

# Do we still need Fair Trade?

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## Abstract

This is an opinion piece that looks at how the Fair Trade movement has evolved over time and questions why the movement has lost momentum. This article investigates whether the world still needs Fair Trade and, if so, what the future of the Fair Trade movement should look like. This piece is based on first-hand interviews with Jonathan Rosenthal, the Executive Director of the New Economy Coalition; Carol Wills, the former Executive Director of the International Fair Trade Association (now the World Fair Trade Organization) and Head of Oxfam's 'Bridge' Fair Trade Programme; Sophi Tranchell, CEO of the acclaimed farmer-owned company Divine Chocolate; Roopa Mehta, CEO of the Sasha Association for Craft Producers; Rudi Dalvai, President of the World Fair Trade Organization (WFTO); Carl Grasveld, Logistics Assistant at the United Nations; Martin Newman, values and mission coach for global business leaders; and Bob Thomson, Founder and former Managing Director (1994–2000) of Fairtrade Canada.

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The Fair Trade movement as we know it today gathered momentum during the 1960s. In the ensuing decades, Fair Trade became a radical worldwide effort. Fair Trade is based on the simple belief that producers and farmers deserve the right to be life secure. They should receive a fair wage for their work and their human rights should be protected. The World Fair Trade Organization states that Fair Trade 'highlights the need for change in the rules and practice of conventional trade and shows how a successful business can also put people first. It is a tangible contribution to the fight against poverty, climate change and economic crisis.'<sup>1</sup> In the 1960s, Fair Trade was often known as alternative trade. Fair Trade products were sold in 'alternative', politicised shops and networks that went against the mainstream trading distribution channels. Alternative trade recognised the effects that colonisation had on the worldwide trading system and sought to create a more equal world. For Fair Trade, this looked like a world where the products on the shelves in the developed 'West', which were produced in Africa, Asia and South America, were made by people who did not experience exploitation. With Indian Independence in 1947 and the majority of African countries becoming independent from colonial rule between the 1950s and 1970s, setting up trading relationships with these newly independent nations in a fairer, more sustainable way was essential. The West had a moral obligation to set up fairer trading systems with those countries that experienced such appalling degrees of oppression under colonial rule. It is, therefore, no surprise that the best-known Fair Trade products, such as sugar, cocoa, tea, coffee and cotton, are connected with a long history of slavery and oppression. By attempting to overthrow the trading systems between Europe and Africa, Asia and South America, which were put in place under colonialism, the Fair Trade movement is an anti-colonialist movement. Carol Wills is the past Executive Director of the International Fair Trade Association (now the World Fair Trade Organization (WFTO)) and Head of Oxfam's 'Bridge' Fair Trade Programme. She says that her best experiences with Fair Trade included working on the ground with farmers

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<sup>1</sup> *The Definition of Fair Trade*. Retrieved from <https://wfto.com/fair-trade/definition-fair-trade>.

and forming personal relationships. She worked with women in Indonesia and in South East Asia in the 1980s and 1990s and saw how the Fair Trade movement could make working conditions safer for women and can create positive mental impacts, such as helping women feel more empowered. She describes how she saw a growth in confidence in the women she was working with. Due to Fair Trade these women were able to support their families, meaning they experienced improvements in their quality of life. Rudi Dalvai, President of the WFTO, echoes these ideas. He became aware of the positive impacts of Fair Trade after working with women in Bangladesh and seeing how Fair Trade can empower people.

