000 was 22 times the level in 1950. However, global inequality has also simultaneously grown – the share of the world’s income distributed amongst the poorest 10 per cent fell by a quarter between 1988 and 1993, whilst the share going to the richest decile increased by 8 per cent. By the late 1990s the poorest 20 per cent of the global population generated only 1 per cent of the global Gross Domestic Product, whilst the richest 20 per cent generated 86 per cent.”

Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), 24-31 details the early 20th-century efforts to control prices in commodity markets, often driven by powerful Northern nations keen to protect their own industries. Fridell presents the second half of the century as being characterized by a more “liberal” international trading system, but notes that there were continued protectionist policies and that international commodity control schemes often failed to achieve substantially better prices for producers in the Global South.

29 Belinda Coote and Caroline LeQuenes, The Trade Trap (Oxford, UK: 1992, Oxfam), 107 note that, “[f]rom the outset, developing countries were unhappy with the GATT [General Agreement on Tariffs and Trade]. They felt marginalised in the negotiations, which concentrated on industrial products - an area which is not of great interest to the vast majority of Third World countries. They also argued that ‘equal treatment of unequals is unfair’. Their dissatisfaction with the GATT led to the creation of UNCTAD (the United Nations Conference on Trade and Development) in 1964. This was set up as an organisation which would be responsible for creating ‘an international trading environment that would facilitate the growth of developing countries and not thwart it’. A year later an additional chapter was added to the GATT which gave developing countries what is known as special and differential treatment (S&D). It marked the GATT’s acceptance of the principle that Third World countries needed discrimination in their favour. In practice it meant that developing countries would not have to make trade concessions which are incompatible with their development needs.”


31 Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), 30 notes that, “Southern nations wanted the rich nations in the North to weaken their protectionist policies – tariffs, import controls, levies – which they asserted prevented primary commodity producers from developing the value-added, processing stages of primary production… The second key demand made by Southern nations was for UNCTAD members to ensure fair prices for primary commodities by developing a system of direct subsidies to producers to replace the grants and financial aid provided by the IMF. The slogan that accompanied this demand was ‘Trade not Aid’… In the end, both demands proved to be too great a threat to the interests of the world’s dominant powers. Representatives from the eight richest countries in the world, along with twenty-five neutrals and ‘Second World’ Communist countries in eastern Europe, voted against or abstained from every key resolution. Since UNCTAD was required to work by consensus, nothing substantial was accomplished.” On page 38, Fridell summarizes that, “[b]y the turn of the millennium… various calls for the international regulation of prices, aid flows, trade rules, and labour rights in the interest of the poorer states in the South had collapsed.”

32 Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), 39 argues that, from these efforts, “the fair trade network drew an emphasis on combating unfair commodity prices, on attaining ‘trade not aid,’ and on the necessity of promoting national and international market regulation to support its efforts.”

TOs under a £20,000 in handcrafts continued to build throughout the 1980s with sales growing from £9 million to corporate compliance handcraft sales. However, Matthew Anderson, in “Our Grassroots History” in “Who We Are,” World Fair Trade Organization, accessed February 24, 2020, https://web.archive.org/web/20200224093228/https://wfto.com/who-we-are, notes that the first formal “Fair Trade” shop opened in 1958 in the US; the distinction is unclear. However, several other authors cite the 1969 date but not the 1958 date, such as Gavin Fridell, “The Fair Trade Network in Historical Perspective,” Canadian Journal of Development Studies 25, no. 3 (2004), 417 and Andy Redfern and Paul Snedker, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002), 5.


35 “Our Grassroots History” in “Who We Are,” World Fair Trade Organization, accessed February 24, 2020, https://web.archive.org/web/20200224093228/https://wfto.com/who-we-are, claims that, “[i]n April 1969, the first ‘world shop’ was opened in the Dutch village of Breukelen. It marked the start of a period of rapid growth in the world shop movement: hardly two years later, the Netherlands boasted 120 world shops. The world shop model also quickly gained popularity in Germany, Switzerland, Austria, France, Sweden, Great Britain and Belgium.” Nil Özcuağlar-Toulouse, Amina Bēji-Becheur, Matthieu Gateau, and Philippe Robert-Demontrond, “Demystifying Fair Trade in France: The History of an Ambiguous Project,” Journal of Business Ethics 92, no. 2 (2010), 208 note that, “the first Artisans du Monde boutique opened in Paris in 1974. Its objective was to redress the balance in trade relations by paying a fair price to producers in less developed countries.”


38 There are no statistics that the author is aware of on overall growth across all ATOs and relevant Fair Trade handicraft sales. However, Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2012), 5-14 notes that, “[t]he popularity of Bridge [a component of Oxfam Trading] handicrafts continued to build throughout the 1980s with sales growing from £900,000 in 1980 to £2.4 million by 1985. Bridge was also becoming increasingly important within the Oxfam Trading representing
52% of total sales in 1985 compared with 36% in 1980… By 1990, following the recommendations of the Stockland evaluation, distribution of Bridge products was expanded to cover 600 of the 850 shops operating at that time.”


51 William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” Sustainable Development 13, no. 3 (2005), 146. Though sometimes citing less empirical evidence, a similar narrative is offered by several other contributors, such as Andy Redfern and Paul Snedker, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002) 6, who describe sales as reaching a “plateau” in the 1980s.

52 Andy Redfern and Paul Snedker, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002), 9 note that, “[t]he major alternative trading organizations began to build up big losses during the mid 1990s. Traidcraft plc lost more than £300,000 (£435,00), the Swiss Fair Trade organization had to be restructured and two ATOs had close down—Bridgehead in Canada and Alternative Handel in Norway.”

Mark Hudson, Ian Hudson, and Mara Fridell, Fair Trade, Sustainability and Social Change (Basingstoke, UK: Palgrave Macmillan, 2013), 56 note that, “handicraft-focused IFAT member SERRV was operating in the red and SELFHELP’s sales were stagnating in the early 1990s.”


55 William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” Sustainable Development 13, no. 3 (2005), 146 note that, “[i]n the South, producer organizations were struggling with demands from Northern fair trade buyers for higher quality and more design conscious products with a faster turnaround. At the same time, increasingly stringent European and North American legislation on health and safety issues was impacting on some production processes — for example the need to ensure that products used only azo free dyes and lead free paints — and was increasing costs to producers.”

56 Andy Redfern and Paul Snedker, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002) 10, note that, “[o]ne of the key problems that led to [profit] losses was the vertical integration of the supply chain within the ATOs. Selling many hundreds of different products into multiple channels meant that there were very few economies of scale. The ATOs were often buying from three continents and providing embedded services through designers, production and quality control experts.”

57 Anil Hira and Jared Ferrie, “Fair Trade: Three Key Challenges for Reaching the Mainstream,” Journal of Business Ethics 63, no. 2 (2006), 109-10 note that, “[a] (1993 & 1996) study of customers for 2 large ATOs (Alternative Trading Organizations) revealed that most fair trade customers tend to be: in the 30-49 years old range (60-67%); overwhelmingly Caucasian (94%); mostly married (60%); very well educated (college, 17-23%; graduate school, 57-62%); in the upper middle class income range ($25,000-75,000, 62-68%); more in the education field than any other (20-26%).
While the natural market for fair trade products at the moment seems logically to be young urban professionals and activist groups in higher education, it is hard to tell if this is due to preference by these groups or simply lack of knowledge and availability. Indeed, a survey by the National Coffee Association of the U.S.A. revealed that only 2% of U.S. consumers were purchasing fair trade coffee, and only 7% were aware of it in 2002.” Subsequent surveys cited by Hira and Ferrie have found higher consumer awareness, especially in Europe.

April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 234-6 analyze the results of a survey by Eurobarometer from 1997 with 16,362 participants, noting that, “[t]he survey question describes fair trade products in general, then asks if respondent has heard of these products.” Their logistic regression found that “younger, higher income people are statistically more likely to have heard of Fair Trade, regardless of their political leanings.” The odds ratio for “Income (4 quartiles)” was 1.23, whereas the odds ratio for “Age (4 quartiles)” was only 0.95, suggesting that income has a larger effect. They also analyze the “Odds ratios for logistic regression of buying Fair Trade products (given that one knows about them), Europe, 1997 (N = 4949)” and find that, again, income has a significant effect (OR 1.13), as does age, though in the opposite direction this time (OR 1.08). Being male (OR 0.83) and “Politically left (1-10 scale)” (OR 1.12) also had significant effects.

As evidence of this shift in the movement, they cite three examples on page 148: “First, after 50 years under the name SELFHELP Crafts of the World, the Mennonite Central Committee changed the organization’s name to Ten Thousand Villages in 1996, drawing on Mahatma Ghandi’s idea that ‘India is to be found not in its few cities but in its 700000 villages’. The change was considered necessary because ‘stores have been perceived as do-it-yourself crafts supply stores’. Second, one of the peak bodies of the fair trade movement, IFAT, which was only officially constituted in 1989, changed its name from the International Federation for Alternative Trade to IFAT – the International Fair Trade Association in 2003. Finally, in August 2004, SERRV International launched a new name, A Greater Gift, for its handicraft program. The organization’s full name – Sales Exchange for Refugee Rehabilitation and Vocation – reflected the organization’s historical origins, not its modern mission, and was only used in its obscure acronym form.”

Drawing on the “records and archives from eight leading UK-based Fair Trade organisations,” Matthew Anderson, “Fair Trade and Consumer Social Responsibility,” Management Decision 56, No. 3 (2018), 634-51 argues that the late 1980s saw the introduction of a “Consumer demand and choice” narrative in the Fair Trade movement, which began to supplant the earlier “Co-operation and solidarity” and “Simpler living and moral action” consumer narratives.

Robbe Geysmans, “The Evolution of the Discourse of a Belgian Fair Trade Organization: A Two-Dimensional History,” Social Enterprise Journal (2016) also summarizes that, “in the earliest history” of Oxfam-Wereldwinkels, “trade practices are clearly subordinate to goals of a socialist-inspired societal change, while in the more recent history, trade has permeated the entire discourse, putting the trade dimension in a more central position.” Some scholars present the “alternative trade” and “Fair Trade” movements as somewhat separate, with the former being subsumed into the latter.
See, for example, Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” *Management and Organizational History* 5, no. 2 (2010), 221-50.


61 Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 27 notes that, “[t]he neo-liberal policies of the Thatcherite Conservative government in the UK and the Reagan Administration in the USA in the 1980s appealed to the consumer enthralled in neoclassical economics as a rational-economic actor regulating services in a market free from state intervention. This moment, marked by the diffusion of the economic doctrines of the New Right, drew the ‘consumer’ into the limelight of public debate. The continual references to ‘the consumer’, in both economic and political language, ‘has provided a major impetus to a notion that consumers are increasingly active and powerful’, which has led a number of powerful organisations to direct their attention to this figure at the close of the twentieth century. In this moment, when the ‘consumer’ was conceptualised as a powerful figure across all major institutions, from government to consumer organisations, producers and multinational corporations, the idea of the fair-trade-consumer began to gain strength.”

62 Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 23 note that, “[t]he growth of ethical consumerism over the last thirty years provides the main driver behind the development of a Fair Trade market. A recent UK survey suggested that 65 per cent of consumers now judge themselves ‘green or ethical consumers’, although it should be acknowledged that there is often a discrepancy between what people say they will do and their actual behaviour. Nevertheless, according to the Co-operative Bank/NEF (2003), the UK ethical market was valued at £19.9b ($35.6bn) in 2002 with products specifically marketed as ‘ethical’ accounting for £6.9b ($12.4bn) (a 13 per cent growth on 2001).” See also pages 181-8 for more detail.

Elisabeth Valiente-Riedl, *Is Fairtrade Fair?* (Basingstoke, UK: Palgrave Macmillan, 2012), 132 notes that, “The Cooperative Bank (2010) produced a study of a range of ethical markets in the UK. Comparing data for 2000 and 2010, it is clear that ethical consumption across a range of priority areas, including the environment (e.g. green cars), human rights (e.g. Fairtrade) and animal welfare (e.g. free range eggs), is on the rise. For example, organic purchases more than doubled in ten years, rising from £605 million in 2000 to £1,527 million in 2010. In the same time period, the purchase of free-range eggs rose from £182 million to £483 million, green cars from £44 million to £846 million, ethical shareholdings from £4 million to £70 million and ethical cosmetics from £175 million to £528 million. Fairtrade stands out among these as one of the ethical consumables which has experienced the highest growth levels. It rose from £3 million in 2000 to £1,017 million in 2010.”

Eleftheria J. Lekakis, *Coffee Activism and the Politics of Fair Trade and Ethical Consumption in the Global North: Political Consumerism and Cultural Citizenship* (Basingstoke, UK: Palgrave Macmillan, 2013), 4 provides a table with other examples from the UK from a similar period. “Twenty Years of Ethical Consumerism,” Co-Operative (2019), https://web.archive.org/web/20201215114332/https://www.co-operative.coop/twenty-years-of-ethical-consumerism compares data from 1999 and 2018. For example, “Fairtrade” grew from £22 million to £1,603 million; “Vegetarian and plant-based alternatives” grew from £452m to £1,000m, and “Organic” grew from £390m to £2,208m.

Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 118-28 quotes some focus group discussions that suggest consumers who don’t identify with Fair Trade see it as related to other forms of ethical consumption, such as highlighting that the same people also recycle more or buy organic.


64 William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” *Sustainable Development* 13, no. 3 (2005), 147 states that the International Coffee Organization was suspended in 1988.
However, “History,” International Coffee Organization, accessed July 16, 2020, https://web.archive.org/web/20200716075035/http://www.ico.org/icohistory_e.asp?section=About_Us provides an alternative account, noting that, “[a]fter lengthy negotiations, quotas and controls were reintroduced on 6 October 1987 and remained in effect until 4 July 1989. On that date the Council recognized that it would not be able to negotiate a new Agreement in time for it to enter into force on 1 October 1989 when the 1983 Agreement was due to terminate. It decided, therefore, to recommend to Governments the extension of the 1983 Agreement for a period of two years from 1 October 1989 to 30 September 1991, with its quota and controls provisions suspended. The verification of stocks was also discontinued, as were the provisions relating to production policies; in addition a decision was taken to wind up the activities of the Promotion Fund. Members accepted the recommendation of the Council and the 1983 Agreement was duly extended… The process of negotiating a new Agreement gained new impetus with the fall of prices to record lows during coffee years 1990/91 and 1991/92, and the Council agreed to a further extension of the Agreement until 30 September 1993… This time, Members concentrated on negotiating an Agreement which did not set out to regulate coffee prices. This process concluded successfully with the negotiation of the International Coffee Agreement 1994, which entered into force on 1 October 1994.”

“A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 227 summarize that, “[b]y the end of the 1980s support for the ICA had eroded to the point that the agreement could not be renewed. Tensions ran so high that the ICO ended quotas in July 1989—a few months short of the current ICA’s actual expiration date. The Soviet Union had collapsed; free trade and market ideology was sweeping the world. Except for producers, major actors in the international coffee trade had no further incentives to support the ICO. In 1994 the organization’s much smaller membership restructured it as a promotional trade group.” On page 227, they explain the effects of this change.

65 “Our Grassroots History” in “Who We Are,” World Fair Trade Organization, accessed February 24, 2020, https://web.archive.org/web/20200224093228/https://wfto.com/who-we-are. This page does not mention Mexican smallholders, but Christopher M. Bacon, “Who Decides What is Fair in Fair Trade? The Agri-Environmental Governance of Standards, Access, and Price,” The Journal of Peasant Studies 37, no. 1 (2010), 123-5 notes that, “[i]n 1983, a group of Mayan smallholders met with the Diocese of Tehuantepec, Oaxaca, to discuss strategies to get better prices for their coffee and improve their livelihoods. The producers soon formed the Union de Comunidades Indígenas de la Región del Istmo (Union of Indigenous Communities of the Isthmus or UCIRI). Excluded by the government agencies, which managed the export quotas negotiated through the International Coffee Agreement and most state-led rural development investments, UCIRI and allies planned to establish long-term direct relationships with Northern buyers to generate better prices… Fair Trade started a second phase in 1988, when UCIRI and a Dutch organisation, SOLIDARIDAD, united to create the first Fair Trade seal, Max Havelaar.” Several other examples of cooperation between Southern coffee growers and Northern buyers are listed.

Ndongo Samba Sylla, The Fair Trade Scandal: Marketing Poverty to Benefit the Rich (London, UK: Pluto Press, 2014), 38-41 presents Max Havelaar as primarily orchestrated by two Dutch men (a priest and an employee of “the Solidaridad NGO, a Dutch ecumenical development aid organisation for Latin America”) in both the Netherlands and Mexico.

66 Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2015), 109, notes that, “[i]n only two years, the sales of Max Havelaar labelled products had increased the market for ‘ethical coffee’ from 0.2% to 2.2% of the Dutch coffee market,” citing “Now the supermarkets do what we tell them,” The Independent (9 March 1991).

Corinne Gendron, Véronique Bisaillon, and Ana Isabel Otero Rance, “The Institutionalization of Fair Trade: More than Just a Degraded Form of Social Action,” Journal of Business Ethics 86, no. 1 (2009), 66 claims that Max Havelaar certified coffee “rapidly reached 2 percent” market share. No timeframe is given and it is unclear whether this refers to the Dutch or international market. A footnote adds: “[t]hese results are nonetheless well below those indicated in the market studies used by promoters, which promised a market share of between 7 per cent and 14 per cent.”
Matthew Anderson clarified via email (received March 7, 2021) that, “[t]here is often some variation in coffee market figures depending on whether sources refer to combined market share or if this is segregated into ground and instant coffee.”

