

State Power and Private Governance

Negotiating the nature of 'Fair Trade' in UK government procurement and beyond

CARDIFF
UNIVERSITY

PRIFYSGOL
CAERDYDD

Presented by Alastair M Smith at:

Beyond Individual Consumer Choice: Institutionalising
Fair Trade and Public Procurement

Sustainable Development

- 1988 Bruntland Report – Sustainable Development (SD) established as a concept
 - Three equal pillars: economic, social and environmental
 - Anthropocentric concept – social justice
 - Development not just about ex-post intervention
 - Development of others must be considered in current actions

Agenda 21

- 1992 Rio Conference & Agenda 21
 - Northern consumption patterns should be ‘taking into account the development need of developing countries’
 - Everyone to take a role especially local government
- ‘to promote patterns of consumption and production that reduce environmental stress and will meet the basic needs of humanity’

UK Government Response

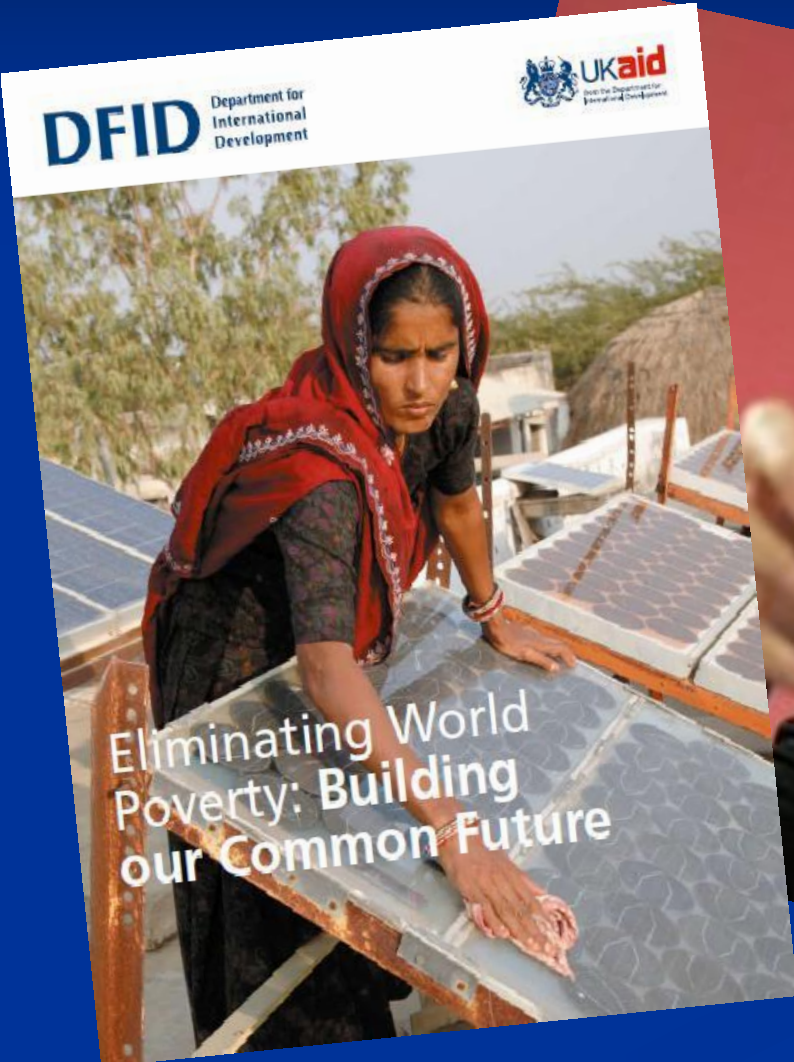
- UK Government develops first national strategy in 1994
 - Updated in 1999 and 2005 ‘Securing the Future’.

