



## **Power in Numbers: Fair Trade as a Civil Society Alternative to Neoliberal Free Trade**

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### **Abstract:**

This paper examines fair trade as a more positive alternative to the free trade framework that currently pervades the global economy, and as a critique of the wider neoliberal economic paradigm, through secondary research and analysis. The existing free trade model is outdated, perpetuates capitalist hegemony and maintains an oppressive consumerist mindset that is incompatible with an ethical and sustainable future. Fair trade is one potential civil society alternative that already has positive and tangible impacts that should be expanded and refined. This article explores neoliberalism and its drawbacks while presenting fair trade as a critique and possible replacement. It is hoped that this paper stimulates discussion on the negative impacts of the hegemonic neoliberal economic system and the merits of fair trade and incites thought into other possible alternatives for a more inclusive, ethical and sustainable future.

### **Résumé :**

Cet article examine le commerce équitable comme un choix plus positif au cadre de libre-échange qui envahit actuellement l'économie mondiale et présente une critique du paradigme néolibéral au sens large, à travers les recherches et l'analyse secondaire. Le modèle de libre-échange est démodé, perpétue l'hégémonie capitaliste et maintient un état d'esprit de consommateur oppressif incompatible avec un avenir éthique et durable. Le commerce équitable est une alternative potentielle de la société civile qui a déjà des impacts positifs et tangibles qu'il convient d'étendre et d'affiner. Cet article explore également le néolibéralisme et ses inconvénients et présente le commerce équitable comme une critique et une alternative possible. Nous espérons que ce document ouvrira une discussion sur des impacts négatifs du système économique néolibéral hégémonique et des avantages du commerce équitable et incitera d'autres solutions pour un avenir plus inclusif, éthique et durable.

## Introduction

In the 21<sup>st</sup> century, it is the neoliberal political economic theory that pervades our current international economy. Neoliberalism is based on the ideals of private property, individual freedom, open markets, and free trade, and is overseen by international institutions such as the World Trade Organization (WTO), the International Monetary Fund (IMF) and World Bank.<sup>1</sup> Neoliberalism appeared in the 1990s as a deregulating and liberalizing response to the crumbling postwar Bretton Woods order that had regulated international finance and trade.<sup>2</sup> In theory, this may seem like a positive capital-generating economic system, however, in practice, it is profit-seeking, exploitative, hegemonic, and unfair.<sup>3</sup>

In recent decades, many oppositional movements have emerged in response to the negative impacts of neoliberalism.<sup>4</sup> One such social movement arising during the postwar period is fair trade. This movement was originally designed by development groups and religious charities focused on creating markets for handicraft products of refugees and the impoverished through networks of “world shops”.<sup>5</sup> This “alternative trade” movement began in the 1960s and 70s but it was not until the 1980s that the structured system we know today emerged,<sup>6</sup> due to the uncovering by researchers and nongovernmental organizations (NGOs) of the poor working conditions and small returns to primary producers.<sup>7</sup> The Fair Trade model includes practices seeking to replace

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<sup>1</sup> David Harvey, “Neoliberalism as Creative Destruction,” *The ANNALS of the American Academy of Political and Social Science* 610 (2007): 22-23.

<sup>2</sup> Ibid, 28.

<sup>3</sup> Ibid, 23.

<sup>4</sup> Ibid, 39.

<sup>5</sup> David Jaffee, “Weak Coffee: Certification and Co-Optation in the Fair Trade Movement,” *Social Problems* 59, no. 1 (2012): 102.

<sup>6</sup> Ibid.

<sup>7</sup> Tim Lang and Michael Heasman, *Food Wars: The global battle for mouths, minds and markets* (London: Earthscan, 2004): 298.

current exploitative terms of trade with beneficial ones between producers in the global South and Northern consumers,<sup>8</sup> including the use of a fair base price, crediting farmers before harvest, and additional premiums.<sup>9</sup> This paper argues that fair trade as presented by the work of civil society can and should be considered as a viable alternative framework to that of the current free trade system that underpins the neoliberal paradigm. The article begins with a presentation of the current neoliberal free trade framework, followed by a critique from the Fair Trade perspective and finally a look into the development of Fair Trade into a larger movement, emphasizing its success as a viable alternative.

