

Contesting the Meaning of Fair Trade Policy and Practice:

Fair Trade Nations, public procurement and Malawian rice in Scottish schools



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UK Gov' Support for Fair Trade

DFID

Department for
International
Development

2.109 These proposals will help build a platform to help the poorest countries

The policy and EU law framework for public procurement

The Government's procurement policy is that all public procurement of goods, works and services is to be based on value for money, having due regard to propriety and regularity. Value for money is not just about price. It is defined as the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought.² In addition to value for money, all public procurement must be carried out in accordance with the EU public procurement directives.

carbon world – and take advantage of the opportunities it presents – is the subject of the next chapter.

Eliminating
Poverty: B
our Com

But what is “fair trade”?

Fair Trade

The term fair trade covers a range of activities aimed at helping producers and workers in developing countries. One important objective is to help excluded and disadvantaged producers - including independent small farmers - to access international markets and receive a fair price for their products. Other objectives are to encourage: traders to buy as directly as possible from producer groups and to develop long-term relationships; the transparency of supply chains; and the empowerment of producer groups and workers. Another vital goal is to ensure decent working conditions and fair wages for workers on plantations and in factories.

Organisational (crafts & food)
Legitimised by reputation
Negotiated or min prices
Up-front credit
Stable Supportive Relations
Direct Capacity Building

Product (agri-food goods)
Min Prices
Up-front Credit
Predictions of Demand
Social Premium



The **co-operative**

TESCO

Consequences?

Fischer (2009, p. 995) has suggested that the incorporation of fair trade within public procurement could either raise standards or, 'because some companies supplying the public sector can be categorized as "market driven buyers" (Raynolds 2009) or "corporate licensees" (Reed 2009), [equally] associated with the more worrying dimension of mainstreaming'.

A Further Complication...



Guidance on Fair Trade and Public Procurement

Annex - Examples of Fair and Ethical Trade Organisations

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Below are three examples of organisations working to promote fair and ethical trade internationally, in their own words.

Good inside

FAIR



Fair & Ethical Trade

Fair Trade	Ethical Trade
Conditions of production	Conditions of production
Mostly food goods	Manufactured & food
Southern producers	Northern and southern producers
<p>Fair prices</p> <p>Capacity building</p> <p>Long term relations</p> <p>Up front credit</p>	<p>No requirements for buyers</p>
  	 

Research Questions

1. How is the concept of “fair trade” interpreted in public procurement discourse?
2. What factors have shaped these interpretations?
3. How does contestation of “fair trade” impact procurement practice – is it ‘conservative’ or ‘radical’?
4. What are the consequences of this process for producers in the global south?

Research Approach

- Qualitative Investigation
 - 48 in-depth interviews in UK & Malawi
 - Across the supply network – Central Gov to farmers
 - Database of documents and web pages
- Qualitative Analysis
 - Thematic/content analysis (Nvivo)
 - Grounded in interpretive policy and discourse analysis
- Critical Realist Epistemology

Scotland as a Case Study

- Scotland and Wales developed the Trade Nation scheme:
 - Developed out of partnership between civil society in Wales and WAG.
 - Long consideration of criterion:
 - Practical need to make quantitative requirements.
 - Wanted to work with what was out there.
- Wales was declared first Fair Trade Nation 2008.
- Scotland has embedded objective to attain status in International Development policy.

The Fair Trade Nation Criteria

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



I know how this looks, but what is really going on?



with this mark

Empirical Impact in Scotland

- Majority (6/8) of LA motions with a general commitment use the term 'Fairtrade'.
- 4/9 motions which make procurement commitments specify Fairtrade certification.
- 4/9 use the phrase 'fair trade (such as the Fairtrade Mark)'
- 1/9 uses 'fairly traded goods'.

