

Trading in Good Conscience

Carolyn F. Fisher

Presented at AAA Meetings, Washington DC, 2005 as part of the panel "Fair Trade/Free Trade: Alternatives and Realities in Cross-Cultural Perspective"

The title of this paper is "*Trading in Good Conscience*", and it is about the trading system of Fairtrade-certified coffee largely as it is seen by consumers and activists in North America. In the course of this discussion, I will be presenting a largely uniform and static picture of the Fairtrade system, which is actually characterized by considerable diversity of levels of commitment and disagreement about the appropriate future direction of the movement. My generalizations are most applicable to Fairtrade organizations which are one hundred percent Fairtrade, but are nevertheless for-profit companies. Likewise, my statements about producer groups are informed by my preliminary fieldwork in Nicaragua and are most applicable to producer groups from this area.

During the course of this paper, I will explore three potential ways of interpreting this system using different theoretical approaches from Anthropology. I will be asking whether important aspects of Fairtrade are illuminated by understanding it as a gift economy, as growing commodification, or as a social movement. After evaluating strengths and weaknesses of each approach, I will conclude with a brief discussion of what work these interpretations do, or what implications each type of analysis may have.

OPTIONAL SECTION HERE

A. De-Fetishization and Gifting

Every box shipped by Equal Exchange, a Massachusetts-based Fairtrade company, reads "From Small Farmers with Love." According to the Fair Trade Resource Network, "'Fair Trade' means that trading partnerships are based on reciprocal benefits and mutual respect; that

prices paid to producers reflect the work they do”.¹ And a tin of Fairtrade tea I recently bought reads:

“It takes over 2,000 picks by hand to create 2.2 pounds of tea. There are over 200 precious picks by a sweet, human hand in this tin. We are ensuring that she is taken care of.”²

These descriptions, and many others like them found in Fairtrade publicity, emphasize relationships between traders and producers which the consumer can also participate in. This perspective suggests that Fairtrade exchange is not market exchange but gift exchange, or at least introduces some aspects of gifting into a market context. An extensive and varied body of work on gift exchange has accumulated over the decades, but the general idea is that in many human contexts, social networks are established and maintained through the exchange of gifts.³ In contrast to market exchange, givers of gifts do not expect immediate or direct return. The exchange is expected to balance out in the long run, but in the short term the relationship in which the gifts are exchanged is more important than the actual goods. Similarly, Fairtrade places emphasis on long-term relationships between farmers and traders, Fairtraders pay farmers a price which was calculated based on the needs of the farmers, and Fairtrade consumers are encouraged to consider themselves as “part of a food system”.⁴ Fairtraders who are most committed to the system sometimes give the impression that trade in coffee is a way to provide aid without subjecting producers to the indignity of charity, and that selling coffee is a fundraising strategy for the main business of providing this aid.

A closely related interpretation would be that Fairtrade seems to be working against what Karl Marx called commodity fetishism. Briefly, Marx’s idea was that material exchanges

¹ <http://www.fairtraderesource.org/faqs.html>

² Zhena’s Gypsy Tea packaging, Passionate Peach.

³ MAUSS, MARCEL. 1967. *The Gift: Forms and Function of Exchange in Archaic Societies*. New York: W. W. Norton and Company.

⁴ Equal Exchange website

constitute the basis for human social relationships but under the system of capitalism these relationships are disguised by commodification.⁵ Products of human labor have value only because of this labor. But in the process of becoming commodities, products are “fetishized”—the value added by the laborer appears to be an objective property of the things themselves. Without fetishization a commodity trade would be a relationship between people, but under capitalism it is mystified as a transaction between objects in which rules of human relationships, such as moral obligations, do not apply.

Fairtrade sometimes looks like it is combating this commodity fetishism by revealing the human relationships involved in commodity exchange. Consumers are educated about the producers of their coffee, and this new information will supposedly lead to a relationship between consumers and producers which includes moral obligations. These moral obligations are honored by the contract between traders and farmers which guarantees farmers a living wage.

