

Fair trade and sustainable development practices

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Abstract: *There is consumer interest in organic and fair trade products globally. This has created a growing interest for producing agricultural products, which meet the standards for organic and fair trade products. This paper critically discusses fair trade as notion and in practice and connects the analysis of production of fair trade quinoa in a community in Southern Bolivia with Sustainable Development Goals (SDG). According to World Fair Trade Organization fair trade will improve environmental sustainability both at local level and globally as peasants in global South have opportunities to export organic products to markets in the global North, which will also have the result of empowering producers. This paper poses the question whether fair trade is alleviating poverty and supporting local producers creating environmentally sound technologies (Sustainable Development Goal 12, Target 12a) – in this case in communities in the highlands (Altiplano) in Southern Bolivia. The paper critically discusses sustainable development and the Sustainable Development Goals and questions whose interests Sustainable Development Goal 12 is primarily serving: consumers or producers. The discussion concludes that initiatives like fair trade and policies based on global goals can have unintended consequences, which are disadvantageous to local communities.*

Keywords: Fair Trade, Sustainable Development Goals, modernization, poverty alleviation, green consumption.

Introduction¹

Fair Trade is ‘a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade. Fair trade contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South’ (European Fair Trade Association, 2002: 24).² Originally, fair trade was meant to be a tool to mend unequal trade and create fair market relations between global North and global South and as a way to empower producers in the global South (Raynolds/Murray/Wilkinson, 2007).

Fair trade is framed in relation to Corporate Social Responsibility (CSR) for the company selling fair trade products: ‘Retailers with the best reputations for CSR will outperform their competitors at fostering customer trust in Fair Trade products’

¹ This paper is based on and uses parts of an unpublished working paper “Fair trade – or not?” presented at the conference *The new global setting: development challenges and alternatives*, University of Agder, Kristiansand, Norway, 23-24 November 2009.

² The European Fair Trade Association started in 1987 to assist in forming better coordination and cooperation among fair trade bodies (Doherty/Davies/Tranchell, 2013).

(Castaldo et. al 2009). There is an important focus on the retailer-consumer link in fair trade, as a commodity on the global market. Increased awareness on social and environmental effects on production connected for fair trade will create positive changes for farmers (Glasbergen, 2018)

Development

The Millennium Development Goals (MDG) from 2000 to 2015 mark an attempt by the United Nations by way of global mobilization to “achieve a set of important social priorities worldwide” (Sachs 2012: 2206). Millennium Development Goals were primarily targeting low-income countries and calling for solidarity from rich countries (Sachs, 2012; Carant, 2017). Sustainable Development Goals (SDG), adopted in 2015 by the UN, target global challenges for all countries, putting an emphasis on sustainability. This paper will discuss SDG target 12 in particular, and bridge the analysis between SDG and fair trade initiatives in a small community in Southern Bolivia. Sustainable Development Goal 12 (‘Ensure sustainable production and consumption patterns’) offers support to producers (and consumers) in communities producing fair trade products. However, as will be shown in this paper, local practices can work against this. For the topic of this paper, the Target 12.A. (‘Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production’) and indicator 12.A.1 (‘Support to developing countries on research and development for sustainable consumption and production and environmentally sound technologies’) are especially relevant.

Fair trade is a tool that can be used to obtain sustainable production and consumption and support to producers in communities (Gianucci/Ponte, 2005). Reynolds, Murray and Wilkinson (2007) stress improvement of farmers’ livelihood and empowerment as results of fair trade. However, when we look at the specific case described in this paper, the fulfillment of SDG goal 12, which also underscore community empowerment, can create inequalities on the local level, which are neither sustainable, nor “fair”, and which do not result in empowerment.

The wording in both the MDG and the SDG suggest a top-down process embedded in a modernization development paradigm (Carant, 2017; Colleyr, 2018). Carant states that SDG are based on technocratic developmental methods (Carant, 2017: 34). These technocratic methods are embedded in the idea that there is a technocratic answer to development challenges. Much in line with the Marshall Plan to support Europe after World War II (Parpart/Veltmeyer, 2004) there is an optimistic expectation for what industrialization can create in societies anywhere in the world, and in this case in the world’s poorer countries. Modernization is a political and economic development policy and strategy introduced in developing countries, mainly in the 1960s and 1970s. There was an optimism and a belief that industrialism could be the main driver of development. Thus, many development policies and programs were suggesting building industries in poorer countries. The industries would take on and create “trickle-down” effects for the poorer parts of the population leading to an increase in well-being for all parts of society (Parpart/Veltmeyer, 2004). Within the modernization paradigm, there was an in-built dichotomy of developed and un-developed (or developing) countries, where the latter were supposed to be molded within the framework of the latter (Cornwall, 2002; Parpart/Veltmeyer, 2004; Carant, 2017). The term “developing country” is embedded in modernization as process and policy, where donors from global North introduce practices and policies, which create development, through development programs formulated in Global North, in countries in the Global south.