67 Anna Hutchens, Changing Big Business: The Globalisation of the Fair Trade Movement (Cheltenham, UK: Edward Elgar Publishing, 2009), 82-3 includes a quote by Jeroen Douglas, Director of Fairtrade tropical fruit and cotton programs at Solidaridad in the Netherlands that presents grassroots activist pressure as having been crucial, through raising “a lot of anger or anxiety from the grassroots groups who have been informed on the exploitative situations in the third world” and the then mobilizing these groups to present the “threat” to supermarkets that they would go to competing retailers who offered Max Havelaar coffee.

68 Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2015), 109. Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007) cites European Fair Trade Association statistics as showing that, “Max Havelaar-labelled products in 2000 were available for sale in 2,200 supermarkets, representing nearly 90 per cent of all the Dutch supermarkets. In Switzerland, fair trade products were available for sale at over 75 per cent of all commercial retailers in the country in 2000. While similar statistics do not exist for Canada and the United States, it is fair to say that these numbers would be substantially lower because fair trade products have been excluded from mainstream retail channels in North America until very recently.”

69 William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” Sustainable Development 13, no. 3 (2005), 147. Corrine Gendron, Véronique Bisaillon, and Ana Isabel Otero Rance, “The Institutionalization of Fair Trade: More than Just a Degraded Form of Social Action,” Journal of Business Ethics 86, no. 1 (2009), 66 write that, “[t]his labelling system was adopted in Belgium two years later, followed by Switzerland in 1992. Other labels soon followed, such as: Fair Trade (the United Kingdom, Ireland, and Canada), Transfair (Austria, Germany, Italy, Luxembourg, Japan, the United States, and Canada), and Rättvisenmärkt (Sweden).”

April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 229, Table 1 lists the labelling organization, the year it was founded, and the percentage of the coffee market that was Fair Trade certified in the year 2000 (ranging from 0.1 to 3%) for 17 countries.

70 April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 232 note that, “Max Havelaar organizations in the Netherlands and Switzerland each had communication and marketing budgets of almost $700,000 in their first operating year (compared to TransFair USA’s $93,500).” No citation is provided for these figures and the total budgets are not listed.


72 Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2015), 35-6. Gavin Friddell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), 62 describes their roles differently: “Like FLO, the umbrella organizations IFAT, EFTA, and NEWS have all been central to the fair trade network’s reorientation towards conventional markets. However, they have focused on a different role than FLO in this reorientation. FLO’s main objective has been to gain the participation of new players – conventional importers, processors, and distributors – in the fair trade network. In contrast, IFAT, EFTA, and NEWS have focused on enhancing the marketing skills and efficiency of fair trade ATOs so that they are better able to compete against conventional corporations and gain a greater share of mainstream markets. These organizations have been at the head of the ‘professionalization’ of fair trade ATOs as they have adopted marketing and managerial strategies common to mainstream businesses.”

73 Mark Hudson, Ian Hudson, and Mara Fridell, Fair Trade, Sustainability and Social Change (Basingstoke, UK: Palgrave Macmillan, 2013), 33 note that, “WFTO is also the body that administers the FTO Mark—the ‘sign of a true FTO,’ displayed by members—and the monitoring organization that ensures that WFTO members are in accordance with the WFTO Standards for FTOs (see Appendix for the WFTO Standards). Members are asked to self-evaluate relative to the Standards, then they are peer-reviewed by other members of WFTO, and finally, each year, a group of randomly chosen members are subject to external review by an independent auditor.”
ood products were beginning to be...
21, no. 1 (2014), 150-1 summarizes that, “[u]nlke in the U.K. and other European countries, the growth of fair trade markets in the United States over the past decade was driven primarily through FTUSA’s efforts to lobby businesses to buy into the model... The organization focused on expanding the supply of fair trade products in the mainstream retail markets rather than on building grassroots consumer support. In this way, fair trade has been less a consumer-led movement than a consumer-dependent one.” Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” Politics and Society 31, no. 3 (2003), 424 describe the campaign against Starbucks. Although “[i]n the early 1990s, activists challenged Starbucks to stop buying coffee from plantations where workers were treated poorly and not paid fair wages,” efforts seem to have stepped up from Autumn 1999.


Daniel Jaffee, “Weak Coffee: Certification and Co-optation in the Fair Trade Movement,” Social Problems 59, no. 1 (2012), 94 notes that, “[t]he company agreed to sell fair trade certified coffee at all 2,300 of its U.S. cafes, albeit initially purchasing less than 1 percent of its overall supply. By 2009, Starbucks— which had since mushroomed to 11,000 stores in the United States alone—was purchasing 39 million pounds of fair trade coffee, over 10 percent of its total volume.”

Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” Management and Organizational History 5, no. 2 (2010), 237. No citation is provided for this claim.


Bob Doherty, Iain A. Davies, and Sophi Tranchell, “Where Now for Fair Trade?” Business History 55, no. 2 (2013), 162 note that, “[t]he accreditation of 51% of Starbucks’s coffee in the USA in 2000 and joint and own label brands between UK FTO Divine Chocolate Ltd with major UK supermarkets in the early 2000s moved the licensing of mainstream companies closer. However, it was 2005 when Wal-Mart, Nestlé and Tesco were licensed to carry the Fairtrade Mark on certain products in their own right that sparked a dramatic rise in the mainstreaming of fair trade, leading to both Cadbury’s and Nestlé each certifying their major chocolate brands, Dairy Milk and Kit Kat respectively, in August 2009, followed by Mars Maltesers in 2011.” Mark Hudson, Ian Hudson, and Mara Fridell, Fair Trade, Sustainability and Social Change (Basingstoke, UK: Palgrave Macmillan, 2013), 1-4 and 127-8 discuss Walmart and Nestlé, remarking that both companies were influential but widely disliked by social justice advocates.

Kathryn Wheeler, Fair Trade and the Citizen-Consumer: Shopping for Justice? (Basingstoke, UK: Palgrave Macmillan, 2012), 3 notes that, “[i]n other countries, we see similar trends, albeit several years after the UK, with, for example, Coles (Australia), Carrefour (France), Coop Nordic (Scandinavia) and Wal-Mart (USA) all launching their own-brand fair-trade products since 2006. The 100 per cent switch is currently less common outside the UK, although there are some examples, such as the Hilton and Scandic hotel group, which converted all its coffee to fair-trade in 2006, and Ben and Jerry’s, which committed to a 100 per cent fair-trade policy in 2011, as well as fair-trade espressos served in Dunkin Donuts and Starbucks’s.”


Laura T. Raynolds, “Fairtrade Labour Certification: The Contested Incorporation of Plantations and Workers,” Third World Quarterly 38, no. 7 (2017), 1473-92 summarizes that, “[f]uelled by rising consumer demand and supermarket interest in stocking large supplies of an array of certified items, the range and volume of Fairtrade products increased dramatically in the early 2000s. There were seven labelled commodities in 1998, 12 in 2002 and 19 by 2005, as well as numerous composite products. Although increasing the product range was a key facet of Fairtrade International’s Strategic Plan, this expansion significantly altered the programme’s producer profile, since many new items – including fresh fruits, flowers, wine grapes and processed juices – come primarily from plantations. By 2003 there were as many plantation workers as small farmers producing Fairtrade certified bananas and other fruits. Latin American banana unions and their allies have been the most forceful in advocating for the interests of plantation workers: affirming the worthiness of hired labourers to more equitable treatment, yet questioning Fairtrade International’s ability to bring meaningful gains for workers.”

Additionally, Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 66 provide statistics on the activity of Ten Thousand Villages, the American organization selling Fair Trade handicrafts, suggesting growth in 2003 relative to 2002: “In 2003, total sales were $14.6m (£8.2m), up from $12.6m (£7.1m) in 2002, and net income was $442K (£248K), up from $8.4K (£4.7K) in 2002.”

Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 98 present a graph showing that Tradecraft’s sales of food grew from just under £4 million in 1999 up to just under £8 million in 2003, while sales of crafts remained at less than £1 million during this period. The graph is unlabelled so precise values are unclear; there appears to have been some small growth in crafts sales. Sales of paper likewise seem to have remained at around £1 million between 1999 and 2003.

Gavin Fridell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto, Canada: University of Toronto Press, 2007), 63-4 notes that, “EFTA estimates that the net retail value of all fair trade products (handicrafts and commodities) in Europe in 1998 was over 200 million Euros, representing an increase of over 400 per cent since the early 1990s. In 2001, EFTA put this figure at over 260 million Euros (approximately U.S.$232 million), an increase of 30 per cent over a three-year period (EFTA 2001a: 33). Of this figure, the net retail value of fair trade commodities certified by FLO represented around 80 per cent of the total net retail value.”


Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” *Politics and Society* 31, no. 3 (2003), 423 notes that, “[i]n 2001, more than sixty members of Congress petitioned the company that manages food services on Capitol Hill to switch to Starbucks Fair Trade blend. In November 2002, the House of Representatives unanimously passed House Resolution 604, which directs Congress to ‘adopt a global strategy to respond to the current coffee crisis’ and urges ‘private sector coffee buyers and roasters to work with the US government to find a solution to the crisis which is economically, socially, and environmentally sustainable.’ A similar resolution (S. Res. 368) passed in the Senate. In 2003, Pete Stark (D-Calif.) will reintroduce a resolution calling for government purchasing of Fair Trade certified coffee. The European Parliament and most national parliaments in Europe already sell only Fair Trade coffee.”

Andy Redfern and Paul Snedker, *Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement* (Geneva, Switzerland: International Labour Office, 2002), 35. They add that, “[t]his is a significant step forward, and is set out within Article 23 (Economic Sector Development) of the Cotonou Agreement with ACP countries, which was signed in July 2000 as a successor to the Lomé Convention. This is only the first stage of a longer process, however.
There are serious problems in implementing the Cotonou Agreement in its entirety, and doubts remain as to the precise benefits that will be delivered to the ACP countries.”


108 Eleanor Fisher and Hannah Sheppard, “Pushing the Boundaries of the Social: Private Agri-Food Standards and the Governance of Fair Trade in European Public Procurement,” International Journal of the Sociology of Agriculture and Food 20, no. 1 (2013), 38 comment that, “[i]n contrast to the EP, the EC’s stance on fair trade is restrictive, recognizing its importance for poverty reduction and sustainable development but intending it to remain non-governmental. Although gradually changing, this is in keeping with an underlying orientation towards restricting legal options for opening up of public procurement to social concerns and related horizontal policies.” The resultant difficulties are described in the rest of the article, with reference to interview findings from Wales in the United Kingdom.

John Wilkinson, “Fair Trade: Dynamic and Dilemmas of a Market Oriented Global Social Movement,” Journal of Consumer Policy 30, no. 3 (2007), 235 comments, somewhat contrastingly, that, “[t]he Fair Trade movement has been very successful in winning support within the European Union, via both the European Commission and the European Parliament. The European Commission has positioned itself favourably with regard to Fair Trade since 1998 and has provided support on two fronts—the promotion of consumer awareness and the implementation of public procurement policies. The former is very much in line with the Commission’s efforts to strengthen consumer organizations as a counterweight to the power of corporations in deregulated markets. Public procurement, on the other hand, may well fall foul of the WTO.” Michael J. Hiscox, “Fair Trade and Globalization” (February 23, 2007), https://web.archive.org/web/20201217080712/https://projects.iq.harvard.edu/files/wcfia/files/hiscox_fair.pdf notes that, “[t]he European Commission has co-financed (via EuropeAid) a project with the EFTA called ‘Fair Procure’ aimed at raising awareness among European, national, regional, and local authorities about the impact of public consumption of fair trade goods in developing nations and securing commitments from policy-makers to include fair trade criteria in public procurement legislation. Several European governments are also providing grants to cover the costs of certification for producers in developing countries.”

109 Some examples from the United Kingdom are discussed below in the section “Acceptance and Inclusion.” Political institutions in several other countries have policies of procuring at least some Fair Trade coffee, such as the office of the President of the Republic and the national Parliament in Germany (Gavin Fridell, “The Fair Trade Network in Historical Perspective,” Canadian Journal of Development Studies 25, no. 3 (2004), 424) and the city councils in San Francisco, Berkeley, Oakland, and Santa Cruz (Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” Politics and Society 31, no. 3 (2003), 423). Andy Redfern and Paul Snedker, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002), 35 note that, in Tanzania, “Fair Trade is now part of a ministerial portfolio.”

110 Nil Özçağlar-Toulouse, Amina Béjí-Bécheur, Matthieu Gateau, and Philippe Robert-Demontrond, “Demystifying Fair Trade in France: The History of an Ambiguous Project,” Journal of Business Ethics 92, no. 2 (2010), 208-9. They also note that a member of Parliament was commissioned to create a report on Fair Trade. In August 2005, a law was passed that defined Fair Trade as only referring to trade exchanges between more and less developed countries.


114 Ken Peattie and Anthony Samuel, “Fairtrade Towns as Unconventional Networks of Ethical Activism,” Journal of Business Ethics 153, no. 1 (2018), 265-82. Although not identifying any confirming statements by other researchers or by Fair Trade organizations, the author’s impression is that positions on the steering committees of Fair Trade towns are unpaid.

115 William Low and Eileen Davenport, “To Boldly Go… Exploring Ethical Spaces to Re-Politicise Ethical Consumption and Fair Trade,” Journal of Consumer Behaviour: An International Research Review 6, no. 5 (2007), 344 note that, “[t]he city of Vancouver adopted an EPP [ethical purchasing policy] and suppliers’ code of conduct in early 2005 to ensure city procurement does not support child labour, forced labour and other violations of fundamental labour rights. This policy applies to the city’s procurement of apparel items and fair-trade agricultural products. While Vancouver was the first municipality in Canada to adopt an EPP, over 30 USA municipalities have adopted such policies, and in Canada 11 universities, 6 school boards and 12 municipalities are developing similar schemes… More limited ethical purchasing policies have been adopted by the British Houses of Parliament, the EU Parliament, the UK Salvation Army and the UK
Youth Hostel Association, which now serve only fair-trade tea, coffee and other foods in all their food service outlets, and at meetings.”

Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005) 151-2 note that, during the “10th Birthday year of the FAIR TRADE Mark and of Fair Trade Fortnight (1–14 March 2004)… The Youth Hostel Association (YHA) was also celebrating Fair Trade Fortnight by beginning the switch to Fair Trade tea and coffee in more than 200 Youth Hostels across England and Wales, as was the British Medical Association… Universities including Edinburgh, Nottingham, Swansea and the London School of Economics declared Fair Trade status during the Fortnight, joining Oxford Brookes and Birmingham which were already Fair Trade universities. Nearly all of the major supermarkets stock a wide range of Fair Trade products and Sainsbury’s, Waitrose, Somerfield and Safeway did major promotional activities for Fair Trade Fortnight. Asda introduced 30 new product lines. Many independent stores also promoted Fair Trade Fortnight.”

Referring to the UK, Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 43 notes that, “[t]he Fairtrade Towns movement has spawned a host of other Fairtrade ‘place’ initiatives, so that there are now 6683 Fairtrade Faith groups, 547 Fairtrade schools (with a hundred more working towards the status), 139 Fairtrade universities and a growing number of Fairtrade workplaces.”

By comparison, Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 190 cite the “Percentage of population aware of Fair Trade” in several countries according to a survey by Leatherhead Food International (2003): 42% in Switzerland, 40% in Germany, 38% in Austria, 34% in France, and 24% in the UK. Gavin Friddell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto, Canada: University of Toronto Press, 2007), 59 notes that, “[a]ccording to market research, public awareness of the Max Havelaar label in Switzerland grew from around 36 per cent of the Swiss population in 1994 to over 60 per cent in 2000. Public awareness during this same period grew in the Netherlands from 70 to 74 per cent, in Germany from 17 to 41 per cent, and in the United Kingdom from 13 to 16 per cent.” Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 43 notes that, “[a] report by Globescan (2009) revealed that UK consumers are the most likely to have seen Fairtrade labelled goods, with 90 per cent of those questioned agreeing that they had seen fair-trade goods often or occasionally. This figure drops to 64 per cent in Sweden, and 33 per cent in USA.”

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exceeded 50 per cent in certain countries, and as much as 80 per cent in the Netherlands,” though no citation or date is provided for the 80% figure for the Netherlands.

122 Nil Özcaglar-Toulouse, Amina Béji-Bécheur, Matthieu Gateau, and Philippe Robert-Demontrond, “Demystifying Fair Trade in France: The History of an Ambiguous Project,” Journal of Business Ethics 92, no. 2 (2010), 213 describes how “Artisans du Monde and Max Havelaar (representing more than 200 structures with approximately 6000 volunteers nationwide) have engaged in slow, structural evolutions that will transform their organizational frameworks, restructure their managerial and decision-making bodies, and reform their commercial practices. One major development currently involves working to reorganize the bodies and practices according to a specialized division of labor and responsibilities and provide a well-defined method for training volunteers… Furthermore, these organizations plan to diversify their volunteer recruitment procedures, beyond co-option and mutual recognition, to include appeals to volunteer centers, advertising, open enrollment dates, partnerships with various teaching and training institutions, and so forth. These new methods, along with 'job interviews' prior to enrolling the new volunteers, emphasize pride in the skills and know how possessed by the new members.” Further detail is provided in Ronan Le Velly, “Fair Trade and Mainstreaming,” in Laura T. Raynolds and Elizabeth A. Bennett (eds.) Handbook of Research on Fair Trade (Cheltenham, UK: Edward Elgar Publishing, 2016).


