Governing Fairtrade: ethics of care and justice in the Argentinean wine industry

Agatha Herman, Cardiff University

Abstract

Globally, Fairtrade practices its ethic of trade justice and governs its multiple stakeholders through a universalising set of regulations. However, this essentialises what are, in reality, disparate, dynamic and contextual experiences. Engaging with Argentinean wine and wine grape producers, alongside European regulators, highlights the inherent tensions to this system with Fairtrade’s global efforts being experienced as injustices at the producer level. This paper argues that overcoming the disconnect between ‘justice-as-universal’ and ‘care-as-particular’ is essential; combining these ethics will make Fairtrade’s governance more responsive to the place-based realities of how it is actually experienced and lived. The institutionalisation of Fairtrade has precluded alternative ideas of thinking or doing trade justice and so more inclusive dialogues are needed to ensure all stakeholders can participate. Fairtrade needs to bridge its scales of operation through a decentralised governance structure to allow for fluid and direct discussions and actions over its rhetoric, practices and impacts. This is an important step towards actualising everyday care-full trade justice.
1. Introduction

Fair Trade originated as an alternative trade system in the post-war period in Europe and North America, with roots in discourses of political solidarity, anti-imperialism and trade-not-aid development (Renard, 2003; Wilson & Mutersbaugh, 2015). This sought ‘to transform the nature of transnational economic activity’ (Raynolds, 2012, p. 279) through a system of social regulation governed by civic and domestic conventions of collective principles and face-to-face relations (see Renard, 2003, 2005). The introduction of labelling in 1988 marked a shift to a more formalised practice, which became further standardised with the creation in 1997 of Fairtrade Labelling Organisation (FLO, now known as Fairtrade International [FTI]), a global body governing Fairtrade standards and labels (Shreck, 2005). While this mainstreaming has supported a booming Fairtrade market, which reached €8.5bn in global sales in 2017 (Fairtrade International, 2018a), the formalisation, standardisation and professionalisation that has accompanied this has significant implications for whose ideas of trade justice are implemented and who benefits (Bennett, 2012, 2016).

Fairtrade positions itself as ‘based on ensuring market access for producers who are marginalised by conventional trade and on providing fair trading relations including minimum prices, additional social premiums and improved terms of trade’ (Fairtrade Foundation, 2006). While initially championing independent, small-scale producers, considered to be the most vulnerable to global trade inequalities (Trauger, 2014), growth in both the Fairtrade organisation and market has been built on the expansion of standards to new products and production spaces, including plantations, which extends the potential socio-economic benefits of certified Fairtrade to hired labour. This influx of corporations and large production units has resulted in a discordance for some between the aims and practices of Fairtrade, as well as broader critiques around mainstreaming, standards and governance (Bacon, 2010; Bassett, 2010; Besky, 2015; Blowfield & Dolan, 2010b; Jaffee, 2012; McDermott, 2013; Moberg, 2014; Naylor, 2014; Renard, 2015).

Governance is here understood, following Gereffi (1994, p. 1997), as the ‘authority and power relations that determine how financial, material, and human resources are allocated and flow within a chain’; as such, it impacts on the power relations and practices that shape systems, processes and accountability (Bennett, 2016). Therefore, which stakeholders are involved and how impacts on, in the case of Fair Trade, what and who counts as a matter and subject of (trade) justice (Fraser, 2008). Business interests are becoming increasingly active in the governance of global multistakeholder sustainability standards more broadly, particularly in policy framing and standards design (Jaffee, 2012; Utting, 2015). As such, while these ‘global governors’ (Bennett, 2012) are stepping into some of the gaps left under rollback neoliberalism, they ‘are not neutral entities. They are political
constructions in which actors’ interests play out and power dynamics shape outcomes’ (Bennett, 2015, p. 80). In a contested movement, the fight to define Fair Trade to non-members, serve as a spokesperson and frame norms (Bennett, 2012) is critical in establishing legitimacy, dominance and survival for particular goals, tactics and ideologies as well as shaping how these play out in production and consumption spaces.

Through an empirical focus on Fairtrade wine and wine grape producers, this paper moves beyond the bananas, coffee, tea and cocoa that dominate and frame Fairtrade literatures and debates. Through exploring the disconnect between a universalising ethic of justice and a placed ethic of care within the certified Fairtrade system it analyses the challenges of multiscalar governance. Fairtrade’s preference for a harmonised, worldwide label (Bennett, 2015) struggles to take into account its structure as a multiscalar network of asymmetrical and placed connections composed of stakeholders with diverse incomes, challenges, privileges and lifestyles (Bennett, 2017). A longstanding critique of sustainability labels is that they obscure the differences and tensions between local systems (Getz & Shreck, 2006) since ‘although the basic principles of Fair Trade are the same for each commodity, there are certain characteristics that are unique to each product’ (Shreck, 2005, p. 19). Using examples from Argentina alongside interviews with representatives of FTI, this paper reflects on Fairtrade’s mobilisation of justice through its governance structures, before considering how this is experienced in production spaces. Ideas of care emerge at this scale, which emphasizes the relational heterogeneity that characterises lived engagements with Fairtrade, and the need to negotiate between local and international definitions and practices of fairness and justice (Jaffee, Kloppenburg Jr., & Monroy, 2004). The paper proposes that a devolved governance structure, which bridges the scales to make space for more direct and fluid discussion and actions, will better support Fairtrade in being responsive to the place-based realities of how it is practised and experienced.

