

Does Fair Trade Have a Future?

“Refounding” its original mission, values, and principles

BY PHYLLIS ROBINSON

In September 2010, at the Fair Trade Futures Conference in Boston, Santiago Paz, co-director of CEPICAFE, a small coffee farmer cooperative in northern Peru, shook the audience with his impassioned critique of the fair trade system. “It’s as if the certifiers are driving a car which is going 70 miles per hour,” he said. “They have their foot on the gas pedal, and the car is accelerating: it’s going 80, 90, 100, 120 miles an hour. The car is speeding so fast, it’s careening down the highway, and the certifiers haven’t even noticed that the passengers—the small farmers—have all gone flying out the window.”

With considerable emotion, Paz told the packed audience of fair trade activists how the certifiers—the Fairtrade Labeling Organization (FLO), and its affiliates, such as TransFair USA—have been leading the movement down a path “which only considers the importance of gaining market share.” In an effort to grow their brand, they are trying to get as many products into the system as quickly as possible. To achieve this accelerated growth rate, they have allowed plantations and multinational corporations to become certified, have weakened the standards, and have looked the other way as rules are bent to accommodate the needs of these new players.

Paz warned that if left unchecked, the very system established to support small farmers and their cooperative organizations would end up causing their “extinction.”

After several decades of hard work to level the playing field, ensure market access for small producers, support the development of strong cooperative organizations, and educate consumers about the deeper issues underlying our food system, the Fair Trade movement is now at a crossroads. The path taken by FLO and TransFair would return us to the days when the trade system was dominated by the interests of large landholders and multinational corporations, and consumers would no longer be encouraged to ask questions or engage but merely trained to passively “look for the seal.”

“Refounding” fair trade

We are clear that FLO and TransFair’s philosophy is not one we share, and the direction in which they are headed is not where we wish to go. Fair trade was built through the blood, sweat, and tears of hundreds of thousands of small farmers, progressive traders, and other activists, and together we have had tremendous impact and accomplished much. For this reason, we do not plan to walk away



Santiago Paz addresses the September 2010 Fair Trade Futures Conference.

and abandon what we have built. Rather, we need to learn from past mistakes, and out of the ashes of the current system create something new and more powerful.

At the moment, the future path is unclear, but there is reason for hope. For more than 10 long years, activists have patiently and respectfully tried to influence and reform the certification system. Meetings, letter-writing campaigns, and petitions submitted by the score were all to no avail. Finally, it became clear that the certifiers were unresponsive because they had no interest in reforming the system: It was working for them. After much frustration, this clarity has helped us all to move forward.

Over the past few years, movement leaders

have started to form new ideas about how to strengthen our work. Underlying all of these efforts is a renewed commitment to small farmers, strong producer organizations, and an active, engaged consumer base. Led by Equal Exchange in the U.S. and various alternative trading organizations (ATOs) in Europe, coffee roasters and fair trade businesses have begun dropping the FLO/TransFair seal from many products, in favor of other fair trade certifications that have recently emerged, such as the Institute for Market Ecology (IMO). Not only does this represent a loss of income and prestige for FLO and its affiliates, it means that they no longer have a monopoly on fair trade certifications.

Following his testimony at the Fair Trade Futures Conference, Santiago Paz has emerged as a

strong leader advocating the need for urgent action. His perspective and powerful message, especially coming from a highly respected small-farmer-co-op leader, has carried tremendous weight. Earlier this year, he offered his analysis in a three-part article entitled, "Does Fair Trade Have a Future?", which has been widely circulated throughout the fair trade community. (A summary can be found at www.smallfarmersbigchange.coop/2011/07/12/fair-trade-is-not-the-end-goal-part-ii.) His conclusion: Fair trade cannot be reformed nor should it be abandoned: it must be "refounded" according to its original premise.

Finally, a very important third set of initiatives has emerged, also from within the fair trade producer world. In Latin America, fair trade producers working together in the Coordinating Body of Latin American Producers (CLAC) are also trying to create a new path forward. Angry with FLO/TransFair's courting and acceptance of plantations into fair trade (the very plantations that they have had to compete with for years), fair trade producers have spent the last five years trying to address the diverging interests between the certifiers and the rest of the movement.

In April 2011, at the annual meeting of one of the most important coffee conferences, the Specialty Coffee of America Association Conference, in Houston, amidst much fanfare, the CLAC officially launched their new *simbolo*

de los pequenos productores (the small farmer "symbol"/SPP). The CLAC hopes that widespread use of their "simbolo" will enable consumers to distinguish between small farmer and plantation fair trade products. They have begun certifying producer groups throughout Latin America, Asia, and Africa and are now turning to the importers to get their help in building this new system.

It is too early to know where all these initiatives will lead, but what is clear is that change is happening. The CLAC has called for an international meeting to be held this fall in Peru. At the meeting, producers and ATO representatives will discuss and debate the SPP and other proposals to "refound" fair trade according to its original mission, values, and principles.

Two things are certain. The first is that there is suddenly, and once again, considerable passion and energy coming from small-farmer organizations, progressive ATOs, and fair trade activists to lead the movement to a new, stronger, and more successful trade system. The second truth is that the time has never been more urgent. It is not just the future of fair trade that is at stake, but, far more importantly, the very survival of small-farmer organizations. ■

For more information about the history, objectives, and principles of fair trade, as well as controversies that have been brewing within the movement, go to: www.smallfarmersbigchange.coop/2011/02/01/to-tell-the-truth-who-owns-fair-trade-2.

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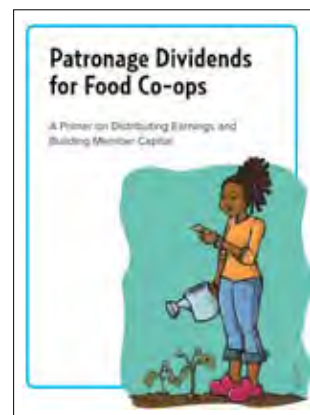
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