124 Andy Redfern and Paul Sneider, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002), 10 notes that, “[t]he Oxfam Fair Trade Co [formerly Oxfam Bridge]—the wholly owned ATO of Oxfam GB—conducted a fundamental business review in Spring 2001. The review was undertaken with pro bono services from McKinseys and had a wide-ranging remit. The review built upon an impact assessment that had been conducted during 2000 and came to some tough conclusions. The problem was perhaps best illustrated by the economic analysis of one of the supply chains. The analysis identified that for a product that could sell for $30; Oxfam had to spend $45 in getting it to market. Oxfam would have been less worried about this if the other $15 was going to the producer. However, Oxfam calculated that the producer was only getting $5 of additional benefits; the rest was the cost of supporting their trading model. Oxfam employed business consultants in the field, ran the logistics including an expensive warehouse operation in Oxford and owned all the shops that products sold through. McKinseys recommended that Oxfam should focus on working with producers through its Sustainable Livelihoods team and create an enabling environment for Fair Trade within the UK consumers and the shops they bought from. Everything else was not core to Fair Trade and Oxfam is currently restructuring to close its “alternative trading” operation. While the decision by Oxfam to shut down the majority of its Fair Trade Co activity was perhaps the most radical in the movement, it was a wake up call to many others.”


129 Andy Redfern and Paul Sneider, Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement (Geneva, Switzerland: International Labour Office, 2002), 21 also provide the example that, “in 1990 Traidecraft owned a small chain of shops, ran its own print room, graphics design department, food packaging and UK distribution network. It had field staff across the UK to support its factories and provide a well-working to reorganize the bodies and practices according to a specialized division of labor and responsibilities and provide a well-defined method for training volunteers… Furthermore, these organizations plan to diversify their volunteer recruitment procedures, beyond co-option and mutual recognition, to include appeals to volunteer centers, advertising, open enrollment dates, partnerships with various teaching and training institutions, and so forth. These new methods, along with ‘job interviews’ prior to enrolling the new volunteers, emphasize pride in the skills and knowledge possessed by the new members.” Further detail is provided in Ronan Le Velly, “Fair Trade and Mainstreaming,” in Laura T. Raynolds and Elizabeth A. Bennett (eds.) Handbook of Research on Fair Trade (Cheltenham, UK: Edward Elgar Publishing, 2016).

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classified as fulfilling only one or two of these three functions. Additionally, all of the earlier organizations were classified as having the legal form of a “Non-profit” or “Non-profit & co-operative,” whereas the later organizations included three businesses, two non-profits, two co-operatives, and two individuals. That is, more specialized organizations were set up. Pages 224 to 225 also describe specialization and professionalization within the older organizations, including selling in supermarkets and splitting the co-operative elements off from the non-profit elements.

Gavin Fridell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto, Canada: University of Toronto Press, 2007), 62-3 argues that SELFHELP and SERRV “changed their purchasing and product development strategy by abandoning their tradition of limited product intervention in favour of suggesting changes to meet market trends, and by refocusing their efforts on larger Southern partners who could more efficiently develop a single product into an entire line. Due in part to these reforms, Ten Thousand Villages was able to increase its annual sales from $5.3 million in 1992 to $6.8 million in 1997. SERRV, which had fallen into the red in the early 1990s, was able to pull itself back into the black by the end of the decade, with total sales increasing from $4.8 million in 1992 to around $5 million in 1997.”


132 Gavin Fridell, “The Fair Trade Network in Historical Perspective,” *Canadian Journal of Development Studies* 25, no. 3 (2004), 424. As context, Fridell notes that, “[d]ue to the growing emphasis on expanding the public procurement of fair trade, concern has been raised among fair traders over the potential barriers posed to the network’s further expansion by the WTO and its Technical Barriers to Trade (TBT) agreement. Under the TBT agreement, many social and environmental regulations are considered obstacles to free trade, and it is possible that fair trade goods may be judged to discriminate against like products on the basis of how they are produced.”


notes that Cafédirect is “proud to be the UK’s first and largest Fairtrade hot drinks brand… On top of the Fairtrade social premiums we pay for our crops, we invest up to 50% of our profits back into the grower communities we buy from.”

140 Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 85. They add that, “[t]he code requires producers to pay minimum wages, cease using child labour, allow union membership and to follow international environmental standards.”


Laura T. Raynolds, “Fair Trade: Social Regulation in Global Food Markets,” Journal of Rural Studies 28, no. 3 (2012), 276-87 notes that, “Fair Trade USA (FT USA) announced in September 2011 that it was parting ways with the umbrella organization Fairtrade International (FLO)... FT USA’s decision reveals longstanding differences between the market-oriented US certification agency on the one hand and its more movement-oriented European counterparts and FLO on the other. These groups had managed to work together and FT USA had been granted a seat on FLO’s board for most of the organization’s history. But this strategic divide has been noted in my interviews with Fair Trade representatives on both sides of the Atlantic for at least a decade. In case anyone failed to see the divergence, they need only have looked at FT USA’s noncompliance with FLO policies that labeling agencies be membership organizations and use the common international certification label... In addition to consolidating its control, FT USA wants to expand supply by certifying farmers who are not members of cooperatives, plantations in sectors like coffee which is restricted by FLO to small producers, and US producers. The labeling agency believes that by growing the market and increasing mainstream corporate participation, more producers will benefit from Fair Trade prices and premiums.” Quotes from both FT USA and FLO are provided.


Sarah Lyon, “Fair Trade Towns USA: Growing the Market Within a Diverse Economy,” Journal of Political Ecology 21, no. 1 (2014), 152. Lyon adds that the petition “garnered more than 8,000 signatures and support from 550 organizations.”

Laura T. Raynolds, “Fair Trade: Social Regulation in Global Food Markets,” Journal of Rural Studies 28, no. 3 (2012), 276-87 in the section on “Social Regulation in Action: Fair Trade USA’s Departure from Fairtrade International.” Anne Tallontire and Valerie Nelson, “Fair Trade Narratives and Political Dynamics,” Social Enterprise Journal 9, no. 1 (2013), 28-52 summarize that, “[f]ollowing the split in September 2011 there has been a flurry of online debate as stakeholders line up on different sides of the debate. There appear to be differences between the narratives of both organisations, although the differences in practice may not be as large as the ‘blogosphere’ might suggest.”


Accountability Watch… Members that successfully complete the GS process become Guaranteed Members and are able to use the WFTO Product Label on their products.”


161 Cited in Matthew Anderson, “Fair Trade and Consumer Social Responsibility,” Management Decision 56, No. 3 (2018), 643-5. Anderson argues that this document was part of a new emphasis on the movement spreading to emerging markets, supported by active “citizen-consumers.”


164 Bob Doherty, Iain A. Davies, and Sophi Tranchell, “Where Now for Fair Trade?” Business History 55, no. 2 (2013), 161-89 note, for example, that, “[r]ising to $5.643bn sales on Fairtrade Marked products in 2010 plus more than $1bn in World Shop and unlabelled fair trade sales worldwide, the rate of growth of fair trade has been spectacular.” Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 14 note that FLO certified goods have the most reliable data and “represent the bulk of the Fair Trade consumer market. However, it should be understood that the majority of Fair Trade lines, though not the majority of sales, consist of non-certified products. These are typically handicrafts.”

165 Candace Archer and Stefan Fritsch, “Global Fair Trade: Humanizing Globalization and Reintroducing the Normative to International Political Economy,” Review of International Political Economy 17, no. 1 (2010), 103-28; citing Jean-Marie Krier, “Fair Trade in Europe: Facts and figures on Fair Trade in 25 European countries” (2005) note that Fair Trade bananas rose from 15% of the UK’s market for bananas in 1999 up to 47% in 2004. However, the highest market share in any of the other 12 European countries listed is only 5.5%. Similarly, Fair Trade coffee rose from 1.5% of the UK’s market for bananas in 1999 up to 20% in 2004. However, the highest market share in any of the other 12 European countries listed is only 6%.


“Euros (EUR) to US Dollars (USD) exchange rate for December 31, 2018,” exchange-rates.org, accessed December 14, 2020, https://web.archive.org/web/20201218075756/https://www.exchange-rates.org/Rate/EUR/USD/12-31-2018 notes that 1 Euro was worth 1.1482 USD at the end of 2018. €9,800,000,000 multiplied by 1.1482 equals $11,252,360,000. This number, divided by 19,670,000,000,000 equals 0.00057, i.e. 0.06%.

Tim Benton, “Food security, trade and its impacts,” accessed November 4, 2020, https://web.archive.org/web/20201120155844/https://resource-trade.earth/publications/food-security-trade-and-its-impacts, seeming using statistics from 2015, notes that there is “over $1.1 trillion of agricultural trade today.” The 2018 Fair Trade retail sales represent 1% of this figure (if we use the same methodology as above, which is generous, given that agricultural trade value has presumably increased since 2015).

Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), 63-4 notes that, “EFTA estimates that the net retail value of all fair trade products (handicrafts and commodities) in Europe [in 2001 was]... over 260 million Euros (approximately U.S.$232 million), an increase of 30
per cent over a three-year period... These numbers are dwarfed when compared to conventional international trade: in 2001 fair trade represented around 0.01 per cent of all global trade. They do, however, represent substantial and unprecedented growth within the network itself.” Similarly, Sushil Mohan, *Fair Trade Without the Froth* (London, UK: Institute of Economic Affairs Monographs, 2010) notes that, “despite impressive growth in recent years Fair Trade represented only about 0.01 per cent of total food and beverage industry sales worldwide in 2008. Even in the UK, the top Fair Trade consuming market, Fair Trade labelled produce made up less than 0.5 per cent of food and non-alcoholic drinks sales in 2007.”

167 E.g., “offering better trading conditions to, and securing the rights of, marginalized producers and workers” (see footnote 1). Note also that some proponents of Fair Trade have more radical goals; see footnote 261.


169 Douglas L. Murray, Laura T. Raynolds, and Peter L. Taylor, “The Future of Fair Trade Coffee: Dilemmas Facing Latin America’s Small-Scale Producers,” *Development in Practice* 16, no. 2 (2006), 184 argue that, “the quality issue remains a significant obstacle. Opponents of the Fair Trade movement continue to maintain that the coffee is of low quality, at times using this argument to justify their continued resistance to introducing Fair Trade coffee into their product lines. Competitors also argue that Fair Trade coffee is inferior in order to promote their own coffees. This dynamic is a fundamental feature of traditional marketing, but it nevertheless remains a challenge to the Fair Trade movement. The history of the organics movement suggests this is a dilemma that can be overcome, although it may be one that persists for some time.”

Carola Grebitus, Monika Hartmann, and Nina Langen, “The Ethical Consumer’s Willingness to Pay for Coffee: A comparison of Donations, Fair Trade, Organic, and Cause-Related Marketing Coffees,” in *H Workshop on: Valuation Methods in Agro-Food and Environmental Economics “Experimental Auctions: Theoretical Background and Empirical Applications* (2009) found in their experimental auctions and choice experiments with 38 German students that, “88% believe that FT coffee tastes as well as or better (2%) than regular coffee. However, this had no significant influence on WTP for any of the five compared coffees.”

170 Douglas L. Murray, Laura T. Raynolds, and Peter L. Taylor, “The Future of Fair Trade Coffee: Dilemmas Facing Latin America’s Small-Scale Producers,” *Development in Practice* 16, no. 2 (2006), 184-6 discusses “Expanding participation in Fair Trade coffee.” A lack of demand seems to be one underlying issue. The authors connect this to the high standards and prices associated with Fair Trade, but the authors ask whether “significantly broadening the Fair Trade coffee market in the North [will] come at the expense of some of Fair Trade’s traditional beneficiaries.”

Andy Redfern and Paul Snedker, *Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement* (Geneva, Switzerland: International Labour Office, 2002) note that, “[s]upply outstrips demand dramatically. Some Fairtrade producers have never received an order on Fairtrade terms. Adding new producers to some registers is limiting without a significant increase in consumer purchases.” They do not provide any detail or citations on these claims.

171 April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” *Globalizations* 1, no. 2 (2004), 234 note that, “in fiscal year 2001 Starbucks bought 653,000 pounds of Fair Trade certified coffee, and was only able to sell 186,000 pounds (24.48%) of it.”

Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” *Politics and Society* 31, no. 3 (2003), 425 note that, “[t]he few attempts to introduce sustainable coffee at the low end of the market have so far proved unsuccessful. For example, Dunkin’ Donuts recently tried selling a higher priced organic coffee in its shops but discontinued it because sales were low. The average Joe just isn’t there yet,’ comments Julie Barrett, director of Dunkin’ Donuts’ coffee and beverages division.” On page 422, they write that, “[w]hen it comes to coffee-buying decisions by businesses, verbal pressure for Fair Trade coffee is the first step, but this must be reinforced by economic demand, that is, actual purchases. Where a public has not been the target of campaigns, Fair Trade coffee was not available, and, we learned [through their interviews with retailers], no one asked for it. This suggests that Fair Traders working to [expand] the U.S. market should continue to focus on getting consumers’ attention and educating them about the issues as well as on getting roasters, retailers, and restaurants that buy Fair Trade coffee to advertise their purchase. An emphasis on quality must be integral to these approaches.”

172 For example, Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” *Management and Organizational History* 5, no. 2 (2010), 237-8 notes that, “Starbucks only buys a small percentage of its total coffee purchases under the fair trade label (5.6% in 2007)... It soon became clear though,
that Starbucks did not intend to substantially increase its participation in fair trade. Instead, in 2004 Starbucks launched its own self-monitored first-party label ‘C.A.F.E.’ (Coffee and Farmers Equity) practices, which currently certifies 65 per cent of Starbucks’ total coffee sales – a percentage that is projected to rise to 80 per cent by 2013. This label was ‘designed to help ensure that high-quality coffee is grown and processed in a socially and environmentally responsible manner’. Starbucks even started to outsource the monitoring of its own label, which is now conducted by Scientific Certification Systems (SCS) and currently employs 38 third-party certifiers. In assessing these developments one first has to take into account the high price Starbucks pays to its producers – currently more than the fair trade minimum price. It is however also important to take a close look at the supply chain, to dig into the reasons why Starbucks does not increase its fair trade sales and to analyze in how far these high prices are outweighed by the high costs of standard compliance and the high quality requirements. The C.A.F.E label is only a ‘code of conduct-lite’, focusing first and foremost on the intrinsic quality and the taste of the coffee and adding ecological and social standards as secondary. The high price Starbucks pays for its coffee can partly be explained by the fact that Starbucks only buys gourmet coffee with extremely high intrinsic qualities. Some of the important differences to the fair trade label are that the payment of higher premium prices increases with better performance instead of a guaranteeing a minimum price; the infrastructure of certification remains internal to Starbucks, making it impossible for producers to influence the standards; verifiers are not entirely autonomous, making it a ‘fully private’ space as opposed to the ‘semi-public’ space of fair trade certification, and rendering the self-proclamation of C.A.F.E. as ‘third party’ certification questionable; and there is less organizational and developmental support than in fair trade. A variety of reports show severe problems of Starbucks own label at the producer level that forced several cooperatives to break up their trading relations with Starbucks.”

“Goals & Progress: Coffee Purchasing,” Starbucks, accessed November 4, 2020, https://web.archive.org/web/20201125144354/https://www.starbucks.com/responsibility/global-report/ethical-sourcing/coffee-purchasing notes that, “[i]n 2011 34.3 million pounds (8.0 percent) of our coffee purchases were Fairtrade certified” and that, “86% of our coffee was ethically sourced under C.A.F.E. Practices in 2011.” However, their more recent reports do not mention Fair Trade at all. For example, “Global Social Impact Report,” Starbucks (2019), https://web.archive.org/web/20201217080755/https://stories.starbucks.com/uploads/2020/06/2019-Starbucks-Global-Social-Impact-Report.pdf notes that, “[f]or the fifth year in a row in FY19, more than 99% of our coffee was verified as ethically sourced under C.A.F.E. Practices,” while the only mention of Fair Trade is in a section on “99% ethically sourced tea” which notes that, “We continue to work toward our goal of 100% ethically sourced tea, making significant progress from 95% in FY18 to 99% in FY19 by sourcing tea from farms that have been certified through Rainforest Alliance, UTZ, or Fair Trade.”

“As Cadbury walks away from Fairtrade: what next for campaigners?” Trading Visions (2016), https://web.archive.org/web/20200920012716/https://www.tradingvisions.org/content/cadbury-walks-away-fairtrade-what-next-campaigners notes that, “[i]n mid-November, a joint press release declared a new ‘global partnership’ between Fairtrade and Cadbury, the brand owned by global snack company Mondelēz International. They announced that Cadbury Dairy Milk will no longer be Fairtrade certified. Instead, all Cadbury products will be brought under Mondelēz International’s in-house sustainability programme, ‘Cocoa Life’. The Fairtrade logo will be replaced with the Cocoa Life logo, and Fairtrade will become an implementing partner for Cocoa Life, with this partnership being indicated on the back of pack… The press release states that Cocoa Life will deliver ‘value per farmer at least equivalent to that previously delivered by Fairtrade premiums.’ This is good to hear. However, there are other elements of the Fairtrade model that seem to be missing from Cocoa Life. Two important ones are a strong farmer voice and robust verification.”


