

**Synthesis of the activities of the fair trade movement
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Fair Trade at the WSF and within the alterglobalist movement

For the first time since 2001, when it was created, the World Social Forum 2004 was held outside Brazil, in India, a country where multiple social movements influenced by different trends and traditions have developed. Among these trends, fair trade occupies more and more space by rallying hundreds of craftsmen who sell their products in fair networks.

Widely represented in Mumbai, fair trade was the theme of around 20 events of all kinds, including workshops, seminars, big conferences and even the launching of a new fair trade label. The WSF Mumbai was an opportunity for the fair trade movement to have its voice clearly heard by the social movements of the alterglobalization. Its actors and promoters asked that fair trade be registered in the “economic agenda” of the WSF. This forum also represented an opportunity to compare, confront and try to find development thrusts shared by other peasants and small producer movements, as well as by the farmers’ unions from the South.

Fair trade defines itself as an alternative form of trade based on voluntarily adopted norms that respects both the social rights of producers and workers and the environment. On the one hand, it aims at improving the living conditions of the small producers from the South through a trade system guaranteeing a fair price and sustainable, honest commercial relationships. On the other, it seeks to transform the rules of the international trade, influenced by Neoliberalism, by educating consumers and increasing their awareness, and through pressure campaigns and lobbying. The “globalization of fair trade” and its involvement in the WSF 2004 led to discussions on these two major goals, which also revealed some possible tensions with other peasant movements or political-trends.

In this synthesis of the fair trade activities at the WSF 2004, we considered not only the four events in which the Fair Trade Workshop of the Alliance21 took part, but also those organized by the International Federation for Alternative Trade (IFAT), the Fair Trade Forum-India (FTF-I) and other organizations. The first part deals with the potential and real convergences and divergences between fair trade and other initiatives concerned with local development and food sovereignty; the second part approaches the problem of distribution, which provokes debates among the fair trade actors; finally, the third part makes a balance of the strategies to change both the international regulation of trade and the trade policies.

The questioning on local development and food sovereignty and its contribution to fair trade

Compared to the other economic sectors, agriculture is no exception when it comes to liberalizing the markets. As we will see through the example of Mali, the developing countries suffer from the structural adjustments imposed by the leading global financial institutions that seek to convert traditional agricultures into industrial agriculture. Although fair trade partly responds to the problems arisen by the food and land issues in the developing countries, it seems that other approaches focusing on local development have goals better fitted to these realities. One may then wonder, and this is exactly what the actors of fair trade and of these social movements have been doing, how to combine such approaches with fair trade.

In Mali, and in West Africa in general, the agricultural sector is still dominated by family farms, and industrial agriculture is almost absent. These family farms provide the income of most country people, but these incomes are now on the decrease because they are more and more taxed by the government. Furthermore, because of the structural adjustment policies of the IMF in Africa, the families do not produce to satisfy their own food needs, but grow cash crops and thus depend on food aid.

These last decades, since it increasingly needed currency, the Malian government followed the IMF's recommendations and encouraged farmers to grow cotton, a plant that is now a symbol of cash agriculture and of the ensuing debt cycle that ends up trapping both the State and the families. Opening the markets turns this situation even more difficult and this is why the Malian Pesants' Union, a member of ROPPA, fights to have the State protect its agriculture. According to its representative, M. Koulibaly, trade must not have precedence over human rights. In this context, fair trade could be part of a solution. Among other benefits, the policy of fair prices could allow to maintain the family farms and put an end to their dependence on food aid. According to M. Koulibaly, biological agriculture helped the family farms in Mali, and fair trade should now do the same.

Thanks to the fair price the producers receive and to the policy of sustainable trade relations of fair trade, this North-South trade model actually allows to stimulate a certain local development. This contributes to the diversification of production in the family farms and allows supplying small local markets, which also favors a stronger link between the urban environments and country people. Furthermore, thanks to the fair price policy, small producers suffer less financial pressures and can better manage their production.

The idea of fair trade also comprehends the possibility of processing or packaging products on the local level. One cannot but regret that this kind of local processing initiative is still marginal, because it allows maintaining a certain added value on the cooperative or community level. Despite all these advantages, fair trade is not in a position of proposing a radical shift in the agriculture organization of the developing countries, unlike other movements including those promoting food sovereignty. These movements have constituted important interlocutors for fair trade during this WSF.