2. Governing for justice in Fairtrade

Despite critiques of Fairtrade’s attempts to work ‘in and against the market’ (Bassett, 2010, p. 44), it has accrued significant organisational legitimacy (Blowfield & Dolan, 2010b). This has allowed it to, at least partially, re-embed ‘market exchanges within systems of social and moral relations’ (Jaffee, 2012, p. 95) but increasing corporate participation is reinforcing traditional North-South inequalities (McDermott, 2013; Trauger, 2014) and certifying the very global production networks (GPNs) Fairtrade was formed to counteract (Jaffee, 2012). As formal governance arrangements were established that aimed to institutionalise greater fairness and justice (Taylor, Murray, & Raynolds, 2005), producers lost their power and place at the centre (Renard, 2005). As Bennett (2015) highlights
in her account of the changing structures of Fairtrade from label creation through to, most recently, producers as equal owners, Fairtrade has had a mixed record of producer inclusion within its internal governance system (Bennett, 2012). This has meant that certain pivotal decisions have been taken, such as the creation of FLO, the pursuit of ISO compliance and the establishment of the separate certifying body FLO-CERT, which producers may not have pursued (Bennett, 2015; Renard, 2015; Wilson & Mutersbaugh, 2015). While positive changes have been made, challenges in terms of representativeness, diversity and the role of producers in decision-making persists (Bennett, 2015, 2017). However, producer inclusion is not typical in voluntary sustainability standards such as Fairtrade and so, while giving producers a voice does not ensure that they influence policy outcomes, it does indicate movement towards a more inclusive multistakeholder organisation (Bennett, 2017). Producer involvement is increasingly acknowledged as critical in legitimating such standards through improving democracy and creating opportunity and skills based benefits for producers, who are typically the beneficiaries of such systems (Bennett, 2016, 2017).

Concepts of justice are innate to Fairtrade, whether it is positioned as a challenge to neoliberalism (Linton, Liou, & Shaw, 2004), a response to the negative effects of globalisation (Raynolds & Murray, 2007) or an ‘interregional form of reciprocity and equitable exchange’ (Moberg, 2014, p. 9). It’s efforts to create a new reality within the market (Renard, 2003) are fundamentally grounded in a recognition of the interconnected nature of GPNs and the consequently transnational scale of inequalities and injustices. Following Fraser (2008), justice is understood as multidimensional and intersectional, composed of socio-economic redistribution, cultural recognition and political representation. These offer a framework to conceptualise how justice is mobilised and practised within the multiscalar Fairtrade system. For Fraser, justice is ‘parity of participation’ (2008, p. 16) and, in a globalised world, this must be set within a transnational frame since social processes and structures ‘routinely overflow territorial bounds’ (ibid, p. 13). Fraser’s ‘redistribution’ acknowledges that socio-economic structures can deny individuals, communities or organisations the resources needed to interact and participate on an equal footing. Fairtrade works to challenge this through addressing injustices in value capture, where costs are borne and asymmetries of market information (McDermott, 2013; Naylor, 2014). However, critics argue that this ‘fairness’ is centred on markets and competition rather than necessarily equity for those marginalised in global systems (Trauger, 2014), with the state-level geography of justice that Fairtrade enacts hiding intra-national inequalities, allowing capitalist classes to be included (Staricco, 2017a).

Besky (2015, p. 1144) argues that:
'Fair trade interventions mobilize around two visions of justice... a ‘market’, in which justice means equitable distribution, or it can be a ‘movement’ in which justice means recognition, the inclusion of marginalized people and their ways of life in a global community of solidarity and interdependence...’

This element of recognition is clearly problematic within Fairtrade’s changing governance structures as Bennett (2015, 2017) highlights the institutionalised hierarchies of cultural value (Fraser, 2008) that shape which producers – from particular regions and producing certain commodities – have been historically allowed to participate and how. In turn, the policies created by Fairtrade’s governance bodies (currently the General Assembly and Board), into which producer representatives have had varying input, shape who can participate at the ground level. For example, the focus on ‘quality’ has become an important structural barrier to the wider redistribution of Fairtrade’s benefits to marginalised producers (Getz & Shreck, 2006; Shreck, 2005). They are unable to interact as peers within this ‘quality economy’, which has become a site of negotiation and power (Renard, 2005) that favours larger and more well-established producers, cooperatives and corporations (Lockie, 2008). This makes Fairtrade’s systemic engagement with the recognition dimension of justice problematic, an issue that persists when considering representation. This is ‘the stage on which struggles over distribution and recognition are played out’ (Fraser, 2008, p. 17), establishing who counts as a participant and how decisions are made. In FTI, this maps onto the role of different stakeholders in its various governance bodies, which contain the inherent challenge of ensuring that the perspectives of Fairtrade’s diverse group of stakeholders are all recognised and represented.

In 2011, FTI changed its constitution to ensure that producer networks and national Fairtrade organisations (NFOs) were equal owners of the system, meaning that producers have guaranteed seats and a veto in the highest governance bodies (ibid). In addition, standards and pricing reviews are grounded in global consultations (Head of Standards, FTI, Interview 2015) in an effort to ensure that all stakeholders can engage with the procedures of Fairtrade. When reflecting on revising the Fairtrade textile standard, the Head of Standards commented that:

‘...we had the unions, student society, partners, businesses, producers, traders commenting on that standard. And according to our operating procedure it’s 60 days... so we can actually incorporate feedback from different stakeholders ... And then we publish, at the end of the consultation we have a synopsis paper, which is basically saying on this point the consultation results are these, these people are in favour, these people are not, some people have some suggestions, and then that’s on the website as well’ (Interview, 2015)
This consultation process informs their recommendation, which goes to the Standards Committee, a multi-stakeholder body that takes the ultimate decision, ideally by consensus, with the minutes of these meetings also published online to ensure transparency; a similar procedure is conducted for pricing reviews (Pricing Project Manager, FTI, Interview, 2015). While critics argue that standard-setting processes are opaque and that there is limited information on how minimum prices are calculated and revised (Bacon, 2010; Bassett, 2010), this suggests that efforts are being made to reduce misrecognition and misrepresentation:

‘...every five years we need to review the standard... we have a look at the information from FLO-CERT ... if you see that there are a lot of non-compliances on one area then that’s something you need to look into, because perhaps it’s not reflecting producer realities.... So, in that research phase we try to actually contact people who are quite close to the product to see what we need to change.’ (Head of Standards, FTI, Interview, 2015)

While this demonstrates a certain responsiveness to how standards and pricing play out on the ground, the Head of Standards acknowledged that ‘some producers we never reach’ (Interview, 2015), which highlights the ongoing challenges in terms of addressing these dimensions of justice. As Bennett (2015) noted the producer networks themselves still lack the capacity to foster wide participation and so represent the diverse interests across their geographical constituencies. This is not a challenge unique to Fairtrade and emphasizes the issues inherent to multistakeholder, transnational governance and certification systems. However, in Fairtrade – as a system explicitly founded on principles of justice – there are perhaps greater expectations, which are made more challenging through its position as a moral economy embedded in a commercial framework (Wilson & Mutersbaugh, 2015). While the Fairtrade label is the world’s most recognised ethical brand (Blowfield & Dolan, 2010b), which gives it significant market power, it acts to mask differences between local production systems (Getz & Shreck, 2006). As Jaffee et al (2004, p. 193) reflect ‘meanings of fairness... are both locally specific and at the same time open to redefinition in an international context’ and yet the place-based nuances of Fairtrade are often overlooked (Naylor, 2014). It is therefore important to understand how the ethic of justice mobilised at Fairtrade’s global scale - emphasizing universal standards and prices to ensure the fair and equitable treatment of all producers - actually interacts with local production spaces.

