

IS FAIR TRADE A VIABLE MODEL OF SOLIDARITY ECONOMICS?



KUSIKUY
CLOTHING COMPANY LLC



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Solidarity Economics



- “Solidarity economics embraces a plural and cultural view of the economy as a complex space of social relationship in which individuals, communities, and organizations generate livelihoods through many different means and with many different motivations and aspirations—not just the maximization of individual gain.” - *Ethan Miller*

Fair Trade



- Fair Trade is a trading partnership, based on dialogue, transparency and respect that seeks greater equity in international trade.
- It contributes to sustainable development by offering better trading conditions to, and securing the rights of, disadvantaged producers and workers – especially in the (global) South. - *Industry definition, 1998*

Objectives



- Raise and stabilize producer incomes
- Equitably distribute economic gains, opportunities, risks
- Increase producers' organizational capacities
- Support democratically owned organizations
- Promote labor rights
- Promote safe/sustainable farming/working conditions
- Connect consumers and producers
- Increase consumer awareness and engagement with producers

The Scope of Fair Trade

- \$3.47 billion dollar industry
 - 500+ specialized Fair Trade import companies
 - 433+ registered producer organizations
 - 110 million artisans, farmers, growers, producers, and supporters
 - 126,000 tons of Fair Trade product
 - 100,000 non-supermarkets
 - 125,000 supermarket points of sale
- ...all around the world.

Krier, 2007, pp 7-9; Raynolds, Muray and Johnston, 2007, p. 126; World Fair Trade Organization, 2010.

Institutions

Fair Trade Organizations, backed by consumers, are actively engaged in supporting producers in awareness raising and in campaigning for changes in the rules and practices of conventional international trade. *Industry definition, 1998*

- Fair Trade Federation
- World Fair Trade Organization
- Fair Labeling Organizations
- FairTradeUSA
- Independent Fair Traders



FAIRTRADE
INTERNATIONAL

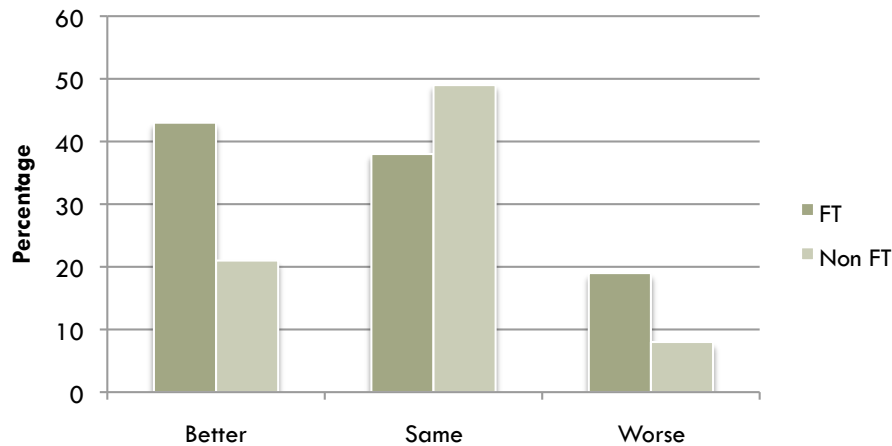


Producers – Effect

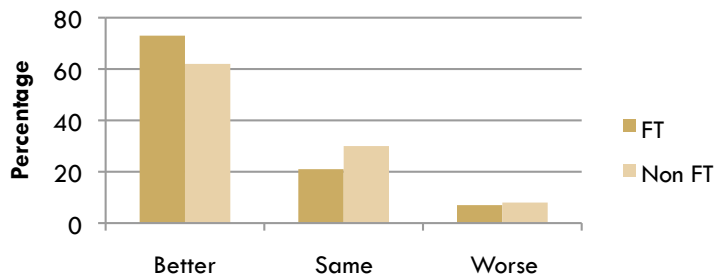
Arnould, et al, 2011 – Journal of Macro-marketing