‘There is a clear obligation on more prosperous nations both to put their own house in order and support other countries in the transition towards a more equitable and sustainable world’

Role of State Procurement

- 2006 D.E.F.R.A *Procuring the Future*
 - Government must 'lead by example'
 - Many academics agree (Morgan 2008)
 - Priority areas: 3rd food
- Growing body of empirical examples
 - Concentrate on environmental issues, local human health economy (Sonnino 2009)
 - What about 'international' sustainable development?

Further Commitment to SD



... through Fair Trade!...

and ethical trade...

2.107 In recent years, Fairtrade organisations have sold goods worth more than £1 billion to over seven million families. The government will build on this success by making a strategy for ethical trade that reflects the needs of communities, private and public, to deliver development support that will help the poorest countries. The product range of fair trade market goods will achieve this, we will ensure fair and ethical trade for the next four years.

2.108 The government is committed to supporting fair trade through its procurement. Last year, the Office for Government Commerce published guidance on how government departments can support fair trade through public procurement, consistent with EU procurement directives. This includes making clear in advertisements that fair trade options are welcome and, where the winning tenderer is able to provide fair trade options, stipulating that they should be provided.

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OGC Discourse on Fair Trade...

and ethical trade

Annex - Examples of Fair and Ethical Trade Organisations

The Fairtrade Foundation awards the **FAIRTRADE** Mark to products that meet international Fairtrade standards. These include long-term trading

- making clear in advertisements and invitation to tender documents that fair trade options are welcomed as part of the products supplied to meet

UT: The

pro trade options, asking for products bearing the Fairtrade Mark³ 'or con equivalent' is a helpful way of demonstrating that fair trade standards are being met;

