

Some considerations about the trajectory of the Fair Trade Market

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As L. Waridel (2002: 93) points out, it is not easy to say when the Fair Trade movement started or whether it is situated exclusively in the North.

None of the literature reviewed about Fair Trade mentions such initiatives within any country from the South. Through the relatively little material published about the history of the Fair Trade movement, we have an analysis of its emergence that seems to be constructed with an euro-centric model. There is room for more research and a re-consideration of the approach. The following review will examine the philosophies and ideologies behind the movement.

The Alternative Trade is said to have begun towards the end of the 19th century, with the development of the cooperative movement mainly in the U.K. and Italy; its goal still is to ‘...build an integrated cooperative economy, right the way through from production to retail outlet’, (IFAT, 2002). Another early account of an organized attempt to trade without middlemen is from the former Mennonite International Development Agency (currently the Mennonite Central Committee) which founded in North America their first Self-Help Crafts stores (now known as Ten Thousand Villages) in 1946.

They started purchasing directly from Latin American craftspeople in order to, along with purposes as job creation and income generation, educate their communities about ‘the inequities of international commerce and the need to pay a fair price to producers’ (Waridel, 2002: 93). The beginning of the movement in Europe is also associated with the foundation of a development charity by Catholic youth in the Netherlands in 1959 (Rice, 2001: 47), and with the launch by Oxfam, Britain’s largest aid agency, of the ATO ‘Oxfam Trading’ in 1965.

The mid-1950s to early 1970s represent what Tallontire calls the ‘goodwill selling’ stage, which ‘...began with NGOs selling goods produced by people with whom they were working on development or relief projects’ (2000: 167), distributing the products mainly through informal networks (like craft fairs, church bazaars, and public markets), and being supported strongly by political solidarity movements.

In this period began the work of some ATOS like the Alternative Trade Organisatie in 1967 and Stichting Ideeel (both from Netherlands), and state trading bodies like the former Greater London Council, that established Twin Trading in the U.K, importing goods from Third World countries in political and economic struggles such as Vietnam, Capo Verde, Mozambique, Cuba and Nicaragua (Medina, 1997:7; IFAT, 2002: 2; Waridel and Teitelbaum, 2002: 4; Barrat, 1992:156).

The ‘Solidarity trade’ period from the 1970s to the late 1980s was characterised by politically motivated solidarity towards groups of ‘producers organised collectively or based in countries that explicitly challenged the prevailing economic order’ (Tallontire, 2000: 167).

Nonetheless, at the end of this stage, many organisations carried out their first meetings aiming to come together in order to be organised with greater efficiency and effectiveness (European Fair Trade Association or EFTA in 1990), to ‘...improve the livelihoods of disadvantaged people through trade, and providing a forum for the exchange of information and ideas’ (The International Federation of Alternative Trade or IFAT in 1989). IFAT remained as ‘...an umbrella but not in any way a directing centre’ (IFAT, 2002: 2; Barrat, 1992: 157).

In 1986, as a result of a national coffee campaign led by Dutch NGOs together with political and religious groups to tackle the coffee purchasing practices of the main Dutch coffee roasters, the first labelling ATO was founded, Max Havelaar, making a certification initiative that focused its efforts on coffee with considerable success. Representatives of NGOs and international solidarity groups have now joined its board of directors (Medina, 1997: 9; Waridel and Teitelbaum, 2002: 5).

Thirdly, the ‘mutual beneficial trade’ of the 1990s is the result of ATOs’ concern about ‘consumer needs and to balance this with those of the producers’, strengthening the relationship with these two important actors of the Fair Trade commodity chain, and at the same time stressing the job of product promotion and engagement with conventional sources of marketing (Tallontire, 2000:168).

There is a particular interest in increasing sales, either as a way meeting the demand of producers to access the alternative trade markets, or to a certain extent, to include the environment in the agenda^[1] (Waridel and Teitelbaum, 2002: 5). Two of the stronger labelling organisations sprang up at the beginning of this period: The Fair Trade Foundation based in the United Kingdom and set up in 1994, and the German-based Transfair International, founded in 1992-1993, beginning operations in Canada (1994) and in the USA (1995).

The Alternative Trade Movement is based in principles of solidarity, rather than the ones of competition, individual success, and reliance on the rules of the mainstream neo-liberal market. The participating actors range from civil society, governmental agencies, religious charities, political organisations, and nowadays includes marketing corporations and other actors from the mainstream market.

[1] For a detailed critique of Fair Trade in regards to environment and consumption, see Sud, 1998.