Until very recently, 'fairly traded' goods were only available at shops run by development charities like Oxfam, and church bazaars. The range was small, and awareness of the fair trade concept limited. Yet recently fair trade – or Fairtrade, as it has branded itself – has become big business. You can choose Fairtrade coffee in mainstream outlets like Starbucks across the global North, and in the UK, more than 1,000 products are now certified as Fairtrade with awareness of what the mark means now at 50% of the population according to a recent poll. On an international level, the industry estimates it benefits five million producers worldwide. Yet with multinationals moving to cash in, and supermarkets approaching Fairtrade as just another niche market, can it avoid being co-opted by the market system it was set up to challenge?

Fairtrade and global justice

JAMES O'NIONS

The idea of fair trade has been around since at least the 1950s. Originally called 'alternative trade', and dealing not in foodstuffs but in crafts, it was pioneered by Mennonites in North America and Oxfam in Britain. The first certification label, Max Havelaar, was launched in the Netherlands in 1988; and, since 1997, the Fairtrade Labelling Organisations International has sought to establish common guarantees of 'fairness'.

For instance, in the case of products from small farmers, importers must agree to trade directly with producers' co-operatives, cutting out middlemen. They must also demonstrate a long-term commitment to the producers and guarantee a minimum price no matter the fluctuations of the market. This price must allow the producers to cover their costs and meet their daily needs. The producers' co-operatives themselves must also demonstrate that they are democratically managed and their agriculture is sustainable. Finally a Premium is paid on the produce which goes towards local projects such as a school. Only if all these conditions are satisfied is a product permitted to carry the Fairtrade mark.

The aftermath of the December 1999 Seattle protests against the WTO saw Fairtrade coffee consumption skyrocket in the US. Yet this was not the 'hidden hand of the market' at work, with demand for Fairtrade products leading smoothly to an increased supply. In fact, it was mainly down to the direct intervention of activists, specifically San Francisco-based Global Exchange, which launched a campaign to persuade Starbucks to offer Fairtrade coffee at all of its 2,300 US outlets.

With peaceful protests for Fairtrade outside its stores to add to the public relations catastrophe it had suffered as the bogeyman of the anti-capitalist movement, Starbucks soon capitulated. Since then, big food corporations have started to see

Fairtrade Nestlé ??!!

In October 2005, Nestlé launched its first Fairtrade certified product, an instant coffee called 'Nescafé Partners Blend'. Many activists objected to any Nestlé product being given Fairtrade certification in the first place. Here are some reasons why.

- Since 1977, Nestlé has been subject to a worldwide boycott of all its products because it insists on promoting its baby milk formula as a better alternative to breastfeeding in countries without access to safe drinking water. According to the World Health Organisation, 1.5 million infants continue to die from diarrhoea every year as a result of consuming unclean water. Many of the boycott's supporters in the UK, which include development charities, unions and the Womens' Institute, see the Partners Blend as a cynical ploy to overcome the negative publicity Nestlé has sustained over the last 29 years.
- Nestlé, which has a turnover of £38 billion, also produced around 8,500 other products in addition to Partners Blend, none of which would qualify for Fairtrade certification. In fact, the destruction of indigenous industries is a familiar tale once Nestlé enters the scene. In Sri Lanka for instance, Nestlé undercut domestic producers initially with imported processed milk, only to hike up prices once they'd put local farmers out of business.
- According to a report by Oxfam, by 2002 the price of coffee had reached a 30-year low, falling by 50% in three years and resulting in desperate poverty for the world's 25 million coffee producers. Yet Nestlé, which along with Kraft, Procter & Gamble, and Sara Lee dominates the world coffee industry, makes a 26% profit margin on its instant coffees. By insisting on the lowest prices they can get, the coffee giants often force poor farmers to sell their beans below the cost of production. For Nestlé to market a premium priced Fairtrade coffee as a solution to a problem they are responsible for is ironic to say the least.
- In Colombia in 2003 Nestlé sacked its unionised workers and employed new staff on much lower wages. Union leaders publicly denounced by Nestlé have subsequently been threatened and even murdered by right-wing paramilitaries. In the Philippines its behaviour is equally abusive of workers' rights, and strike leader Diosdado Fortuna was suspiciously murdered there in September last year. Colombian Food Workers' Union Sintrainal have described Nestlé's Fairtrade certification as a joke.
- Whilst the Fairtrade Foundation in the UK was enthusiastic about Nestlé's new product, other members of the Fairtrade Labelling Organisations International were less pleased. Transfair in Italy said that whilst it was happy to work with multinationals, it is opposed to certifying a single product with no reference to a company's wider behaviour.

limited forays into Fairtrade as a useful PR move, similar to what environmentalists call "greenwash". McDonalds recently announced it would serve Fairtrade coffee in 650 of its US east coast stores; and Nestlé, which for years has derided Fairtrade for violating "free-trade principles", launched its own "Partners' Blend" last October.

