

**Research Project: Sustainable Business Models and Practices: Fair Trade.**

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**Background:** Fair Trade (FT) is one of the iconic success stories of the past decade in relation to business sustainability and CSR. It addresses the disconnection between consumer and producer that is commonplace in the supply chains of an industrialised economy to engage consumers in the interests and welfare of producer communities. FT has extended from its original core agricultural markets such as coffee to include a range of sectors including services, clothing and gold (which also connects to the CSR and mining strands of BRASS's research work).

**Aims & objectives:**

- To explore FT and FT communication efforts from a consumer perspective and the potential for the application of social marketing based approaches to what is a commercial marketing sector;
- To analyse governance processes within FT supply chains and organisations and explore whether the economic and socio-environmental aims of FT are being realised in practice;
- To understand consumer responses to FT and other CSR-based communication in terms of a range of marketing media including print campaigns, on-pack and on-line communications, and their potential to build effective relationships with Fair Trade consumers and other stakeholders.
- To conduct an initial rigorous exploration of the new and rapidly growing phenomenon of Fair Trade Towns and the marketing dynamics and stakeholder relationships behind their establishment and growth;

**About the research:** The Fair Trade orientated research work of BRASS was mostly addressed across a set of PhD projects:

- Customer response to Fair Trade marketing communications: This aspect of the research considered how Fair Trade offerings are marketed and how consumers respond to them. It involved work in FT chocolate, with both case analysis of a campaign by the Divine Chocolate Company and focus group research exploring consumer perceptions of on-pack FT communication and what they perceived as the messages within them and motivations behind them. The other work focused on 'Fair Fashion' and explored the ways that ethical fashion producers and retailers are using website based communications to reach consumers, and how consumers interact with and respond to the ethical elements of clothing ecommerce sites.
- Fair trade governance: This work examined FT development processes of diversification and value chain upgrading through a case study of the National Smallholder Farmers' Association of Malawi (NASFAM) and two dedicated FT marketing networks.
- Fair Trade, CSR and supply chains: This work examined CSR in practice throughout the Costa Rica to UK banana supply chain and the actors within it. At the top of the chain there are four major UK supermarket groups who control access to the retail market and, as self-appointed guardians of consumer interest, are demanding that producers adopt more socially responsible practices. At the other end, banana production is highly integrated and controlled by three large North American agri-businesses who have developed their own social and environmental certification programmes. Costa Rica also makes for an interesting country to locate the study as it has a tradition of state-led policies to protect worker rights. This work used a range of stakeholder interviews and direct observation of practices within the chain to develop a detailed case study.
- Fair Trade towns: FT towns are a relatively new phenomenon, but have developed rapidly recently both within the UK and internationally. They have so far been subject to little detailed academic scrutiny, and this groundbreaking project used longitudinal participant observation within a FT town steering group and key respondent interviews and focus groups within FT

towns and the FT movement to develop a detailed analysis about what being a FT town means both from a marketing perspective and a sense of 'place'.

**Results and outputs:** The work on FT marketing communications suggest that although consumers respond to the notion of FT and communications based around it, they are more comfortable with conventional framings of the concept (of the wealthy consumer as benefactor) rather than more radical framings employed for example by the Day Chocolate Company in a portrayal of FT farmers as strong, independent women.

The work in Malawi showed that dedicated fair trade organisations play a significant role in promoting FT export diversification, particularly through the facilitation of market access and provision of the financial, social and physical capital needed to support such changes.

The study of the banana supply chain showed that despite Labour laws and the CSR commitments made by both supermarkets and producers that emphasise worker welfare, demanding production schedules often undermine these. The process of supermarkets driving down consumer prices and pressuring producers to reduce costs, creates a downward spiral of working conditions that is created regardless of the CSR policies in place. However retailers were shown to respond positively when consumer trust was perceived to be at stake:

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- Smith, A. (2013), [What does it mean to do Fair Trade? Ontology, praxis, and the 'Fair for Life' certification system](#), *Social Enterprise Journal*, 9 (1), 53-72
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- Smith, A. (2009), [Evaluating the criticisms of Fair Trade: How strong is the argument that consumers and businesses should abandon Fair Trade as a means to socialise their economic decisions?](#) *Economic Affairs*, 19 (4), 29-36
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- Golding, K. & Peattie, K. (2005), [In search of a golden blend: The case of Fair Trade coffee](#), *Sustainable Development*, 13 (3), 154-165
- Davies, I. and Crane, A. (2003), [Ethical decision making in fair trade companies](#), *Journal of Business Ethics*, 45 (1/2) 79-92

**Comment [OSC1]:** Slightly different title, all other information the same

**Impacts achieved/potential for impact:** BRASS work has proven valuable for the FT movement, including Dr Alastair Smith's critical analysis of much of the anti-FT discourse and the flaws within it. BRASS set up a UK branch of an international network of FT researchers, and in 2009 BRASS hosted a two day '*research agenda setting*' colloquium attended by many of the key FT scholars and stakeholder organisations (such as the Cafe Direct, Co-op & Comic Relief). In 2011 BRASS also organised a national PhD workshop for FairTrade researchers. PhD Scholar Llyr Roberts acted as advisor and contributor to a BBC programme on Ethical Fashion and presented at a major Ethical Fashion Industry Conference.