3. Contextualising Fairtrade wine in Argentina

The purchase and sale of Fairtrade wine grapes is covered by the Fairtrade Standard for Fresh Fruit, which in this instance also covers any processed products (Fairtrade International, 2018b). This
establishes certain requirements in terms of traceability, environmental protection, contracts, finance, social development and labour conditions. While there are general requirements that cover all fresh fruit, there are specific clauses relating to wine grapes that include pre-financing, timely payment and contracts. There are also separate standards to distinguish between the different types of production space: small producer organisations (SPOs), hired labour (HL) and contract labour (CL) as well as trader standards, although the former also indicate when elements apply to buyers, processors and distributors to ensure that practices are spread throughout the GPNs. These are audited by FLO-CERT, the independent certifier and subsidiary of FTI, every three years (FLOCERT, 2018b). Only producers and traders that wish to transact under Fairtrade conditions, or receive/handle Fairtrade premiums need to be certified (FLOCERT, 2018a), which allows for auditing gaps since this can effectively be ‘outsourced’ so that, for example, supermarkets, despite selling Fairtrade products, are not scrutinised (Blowfield & Dolan, 2010b).

Although the Fresh Fruit Standard covers both wine grapes and wine the FTI estimates that around 90-95% of the SPO and HL producers are processing their wine grapes into this value-added product (Pricing Project Manager, FTI, Interview, 2015). This adds complications in terms of value-capture and pricing because:

‘...they are selling the wine already packed either in bulk or in bottles, and then the price for the wine grapes is not really applicable to them. We, it is, but then we need to apply conversion ratios and everything from wine grapes to wine, but it's better if we would have perhaps a model that fits better with the wine industry and not the wine grape industry’ (Pricing Project Manager, FTI, Interview, 2015)

While a new pricing model would help engage with the realities of the sector, incorporating the changeable qualities of wine, which shape the varying market values of different vintages, would prove challenging (Pricing Project Manager, FTI, Interview, 2015). Research to date has made little distinction between Fairtrade wine and wine grape value chains. Nevertheless, while literatures are limited, the predominant focus on the connections between production and consumption spaces (Herman, 2010, 2012, 2018b; Kleine, 2008) and the experiences of producers (Herman, 2018a, 2018c; McEwan & Bek, 2009; Moseley, 2008; Staricco, 2017b; Staricco & Ponte, 2015) offer interesting insights into value-added and luxury Fairtrade consumables.

Brown (2015, p. 167) notes that ‘many ethical shopping initiatives primarily target wealthy, highly educated consumers’ and the range of Fairtrade products now available highlights the move to a more premium positioning. This can be seen in the coffee and chocolate sectors, since mainstreaming has led to an increased need to compete on quality and price (Goodman & Herman, 2015). However,
‘decision-making in luxury purchasing differs considerably from commodity style purchasing’ (Davies, Lee, & Ahonkhai, 2012, p. 38). Consumers are more likely to pay a premium for Fairtrade for a basic rather than a luxury consumable because it is perceived that a producer of the latter is better able to command high prices (Popa & Pracejus, 2010). However, this assumption fails to acknowledge that ‘in a supply chain, the opportunities for abuse are numerous’ (Hilson, Gillani, & Kutaula, 2018, p. 896).

In other value-added luxury products such as Fair Trade gold, campaigns have enhanced consumer awareness of labour and social issues in production. However, the extensive marketing of wine through terroir-based imagery has arguably fetishized it, making it harder to connect ‘the “aristocratic” image of fine wine which is associated with quality and status...[with] the egalitarian values of the Fair Trade movement... benefitting small, income-poor producers...’ (Kleine, 2008, p. 118). While not an issue unique to wine, a focus on this sector foregrounds the challenges of extending Fairtrade beyond the ‘naturalised divide between a “consuming North” and a “producing South”’ (Naylor, 2014, p. 273), which both homogenises these identities and delimits where ‘legitimate’ Fairtrade producers can come from. In Kleine’s (2008) action research on Chilean Fairtrade wine, she notes that Chile is widely positioned as economically successful and modern; equally neither Argentina nor South Africa – the other key Fairtrade wine producing countries – fit neatly into Fairtrade’s global spatial imaginary, which returns us to the issues raised in relation to governance. In spite of invoking particular contexts when necessary, for example in marketing (Goodman & Herman, 2015), Fairtrade continues to govern through a decontextualized and universalising ethic of justice. However, place is always foregrounded in wine cultures with terroir recognised as critical to the taste and finish; similarly, local cultures of production mean that ‘in the movement from the abstract to the concrete, many local determinations emerge, modifying and qualifying the initial concept of Fairtrade...’ (Staricco, 2017b, p. 210). It is therefore important to understand the Argentinean context in which the following empirical discussion is set.

While it is beyond the scope of this paper to exhaustively account for Argentina’s historical and structural conditions, it is useful to briefly reflect on some key elements that have shaped how Argentinean wine grape producers engage with Fairtrade. Until the 1990s, production and consumption of wine was relatively localised (Hussain, Cholette, & Castaldi, 2008) with a focus on table wine predominantly for the domestic market (Schrock, Adams, Nicolson, & Dodd, 2001). However, oversupply combined with decreasing local consumption led to a crisis in this productivist industry, which had been governed by protectionist state interventions (Corby, 2010; Staricco & Ponte, 2015). The 1990s saw a shift to an export focus that was, in part, driven by the increase in foreign investors attracted through Argentina’s turn to neoliberalism, enforced through a Structural Adjustment Programme. While this led to economic deterioration, foreign debt, unemployment and
poverty (Sanz Villarroya, 2009; Thomas & Cachanosky, 2015), it also contributed to the reconversion to a quality-focused wine industry (Staricco, 2017b); financial fluctuations made an upgrading in processes, skills and materials possible, allowing the industry as a whole to become more globally competitive (Corby, 2010; Hussain et al., 2008). This revolution in viticulture and vinification has been driven by the wineries, which has established a duality between a ‘quality’ sector dominated by foreign capital and domestic groups with an international focus, and a more marginal ‘quantity’ sector commanded by three major wineries. The latter control 60% of the commercialised table wine and represent the only option for low-quality grape producers (Staricco, 2017b; Staricco & Ponte, 2015).

