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Fair Trade in Transition: Evolution, Popular Discourse, and the Case of the CADO Cooperative in Cotopaxi, Ecuador

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Fair Trade in Transition: Evolution, Popular Discourse, and the Case of the CADO Cooperative in Cotopaxi, Ecuador

By

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FINE	informal umbrella association of the four main fair trade networks Fairtrade Labelling Organization International (FLO), International Fair Trade Association (now called World Fair Trade Organization-WFTO), Network of European Worldshops (NEWS!), and European Fairtrade Association (EFTA)
FLO	Fair Trade Labelling Organization
CADO	Consorcio Agroartesanal Ducle Orgánico, or consortium of organic sweet agi-handicrafts
Aguardiente	Distilled alcoholic beverages, a liquor that is usually made from sugarcane and is common in South America and Central America
Trago	Colloquial way of calling sugar cane aguardiente-also means drink, quick gulp
Trapiche	Traditional sugar cane mill
Panela	unrefined, whole cane sugar
Melcocha	Most commonly made in Ecuador, melcocha is naturally sweet taffy made from boiled raw cane syrup
Fabríca	The physical location where prime materials are process; in this case, it is referring to the stone, brick, or metal ovens the alcohol is made in

ABSTRACT

The literature on the changing nature of fair trade suggests it is indeed evolving and changed from the grassroots movement it once was. One of the strongest arguments that comes out in this body of literature is that the message, values, and *way* fair trade can encourage positive socio-economic and community development is changing. What the scholarship does not address, though, is how this evolution is changing the way that fair trade is *perceived?* The answer to this question about the changing perceptions of fair trade can be extended to those who produce fair trade products, those who consume them, those market them, those who manage them, and those institutionally organize the movement and certification criteria. My study attempts to gain insight on how fair trade is perceived among the producers (farmers) of fair trade. Although there are many studies about the impact of fair trade on cooperatives of producers/farmers, there is one voice that seems to be missing: the voice of the producers themselves. My work with the CADO Sugar Cane Cooperative in the state of Cotopaxi, Ecuador attempts to fill this gap.

I executed a three-week research project in which I interviewed administration of the cooperative as well as the sugar cane farmers themselves about their perceptions and understanding of fair trade. Broadly, I was able to conclude that majority of producers in this community were involved with fair trade because of the steady income, and the cooperative became fair trade certified with the incentive of a large contract with a buyer-a buyer that required a fair trade certified product. These two points bring up a very important question: where is the concern for the human development aspects that fair trade champions (education, economic development, health, etc.)? In this project I will address the implications that my

findings have on how we understand the fair trade model in terms of social movement theory and the concept of fair trade as free trade.

CHAPTER ONE

INTRODUCTION

Regionally, Latin America supplies the world with a majority (51%) of raw goods such as coffee and bananas, while Asia and The Pacific contribute 14%, and Africa and the Middle East 14% (Fairtrade International 2012, 9).

Figure 1 Breakdown of Fair Trade by region (Fairtrade International Annual Report 2012-2013 "Unlocking the Power," 9)

Fair trade, particularly in Latin America, has seen explosive growth in the last decade in fair trade markets and cooperatives, especially in Peru and Colombia. They are the top two countries globally with respect to number of fair trade organizations (Fair Trade International 2011). According to Fair Trade International (the leading fair trade fair trade standard and labeling organization) global sales have more than tripled and hundreds more producers organization have become certified to grow, produce, and sell under fair trade fair trade in the last four years alone. As of 2009, there were 2,849 fair-trade certified businesses in sixty countries (Fair Trade International Facts and Figures 2009.) The social promises that fair trade makes to consumers who purchase fair trade products have been called into question, not only within academia but also in the public sphere. Since the Fair Trade Federation's attempt to universally brand fair trade by introducing the fair trade label in 2002, this issue has received

more and more attention among academics, consumers, and economists. There is a general divide in the literature about whether fair trade delivers on its promise of social, economic, and living standard amelioration or it it is just a new way of marketing designed to allow third parties to pocket the surplus charged to consumers for fair trade products. When a trip to the grocery store leads to an overwhelming plethora of labels such as organic, fair trade, rainforest alliance, Non GMO, bird friendly, etc., the store quickly turns into a venue for consumers to exercise their ethical purchasing power. Some of the hotspots for ethical labeling are in the coffee and tea aisles.

As previously mentioned, the academic literature is divided on whether or not fair trade delivers on its core value promises of (Fair Trade International Fair Trade Goals). On one hand, there are academics such as Eric Arnould, who aim to answer the hard questions of whether or not fair trade makes a difference. Arnould argues that opposed to fair trade, it is simply a public policy question of whether or not the well-being of poor Global South workers is actually being improved (Arnould 2009). On the other hand, there are academics such as Colleen Haight who argue that fair trade certified products such as coffee are not living up to their promise of reducing poverty and stimulating development. She suggests that the problem lies with the fact that fair trade certification organizations lack the data to prove an overall positive impact on fair trade employees (Haight 2011, 1). Additionally, Sushil Mohan (2011) and Jeremy Weber (2007) argue in their respective works that fair trade has less admirable qualities underneath. It is my goal to elucidate this conversation. What other elements are a part of this conversation?

The trajectory of the fair trade movement since its inception approximately 30 years ago is an important point of analysis to understand the way fair trade looks today. The movement has maintained its core values as an ethical trading initiative that uses the market to provide producers with a better life, but it has fundamentally changed from a few decades ago. At the

international level, fair trade as a movement has become a conglomerate of international institutions. The umbrella organization, FINE, is inclusive of four major fair trade players and organizations: FLO, International Federation for Alternative Trade, Network of European World Shops, and the European Fair Trade Association. The original manifestation of the fair trade movement was in 1988 when the Dutch development agency, Solidaridad, launched a label called “Max” Havelaar. The original product for the label was coffee from Mexico to be sold in Dutch supermarkets. Max Havelaar was a fictional character who cried out against the exploitation of coffee workers in the Dutch colonies (Fair Trade International Facts and Figures, 2014). The next big marker in fair trade history was in 1997 when FLO (Fair trade Labelling Organizations International) was established in Bonn, Germany. The purpose of this was to unite the smaller individual labeling initiatives (Max Havellar among them) under one name in order to establish a universal set of standards and certifications. In 1998, FINE was created so the growing international bodies of fair trade could cooperate and collaborate on the development of universal core standards for fair trade, increase the quality and efficiency of fair trade certification and compliance as well as join forces for advocacy, marketing, and campaigning of fair trade. Social movement theory, specifically Karl Polayni’s Double Movement Theory, will be utilized to explain the phenomenon of the fair trade movement. Polayni’s theory attempts to explain the under-lying logic of free market principles and the popular movements that form to resist it

Following Karl Polayni’s logic, I hypothesize that the changes in the characteristics of the fair trade movement have manifested themselves at the producer organization level, perhaps in the fair trade certification process itself. The process is extremely arduous, expensive, and riddled with bureaucracy and red tape. What other people have said about this matter could only partially answer my hypothesis due to the nature of case studies past. Many, such as in Eric Arnould’s 2009 work titled “Does Fair

Trade Deliver on Its Core Value Proposition? Effects on Income, Educational Attainment, and Health in Three Countries," address fair trade in a comparative and quantifiable way without really engaging with the communities and populations with whom they are working. Although research like Arnould's is wellfounded, I don't believe, in this case, that the whole picture is seen without engaging with the producer organizations and digging deep to find some answers.