### **The Neoliberal Free Trade Framework**

As the name suggests, neoliberalism has its roots in the liberal economic paradigm and is a combination of the different forms of liberalism.<sup>10</sup> Adam Smith's classical liberal views of free trade are quite different from the current neoliberal version – Smith posited that 'true' free trade would work in the interest of everyone, producers and consumers, as long as there was some state intervention to prevent monopolization and provide social services.<sup>11</sup> Early liberals viewed society as a positive-sum game in which the market exchange of goods and services is mutually advantageous<sup>12</sup> and thus non-exploitative, the opposite of what is currently the case with neoliberal free trade. The original liberal view of the economy as presented by such people like Smith is not

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<sup>8</sup> Frank Trentmann, *Food and Globalization: Consumption, markets and politics in the modern world* (Oxford: Berg, 2008): 254.

<sup>9</sup> Jaffee, "Weak Coffee: Certification and Co-Optation in the Fair Trade Movement," 103.

<sup>10</sup> David Balaam and Michael Veseth, *Introduction to International Political Economy* (Upper Saddle River, NJ: Prentice Hall, 2001): 63.

<sup>11</sup> Gavin Fridell, "Fair Trade and Neoliberalism: Assessing Emerging Perspectives," *Latin American Perspectives* 33, no. 6 (2006): 18.

<sup>12</sup> Balaam and Veseth, *Introduction to International Political Economy*, 48.

what occurs in the 21<sup>st</sup> century. This can be seen as having begun in the postwar era following the decline and eventual obsolescence of the Bretton Woods system, giving rise to neoliberalism.

By the late 1960s and early 70s, the Bretton Woods system that had been implemented to regulate international finance and trade and that was reminiscent of classical liberalism, was abandoned and replaced by floating exchange rates.<sup>13</sup> In the 1990s the Washington Consensus was adopted, state intervention was essentially outlawed<sup>14</sup> and the ruling classes could rest easy knowing their status would be maintained by this new neoliberal capitalist system.<sup>15</sup>

An interesting point to note is that the 1948 Havana Charter for the International Trade Organization (ITO) never came to fruition. The planners of this charter had very different ideas to those of the system of free trade that would later be implemented – protecting labour rights, ensuring employment, restricting the power of monopolies and stabilizing commodity prices among other things that would aid in ensuring ‘fair trade’.<sup>16</sup> However, the Truman administration rejected this proposed ITO package which led to the adoption of only the trade-promoting commercial rules of the General Agreement on Tariffs and Trade (GATT), and which in 1994 formed the basis of the current WTO.<sup>17</sup> The reasoning behind this rejection has been posited as being a result of the Cold War, not being protectionist enough and not adequately serving the interests of free trade.<sup>18</sup> This can be argued as a moment when the world turned to the neoliberal framework for international trade, thus a turn for the worst for the global South with the introduction of the WTO.

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<sup>13</sup> Harvey, “Neoliberalism as Creative Destruction,” 27.

<sup>14</sup> Ibid.

<sup>15</sup> Ibid, 28.

<sup>16</sup> Kristin Dawkins, *Global governance: The battle over planetary power* (New York: Seven Stories, 2003): 33.

<sup>17</sup> Ibid.

<sup>18</sup> Richard Toye, “Developing Multilateralism: The Havana Charter and the Fight for the International Trade Organization, 1947-1948,” *The International History Review* 25, no. 2 (2003): 283.