Fair Trade saw a monumental change in the 1990s. Fair Trade products were no longer sold solely in alternative shops; they began to be sold on the shelves of mainstream supermarkets. The Fairtrade Foundation 'was established in 1992 by CAFOD, Christian Aid, Oxfam, Traidcraft, Global Justice Now and the National Federation of Women's Institutes.' The global and formal Fairtrade certification (Fairtrade Labelling Organisation or FLO) was launched soon afterwards, in 1997. This third-party verification system meant that consumers could trust that, in choosing to purchase Fairtrade-labeled products, the producers of these products were receiving an agreed fair wage and were working in safe environments. Fairtrade certification states that:

Fairtrade is about better prices, decent working conditions, local sustainability and fair terms of trade for farmers and workers in the developing world. By requiring companies to pay sustainable prices (which must never fall lower than a minimum price or a price based on real costs), Fairtrade addresses the injustices of conventional trade, which traditionally discriminates against the poorest, weakest producers with pricing that is set by the 'market', supply and demand, regardless of real costs. It enables them to improve their position and have more control over their lives.

Rupert Thomas, Commercial Director at Waitrose (a high-end, UK retailer), says that "The Fairtrade mark is one of the most recognisable indicators that farmers behind products are getting a good deal. It's an easy way for shoppers to identify food and drink which has been produced to high ethical standards."<sup>2</sup>

Growing up in London in the 1990s and 2000s, my memories of the Fair Trade movement consist of Fairtrade spokesmen coming to my primary school and using chocolate as a means to teach us about food production, human rights and social justice. Sophi Tranchell, CEO of the acclaimed farmer-owned company Divine Chocolate, celebrates the way Fairtrade engaged with young people. She says her 'most delightful experiences were going into schools and seeing the high awareness levels of students [about Fair Trade]'. It is sad that, for most of my generation, the Fair Trade movement has become a memory. Fast-forward to the modern day and Fair Trade products have become lumped alongside the organic, gluten-free produce that sits inside the pantries of the UK's upper and middle classes. From the radical anti-colonial politicised position Fair Trade and alternative trade once inhabited, for the majority of the population, the Fair Trade movement has now become indistinguishable from the Fairtrade mark. Now with a less distinctive purpose, many competing certifications, new local food and ethical movements, and targeted countries like India (now just behind the UK as one of the world's largest economies) and Sub-Saharan Africa (home to several of the world's fastest-growing economies), the question is, do we still need Fair Trade?<sup>3</sup>

In short, yes. We need Fair Trade more than ever. I talked to Jonathan Rosenthal, Executive Director of the New Economy Coalition, about the current position of the Fairtrade certification. He believes that 'the impact Fairtrade has on farmers' lives [in the global South] is minimal, farmers are still unable to be food secure. Farmers are getting tiny percentages of the profits that are made by big corporations.'<sup>4</sup> To exemplify this he draws attention to the appalling disparity between the incomes of a coffee farmer and the average Western coffee drinker. He believes that Fairtrade simply is not doing enough. Rosenthal goes on to say that, although

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<sup>2</sup> Burrows, D. (2017, July 14). Is this the beginning of the end for Fairtrade? Retrieved from <https://www.marketingweek.com/2017/07/14/fairtrade-ethical-commitments-trust/>.

<sup>3</sup> Focus Economics (2018, November 8). The World's Largest Economies (2019–2023). Retrieved from <https://www.focus-economics.com/blog/the-largest-economies-in-the-world>.

<sup>4</sup> National Coffee (2017, June 22). Data Snapshot: Coffee Farmer Income. Retrieved from <https://nationalcoffee.blog/2017/06/22/data-snapshot-coffee-farmer-income/>.

the 'Fairtrade certification brought Fair Trade to a higher level' by making Fair Trade products more accessible to a wider consumer market, it has done this at a huge cost. Fairtrade 'has become a marketing tool'. Rosenthal further says that 'Fairtrade's market share has become the sole measure of its success.' Dalvai agrees, stating that 'the Fairtrade certification now aims for profit, not for social justice.' Tranchell believes that, in the process of obtaining growth, Fairtrade have compromised on their original principles and that it would be beneficial to return to these. Many English companies are now moving away from using the formal Fairtrade certification. Sainsbury's have launched a self-verified 'Fairly Traded' tea, while Mondelez International, now the owner of Cadbury's chocolate, are switching from using the Fairtrade mark to using a new framework called Cocoa Life (<https://cocoalife.org>). Carl Grasmann believes that 'the Fairtrade label doesn't match up to reality. Old projects that the Fairtrade label used to support are becoming less fair, and the label does not recognise some new initiatives that are really Fair Trade.' However, Tranchell states that 'it is not transparent what's happening with Cocoa Life as there is no third party verification. [ . . . ] It is disappointing that the mechanisms [in Fairtrade] are exactly the same as when I started. The world has changed enormously, but the certification system is still static.'