The Nestlé decision caused an understandable furore, with critics arguing that Nestlé's application should have been turned down to prevent the false impression that the widely boycotted company was now an ethical choice. As one of the world's largest coffee retailers, Nestlé has been directly responsible for paying the kind of low prices that make Fairtrade such a necessity. The World Development Movement, which helped set up the Fairtrade Foundation, was more than a little concerned, saying: "If Nestlé really believes in Fairtrade coffee, it will alter its business practices and lobbying strategies and radically overhaul its business to ensure that all coffee farmers get a fair return for their efforts. Until then Nestlé will remain part of the problem, not the solution."

Yet for Harriet Lamb, of the Fairtrade Foundation, the decision is a "turning point". "Here is a major multinational listening to people and giving them what they want – a Fairtrade product," she says. Justifying the Nestlé decision, the Foundation refers to the recent slump in prices on the world coffee market, which has led to undoubted hardship, but suggests that "the market" is a natural phenomenon over which major multinationals such as Nestlé have no power.

For many of the originators of Fairtrade, the aim was not just to create a successful niche market but to lay the basis for an alternative system of trade altogether. While some of these "alternative trading organisations" are little different from conventional companies, others, such as Equal Exchange in the US, reflect this more radical aspiration in their own structures by being workers' co-operatives.

Yet all of them at least apply fair trade principles across all their activities, unlike the multinationals who are now entering the market. That's why the International Fair Trade Association has launched

***Marks and Spencers Fairtrade label for a t-shirt**: Good for the cotton growers, though no guarantee for those who make the t-shirt. Fairtrade have said that they are "currently exploring whether and how we can develop a standard which would extend the benefits of Fairtrade further along the supply chain to those involved in cotton garment and textile manufacturing. However, this work is complex and time-consuming and in the meantime there is an urgent need to tackle the injustices affecting cotton farmers". http://www.fairtrade.org.uk/downloads/pdf/cotton_qanda.pdf*

***Cynical marketing exercise?** A coffee that helps a few hundred farmers, but ignores the other 3 million (or more) farmers that deal with Nestlé – with 26% of the price from a jar of non-Fairtrade Nescafé going to Nestlé in profits, farmers are often unable to meet the costs of production. This is the only Fairtrade product from Nestlé from a total of around 8,500 products.*

a 'Fair Trade Organisation' label that certifies the company rather than the product, and is therefore a much more reliable indicator for those seeking to buy ethically. These organisations face difficult decisions when it comes to distributing their products, as supermarkets become increasingly hard to avoid. Tesco, the leading supermarket in the UK, now takes one pound in every eight spent by UK consumers and other chains are doing everything they can to catch up; pushing down prices by squeezing producers and buying up local competition in the grocery market. Even the most political of fair trade organisations have turned to supermarkets to maximise the good that selling their product is doing. Yet by courting the supermarkets, they are strengthening the very companies that are undermining the bargaining power of producers.

This is not the only dilemma that the Fairtrade label throws up. Traditionally Fairtrade certification of products such as coffee have required democratic producers' co-operatives which bring together small farms in a geographical area and decide how to spend the Fairtrade Premium. More recently, traditional plantations have been allowed to qualify for certification if they meet minimum standards of pay and conditions. And while trade unions must be allowed under these Fairtrade rules, they are not required. Some do have strong unions, and the Fairtrade Foundation highlights the instance of two Kenyan rose farms, where certification was followed by recognition of the Kenya Plantation and Agricultural Workers' Union. On the other hand, the central American banana workers' federation COLSIBA has levelled accusations of the "*systematic violation of workers' and union rights*" by plantation owners who benefit from Fairtrade. While Northern trade unions have been generally supportive of Fairtrade, they have also pointed out that trade union organisation can be a better guarantee of workers' rights.

Nevertheless, when plans emerged last year to certify a plantation supplying Chiquita Brands International, one of Latin America's big banana companies, they were supported by COLSIBA's Honduran affiliate, largely because Chiquita is the only fruit multinational operating in the area to allow trade union organisation on even some of its farms. In the end the plantation in question was destroyed in Hurricane Wilma in late 2005 and Chiquita closed it down, but the question of certifying the plantations of multinationals will surely come up again. Whilst local trade unions considered it helpful to their struggles in this case, it may not be so helpful to the overall direction of Fairtrade, or to other producers.