The different movements fighting for food sovereignty organize their arguments in terms of the right to food, of priority of the human rights over trade and of the problem of hunger. According to Rosemary Gomes from FACES do Brasil (Brazilian Discussion Forum on Ethical and Fair Trade), eating is not only an act of consumption, but it also comprehends social, physical and cognitive aspects that turn it into an act of human dignity to which everybody is entitled.

The Landless Movement, for example, prioritizes the agricultural policies as the best way to generate development in Brazil and this movement then expects much of an intervention of the Lula government in the main thrusts of the rural development in this country. The production model of food sovereignty is often oriented to basic foods (wheat, rice, corn, potatoes, etc.) and organized on the basis of family farms that thus become the guardian of the seeds, and hence of biodiversity. Producing for local markets stands out as the only solution to escape the clutches of the multinationals and the loss of local identity, which usually go hand in hand. For many actors of this change, agribusiness and even globalization are considered as the biggest obstacle to development with which agriculture and peasants are faced. In such a context, foreign trade is of secondary importance, and development must be driven by local organization and political goodwill, whether it be to reform the Common Agricultural Policy in Europe, broaden President Lula's *Zero hunger program* or protect the national agricultures in Africa. Here, integrating the global market is thus not considered as an opportunity, but as a danger.

Although the actors of fair trade have no doubts about the merits of the food sovereignty projects, some contradictions may be observed between these movements and that of fair trade. The fair trade certified cash crops are often the very cause of the agricultural problems of a country. For that matter, various participants pleaded for fair trade to certify smaller volumes of a broader variety of products to give priority to local agriculture and on a small scale. Furthermore, whereas food sovereignty requires a local system of distribution and consumption, fair trade relies on exportations. Even though this last contradiction seems difficult to overcome, it was suggested that the efforts to increase the awareness of the Northern consumers could be partly channeled so that, even in the North, consumers learn to consume local products.

Despite these apparent contradictions between both movements, some participants asserted that it would be a mistake to oppose fair trade and food sovereignty, since in practice they are very close and are part of a social/solidarity-based economy. Fair trade may contribute to food sovereignty and local development if it ushers in a new model of development that would gather these initiatives and link their actions with those of the social and political actors of the local and regional levels. Furthermore, fair trade is not only a North-South exportation model: some examples of South-South fair trade should be further developed.

The sensitive issue of distribution

With the spectacular growth of fair trade, its double project to help producers from the South improve their living conditions and transform trade regulation has provoked a debate on priorities within this movement. In fact, the fair trade movement keeps growing in Europe, Latin America, Asia and elsewhere; and the campaigns to raise consumers' awareness are getting more numerous and more and more producers are certified. Nevertheless, since fair trade has engaged in large-

scale distribution as a consequence of its popularity, some of its principles have tended to weaken.

In many countries, the distribution chain of the food products is controlled by very few interests, which gives an enormous power to distributors. At the moment, these are not certified by the fair trade organizations. According to some participants, we will have to change this and negotiate better distribution contracts. For others, we should withdraw from large-scale distribution since the multinationals that structure it are part of the problem against which fair trade is fighting. For certain actors, as the *Fédération Artisans du World*, we should have a political approach of fair trade and refuse to participate in large-scale distribution.

Nevertheless, the debate is wider and the certified channels of fair trade that allow large-scale distribution to sell their products in supermarkets are sometimes considered as too lax with the principles of fair trade. With that in mind, the International Federation for Alternative Trade (IFAT) launched in Mumbai its new label, the FTO-Mark (*Fair Trade Organization Mark*), that will not apply to products but to the fair trade organizations. According to Rudi Dalvai, the chairman of IFAT, this new label seeks to recover the original conception of fair trade, that is, to bring consumers and producers closer together, since they are too distant when the fair trade products pass through less fair channels, as large-scale distribution.

Anyway, the issue of distribution shows we need to take action with other determinants than the market to have the regulations change: the lobbying and the pressures on both the State and the regulation institutions remain necessary and even essential if we want to obtain fairer regulations.

The campaigns of fair trade for the regulation and the intervention of the State

En 1968, in Delhi, the developing countries said to the rest of the world they needed “*Trade not Aid*”. According to Professor Shyam Sharma, chairman of the Fair Trade Forum-India, the Northern countries have always tended to make the developing countries more dependent in the name of development. Fair trade offers a new manner of trading in which the aim is human development. According to Sharma, this initiative is first based on the fact that trade constitutes one of the main activities of the human being. The fair trade movement affirms straightaway that this new model should guide every trade regulation measure, even within the World Trade Organization (WTO), which, as we know, was put to test in September 2003 in Cancun.