Empirical Results in Scotland

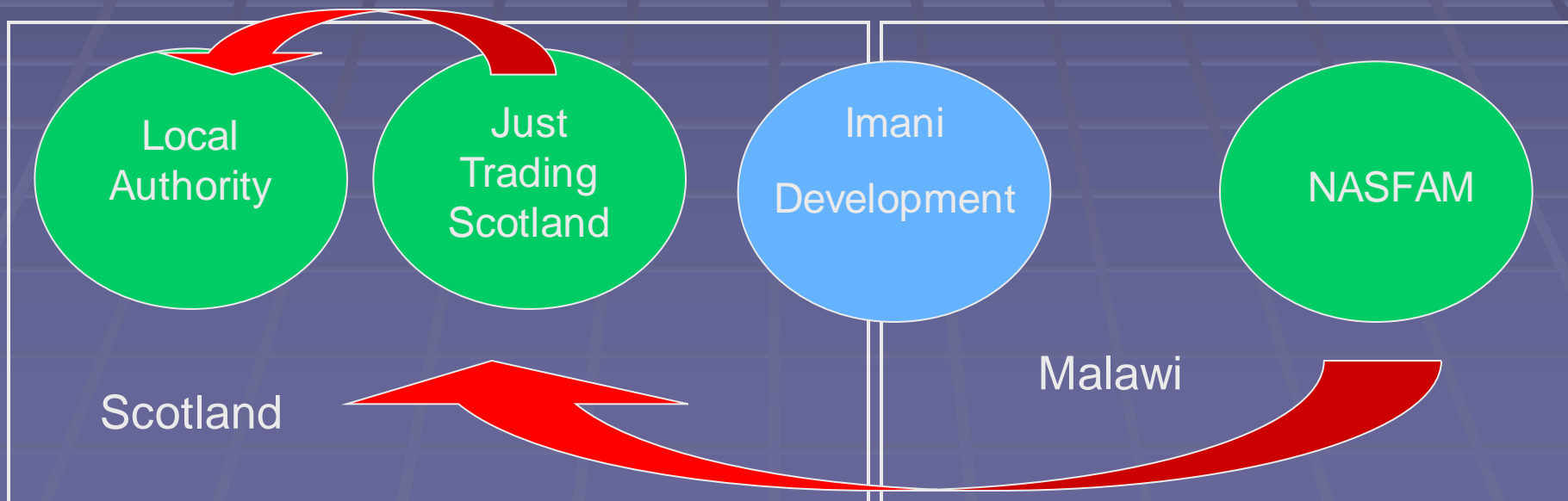
- General preference for FLO (fair trade) certified goods over Rainforest Alliance and Utz Café (ethical trade) in 10 Scottish Local Authorities investigated.