As such, small producers of wine grapes – who make up around 80% of the approximately 18000 primary producers in Argentina (COVIAR, Interview, 2016) – are relatively powerless in negotiations with the wineries who control both the quality and quantity sectors (Corby, 2010). Formal contracts are relatively unknown and payments are made in instalments throughout the year (Staricco, 2017b), which in a context of high inflation makes for financial precarity. Combined with the suspicion of cooperatives, historically rooted in experiences of corruption (Corby, 2010), that has left small producers reluctant to organise, this makes them particularly vulnerable. On the labour side, the new technologies that have come with the turn to quality have led to a skills upgrading, which has resulted in increasing numbers of unskilled workers on temporary and ad hoc contracts, a flexibilization of labour relations that makes it hard for the most marginalised workers to enforce collective bargaining (Staricco, 2017b). Fairtrade wine was introduced for Argentinean wine grapes in 2006 in an effort to address these structural inequalities facing small producers and hired labour. However, research suggests that industry issues around overtime and written contracts, alongside questions as to the value of the minimum price, minimum wages and the payment of Fairtrade premiums, persist within certified supply chains (Staricco, 2017b; Staricco & Ponte, 2015). In an industry with around 1250 wineries (USDFA Foreign Agricultural Service, 2015), as of 2018 there were nine accredited wine grape producer organisations and two organisations certified as processors; of these, five are licensees, meaning that they can use the Fairtrade mark on their products and so produce and market their own Fairtrade wine. Given the lack of a domestic market for Fairtrade wine, this export focus continues to marginalise those smaller producers and wineries who are unable to access or compete in international markets, and so is argued to reproduce existing sectoral inequalities (Staricco & Ponte, 2015).

In order to engage with the experiences of Fairtrade producers, I undertook a qualitative, multi-sited study based on extended fieldwork conducted in the La Rioja and Mendoza regions of Argentina (April-June 2016). Here, I draw on research conducted with two SPOs, one a large cooperative of 500 growers and 250 workers that produces Fairtrade, organic and conventional wines (SPO A, certified in
2006) and the other an association of 15 farmer-owners and 9 contratistas that grows Fairtrade wine grapes (SPO B, certified in 2007). The former involved semi-structured interviews and focus groups with six small producers, three management representatives and seven workers, alongside photovoice methods with four of the latter and tours of the production and community spaces. The latter involved semi-structured interviews and focus groups with six small producers and contratistas, the agronomist and owner of the winery that supported the creation of SPO B and observation of meetings preparing for the Fairtrade audit and the audit itself. For the sector and regulator perspective, I interviewed six industry stakeholders, the national Gestor de Fortalecimiento (GdF, formerly known as a liaison officer), who is employed by CLAC to support and promote Fairtrade production in Argentina, a FLO-CERT auditor and, in May 2015, four representatives of FTI in Bonn based in the ‘International Development’ and ‘Standards and Pricing’ units. All interviews in Argentina, except with the winery owner, were conducted and transcribed in Spanish, and translated by the author; interviews with FTI were conducted and transcribed in English. The semi-structured interviews and focus groups ranged from 35-85 minutes and, following transcription and translation, all research materials were inductively coded in NVivo.

Three key findings emerge from the empirical material. Firstly, despite Fairtrade’s global promotion of (trade) justice, this can be experienced as injustices at the local, producer level. Secondly, at this scale, more particular practices of an ethic of care emerge. Finally, this distinction highlights that the ongoing disconnect between ‘justice-as-universal’ and ‘care-as-particular’ within Fairtrade must be overcome to make Fairtrade responsive to the realities of how it is practised and experienced.

4. SPO B: the injustices of Fairtrade’s ethic of justice

FTI does acknowledge the diversity of stakeholders that engage with its systems. It recognises that who counts as a ‘small producer’ is context-dependent, publishing guidelines that vary according to country and product (Fairtrade International, 2015). However, it enforces global standards on structure, organisational processes, traceability, sourcing, contracts and production practices including labour and environmental conditions. These support Fairtrade’s redistributive strategy of ‘making changes to the conventional trading system that aim to benefit small producers... and increase their access to markets’ (Fairtrade International, 2011, p. 3), which requires ‘the demonstrable empowerment and environmentally sustainable social and economic development of producer organisations and their members’ (ibid, p. 32), engaging with Fraser’s (2008) recognition and representation dimensions of justice. However, the experiences of SPO B highlight that ‘there are significant differences in local certification practices that substantially alter the lived experience of
certification’ (Wilson & Mutersbaugh, 2015, p. 282), with Fairtrade’s universalising discourses and practices of governance and certification failing to address the regional, national or local power differentials (Bennett, 2012) that impact how Fairtrade policies are actually experienced.