Income

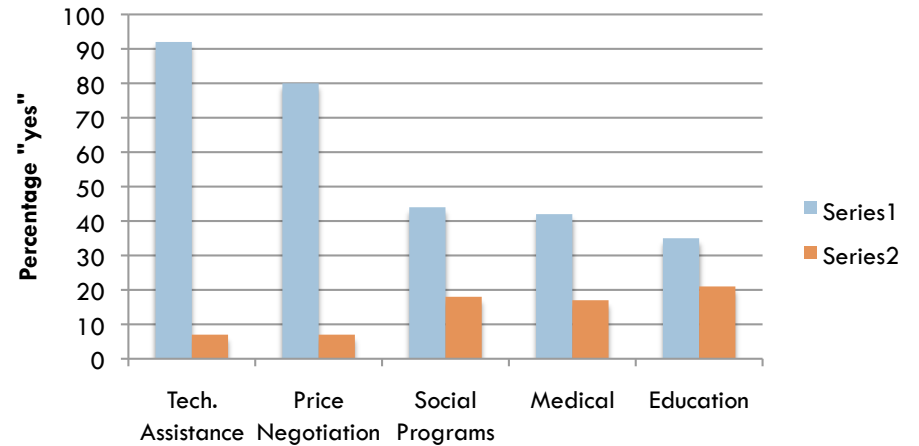
Quality of Life Current Well Being



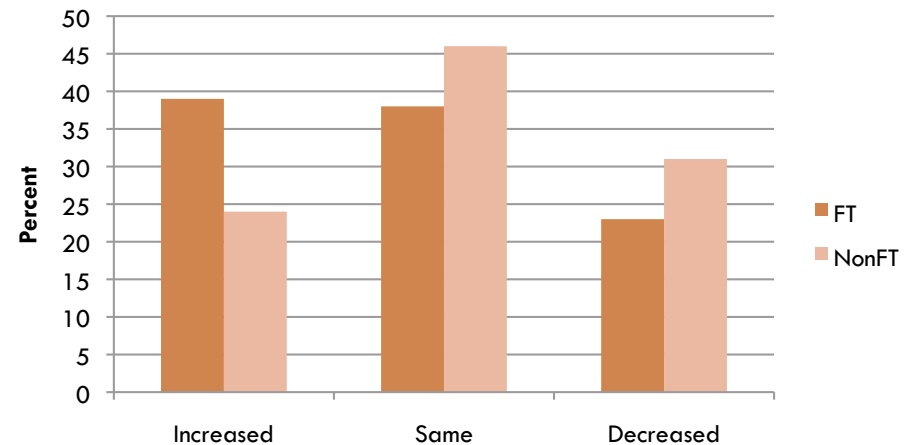
Children's Future Well-Being



Social Support - FT vs nonFT



Change in Income - 3 yrs.



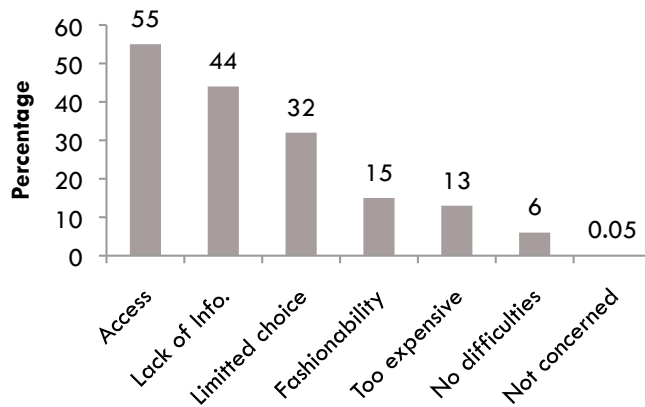
Consumers

Low, Davenport, 2007, Journal of Consumer Behavior; Srivastava, 2009, Academy of Marketing Studies Journal.

□ Ethical consumers feel connected.

□ They want to participate but are hindered by market obstructions.

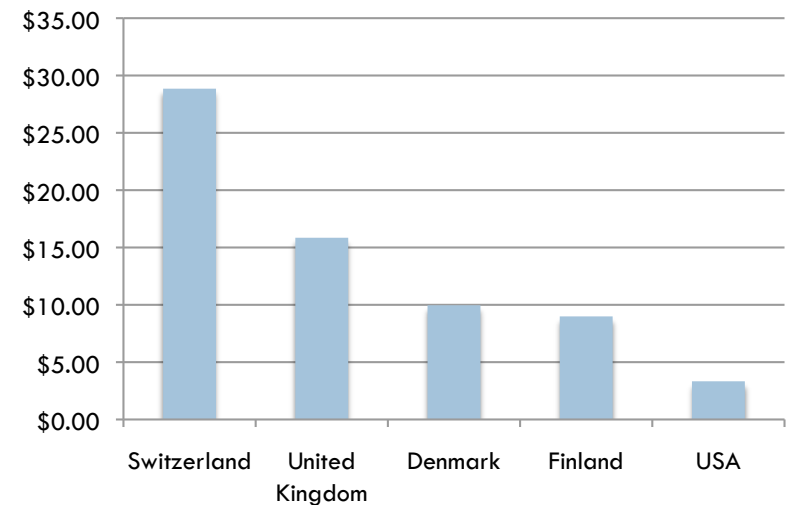
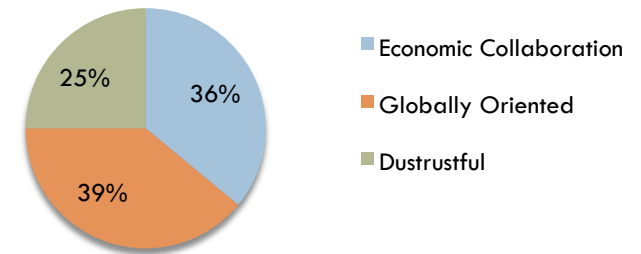
80% of consumers reported valuing Fair Trade clothing but only 9% actually purchased it.



□ Most are European

(Per capita Fair Trade Consumption, 2007)

Global Cognitive Orientation and Fair Trade Consumption



Spectrum of Fair Trade

"All truth passes through three stages:

- ▣ First, it is ridiculed.
- ▣ Second, it is violently opposed.
- ▣ Third, it is accepted as being self-evident."

- German philosopher, Arthur Schopenhauer.

- ▣ 2011: FAIR TRADE is Self Evident.
- ▣ Spectrum....

Easy Access, Market Ready ----- Higher Impact, More Change

Is Fair Trade a Viable Model of Solidarity Economics?

- “The viability of social transformation is rarely a fact; it is, rather, something that must be constructed.” *Argentinian economist, Jose Luis Corragio.*

How is Fair Trade changing (or not)

- industries
- communities
- producer/consumer relationships?



SUCCESS

- ❑ Self Esteem
- ❑ Skills
- ❑ Income

CHALLENGES

- ❑ Competition
- ❑ Culture
- ❑ Poverty