Although Rosenthal believes that the future of the Fair Trade movement sees the Fairtrade certification getting watered down over time, Tranchell fears that, without it, we are entering an era of deregulation, where companies will have the freedom to 'mark their own homework'. The danger of this is that consumers will no longer be able to trust that a product is in fact Fair Trade. Tranchell advocates the importance of a third-party verification process, so as to keep brands in check by ensuring that they are delivering what they say they will. 'It is hard to find out information about a product as a consumer', she states. She promotes transparency in Fairtrade, so that the consumer knows exactly what they are buying. This view is not in direct opposition to Rosenthal, who agrees that 'there is still a place for the Fairtrade certification, but at the moment it is too limited. Fairtrade is not insignificant but it is not enough, [ . . . ] Fairtrade has been hoodwinked by capitalism.' But this does not surprise Rosenthal, who says that 'in a capitalist world no Fair Trade company is playing by their own rules'. He acknowledges that 'any intervention in capitalism is ignored for a while, then crushed, or integrated into capitalism. For Fair Trade to be in the position it is in the modern day is a natural outcome.' Rosenthal is frustrated but not disheartened. 'So much has been achieved. It is amazing that Fairtrade has not been crushed or spat out.' He believes that Fairtrade should be seen as an ally but not as the leading voice for the future of the Fair Trade movement.

The slippage away from Fairtrade certification and the lack of momentum among the young population should not be bringing into question the necessity of Fair Trade; it should be making us question the Fair Trade model. Tranchell believes that the content of Fair Trade is more relevant than ever; it is the form that is not. The first wave of Fair Trade was built on a post-colonialist model. Although colonisation is still clearly affecting the world trading system, this concept is not entirely in tune with the modern-day realities of work and economic development, either. For instance, with 'the exploitation of immigrant labour on the rise in the West' (Dalvai), Fair Trade should not solely focus on global North–South trading. Dalvai uses the example of the trade of oranges in Europe to illustrate the necessity of North–North Fair Trade. In 2016, The Guardian published an article entitled 'How Italy's oranges are linked to a modern day story of exploitation'<sup>5</sup>. The piece draws attention to 'thousands of migrants [ . . . ] living in squalid conditions in Rosarno, southern Italy, harvesting oranges for consumers across Europe'. The article describes that each year, thousands of migrant workers – predominantly from Africa, but also Eastern Europe and other parts of Italy (some legal, some illegal) – flock to the region looking for work in the seasonal fruit and vegetable harvests. Some cash-strapped farmers, often working in conjunction with middlemen – or gangmasters – are only too happy to take advantage of this ready supply of cheap labour. And the farmers say that the prices they receive from buyers aren't sufficient to sustain more permanent workers and regular wages.

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<sup>5</sup> Wasley, A., Ferrera, C. (2016, February 18). How Italy's oranges are linked to a modern day story of exploitation. Retrieved from <https://www.theguardian.com/sustainable-business/2016/feb/18/italy-oranges-slavery-coca-cola-exploitation>.