In SPO B, the social premium coming from sales of certified wine grapes has brought socio-economic benefits to members in terms of health and education, investments in domestic and production spaces, as well as covering the costs of accreditation (SPO B Agronomist, Interview, 2016). Access to such resources – including training courses for adults and children, school materials, house improvements, medicines and treatments – highlights Fairtrade’s redistributive benefits in overcoming some of the challenges faced in rural Argentina in terms of economic and infrastructural poverty and an inability to access credit (Michelini, 2013; Wald, 2015), with an emphasis within SPO B on those most in need:

‘…we make like a positive discrimination, always putting the most needy first, those who benefit least by the system. So, who are those with the most needs in the group? The three smallest producers of 1 hectare, they are very small…’ (SPO B Agronomist, Interview, 2016)

In addition, the structure of the association builds social capital, encouraging a sense of responsibility and participation as producers and contratistas are all equally involved in democratic decision-making:

‘…we unite to decide on what the money is going to be spent, how much there is, what it is going to be spent on, how we are going to divide it between everyone. Yes, we all participate and we all decide. All the group, not just one, we all have to be happy’ (SPO B Contratista A, Interview, 2016)

However, while redistribution, recognition and representation are all practised internally within SPO B, their capability to ‘interact as peers’ (Fraser, 2008) at other scales is more problematic. Despite SPO B’s 10 years of experience within the Fairtrade system, it continues to struggle with accessing markets and challenging conventional trading relations. Renard (2005) highlighted that often only 10-20% of production is sold under Fairtrade terms and prices; this is reflected in SPO B. Although in 2010, it was selling certified wine grapes to four wineries, who held Fairtrade certification as processors and licensees, by 2015 falling demand meant that certified sales had dropped to only 5% of production and one multinational-owned winery. This has left the SPO dependent on short-term, insecure contracts and acutely aware of the precarity of its current, market relations (SPO B President, Interview, 2016). Although the President felt that Fairtrade ‘more or less protects the activities of the small producers’ (Interview, 2016), subsequent discussions highlighted their inability to compete against other, larger producers (including SPO A) or interact as peers in negotiations with wineries. Staricco (2017b) notes that, in principle, Fairtrade establishes a sphere of reduced competition, which
aims to make small producers more competitive through bringing in domestic and civic qualities and so freeing them from a price-based logic. However, allowing large producers and processors to certify shifts power away from the small producers, who continue to be marginalized as the system ‘reproduces the hierarchies and inequalities of the conventional market’ (Staricco & Ponte, 2015, p. 74). As such, the ‘nice neoliberalization’ (Guthman, 2007) of Fairtrade both replaces state responsibility for socio-economic protection while also establishing a new quality regime, which can be appropriated by corporations. Small associations such as SPO B cannot compete with the economies of scale of larger producers with value-added capabilities such as SPO A or the economic power of the multinational-backed wineries on whom they are increasingly dependent. Indeed, the President particularly highlighted issues of variety, quantity and accessing markets:

‘...there needs to be the best of other varietals, not only Malbec but also white wine... it is [SPO A] who sells more wine under Fairtrade, in other words they have the ability to do a little of everything and at a high quality... fundamentally I think that the problem is also the association [SPO B] is more affected by the economic situation. Each time we have less possibility of exporting, the costs rise and so we remain outside the market...’ (Interview, 2016)

At the time of research, while SPO B was exploring the possibility of new Fairtrade contracts, the need for economic security meant that their focus was simply on selling the harvest and, whether with certified or conventional wineries, their capability to negotiate or control market relations remained limited. Their growing marginalisation within the Fairtrade wine grape market was exacerbated by the increasingly conventional nature of their trading relations. When they had been supplying the small winery, who had been instrumental in establishing the association and gaining Fairtrade certification, the relationship had been more than just buyer-seller; the agronomist had helped with both the paperwork and auditing processes. However, the winery itself was unable to compete with the volume producers of Fairtrade wine, which meant that there was no longer any capacity to support SPO B in this way; therefore:

‘... it’s a lot of paperwork and I don’t think they are prepared for that ... they did an effort in the beginning but they were selling. But now to make an effort and not selling anything, what’s the point? And they are grape growers... so somebody should do administration, somebody should talk to the winery to try to sell the grape, somebody to help them with the certification...’ (Winery Owner, Interview, 2016)

Fairtrade does offer training opportunities to address these needs with the FTI International Development Director arguing that the system ‘invests enormous amounts of money in providing this frontline support through our own officers’ (Interview, 2015). In Argentina, this is provided through
CLAC whose mandate includes provision of assistance and training through the in-country GdF. It is compulsory for all SPOs to have an annual training plan alongside evidence of participation. However, SPO B’s members have limited management and marketing skills, and continue to struggle ‘especially in training because the people are sometimes reluctant, it is difficult for them to meet in order to receive training’ (SPO B President, Interview, 2016). During the 2016 audit meeting, the lack of training in production practices and Fairtrade criteria was highlighted as an issue but decreasing sales, and the consequent fall in social premium, has meant that it is increasingly difficult to maintain enthusiasm:

‘A lot of people have wanted to participate, to be added to the Association, because they viewed it as a good way out. But we have had the problem that we have begun to sell less...
Now, there are some members that are still not very enthusiastic because we are in a crisis…’
(SPO B President, Interview, 2016)

There is only one GdF to cover Argentina and Uruguay and, while they provided technical assistance, attended meetings and offered training and support with projects, their capability was limited by the extensive geographical scope of their remit. Despite the positive impacts and improved social capital of acting as an association (Fairtrade Audit Meeting, 2016), in SPO B it was reaching a point of financial unsustainability and so it was felt that Fairtrade was failing them:

‘...the idea that it was to help small producers, well, it remains like an idea... In other words, Fairtrade is not going to fulfil what one thought... I think that it is still every man for himself…’
(SPO B President, Interview, 2016)

Many of the Fairtrade wine and wine grape producers in Argentina are large co-operatives or local subsidiaries of international corporations (Schrock et al., 2001; Staricco & Ponte, 2015). This means they have the necessary capital and human resources, plus a history of export, that allow them to maintain their Fairtrade markets, and so certification, despite Argentina’s economic crises (GdF, Interview, 2016). In contrast, small producers struggle to compete because ‘here the certification is very expensive. In other words, someone who is not exporting is not really able to access’ (ibid). This highlights that – despite the redistributive and representational rhetoric of changing trading relations and capacity building at the institutional level – how Fairtrade is being practised at the ground level is very different. As a representative of the Fairtrade Foundation (email, 2017) commented during a discussion of skills levels amongst South American SPOs:

‘The Fairtrade Standards are full transparent, accessible on our website and audited against by the third-party organisation FLO-CERT... small producer organisations also receive
assistance from FTI and our regional producer networks offering staff support on the ground to help producers meet the Fairtrade Standards and maintain their certification.’