174 Geoff Moore, Jane Gibbon, and Richard Slack, “The Mainstreaming of Fair Trade: A Macromarketing Perspective,” Journal of Strategic Marketing 14, no. 4 (2006), 346, drawing on interviews with representatives from four UK supermarkets that sell Fair Trade products, note that, “traditionally, Fair Trade customers could be classified as from the AB socio-demographic groups, or from the ‘liberal middle-class’ with ‘slightly higher values’, there was general agreement that they were seeking to purchase better than average product quality with perhaps some understanding that smaller production runs and sourcing from the developed world justified the premium price. Beyond that, however, customers were perceived as buying a rather vague combination of characteristics: ‘something that makes a difference’; ‘a salve to conscience’; ‘a belief that they are saving the world’; ‘ease of conscience’; ‘doing good for others’; ‘better for someone down the line’ were some of the phrases that were used. Asked, for example, whether they thought customers knew what the social premium associated with Fair Trade products was used for, Sainsbury’s thought that they did not. In general, this set of responses seems to suggest that Fair Trade has not got its message across sufficiently and, despite the level of recognition of the Fairtrade Mark, the level of consumer understanding is thought to be limited.”
These issues are also discussed by Daniel Jaffee, Jack R. Kloppenburg Jr, and Mario B. Monroy, “Bringing the ‘Moral Charge’ Home: Fair Trade Within the North and Within the South,” Rural Sociology 69, no. 2 (2004), 169-96, Anil Hira

Sarah Lyon, “Evaluating Fair Trade Consumption: Politics, Defetishization and Producer Participation,” International Journal of Consumer Studies 30, no. 5 (2006), 459-60 interviewed members of a Fair Trade cooperative in Guatemala and note that, “while several interviewed co-operative members could articulately analyse the inequities they faced in global agricultural commodity markets, only three out of 53 surveyed members were familiar with the term fair trade.” Sarah Lyon, “Fair Trade Towns USA: Growing the Market Within a Diverse Economy,” Journal of Political Ecology 21, no. 1 (2014), 155 writes that, “[o]ur campaign in Lexington was initiated by Trudy, a fair trade importer and retailer who is an active community member. Trudy invited Robin, a local social justice activist, to one of our first meetings at a local fair trade coffee shop. About twenty minutes into our conversation Robin loudly interjected, ‘I just don’t get it. I don’t understand why we should be investing all of this energy in supporting small farmers in Latin America and Africa when the farmers here in our own backyard are struggling.’ In response I stammered, ‘Well no matter how hard they try local farmers aren’t going to be able to grow coffee.’ Later, I mentioned this experience to one of my research participants, a fair trade importer turned academic who spearheaded a FTT campaign in a small Vermont town. Karen explained how she had gone around to the local businesses to try and get them to sell fair trade products and they repeatedly told her they weren’t interested. The campaign only took off once she began promoting the message ‘Buy local and when you can’t buy local buy fair.’ Another example is provided.

Kathryn Wheeler, Fair Trade and the Citizen-Consumer: Shopping for Justice? (Basingstoke, UK: Palgrave Macmillan, 2012), 55-84 and April Linton, Fair Trade from the Ground Up: New Markets for Social Justice (University of Washington Press, 2012) 107 note several other examples of interaction with the buy local movement. For example, the proponents of Berkeley’s Fair Trade Town initiative have engaged with “the ‘Buy Local’ movement because it was quickly realised that Berkeley residents were very committed to this movement and they did not want to be seen as though they were in opposition to it.”

Alice Malpass, Paul Cloke, Clive Barnett, and Nick Clarke, “Fairtrade Urbanism? The Politics of Place Beyond Place in the Bristol Fairtrade City Campaign,” International Journal of Urban and Regional Research 31, no. 3 (2007), 641 note that, “the wider campaigns from Oxfam and Christian Aid to ‘make trade fair’ by removing protectionist legislation have provoked a distinct conflict of interest between local and global producers. In the event, most FTC [Fair Trade cities] campaigners have found it difficult to gain local momentum for their campaign without harnessing the support (and thereby avoiding the opposition) of local agricultural producers.”


Sushil Mohan, Fair Trade Without the Froth (London, UK: Institute of Economic Affairs Monographs, 2010), 62 notes that, “[p]rocedures such as the necessity to join or form an effective producer organisation in the case of coffee and cocoa producers mean that Fair Trade requires substantial initiative and basic capacities and capabilities, which exclude some producers from participating. For example, entering the Fair Trade coffee market, especially the Fair Trade organic market, presents major difficulties for producers with limited resources.”

These issues are also discussed by Daniel Jaffee, Jack R. Kloppenburg Jr, and Mario B. Monroy, “Bringing the ‘Moral Charge’ Home: Fair Trade Within the North and Within the South,” Rural Sociology 69, no. 2 (2004), 169-96, Anil Hira


181 Gavin Fridell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto, Canada: University of Toronto Press, 2007), 59-60. Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice* (Basingstoke, UK: Palgrave Macmillan, 2012), 51 quotes Katie Barrow, PR Manager at FTUSA, as saying that, “[w]e started just going after businesses and getting all these businesses involved, but we didn’t have the consumer push and in the UK it really started with the consumer push and then the businesses got involved. So we’re kind of behind with the consumer push and that’s why we’ve been focusing so much energy on the Fair Trade towns.” Wheeler suggests that this may have been “because of the tensions within the mainstreaming model” in the US.

182 The actual benefits that Fair Trade schemes provide to producers if the products are purchased is a substantial focus of the academic research on the movement. These findings rest substantially on factors specific to the Fair Trade movement itself and so may not be particularly relevant to other social movements. Hence, the author has not sought to thoroughly assess the empirical evidence on this topic.


184 Alex Nicholls and Charlotte Opal, *Fair Trade Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 6-7. Additionally, there are minimal numbers of middlemen between retailers and producers, a prohibition on child and slave labor, sustainable production, and democratic organization of farmers and workers.


188 Sushil Mohan, *Fair Trade Without the Froth* (London, UK: Institute of Economic Affairs Monographs, 2010), citing Valerie Nelson and Barry Pound, *The Last Ten Years: A Comprehensive Review of the Literature on the Impact of Fair Trade* (London, UK: Natural Resources Institute, 2009), summarize that, “Nelson and Pound examine 33 case studies undertaken by other academics – 26 of which were from Latin America and the Caribbean and just seven from Africa. Many of the case studies found some benefit in terms of an improvement in conditions for particular Fair Trade producers. In some cases, there are higher incomes, in others better credit availability, and so on. The hypothetical benefits we have discussed here do seem to be available in practice. There are also signs of ‘knock-on’ effects from increased buyer competition that benefit non-Fair Trade local producers.”

Douglas L. Murray, Laura T. Raynolds, and Peter L. Taylor, “The Future of Fair Trade Coffee: Dilemmas Facing Latin America’s Small-Scale Producers,” *Development in Practice* 16, no. 2 (2006), 179, found that, in Mexico, “a relatively small but increasing number of small-scale producers are surviving the coffee crisis, staying in their communities and even experiencing a degree of prosperity. Through access to Fair Trade markets, these farmers have been able to sell their coffee at prices more than double the street price paid by local coyotes (intermediaries), the traditional means of access to the coffee market for most small producers.” They explain that their research is based on “seven case studies of small-scale producer cooperatives participating in Fair Trade” in Latin America. On page 182, they add that, “[f]armers are understandably drawn to Fair Trade for the premium paid for certified coffee. The case of Majomut is indicative, with farmers producing on average 1500 lbs of Fair Trade coffee, for which they receive US$1700, compared to the street price paid by local coyotes of US$550. With coffee representing 80 per cent of Majomut members’ family incomes, the economic benefit of participating in Fair Trade is clear. Yet our research also found a range of other benefits at times less obvious, but in some ways more significant. (2) Fair Trade has provided increased economic and social stability to participants, and greater access to technical training. This in turn has led to improvements in the quality of small-producer coffee and higher productivity. Farmers’ families have also benefited, for instance through greater access to education for their children. Many indigenous farmers also saw Fair Trade as an important vehicle for cultural revival, most notably in the cases of the Tzotzilotic and La Selva cooperatives in the southern Mexico state of Chiapas, and the La Voz cooperative in the Guatemalan highlands. Fair Trade has also contributed to strengthening farmers’ organisations, which in turn has fostered access to other opportunities for cooperatives and their members. These
opportunities include direct marketing of their coffee and other commodities, and access to training in organic farming techniques and other methods to improve the quality of their coffee.”


Katharina Bissinger, “Price Fairness: Two-Stage Comparison of Conventional and Fairtrade Prices,” Journal of International Consumer Marketing 31, no. 2 (2019), 86-97 found that, “fairtrade producer prices are twice as high as the conventionally traded equivalent.” Arnab K. Basu, and Robert L. Hicks, “Label Performance and the Willingness to Pay for Fair Trade Coffee: A Cross-National Perspective,” International Journal of Consumer Studies 32, no. 5 (2008), 470-8, looking at consumer willingness to pay studies, found that, “[t]he peak premium occurs at approximately 75% (for US respondents) and 55% (for German respondents), beyond which it declines.” If we conservatively estimate that 25% of the total retail sales value reported by FLO represents a price increase over conventional products, this would suggest that consumers spent €2.45 billion more on Fair Trade products than they would have done if they had bought equivalent conventional products. €195 million in Fairtrade Premium payouts would represent only 8% of this price markup.

192 William MacAskill, Doing Good Better: Effective Altruism and a Radical New Way to Make a Difference (London, UK: Guardian Books, 2015), 165-6 summarizes that, “Dr. Peter Griffiths, an economic consultant for the World Bank, worked out that for one British café chain, less than 1% of the additional price of their Fairtrade coffee reached coffee exporters in poor countries. Finnish Professors Joni Valkila, Pertti Haaparanta and Niina Niemi found out that, of Fairtrade coffee sold in Finland, only 11% of the additional price reached the coffee-producing countries. Professor Bernard Kilian and colleagues from INCAE Business School found that, in the US, while Fairtrade coffee would sell for $5 per pound more than conventional coffee, coffee producers would receive only 40¢ per pound, or 8% of that increased price.”

The authors of one of the analyses cited by MacAskill, Joni Valkila, Pertti Haaparanta, and Niina Niemi, “Empowering coffee traders? The coffee value chain from Nicaraguan fair trade farmers to Finnish consumers,” Journal of Business Ethics 97, no. 2 (2010), 257-70 note that, “the benefits to Nicaraguan farmers and hired coffee laborers were not substantial” in the period studied “because coffee market prices have been close to the Fair Trade minimum price,” but that Fair Trade has provided meaningful benefits in the past and may do so again, depending on price fluctuations.

Geoff Moore, “The Fair Trade Movement: Parameters, Issues and Future Research,” Journal of Business Ethics 53, no. 1-2 (2004), 78 summarizes that, Mary Ann Littrell and Marsha Ann Dickson, Social Responsibility in the Global Market: Fair Trade of Cultural Products (Thousand Oaks, CA: Sage Publications, 1999), 177 “cite evidence that the financial return to artisan producers averages 40% of the retail price as compared to 10% from mainstream retailers, although Traidcraft’s 2002 accounts, for example, show an equivalent figure of 23%. [Laura T. Raynolds, “Consumer/Producer Links in Fair Trade Coffee Networks,” Sociologia Ruralis 42, no. 4 (2002), 404-24, 416-7] gives details of the minimum coffee prices (for example, US$1.26 per pound for arabica coffee which includes a US$0.05 social premium - about twice the world price) and comments that, ‘Fair Trade prices thus follow market trends, but they are consistently higher and fairer.’”

Sushil Mohan, Fair Trade Without the Froth (London, UK: Institute of Economic Affairs Monographs, 2010), 53 notes that, “[e]ven analysts who are sympathetic to Fair Trade (such as Nicholls and Opal, 2005) estimate that, at the most, only 25 per cent of the additional price a shopper pays for Fair Trade bananas would go to the producers, largely because wholesalers (including producer organisations), traders (importers) and retailers all increase their mark-ups. According to Nicholls and Opal, the mark-ups are mainly to cover the Fair Trade certification fees that wholesalers and traders pay to the Fair Trade organisations and to offset the costs incurred in organising the additional supply chains and marketing channels for Fair Trade products.”

Bob Doherty, Iain A. Davies, and Sophi Tranchell, “Where Now for Fair Trade?” Business History 55, no. 2 (2013), 181 argue that the effects of Fair Trade on producers is not well researched or understood.

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For example, Sushil Mohan, *Fair Trade Without the Froth* (London, UK: Institute of Economic Affairs Monographs, 2010), citing P. Collier, *The Bottom Billion: Why The Poorest Countries are Failing and What Can Be Done About It* (Oxford, UK: Oxford University Press, 2007) notes that, “the improved trading conditions that arise as a result of Fair Trade might keep farmers working in an industry that should be allowed to decline. Again, this is a theoretical possibility, the practical implications of which are likely to be greater the more successful Fair Trade is. There is no real evidence, however, that development is impeded by Fair Trade in this way.” Pages 107-13 discuss in more detail “Fair Trade and general economic development” and “Agricultural trade liberalisation.”

Sarah Lyon, Josefina Aranda Bezaury, and Tad Mutersbaugh, “Gender Equity in Fairtrade–Organic Coffee Producer Organizations: Cases from Mesoamerica,” *Geoforum* 41, no. 1 (2010), 93-103 summarize that, “[d]ata from Mesoamerican studies shows that the proportion of women registered as ‘farm operators’ in fairtrade–organic coffee producer unions has increased significantly. However, this increase is uneven across Mesoamerican communities and… the burden of complying with norms together with stagnant real prices excludes some women who might otherwise benefit from expanded participation.”

Andy Redfern and Paul Snedker, *Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement* (Geneva, Switzerland: International Labour Office, 2002), 39 notes that, “Oxfam Fair Trade’s (OFT) impact assessment looked at a number of case studies of how Fair Trade and gender impacted on each other. From a negative perspective the OFT study showed that in many producer groups traditional gender roles were unaffected. Women were as excluded from decision-making at work as they were at home, and their contribution to the family’s livelihood was undervalued. Women’s domestic responsibilities were not adjusted to compensate for their increased workloads. More positively, in producer groups like SHARE in Southern India, the combination of increased business and support from local NGOs have had a synergistic effect. SHARE, run by women for women, organizes palm leaf basket makers into village credit and savings groups. The project’s impact included an increase in self-confidence, economic independence, better access to health, and participation in decision-making in the family, community, and local council.”

Less optimistically, Sally Smith, “Assessing the Gender Impacts of Fairtrade,” *Social Enterprise Journal* 9, no. 1 (2013), 102-22 concludes that, “[t]he available evidence suggests that Fairtrade has mixed impacts for women - in some situations and contexts it supports women to improve their income, wellbeing and status, strengthening their position within the household and organisations, while in others it exacerbates pre-existing gender inequalities. Impacts also differ according to factors such as age, marital status, education and wealth.”


Sandy Brown, “One Hundred Years of Labor Control: Violence, Militancy, and the Fairtrade Banana Commodity Chain in Colombia,” *Environment and Planning A* 45, no. 11 (2013), 2572-91 summarizes that, “Fairtrade’s role in reframing Urabá [in Colombia] as a site of ethical banana production has been contingent upon multiple forms of marginalization and devaluation, expressed in their most extreme form through an armed conflict that swept the region during the last two decades of the 20th century. Fieldwork conducted with banana workers and growers in Urabá suggests that Fairtrade programs resonate with the local industry’s longer term strategy to promote voluntarism as the appropriate mechanism for alleviating poverty and inequality. In addition, by creating disparities in the material resources and structures of negotiation available to banana workers, Fairtrade has produced new unevengeographies within the regional banana production complex. These developments are particularly problematic given their potential to
undermine labor solidarity in the face of an erosion of labor standards in the global banana economy and the reassertion of elite control in the region.”

Catherine S. Dolan, “Virtual Moralities: The Mainstreaming of Fairtrade in Kenyan Tea Fields,” Geoforum 41, no. 1 (2010), 33-43 summarizes that, “[d]rawing on a qualitative research project of Kenyan Fairtrade tea, this paper… argues firstly that whilst tea producers have experienced tangible benefits from Fairtrade’s social premium, these development ‘gifts’ have been conferred through processes marked less by collaboration and consent than by patronage and exclusion.”

However, Raluca Dragusanu, Daniele Giovannucci, and Nathan Nunn, “The Economics of Fair Trade,” Journal of Economic Perspectives 28, no. 3 (2014), 233 summarize that, “Dragusanu and Nunn’s (2014) empirical study of Fair Trade coffee producers in Costa Rica is one of the few studies that directly estimates potential spillovers from Fair Trade certification. In their panel analysis, they estimate the effects of more Fair Trade certification on other households living in the same area. They find that incomes of households (that are not coffee producers) increase as the extent of Fair Trade certification increases in a district. Although not conclusive, this finding provides preliminary evidence that spillovers may exist and may be positive.”