Fairtrade's focus on 'farmers and workers in the developing world'<sup>6</sup> means that cases such as this exist outside of the Fairtrade system's eyeline. Dalvai argues that 'if it is local it should be fair', as there is no reason for local trading chains to lack transparency. The European migration crisis is worsening. This means more vulnerable individuals from Africa and Asia will be looking for work in Europe. To identify this we only need to look at the large population of refugees fleeing from Syria, Ivory Coast, Afghanistan, Congo, Pakistan, Iraq, Bangladesh, Turkey, etc., who are currently living in camps in Greece and hoping to build a life in Europe.<sup>7</sup> Similar situations to the one in Rosarno will crop up across the continent. Therefore, there must be more focus on North–North Fair Trade, although this is not to say that any focus on North–South Fair Trade should be compromised. Roopa Mehta, CEO of the Sasha Association for Craft Producers, highlights that poverty in the South continues. Even if these previously less economically advanced countries are now prospering, she asks, 'who is it that is benefitting the most? There is still a long way to go for farmers and artisans [in these regions] to be life secure.' For example, Oxfam says that in India 'income inequality gets worse; India's top 1% bag 73% of the country's wealth'.<sup>8</sup>

So, let us look to the future. Fair Trade, at its core, has always been about social justice and the protection of human rights. With money becoming more and more concentrated in the upper echelons of all societies, the protection of farmers and producers is therefore more important than ever in a system that puts them at the bottom of the pay scale. Wills states that 'In the harsh modern day the values of Fair Trade are incredibly important'. We are in desperate need of a second wave of Fair Trade to ensure workers are being paid and treated fairly, a Fair Trade movement that is just as radical and relevant as it was fifty years ago.

The aim of Fair Trade to protect the lives of farmers and producers in the Global South means that Fair Trade is intrinsically linked to climate change. The rise in temperatures and extreme weather conditions are threatening the lives of producers in the South. In 2017, Dr Agnes Kalibata asked us to

consider the case of Malawi, one of the few countries to have achieved a fair deal of agricultural success but is now facing the worst drought in over three decades. [ . . . ] As a result, the production of maize – the country's main staple crop – is estimated at just over 2.5 million tonnes in 2016. This is 16% lower than the reduced harvest in 2015 and 34% below the previous five-year average and has left 39% of the population dependent on national and international food aid to survive – a 129% increase over last year's vulnerable population. In the hardest-hit areas, harvest reduced by 70% while farmers in some areas simply couldn't plant as the rains never came.<sup>9</sup>

In 2017, Gov.uk recorded that 'based on the farm-gate value of unprocessed food in 2017, UK producers supplied just under half (50%) of the food consumed in the UK.'<sup>10</sup> This means that over half of the food the UK population consumes is imported. The effect climate change has on food production in the South is clearly not an isolated issue; climate change will affect the food chain worldwide. Wills states that 'climate change affects us all, but producers in hotter climates are taking on the brunt of climate change.' Climate change threatens not only food production but all aspects of human security. For instance, climate change refugees have already become a reality. In 2018, Charlene Gubash wrote of 'searing heat [that] could make countries in North Africa and along the Persian Gulf unlivable'.<sup>11</sup> Depressing stuff, I know. So, what can we do? Tranchell states that 'by showing the negative impacts on the livelihoods of the individuals who are directly affected by the changes, climate change [activists] and Fair Trade can easily form an alliance.' Tranchell is not alone in the view that Fair Trade needs to associate itself with a broader scope of social justice issues in order to stay in tune with the times. Carl Grasveld believes that Fair Trade could play a very important role in climate change, while Mehta,

6 Fairtrade Foundation. Frequently asked questions. Retrieved from <http://www.fairtrade.org.uk/What-is-Fairtrade/FAQs>.

7 Wallis, E. (2019, February 4). Jobs in Greece provide a ray of light for migrants in difficult times. Retrieved from <https://www.infomigrants.net/en/post/14955/jobs-in-greece-provide-a-ray-of-light-for-migrants-in-difficult-times>.

8 Oxfam (2019, January 30). Income inequality gets worse; India's top 1% bag 73% of the country's wealth, says Oxfam. Retrieved from <https://www.businesstoday.in/current/economy-politics/oxfam-india-wealth-report-income-inequality-richests-poor/story/268541.html>.