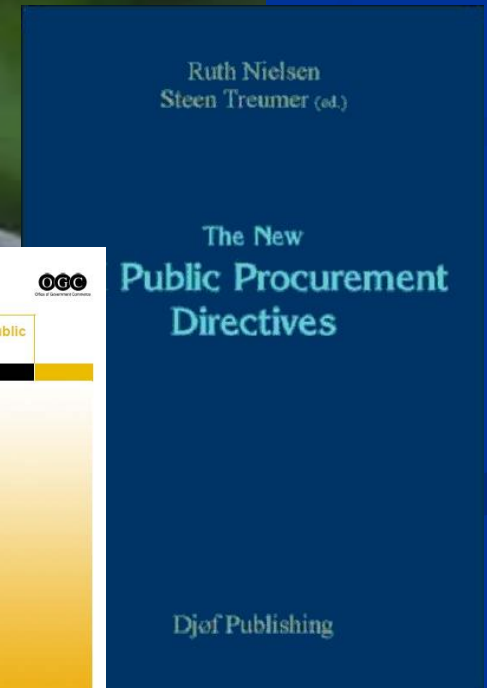
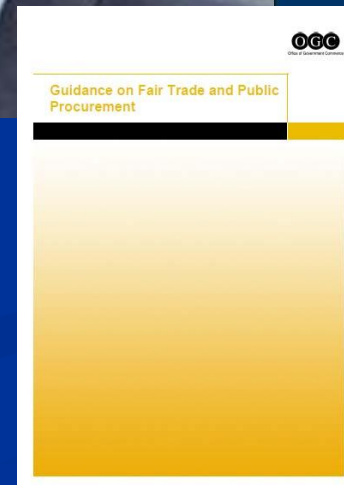
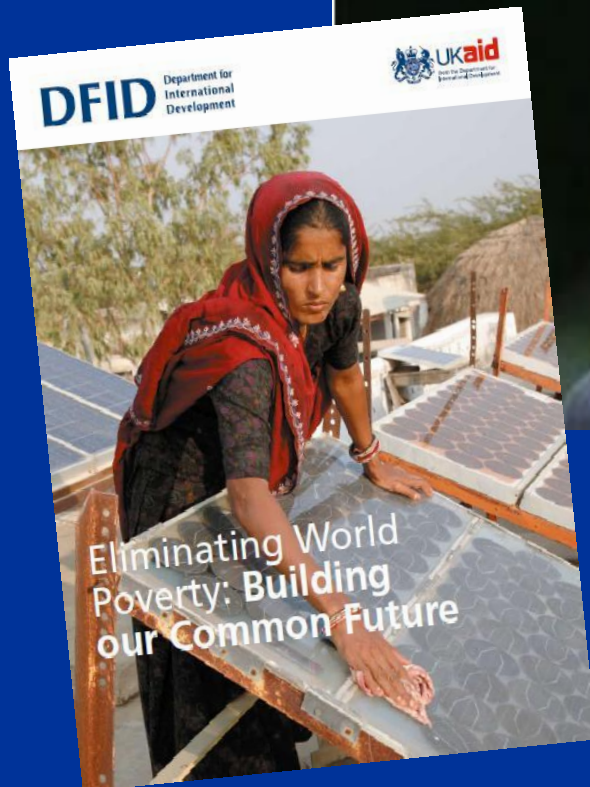
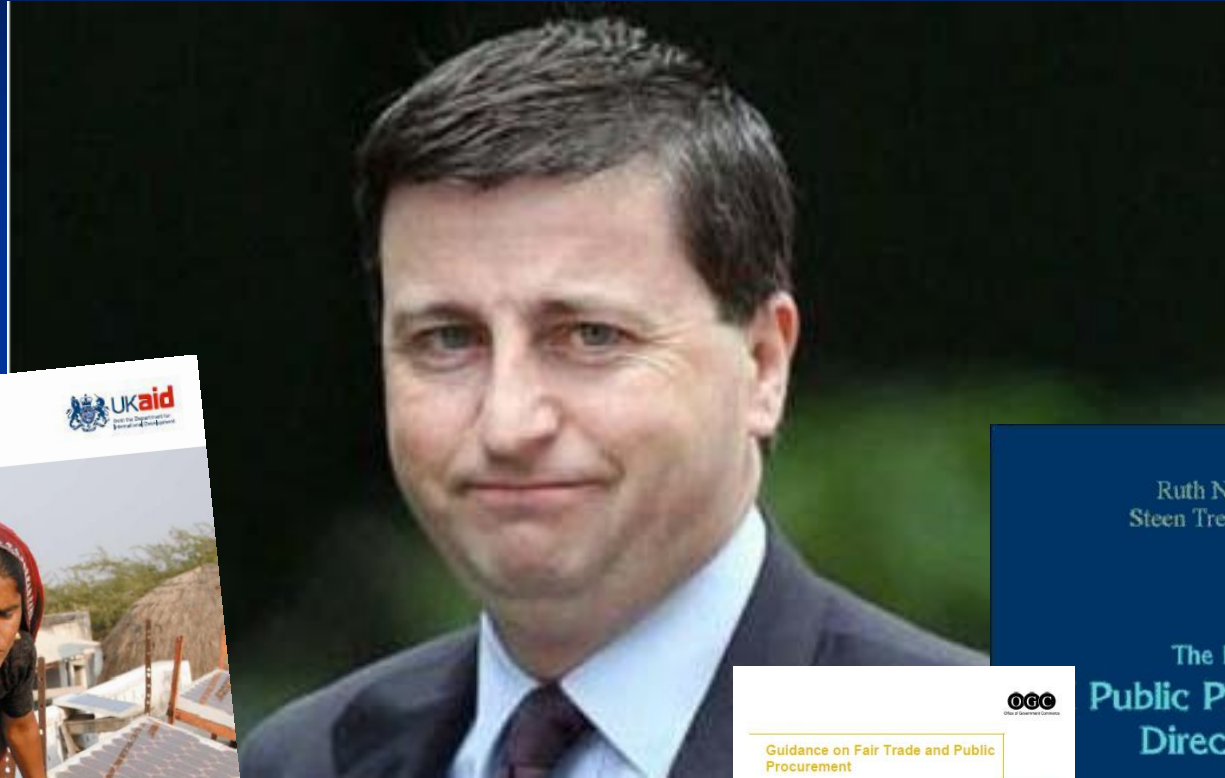
- This is done by ensuring that products should be made available for, for example, departmental meetings, conferences and hospitality activities.
- For money, all public procurement must be carried out in accordance with the EU public procurement directives.

business practices to meet increasingly demanding market expectations

- **Credible trust mark** – sustainable quality label enabling brands to demonstrate their commitment to sustainability

www.utzcertified.org

What a frustrating experience...