This international institution governs trade deals and can be argued to govern the whole global economy. An American capitalist project, the WTO, with the other international institutions, has served as the international framework for the global economy; a framework that favours the capitalist and neoliberal paradigms of the United States and thus helps to solidify American hegemony over the global economic system.<sup>19</sup> The WTO has huge corporate influence, in that most governments are led by a class of elites with the resources to dominate political processes and thus the WTO in which they are members.<sup>20</sup> As a result, the WTO can be seen as heavily favouring rich Northern countries and their transnational corporations (TNCs) in trade deals that allow them to avoid national regulations and taxes, manipulate prices, absorb smaller-scale firms and exploit workers as they wish.<sup>21</sup> Furthermore, negotiations are strategically organized by the more economically powerful countries that consistently gang up on the less economically developed countries (LEDCs).<sup>22</sup> This corporate agenda results in an oppressive system of trade as its numerous conventions such as those regarding the protection of workers' rights to organize, bargain collectively and strike are not compatible with the profit-driven ideals of free trade as facilitated by the WTO.<sup>23</sup> The UN's Office of the High Commissioner for Human Rights has referred to the WTO as "a nightmare for the poor, especially in the South" and has found "apparent conflicts" between certain trade policies and the human rights to food, health, and self-determination.<sup>24</sup> The WTO also gives power to other organizations that help advance their ideals while causing public interest to suffer. For example, the UN agency Codex Alimentarius

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<sup>19</sup> Harvey, "Neoliberalism as Creative Destruction," 32.

<sup>20</sup> Dawkins, *Global governance: The battle over planetary power*, 75.

<sup>21</sup> *Ibid*, 35.

<sup>22</sup> *Ibid*, 37.

<sup>23</sup> *Ibid*, 40.

<sup>24</sup> *Ibid*, 41.

used to give sound technical advice on the protection of food safety, but now with WTO-given authority, has become a political entity dominated by transnational food corporations.<sup>25</sup> As David Harvey says, the neoliberal system has restored class power but has failed to effectively revitalize global accumulation of capital.<sup>26</sup> With the WTO's help, the rich have been getting richer while the poor have been getting poorer.

### **The Fair Trade Critique of Free Trade**

Some members of civil society emphasize the classical liberal or neo-Smithian view of free trade as a basis for fair trade to be an alternative to the neoliberal system since this view opposes the neoliberal protectionist and monopolistic actions of the global North and TNCs.<sup>27</sup> Others support the rejection of neoliberal globalization and draw on the ideas of Karl Polanyi of fair trade being a vehicle to 're-embed' international trade relations and reorganize rules of market construction, administration, and distribution.<sup>28</sup> Advocates of fair trade appear to draw on the original liberal view of international trade being mutually advantageous as opposed to aggressive competition for wealth and power<sup>29</sup> seen in the neoliberal paradigm. Differing from the current system of free trade, fair trade envisions a new globalization that includes the socially marginalized global South while reforming the market so that it "serves people, and not the other way around".<sup>30</sup> From this perspective, fair trade is seen as a way to moderate globalization's inevitability in providing a civil society, nongovernmental path to price subsidies and the removal or restructuring

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<sup>25</sup> Dawkins, *Global governance: The battle over planetary power*, 39.

<sup>26</sup> Harvey, "Neoliberalism as Creative Destruction," 29.

<sup>27</sup> Fridell, "Fair Trade and Neoliberalism: Assessing Emerging Perspectives," 17.

<sup>28</sup> *Ibid.*, 18.

<sup>29</sup> Balaam and Veseth, *Introduction to International Political Economy*, 51.

<sup>30</sup> Fridell, "Fair Trade and Neoliberalism: Assessing Emerging Perspectives," 18.

of restraints hindering groups from sharing the benefits of the global market.<sup>31</sup> Fair trade promoters envisage some market regulation in the form of capital controls, extra taxes on TNCs, and enforced labelling systems to inflate the benefits of fair trade, ensure its viability, and give a competitive advantage to fair traders.<sup>32</sup> It is clear that corporations play an integral role in the current neoliberal process of globalization, and take on an omnipresent quality. The fair trade movement seeks to reject this model of the global economy and push for structural changes in current global trade regimes.<sup>33</sup> Transparency and sincerity are central to the fair trade paradigm as these qualities are severely lacking in that of free trade. As Trentmann says, fair trade “promotes a ‘critical consumer culture’ which challenges the individualistic, competitive and ethically impoverished culture of capitalism”<sup>34</sup> that is subconsciously promoted by corporations.