Development mimics social and economic systems existing in the Global North (Rostow apud Parpart/Veltmeyer, 2004: 41; Cornwall, 2002). A modernization process is supposed to lead to development without taking into consideration that countries and societies might be different (Cornwall, 2002). It is an a-historical process, and often not considering contexts in Global South (Parpart/Veltmeyer 2004).

Fair Trade – some insights

Generally, fair trade is a way to create community development and empowerment in poorer countries. The slogan “Trade not aid” expresses the general idea of the fair trade movement (Doherty/Davies/Tranchell, 2013: 161; Raynolds/Murray/Wilkinson, 2007: 15). “Fair trade is traditionally associated with the commerce of dedicated alternative trade organizations (ATOs), which actively trade in handicrafts and food products with the aim of supporting marginalized producers in the developing world” (Valiente-Riedl, 2013: 7). Even though fair trade is supposed to benefit small producers in the global South, the process of implementing alternative farming techniques and benefits for small farmers, has created problems locally (Hudson/Hudson, 2009: 239). This is also the case in quinoa producing communities in Southern Bolivia.

In this paper, I will analyze a case related to the FLO-certified label (FLOCERT), a fair trade certification by Fairtrade International. The analysis will focus on the implications of the assumption that fair trade, per se, benefit producers in the global south. This is categorized as “green” or “alternative” consumption (Valiente-Reidl, 2012). My research questions are thus: Is fair trade “fair”, and does it create empowerment and better livelihood conditions locally? Can fair trade be connected to SDG 12 on sustainable consumption and production as well as environmentally sound technologies? I work with a case from Southern Bolivia where communities produce FLO-certified organic quinoa.

Stenzel (2008) is positive to fair trade. She aligns with the understanding of fair trade as a practices bringing fairness to global change suggested by Valiente-Reidl (2012). According to Stenzel, fair trade practices could include:

[...] fair wages, cooperative workplaces, consumer education, environmental sustainability, direct trade with producers, financial and technical support for producers, community development, respect for cultural identity, and public accountability through transparency. These principles promote sustainability. (Stenzel 2008: 559)

This positive argument in favor of fair trade represents the feeling, which consumers have, when they decide to buy a fair trade product in a supermarket. Glashagen (2018) underscores the underlying assumption by consumers that they contribute positively to empowerment and development in communities producing fair trade products. Often sustainability is primarily used in relation to environment, but is also includes economy and social equity, which all have an impact on each other (Stenzel, 2008: 590).

“Green/alternative consumption”

Many development projects focus on establishing small businesses on local level. Peasants in global South become actors in world economy supported by state donor organisations (i.e. Denmark’s Danida) or by the support of NGOs (Bebbington/Hickey/Mitlin, 2008). Some of these local enterprises are established

on an organic/sustainable basis within a fair trade framework. The demand for “green” products is rising among western consumers, and so is the demand for products labelled fair trade. These green products represent a promise of consuming sustainably (Fuentes, 2014a). When consumers in Western Europe and North America buy organic and fair trade products from the Global South, they expect to be part of a process, which contributes to sustainable development. Worries about environment and conditions of production globally are connected to choices of which food items to consume in the Global North (Raynolds/Murray/Heller, 2007: 147). Organic fair trade products are a way to curb these worries because in the end they are supposed to be healthier and to create social change in communities where they are produced (Raynolds/Murray/Heller, 2007). Consumers pay more for a fair trade product because the assumption is that farmers will get a better price and production is more “environmentally friendly and socially responsible” (Glasbergen, 2018: 243).

However, to be a green consumer there are many things to be aware of. Choosing between many labels and brands which claim to represent green products, be updated on the latest information about green products, and look out for “greenwashing” (Fuentes, 2014b). Spending money on green products in global North could alter societies and ways of production in global South for the better, but it is difficult to look behind the many different brands claiming to be “green” (Fuentes, 2014a; 2014b). Green consumption is perceived as a social and cultural phenomenon (Fuentes, 2014a). In this the notion of “identity” is important, especially the construction of “green identities”. By buying green products the consumer expresses a non-conform consumer-style, and again, the idea of social change is inherent in the consumption of fair trade, green and/or organic products produced in global South. This consumer style is opposed to global “americanized” brands like Nestlé, Coca Cola, McDonalds and the consumer culture these brands are linked to. The global “no logo” movement (Klein, 1999) created a new consumer identity stressing awareness of and resistance to global brands (Askegaard, 2006: 85) and another way of consuming by focusing on fair trade and organic products. The idea of social change lies within fair trade since the producers obtain a better price on their products than normally. It is part of the trade that you as consumer support the producer by paying more for the product (Glasbergen, 2018).