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

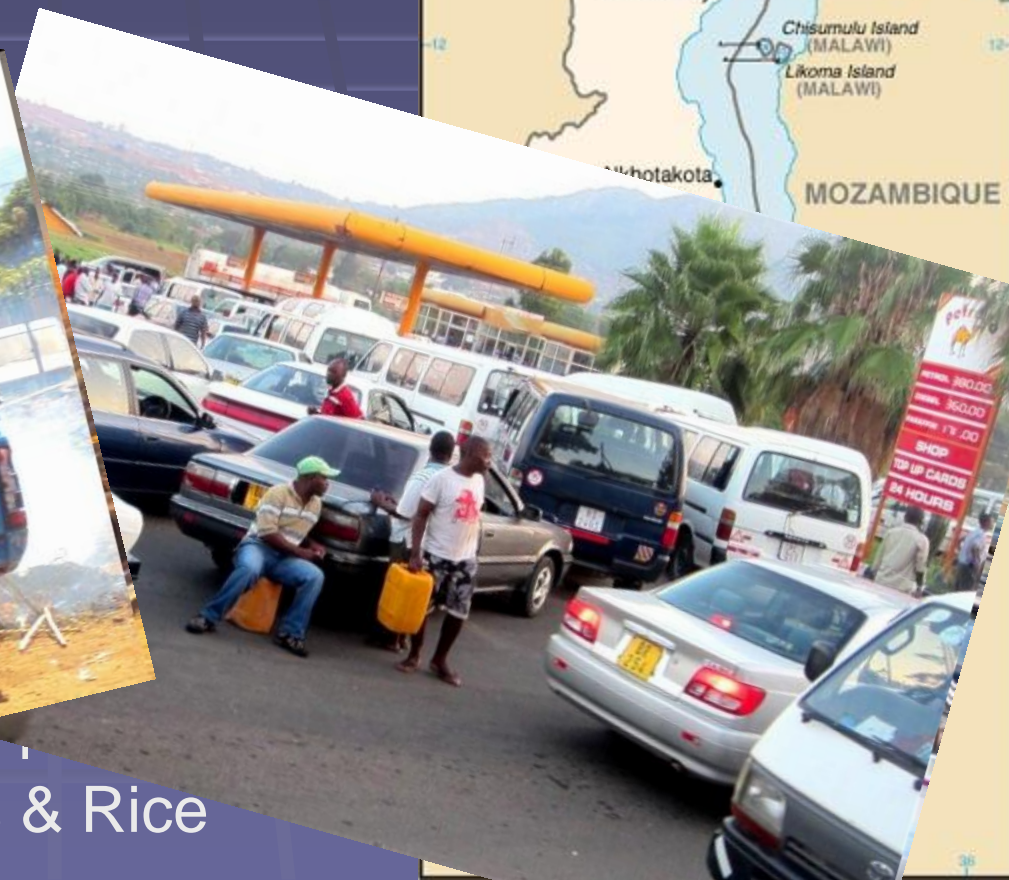
A More Creative Example

- Local authority highly and reflectively embedded in community Fairtrade group.
- Purchased non-certified 'fairly traded' rice based on reputation of 'social economy', 'not from profit' social enterprise importer.



Malawi: Context for FT?

- 160/182 UN HDI.
- Reliance on tobacco
- Desperate balance of payments crisis
- NASEM



Groundnuts & Rice

Radical Fair Trade?

- Kaporo Small Farmers Association is democratic farmers association
- Just Trading Scotland (JTS) is a not for profit actor
- JTS pay what is calculated
- Proactive efforts to add as much value in Malawi and Kaporo as possible
 - JTS & Imani have invested in rice processing plant in Karonga
- Provided scholarships



NASFAM and Fair Trade

- Some FLO certification for groundnuts:

“Without Fairtrade we would have never exported ground nuts to Europe”.

“Fair Trade provides a great market angle!”.

“If you are supplying to Fair Trade in Europe, any other conventional buyer will know that you are able to comply with a variety of standards”.

Fairtrade minimum prices and social premium has been highly beneficial to producer communities



Limitations to FLO Certification

- Costs of Certification

‘Fees are quite high and management was of the view that it is like we are subsidising Fair Trade... Yes the farmer members are maybe benefiting in one way or another, but from a corporate point of view we are subsidising Fairtrade’.

- Geographic restrictions:

FLO certification for rice is only currently available for small farmers in Benin, Egypt, India, Laos, Sri Lanka and Thailand.

- NASFAM are seeking ‘cheaper’ WFTO membership for KSFA as a means to legitimise Fair Trade credentials.

- Producer knowledge about fair trade depends on ‘who shouts the loudest’



Analysis

- 'Private' Fairtrade Foundation Towns scheme has influenced 'government' procurement.
- Fair trade and particularly FLO certification prioritised over Ethical Trade and particularly Rainforest Alliance certification.
- Procurement likely to reinforce softer version of FT due to best value for money criteria.
- But: local steering groups can shape council policy and procurement decisions to differentiate.
- Such choices shape opportunities for producers and set limitations for who gets assistance.
- De facto requirement for FLO certification might bar worthy producers from market opportunities.

Questions and comments
please!