The CADO (Consortio Agroatesenal Dulce Organico) sugar cane cooperative in Jilimbí, Cotopaxi, Ecuador received their fair trade certification recently in 2010, making them the first and only fair trade certified sugar cane cooperative in the world. I conducted field research with CADO in July-August of 2013 in order to scrutinize and evaluate hypotheses about fair trade at the local level. By conducting research in and with a community that has recently gone through the fair trade certification process, a unique perspective and a deeper understanding of what was actually going on in fair trade-certified cooperatives could be gained. While there, I listened to the voices of the individuals instead of solely relying on numbers, data, and reports to better understand how fair trade plays out at the producer level. The data and observations collected during my fieldwork will be a crucial element in supporting my hypothesis. Utilizing Polanyi's double movement theory to explain the natural process of institutions and a case study conducted in Cotopaxi, Ecuador with a fair trade sugar cane cooperative, I argue that the evolution of the fair trade movement has adopted characteristics and qualities that are antithetical to the original goals and values of the movement at its inception in 1988, greatly affecting the modern conversation about fair trade.

In writing this thesis, I aim to take a nuanced approach in analyzing the evolution of the fair trade movement that is exponentially growing in presence in western 'consumers' daily lives in this era of globalization. Although I will not be addressing human rights as principal theme in this study, it is important to note that my perspectives are nuanced by the human rights paradigm

that is concerned with the quality of life and treatment of the individual (micro) as opposed to being principally concerned with outcomes for various international regimes/movements (macro).

The current era hyper-globalization and instant access to information allows for the instantaneous exchange of ideas. If, as I argue, the fair trade movement has changed so much in the past 30 years due to the outside forces of neoliberalism and consumerism, it is imperative to open a conversation about why this is happening, what difference it is making, and what it will do for the future of the movement. Previous scholars have laid different foundations for this argument, which will be explored in the following pages.

Chapter two will explore all things fair trade: a more detailed history, promises and principles, governance, certification, labeling, consumer perceptions, as well as that fair trade is a human rights concern, not just a consumer game. In addition, this chapter will further explore Karl Polayni's Double Movement theory and the way it applies to the evolution of the fair trade movement. This chapter gives special attention to fair trade as the economic development and response to Neoliberalism in Latin America. Chapter three will detail my time conducting interviews at the CADO Sugar Cane Cooperative in Ecuador. I will discuss my fieldwork, methodology, interview analysis, CADO's relationship and experiences with fair trade. Chapter four is where I present and analyze data from my interviews. Chapter five will tie together all previous chapters by discussing overall findings, the limitations of the scope of my work and the specific methodologies that I employed, indicate where future work can be done, and discuss some policy recommendations.

In an attempt to fill a growing gap about the perceived effectiveness and agency of fair trade to achieve its stated mission, I will use two bodies of information and logic to explain this phenomenon. First I will prove that fair trade is in fact evolving. In light of this, I then add the

evidence collected in the field to contribute to answers such as *why* does this matter? In what *ways* it is evolving? The following pages will utilize these two bodies of logic to conclude that perception of fair trade between producers and consumers is really at the heart of the issue.

CHAPTER TWO

THE EVOLUTION OF FAIR TRADE

The following pages will explore the notions of fair trade, the relationship of fair trade and free trade, the institutionalization of the movement and what that means for fair trade. Three are essentially three ways that free trade and fair trade are compared and analyzed in relation to each other. The first way is to recognize the social movement that developed around the idea of fair trade that was initially created as a direct response and challenge to the values of free trade. Second, some argue that fair trade is a misnomer, and that it is really just free trade in disguise. Third, others argue that fair trade was once a well-defined and stand-alone concept, but the institutionalization process over the past thirty years caused the trajectory of the characteristics of fair trade to shift toward free trade.

It could be argued that the onset of intense globalization fueled by neoliberal economics and the evolution and the subsequent institutionalization of the movement changed the trajectory of the fair trade movement. Of the fair trade critics, a significant portion of them are critical of the sustainability, viability, and legitimacy of the movement. They question whether fair trade can deliver on its core promises over time.

Fair Trade Origins and Perspectives

To set the stage for fair trade, one must understand the context from which it emerged. Fair trade was a direct response to neoliberal free trade policies that were heavily promoted in the early 1980's to improve and support democracy by improving the GDP. As a result of free trade policy, 'race to the bottom,' Multinational Corporations (MNCs), and dehumanizing conditions

became a reality for workers in many parts of the Global South, whose labor, resources, and desperate need for a job due to intense poverty were being exploited.

International commodity trade with few regulations, or "free" trade, has been characterized as being the cause of inequality within the international system. Underdevelopment generally persists in the peripheral states, or states in the global south that usually receive a disproportionally small amount of global wealth, have weak state institutions, and are exploited by more developed countries. Fair trade was one social and economic response that developed into a social movement. The intent was to push back against exploitative free trade policies. The main principles behind the concept of fair trade are: (1) creating opportunities for economically disadvantaged producers; (2) transparency and accountability; (3) capacity building; (4) payment of a fair price; (5) gender equity; (6) better working conditions; and (7) environmental protection (Ruerd 2009).

In practice, this means that producers sell at pre-defined and guaranteed prices, receiving an additional premium for deliveries to fair trade market sellers. The premium is paid to the cooperative, which can use these resources for community development purposes. An important additional objective of fair trade is to reduce risk and improve credit access, enabling producers to make long-term investments. The latter are considered to be of key relevance for poverty-alleviation strategies focusing on changes in risky behavior as a pre-condition for reducing asset poverty (Ruerd 2009) The strategy of "opposing the market from within," or aiming to alleviate global inequalities through the market system that created them, reveals an inherent contradiction in the FT system (Bacon et al., 2008; Nicholls &

Opal, 2005). In response to this argument, Gavin Fridell argues in his 2006 publication "Fair Trade and Neoliberalism: Assessing Emerging Perspectives," capitalist markets are inherently characterized by exploitation, and therefore require a complete revolutionary transformation if

developmental equality is to be achieved. From this perspective, fair trade cannot be objective in its quest to combat exploitation while operating within the capitalist word economy (Fridell 2006).

Fair trade is defined as a market strategy by some (Sushil Mohan 2010, Gendron et. al 2008), and as a social movement by others (Chadis 2012, Shorette 2010). Those who view it as a social movement see it as a mechanism used to promote standards of fair and just production, working conditions, and social policies as a means to creating positive socio-economic and development outcomes for those people involved in fair trade (Ruerd et al. 2009, 778). Those that view it as a marketing strategy emphasize that fair trade is just a niche market, embedded in and playing by the same rules of the 'free trade' market (Mohan 2010, Gendron et. al). Particular attention is given to marginalized workers in the Global South. Those who consider fair trade to be more of a social movement consider the main tenets of fair trade to be transparency, dialogue, and respect for the purpose of greater equality in the international trade arena (Ruerd et al. 2009, 778). Fair trade organizations also champion the positive effects of fair trade markets to the consumer, in hopes of campaigning for change in the rules and practice of conventional international trade (Ronchi 2002, 2). One of the big players dedicated to fair trade is Oxfam. It operates in such a way that stresses the changes they would like to see in the world, declaring "…people living in poverty will achieve food and income security. People living in poverty will have access to secure paid employment, labor rights, and improved working conditions," (Aaronson et al 2006, 118) and although fair trade is not Oxfam's core mission, they believe fair trade is an important tool for making these changes happen.

Fair Trade or Free Trade

Over time, it is argued, the fair trade movement has started adopting and incorporating characteristics of *free trade* into its practices, precisely the regime fair trade was poised to challenge from the beginning (Marston 2012, Fridell 2007 &2011, Jaffee 2007, Raynolds 2007.

We can see the ways in which fair trade has adopted characteristics antithetical to fair trade values in what follows. It has become a movement based on highly regulated and stringent certification processes, international *bureaucracy* and institutions, and the hardships that are associated with the certification process (financial and time it takes to become certified) that is supposed to help the condition in the first place. Scholars of today, particularly Sushil Mohan (2010) and Gavin Fridell (2006), are teasing out a discourse that says fair trade has become a new way to make money, a new way of marketing in a high quality niche market made up of highly socially motivated citizens of the Global North.