Chiquita Brands is the successor company to the notorious United Fruit International which is heavily associated with colonialism generally and CIA operations such as that in Guatemala in the 1950s in particular. Despite its limited engagement with trade unions, two of its plantations in Costa Rica were the subject of Urgent Actions by solidarity organisations in February 2006 because of harassment and sackings of trade union organisers. All this is a far cry from the family farms and producer co-operatives in places like the Windward Islands which have been the mainstay of the Fairtrade banana supply. If Fairtrade certification is to be awarded to a few plantations where multinationals have cleaned up their act (regardless of what they're doing elsewhere), thus allowing them to enter the Fairtrade market and potentially undercut small producers, then the certification itself starts to become meaningless.

Meanwhile, UK high-street chain Marks and Spencer has just launched lines of Fairtrade cotton socks and t-shirts. What most consumers probably don't realise is that it is only the cotton itself that has been certified, with no guarantees about conditions where the clothes were manufactured. These kinds of problems only serve to highlight the extent to which Fairtrade is merely fiddling at the edges of an international system that perpetuates huge inequalities of power and wealth.

More radical alternatives do exist. Coffee grown in the Zapatistas' "autonomous zones" in Chiapas, Mexico, can now be bought from activists involved in the social centre movement in Britain, while the Working World Market is offering the products of Argentina's worker-run factories to north American consumers. These initiatives stand in a tradition that saw activists in the 1980s sell Nicaraguan coffee in solidarity with the Sandinista revolution. Zaytoun, which imports Palestinian olive oil to Britain to help break the economic stranglehold of the Israeli occupation, could also be seen as part of such 'solidarity fair trade'.

Trade as solidarity is an attractive concept, but its usefulness may be limited to quite specific political situations. The Movimento Sem Terra (MST) is Latin America's largest social movement, organising landless rural workers and urban slum dwellers to occupy and cultivate unused privately owned land. Its innovative and highly effective tactics (it has settled 580,000 families) have won admirers across the world and it would surely have a ready-made market for a very political form of fair trade products. Yet its concern has always been with feeding Brazil's population, and the MST specifically rejects the export-led agribusiness model, encouraging mixed cropping rather than the monoculture required by international markets. As MST activist Marcelo João Alvares says "For the MST, feeding Brazilians is our priority, so certification has not even been discussed, not least because we see quality food not as a niche market, but as something we should provide as part of a wider strategy of food sovereignty. This requires policies that work to guarantee people freedom to produce their own quality food with respect to their own culture."

For the MST and other organisations in the global peasants' coalition, Via Campesina, this concept of 'food sovereignty' is much more relevant than Fairtrade. The MST have recently established an Agro-Ecology school in São Paulo state and are taking sustainable agriculture very seriously. Although they aren't opposed to exports *per se*, the Food Sovereignty model fits neatly with a concern that environmentalists have with Fairtrade – that flying or even shipping food around the world instead of growing it locally is a huge contributor to climate change. Of course, the most popular Fairtrade products, including coffee, tea, cacao and bananas, can't be grown in the North anyway because of the climate, but as the number of Fairtrade products expands this issue will be of increasing concern.

The current popularity of Fairtrade is a sign of a growing understanding amongst the populations of rich countries of the fundamental unfairness of the global trade system. A relatively affluent Northern middle class is now increasingly willing to spend a little more to bring their consumption into line with their principles – organic food has grown even faster than Fairtrade in recent years. Yet Fairtrade now risks being reduced to an ethical branding exercise for multinationals – or, at best, a set of niche products that helps a small minority of producers but fails to affect either the structure of the market as a whole, or in some cases the behaviour of that multinational elsewhere.

In a sense, the fact that Fairtrade, which works within a liberalised global market, is being so widely advocated in the NGO sector, and supported from inside the UK's Department for International Development, for instance, is a sign of just how far neoliberalism has become the orthodoxy. Yet if Fairtrade is embedded in a wider critique of the market which demands that governments intervene against corporate power, and is part of a movement of real solidarity with the global South, it still holds the potential to help us move towards a fundamentally different global economy. While we might continue to buy Fairtrade products where we can, it is not as consumers that we can determine the future direction of Fairtrade, but as activists building opposition to neoliberalism and corporate control.

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