EDITORIAL

Liberte, equalite, fraternite: reflections on the growth of Fair Trade and business strategy

In this Special Issue we selected, from a broad range of submissions, papers that best bring together a range of authors grappling with issues going beyond romantic ideals of why all business is not like those championing Fair Trade. Authors consider the present, past and future of the fair trade project. Many of the papers owe their genesis to the Fair Trade and Marketing Workshop convened at the Inter-Disciplinary Conference on Corporate Social Responsibility at the University of Nottingham in late 2004. Our thanks again to all those who facilitated that project. Thanks also to all reviewers who shared their insights and at times demanded revisions from authors to improve their manuscripts.

Ten years ago it would have been highly unlikely that the mainstream marketing academy would have focused on the controversial Fair Trade discourse within one of its leading journals. Around that time one of the editors (see McDonagh 1998) put forward the theory of [Ecological] Sustainable Communication, as the interactive social process of unravelling and eradicating ecological alienation between an organization and its stakeholders. This work highlighted inter alia the emergence of Fair Trade discourses for the communicative act. At the same time the other editor (Strong 1996; 1997) was examining issues concerned with how to get consumers to buy Fair Trade goods. The fact that today the Fair Trade discourse is now attracting attention from leading corporations, which have in the past been criticized for not being socially responsive, goes some way to verifying the timeliness of early work. It also underscores both the need for transparency on behalf of the organisation, in terms of its operations, and the challenge of mainstreaming Fair Trade consumption, as well as effecting organisational strategy which withstands external scrutiny or as public relations theorists would argue passes the ‘credibility’ test. Much work is now centred on what political geographers call Fair trade’s ‘moral economy’ (see Goodman 2004), where it is noted that in certain fields such as coffee consumption Starbucks’ present greenwashing is hailed as having gone a long way to facilitate the US Fair Trade coffee market, while much of the trailblazing for Fair Trade coffee was achieved in the early 1990’s by Cafédirect. The mainstreaming of Fair Trade goods and services has brought with it some contradictions and one can now feasibly wonder how long it will be before strategists universally realize that the consumers staring into shop windows/company brochures, admiring a store’s Fair Trade offering, begin to ruminate as to why all the store’s products are not Fairly Traded, as well as those under the spotlight. Business strategies to raise levels of “issue literacy”, as discussed by McDonagh (2002), are still important; if one is to assess how far the average shopper in the high street comprehends the distinctiveness of what Fair Trade means. That said, even with high levels of issue literacy, many may be seduced more easily by conventional prices, given their own life interests, personal weekly budgets or technological desires and their quest for customer satisfaction or individual distinction. In the meantime, stores like Bewleys in Dublin, Ireland
proudly promote Fair Trade coffees, along with its wide range of conventional and exotic teas and coffees. Change can come quickly in certain sectors such as Ryanair’s decision to serve Fairtrade coffee and teas illustrates.

This issue begins with a paper by Doherty and Meehan, which explores what companies have done in the recent past in relation to Fair Trade. These authors consider how we can better understand strategies in which ‘tangible and intangible social resources’ may be used to overcome the greater financial resources and market place power of traditional players in the UK retail confectionery market. They document the case of the Day Chocolate Company (DCC) and suggest that since value networks involving Fair Trade companies include members with divergent commercial interests, the network itself is a novel business practice worthy of note. The authors contend the strategic worth of this model and the value network it represents is the key to mainstreaming Fair Trade chocolate. It would seem that the case of the DCC is good evidence of the changes that have occurred in both consumers and some businesses as to business’ role in society.

In the next paper, Low and Davenport consider the ways in which the global social movement that is Fair Trade challenges hegemony and free trade through the Alternative High Street. They argue that the dominant discourse is assimilation which does little to challenge the dominant market model of commerce, and suggest, based on the Alternative High Street, that there are still new spaces to bring about models of ecocentric fair trade. Moore, Gibbon and Slack further consider if the mainstreaming of Fair Trade food products has truly provided an examplar which is a precursor to sustainable consumption. While claiming that Fair Trade needs to convey its message more cogently, they question the extent to which it really changes the system, since its primary focus is on the social and economic development of the marginalised in developing countries. The authors claim we need to better theorise strategies related to effecting social justice.

In the next section of this issue, we focus on some important considerations given to the present consumer of Fair Trade. Connolly and Shaw give due consideration to the complex interactions between ethical issues and consumer decision making with the related implications for strategy. These authors emphasize that Fair Trade is not a substitute for considering the broader ethical concerns of consumers, and surmise that organisations intent on building Fair Trade into their strategy require a more complete understanding of consumers, and how their management of ethical concerns impact behaviour. The situation is not straightforward but controversial and the minority view of Fair Trade is described, following Moscovici, as enough to generate social innovation and social change to commence. The task for such marketing strategy they claim is to create open conflict but also to reflect that consumer knowledge is not impoverished in relation to the issues.

In the next part of this Special issue we look to the future of fair trade and a number of issues emerge. Nicholls and Lee map out the role of consumer trust mechanisms and the background strategic role of the development of formalised Fair Trade Standards. They note a number of strategic challenges that need to be addressed such as internal weaknesses within the movement and threats to its integrity. The authors contend the task is not solely to preserve one certification system, which has built trust, loyalty and sales, but rather explore what such mechanisms can achieve commercially across all articulations of Fair Trade processes. Ellis and Higgins examine the role of ‘Codes of Practice’ in offering assurances to stakeholders of supply chain management, arguing that the Codes themselves represent a discursive site where the idealism of ethics meets the reality of business. In the future strategists need to consider how individual managers engage with such issues, which for marketing and purchasing managers highlight their independencies as
social political and moral beings. Future strategic marketing in this regard needs to focus on understanding Fair Trade at the level of production more sensitively.

Next, Wright and Heaton examine Fair Trade marketing through qualitative research. Their work is concerned with the extent of consumer understanding of the Fair Trade brand and consumer uptake of products under the auspices of the Fair Trade organisation.

The final paper is presented by Shaw, Hogg, Wilson, Shui and Hassan. This paper considers Fair Trade concerns in the context of sweatshop clothing, it examines consumers’ ethical intentions to avoid purchasing sweatshop produced clothing and their actual purchase behaviour, as well as the constraints impacting consumer behaviour in this context.

The issue is completed by Dalton’s book review of ‘The Travels of a T-Shirt in the Global Economy’ by Pietra Rivoli.

FUTURE RESEARCH

Clearly the scope for future work in this area needs to address the concerns that authors address, but also to bear in mind that while a minority desire Fair Trade, there are now many in society who are influenced by other ethical issues, and the challenge of convincing society of the merits of Fair Trade over everything else should not be underestimated.

Last, but by no means least, we wish to thank the Journal of Strategic Marketing for permitting us to bring this scholarship to its readers and we hope you continue debating the merits and problems of the Fair Trade Economy.

Pierre McDonagh
Dublin City University Business School
Carolyn Strong
University of Bath

REFERENCES