Perhaps fair trade *is* succumbing to the very same institutional and capitalistic tendencies the movement was poised to conquer upon its establishment in the 1970's. Sushil Mohan's book, Fair Trade Without the Froth: A Dispassionate Economic Analysis of 'Fair Trade,' gives a critique to the fair trade movement as not having a big enough substantiated claim as a social movement for longevity in the political and economic realm, arguing that it is just a new marketing strategy in the high quality niche market (Mohan 2010, 41). The latter argument is also supported by Friddell, Nicholls and Opal, and Gendron et. al.

The main tool from this book is the concept of 'fair trade as free trade.' Mohan makes a logical argument that fair trade is just another form of free trade, perhaps indicating that fair trade isn't quite as novel and distinct as many others might say or as it was intended to be. Gavin Fridell's recent 2010 article, "Fair Trade, Free Trade and the State," offers an interesting addition to Mohan's work when he argues that the current, non-statist orientation of fair trade activity is "…much more compatible with a neoliberal world order than most fair trade advocates have realized" (457).

Fair Trade Growth

To help inform the discussion of the institutionalization of fair trade, in 2010 Kristin Shorette wrote a critical article, “Fair trade and the Double Movement: The Promise and Contradictions of Improving Labor Standards in the Global South via Market Mechanisms,” that used Karl Polanyi’s 1944 double movement theory as a tool to explain the evolution and institutionalization of fair trade. The theory attempts to explain the underlying logic of free market principles and the popular movements that form to resist it. This has only recently been applied to fair trade, buy it has quickly become influential among scholars and analysts of fair trade (Raynolds 2000, Goodman 2004). In simple terms, Polanyi (1944) argued that any movement toward liberalization (the aggressive neoliberal economic policies in place today) must be met with a countermovement toward regulation. In this case, the countermovement was fair trade. This was in order to prevent the commoditization of land, labor, and money-which, as previously mentioned, causes exploitation and dehumanizing conditions. Further, a fully self-regulating market is impossible, and we see the rise of regulatory efforts that are necessary to protect human populations and the natural environment (Polanyi, 1957). Polanyi refers to the expansion of free markets followed by protective regulations as the “double movement.” The concept of the double movement can be usefully applied to the global level, where fair trade represents one aspect of the protective countermovement (Shorette, & Sowers, 2011). Likewise, we find that, paradoxically, neoliberal globalization spurs regulatory efforts. What can be inferred, then, is that the expansion of the fair trade markets can be seen as part of the protective countermovement to the rise of neoliberal globalization (Ibid).

International Institutions, Corporatization, and Labeling

The expansion of fair trade into the corporate world (or vice versa) is a reality of fair trade that can be seen today (Mohan 2010, Fridell 2010). Is the manifestation of the institutionalization of the fair trade movement to blame for a fundamental change in fair trade

values? In other words-is the evolution of the movement causing a paradoxical adoption of characteristics of the *free trade* market? Today, anyone can walk into the grocery store and a wide variety of fair trade products (bananas, coffee, tea, chocolate, etc) are widely available from all of your favorite companies, ranging from Starbucks to Nestle. The following discussion will incorporate multiple perspectives on the 'corporatization' of fair trade, particularly why and how the market is changing. It will address how the institutionalization of fair trade has affected the original values of fair trade.

As the fair trade market grows, producers become more interested in a contract with major corporations and vendors, as opposed to the small scale and direct lines of trade that have traditionally been utilized. Of the more popular arguments with regard to fair trade and corporatization, Gavin Fridell (2007) argues that the expansion to include large corporations in the fair trade market can potentially cause more harm than good, arguing that fair trade standards become diluted. Levi and Linton (2003) logically respond to arguments such as Fridell's that if the movement is to impact more producers (one of the original fair trade values); it will have to move into mainstream markets where more consumers reside. The bottom line is that widespread access to fair trade products broadens the consumer base, moving it from a market only accessed by activists, to the lager segment of aware or conscious consumers (Marston 2012). "It is only through conventional distribution channels that this larger market can be reached; it is therefore necessary to infiltrate these channels by reaching agreements with large distributors," argues Gendron et al (2009, 43).

As such, partnerships between businesses, corporations, and nongovernmental organizations become necessary to provide a broader base for the market in fair trade goods that promotes the norms of economic, social, and environmental sustainability among consumers in the global North (Linton 2005). So what we have, then, are tensions between

wanting to maintain the original fair trade structure of direct sales networks, such as local fair trade shops and small direct trade businesses, as opposed to expanding to corporations such as Newman's Own and Nestle. Those who support this argument recognize the potential of marketing to dilute fair trade standards (Fridell 2007).

Inevitably, the corporatization of fair trade has a strong presence in controversial fair trade discourse due to the opposing nature of corporatization in the capitalist market and fair trade, the goal it seeks to achieve, and the market mechanisms it utilities to achieve it. For example, in Renard's article "Fair trade: quality, market and conventions" he posits "In short, whilst seeking to utilize trade for militant ends, doesn't the fair trade movement inevitably run the risk of diluting its own cause for commercial ends?" He further argues that partnering with conventional economic actors already requires compromises between ethical principles and commercial considerations, and one can fear that the search for an even larger market presence may be achieved at the detriment of the values and the ideology of fair trade (Renard, 2003, 92).

Further contributing to this academic conversation is Gendron et al. (2009), saying that those that participate in alternative distribution networks, in this case fair trade, collaborating with large distribution channels is contrary to the principles and the alternative ideology of fair trade movement (Ibid). Furthermore, providing access to fair trade products in supermarkets risks standardizing what was meant to be militant or social activist, consumption. Even Max Havelaar (one of the original organized fair trade efforts) members agree that the commercialization across large distribution channels required a change in the fair trade message: "to broaden the spectrum of the public interested in buying these products, it was necessary to appeal more to humanitarian sentiments than to political convictions" (Renard, 2003, 90).

The institutionalization, ergo 'free-trade' value indoctrination, of the fair trade movement can specifically be seen in through the governing structures, business model, and marketing technique (labeling). Fair trade labeling has become a hot-button issue among fair trade academics, as it changed the way the movement (or market, depending on how you look at it) functioned in terms of marketing values.

In order to paint a picture of the evolution of fair trade over time, the following is how it has evolved. Although small direct trade connections aren't as common in current times, they are still operating under the concept of fair trade as well as fair trade labeling. Cooperation between all those small and individual fair trade organizations developed in 1998 under an informal umbrella group of the four main international networks known as FINE, an acronym based on the first letters of FLO, IFAT, NEWS! (Network of European Workshop) and EFTA. In October 2001, FINE established one single definition of Fair Trade, accepted by all actors in the movement (EFTA, 1998 (1998) and EFTA (European Fair Trade Association (2001a): "Fair Trade is a trading partnership, based on dialogue, transparency and respect that seeks better trading conditions for, and securing the rights of, marginalized producers and workers, especially in the South". In an effort to have a united vision, definition, regulations and certification process, and marketing efforts, the merging of fair trade organizations in 2001 represents a monumental step toward institutionalization of the fair trade movement. Although the member organizations of FINE can easily justify their unification as necessary for the survival of the movement, the now-institutionalized nature of the fair trade movement has taken on new characteristics and mind-set of other international institutions involved in the neoliberal capitalistic world.