Both interpretations—gift exchange and commodity de-fetishization—suggest that Fairtrade is returning to a pre-capitalist form of exchange, rejecting the de-humanizing patterns of capitalist-style trade. However, both tend to actively obscure the substantial power gaps which continue to exist between Northern and Southern “partners” in Fairtrade exchange. To the credit of the movement, many participants base their work in World Systems theory, for example recognizing the problem of surplus profit being transferred to core nations and declining terms of trade for primary commodity producers.⁶ Fairtraders claim that they are attempting to build a more equitable trading system. But it is clear that Fairtrade in its current form could never provide and does not seek full parity between consumers and producers or even intermediaries in the chain. Even apart from the substantial differences in wealth, mobility, and political

⁵ MARX, KARL. 1967. *Capital: A Critique of Political Economy*. Vol. 1. New York: International Publishers.

⁶ BARRAT BROWN, MICHAEL. 1993. *Fair Trade: Reform and Realities in the International Trading System*. London: Zed Books.

empowerment between people from the global North and South, the Fairtrade system itself contains significant inequalities.⁷ There are many Fairtrade-certified cooperatives producing more coffee than they can sell to Fairtrade buyers. Therefore producers have a lot at stake in the Fairtrade relationship while traders easily can and sometimes do drop producers and find another trading partner. Consumers meanwhile need have no commitment at all.⁸ Perhaps a better analysis would say that Fairtrade re-fetishizes the commodity exchange by disguising the vast power differential between producers and consumers. Therefore I feel that analyses of the Fairtrade system as gifting or de-fetishization conceal more than they illuminate.

B. Re-Commodification

So then, acknowledging the power inequalities which are both being worked against and disguised by the Fairtrade system, is it more useful to think of Fairtrade as the commodification of realms which have previously not been commodified? A t-shirt which I was recently given at a Fairtrade coffee event in New York City reads “Clean up your conscience! Drink Fair Trade Organic Coffee.” It includes a set of “Conscience Cleaning Instructions”: Step one, buy fair trade coffee; step two, drink and enjoy the taste of a better world; step three, repeat, early and often.” The claim being made here is that the more diligently we consume, the more moral people we will be—indeed, it seems we can actively expunge any other moral failings by purchasing this product. Commodification is the process by which something acquires an exchange value or becomes something which can be exchanged for money. So we could possibly understand Fairtrade as the commodification of morality, or good conscience.

⁷ This two-variable analysis does not take into account the gradations of power found along the chain connecting producers and consumers: cooperative officials, for example, are substantially more empowered than ordinary producers, and Fairtrade certifiers, though based in the global South, are perhaps the most powerful actors in the new certification system.

⁸ Although the traders and cooperatives may be in a perfectly functional relationship, their relative power might be analyzed along the lines as that of partners in a marriage: the partner with the better options upon the dissolving of the relationship is likely to have the better bargaining position within the relationship.

But morality is not the only thing potentially being commodified by Fairtrade. Carol Hendrickson makes the argument that in certain handicraft catalogues, including some Fairtrade, the indigenous identity of the Guatemalan producers has been commodified as part of the discourse of quality of the products.⁹ Could we say the same thing about Fairtrade coffee? This is certainly one pattern found in Fairtrade literature. However, a much more common pattern is that of the travel narrative written by a North American Fairtrader. For example, a Massachusetts-based roaster recently visited Papua New Guinea and sent the following description to his mailing list:

As we passed through the Highlands, we had to stop at each tribal boundary for permission to enter the territory. Considering that there are over eight hundred tribes in PNG, we were crossing boundaries every ten miles or so. At each boundary we were greeted by warriors in full dress, with welcoming chants and speeches, and invited to feast and speak. Needless to say, it took a long time to get a short distance, but we were well fed and made hundreds of new friends every day.¹⁰

This type of narrative is less about the identities of the producers and more about the encounter between trader and producers,¹¹ (even though the producer may be only one of “hundreds” of new friends made in one day).