It is pertinent to ask what fair trade entails. This model of international trade is inherently the opposite of the current free trade system. As outlined by Reynolds, Murray and Wilkinson, Fair Trade certification provides producers with guaranteed prices above existing market prices, supports the development of cooperatives and unions, enhances the skills of production and marketing for participating individuals and their families and provides a social premium to help finance community projects such as improved infrastructure, schools, and health clinics.<sup>35</sup> Furthermore, while conventional trade is primarily concerned with the short-term and thus fraught with fluctuations, fair trade is about long-term sustainable commitments that outlast

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<sup>31</sup> Fridell, “Fair Trade and Neoliberalism: Assessing Emerging Perspectives,” 13.

<sup>32</sup> Ibid, 18.

<sup>33</sup> Will Low and Eileen Davenport, “Mainstreaming fair trade: Adoption, assimilation, appropriation,” *Journal of Strategic Marketing* 14, vol. 4 (2006): 315.

<sup>34</sup> Trentmann, *Food and Globalization: Consumption, markets and politics in the modern world*, 255.

<sup>35</sup> Laura Reynolds, Douglas Murray and John Wilkinson, *Fair trade: The challenges of transforming globalization* (London: Routledge, 2007): 5.

rises and falls.<sup>36</sup> Ransom goes on to develop the idea of globalization versus internationalism; the former imposing itself through existing divisions of wealth and power<sup>37</sup> and the latter advancing the principle of democratic control, in turn, enhancing local diversity.<sup>38</sup> Free trade appears to follow the globalization idea while fair trade expresses internationalism. The connections formed through the fair trade framework are integral to its success and arguably advance only cooperation and sustainability, which directly contradicts the individualism and anonymity of the capitalist free trade system.

The inclusivity of fair trade can be seen in Jaffee's explanation of the international fair trade movement as being a coalition of activists, traders, retailers, producer organizations, NGOs, certifiers, and consumers in over 70 countries around the world.<sup>39</sup> This system challenges the historical and colonial global market inequalities and transforms relations from exploitative to empowering.<sup>40</sup> Fair Trade is linked to those in the global South in an attempt to address poverty through a 'trade, not aid' philosophy by way of the basic principles of the movement.<sup>41</sup> Fair Trade also includes those in the global North – the main consumers of Fair Trade products – through educating people on the negative impacts of conventional free trade, offering fairly traded alternative products and promoting ethical consumerism.<sup>42</sup> In the 21st century, it is difficult to break away from the consumption that is a defining characteristic of the time and so the notion of alternative consumption has become more prevalent. Alternative consumption is the response of

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<sup>36</sup> David Ransom, *The no-nonsense guide to fair trade* (Toronto: New Internationalist Publications, 2001): 126.

<sup>37</sup> *Ibid*, 125.

<sup>38</sup> *Ibid*, 126.

<sup>39</sup> Jaffee, "Weak Coffee: Certification and Co-Optation in the Fair Trade Movement," 95.

<sup>40</sup> Reynolds, Murray and Wilkinson, *Fair trade: The challenges of transforming globalization*, 15.

<sup>41</sup> *Ibid*.

<sup>42</sup> *Ibid*.



consumers attempting to gain more influence in the market in acknowledgement of the issues with transparency and success of international aid while simultaneously striving to create a more tangible link between the Global North and South.<sup>43</sup> The problem with this standpoint is that it does not address its contradictory centre - “the system for enacting change through consumption” is very imperfect as “capitalistic consumption fundamentally leads to the depletion of natural resources and the oppression of the working class”.<sup>44</sup> Until a new system not based on consumption is developed, this may be among the only effective remedies, because it can be controlled and already has proven to be beneficial. A link between LEDCs and MEDCs, between producers and consumers, is created by this alternative consumption, and Fair Trade has had tangible positive impacts on those living in the global South through its premiums and cooperatives.<sup>45</sup> It is clear that the main actors are the producers and consumers, not the large international institutions and governments, thus demonstrating Fair Trade’s civil society origins and its underlying philosophy of – by the people, for the people in the purest sense.