The Devolved Governments

- Wales pioneered Fair Trade Nation scheme
 - Developed out of partnership between civil society in Wales and WAG
 - Long consideration of criterion
 - Practical need to make qualitative requirements
 - Wanted to work with what was out there
- Scotland joins in and Wales declares 2008

A more hopeful future for SD?



Welsh Assembly Government

100% of counties/ local authorities have active *Fair Trade* groups working towards *Fair Trade* status

55% counties/ local authorities with *Fair Trade* status with 10% increase year on year until 100% is reached

100% of cities have *Fair Trade* status

Minimum 55% of towns have active Fair Trade groups working towards *Fair Trade* status

60% of Higher Education institutions to have active *Fair Trade*

Scottish Government

100 per cent of counties/local authorities have active *Fair Trade* groups working towards *Fair Trade* status

55 per cent of local authority areas gain *Fair Trade* status with 10% annual increase in following years

100 per cent of cities obtain *Fair Trade* status

A minimum of 55 per cent of towns (Based on GROS figures of towns with population of 5,000 or more at 2001) have active *Fair Trade* groups working toward *Fair Trade* status

60 per cent of HE institutions to have active *Fair Trade* groups working towards Fair Trade status

Scottish Fair Trade Forum

100% of Local Authorities have Fair Trade groups working toward *Fairtrade* Zone status

55% of our Local Authorities having achieved *Fairtrade* Zone status. In following years, this must increase 10% per year until all 32 are Fairtrade Zones

100% of cities have achieved *Fairtrade* City status

At least 55% of towns have Fair Trade groups working toward *Fairtrade* Town status

60% of universities have active Fair Trade groups working toward *Fairtrade* status

The Fair Trade Nation: The Criterion

Fairtrade Communities

- Attract media coverage and organise events to gain 1
- Fairtrade products must be used by a number of local
- Hold a public meeting for the passing of a resolution supporting
- local Fairtrade stocking groups must meet regularly
- Fairtrade and serve fairtrade coffee and tea at its
- town centre to ensure a commitment to Fairtrade. A
- steering committee of community organisations, wa
- stants. The composition of your steering group
- should be representative of your community overall

Sample Council Motion

The initiative involves a commitment to:

- Widely offer FAIRTRADE Marked food and drink options internally and make them available for internal meetings

- Promote the FAIRTRADE Mark using Fairtrade Foundation materials in refreshment areas and promoting the Fairtrade Towns initiative in internal and communications and external newsletters

[Name of council], as an important consumer and opinion leader, should research, develop, and support a strategy to facilitate the promotion and purchase of foods with the FAIRTRADE Mark as

- Use influence to urge local retailers to provide Fairtrade options for residents
- Use influence to urge local business to offer Fairtrade options to their staff

- Engage in a media campaign to publicise the Fairtrade Towns initiative

- Allocate responsibility for progression of the Fairtrade Towns initiative to a member or group of staff

- Organise events and publicity during national Fairtrade Fortnight - the annual national campaign to promote sales of products with the

FAIRTRADE Mark

Fairtrade Education

- There is a commitment to campaign for increased Fairtrade consumption on campus
- Fairtrade foods are made available for sale in all campus shops. Fairtrade foods are used in all cafés/restaurants/bars on campus. Where this is not possible, there is a commitment to begin to use Fairtrade foods in these establishments as soon as it becomes possible to do so.
- Fairtrade foods (for example, coffee and tea) are served at all meetings hosted by the university or college and the Student Union (or equivalent), and are served in all university or college and Student Union management offices.