Attempts to Control Growth: Regulation

The previous section about evolution suggests the need for fair trade to expand into mainstream markets to reach more consumers. As a result of mainstreaming efforts, a

comprehensive overhaul and introduction of a new labeling system came in to being when Fair Trade International spearheaded the creation of FLO (Fairtrade Labeling Organizations) in 1997 in in Bonn, Germany to unite the labeling initiatives under one umbrella and establish worldwide standards and certification (Fair Trade International "Fairtrade Labeling and International History" 2014). A few years later in 2002, FLO launched a new International Fairtrade Certification Mark. The goals of the launch were to improve the visibility of the fair trade label on supermarket shelves, facilitate cross border trade and simplify export procedures for both producers and exporters. The introduction of this new labeling system represents a further move toward market orientation, ergo institutionalization. Due to the efforts toward making fair trade more accessible to the general public as a way to for consumers to make a purchase with a conscious in exchange for a premium product, both the demand and awareness of consumers wanting to buy fair trade. In turn, this negated the need and desire of many different fair trade companies to issue their own unique labels, certifications, and declarations to be used on products because many believed the survival of the fair trade movement was dependent upon recognition of a label (Renard 2003).

Due to the influx of numerous labels making claims about fair trade but without a universal set of fair trade labeling criteria, fear of consumer label fatigue became of real concern, as affirmed by Nicholls and Opal, "…labels all claiming their own definitions of fair and fair trade without responding to any particular requirements, criteria, or certification processes, made people worried this would delegitimize fair trade discourse and values, risking the loss of consumer confidence." (Nicholls & Opal 2005). What can be done to avoid the problem of not only consumer fatigue, distrust, confusion, but non-universal fair trade certification standards? Answer: Standardize and institutionalize as FLO did in the late 1990's and early 2000's.

In their institutional efforts to spearhead a universal fair trade labeling organization, FLO-CERT was created. FLO-CERT is the organization that oversees continued compliance with the

standards put forth by Fair Trade International through rigorous and ongoing certification and inspection processes. To prove consistency in platform with Fair Trade International, the following is taken from FLO-CERT's certification materials: "Fairtrade certification is a product certification system where social, economic and environmental aspects of production are certified against Fair Trade International Standards for Producers and Traders."(FLO-CERT) FLO-CERT's method of certification is a highly involved five-stepprocess including Application, Audit, Evaluation, Certification, Certification Cycle (Fair Trade International, Aims of Fair Trade Standards) Even though it is only the preliminary first step, the application process alone is one of the most involved parts of the entire certification process, requiring applicants to have an incredibly comprehensive understanding of fair trade values, their product, and their market.

In her 2012 article, Marston elaborates on barriers to fair trade certification based on field research in Ecuador, arguing that the requirements for certification can be prohibitive. "The WFTO (World Fair Trade Organization) requires a 34 page application, organizational mission statement, financial report for the last 2 years, an annual membership fee of $250 (approx.), and an annual monitoring fee of $25." Although there do exist producer organizations trying to become certified that have the necessary level of business acumen to keep detailed financial records and enough members to make $275 a reasonable annual expense, there are also many cooperatives for which those two factors constitute an overwhelming obstacle. Both Jaffee (2012) and Raynolds (2007) provide supporting evidence of certification barriers in their work. Raynolds criticizes fair trade certification for its impact on both the movement's values and the producers it was intended to serve. Fair trade certification allows large corporations to sell fair trade products without adjusting their overarching business practices (which, in general, created the conditions for fair trade's inception) they worry that this will allow the movement to be captured by dominant market logic (in other words, free trade). The final critique of fair trade certification to include in this review is another given by Marston (2012). She uses the case of

bananas in the Caribbean as an anecdotal illustration. Usually, the supply of bananas in the Caribbean is higher than the demand. Therefore, farmers who were able to deliver high quality fruit were given priority. In the case of bananas in the Dominican Republic, poorer farmers tended to have lower quality bananas, therefore systematically excluded from market access. What makes this ironic, Marston claims, is the fact that one of the main proponents of fair trade is to equalize trade conditions for even the poorest producers. At the most basic level, all these critiques are questioning the extent to which Fair Trade's increasingly market derived strategy can bring fundamental change to global trade relations (Raynolds 2000, Taylor 2005).

Conclusion

Now that I've established an understanding of the fair trade certification process, it is easy to see that the certification process has enough lengthy processes and criteria to comply with to make the process less than easy and accessible for producer organizations. As exemplified by Shorette, "The current under-representation of producers from the Global South in the certification process undermines the goals for equality, transparency, and respect" (Shorette 2011), and Marston, "In sum the certification process seems to impede the participation of artisans who by all accounts fit the description of people the FT system is designed to support" (Marston 2012), they call for a clear re-direction of the current fair trade system. It could be said that there are two 'dogmas'' when it comes to fair trade. There's the more pragmatic approach of those in favor of certification for the sake of widening the consumer base in order to include some products from the South into the Northern market under fair conditions. Or on the contrary, activists with a more radical vision see fair trade as a path to major alterations to the global trade model. Those from the radical school of thought are approach the notion of certification cautiously because it can threaten the movement's values, as exemplified in some examples above taken from the literature.

As demonstrated in this chapter, indeed fair trade is evolving and changing from the grassroots movement it once was. One of the strongest arguments that comes out in the literature reviewed is that the message, values, and way fair trade can make changes is changing. What the scholarship does not address, though, is how this evolution is changing the way that fair trade is *perceived?* The answer to this question about the changing perceptions of fair trade can be extended to those who produce fair trade products, those who consume them, those market them, those who manage them, and those institutionally organize the movement and certification criteria. My study attempts to gain insight on how fair trade is perceived among the producers (farmers) of fair trade. Although there are many studies about the impact of fair trade on cooperatives of producers/farmers, there is one voice that seems to be missing: the voice of the producers themselves. The following methods chapters detail my attempt to fill this gap.

CHAPTER THREE

METHODOLOGY

This chapter addresses the methodology employed in my research with the CADO sugar cane cooperative Ecuador. I will provide the justification for why the methods I employed best served the needs of this project, as well as an elaboration of the inherent nuances and benefits that this approach afforded my research. The methodology in this project helps to inform my overarching hypothesis that there is a disconnect among the various parties involved in the fair trade movement that, within the context of neoliberal globalization, are causing the movement to look more like more like 'free trade.'

Research Design

In order to best support my hypothesis, I decided to collect data from the voices most commonly underrepresented in case studies in the fair trade conversation: the producers/farmers themselves. To do this, I conducted qualitative, semi-structured interviews with fair trade farmers. Utilizing a qualitative method with both structured and open-ended questions yielded a different outcome than many other case studies about fair trade that draw conclusions by gathering and synthesizing statistics, cross-comparing data of cooperatives, or analyzing trends in fair trade. Although the contributions of these authors are important, another aspect of fair trade case studies is absent from the conversation: the voices of the producers themselves.

This project is distinctive *because* of its use of qualitative methods—an effort toward actively including this often underrepresented voice. I could not have discovered the nature of fair trade perceptions and how it played out in this community except through field research. The

perceived norms about fair trade suggest that fair trade is one thing, and until an exchange with a real-life fair trade producer takes place through qualitative field research, the whole truth cannot be seen (Babbie, 2011, 318).

The CADO Cooperative in Cotopaxi, Ecuador

Site Selection

My criteria for a field site led me to the work of a small NGO called CRACYP Progreso Verde, located in the foothills of the Andean mountains in Ecuador. This non-profit sustainable development organization is both physically and strategically aligned within the community of Jilimbi (and surrounding communities) and allows for unique opportunities for sustainable development research and projects. In 2008, Progreso Verde joined hands with a sugar cane cooperative called CADO (Consorcio

Agroartesanal Dulce Orgánico[1]). I worked with Progreso Verde as a springboard to gain access to this unique research opportunity, as they had a highly involved and hands-on role in the sugar cane cooperative receiving its initial fair trade certification and continued compliance. CADO's recent experiences with fair trade certification and Progreso Verde's association and involvement with the cooperative created a unique opportunity for me to conduct research on the fair trade certification process and community implications and opinion. Because of the recently certified status, many of the employees, organizers, and administrators of the cooperative would have first-hand insight on how this process played out.