This highlights a disconnect between the reality of producer support in Argentina and the centralising tendencies of Fairtrade governance that are working towards an ethic of justice based on certain assumptions. The expectation of the IT literacy essential to accessing the standards; the level of education needed to understand and action the standards; the time and expertise necessary to build, negotiate and maintain sales relationships; the availability and accessibility of specialist training; and the language skills critical to developing export markets. SPO B’s limited capabilities in these areas lead to Fairtrade being experienced here as disconnected from reality, and so as everyday moments of injustice, as ‘yet another scheme dreamed up by foreigners’ (Shreck, 2005, p. 25) to struggle against in order to stay viable as a producer.

How can we reconcile Fairtrade’s inter-scalar tension? Following Williams (2017, p. 7), I argue that ‘for the ideals of justice – fairness and equity – to be practised, the ideal of an ethic of care – mutual wellbeing – also needs to be practised’. An ethic of care centres on a holistic, located and contextual response to needs, grounded in a relational subjectivity that stresses our interconnectivity (Popke, 2006). An ethics of care is more focused on relations and responsibility than the rights and rules of an ethic of justice, and so ties frameworks for social interaction to concrete circumstances rather than abstract principles (Milligan & Wiles, 2010). Nevertheless, justice and care are inextricably interdependent and interacting (Botes, 2000; Moore, 1999; Popke, 2006). Moving from a binary to recognising the relationship between care and justice as a continuum overcomes the challenges of applying the universalising principles of an ethic of justice to networks that are fundamentally ‘bound in terms of interpersonal relations, context and values, and are multifaceted and dynamic in nature’ (Botes, 2000, p. 1073). In turn, the interactions with an ethic of justice avoids confining care to the particular, positioning it in relation to the broader discourses and practices that interplay between multi-scalar socio-structural processes and structures (Milligan & Wiles, 2010).

The disconnection between the universalising ethic of justice and a contextual and located relation of care for the producers and contratistas of SPO B is apparent; it is articulated firstly through their increasingly conventional supply chain relations and secondly through the divergence between the rhetoric and experience of Fairtrade support. Care-informed relations offer a sense of and for an other (Conradson, 2003); engaging with an ethic of care would move Fairtrade beyond its somewhat abstracted articulation of justice, to paraphrase Lawson (2007) it would enforce a consideration of the specific social relations and sites through which it is put into practice. Relations of care do already exist, for example, within SPO B and between the GdF and small producers but, for Fairtrade to enact
trade justice, the latter needs to be inflected with an ethic of care to recognise the particularities of its stakeholders’ lives and acknowledge that the responses it proposes to trade injustices are always experienced in place. Fairtrade is always fraught with power relations that are worked out in specific contexts and producers cannot be abstracted from their places of production (Naylor, 2014).

Milligan et al (2007) ask what are the implications of who cares, why, how and where that care takes place? This encourages us to question how an ethic of care navigates cultural differences and how this ‘ethics of encounter’ (Conradson, 2003) works with justice in global commodity networks. Understanding the places of care needs both ‘an appreciation of differing political and sociocultural constructions and interpretations of care’ (Milligan & Wiles, 2010, p. 746) and a recognition of spatial and temporal differences (Milligan et al., 2007). Places can be sites of both autonomy and dependency (Milligan & Wiles, 2010) and bringing justice into certified production spaces requires the contextual inflection of care in order to negotiate the relations of trust, disclosure, vulnerability, paternalism and power that structure these complex and contested places (Conradson, 2003). Many of Argentina’s small producers are constrained by education, health, political structures, capital or social attitudes (Wald, 2015) from engaging effectively in the Fairtrade system. Indeed, in spite of being Fairtrade, SPO B’s interactions with regulators, wineries and standards, amongst others, demonstrate that these remain unequal relations, characterised by a lack of knowledge, information and capacity. Such small producers continue to lack the power to hold accountable any of the institutions that govern their living and working practices and experiences. As Massey (2004) reflects, places are the moments through which the global is produced and co-ordinated but some places have more power than others. How then do we navigate the scales of Fairtrade power relations to ensure the mutual wellbeing of all its stakeholders, which is a mark of care-full justice (Williams, 2017)?

5. **SPO A: local relations of care**

Popke (2006, p. 504) asks ‘how do we bring normative demands to bear upon the social world of order, rules and public policy?’ In Fairtrade, this translates to how we can revitalise domestic and civic relations in a system increasingly governed by industrial and market conventions (Renard, 2003). While care is, by necessity, rooted in placed and contextual responses to needs, as Conradson (2003) notes, it is a shared accomplishment and so, by stressing our interconnectivity and therefore responsibility (Massey, 2004), it promotes compassionate and inclusive relations (Popke, 2006) that can transcend scales. The practices of SPO A further demonstrate how an ethic of care already shapes how Fairtrade is being operationalised at the local, producer level. The transmission of this across
distance and the sharing of knowledge offer some insights into how Fairtrade can develop a more care-full justice (Williams, 2017) through caring for and about its producers (Milligan & Wiles, 2010).

Through its social premium, which by 2016 amounted to around ARS $15 million, SPO A has been able to initiate and support a range of projects to benefit its small producers, workers and their families, as well as the local community. Interviews, focus groups, tours and promotional materials highlighted the building of an agri-technical college, a potable water facility, a cultural centre and a recreation ground alongside micro-financing schemes, school supplies, medicines and treatments, agricultural tools and inputs and an urban reforestation programme. In these ways, together with financial stability, SPO A enacts relations of care – ‘the provision of practical or emotional support’ (Milligan & Wiles, 2010, p. 737) – through times of precarity and uncertainty:

‘...there have been times that are very bad... But, thank God, we are members of the cooperative because if we had not been, we would not still exist as producers... And Fairtrade helps us a lot because we sell more exports with Fairtrade, we should manage much better’ 

(SPO A Producer 1, Interview, 2016)

While members of the cooperative have always had support, additional help with inputs due to Fairtrade has enabled a turn to quality, which, combined with the volumes of certified grapes produced, make it hard for others such as SPO B to compete. Internally, as SPO A Producer 2 (Interview, 2016) commented, ‘it motivates you to continue with new plantings, to improve the harvest’, which worker 6 (Focus Group, 2016) recognised would:

‘...make it possible for us to have good grapes, to have a good quality of wine and to be able to continue growing under Fairtrade rules... they pay us the corresponding price... and give us the possibility of this extra money that benefits the whole cooperative and also the community in which it is inserted’