### **The Development of the Successful Civil Society Alternative of the Fair Trade System**

Fair Trade is an interesting alternative to the free trade system because it takes into account the existence and prevalence of neoliberalism and the degree to which we are invested in it. Social movement organizations (SMOs) have relocated their ‘locus of change’ from the state to corporations over recent decades.<sup>46</sup> This is a recognition of the changing nature of globalization

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<sup>43</sup> Ashley Overbeck, “Examining the Efficacy of Fair Trade and Alternative Consumption on Environmental Sustainability and Human Rights in Developing Countries,” *Consilience*, no. 13 (2015): 165-166.

<sup>44</sup> *Ibid.*, 166.

<sup>45</sup> *Ibid.*

<sup>46</sup> Jaffee, “Weak Coffee: Certification and Co-Optation in the Fair Trade Movement,” 94.

and international trade. These movements acknowledge that in this neoliberal era it is corporations rather than the state, who dominate political and economic organizations.<sup>47</sup> As such, it is TNCs who help produce the exploitation and disparities in the name of turning a profit. An apparent quality of the corporate agenda is the interest in reducing production costs as much as possible while improving their margins.<sup>48</sup> Firms make their profits in their powerful monopolistic control over markets, producers and consumers, and their margins arise from the difference between paying reduced prices to producers and what they charge consumers.<sup>49</sup> With fair trade, the more it grows and develops and takes control of these margins, the more it can reduce or destroy corporate margins and increase the likelihood of the difference remaining with the producers and consumers.<sup>50</sup>

The entire fair trade movement is a prime example of a successful civil society action. Scholte explains civil society in the 21<sup>st</sup> century as being a “political space where voluntary associations deliberately seek to shape the rules that govern one or the other aspect of social life” without attempting to gain public office or financial gain.<sup>51</sup> Fair Trade does just that and its products correspond to one of the fastest-growing sectors of the global food market, with total sales attaining US\$1.6 billion annually as of 2007, and including over 5 million global South farmers, farmworkers, and families in 58 countries.<sup>52</sup> Even between the early and mid-2000s, this phenomenon has seen dramatic sales growth – from 2002 to 2003 alone, Fair Trade product sales

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<sup>47</sup> Jaffee, “Weak Coffee: Certification and Co-Optation in the Fair Trade Movement,” 96.

<sup>48</sup> Ransom, *The no-nonsense guide to fair trade*, 127.

<sup>49</sup> *Ibid*, 126.

<sup>50</sup> *Ibid*, 127.

<sup>51</sup> Jan Aart Scholte, “Civil Society and Democracy in Global Governance,” *Global Governance* 8, no. 3 (2002): 283.

<sup>52</sup> Raynolds, Murray and Wilkinson, *Fair trade: The challenges of transforming globalization*, 3.

increased from US\$600 million to US\$895 million.<sup>53</sup> Despite the apparent economic success, it is clear that the free trade system still holds sway. Fair Trade products still only made up 0.1% of the US\$3.6 trillion worth of goods exchanged around the world in 2002,<sup>54</sup> demonstrating the continued need to push for further change and development of this alternative system.

That being said, the successful development of Fair Trade as a viable alternative to the unsustainable free trade system cannot be overlooked. Fair Trade coffee is perhaps the best example of this success, as it was the first Fair Trade labelled product to be sold in North America and continues to be the product with the highest volume and value for most national Fair Trade markets.<sup>55</sup> As mentioned previously, many markets are dominated by monopolistic corporations and coffee is no exception. The global coffee roasting industry is essentially controlled by 13 companies – Kraft, Nestlé, Sara Lee, Proctor & Gamble, and Tchibo buy almost half of the world's green coffee beans, while eight TNCs control some 50% of coffee exports.<sup>56</sup> In contrast to the concentrated roasting and export industries, the growing industry is much more dispersed with 20-25 million farmers staking their livelihoods on the crop in Brazil, Vietnam, Colombia and Indonesia, accounting for more than 60% of the world coffee production.<sup>57</sup> It is clear that millions of lives are dependent on coffee production and should exercise greater control over what becomes of the crops instead of a few TNCs. Fair trade emerged in the 1980s with a few small-scale Northern coffee roasters importing directly from family coffee cooperatives at above-market prices.<sup>58</sup> These alternative trading organizations (ATOs) shared the basic principles of what would