Taking an international perspective, Sushil Mohan, Fair Trade Without the Froth (London, UK: Institute of Economic Affairs Monographs, 2010), 62 notes that, “Fair Trade, by raising the attractiveness of primary product production in the relatively rich countries on which it focuses, raises world supply and thus makes life more difficult for farmers in poorer countries (or for those who do not have the capacity or appropriate business model to become Fair Trade). It is difficult to deny that this is a theoretical problem. Problems of this sort created by Fair Trade, however, are unlikely to be substantial as long as Fair Trade remains a relatively small player in the market as a whole. Paradoxically, insofar as Fair Trade is successful in its mission, it might help undermine the position of the very poorest farmers. There is no evidence to suggest that this is a problem thus far.”

Christopher Cramer, Deborah Johnston, Carlos Oya, and John Sender, “Fairtrade, Employment and Poverty Reduction in Ethiopia and Uganda,” (April 2014), https://web.archive.org/web/20170808174759/http://eprints.soas.ac.uk/20156/1/FTEPR%20Final%20Report%20May%202014%20FINAL.pdf, 120-1 note that the “Fairtrade, Employment and Poverty Reduction in Ethiopia and Uganda research team” (FTEPR) “focused in particular on the role of Fair Trade certification in influencing pay, amount of work, and working conditions. As a simple version of one of the research questions put it: is a poor rural person dependent on access to wage employment for their (and their family’s) survival better served by employment opportunities on certified farms or on non-certified farms? The research findings show unambiguously that Fairtrade has made no positive difference – relative to other forms of employment in the production of the same crops – to wage workers. Systematically, wage workers in the FTEPR sample in research sites characterised by the presence of Fairtrade certified producer organizations earned less than equivalent workers in research sites without Fairtrade production. A relatively high proportion of wage workers employed in the production of commodities sold to and through Fairtrade certified channels earned less than 60 per cent of the median wage for equivalent work. And in most cases average wages were significantly lower for the workers interviewed who were in the Fairtrade samples… The reasons for Fairtrade’s failure to make a clear positive difference to wages and conditions, or to the amount of work offered, are fairly clear. They have to do – especially in the production of ‘smallholder’ commodities – with what this research suggests has been in the past a wilful denial of the significance of wage labour and an obsessive concentration on producers/employers and their organisations.”

Three of the four case studies summarized by Raluca Dragusanu, Daniele Giovannucci, and Nathan Nunn, “The Economics of Fair Trade,” Journal of Economic Perspectives 28, no. 3 (2014), 232 also find no or little evidence of benefits being passed onto hired laborers.

Similarly, Valerie Nelson and Barry Pound, The Last Ten Years: A Comprehensive Review of the Literature on the Impact of Fair Trade (London, UK: Natural Resources Institute, 2009) concluded that, “[t]his extensive review of the literature finds strong evidence that Fairtrade provides a favourable economic opportunity for smallholder farming families who are able to form producer organizations and provide products of the right specifications for the market… Unfortunately, there is limited evidence of the impact on workers of participation in Fairtrade, and more research is required to shed light on the changes occurring on plantations as a result of engagement with Fairtrade.”

See, for example, the paragraph beginning “In several instances in the 1990s and 2000s…” in the section “A Condensed Chronological History of the Fair Trade Movement.” Gavin Fridell, “The Fair Trade Network in Historical Perspective,” Canadian Journal of Development Studies 25, no. 3 (2004), 426 notes that the World Bank has met with Fair
Trade representatives, made supportive public statements, and serves fair trade coffee at its head office in Washington, D.C.

204 Gavin Fridell, “The Fair Trade Network in Historical Perspective,” Canadian Journal of Development Studies 25, no. 3 (2004), 425-6 summarizes this argument, which is advanced over the course of the article.

205 Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 26 note that, “[f]or example, whilst European Union trade tariffs on cocoa beans are set at zero, they are still 9.6 per cent in the case of cocoa butter or paste, and it is the latter that delivers the majority of the margin on the original commodity itself. Cocoa producers are thus penalized when they attempt to gain access to the main return from their crop.” On page 244, they summarize that, “[i]n contrast to the considerable achievement in raising consumer awareness of the issues, Fair Trade has had only limited success in changing government policy” and discuss their recommendations for the movement’s future lobbying efforts.

206 William Low and Eileen Davenport, “To Boldly Go... Exploring Ethical Spaces to Re-Politicise Ethical Consumption and Fair Trade,” Journal of Consumer Behaviour: An International Research Review 6, no. 5 (2007), 344 summarize that, “Mastny (2003: 12) estimates that in ‘industrial countries, public purchasing accounts for as much as 25 per cent of GDP’ with all levels of government in the USA spending roughly U$750 million annually on goods and services, excluding military spending. Seyfang (2004: 8) highlights the importance of ethical purchasing policy (EPP) strategies when referring to Lodziak who says ‘institutional consumption which includes...public procurement...accounts for half of all consumption throughout Western Europe, and most investment products are outside the hands of individual domestic consumers’. New Economics Foundation reports that the UK public sector spends £125 billion annually on goods and services, and its National Health Service has long been Europe’s largest single employer.”

207 See the paragraph beginning “In several instances in the 1990s and 2000s...” in the section “A Condensed Chronological History of the Fair Trade Movement.”


210 “Memorandum submitted by the Department for International Development (DFID),” Select Committee on International Development, June 14, 2007, https://web.archive.org/web/20201217082836/https://publications.parliament.uk/pa/cm200607/cmselect/cmintdev/356/356we02.htm notes that, “DFID believes that creating a fairer international trading system that improves market access and helps make globalised markets work better for the poor is the best way for trade to contribute to poverty reduction.” It also noted that, “[w]e are already involved in discussions with industry and fair and ethical trade agencies on how to learn from their trade experience and better incorporate these principles in mainstream supply chains.”


217 See, for example, footnote 172 and the paragraph beginning “In 2004, Cafédirect launched...” in “A Condensed Chronological History of the Fair Trade Movement.”

Fair Trade: Market-Driven Ethical Consumption | London, UK: Sage, 2005, 57. They add that, “43 per cent [agreed] that they made little or no contribution to alleviating poverty. Similarly, 43 per cent also felt that ‘working for a fairer world trading system’ was one of the three key paths to reducing poverty in developing countries. Finally, 46 per cent of the sample agreed that buying Fair Trade goods was a way to reduce developing world poverty (this option came second only to charitable donations at 63 per cent).”

222 “British Consumer Attitudes Survey,” Department for International Development (2002), cited in Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 57. They add that, “43 per cent [agreed] that they made little or no contribution to alleviating poverty. Similarly, 43 per cent also felt that ‘working for a fairer world trading system’ was one of the three key paths to reducing poverty in developing countries. Finally, 46 per cent of the sample agreed that buying Fair Trade goods was a way to reduce developing world poverty (this option came second only to charitable donations at 63 per cent).”


Indeed, the total spending could well be less than $100 million. See also the “Advocacy” section below, which notes the lower spending on organizations pursuing tactics not directly focused on mainstream commercial activity.


See, for example, Anne Tallontire, “Partnerships in Fair Trade: Reflections from a Case Study of Cafédirect,” *Development in Practice* 10, no. 2 (2000), 166-77.

See, for example, footnote 65.

See, for example, Christopher M. Bacon, “Who Decides What is Fair in Fair Trade? The Agri-Environmental Governance of Standards, Access, and Price,” *The Journal of Peasant Studies* 37, no. 1 (2010), 137-9. On page 142, Bacon summarises that, “small-scale farmers’ organisations are underrepresented on the FLO Board. Furthermore, there are no seats designated for alternative trade organisations, consumer interest groups, or other stakeholders such as labour unions and development-oriented civil society. The formal system also lacks a platform for the voices of the growing social justice and sustainable food activists within Fair Trade. Although this movement and marketplace were built upon the innovative actions of Mesoamerican smallholders and solidarity motivated alternative traders and then expanded through partnerships with progressive small-scale specialty coffee roasters, there is very little investment in thickening Fair Trade’s Southern civil society and promoting further innovations.” Laura T. Raynolds, “Fairtrade Labour Certification: The Contested Incorporation of Plantations and Workers,” *Third World Quarterly* 38, no. 7 (2017), 1473-92 also discusses this issue.

See, for example, Elizabeth A. Bennett, “Governance, Legitimacy, and Stakeholder Balance: Lessons from Fairtrade International,” *Social Enterprise Journal* (2016), 322-46, which explores “why Fairtrade International (FI), an organization committed to empowering the producers of Fairtrade certified products, at times (paradoxically), excluded them from its highest bodies of governance.”

Jacqueline DeCarlo, *Fair Trade: A Beginner's Guide* (Oxford, UK: Oneworld Publications, 2007) notes that, where the products of Fundacion Solidaridad are sold, “[e]ach product uses a hashtag to give information about the product and the craftsman who created it. This short story informs and inspires consumers and connects them to the life of the artisan. Time and time again the stories behind the products serve to build and sustain Fair Trade’s popularity.” No empirical evidence is provided for the effects of these narratives.

Geoff Moore, “The Fair Trade Movement: Parameters, Issues and Future Research,” *Journal of Business Ethics* 53, no. 1-2 (2004), 76 notes that there is a “challenge to international or, more pertinently, ‘free’ trade that is inherent both in the name (‘Fair Trade’) and in the definition and goals of Fair Trade. The two visions of Fair Trade (a working model and the challenge to orthodoxy) inevitably create an element of tension, with Fair Trade operating simultaneously ‘inside and outside’ or ‘in and against’ the market. This tension is felt not only within the Fair Trade movement but more particularly outside it. Comparisons between fair and free trade are evident in the economics literature, where Fair Trade is sometimes characterized as being a ‘third way’ between free trade on the one hand and protectionism on the other.”

Daniel Jaffee and Philip H. Howard, “Corporate Cooptation of Organic and Fair Trade Standards,” *Agriculture and Human Values* 27, no. 4 (2010), 387-99 argue that, “for both organics and fair trade, the market (rather than the state) is the primary target of the initiative: they seek to harness market forces to change the ecologically and socially destructive tendencies of the dominant or mainstream capitalist markets in agriculture.”


See, for example, the bullet point beginning “The alternative, lower quality…” above and the subsequent bullet point. Contrast this to the farmed animal movement; although “animal welfare” can be relatively good or bad, the movement can designate animal-free foods as clearly separate and preferable to animal products.

Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 93 quotes Alfred, a Fair Trade activist in the UK: “They [his family] wouldn’t necessarily buy the fair-trade products perhaps with the same enthusiasm as I do, but they are certainly aware of it and they do buy fair-trade. ... Most friends, not all friends, but most friends will be in tune with the same ethical sort of places that we’re coming from, I think that’s probably fair to say.” Wheeler then comments that, “Being a fair-trade supporter is recognised as consisting of a bundle of ‘doing and sayings’ that some individuals are more ‘in tune with’ than others.”


Iain A. Davies and Andrew Crane, “Ethical Decision Making in Fair Trade Companies,” *Journal of Business Ethics* 45, no. 1-2 (2003), 86-7 note that, in one instance, an employee at the Chocolate Day Company said, “[i]f we can get some fair trade message on the Big Breakfast [a zany, somewhat irreverent TV show], then I am going to get fair trade on the
Big Breakfast.” The authors note that, “the potential consequence of going on the show was to offend and possibly undermine some of the core protagonists of fair trade. However, the benefit of gaining awareness of fair trade issues was felt so keenly that, although they were recognised, other considerations paled in comparison. However, again we see this position being contradicted in other decisions. For example, the company had dismissed the possibility of advertising in certain men’s magazines (such as FHM and Loaded), based on the premise that the sexually orientated and, in some people’s view, sexually exploitative content of the magazines could offend some of the core protagonists of fair trade. The issue of whether it was OK to potentially ‘offend’ those in the movement by associating with certain products and brands was raised in the same way in each case, but with different consequences. Clearly the intensity of ‘sexual exploitation of women’ was rated much higher than the intensity of ‘irreverence.’”

See also Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 159-61. Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2015), 139-40 uses the example of the 1973 investigative broadcast called “Cost of a Cup of Tea” to argue that the media has sometimes autonomously driven consumer awareness of Fair Trade issues.

April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 231 note that, “[w]hile Fair Trade campaigns in the United States remain centered on college campuses and more traditional activist strategies including rallies, seminars, public information bulletins, and participation in various social and cultural events, Europeans have employed newer techniques aimed at grafting alternative trade into everyday activities and interests of more mainstream consumers.” Several examples are provided. They also note that, “Max Havelaar Denmark was in the mainstream media almost ten times a week throughout its first year.”

William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” Sustainable Development 13, no. 3 (2005), 151 note that, “the Fair Trade Town/City concept… lobbies local businesses and organizations to sign a pledge to use fair trade items and local retailers to sell fair trade products. There are currently 77 fair trade towns and cities and 175 applications for fair trade zones in the UK, and a new programme that has created 10 fair trade university campuses.”

April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 232 summarize that, “[s]imilar to strategies used to initiate consumer demand for Fair Trade coffee, business campaigns began by targeting companies with a predisposition towards socially responsible goods. In Europe, these included large roasters such as Neuteboom and La Semeuse. In the United States, roasters such as Green Mountain Coffee, specialty stores emphasizing ‘natural’ and environmentally friendly products, and independent coffee shops were among the first to start purchasing Fair Trade certified coffee. Many of these companies have made considerable efforts getting both their name and the Fair Trade label out into the mainstream market. Very soon, other roasters and grocery store chains signed on to the Fair Trade concept. In 2000, TransFair USA entered into contract with Starbucks, the world’s largest coffee chain. Shortly thereafter, Peet’s, Seattle’s Best Coffee and Tully’s added Fair Trade-certified coffee to their product lines.” Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” Politics and Society 31, no. 3 (2003), 424 describe the campaign against Starbucks, providing some evidence that the company was already interested in Fair Trade practices before the campaign was escalated.

Daniel Jaffee, “Weak Coffee: Certification and Co-Optation in the Fair Trade Movement,” Social Problems 59, no. 1 (2012), 111-2 notes that, “[s]ome observers have characterized certification (and certification-like approaches such as independent labor monitoring) as a force for greater corporate accountability because it offers firms a more palatable alternative to tactics such as boycotts or ‘naming and shaming’ approaches. However, fair trade groups have only employed such confrontational tactics in a very few instances, notably the Starbucks case, and this approach has largely been abandoned in favor of negotiation between certifiers and corporations, leaving SMOs largely on the sidelines.”

Gavin Fridell, “The Fair Trade Network in Historical Perspective,” Canadian Journal of Development Studies 25, no. 3 (2004), 423 notes that, “[t]he primary strategy employed by activists has been ‘boycotting’ campaigns. Rather than boycott corporations to force them to adopt fair trade standards, activists have sought to create a demand for fair trade products among consumers and then demonstrate to corporations that this demand exists and can be capitalized on. Perhaps the most notable boycotting campaign has been the one headed by Global Exchange, a San Francisco-based human rights NGO, which compelled Starbucks Coffee, the world’s largest specialty coffee roaster, to agree to sell fair trade coffee in its 2,300 stores across the United States in April 2000. After a series of protests and letter-writing campaigns, Starbucks agreed to sell fair trade coffee just three days before Global Exchange had planned to initiate a nationwide protest.”

The author’s impression is that Global Exchange is one of the most confrontational activist Fair Trade groups, having applied pressure to Starbucks (as noted above by Fridell), city councils (Margaret Levi and April Linton, “Fair Trade: A
Cup at a Time?” Politics and Society 31, no. 3 (2003), 423-4) and campuses (see footnote 257) and using provocative rhetoric. For example, April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 239 notes that, “[i]n the beginning, Fair Traders alienated some specialty coffee roasters by treating them as adversaries instead of customers. Many specialty coffee roasters and retailers felt ‘insulted’ by activists’ criticism of their business practices, e.g., Global Exchange director Deborah James referring to all non-Fair Trade specialty coffee as ‘gourmet sweatshop coffee.’”

As an example of non-confrontational activism, April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 223-46 quotes a speech by “Nico Roozen, the founder of the ‘Max Havelaar’ coffee fair trade label” to the 2004 Atlanta Specialty Coffee Association of America conference: “The companies that are taking on the challenge of CSR are not charities ... [they are] companies that act within a competitive environment and who do not necessarily position themselves as ‘idealistic’ brands. The companies we are working with are pioneers in their branch in translating CSR-policies into concrete activities ... a code of conduct for the coffee bean must really make a difference for coffee producers. CSR is of no use when it only brings us a different story about reality... The market lacks a social framework that can give expression to the social and environmental costs of production. Exactly this social and environmental shortage makes CSR necessary. The market will not offer a sustainable product just by itself... A CSR concept defining better trading conditions does not interfere within the market. It merely adds a new social framework to the market, allowing prices to tell the truth about social and environmental costs.”

257 Gavin Fridell, “The Fair Trade Network in Historical Perspective,” Canadian Journal of Development Studies 25, no. 3 (2004), 424 notes that, “[i]n North America, the support of public institutions for fair trade has been relatively insignificant, and procurement policies have only recently become a focus for fair trade activists. Much of their energy has been directed at university campuses, where student groups have organized information tables, teach-ins, fair trade coffee tastings, petitions, and letter-writing campaigns to gain the support of campus food services. In the United States, these campaigns have yet to result in a university or college adopting an official fair trade purchasing policy. Yet, there are hopes that the recent success of campus ‘no-sweat’ campaigns, which have compelled more than 100 colleges and universities to adopt anti-sweatshop codes of conduct for trademark licensees, can be extended to include fair trade purchasing policies in the near future. In Canada, in 2002 McMaster University in Hamilton, Ontario became the first university in North America to adopt a no-sweat code of conduct and a fair trade purchasing policy that forces all retailers on campus to offer the choice of fair trade coffee. This was followed by the adoption of a similar fair trade code at Trent University in Peterborough, Ontario in early 2004 and activists now hope to compel other universities to follow suit.” Gavin Fridell, Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice (Toronto, Canada: University of Toronto Press, 2007), 75 updated their assessment, noting that, “In the United States, these campaigns have yet to result in a university or college adopting an official fair trade purchasing policy, although student activists have succeed in convincing various vendors to offer some fair trade products at over 300 campuses, including Georgetown, Yale, Harvard, New York University, and UCLA.”