[1] **consortium of organic sweet agri-handcrafts,**

About CADO

The CADO cooperative has nearly 200 members (sugar cane farmers) spread across six very small communities (Jilimbí, La Unión, Yana Yaku, La Pinta, La Providencia Alta, y Corazón) and two major contracts with both The Body Shop and Dr. Bronner's, international retailers that are known for their eco and social-friendly approach to lifestyle products. [2] Both buyers pay premium prices, 25 percent or more over the local price for the organically produced fair trade alcohol. CADO has recently (2010) been fair trade certified by the Fair For Life organization certifying body.

Each of the twenty farms I visited had their own distillery set up and each producer was convinced that their way of distilling produces a better quality of alcohol than their neighbor. Farmers in CADO hand-cut their cane with machetes, run it through a mill, and then begins the distilling process; the product of which is alcohol.

Figure 2 Cut Cane ready for the *trapiche* (Photo Credit Marcus Taylor)

The alcohol product is locally referred to as trago (the word for distilled liquor), but more commonly referred to as aguardiente (sugar-based liquor). Trago is a versatile product and has

[2] For the Body Shop's ethical values, visit http://www.thebodyshop-usa.com/values/index.aspx. Community fair trade and ethical trade are among their five ethical pillars.

multiple uses. The alcohol content is strong enough to sell on the local market as an antiseptic. The main use for trago in this region is to sell to CADO. CADO buys the product from farmers, who in turn sell in bulk to Dr. Bronner's and the Body Shop. The *trago* is used as the alcohol agent in their cosmetic products. Any product not sold on the local market or to CADO is used or sold for personal consumption.[3]

With CADO, I hypothesized that through my observations and interviews, I would learn of many instances of difficulties and barriers to fair trade certification, as well as learn more about the community perception of fair trade and how it has affected them over the past few years since its implementation.

By hearing the commentaries of the individuals involved with the certification process on a ground level, I would be able to hear the real feelings and experiences of individuals that know first-hand what the certification process is like, and what it means for them to comply continually with the certification standards to maintain their certification.

At the end of this fieldwork, my hopes were to contribute to a two-fold academic and policy based discussion on 1) how the fair trade certification system can be improved in order to benefit more producer organizations worldwide and to continue to share the benefits of fair trade to as many people as possible and 2) the perception of how fair trade plays on in small communities vs. the reality of fair trade for small-scale producers.

CADO as a Case Study

There are several distinguishing characteristics about CADO that make it unique among other fair trade certified cooperatives. It is very common in fair trade cooperatives for farmers to

[3] There is an abnormally high consumption rate of alcohol in this area ("Resumen Ejecutivo"2012).

work communal, jointly-owned land. But at CADO, the farmers own and work their own land. It is also unique because it is the *only* fair trade sugar cane alcohol operation in the world. Historically, sugar cane is grown in coastal lowlands and coffee is grown in the mountainous foothills of Cotopaxi. However, it was explained to me by the CADO landowners (each of them confirmed this independently) that when the coffee market crashed a few decades ago, all of the farmers ripped up their coffee and planted sugar cane. The last distinguishing factor about CADO is that they process their cane into alcohol instead of selling it in its various other forms (*panela, melcocha,* etc.). Although this cooperative is has distinguishable characteristics, in general, conclusions gathered at CADO still allow for general conclusions about fair trade. Behind the Fair for Life label that CADO holds is a set of *universal* standards that CADO must comply with. While CADO's uniqueness is important to understand, the fair trade label, by its very nature, is what allows for general conclusions to be drawn from CADO.

Data Collection and Community Contact

During my twenty-three days based in the community of Jilimbí, the research method I primarily employed was conducting qualitative interviews. I conducted interviews with various parties of the CADO cooperative, most notably the *Presidenta* of CADO and twenty sugar cane farmers. The only criteria I had for those interviewed is that they were currently contracted to sell their trago to CADO. All interviews and interactions with farmers and management of CADO took place in Spanish; I translated all of my field notes in the evenings after conducting interviews.

Although the respondents I spoke with mark a relatively representative sample of the workers in the surrounding six communities that have CADO farmers represented, due to unforeseeable circumstances (most notably illness, power outages, and transportation logistical issues) I was not able to speak with as many individuals in each location as I originally planned. Before

traveling to Ecuador, I developed twenty-two standardized questions to ask of every farmer[4]. After the scheduled questions were asked, I allowed the conversation to progress organically giving them a platform to speak about their experience. During interviews, the conversations were led by respondents and I pursued themes as they emerged. Often it seemed the respondents felt like I was giving them a space to express their praises/frustrations/opinions about CADO that they would not typically have an outlet for due to not feeling comfortable airing their concerns/grievances and/or geographic limitations (isolated far from the main office with no reliable communication or transportation). It was important to recognize that those that I interviewed had other concerns in their lives they wanted to talk about other than my questions. Although the way I asked questions did not allow for easy quantification of answers, I believe that I allowed for openness with the respondents and allowed them to tell me what was of concern and what they thought was important about their work with/for CADO. The power to control the direction of the conversation was in the hands of the respondents. They were telling *me,* the outsider, what was important to them. This open-ended methodology allowed me to do the legwork to hear the voices of the more isolated farmers eventually to be able to report (anonymously) suggestions, critiques, and informed voices of the farmers themselves to the CADO administration.

As a researcher, it would be prudent to reflect on how I was perceived. As previously mentioned, I was a white, educated, female. This begs the question in a machismo-laden society[5], how did my presence in the community as a woman affect the responses I received in interviews? Drawing on feminist theory, I do think that my presentation as a female creates a distinct dichotomy in the way I am perceived by those I am interviewing, and the way I approach theory and explain data (Reinharz, 1992, 246). As concluded by Reinharz, "feminism is a

[4] See Appendix for a complete list of interview questions
[5] Análisis Social in *Resumen Ejecutivo* 2012

perspective, not a method" (Ibid, 241), therefore I must take care to reflect on the ways this has impacted the outcome of my research.

At the time of conducting interviews, my perception about the way my presentation as a female was perceived among my respondents was that it didn't play a big role. My intention was not to explore the intersection of machismo and feminist methodological scholarship, but rather to gain insight about fair trade and CADO. But indeed, after further reflection, both my and my respondent's objectivity were implicated in this way. Put perfectly by Reinharz, "The feminine researcher exists at the intersection between the feminist perspective and the research discipline (ibid 246)."

Access and Informant

I worked very closely with the Intern and Research Director at the NGO Progresso Verde. He was an American that had been working at Progresso Verde for over a year and was heavily involved with CADO's fair trade certification application process as well as the maintenance and upkeep of their fair trade certification. He served the role of key informant throughout my research process. He was already established and accepted within the community and developed a great rapport among local farmers and CADO administration. I was able to springboard off his strategic positioning within the community. In this way, he served as my principal informant for subject recruitment and point of access to CADO management. He pointed out and accompanied me to nearby (within an hour or two walking distance) farmers that could be interviewed and visited during 'downtime.'

I remember vividly making a day-long trek out to a particularly isolated *finca* in the community of Yana Yaku. After the gentleman who owned the property gave me a tour of his distillery operation and insisting I have a drink of his *trago*, we sat down for an interview in the open air

living space of his home with chicken and children running around. When I asked him when the last time he had heard any communications from CADO administration (let alone actually see or speak to someone) he thought it was more than six months. He took the opportunity to reflect on my open-ended questions. He felt at liberty to fully criticize the way CADO ran things and about the money he was getting paid for the work he was doing.

Figure 3 Gentelman explains how *trago* is made

In this way, there was much value to be had in the method I employed; It seems that the benefit of going into the field with a stiff list of survey questions for quantifiable analysis far outweighed any issues of consistency and validity in the responses I might have gotten.