Other Players...

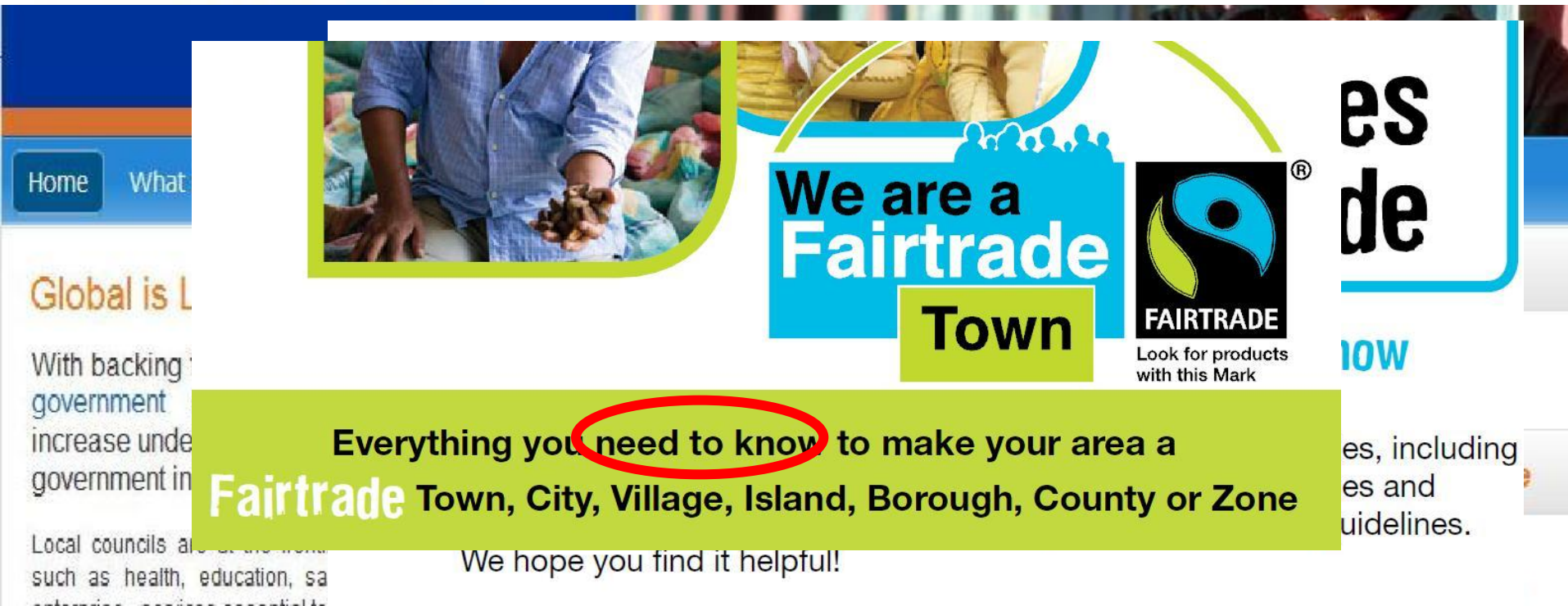
Useful links

Fairtrade Foundation Local Authorities Guide 2010: details on why councils should support fairtrade, simple steps detailing what local councils can do, answers to common questions and useful links and further support.

Fairtrade Foundation Action Guide step by step guide on how to become a Fairtrade Town

Fairtrade Foundation website: information on the work of the Fairtrade Foundation and how councils can get involved

OGC Guidance on Fair & Ethical Trading



The screenshot shows a portion of the Fairtrade website. At the top left, there are navigation buttons for 'Home' and 'What'. Below this, the text 'Global is L' is visible. The main content area features a large banner with the text 'We are a Fairtrade Town' in white and blue, accompanied by the Fairtrade logo (a stylized bird) and the text 'FAIRTRADE Look for products with this Mark'. To the right of the banner, the words 'es de' and 'LOW' are partially visible. Below the banner, a green box contains the text 'Everything you need to know to make your area a Fairtrade Town, City, Village, Island, Borough, County or Zone'. At the bottom, there is a message: 'We hope you find it helpful!'. The word 'need' in the green box is circled in red.