April Linton, Fair Trade from the Ground Up: New Markets for Social Justice (University of Washington Press, 2012), 120 notes that, “[i]n Spring 2010, my workplace, the University of California at San Diego (USCD), became the second Fair Trade University in the United States. All coffee and tea, most sugar, and some of the rice and quinoa served in our university-managed facilities is Fair Trade Certified.” Several further details on the arrangement are listed and Linton describes this on pages 120-1 as a “successful, student-initiated campaign.” The rest of the chapter provides more detail on the campaign and briefly describes some other student activism. For example, Linton notes on page 121 that “United Students for Fair Trade (USFT) has been helping UK and US students [ask for Fair Trade products in campus food-service establishments] since 1995.”

Relatedly, William Low noted via email (received March 15, 2021) that, “Darryl Reed at York University in Canada has been behind an interesting initiative there where students have been working to incorporate fair trade cotton into products sold by Canadian universities.”

258 “1998-2018: Celebrating 20 Years,” Fair Trade USA, accessed August 11, 2020, https://web.archive.org/web/20200811153228/https://www.fairtradecertified.org/sites/default/files/filemanager/documents/Annual%20Reports/DEV_AnnualReport18_200108.pdf notes that, “[f]or us, Fair Trade is not just a market—it is also a social movement that brings strength, hope, and agency to the world’s consumers. Fair Trade advocates and ambassadors are building a powerful grassroots movement, awakening U.S. consumers to our purchasing power. We provide tools, resources, and leadership support for these advocates to launch and grow campaigns in their towns, universities, schools, and congregations across the United States. These campaigns go...”
by simply raising awareness. They create direct impact by converting the food and beverages served in these institutions to Fair Trade Certified™ products. In 2018, we had over 350 active grassroots campaigns around the country.”

259 Gavin Fridell, “The Fair Trade Network in Historical Perspective,” *Canadian Journal of Development Studies* 25, no. 3 (2004), 418 notes that, “most fair traders now focus on NGOs as the primary agents of development. The state is viewed as having the potential to provide benefits to fair traders through the provision of such things as basic social welfare, protection for weak sectors of the domestic economy, and labour and environmental legislation, but its role is generally viewed as subsidiary, not central, to the fair trade network. An important exception to this is Oxfam International, which continues to lobby for such things as international commodity agreements and state-enforced social and environmental standards while at the same time promoting the fair trade network’s non-statist project.”

Further detail on Oxfam’s lobbying efforts are provided by Susan Ariel Aaronson and Jamie M. Zimmerman, “Fair Trade? How Oxfam Presented a Systemic Approach to Poverty, Development, Human Rights, and Trade,” *Human Rights Quarterly* (2006), 998-1030. For example, on page 1015, they summarize that, “[i]n 2002, the NGO published Rigged Rules and Double Standards, an analysis of the impact of trade rules upon the poor. The report, written mainly by Kevin Watkins (now at UN Development Programme), noted that developing country policymakers have constantly argued that their countries need trade because supposedly open markets will stimulate growth. Nonetheless, Oxfam concluded that the fifty-seven years of trade liberalization under the GATT/WTO had not fully opened markets to the agricultural products and manufactured goods developing countries need to export if they are to grow. It concluded that the trade system was full of double standards, which made it look like the system was rigged against the interest of developing countries. The report not only documented these ‘double standards,’ but also made suggestions for how they could be remedied.”

Andy Redfern and Paul Snedker, *Creating Market Opportunities for Small Enterprises: Experiences of the Fair Trade Movement* (Geneva, Switzerland: International Labour Office, 2002), 35 note that, “[a] logical focus for ATO lobbying is the range of tariff and non-tariff barriers that impact on market access for developing countries. In this, the Fair Trade movement campaigns alongside NGOs, arguing against the EU market protectionism inherent in such agreements as the Common Agricultural Policy, or disputing the true developmental value of initiatives such as the Everything But Arms agreement.”

On page 36, they note that there has also been some lobbying of the World Trade Organization.

Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” *Management and Organizational History* 5, no. 2 (2010), 235 notes that, “[w]hen those institutions that currently determine the political rules of international trade meet – mainly the World Trade Organization and its sisters World Bank and International Monetary Fund – there are powerful attempts by NGOs and social movements, including fair trade organizations, to protest and lobby for market rules that are fair to the most disadvantaged producers.” In a footnote, Schmelzer adds that, “[a]t the WTO meeting in Hong Kong in 2005, for example, the informal network of Fair Trade organizations FINE organized a ‘Fair Trade Fair’ displaying fair trade products, organized a symposium with fair trade producers and published position papers in which, acting as the advocate of small scale producers around the world, FINE demanded the end of subsidies and tariff escalation mechanisms, argued against deregulation and liberalization and promoted the expansion of fair trade principles of regulating and managing the global supply chain.”

260 Gavin Fridell, “The Fair Trade Network in Historical Perspective,” *Canadian Journal of Development Studies* 25, no. 3 (2004), 425 notes that, “Southern governments and NGOs have grown increasingly resistant to the demands of Northern governments and international financial institutions. One of the most important examples of this has been the emergence of a coalition of developing countries, the G20, headed by India, Brazil, China, and South Africa, which derailed the 5th ministerial meetings of the WTO in Cancun, Mexico in September 2003. The G20 has demanded the elimination of Northern protectionist barriers to Southern commodities and an end to Northern agricultural export subsidies.”

After discussing some of Fridell’s work, Matthew Anderson, *A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance* (Basingstoke, UK: Palgrave Macmillan, 2015), 12 comments that, “there has been a tendency to conflate the ’fair trade movement’ with the programmes of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP), and in so doing present an assessment that overstates the extent of Fair Trade’s statist orientation.”

261 William Low and Eileen Davenport, “Mainstreaming Fair Trade: Adoption, Assimilation, Appropriation,” *Journal of Strategic Marketing* 14, no. 4 (2006), 316. This appears to be Low and Davenport’s interest; the rest of the article explores the extent to which the movement had succeeded at this mission by 2006.
Gavin Fridell, *Fair Trade Coffee: The Prospects and Pitfalls of Market-Driven Social Justice* (Toronto, Canada: University of Toronto Press, 2007) explores whether Fair Trade can “sufficiently challenge the imperatives of capitalism – competition, accumulation, profit maximization – with its market-based strategy without radically challenging the social relations of production that underlie these imperatives” or “challenge the ‘fetishism of commodities’ and bring producers and consumers together, without a transformation of capitalist social relations of production which lie at the heart of commodification.” On page 19, Fridell summarizes that the contemporary Fair Trade movement has “three broad groups: the shaped advantage perspective, which depicts fair trade as assisting poor producers in participating in neoliberal globalization; the alternative globalization perspective, which views fair trade as an alternative model to the neoliberal paradigm; and the decommodification perspective, which depicts fair trade as a challenge to the commodification of goods under capitalism. I argue that while the latter two groups effectively express the broad vision of most fair traders, the shaped advantage group more accurately captures the actual impact of the network in its current neoliberal orientation.”

On page 116, they explain that they assessed items for “whether they appealed to the idea that consumers themselves would feel good (or, alternatively, avoid feeling badly) by buying fair trade, whether they appealed to the consumers’ sense of ‘fairness’ (without challenging or attempting to reconstruct what fairness means) in exchange, or whether they engaged in attempted decommodification by giving an account of how production takes place, under what conditions, under what social relations, and/or with what consequences for workers and for nature. Two other categories that emerged from the data were added to capture comments that were either overtly neoliberal or anti-capitalist.” Examples are provided in Table 4.1 on page 117.

On pages 120-1, they summarize their findings: “One conclusion is that a unified, transnational, transorganizational framing strategy—one that is clearly emerging as the message of the movement—had yet to materialize by 2007… However, there are some patterns that emerge from this sample. Of comments over the ten-year period, categorized according to the major movement frames, the dominant category was ‘fair exchange’ (41 percent), followed quite closely by ‘decommodification’ (34 percent). ‘Fair exchange’ has been dominant since 2001, when it surpassed ‘decommodification.’ Warm glow finished a distant third, comprising just over 12 percent of commentators’ framing of fair trade… Neoliberal framing of fair trade over the ten-year sample made up just over 10 percent of the total effort, peaking at 18 percent in 1998, and hitting a low of just over 6 percent in 2006. On the other end of the spectrum, fair traders do not very frequently frame the movement in anti-capitalist terms. Anti-capitalist framing accounts for only 1 percent of total effort over the ten years.” Given their discussion of relevant theory on framing and previous empirical work, they express surprise at the low use of “warm glow” and “neoliberal” frames and the high use of “decommodification” frames.

They add that, “[f]iltered sources were most likely to characterize fair trade using the ‘fair exchange’ frame, as were labelers. ATOs were equally likely to use the ‘fair exchange’ (20.7 percent) and ‘decommodification’ frames. Critics and industry reps were most likely to talk about fair trade using the ‘neoliberal’ and ‘warm-glow’ frames, in predictably disparaging terms.” On page 124, they remark that, “[o]ur analysis, given that it draws on mainstream media, rather than on independent or ‘alternative’ media, likely underestimates the extent of radical framing, since the reporters and editorial staff working for the latter are themselves likely to have a more radical outlook.”


For example, the North American Fair Trade Stakeholder Council, formed in response to Fair Trade USA’s secession from FLO in 2011 (see Laura T. Raynolds, “Fair Trade: Social Regulation in Global Food Markets,” *Journal of Rural Studies* 28, no. 3 (2012), 276-87), seems not to have developed a sustained presence. A Google search for “North American Fair Trade Stakeholder Council,” conducted on July 22, 2020, reveals no website or evidence of an ongoing organization. One of the ten results is an individual’s curriculum vitae, noting that they were involved in the North American Fair Trade Stakeholder Council in the years 2011-2013, which may be the entirety of its existence.
The group held a summit in 2012, with 50 attendees; one write-up of the summit describes many of these stakeholders as having “never met, communicated, or even known much about each other’s organizations.” “N. America Fair Trade Stakeholder Council summit makes progress on key issues - action plan to come by June,” Fair Trade Resource Network, (May 7, 2012), https://web.archive.org/web/20200722075949/http://www.fairtraderesource.org/2012/05/07/n-america-fair-trade-stakeholder-council-summit-makes-progress-on-key-issues-action-plan-to-come-by-june/. The write-up also notes that, “[m]embers identified a little common ground, but mostly discussed key issues and how the movement might resolve them. A working group was formed to propose by June next steps for dialogue and action.”

The Fair Trade Resource Network (the organization whose site hosted the write-up discussed above) itself collapsed in 2019 due to a lack of funding, noting that the “relatively small movement has become quite fragmented in recent years, making it very difficult to sustain an inclusive, umbrella Fair Trade education & advocacy organization” (“FTRN Closed as of May 2019,” Fair Trade Resource Network, accessed July 22, 2020, https://web.archive.org/save/http://www.fairtraderesource.org/).

Fair Trade Towns International USA seems to have had insufficient funding to maintain a single staff member (“International Coordination of Fair Trade Towns Report - 2016,” Fair Trade Towns International, accessed August 12, 2020, https://web.archive.org/web/20200812073715/http://www.fairtradtowns.org/media/com_form2content/documents/c1/a286/d2/Int.%20Coordination%20Report%202016.pdf). The report notes that, “[u]ntil now the International Fair Trade Towns Ambassador role was undertaken by Bruce Crowther, the founder of FTTs and hosted by The FIG Tree International Fair Trade Centre. Due to continued problems accessing funding (see Budget) the Ambassador and author of this annual report will cease to continue in this capacity from this point onward.” The total “income forecast” for 2016 is only £16,815. The report also notes that the International Fair Trade Towns Steering Committee “has so far only received one application to host the [international Fair Trade towns] conference in 2018.” Given that the report lists there as being 1,830 Fair Trade towns at the time of writing, this lack of interest or funding for coordination seems surprising, though the ambassador themself signs the report off with a plea to “not allow FTTs to become a centralized movement. Do not institutionalize them. Do not attempt to control them and above all don’t try to own them.”

More widely, Anna Hutchens, Changing Big Business: The Globalisation of the Fair Trade Movement (Cheltenham, UK: Edward Elgar Publishing, 2009), 78-101 argues that the Fair Trade movement has not sought to build “networks from the ground up, but rather” to utilize “multiple, overlapping social networks [that] exist and represent superior channels of communication, information acquisition and sources of latent collective power.” 265 Iain A. Davies and Andrew Crane, “Ethical Decision Making in Fair Trade Companies,” Journal of Business Ethics 45, no. 1-2 (2003), 85-6 note that, “[i]nterviews revealed that every employee at [the Day Chocolate Company] was aware of fair trade prior to joining the company. All had spent time in less developed countries and done some form of volunteer work involving either the environment or fair trade. This gives the impression that the company, knowingly or not, has made an effort to hire people who will already be socialised into thinking of fair trade and ethics.” Several quotes are provided suggesting strong support for Fair Trade and opposition to conventional for-profit companies among the employees.

265 See the bullet point list in “A Condensed Chronological History of the Fair Trade Movement” beginning “In the 1940s and 1950s…” Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 20 note that, “[f]requently, these ATOs had their basis in religious or other community-based organizations, working as ‘social’ entrepreneurs using a business mindset to address social problems,” and provides two citations for this claim. On pages 64-5 they add that, “[i]n the UK, Christian groups were behind the establishment of both the Fairtrade Foundation and Cafédirect and in Europe, the largest ATO, Gepa, is run by four Christian organizations. Fair Trade in the USA was pioneered by Christian Mennonite organizations selling crafts sourced through charitable and missionary activities in the developing world. Furthermore, a number of key actors in the UK Fair Trade movement express strong religious beliefs… In the USA, faith organizations have embraced the Fair Trade movement. Do not institutionalize them. Do not attempt to control them and above all don’t try to own them.”

Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2015), 44-5 adds the examples of Fair Trade Organisatie (Netherlands), TradeWinds (Australia), and Tearcraft (UK).

267 For example, Matthew Anderson, A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance (Basingstoke, UK: Palgrave Macmillan, 2015), 5 notes that, “the fairtrade Foundation was set up in July 1992
by CAFOD (Catholic Fund for Overseas Development), Christian Aid, New Consumer, Oxfam, Traidcraft Exchange and the World Development Movement, and later joined by the Women's Institute.” Details of the funding offered by these groups are provided on page 59.

William Low and Eileen Davenport, “To Boldly Go… Exploring Ethical Spaces to Re-Politicise Ethical Consumption and Fair Trade,” *Journal of Consumer Behaviour: An International Research Review* 6, no. 5 (2007), 345 note that, “a variety of religious and spiritual orientations support ethical consumption. The Interfaith Coffee Program run by Equal Exchange, a large fair-trade organisation in the US, brings congregations together after the formal service for fair-trade coffee and discussions about international development and the global market for coffee. One initiative is trying to convince 10 per cent of USA Catholic churches to buy fair-trade coffee. This approach re-integrates education and advocacy with consumption – ‘selling’ the message and the product together – to complement the mainstream approach of shopping for a better world.”

The author’s impression is that mainstream Fair Trade organizations are highly secular. For example, a Google search for “(God OR religion OR religious) AND (site:Fairtrade.net OR site:fairtradecertified.org)” reveals few seemingly relevant results.

Matthew Anderson, *A History of Fair Trade in Contemporary Britain: From Civil Society Campaigns to Corporate Compliance* (Basingstoke, UK: Palgrave Macmillan, 2015), 44 comments that characterizing Fair Trade “as an exclusively Christian mission” would be “a step too far.” On page 62, Anderson adds that, “apparent disconnect between the high level of Christian support and the predominantly secular message. Research by Clive Barnett and colleagues found that 70–80% of campaigners actively promoting Fairtrade in Bristol were Christians. However, they also encountered a widespread concern that religion could hinder campaigning among non-faith-based constituencies, and this has led many to Fairtrade Town groups to advocate a ‘broad dissociation of Fairtrade from any specific religious identity’ within their campaigning. While the endorsement of the Church may not be a guarantee of public support, on a personal level Christian faith continued to be a significant factor in motivating involvement in charitable work, campaign activity and ethical consumption.” Fairtrade Foundation’s approach is discussed on page 64.

William Low and Eileen Davenport, “Postcards from the Edge: Maintaining the ‘Alternative’ Character of Fair Trade,” *Sustainable Development* 13, no. 3 (2005), 148-50. They provide the example of Sunderbans Khadi and Village Industries Society, which provides support for women in India cultivating mulberry bushes for raising silkworms, without the use of pesticides.

