



Place-based ethical trade

Markets tend to be discussed within public policy and academic circles in relatively abstract terms. However, the consumption and production systems on which our economy and society depend are place-based – most goods and services are both produced and consumed in particular places.

In an increasingly globalised economy, places of production and consumption can be very distant from one another, with consumers in richer countries often having little idea of the impacts that their consumption decisions have on the people and environments of producer communities.

Ethical trade is an important, but sometimes controversial, contributor to sustainability that seeks to promote to consumers goods and services that have been produced in line with particular social and/or environmental standards.

The best known example of Ethical Trade is the Fairtrade movement which (according to Fairtrade International) by 2015 had generated sales estimated at £7 billion in Western Europe and North America, including £2.1 billion in the UK alone. FairTrade marketing has been described as providing a 'window' that allows consumers of products such as coffee and chocolate to see and understand something of the lives and livelihoods of the producers operating within poorer countries.

Much of the research into FairTrade to date has concerned broad consumer responses to the FairTrade label, or economics-based research into its potential to contribute to sustainability as an alternative trading system. Our research is more focussed on the implications of FairTrade for specific communities.

This includes work on producer communities in the wine sector of countries including Argentina, Chile, Germany, Finland, South Africa and Sweden. In particular Dr Agatha Herman is currently developing a research monograph on FairTrade and community empowerment in the Post-Apartheid South African wine industry.

A more unusual perspective on FairTrade comes from the work led by Dr Anthony Samuel on the FairTradeTowns (FTTs) movement. First established in 2001, the number of FairTradeTowns had risen to 1,728 FTTs across 26 countries by 2015 including 612 British towns and cities. FairTrade Towns are unusual in accrediting a place of consumption (not production) on the basis of its support for the promotion of local FairTrade consumption, and can provide opportunities for communities of consumption and of production to become better connected.

The success of FairTrade and other ethical trading initiatives is crucially dependent on the effectiveness of the accreditation and labelling schemes that can inform, motivate and reassure consumers with an interest in ethical consumption. The effectiveness of such schemes is a component of all the Institute's research work into ethical trade. It is particularly the focus of Dr Angelina Sanderson Bellamy's research investigating the operation of the Rainforest Alliance accreditation system, and its potential in promoting more sustainable agricultural practices within producer communities.

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