Fair trade offers labelling from a globally accepted certification system (Fairtrade International, n.d.). NGOs working with local producers in global South often push for programs involving production of fair trade goods (Bebbington/Hickey/Mitlin, 2008). However, the assumption of consuming green (and fair), contributing to social and environmental change is challenged, as our example from Bolivia will show. Increased demand from consumers in the global North for a product like fair trade organic quinoa create processes at local level, which could not be foreseen, and which are not positive for all members of the community.

Methods

Ofstehage (2012) describes his study as an ‘ethnographically grounded examination of how fair trade operates in practice at the nexus of global markets and local realities’ (2012: 442). The present analysis is situated within same research field and uses similar methods, focusing on impacts on communities in highland areas of Southern Bolivia. It contributes to the critique of fair trade as tool to solve both poverty and inequality. The material for the study was gathered in the fall of 2008 and during several visits to quinoa producing areas over a number of years, starting

in 1992. In 2008, I was in a quinoa producing area in the Bolivian high plateau in the Potosí department. I interviewed village leaders in two villages. I participated in meetings with an NGO, which promoted fair trade development projects and I went on field trips to the quinoa producing communities talking to producers of quinoa and to producers of other agricultural products. I, therefore, have material based on personal conversation and observations, as is common within ethnographic methods (Eriksen, 2015: 31). I am aware that the fieldwork took place 10 years ago, and I therefore support my findings with more recent literature on fair trade in general and fair trade and quinoa production in Bolivia and Peru (for example Reynolds/Murray/Heller, 2007; Reynolds/Murray/Wilkinson, 2007; Ofstehage, 2012; Carmitrand et al., 2015; Winkel et al., 2016).

Quinoa

Quinoa is a product which has gained increasing popularity in supermarkets in the global North. Prices have risen due to both international and local demand in Bolivia (Ofstehage, 2012). The increasing prices in Bolivia have pushed consumers with low income to substitute quinoa with food products with lower nutritious value, like rice or pasta (own observations). Furthermore, climate change has put pressure on agriculture and droughts have pressured local producers creating lower yields and loss of animal (llamas).

A large percentage of the Bolivian population has been and still is living on the highland plateau between two Andean mountain ranges – the Altiplano. It is difficult to farm at this altitude, and few crops can survive here. The altiplano lies at an altitude of 3.000-4.000 meters above sea level. The winds are harsh, and the sun burns during the day and during nights the temperature can reach well below 0°C. Even so, quinoa has been cultivated in these areas for several centuries, even thousands of years (Jacobsen, 2003: 168). In addition to being resistant to harsh natural conditions, which are so typical in this area, quinoa is also a very nutritious product with high contents of protein and a wide range of minerals and vitamins (Jacobsen, 2003: 174). Apart from being rich in protein, it is free from cholesterol. There are different kinds of quinoa ecotypes adapted to different conditions ranging from places ridden by drought to more humid places (Jacobsen, 2003: 168). Because of the nutritional and health benefits quinoa is on demand from customers globally.

A visit

I enter a small village close to Uyuni salt lake. The people living in the village and surrounding communities base their livelihood mainly on quinoa production and llama herding, which is typical for Andean rural communities (Carmitrand et al., 2015). At a meeting with village leaders, I inquire about quinoa production and how this is done in their area. I am told, that many peasants have switched to quinoa production after the area received the FLO certificate for exportation of fair trade quinoa to Europe and North America. More peasants have wanted to cultivate quinoa and this has led to inclusion of land, originally used for other purposes, for quinoa farming. This area of the high plateau is ecologically vulnerable, with a very thin layer of soil. Furthermore, the growing interest in farming quinoa, sparked by good prices on world market, has prompted outsiders to invest in quinoa farming, putting increasing pressure on arable land. This has had at least two consequences: Firstly, land used for llama herding is being included for quinoa production, creating social conflict among quinoa producers and llama herders. Secondly, the amount of affordable quinoa for consumption is decreasing, due to good prices for organic,

certified fair trade quinoa for export. The nutrition level among poorer groups of the local population is decreasing, since quinoa (a highly nutritive product) is substituted with other products, which does not have the same quality. Fair trade certification arguably leads to better prices for export products in global South. FLO certification is primarily for smallholder production (Jaffee, 2012: 109) to protect rights and production of these producers. As we have seen in the Bolivian case described here, this did not increase livelihoods in this particular community because the very nutritious quinoa was harvested for export only, while local food consumption was changed to lesser nutritious products (own observation).

Fair trade – a contested notion

Fair trade, understood as fairness within global trade is an idea originating mainly in the global North (Valiente-Riedl, 2013; Doherty/Davies/Tranchell, 2013).