Geoff Moore, Jane Gibbon, and Richard Slack, “The Mainstreaming of Fair Trade: A Macromarketing Perspective,” *Journal of Strategic Marketing* 14, no. 4 (2006), 338 notes that, “[e]nvironmental considerations are present within the ‘bundle’ in that each FLO standard has a section on environmental development which includes a requirement to implement a system of ‘Integrated Crop Management’, and to comply with national and international legislation regarding the use of pesticides, the protection of natural waters, virgin forest and other ecosystems of high ecological value, erosion and waste management. FLO standards also encourage producers to work towards organic certification, but do not require it.”


April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” *Globalizations* 1, no. 2 (2004), 243 remarks in an endnote that, “[a]s of this writing, FLO is only considering cooperatives that already have organic certification for Fair Trade certification.”

Mainstreaming of Fair Trade: A Macromarketing Perspective,” *Journal of Strategic Marketing* 14, no. 4 (2006), 346 note that three out of four interviewed representatives of UK supermarkets perceived “Fair Trade’s environmental credentials” to be inadequate. The fourth did not comment.

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273 Douglas L. Murray, Laura T. Raynolds, and Peter L. Taylor, “The Future of Fair Trade Coffee: Dilemmas Facing Latin America’s Small-Scale Producers,” *Development in Practice* 16, no. 2 (2006), 189 note that, “[t]he question of gender inequality within the Fair Trade coffee cooperatives remains a significant dilemma. Creating opportunities for women has been a priority of the Fair Trade movement. Many of the cooperatives in the case studies have launched projects intended to strengthen the role of women, such as education and training programmes, handcraft production and marketing, and other alternative economic initiatives. But these initiatives have so far been focused largely outside coffee production.”


275 This quote comes from the definition of Fair Trade in footnote 1. However, one could reasonably argue that these efforts are core to that goal.


278 See footnote 57.

Additionally, Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” *Management and Organizational History* 5, no. 2 (2010), 233 cites a Danish consumer survey as evidence that, “[t]here seems to be a trend towards fair trade consumers becoming primarily distinguished by their higher educational backgrounds, other factors like gender, class and age being less of a factor in determining who buys fair trade.”

Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 188 summarize that, “[a]ccording to a recent Fairtrade Foundation/MORI weighted survey of over 2000 consumers, UK Fair Trade awareness remains highest amongst the ‘AB1’ demographic group (at 54 per cent) characterized by well-educated and affluent consumers. Awareness is also highest amongst 45–54-year-olds (47 per cent).”

Strangely, Philip H. Howard and Patricia Allen, “Consumer Willingness to Pay for Domestic ‘Fair Trade’: Evidence from the United States,” *Renewable Agriculture and Food Systems* (2008), 235–42 found that those on higher incomes and with more education indicated lower willingness to pay for a product that “guaranteed a living wage and safe working conditions for farmworkers.”

Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 150 shows that in a survey from the UK, there was little difference by income for the numbers who selected “Buying fair-trade goods” as first or second when asked: “In which ways, if any, do you think you as an individual can most effectively contribute to reducing poverty in developing countries?” and provided with a list of ten options. About 38% of people in “Managerial/Professional” jobs, compared to about 32% in “Semi-routine/routine” jobs selected this option first or second, but there were fewer selections for people with degrees than with lower educational qualifications. On page 151, using binary logistic regression and controlling for several other variables, Wheeler concludes that, “[t]hose who hold identical demographic profiles and attitudes but come from socio-economic groups at the opposite ends of the spectrum [‘Professional occupation’ compared to ‘Unclassified socio-economic group’] differ in their probability of prioritising fair-trade by up to 14 percentage points.”

279 April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” *Globalizations* 1, no. 2 (2004), 231 note that, “TransFair USA identified the potential market for Fair Trade coffee as individuals who are between 25–45 years old, have an annual income of $35,000 or more, are college educated; live in ‘liberal’ towns, particularly in the Northeast, Midwest and Northwest; and are not put off by high prices. The geographical component of this profile influenced TransFair’s decision to initiate their first campaigns in Oakland, Seattle, Washington DC and Boston. Likewise, European Fair Traders first tried to target consumers who were already eager to buy socially responsible products. European labeling organizations have since extended their focus outward from a socially aware consumer base, attempting to attract greater, mainstream demand.”

280 Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 188 summarize the results of a recent Fairtrade Foundation/MORI weighted survey of over 2000 consumers... In common
with other survey work on ethical consumption generally (Mintel, 1999, 2001, 2004), women (42 per cent) are more likely than men (35 per cent) to be aware of the Fair Trade mark.

Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 150 shows that in a survey from the UK, around 37% of females and 33% of males selected “Buying fair-trade goods” as first or second when asked: “In which ways, if any, do you think you as an individual can most effectively contribute to reducing poverty in developing countries?” and provided with a list of ten options. On page 151, using binary logistic regression and controlling for several other variables, Wheeler concludes that, “men are less likely to prioritise fair-trade than otherwise similar women to the tune of five percentage points.”

Shang-Ho Yang, Wuyang Hu, Malvern Mupandawana, and Yun Liu, “Consumer Willingness to Pay for Fair Trade Coffee: A Chinese Case Study,” *Journal of Agricultural and Applied Economics* 44, no. 1 (2012), 21-34 summarize that, “[i]n a survey of 564 respondents in Wuhan City, consumers’ willingness to pay (WTP) for fair trade labeled coffee was measured... [V]ariables that indicated a higher WTP included female consumers.”

281 Caroline Josephine Doran and Samuel Michael Natale, “ἐμπάθεια (Empatheia) and Caritas: The Role of Religion in Fair Trade Consumption,” *Journal of Business Ethics* 98, no. 1 (2011), 6-7 note that, “[d]ata was collected online from the customers of four fair trade retailers who purchased fair trade tea, coffee, chocolate, jewelry, clothing, and crafts as well as university graduate students. The response rate was approximately 20% returning over 800 completed surveys,” though 200 of these were removed. “The result of the ANOVA was significant, F(9, 582) = 5.822, p = 0.000. Participants were more likely to buy fair trade if they belonged to the group Buddhist (M = 3.29), than Hindu (M = 3.25), than Non-religious (M = 3.06), than Other (M = 2.95), than Christian-other (M = 2.70), than Protestant (M = 2.51), than Catholic (M = 2.50), or Jewish (M = 2.47). Significant post hoc comparisons indicated that Catholic was significantly different from Non-religious, -0.559, p = 0.041. Catholic differed from Buddhist, -0.793, p = 0.005. Protestant differed from Non-religious, -0.548, p = 0.029. Protestant differed from Buddhist, -0.782, p = 0.004. The R² was 0.083.”


285 See footnote 51.


288 See the paragraph beginning “The broader rise in ethical consumerism...” in “A Condensed Chronological History of the Fair Trade Movement.”


290 See the paragraph beginning “The activist campaign against Starbucks...” in “A Condensed Chronological History of the Fair Trade Movement.”

291 See the paragraphs beginning “In 1988, Dutch activists...” and “The number of Fair Trade certified commodities...” in “A Condensed Chronological History of the Fair Trade Movement.”

292 See the paragraph beginning “Business scholars William Low and Eileen Davenport cite...” in “A Condensed Chronological History of the Fair Trade Movement.”

293 Discussed over the course of the section “1988-97: Product certification and the switch from handicrafts to foodstuffs.”

294 See the sentence beginning “Nicholls and Opal believe...” in “A Condensed Chronological History of the Fair Trade Movement.”

295 See footnote 99.
The impact of these decisions on the growth of fair trade sales is clear. Despite continuing growth in Italy, fair trade still only represents €49m on labelled and €50m non-labelled fair trade produce versus over €1343m in labelled and a further €110m in unlabelled sales in the UK. This shows the UK fair trade market having grown 15 times faster than Italy.”

They add on pages 169-72 that, “[i]f you take France (similar GDP and population) as a half-way house between the two countries: fair trade emerged exactly as in the other countries but mainstreaming through type 2 and 3 value chains commenced approximately 10 years later than in the UK, but 10 years earlier than in Italy. France has fair trade sales of €303m on labelled and €56m on non-labelled products, therefore nearly quadruple that of Italy and a quarter that of the UK. Clearly the faster the rate of adoption of mainstream value chains the more rapid the movement’s expansion.”

Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 65 notes that, “even though they were unaware that their town was a Fairtrade Town, many of the Chelmsford residents whom I spoke with were actually buying fair-trade products. For example, I found that despite Henry’s lack of interest in fair-trade, he had been regularly buying Fairtrade bananas because he shopped at Sainsbury’s. Similarly, Daisy, Fran and Kelley described how they liked to visit the Marks & Spencer’s cafe for coffee (which is 100 per cent Fairtrade) when they went out shopping together, and yet they swore that they never bought fair-trade. As provisioning policies switch to fair trade, accidental purchases are likely to become increasingly common.”

Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 67-8 notes that, “the ICA Malmsborgs store [a leading grocery retailer in Sweden] in the centre of Lund offers over 200 fair-trade products, and when the controversial film *Bananas!* was released they ran the trailer of this film in the store next to the fair-trade bananas to encourage consumers to choose them. This apparently led to a 500 per cent increase in sales of fair-trade bananas during the period the trailer was shown.” On page 78, Wheeler adds that, “[s]upermarkets are generally supportive of the fair-trade promotional period and use various material devices, such as point of sale displays, cleverly designed packaging and promotional discounts, to guide us towards the ‘right’ choice… Retail outlets use the fair-trade promotional period to their advantage to highlight their ethical credentials and to engage with their local community and customers. For example, Whole Foods in the USA ran a series of events during Fair Trade Month 2011, which highlighted their position as a committed retailer of Fair Trade goods.”

A similar table is listed on Bob Doherty, Iain A. Davies, and Sophi Tranchell, “Where Now for Fair Trade?” *Business History* 55, no. 2 (2013), 165-6. They list nine “fair trade principles” and provide “Evidence of dilution” for each of these. Three of the nine are categorized as being due to “Corporate fault,” with another two being “partially” due to “Corporate fault” and another being “unclear.”

One concern raised by several authors but not listed in Jaffee and Howard’s table is, as summarized by Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” *Management and Organizational History* 5, no. 2 (2010), 232 “[d]irect personal contacts of importers with producers and an emphasis on small-scale farming and cooperatives were particularly characteristic of the alternative trading partnerships of the post-war era (and the ATOs trading today)” but that, “[t]he mainstreaming and labelling of fair trade has diminished some of the indirect and nonmonetary benefits of fair trade: contacts are mostly indirect, mediated merely through the rules set by FLO and certified by commercial contractors and the exceptionally high demand forced FLO to accept contracts with large estate-based plantations instead of small cooperatives. 63 Many studies reveal that producers are not really part of the often heralded ‘consumer/producer links’ ATOs were set up to establish – many producers see fair trade merely as a market transaction providing a higher price and demanding higher quality.”

Despite mainstreaming, Laura T. Raynolds, “Fair Trade: Social Regulation in Global Food Markets,” *Journal of Rural Studies* 28, no. 3 (2012), 276-87 argues that, “[t]he peasant cooperatives that allied with social movement groups in...
foundering Fair Trade still comprise the backbone of production and vanguard of producer politics. There are 500 FLO certified small farmer cooperatives: Latin America has 330 coops with 200,000 members; Africa has 96 coops which are far bigger with over 500,000 members.” However, “rules that buyers provide credit ‘upon request’ and pursue ‘long-term’ contracts are malleable and hard to police. For example, while mission-driven coffee buyers (e.g. Equal Exchange and Cafédirect) provide significant financing, contract for as much coffee as possible, and purchase from the same cooperatives for years, mainstream buyers (e.g. Procter & Gamble and Nestlé) typically leave coops to negotiate financing, contract for minimum volumes (and at times require that coops match their Fair Trade sales with sales at conventional prices), and drop suppliers once annual contracts are up. Buyer/supplier relations vary the most in non-market areas.”

301 William Low and Eileen Davenport, “Mainstreaming Fair Trade: Adoption, Assimilation, Appropriation,” *Journal of Strategic Marketing* 14, no. 4 (2006), 323. By contrast, Low and Davenport cite Progreso (a coffee bar project of Oxfam), Cafédirect, and the Day Chocolate Company as examples of “where producers own shares in the business and benefit more directly from the value added at the Northern end of the value chain, thus reversing disempowering North/South relations.”

302 See footnote 172.

303 Mara Fridell, Ian Hudson, and Mark Hudson, “With Friends Like These: The Corporate Response to Fair Trade Coffee,” *Review of Radical Political Economics* 40, no. 1 (2008), 21 note that, “three of the “big four” have signed onto the Sustainable Agricultural Initiative (SAI), which, among other things, provides guidelines for the treatment of workers on coffee farms large enough to use hired labor. The guidelines listed seek to eliminate the most abusive labor practices. Guidelines include: provision of bathrooms; limiting child labor; the right to form unions; eliminating discrimination; permitting religious freedom; preventing behavior that is sexually abusive, coercive, or threatening in nature; and abiding by national labor laws. While there is obvious merit in ending odious practices like sexual harassment and discrimination, the extremely limited ambition of the SAI in terms of improving the living standards of workers is worth noting. This is not a document that addresses the fundamental power imbalances in labor or commodities markets, nor does it make a commitment to anything like a ‘living wage’... It is also possible that even these limited ambitions might be difficult to realize given the lack of detail on how these guidelines will be monitored and enforced. The SAI working group is still in its early stages, having just completed a review of eleven pilot projects in 2006. However, there are some real problems not only with the low labor standards, but also with the method of monitoring and enforcement. The SAI states only that a neutral entity that hosts the practices and verification systems ‘could be explored.’ However, as it currently stands, there is little in the SAI to ensure that even the signatories follow their own guidelines. This difficulty is exacerbated since many of the standards would not ensure that to the signatories but to their farm suppliers, who would be even more difficult to monitor and enforce.”


307 Geoff Moore, Jane Gibbon, and Richard Slack, “The Mainstreaming of Fair Trade: A Macromarketing Perspective,” *Journal of Strategic Marketing* 14, no. 4 (2006), 337, following interviews with Fair Trade organizations in the UK, note that, “[t]he mainstreaming of Fair Trade food products was seen in a positive light... it was thought unlikely that any supermarket would launch an own-label Fair Trade product without [the UK’s Fairtrade Mark], although the Cooperative and Waitrose were believed to be able to do so with some credibility should they choose... The Cooperative has, however, retained own-label ‘Fair Trade’ wines without the Fairtrade Mark but with Traidcraft’s name to provide reassurance and prior to the FairTrade Mark being awarded—see further below. Similarly, Tesco retails Traidcraft’s tinned pineapple, which has yet to receive the Fairtrade Mark. This, however, is not an own-label product.” However, the authors add that there had been some limited signs of supermarkets challenging the Fairtrade Mark standards or not applying them in quite such a rigorous way as the Fair Trade organisations themselves would do. Thus
the level and availability of support for producers was often less from the supermarkets, and there was a lower commitment to the long-term producer relationships that are a fundamental part of the Fair Trade relationship.” Various other views and implications of mainstream retailers’ involvement are discussed, with reference to interview findings, on pages 337-9. On page 342-3, they provide a case study of concerns about dilution of Fair Trade principles, regarding “Fair Trade roses.”

Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 138-9 note that, “[i]n the USA, a small group of coffee roasters became so disillusioned with perceived ‘fairwashing’ by other companies involved in the Fair Trade certification system that they decided to drop third-party certification altogether,” setting up their own Fair Trade systems instead.

See discussion in the strategic implication “Social movements should seek to minimize the number of competing certification schemes.”

Bob Doherty, Iain A. Davies, and Sophi Tranchell, “Where Now for Fair Trade?” Business History 55, no. 2 (2013), 175 explain that, “[i]n 2000 Starbucks was awarded the Fairtrade Mark by Transfair USA for less than 1% of its coffee, despite grave reservations amongst FTOs. This was a landmark case because not only does Starbucks represent a full 17% of the operating income of Transfair USA, making it incredibly influential, but Starbucks’ was also allowed to certify such a nominal proportion of its coffee that was not possible under any other national fair trade authority at the time. This has made it very easy for other major MNCs such as Procter & Gamble and Sara Lee to gain certification in the USA on equally nominal commitments to purchasing fair trade, provide producer support or long-term purchasing agreements.”

See footnote 262.


With regards to the first bullet point, a similar suggestion was made (among several other suggestions) by Bob Doherty, Iain A. Davies, and Sophi Tranchell, “Where Now for Fair Trade?” Business History 55, no. 2 (2013), 179-80.
With regards to the third bullet point, similar suggestions were made by Christopher M. Bacon, “Who Decides What is Fair in Fair Trade? The Agri-Environmental Governance of Standards, Access, and Price,” The Journal of Peasant Studies 37, no. 1 (2010), 137-9 and Francisco VanderHoff Boersma, “The Urgency and Necessity of a Different Type of Market: The Perspective of Producers Organized Within the Fair Trade Market,” Journal of Business Ethics 86, no. 1 (2009), 51-61. Since these articles were written, change does seem to have occurred; Elizabeth A. Bennett, “Fairtrade International Governance” in Laura T. Raynolds and Elizabeth A. Bennett (eds.) Handbook of Research on Fair Trade (Cheltenham, UK: Edward Elgar Publishing, 2016), 80-101 describes the period of “Producers as members (2005–2011)” transitioning into the period of “Producers as equal owners (2011–2014),” focusing on FLO’s governance.