So in the case of Fairtrade, maybe it makes more sense to say that Fairtraders are commodifying their own ethical behavior in the context of the relationships with producers. The trader offers his or her ethical decisions for sale to the consumer as a value added to the coffee. We could even say that Fairtrade represents the commodification of activism. This appears to be a useful interpretation, although I have some reservations about it which I will discuss later.

C. Social Movement

⁹ HENDRICKSON, CAROL. 1996. "Selling Guatemala: Maya Export Products in US Mail-Order Catalogues," in *Cross-Cultural Consumption: Global Markets, Local Realities*. Edited by D. Howes, pp. 106-124. London: Routledge.

¹⁰ Excerpted from email correspondence dated 11/17/2005. Also available at www.deansbeans.com on 11/29/05.

¹¹ ...in the classic mode of a travel narrative. PRATT, MARY LOUISE. 1992. *Imperial Eyes: Travel Writing and Transculturation*. London: Routledge.

But why bother with this complicated and potentially negative interpretation of Fairtrade as “commodified activism” when Fairtrade buyers could be seen simply as participants in a social movement? This is indeed being claimed, for example by Cooperative Coffees, whose website reads: “Fair trade lets consumers be part of a social justice movement through a simple action”¹².

Naomi Klein writes that social movements are moving into the realm of consumption as consumers realize their power to undermine some of corporations’ most valuable assets—the reputations of their brand names.¹³ However, Klein mostly discusses active forms of participation, such as creatively altering billboards or publicizing connections between brand names and labor or environmental abuses. In contrast, purchasing Fairtrade products might be seen as too passive to count as activism. Also, Klein largely describes actions *against* unethical companies, not in favor of ethical ones. It seems that according to Klein, at least, activism in the realm of consumption is not the same as activism *through* consumption. And many other definitions of social movements are even more restrictive.

But we could also see the Fairtrade system as a movement with a limited number of active participants, and a much wider base of support in the realm of consumption. In this way, students who campaign for their university to carry Fairtrade products, church members who organize donations for coffee producing cooperatives, organizers and employees of producer cooperatives, and Fairtrade company employees would all be considered active participants. Ordinary consumers and producers would be seen as supporters of the movement. If we adopted this interpretation, we could draw on many parallels. For example, during the height of the labor movement in the 1920s in the United States, workers’ strikes were often supported by

¹² <http://www.cooperativecoffees.com/resources/papers/facts.html>

¹³ KLEIN, NAOMI. 2002. *No Logo: Taking Aim at the Brand Bullies*. New York: Picador Press.

widespread boycotts and other actions in the realm of consumption.¹⁴ More recently, there are the boycotts of South African products in support of the anti-Apartheid movement and solidarity sales of Sandinista products during the U.S.-backed Contra war of the 1980s.¹⁵ So we could think of Fairtrade and similar certification schemes as just the latest version of a social movement with support from consumers.

E. Analysis, Conclusion

So in reviewing potential interpretations of Fairtrade as the partial introduction of gifting into a market context, or as the de-fetishization of commodities, I decided that these were not adequate because they obscured the power inequalities in the system. In looking at Fairtrade as a phenomenon of increasing commodification, I said that it was perhaps most useful to understand it as the commodification of activism—although I had some reservations about this. And I also said that it would make sense to see the Fairtrade system as a social movement with active participants and supporters.

My reservations about describing Fairtrade as commodified activism are related to the intentional or unintentional connotations this analysis carries. Characterizing Fairtrade as commodified activism sounds strongly, perhaps needlessly, cynical and negative about a system with very positive intentions. However, when making this critique it is important to ask why this sounds so negative, and to realize that commodification is a concept with a long history of

¹⁴ FRANK, DANA. 1994. *Purchasing Power: Consumer Organizing, Gender, and the Seattle Labor Movement, 1919-1929*. Santa Cruz: University of California.