My informant and I coordinated day (and an overnight) trips to the further out communities that are affiliated with CADO in continuing the mission to get a representative sample of the voices of CADO. Most of the farmers can be accessed only through any random combination of the following forms of transportation: hitchhiking, hiring an unreliable driver, walking, and/or mountain hiking. During my time there, Nick was doing some research and community work of his own on the importance of composting and how it relates to soil erosion (which is a serious issue for CADO farmers since cane is cultivated on the mountainside). After visiting the homes and farms of various CADO farmers and discussing our work with them, there was an expressed interest in having 'development' workshops in each of the respective six communities. One of my interview questions was simply: "What is fair trade?" and 90% of those

interviewed said it was simply a way to make more money. It was then that I realized that it was not for lack of understanding the definition or concept of fair trade, but for a different perception of fair trade than the one that I held. This realization was of distinct importance to the entire project, and I am glad that I learned of it early on. It was not for never having heard the words *comercio justo*[6]*,* but for understanding what it means within the context of each respective party's (mine, my respondents) lives. I found that more often than not, *comercio justo* was associated with more money, rather than my perceived notion that fair trade is a set of values, a market tool, and a way to promote development.

Role as a Researcher: Bias, Establishing Rapport, and Being an 'Outsider'

Bias

Before travelling to Ecuador, I had access to CADO's last two fair trade audit reports conducted by Fair For Life in order to familiarize myself with the history and procedure of fair trade at the cooperative as well as to better understand the things that CADO was marked as needing to improve. In order to avoid any bias and risk of confusing personal knowledge and opinion with fact from Nick's point of view (as well as the many other people I spoke with while there), I made sure to familiarize myself with the organization, it's governing body, it's history, the socio-economic context in which it exists, as well as their history with fair trade.

Establishing Rapport

In order to have a productive, smooth, and fruitful experience, I needed to establish the role I would be playing as a researcher. In my observations of the procedure and process of business at CADO, my role as a researcher was pretty straightforward; I simply needed to be there (meetings, sugar cane alcohol drop off). Barbara Kawulich's 2005 publication "Participant Observation as a Data Collection Method" includes an insightful discussion that elucidates my experiences in

[6] Spanish for "Fair Trade"

establishing myself in the community. She argues that rapport is "…built over time; it involves establishing a trusting relationship with the community, so that the members feel secure in sharing sensitive information with the researcher" (Kawulich, 2005). In the various situations I found myself in that were opportune for recording data, I (at Nick's introduction) introduced myself as a researcher with the University of South Florida. Although I was as honest and transparent as possible with respondents, I still have concerns about the honesty behind some of the answers I received. I was perceived as an outsider. What's more, I was the only other white person in the entire community other than Nick.

One of my greatest advantages to gaining rapport in the field was my ability to conduct all interviews and communication in Spanish. Being able to carry on a conversation naturally and organically without the use of a translator is a big advantage to be had in gathering deeper and more sensitive information from participants. Author Russell Bernard accurately addressed this when he said "…the most important thing you can do to stop being a freak is to speak the language of the people you're studying…" (Bernard 1994). This is not to say there were not challenges and miscommunications. The Spanish I know is very different than the Spanish spoken by this rural, isolated, population with heavy indigenous influence. Small nuances of meaning, culturally embedded within the language spoken there were lost on me. My Spanish was more formal and I certainly lacked any hint of the local dialect; making it equally difficult for locals to understand me. The data I gathered was done so through this two-way communication filter, perhaps leaving me unable to capture the subtle meaning and implication of respondents. Despite this communication barrier, I was still able to efficiently gather the data I needed and make a connection that could not be established through the use of an interpreter.

Another crucial advantage I had in gaining rapport in the community almost goes without saying. My principle informant had been living in the community for over a year and had spent that

time cultivating relationships, developing trust, and building rapport with members of the community. Piggybacking on the rapport he had previously established, my job became much easier.

I was quickly able to infer that many people were concerned that I was working for CADO administration and that any answer they gave me that painted CADO in a critical light could implicate them in some way. Although I tried to mitigate this concern as best as I could by emphasizing the fact that I was a researcher that was non-affiliated with CADO, the fact that I was possibly exposing sensitive information, spending more than three weeks in the field and establishing a long-term rapport and engaged presence in the community could have mitigated this perceived problem. Kawulich (2004) calls this "prolonged engagement" and what she is really getting at is the longer you are in the field, the more trustworthy you come off to the community as well as the readers of your research.

Positionality

Concerning my positionality and research objectives, I was in no way looking to discredit Fair for Life or CADO in terms of structure, administration, goals, or organization because I didn't have a precisely defined hypothesis. Instead, my goal was to make sense of a situational phenomenon that could not be predicted in advance (Babbie, 2011, 319). Instead, what I *was* looking to do was to find useful and meaningful knowledge that would better improve understanding of trying to support the theoretical model outlined in previous chapters.

Objectively, to the farmers I interviewed, I was a white, female, American, academic researcher interested in fair trade, transparency, and human rights (because I said so when I first introduced myself to respondants). The question of perception is twofold: How did these social (arguably economic and political) identifiers affect the way I perceived and interpreted responses and observations, and how was *I* perceived as a researcher and how did that affect

the responses I received? My positionality and establishing rapport in this situation were very closely linked, but in this conversation about my background is about more than just being a ‘stranger ’in a new place and needed to establish trust. In this project I think my positionality really shone through when I realized that my definition of fair trade and the definition my respondents held didn’t match. Additionally, my definition of ‘development ‘or ‘better life ‘did not mean the same thing to me as it did my respondents. This will be explored further in the next chapter when I discuss interview content and analysis.

CHAPTER FOUR

DATA AND ANALYSIS

Now that the methodology of my fieldwork is established, what follows is the presentation and analysis of the interview data I collected while in Ecuador. The data is organized and analyzed within thematic sections from which I draw distinct conclusions. Overall, the results from my data indicate there is a disconnect in the discourse among fair trade businesses, consumers, and institutions, and the discourse among fair trade producers--the ones it actually affects. This supports my overarching argument that fair trade is evolving and deviating from the practices and values it once promoted. There are two sections for data, the first includes information gathered from cooperative management, and the second includes data from my interviews with farmers.

Interview with *La Presidenta*

I had the opportunity to sit down for a lengthy interview with the *Presidenta* of the cooperative, Cecelia Arcos. I spoke with her very early on in my fieldwork, and we spent a lot of time talking about very general topics, such as the history, structure, and operations of the cooperative. This was helpful for me to become oriented with the CADO cooperative's way of working. The most profound part of the conversation came when I asked Cecelia if she could tell me a little bit more about why the cooperative received fair trade certification in the first place. Without hesitation, she explained: "We were fair trade certified because The Body Shop approached us and wanted our alcohol in their products. It was their requirement that we be fair trade certified. If it weren't for them, we had no reason to get the certification." As the only producer of organic certified sugar cane alcohol in the world, CADO's sugar cane alcohol was a

coveted commodity in the eyes of the Body Shop. In order to secure the sizeable year-to-year renewable contract, the Body Shop required CADO to be fair trade certified. After CADO agreed (and they were highly motivated to do so with this contract on the line), The Body Shop paid for, organized, and facilitated the fair trade certification through the organization *Fair For Life*[7].

What did this certification look like for farmers?