Fair trade is a social movement based on an ideology of encouraging community development in some of the most deprived areas of the world. It coined phrases such as 'working themselves out of poverty' and 'trade not aid' as the mantras on which growth and public acceptance were built. (Doherty/Davies/Tranchell, 2013: 161).

According to Stenzel (2008) 'the Fair Trade movement promotes practices that make trade more fair for all parties, including producers, consumers, and the Earth' (559).

There is a general assumption about fair trade among consumers, that fair trade creates economic and social equality, but there is not a direct connection between buying a fair trade labelled product in a supermarket in the Global North and fair trade. In fact, fair trade often functions mainly to boost a company's profile of social responsibility to meet the company's own sustainability and ethical goals (Stenzel, 2008: 557). Fuentes (2014a) describes the notion "moral artefact", which portrays a product 'inscribed with a specific environmental morality through marketing practices' (113). This all points to an increasing awareness among consumers about the origin of a product, and can direct consumers to specific goods, for example fair trade products.

Ofstehage (2012) argues for the necessity for studies based on ethnographic methods about how fair trade is operating in practice. Some researchers (Stenzel, 2008; Doherty/Davies/Tranchell, 2013) focus on the market perspective of fair trade in global exchange, where consumers in global North support producers in Global South directly by buying fairtrade labelled goods. This argument also links to Fuentes' notion of specific products ("green", "fairtrade") as moral artefacts. However, as stated by Ofstehage, there are few ethnographic studies on how fair trade influences communities and producers in their daily life. The case from Bolivia suggests that there are unintended consequences connected to fair trade and FLO certification.

Inequalities

As mentioned above the production of a specific crop – in this case fair trade certified organic quinoa – creates new dynamics in communities. There is dispute over land because of different interests in using the land for different purposes. Additionally, villagers, who are well off have possibilities of joining other methods for agriculture, for example returning to cultivating using terraces, a technique also used by the Incas. When NGOs enter villages to propose new farming methods, only the peasants who have assets can participate. Building terraces is demanding in

material and work hours, and only one family in the village I visited had the means to use this technology. Fair trade production thus, in this case, deepened social and economic inequalities at the village level and created disputes between agricultural producers and llama herders. At the same time, it can threaten livelihood for communities, since use of technologies, such as tractors, which are not adapted to local circumstances can damage agricultural production for years to come (Jacobsen, 2003).

Towards a conclusion: Fair trade within the Sustainable Development Goal framework

Quinoa is marketed as an alternative product, often organically produced and within the fair trade labelling system. From the consumers' point of view, the fair trade product presents itself as sustainable, both ecologically and socially: Producers at local level will increase sale of quinoa, which is exported to markets in the Global North. This creates economic development among producers of fair trade goods. The problem is that too much demand might create problems at the local level. Initial findings show that there are conflicts in villages directly caused by growing demand for quinoa, and thereby growing production for export. Environmental sustainability might be at risk. Furthermore, nutrition levels decrease, especially for the children, since quinoa is not used as much in daily diet as before (own observations). Because of the high prices on quinoa at the world market most of the production is exported (at a good price).

The question is whether production of fair trade goods is positive for people in communities, even though the local peasant might obtain a good price for locally produced quinoa, and even though there is a demand from global North. This demand is sustained by a wish for green consumption through fair trade, and a wish to support peasants in the global South through consumption of fair trade products from these areas. My research questions were: is fair trade “fair”, and does it create empowerment and better livelihood conditions locally? Can fair trade be connected to SDG 12 on sustainable consumption and production and environmentally sound technologies?

In order to provide an answer we need to revisit SDG 12 (‘Ensure sustainable production and consumption patterns’), Target 12.A. (‘Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production’) and indicator 12.A.1: (‘Support to developing countries on research and development for sustainable consumption and production and environmentally sound technologies’). All are framed within a top-down perspective. Focus is sustainable “consumption and production”. Therefore, this goal favors consumers who demand sustainable production. If we are to include the “development” in Sustainable *Development* Goals, the poverty alleviation aspect is missing within Goal 12. “Development” in general is positive as an idea or policy, but as we have seen from the quinoa example, development initiatives like sustainable fair trade production can have unintended consequences on the community level, a dimension often missing within the SDGs. The ideas behind the SDGs are framed within a paradigm originated in the Global North (Sachs, 2012; Carant, 2017). Thus, more critical ethnographic studies are needed in order to analyze and criticize practices within the Sustainable Development Goal framework to create results which will include all stakeholders. In order to achieve this, the focus on consumption and production is missing the link to poverty alleviation contexts, local knowledge and local practices. Fair trade has been presented as one of the solutions solution to poverty and inequality

(Stenzel, 2008). There is a connection between fair trade and SDG 12, but because both paradigms (fair trade and SDG) are embedded within a modernization paradigm, developed in the Global North (Colleyr, 2018), we need more critical analysis to unfold the potential of these global alternative discourses and practices.

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