Home What

Global is L

With backing government increase under government in

Local councils are at the heart of such as health, education, sa

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es, including es and uidelines.

We are a Fairtrade Town

FAIRTRADE Look for products with this Mark

Everything you need to know to make your area a Fairtrade Town, City, Village, Island, Borough, County or Zone

We hope you find it helpful!

Fairtrade Dominance?

If only I could tell you!

- Rain Forest Alliance et al. squeezed out of LA procurement:

‘We always insist that if we are taking on one of these [coffee] machine, that they can provide Fairtrade stuff...I was in the canteen the other day, and it says that it’s not Fairtrade and it’s Rainforest Alliance that we’re buying. And I said no, it’s got to be Fairtrade. The council has an ambition to become a Fairtrade council’

‘because we are a Fairtrade City under the Fairtrade Foundation scheme, we should only be using tea or coffee with the FLO Mark’

Not without some creativity...

- Some local authorities are being more 'reflexive':
 - Specifically, choosing 'Fair Trade' in textual projections
 - Ensuring Fairtrade MARK hot drinks but thinking more widely for other products
 - In one specific example accepting fairly traded goods on reputation of supplier

The Issues

- Is the Fairtrade MARK qualitatively better value for money than other governance in promoting SD to justify specification?
 - Some comparisons say yay! (Summary in Smith 2008)
 - Old problem of statistically representative evidence (Griffiths forthcoming)
 - What about evidence on other marks WFTO accreditation?
- But does/should that matter?
- Fairtrade certification as a barrier to entry in state-led supply chains?
 - Probably not for immediate suppliers in UK
 - But what about producers? (Adam Smith Report 2008)

And the 'first' are last...

- Acknowledged barriers to entry to FLO certification for some producers at the moment:
 - Availability of standards (product categories, geographically)
 - Cost of compliance (fees and technicalities)
 - And these are obviously necessary!
 - Some experimenting with WFTO accreditation
 - But producers concerned how this viewed by consumers?
 - How should consumers view WFTO?
- ‘sentiments from [X] that probably the COFTA members are not real Fair Trade organisations’

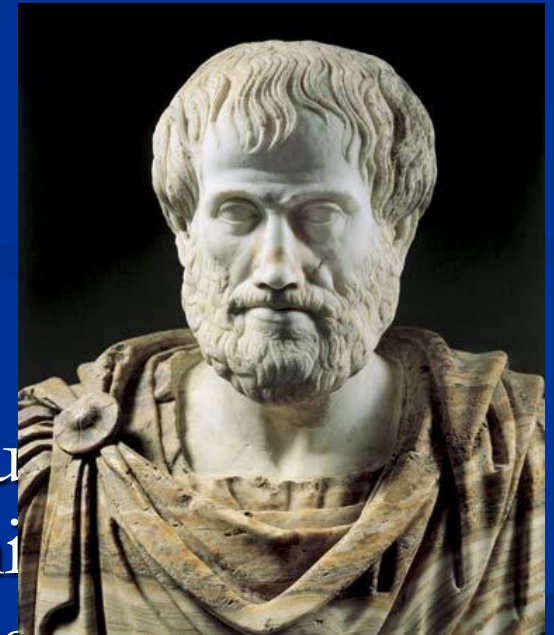
A Methodology for Decision?

At the moment:

‘It’s going to be about who shouts the loudest’
(African Interviewee)

What would Aristotle say?

Is this a defensible rationale through
incorporate Fair Trade within
Procurement systems?



Thank the European Procurement Directive I don't need to decide!



Questions Please!