Since a few years, some international solidarity organizations have adopted the slogan “Make Trade Fair” to demand that the governments and of the trade regulation organizations elaborate their trade policies on the basis of fair trade criteria. During the *Sustainable Trade Symposium* in Cancun, the actors agreed on the content of a letter they addressed to all the governments of the world. Parallel to these events, during the WTO summit, negotiators and heads of States failed to agree about the Agricultural Agreements reached at Doha. Because of this failure, a new group of countries (the G-20) emerged and now promises to stand out as an important player on the scene of the international trade. The emergence of the G-20 was received as good news by most actors of the civil society. Nevertheless its demands may lead to more industrialization of the agriculture in its member countries, with no guarantee as for the justice and the fairness of their internal trade and agricultural policies. Despite the emergence of this group, the same questions remain: how to introduce more fairness and justice in the trade relations? *How to make trade fair?*

In this context, according to the Indian Minister of trade and industry, M. Menon, fair trade cannot be separated from the agricultural policies. Furthermore, he considers that the forums of the civil society are important because we need transparency and the ONGs may help spread information and thus help producers and fishermen. Still according to this minister, we need to encourage growth and development because this helps the most destitute, and the WTO should not be extinguished. After the Cancun failure, which gave birth to the G-20, “changing the WTO from within” becomes conceivable.

The idea that the WTO should be reformed instead of eliminated was shared by most actors of fair trade in Mumbai. The importance of acting on the international level rests, among others, on the fact that this level is structuring for the local and regional ones. According to Fabienne Kervanec from the *Fédération Artisans du Monde*, we should dedicate more energy to elaborate regulations based on the human rights and the protection of the markets in agriculture. We should also obtain more fairness and democracy in the decision-making processes at the international level. Thus, we need the WTO, but it must be reformed since, at the moment, it only protects the diplomatic interests, and despises those of the populations. Some campaigns against the WTO, like the one that advocates the opening of the markets, for example, do not address the right goals. According to some participants and contrary to the opinion of the countries of the G-20, the rules of the international trade should allow protecting national markets and favor the creation of regional markets between countries, which, for that matter, comes close to the demands of the movements for food sovereignty.

For others, as Deborah Lucchetti from the Italian purchasing group *Roba*, the regulation can also be modified through consumer actions. The political power of consumers is strong, but it should be organized and its limits should be acknowledged to avoid its possible perverse effects. In this sense, the question is not only to sell products and supply the consumer society, but also to educate political consumers on the effects of overconsumption. Only people can make the difference at that level.

Conclusion

The presence of fair trade on the new scene of the global civil society that constitutes the WSF brought an open questioning to the other social actors, which allowed discussing the foundations of this movement. The contacts with the movements for food sovereignty and with the actors of local development have allowed highlighting that exporting cash products may not be the best solution to help the small producers from developing countries, and that a strategy of food sovereignty should rather focus on producing basic foods and on a more local market. Nevertheless, these different movements feel they complement each other, and that most of them are in keeping with the perspective of a social/solidarity-based economy and with a new model of development that is more human.

Fair trade is currently going through a strong growth, which brought internal questionings to this movement. Should we, for example, privilege the growth of volumes and encourage the distribution of fair trade products in large-scale distribution, at the risk of jeopardizing "the original idea" of fair trade? In Mumbai, some actors answered "No" to that question. During the Forum, a new certification label, the *FTO-Mark*, was launched, which should protect the fair trade products from large-scale distribution. This debate is far from over, and could lead to an innovative perspective on the development of fair trade.

Some participants have reminded that an important part of the fair trade movement mobilized during the last multilateral trade negotiations. The actors of fair trade unanimously condemn the dumping of agricultural products, and defend remunerative prices for small producers. The emergence of the G-20 during the ministerial meeting of the World Trade Organization in Cancun last September showed that the WTO can be reformed. Nevertheless, the organizations of the civil society that lead campaigns on this matter have different goals. Should we advocate a further opening of the markets, as the G-20 does, or allow the States to protect their markets? The advisability of a differentiated treatment for the fair trade products is still under discussion. In addition, various participants have reminded the importance of continuing the efforts to educate consumers so that they become the spearhead of the awaited changes in the international trade regulations.