A strong sense of solidarity permeated discussions with small producers and workers with a sense that Fairtrade ‘will benefit everyone...not only those who depend on the winery but the whole community’ (SPO A Producer 1, Interview, 2016). Through the building and infrastructure projects, everyone is able to benefit, which spreads the redistributive dimension of justice in terms of equal access to socio-economic resources beyond the immediate community of SPO A. This also extends further, demonstrating how these relations of care-full justice help address the needs of all those associated with the SPO:

‘...there are employees who are seasonal, that only work during the harvest and are not necessarily from [here]... they would migrate here for harvest time, three or four months... They input their ideas and so donations were made for schools in Salta, for maintenance, I
believe that there were books also, materials. In other words, it was not solely to the benefit of those remaining here... it was distributed in all the places where there are employees, and that was nice because it was not just for the benefit of us here, it was for all.’ (Worker 5, Interview, 2016)

Changes to the Fairtrade Standard for Hired Labour in 2014 made provision for increased representation of migrant labour within producer-level decision-making as well as suggesting that ‘a needs assessment of their home community should be considered to determine how best they can benefit from the Fairtrade Premium’ (Fairtrade International, 2014, p. 14). While still not a requirement, particularly given its certification as an SPO, this has been operationalised within SPO A because it is considered to connect with the Fairtrade ethos, and recognises the wider connections and responsibilities of the cooperative. Such impacts highlight that care and justice are inseparable since this provision of support also promotes redistribution within and beyond the SPO, ensuring an equality of access for all in an area ‘where the people have scarce resources... Imagine a secondary school in your place that you never dreamed of having, with excellent preparation for students. It is a very large, direct benefit for the area’ (Small Producer 3, Interview, 2016). Dimensions of recognition and representation are also present within SPO A, with producers – no matter the size of their holdings – having an equal voice in the governance of the co-operative and, since Fairtrade, feeling more motivated to participate:

‘...before I would never go to the meetings when they called them because every time we went backwards, you understand? Then, with Fairtrade and all its help... already one has more desire to continue engaging’ (Small Producer 2, Interview, 2016)

Representation is particularly important in this context, given the reliance of the small producers and workers on SPO A. For the receiver of care-full justice, it is essential to have a voice in what can be a complex negotiation of trust, dependence and vulnerability (Conradson, 2003). However, as we saw above, incorporating these voices into FTI’s regional and international governance is problematic. Popke (2006) argues that knowledge and information are critical to extending networks of care, both the practices of caring for and the relationality of caring about (Milligan & Wiles, 2010), which Fairtrade needs to develop a more placed and responsive ethic of justice. Renard (2005) critiques the institutionalisation of FTI that has concentrated it both spatially and in its decision-making, establishing ‘a professionalised bureaucracy whose employees were unfamiliar to producers’ (Renard, 2015, p. 476). How can this cultural and geographical distance be bridged to develop more caring relations of compassion and inclusion?
Efforts in this direction have, to date, largely focused on fostering connections between producers and consumers, which SPO A has participated in:

‘...my son is participating with another colleague, who is the daughter of a man who works here, in a programme in England, where they have to tell about their experiences in the school and upload information and all that, in order that they see how Fairtrade is working...’ (Worker 6, Focus Group, 2016)

Through social media, the students were able to respond to consumers’ questions, which built a sense of connection and an understanding of the lived particularities of Fairtrade. However, there remains a sense of disconnection between the Bonn-based FTI and producers, with Herman (2018b) showing that stakeholders in the producer networks of Fairtrade Africa and CLAC also experience this distance. Disempowerment in market, social and political arenas is clearly still felt by certified producers, which highlights their equivocal and varied experience of justice and care; such spatial and cultural divisions are propagated within current, ‘un-placed’ Fairtrade governance and regulatory practices. Therefore, ‘a critical first step is acknowledging the persistence of network inequalities, which offers the valuable opportunity to reflect on the producer side impacts of Fairtrade’s mainstreaming and question what should the relationship between Fairtrade partners be like?’ (ibid, p. 7).

We can see that both ethics of care and justice are being practised within SPO A and B but that this praxis is largely disconnected across the scales. To overcome this, emotional proximity between the currently spatially and culturally disparate parts of Fairtrade must be fostered to ‘scale up’ care and ground justice in the everyday. The experiences discussed here highlight that Fairtrade can never be understood in isolation from its political, economic or socio-cultural context; it cannot be global without also being local (Massey, 2004). Therefore, while recognising the rationale underlying Fairtrade’s universal standards, it is critical that they take account of the people and places the standards impact on, in order to ensure that Fairtrade is governed through dialogical and relational ethics of care-full justice. Drawing from the experiences of the Argentinean SPOs, four practical changes could be made to promote connections between producers and the various scales and elements of FTI. Firstly, more visits between producers and the different FTI teams would ensure a familiarity between the two groups, and that the latter maintain an everyday understanding of the impacts of the standards they develop and decisions they enforce. Secondly, representation within consultations needs to be enhanced through ensuring more on-the-ground workshops that are accessible and inclusive to promote participation. Thirdly, increased funding for the producer networks to support more regular in-country fora would foster greater representation in its governance structures and promote the exchange of best practice between certified producers.
Finally, larger teams of GdFs are essential for the more in-depth and responsive producer engagements necessary for effective and holistic support.

6. Conclusions

Fair Trade has changed significantly over the years, with the rise of the Fairtrade system defining a particular understanding, and associated practices, for the millions of producers, traders and consumers who engage with it. However, the experiences of the Argentinean wine and wine grape SPOs discussed here highlight the innate heterogeneity to Fairtrade and the ongoing tensions in negotiating the local and global in this multiscalar, multistakeholder and multinational system. Justice remains integral to Fairtrade’s discourses with Fraser’s (2008) three dimensions of economic redistribution, cultural recognition and political representation all visible, albeit to varying degrees, within its global governance and consultation structures. However, the decisions taken at this scale impact on the experience of justice at others, which highlights the need to negotiate between local and international in defining and practising Fairtrade’s universalising ethic of justice.