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<sup>53</sup> Trentmann, *Food and Globalization: Consumption, markets and politics in the modern world*, 254.

<sup>54</sup> Trentmann, *Food and Globalization: Consumption, markets and politics in the modern world*, 254.

<sup>55</sup> Alex Nicholls and Charlotte Opal, *Fair trade: Market-driven ethical consumption* (London: SAGE, 2005): 80.

<sup>56</sup> *Ibid.*, 81.

<sup>57</sup> *Ibid.*

<sup>58</sup> Nicholls and Opal, *Fair trade: Market-driven ethical consumption*, 83.

later become the formal Fair Trade system, including the direct trade, minimum price and social premiums, all resulting in higher incomes due to the elimination of the ‘coyote’ or middleman.<sup>59</sup> Once these ATOs gained ground, they remained part of a niche market until the 1990s with the emergence of formal Fair Trade certification and labelling.<sup>60</sup> This is likely the moment when Fair Trade started to play a more fundamental role in society and the system of international trade. From that point on, civil society can be seen as playing an active role in promoting Fair Trade and encouraging consumers and corporations to change their ways.

In April 2000, Starbucks, the largest specialty coffee roaster, was faced with charges of labour rights violations and the threat of protests and boycotts by human rights organizations inter alia other civil society groups.<sup>61</sup> In response, the company submitted to activist demands and agreed to sell certified Fair Trade coffee at every single one of its 2,300 US cafés.<sup>62</sup> By 2009, Starbucks was purchasing 39 million pounds of Fair Trade coffee, which equates to over 10% of its total volume, and induced several competitors to follow suit – including Nestlé, the world’s largest coffee trader.<sup>63</sup> This can be seen as a huge success for civil society members because causing a massively influential corporation to enter the Fair Trade market and have customers continue to consume is the necessary step to protect producers from market instability. This Fair Trade coffee success has also encouraged activist groups and consumers to include other commodities in the model, such as bananas.<sup>64</sup> The most appropriate word for this situation is mainstreaming.

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<sup>59</sup> Nicholls and Opal, *Fair trade: Market-driven ethical consumption*, 83.

<sup>60</sup> Ibid.

<sup>61</sup> Jaffee, “Weak Coffee: Certification and Co-Optation in the Fair Trade Movement,” 94.

<sup>62</sup> Ibid.

<sup>63</sup> Ibid.

<sup>64</sup> Nicholls and Opal, *Fair trade: Market-driven ethical consumption*, 85.

The entry of TNCs and the subsequent mainstreaming of Fair Trade can allow for the growth and further development of the Fair Trade system, which in turn can raise more awareness against conventional free trade and increase the benefits to Fair Trade producers. Low and Davenport outline some of the positive aspects of the Fair Trade move into the mainstream: the potential for a vast increase in the volume of Fair Trade goods sold results in an increased number of marginalized producers. This will lead to the potential for the message and principles of Fair Trade to reach a wider audience and help incite more change. This way, Fair Trade practices profoundly influence the sourcing policies of mainstream retailers and wholesalers, while becoming a model for all relations of trade.<sup>65</sup> The mainstreaming of fair trade has many potential positive aspects but may also face challenges such as the ability of large, profit-focused TNCs to take over all means of communication between producers and consumers.<sup>66</sup> To combat this, Overbeek suggests industry and political changes facilitated by Fair Trade as the certification organization and the governments involved.<sup>67</sup> Collaboration from all sides will be vital, as the potential for change with the mainstreaming of this system is enormous, and could lead to a new form of global governance.