319 Anil Hira and Jared Ferrie, “Fair Trade: Three Key Challenges for Reaching the Mainstream,” Journal of Business Ethics 63, no. 2 (2006), 115. Several more specific suggestions are made.
321 For example, Daniel Jaffee and Philip H. Howard, “Who’s the Fairest of Them All? The Fractured Landscape of US Fair Trade Certification,” Agriculture and Human Values 33, no. 4 (2016), 813-26 note that US consumers are offered four competing Fair Trade labels (Fair Trade USA, Fairtrade America, Fair for Life, and the Small Producer Symbol), with slightly different visions of Fair Trade. More generally, FLO certification can compete with both in-country certifying agencies and local growers associations.
323 April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 234 note that, “Starbucks does not aim to single out Fair Trade coffee as the only socially responsible coffee, but rather to allow the consumer to identify a whole line of branded products that have been produced and obtained through socially responsible means. Starbucks’s tactic has been to convince consumers to buy Fair Trade coffee as part of their overall Starbucks experience”—as one choice in a lineup of socially progressive products. Some Fair Traders do not support this approach, positing that Starbucks is just adding a new product line for the socially conscious and not changing their basic purchasing policies. Starbucks’s response is that the company’s ultimate goal is to have consumers identify all Starbucks products as socially responsible.”


Similarly, following interviews with US Fair Trade advocates, Sarah Lyon, “Fair Trade Towns USA: Growing the Market Within a Diverse Economy,” Journal of Political Ecology 21, no. 1 (2014), 145-60 summarizes that, “some fair trade advocates are… aware that multiple fair trade certification frameworks currently exist; however they aren’t always sure which ones are most desirable and why.”

324 William Low and Eileen Davenport, “Has the Medium (Roast) Become the Message? The Ethics of Marketing Fair Trade in the Mainstream,” International Marketing Review 22, no. 5 (2005), 500 note that, “[t]here is some evidence to suggest that consumers do not absorb the complexity of the fair trade message but rather focus on ‘fair price’ and taste. The findings of a joint market survey in 2004 by four Fair Trade Organisations in North America concluded that, ‘In the minds of consumers the issue of producer compensation, fair wages, etc. is central to Fair Trade.’ Cafédirect’s market research has shown that customers were more concerned with taste than helping Third World producers. The belief in parts of the movement is that a complex message about fair trade does not get across to ‘mainstream’ consumers. The marketing manager for Oxfam Trading CAA in Australia suggested that ‘people do not understand the concept of fair trade’ and the marketing message is instead ‘gifts that give twice.’ A prominent advocate of fair trade in the UK suggests that ‘market leaders in the fair-trade movement … sell first and foremost on the quality of their product, and use the fair-trade label as an additional marketing tool’ and that ‘people buy them because they like the product.’ As a result, many elements within the movement have started to focus on selling the product, perhaps at the expense of the message.”

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Jamie Harris | Sentience Institute | April 1, 2021

Making a similar point, Matthias Schmelzer, “Marketing Morals, Moralizing Markets: Assessing the Effectiveness of Fair Trade as a Form of Boycott,” *Management and Organizational History* 5, no. 2 (2010), 237 summarizes that, “[b]y selling a small percentage of their products under fair trade certification, mainstream companies can use the strategy of ‘parallel production’ to improve their image as socially conscious without fundamentally changing their sourcing practices.” Similarly, Alex Nicholls and Charlotte Opal, *Fair Trade: Market-Driven Ethical Consumption* (London, UK: Sage, 2005), 247 summarize that, “companies may also choose to adopt lower-cost third party certification systems and then use the funds saved to promote these systems. Such systems will not have the same degree of impact on producers as the Fair Trade model, but may still generate positive marketing spin.” At least some consumers likely distinguish between different standards of products sharing the same label; see, for example, the interview quotes by Eleftheria J. Lekakis, *Coffee Activism and the Politics of Fair Trade and Ethical Consumption in the Global North: Political Consumerism and Cultural Citizenship* (Basingstoke, UK: Palgrave Macmillan, 2013), 64.

See the paragraph above beginning “Additionally, Low and Davenport (2006) provide…” and footnote 219.


See the strategic implication “Engaging directly with mainstream market institutions and dynamics may lead to co-option and a lowering of standards.”


Sushil Mohan, *Fair Trade Without the Froth* (London, UK: Institute of Economic Affairs Monographs, 2010), 63-4. Mohan adds that, “[t]he top four nations by Fair Trade certified producers, in 2007 were Mexico, Colombia, Peru and South Africa. These nations had an average GDP per capita of $4,790 in 2007. The thirteen nations with only one Fair Trade certified producer had an average GDP per capita of just $2,807 in 2007. Coffee-producing countries with no Fair Trade producers have an even lower average GDP per head. These data are not particularly helpful, however, as they do not indicate the share of Fair Trade in total production in different countries. Of more interest is the relationship between the share of Fair Trade coffee exports of total coffee exports (a measure of Fair Trade penetration) and national income per head and/or poverty. Using data from 2005–07 for Fair Trade exports to the USA, it is not possible to find any significant negative relationship between national income per head or poverty and Fair Trade penetration. Indeed, the relationships that were found (though statistically insignificant) suggest that Fair Trade penetration is greater where income per head is greater; that penetration is greater the more equal is the distribution of incomes; and that penetration is greater the stronger the rule of law.”

William MacAskill, *Doing Good Better: Effective Altruism and a Radical New Way to Make a Difference* (London, UK: Guardian Books, 2015), 164-5 notes that, “the majority of production comes from comparatively rich countries like Mexico and Costa Rica, which are ten times richer than the very poorest countries like Ethiopia. In chapter 1 we saw how fast money diminishes in value and how extreme global inequality is. That means that even if buying Fairtrade was a good way of paying farmers more, you might make a bigger difference by buying non-Fairtrade goods that are produced in the poorest countries rather than Fairtrade goods that are produced in richer countries.

Ndongo Samba Sylla, *The Fair Trade Scandal: Marketing Poverty to Benefit the Rich* (London, UK: Pluto Press, 2014), 134 lists the “Number of certifications (2009)” and “% of total export revenue” for a number of different products and countries, showing that Latin American countries tend to have high numbers of certifications despite lower dependency on particular commodities.

In contrast, Alastair M. Smith, “Evaluating the Criticisms of Fair Trade 1,” *Economic Affairs* 29, no. 4 (2009), 29-36 notes that, although “certification is concentrated in ‘relatively developed’ countries such as Mexico, and less with lower income countries like Ethiopia… Mexico (for example) is still one of the most unequal societies in the world with a GINI coefficient of 47.9. This inequality is manifest in strong income differences in the region of Chiapas, where coffee farmers are some of the poorest individuals in one of the overall poorest regions in Central America… What is much more pertinent to consider is the inequality of benefit that arises within regions and indeed certain regional and local cooperatives structures.”

found in developing countries… Temperate and boreal forests now represent the vast majority of FSC certified areas, with tropical forests in 2002 representing only 12%. In January 2005, 79% of FSC certified forests were found in North America and Europe.” Additionally, “only 0.2% of the world’s tropical area is certified under any scheme.”


336 See the paragraph beginning “The Fair Trade movement’s intended beneficiaries are…” in the “Introduction.”

337 Sushil Mohan, Fair Trade Without the Froth (London, UK: Institute of Economic Affairs Monographs, 2010), 53 notes that, “[t]he Fair Trade certification fees are criticised for being excessive. Howley (2006), Booth and Whetstone (2007) and Henderson (2008) are critical of the administration and promotional costs of Fair Trade. They feel that Fair Trade has grown into a complex bureaucracy and an industry in itself. Consequently, it has to charge high certification fees to cover these costs, which eats up a major proportion of the Fair Trade price premium. The Fair Trade viewpoint is that it needs to have in place proper systems of checking and conducting inspections all through the supply chain – something which is expensive. The high expenditure on promotional activities is necessary as Fair Trade’s success depends upon reaching consumers and building their capacity to pay a premium for its products: Fair Trade can exist as long as some consumers’ willingness to pay is sufficient to cover the costs of the Fair Trade process.”

338 Sushil Mohan, Fair Trade Without the Froth (London, UK: Institute of Economic Affairs Monographs, 2010), 54-5. Mohan notes that, “[a]ccording to Financial Times writer Harford (2005), for several years only 10 per cent of the premium that costa, a UK coffee bar, charged for Fair Trade coffee reached the producer. The other 90 per cent went to Costa’s bottom line.” However, “The UK Fairtrade Foundation’s (2006) cites a range of studies conducted in 2005 to show that the majority of retailers do not increase their profit margins on Fair Trade products for fear of losing their market share in the growing Fair Trade market. Also, retailers are not likely to misuse Fair Trade as they are now increasingly concerned about image improvement and wish to be seen doing something to help poor producers. In December 2006, for example, British retailer Sainsbury’s announced that it would offer only Fair Trade bananas – and this was achieved without any increase in the cost paid by consumers.” See also Alex Nicholls and Charlotte Opal, Fair Trade: Market-Driven Ethical Consumption (London, UK: Sage, 2005), 51-2.


340 Arnab K. Basu, and Robert L. Hicks, “Label Performance and the Willingness to Pay for Fair Trade Coffee: A Cross-National Perspective,” International Journal of Consumer Studies 32, no. 5 (2008), 470-8. On page 476, they note that they “use the estimated coffee-specific indirect utility functions to calculate the price premia consumers are willing to pay over and above $1 for a Fair Trade coffee, Columbian grown coffee, relative to a $1 non-labelled Columbian coffee that is not organic. In Fig. 2, we hold participation increases at 10% and examine how the price premium varies for different levels of grower revenue increases. The peak premium occurs at approximately 75% (for US respondents) and 55% (for German respondents), beyond which it declines. The results show that for some regions of label performance, our respondents’ willingness to pay is increasing as the programme increases revenues accruing to participants (poverty aversion). However, as performance continues to increase, the willingness to pay peaks and declines for further revenue increases to programme participants, providing evidence that respondents are sensitive to the notion that non-participants in the Fair Trade programme are becoming relatively worse off (inequality aversion). German respondents appear to be more sensitive, and therefore their willingness to pay declines more as relative inequality increases. Sensitivity of German respondents to the inequality deepening aspect of the Fair Trade coffee label alludes to a preference bias towards a more egalitarian distribution of income.”

341 Raluca Dragusanu, Daniele Giovannucci, and Nathan Nunn, “The Economics of Fair Trade,” Journal of Economic Perspectives 28, no. 3 (2014), 222-3 summarize that, “Hertel, Scruggs, and Heidkamp (2009) survey 258 individuals and find that 75 percent of coffee buyers report that they would be willing to pay 50 cents extra for a pound of coffee (approximately 15 percent of the sales price) if it was Fair Trade certified. Over half would be willing to pay $1 more per pound. Complementing the evidence from survey questions asking about hypothetical scenarios is evidence from field experiments that observe real-life behavior. Hainmueller, Hiscox, and Sequeira (2011) conduct a number of experiments...
in 26 stores belonging to a major US grocery chain. The authors randomly placed Fair Trade labels on bulk bins of coffee that were Fair Trade certified. In a second experiment, the authors also randomly varied the prices of the coffee. Each treatment lasted four weeks. The authors found that sales were 10 percent greater when the coffee was labeled as Fair Trade. They also found that demand for more expensive (and arguably higher quality) Fair Trade coffee was insensitive to price, which is consistent with an earlier finding by Arnot, Boxall, and Cash (2006) for brewed coffee sold at a Canadian university. Interestingly, demand for a cheaper and lower-quality Fair Trade coffee was sensitive to the price: a 9 percent increase in price resulted in a 30 percent decline in demand. In a follow-up experiment using coffee sold on eBay, Hiscox, Broukhim, and Litwin (2011) find that on average, consumers are willing to pay a 23 percent premium for coffee labeled as Fair Trade. In a series of auxiliary experiments looking at Fair Trade labeling for nonfood consumer items, Michael Hiscox and various coauthors have accumulated a large amount of additional evidence that confirms the findings from Hainmueller, Hiscox, and Sequeira (2011). Examining fair labor standards for candles and towels sold in a large retail store in New York City, Hiscox and Smyth (2011) find that the label increased sales by 10 percent, and when combined by a price markup of 10–20 percent, sales rose even more, in the range of 16–33 percent. Examining consumers’ willingness to pay for goods using an auction environment on eBay, Hiscox, Broukhim, Litwin, and Wołowski (2011) find that consumers paid a 45 percent premium for polo shirts labeled as being certified for fair labor standards.”

April Linton, Cindy Chiayuan Liou, and Kelly Ann Shaw, “A Taste of Trade Justice: Marketing Global Social Responsibility Via Fair Trade Coffee,” Globalizations 1, no. 2 (2004), 238-9 note that, given that Fair Trade coffee products come with a price premium, they have tended to compete with the “specialty” coffee market, where businesses compete on product quality. This would imply that at the lower end of the market, price is relatively more important and that at the upper end, quality is relatively more important.


Margaret Levi and April Linton, “Fair Trade: A Cup at a Time?” Politics and Society 31, no. 3 (2003), 422 note that they asked ten “Independent coffee shops and natural foods groceries” and four “Large grocery chains” “What Has Influenced Your Decision to Sell/Serve Fair Trade Coffee (or not)?” The first group averaged 2.63 out of 5 for “price”, making it the third most important factor out of four, with “quality” (4.13) and “demand” (3.78) being higher. The second group averaged 3.5 for price, making it the most important factor (quality averaged 2.75 and demand averaged 2.25). They also asked “What Do You Think Influences Your Customers Demand (or Lack Thereof) for Fair Trade Coffee?” and the two groups averaged 3.11 and 3 out of 5, respectively, for price, 3.56 and 3.00, respectively, for quality, and 4.11 and 4.00, respectively, for “social consciousness.”


For example, Kathryn Wheeler, “The Practice of Fair-Trade Support,” Sociology 46, no. 1 (2012), 126-141 summarizes that, “[e]ducation and awareness-raising exercises are unlikely, on their own, to be successful because our consumer behaviour is not driven by wholly rational and reflexive action but is emotionally, normatively and collectively defined in the course of pursuing social practices. Therefore, strategies for changing patterns of consumption must act on the collective level and seek to transform social practices rather than focusing on the individual level of consumer choice. Recent moves towards collective Fairtrade provisioning policies in retail outlets and public spaces (many of which are led by the Fairtrade Towns movement) can be seen as a step in the right direction towards this objective.”

Carola Grebitus, Monika Hartmann, and Nina Langen, “The Ethical Consumer’s Willingness to Pay for Coffee: A comparison of Donations, Fair Trade, Organic, and Cause-Related Marketing Coffees,” in II Workshop on: Valuation Methods in Agro-Food and Environmental Economics “Experimental Auctions: Theoretical Background and Empirical Applications” (2009) compared willingness to pay (WTP) for five types of coffee (conventional, organic, Fair Trade, organic and Fair Trade, or “cause-related marketing coffee”) in experimental auctions and choice experiments with 38 German students. They found that consumers who are more knowledgeable about Fair Trade had significantly lower WTP for all five types of coffee. Knowledge about the “objectives” of Fair Trade was not significantly associated with WTP for any of the five types.
coffees, but consumers with higher knowledge about the “efficiency” of Fair Trade had significantly higher WTP for Fair Trade coffee.

351 William Low and Eileen Davenport, “Has the Medium (Roast) Become the Message? The Ethics of Marketing Fair Trade in the Mainstream,” International Marketing Review 22, no. 5 (2005), 500 note that, “while surveys in the UK consistently suggest that between 68 and 81 per cent of consumers would buy products that gave producers a better deal sales rarely reach more than a 3 per cent market share.”

352 See the paragraph beginning “By the year 2000…” in “A Condensed Chronological History of the Fair Trade Movement.”

353 Dietlind Stolle, Marc Hooghe, and Michele Micheletti, “Politics in the Supermarket: Political Consumerism as a Form of Political Participation,” International Political Science Review 26, no. 3 (2005), 260 and 164. Voting was not included because of the age of respondents. They do not specify whether there were significant relations with any of these individual conventional participation types. There was a significant positive relation between political consumerism and belief in the effectiveness of both “unconventional” and “individualistic” participation and a significant negative relation with belief in the effectiveness of “conventional participation” and “trust in institutions.”


364 A similar point is made by Andrew Walton, “Consequentialism, Indirect Effects and Fair Trade,” Utilitas 24, no. 1 (2012), 126-38. See also the strategic implication above, “Individuals who participate in consumer action are more likely to participate in other forms of activism.”
The proportion for Max Havelaar Switzerland varied from 92% in 1999 down to 83% in the next year, but rose back to 93% in 2000. TransFair USA receives no government support, but achieves substantial funding from private certification schemes and voluntary agreements as well as enforceable laws and international standards. Fair Trade, we believe, will continue to play an important role in creating and expanding international market relationships that incorporate sustainability and social responsibility.
Kathryn Wheeler, *Fair Trade and the Citizen-Consumer: Shopping for Justice?* (Basingstoke, UK: Palgrave Macmillan, 2012), 42 notes that the operations of the UK’s Fairtrade Foundation “are funded by the income from licence fees paid by companies for the use of the Fairtrade mark, as well as from government grants and member contributions from Comic Relief, DFID, the European Union, Oxfam, Shared Interest, United Reform Church, Impetus Trust and Triodos Bank.” On page 49 Wheeler notes that Transfair USA’s operations “are funded by the licensing fees, as well as grants from a range of organisations from faith groups to philanthropists like Paul Newman, and company foundations like the Ford Foundation and Levi Strauss Foundation, as well as the United States Agency for International Development.”


381 See footnote 256.