Producer voices are incorporated into discussions of pricing and standards as well as central governance, which is not standard amongst such voluntary sustainability standards (Bennett, 2017). Yet, a geographical and cultural disconnect remains with, for example, the assumptions that ground Fairtrade’s justice mismatching with the reality of SPO B’s skills, knowledge and relations, and the support available through CLAC. Although ‘just’ relations in terms of redistribution, recognition and representation are clearly present in SPOs A and B in terms of their internal operations, this does not necessarily translate into an enhanced capability to establish ‘just’ relations and practices with others in their GPNs. SPO B continues to rely on conventional routes to market for 95% of the grapes they produce, which is negatively impacting on the financial viability and social sustainability of the association. These experiences demonstrate a lack of the particular, of relations informed by compassion and inclusion, throughout these GPNs. An ethic of care is practised locally, as evidenced by SPO B supporting those producers most in need or ensuring that everyone with connections to SPO A, whether near or far, can benefit. Nevertheless, when dealing with the Fairtrade standards or others in the supply chain, even efforts at enacting trade justice are not always care-full. This lack of a holistic, located and contextual response to needs means that some certified producers – such as SPO B – can experience Fairtrade as simultaneously just and unjust in different dimensions and contexts.

Although evidence is limited by the small scope of this study, other literatures suggest that size is significant (Staricco & Ponte, 2015). While larger organisations such as SPO A have the socio-economic resources to engage with and compete under Fairtrade’s universalising practices and standards, to
ensure that all can participate and benefit Fairtrade’s ethic of justice must be inflected with care. Fairtrade is not homogenous, bringing together stakeholders at different points in supply chains, in various contexts and across product categories, and so its global standards are rendering static what is actually being constantly negotiated through the different contexts that govern farm-farmer relations (Bacon, 2010, 2013; Naylor, 2014). Fairtrade’s drives towards sales growth and profit maximisation have brought redistributive benefits to the 1.66 million farmers and workers in certified systems (Fairtrade Foundation, 2018) and yet the moves to industrial and market conventions have divorced it from its original domestic and civic ideals (Renard, 2003, 2005), which retain significant relevance for its key stakeholders.

The wine sector alone is clearly constituted by multiple, asymmetrical, competitive and placed interests, and so any effective, transparent and democratic governance of the Fairtrade system needs to take these – and those of other product categories – into account. Firstly, Fairtrade needs to utilise ethics of justice and care together. As Williams (2017) argues care is a situated ethic that grounds the quest for justice in the particularities of lives as lived and is not bound by spatial proximity. The Fairtrade movement has commonly focused on producing the consumer as an ethical subject but the lack of connection experienced by producers and workers demands a focus on the ethical subjectivities of all those working within the system. In Fairtrade the institutionalisation of the system (Renard, 2015) has excluded certain groups and precluded individuals, communities and organisations from thinking about or doing trade justice differently. This is a challenge acknowledged within the food justice literatures in relation to alternative food systems more generally (Herman, Goodman, & Sage, 2018), which requires all stakeholders to consider how responsibility can be enacted across scales in a care-full and just way. There needs to be a move beyond consequentialist approaches to ensuring that these ethics inform the way such systems operate as well as the outcomes.

Although critics disagree on the extent, Fairtrade does demonstrate that doing things differently is possible and that actively questioning what we value within a society and economy is a legitimate practice. However, all those within the system must be enabled to contribute to these debates. As such, multi-directional dialogue is critical but Fairtrade is currently too unwieldy for the connective and caring relations necessary to ensure equity, voice, recognition and encounter within its multiscale networks. Although a global board and assembly retain important co-ordination and oversight roles ensuring the legitimacy of the brand, a decentralised structure would start to ‘bridge the scales’ and so make space for more fluid and direct discussions over Fairtrade’s rhetoric, practices and impacts. Nonetheless, the challenge remains of how we can build such global networks of solidarity and responsibility since Fairtrade stakeholders, at all network nodes, need to be brought into inclusive and participatory dialogue to actualise everyday care-full trade justice.
7. References


---

*Fair Trade’ refers to the movement as a whole, while ‘Fairtrade’ signifies the market regulated by Fairtrade International (FTI) and Fairtrade Labelling Organisations International (FLO-CERT). Fairtrade is the focus of this paper as it represents the hegemonic model of fair trade in the contemporary marketplace.

*ii The Fairtrade minimum price is the lowest amount that a buyer must pay the producer. It is established through a consultative process that aims for a price that covers the costs of production. When the market price rises above this minimum, buyers must pay the higher price. The Fairtrade social premium is an additional sum paid by buyers to invest in social and community development initiatives that are decided democratically. For further details on the structures, contexts and stakeholders of Fairtrade, please refer to the websites of Fairtrade International ([www.fairtrade.net](http://www.fairtrade.net)) or the UK’s Fairtrade Foundation ([www.fairtrade.org.uk](http://www.fairtrade.org.uk)).
The three producer networks are regional associations that represent certified small producer organisations (SPOs), workers in hired labour (HL) and contract labour (CL) situations and other producer stakeholders. They are Fairtrade Africa, the Network of Asian and Pacific Producers and the Latin American and Caribbean Network of Fair Trade Small Producers and Workers (CLAC). NFOs are responsible for building a market for Fairtrade products, such as the UK’s Fairtrade Foundation or Transfair Germany.

As of October 2018, minimum prices and premiums for wine grapes were set for Georgia, Lebanon, Northern Africa, South Africa and South America. These vary between regions and whether the grapes have been organically produced, for example in South America the conventional minimum price and social premium are €0.28/kg and €0.05/kg respectively, while the organic equivalents are €0.33/kg and €0.05/kg.

A contratista does not own but works autonomously on the land under their responsibility. They are provided with a house, a small salary for 10 months of the year, a contribution to their social security and receive 15-19% of the harvest (Staricco and Ponte, 2015).

Photovoice refers to participatory, qualitative methods that use photographs, taken by the research participants, to stimulate dialogue with them around particular issues; here, the impacts of Fairtrade on their everyday lives. These can help capture experiences and perceptions that are difficult to express in words and offer insight into spaces inaccessible to the researcher (Nykiforuk, Vallianatos, & Nieuwendyk, 2011).

In the case of wine grapes in Argentina a ‘small producer’ must have a farm of less than 13 hectares and employ no more than two permanent workers.