¹⁵ Supporting this connection is the history of Fairtrade in the United States—many of those involved in today's Fairtrade movement also worked with the Nicaragua solidarity movement during the 1980s. Paul Rice, the CEO of TransfairUSA, for example, lived in Nicaragua during this time and was a co-founder of a producers' cooperative which today is one of the most important Fairtrade producing groups in Nicaragua. Likewise, Equal Exchange was founded in 1985/6, with their first shipment of coffee being Nicaraguan coffee which was imported despite the Reagan trade embargo.

moralistic overtones.¹⁶ Commodification has long been associated with the supposed historical trajectory of societies from a romanticized, supposedly innocent and natural condition to a modern yet alienated and impersonal state. Although this model for history is no longer widely accepted among anthropologists it still retains great credence in Western society, especially among Development institutions.¹⁷ And the moral connotations remain. Selling is associated with “selling out”, or betraying one’s ideals. Buying is associated with “buying a line” or getting tricked. Advertisements are assumed to be trying to fool the consumer. It is difficult to think that a form of genuine social interaction could occur in the realm of commerce.¹⁸ It is much easier to see a boycott, or a *refusal* to buy, as a “genuine” strategy to achieve social change as opposed to a movement such as Fairtrade which *encourages* people to buy. This is the case even though most boycotts merely reject something while Fairtrade offers an alternative.

Taking this history into account, we can see why “commodified activism” sounds so negative and why “gifting economy,” and “de-fetishization,” sound so positive. Perhaps we can also understand why the idea of “commodified activism” might arouse deep suspicions. This is entirely contrary to my own attitude towards the Fairtrade system, which is overall very supportive. Therefore, if we decide to call Fairtrade commodified activism, we must always be careful to specify that our attitude towards commodification is neutral, or even positive.

Commodification *can* be a tool for destruction and alienation, this is clear, but I think we could profit more by seeing commodification in this context as a process which does not always have

¹⁶ Jane Schneider makes this argument, describing periods of “moral panic” and anti-consumptionism when consumption patterns undergo shifts or increases.

¹⁷ FERGUSON, JAMES. 1990. *The Anti-Politics Machine: "Development," Depoliticization, and Bureaucratic Power in Lesotho*. Cambridge: Cambridge University Press.

¹⁸ Although work of consumption theorist Daniel Miller among others is starting to help us to think this way. E.g. MILLER, DANIEL. 1998. "Making Love in Supermarkets," in *A Theory of Shopping*. Ithaca: Cornell University Press.

negative overtones.¹⁹ And if Fairtrade is commodifying activism, this may be just one way in which consideration of the consequences of participation in larger society is introduced into realms like supermarkets which do not usually carry such moral connotations. This, I believe, would be an unambiguous positive.

It is absolutely necessary to recognize the limitations of this type of commodified activism. We know that the purchasing of a product occurs in a venue which constantly reinforces this sense of individualism, and cannot create the powerful sense of belonging to a group of like-minded people as can, for example, a mass street demonstration. We know that the so-called relationships being formed between consumers and producers disguise and mystify inequalities.²⁰ But rather than thinking of Fairtrade and similar schemes as evidence of a creeping commodification and alienation, I suggest that we think of it as a creeping activism and social awareness.

¹⁹ In saying this, I am agreeing with those authors who write that the component parts of the capitalist world system, such as markets, do not imply the presence of capitalism itself. The concept of capitalism is best used to describe a period of world history or a system of international relations. The concept is too non-specific to be used to understand the scale of phenomena which anthropologists more traditionally study. For these phenomena, more specific terms are adequate: commodification, proletarianization, or market exchange. The arguments about whether any one of these components is necessary for a highly abstract phenomenon called capitalism to be considered present serve mainly to engage in highly speculative predictions about the future historical movement of a society, and are essentially empty.

²⁰ One could also accuse Fairtraders of being too moderate, arguing that the system of Fairtrade props up a doomed system and slows down its demise. I'd disagree—many people have spent their lives working for the demise of this system and have only seen its reach penetrate deeper. My priorities are pragmatic, not ideological—human rights, now, for as many people as possible.