A final point worth mentioning is that of the emergence of non-state market-driven (NSMD) governance systems. These are defined as being

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<sup>65</sup> Low and Davenport, "Mainstreaming fair trade: Adoption, assimilation, appropriation," 319.

<sup>66</sup> Overbeek, "Examining the Efficacy of Fair Trade and Alternative Consumption on Environmental Sustainability and Human Rights in Developing Countries," 175.

<sup>67</sup> Ibid.

"deliberative and adaptive governance institutions designed to embed social and environmental norms in the global marketplace that derive authority directly from interested audiences, including those they seek to regulate, not from sovereign states".<sup>68</sup>

Due to the lack of government regulation, NSMD governance can be viewed as a civil society governance. They recognize, track and label goods and services from socially and environmentally responsible businesses, as a response from public demand to moderate neoliberal globalization and to create a stronger connection between the market and society.<sup>69</sup> These systems address everything from fisheries depletion and tourism to mining and inhumane working conditions and operate in sectors representing 1/5<sup>th</sup> of globally traded products.<sup>70</sup> The Fair Trade Labelling Organization (FLO) is an appropriate example of NSMD governance. This organization coordinates groups that had originally worked apart on consumer campaigns to improve the conditions of Southern marginalized producers,<sup>71</sup> it is essentially the formally organized and structured Fair Trade movement. The commodity of coffee was mentioned above as the first Fair Trade certified product, but through the NSMD governance system of the FLO, other commodities including tea, cocoa, sugar, honey, vanilla, and sporting goods have been certified and tracked as Fair Trade.<sup>72</sup> This is a clear demonstration of the successful development of Fair Trade as a sustainable civil society alternative.

## **Conclusion**

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<sup>68</sup> Steven Bernstein and Benjamin Cashore, "Can non-state global governance be legitimate? An analytical framework," *Regulation & Governance* 1 (2007): 348.

<sup>69</sup> Bernstein and Cashore, "Can non-state global governance be legitimate? An analytical framework," 348.

<sup>70</sup> Ibid.

<sup>71</sup> Ibid, 350.

<sup>72</sup> Ibid.

International trade relations are unquestionably coming under greater scrutiny as awareness about the flaws of the free trade system grows. Civil society has worked hard to introduce, establish and continually develop a viable alternative to this exploitative neoliberal capitalist trade regime, the best example being that of the Fair Trade movement. The current free trade network has been outlined and described as having few societal benefits, saving members of the elite class in the global North, while Fair Trade illustrates a critique and demand for action against it and an ethical alternative. The development of the movement from coffee to a wider selection of products and the mainstreaming of this NSMD governance system help to shed light on the positive future of Fair Trade.

This system of civil society action proposes changes to free trade capitalism, including reregulating trade and financial flows,<sup>73</sup> restructuring economic priorities and the financial system towards addressing poverty and development,<sup>74</sup> ensuring public interest and human rights,<sup>75</sup> increasing corporate regulation,<sup>76</sup> and reforming institutions and increasing democratic justice.<sup>77</sup> Fair trade as an alternative consumption model establishes a more tangible link between producers and consumers while playing into the embeddedness of consumption in social consciousness. Regulation and certification are key, which contradicts the values of neoliberalism and free trade, however, the positive impacts of such actions cannot be ignored. On the contrary, they should be expanded and polished. The ethical, sustainable, and inclusive nature of fair trade reflects the direction that international studies as a discipline should be taking - including all perspectives for

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<sup>73</sup> Dawkins, *Global governance: The battle over planetary power*, 124.

<sup>74</sup> Ibid, 126.

<sup>75</sup> Ibid, 132.

<sup>76</sup> Ibid, 142.

<sup>77</sup> Ibid, 149.

long-term global benefit. Ransom said it best in noting that although fair trade is still "an infant among giants, the future lies with the infant, not the giant".<sup>78</sup> In other words, Fair Trade has a bright future as a viable alternative.

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<sup>78</sup> Ransom, *The no-nonsense guide to fair trade*, 124.



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