9 Kalibata, A. (2017, August 17). Africa's Smallholder Farmers Among the Most Hurt by Climate Change. Retrieved from <https://agra.org/africas-smallholder-farmers-among-the-most-hurt-by-climate-change/>.

10 UK Government (2018, October 9). Food Statistics in your pocket 2017 – Global and UK supply. Retrieved from <https://www.gov.uk/government/publications/food-statistics-pocketbook-2017/food-statistics-in-your-pocket-2017-global-and-uk-supply>.

11 Gubash, C. (2018, August 12). Retrieved from <https://www.nbcnews.com/news/world/searing-heat-made-could-make-countries-north-africa-along-persian-n899921>.

Dalvai, Rosenthal and Wills agree that current social justice fights, such as climate change, women's rights, racial equality, LGBTQI+ rights and refugee rights, all align with the core values of Fair Trade. Rosenthal states that we must look at 'global trade issues through a gender lens, a race lens and a colonial lens,' while Wills argues that 'Fair Trade is more relevant than ever in the modern world and we need to shout even more loudly.'

If Fair Trade is going to have an impact on the world today it needs to be more radical; Fair Trade ideas need to take their place within the Extinction Rebellion.<sup>12</sup> The Extinction Rebellion was established in the UK in 2018 and is now a worldwide movement. They declare 'international non-violent rebellion against the world's governments for criminal inaction on the ecological crisis'. Izabella Mier, a member of a food sovereignty group, says 'We can all unite under this [Extinction Rebellion] and make our voice heard. It's incredibly inspiring to bring different organisations together for a common goal. We're looking for a way not just to be worried about climate change but to do something.'<sup>13</sup>

In moving forward it is important not to underestimate what the first wave of Fair Trade and Fairtrade certification has accomplished. Rosenthal believes that Fair Trade should celebrate how much the movement has achieved so far. He talks about meeting Pauline Tiffen, Editor-in-Chief of the *Journal of Fair Trade*, in 1987, and remembers their vision of what success would be like. He says that 'their ideas [about the future of Fair Trade] were tiny in comparison to the modern-day realities. We should not lose sight of the positive impacts Fair Trade has made so far.' The fact that Fairtrade is now a household name is a huge success that should not be taken for granted.

Moreover, around 50% of chief executives in Fair Trade are women. Although this should be the norm throughout the business world, it is not. Wills reminds us that this is four times the amount of women that are usually in high-ranking positions. The gender equality that runs throughout the movement is a triumph. The educational impacts Fair Trade has had so far are also hugely positive. Tranchell states that in order 'to influence the education curriculum for social justice', it is very necessary to continue teaching about Fair Trade in schools. Bob Thomson, Founder and former Managing Director (1994–2000) of Fairtrade Canada, echoes this view, as he believes that 'Fair Trade needs to be in the minds of consumers on a daily basis, and that it needs to transparently highlight the inequalities in trade.' To go forward, Rosenthal believes that 'power dynamics must be further unpacked and questioned'. Fair Trade, therefore, must refocus its fight on to the worldwide protection of human rights, within *both* the North and the South, looking at internal trade as well as trade across the regions. Rosenthal suggests that what slowed the momentum of the first wave of the Fair Trade movement was a loss of vision. 'Fair Trade stopped knowing what success looked like.' He believes that the real question we should be asking ourselves is 'what do we imagine as an ideal world, and how do we get there?'

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<sup>12</sup> Retrieved from <https://rebellion.earth/>.

<sup>13</sup> Watts, J. (2018, December 10). *Extinction Rebellion goes global in run-up to week of international civil disobedience*. Retrieved from <https://www.theguardian.com/world/2018/dec/10/extinction-rebellion-goes-global-international-civil-disobedience-climate-talks-poland>.