CADO's relationship with the Body Shop concerning fair trade certification indicates that the fair trade movement has, in fact, evolved to take on characteristics driven by the neoliberal consumerism that it was once poised to combat—in this case, the conversation about fair trade certification *seems* to be more about securing a contract than implicitly about receiving fair trade benefits. In my interview with Cecelia, the expressed rationale behind CADO's decision to transition to fair trade did not seem to indicate that a "… trading partnership based on dialogue, transparency and respect, that seeks greater equity in international trade" (Fair Trade International)[8] was explicitly considered in the decision to become fair trade certified. Although I believe it is very important and distinct that fair trade values weren't brought up during *my* conversation with Cecelia about why CADO was fair trade certified, this doesn't necessarily indicate that CADO didn't care to provide its workers and community with the benefits of fair trade. The assumption is that CADO (and everyone else in the world) would prefer "social benefits" to exploitation and "transparency" to obfuscation. What can be concluded, though, is that the way fair trade certification happens, and the way people are talking about it, is changing. The contract is presumably incentive and a source of economic stability; benefits that CADO perceived as being incentives of this *contract,* not the perceived benefits of *fair trade*. CADO could have carried on without a contract with the Body Shop, and the Body Shop *could* find cheaper alcohol elsewhere (it just wouldn't meet the ethical standards of its ethical credo and its

[7] www.fairforlife.org. You can find CADO's documentation if you search 'Ecuador'
[8] This is the same definition given in the introduction. This is for consistency and clarity in the working definition of fair trade I employ.

consumers). The *Presidenta* may not have expressed another reason for fair trade certification other than the contract, but without the fair trade certification, there is no reason to assume they would fare better if they were competing with all other available producers.

It is clear the Body Shop and its consumers subscribe to an ethical credo with high standards for worker rights, sustainability, and transparency. Had the Body Shop not approached CADO in search for the most 'ethical' sugar cane alcohol on the market, CADO would not have received certification. From here, it can be concluded that the buyer (in this case the Body Shop) and the consumer (Body Shop customers) has the power when it comes to fair trade certification. If the consumer demands it, the buyer will make it happen. I think this profound truth from the CADO cooperative about motivation for fair trade certification will contribute to the discourse of the power of the consumer in a very powerful way. This finding can have serious implications for the way fair trade is marketed and challenged in the future.

Interview Analysis

The other principal finding from this project is that not all farmers who work for fair tradecertified cooperatives hold the same perception of fair trade or are concerned with the social benefits and transparency in the same way that Western Consumers are. Consumers make the assumption that fair trade consumers/producers have the same perception of values. To illustrate this point, the following section will include the data that came from some of the interview questions that elucidate this disjoint of perception and reality of fair trade. I have decided to include the following interview questions and responses for analysis because they directly contribute to my conclusions. These questions were included as part of the standardized questions I asked during my interviews with farmers. As mentioned in the previous chapter, I spoke with 20 farmers; therefore, every 5% represents one farmer.

#	QUESTION	MAJORITY	MINORITY	OTHER
1	Why did you join CADO?	To make more money	It's organized, it's a stable market	—
2	Do you receive any benefits for being part of CADO? (social, economic, development, etc.)	5% yes	95% no	N/A
3	Do you make more money selling your product on the conventional market?	20%yes	35% no	45% maybe
4	Do you think you get a fair price for your product?	80% yes	20% no	N/A
5	Do you think your quality of life has improved since being associated with CADO? If so, how?	80% kids go to school more frequently	- increased Income - Safer fábrica - more time for Otherthings: gardening, spending time wtih kids, taking care of animals -can regularly buy food - can plan ahead	N/A

Figure 4 Interview data for analysis

Steady Income Prevails

The interview response to question #1, "*Why did you join CADO?"* demonstrated that the large majority of sugar cane producers in this community were involved with this fair trade CADO principally due to the steady income (note: not necessarily increased, but necessarily steady). Common responses were: "To make more money," "I was able to get the steady price I couldn't get before on the unstable local market, "to secure a buyer-before CADO, we didn't have a secure one," "the outside market is flexible, CADO is dependable." Although the variety of answers given were different, they all elude to the fact that they make more *stable* income, and therefore feel more stable with CADO.

One of the biggest changes for farmers upon the implementation of fair trade practices at CADO in 2010 was the guaranteed price per liter of trago. For example, when I was there, the fixed price that CADO was buying trago at was $1.15 per liter. This fixed price does not change even as the dynamic conventional (local, non-fair trade market) rises and falls. When asked, “Do you make more money selling your product on the conventional market? (Question #3)” one farmer replied, “At this moment, conventional market prices are better, but I stay with CADO because they are organized and pay fixed amounts.” As confirmed by my interviewee, the conventional market was much higher than the fixed-rate CADO offered while I was there. The caveat here is that while the conventional market can sometimes raise to a buying price over 3 times that of CADO, it can also drop *substantially* lower.

The fact that the conventional market was much higher than the CADO fair trade price when I happened to be there probably had an impact on the attitude and answers to the question about whether or not they receive a fair price for their product. In a comprehensive social analysis written about CADO in 2011 titled “*Resumen Ejecutivo: Analisis Social de CADO*[9] the author asked a similar question of forty six farmers and got slightly different answers than me, but the same conclusion can be inferred. Of the 46 farmers, 38 (83%) say that their income with CADO did not satisfy their basic needs. 44 (96%) say that their salary with CADO did not allow them to save any money. Only 18% of farmers think that their salary with CADO is a fair living wage. When the author asked, “What would make a fair salary?” the majority of responses indicated that a reliable and stable income is the most important thing. Although it sounds like those interviewed in 2011 for this report wanted higher earnings per liter on trago, the conclusion is still that a steady and reliable wage is better than an uncertain buying price, especially for the poor (even if they show evidence that CADO needs to raise their minimum price).

[9] Executive Summary: Social Analysis of CADO

Although the author of *Resumen Ejecutivo* indicated that 83% of interviewees said CADO's minimum price of $1.15/liter did not satisfy their basic needs, and 80% of those that I interviewed (Question #4) said they *did* believe they received a fair price for their product and work, the rationale was the same. In my interviews, people qualified their answer in saying they received a fair price *because* of the fact that it was a dependable, stable price that they could rely on. This reliability allowed them to look ahead and plan financially as exemplified in the following interviewee responses from two farmers: "CADO's fixed prices allow me to plan for my five children's future; I know how much I will make every week if I produce a certain amount," and "Before I was with CADO, I sold my product commercially. The CADO price is low compared to the commercial market now, but I stay with CADO because the market is stable." The individuals that said that they don't receive a fair price all indicated similar reasons, "…For the work we do, no."

Social-Economic and Community Development Benefits

The following are specific ways fair trade can benefit producers from an economic perspective: increased income as a tool to increase well-being, providing services and market access, access to microloans, etc. In social ways: improve general well-being, gender equality, strengthening social capital, trust, and self-esteem, acquiring transferable language, business and computer skills, participating in organizational and community planning, better education, improved political awareness, etc. (Le Mare, 1933, 2008).

When I asked the question, "Do you receive any benefits for being part of CADO (social, economic, development, etc.)? (Question #2) 5% said yes, and the large majority (95%) said no. The following response is indicative of the overall responses I got to this question: "No, I do not receive any benefits from CADO. Am I supposed to? I don't know of any social programs or community projects

CADO is involved with." Most people were unsuspecting of this question and a little confused as to why I was asking. Rightfully so, as it seems there were no perceived efforts of programs to socioeconomically develop the individuals and the community. Given the benefit scenarios I've listed above, it's possible that only 5% of respondents said they received benefits simply didn't have the same understanding of benefit that I did. Through my interview experiences, it is clear to me that producers did in fact have access to some of these benefits (gender equality, increased/steady income as a tool for well-being, improved business skills, and community planning among others), but there exists a disconnect in the way the values of social and economic development that fair trade champions[10] are not communicated and/or perceived by the farmers in CADO in the same way as they are to Western consumers exposed to the rhetoric of fair trade.

The person (the 5%) who answered yes to this question was a woman involved with a woman's group organized by CADO. Although another one of my respondents was a woman, she was the only one I interviewed that was involved in this group. This group discussed child nutrition, community banking, and opportunities for microcredit investment. This was the sole expressed example of community development/benefit programs associated with CADO.

There are four conclusions to be made in this chapter. First, Cecelia's responses indicated that fair trade certification is both consumer and buyer driven-CADO received certification because their contractor demanded it. Second, there are very few *perceived* socio-economic and community development efforts and/or projects among the members of CADO. Third, the articulated perceptions of fair trade are quite different between consumers and producers of fair trade commodities. Lastly, steady income (fixed price/liter) is preferred over the dynamic and varied price/liter on the conventional market. These conclusions beg the question:

[10] Include direct examples of this from FTI

What does this mean for the bigger picture of fair trade? Why does this matter? These questions will be teased out in the following chapter.

CHAPTER FIVE

CONCLUSIONS

As previously established, fair trade has evolved and changed from the grassroots movement it once was. The literature strongly implies that it is the values and message of fair trade that are at risk of being corrupted/diluted. My research design was an effort to further this assertion by exploring how this evolution is changing the way that fair trade is perceived. Further, the deafeningly quiet voices of the producers themselves demonstrated the need to take my project to the field to hear the voices of the producers themselves and learn about their perceptions of fair trade. My original research question about how the evolution of the fair trade movement has affected perceptions of fair trade among producers was answered by identifying a gap.This project has led me to conclude that there is a gap in the fair trade discourse between various constituencies (workers, producers, consumers, corporations, fair trade organizations). This gap blurs clear understandings of disparate worldviews, cultures, values, and development. This ultimately affects the motivation behind fair trade certification and buying fair trade products and/or understanding of what fair trade is and what it's capacity for change may be. This is problematic because it leaves the institution of fair trade open to many critiques. I originally conceived the fair trade movement as perhaps having taking on characteristics of a 'free market'-one that is market driven (a fair trade that Sushil Mohan envisions). This project has further elucidated this 'gap', however nuanced, that can positively contribute to a conversation about misconceptions of fair trade and perhaps lend to inclusion of more holistic or inclusive dialogue in fair trade discourse. I believe that there are three areas which contribute to the gap.

This first point addresses the 'gap' between the way producers and Westerners perceive fair trade certification and its potential as a tool for development. During my interviews, it was clear that producers sought fair trade certification because they wanted a major business contract. What were never brought up were the *social* benefits (fairness and social justice) that the stability of long-term contact that paid steady prices would bring to the community.

Fair trade is (in large part) consumer driven-if the Body Shop's consumers didn't demand fair trade; they wouldn't have gotten the certification. What does this say for the way it is marketed to consumers? It is marketed to consumers in such a way that it seems that everyone should be so lucky to have fair trade. We are increasing consumerism and the marketing of fair trade products, but not talking about how/why/what incentive cooperatives have to attempt certification/why aren't more doing itIt is a privilege to be certified.

The second main contributing factor to the fractured discourse about fair trade has to do with differences in worldview, life experience, socio-economic situation, etc. To producers, questions like "What is development?" and "What is fair trade?" were not answered in the way that I *assumed* they would be. Through the lens of my cultural, educational, and ideological bias, I assumed 'development' and 'fair trade' to be universally understood in the same way I understood them. Producers I interacted with were not explicitly concerned with the social development aspect of fair trade that is championed, but more concerned with surviving day-to-day.

A 'better life' to us might look like more money, bigger house, and having a retirement fund, but a better life for poor farmers defined by them as having a *steady* income, children able to go to school, being a part of an organized business, etc. Strongly supported by my interviews, in this community more income does not equal development, but *steady* income does. Under this framework of difference, we can understand Cecelia's expressed motivation for choosing to

become fair trade certified—but it begs the question: Why isn't this simple explanation for differences in understanding development easily accessible? Why are we talking about development the way that *we* perceive development? We're not the ones who are being 'developed' or whose lives are being immediately improved through fair trade. This leads right up to the next and final point about the 'gap' in fair trade discourse.

The third contributing factor to the 'gap' in fair trade discourse one that deals with the way fair trade is marketed. Specifically, this deals with issues surrounding advertising----the farmers in this study just do not conceptualize, understand, or perceive of fair trade it in the same way that western consumers do. Consumers are exposed to it in a different way. Marketing seems to be leaving out the small nuances of local, cultural understanding of fair trade. Fair trade marketing simply (and correctly) sends the message that fair trade delivers social and economic equity to rural farmers. I believe that consumers need to understand *why* and *how* fair trade is a good thing for the producers. Without this deeper understanding, I think the deeper, human connection is lost. Consumers use their money as a tool to promote ethical practices (a concept known as ethical spending) as a way to do their part, because fair trade organizations and companies say it's a good thing for the farmers. What is missing is the fundamental gap that links what fair trade marketing is and *why* that is important for producers. Without this crucial link, fair trade just looks like a world Mohan predicts: that fair trade is free trade--just another way to market and move products.

Limitations and Future Research

Although I have made the case in chapter three that the qualitative methods I utilized that sought to include the underrepresented voices were appropriate, valuable, and allowed for a different and more profound understanding of CADO, this approach (and this project) has its limits. Case studies are more difficult to draw broad conclusions from because they are isolated examples of a certain phenomenon. I told the story of what is happening in

CADO and how it fits in with the fair trade dialogue in the global paradigm within which we live today, but this leads us to further questions- Is the same thing happening at other cooperatives? In other countries? That sell different products? That are certified under a different fair trade label? How do the conclusions I have about the changing conversation about fair trade and the gap in perspective affect universal understanding of fair trade?

I do believe that the breadth of my involvement and presence in the community and cooperative was substantial, but was lacking in depth. I simply was not in the field long enough to establish the deep relationships, rapport, and deep understanding of the many factors at play (however subtle) within this community and the cooperative. As addressed in chapters 3 and 4, I think this was a contributing factor to some of the issues I experienced with interviews and data collection while in the field.

Recommendations

Although only briefly touched on in chapter 4, there were many expressed concerns and suggestion for improvement for CADO made by those I interviewed. CADO needs to provide more opportunities for workers to formally engage within the community and cooperative. Almost every individual I spoke with mentioned feeling isolated and of the loop due to geographical and technological limitations (no phone service where they live, transportation logistics, far away). Individuals that feel uninformed, unincluded, and isolated, indicate that fair trade is falling short of its capacity in this community. Future work in this area would seek remedies to this problem.

Building on the three points I outlined above, I think the way we, collectively as a society, talk about fair trade needs to change. We can bridge the 'gap' of misconception by working with communities and learning about their values and interpretation of concepts such as

‘development’ ‘fair trade’ ‘good life’ and use this to send a clear message of what fair trade has the capacity to do that speaks universal languages.

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APPENDIX

Interview Questions:

Male or Female?
How many years have you lived on this finca?
How many years have you been farming cana?
Are you a member of CADO?
How long have you been with CADO?
How did the certification process affect you?
How did you think it was going to affect you? What were your expectations?
Are you clear on happenings and organizational structure of CADO?
Do you feel like you get a fair price for your product?
Did you et a better price before you ojined CADO?
Has you quality of life changed since becoming a part of CADO?
In specific terms of living conditions, education for kids, access to health care, etC?
Do you participate in the Campesino Seguro Program?
Do you receive any other benefits from CADO?
Are the particular rules enforced by CADO attainable, clear, and manageable?
What is your opinion of the new process of selling cut cana?
Were you at the Assemblea General? Why/why not?
Were/Are you aware that the body presents at the Assemblea General votes on decisions that affect everyone involved in CADO?
How many times has an inspector/auditer visited your property?
Can you describe this process to me?
Did they give you suggestions on ways to improve?
Did you have an adequate understanding and resources to make the required changes?