

Mainstreaming Fair Trade: From Coffee and Chocolate to Clothing and Beyond

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Executive Briefing: The Fair Trade movement has expanded around the world in response to public awareness of Fair Trade's contributions to sustainable development. In response to public demand, major companies, such as Starbucks and Walmart, have introduced Fair Trade product lines. This article looks at the reasons for those business decisions and to the future of Fair Trade in mainstream business.



The Fair Trade movement is growing rapidly, and major corporations, especially in the European Union (EU) and the United States (U.S.), are adding Fair Trade products alongside their conventional offerings. Fair Trade certification is now available for thousands of kinds of goods, including clothing, coffee, sugar, tea, chocolate, furniture, home décor items, house wares, and toys. This article gives examples of major companies that have entered the Fair Trade arena, explains why they have done so, and explores the potential for expansion of Fair Trade around the world.

Despite recent worldwide economic downturns, sale of Fair Trade goods have continued to increase around the world, for example, rising 12% during 2009.

Fair Trade: A Tool to Support Sustainable Development

Companies are increasingly aware of the need for sustainable development, defined as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs," by Our Common Future, a UN–Environmental Program-sponsored report issued in 1997. Fair Trade is a significant tool for the pursuit of sustainable development. Its principles and practices include fair wages, cooperative workplaces, consumer education, environmental sustainability, direct trade, financial and technical support, community development, respect for cultural identity, and public accountability (transparency). Currently, two types of organizations set standards for Fair Trade goods and sellers. One type certifies Fair Trade goods. The Max Havelarr Foundation launched the first Fair Trade certification program for coffee in 1988. Since then, the Fair Trade Labeling Organization (FLO), which launched an international Fair Trade certification mark in 2002, has become the leading certifier worldwide. (FLO's counterpart in the United States is Fair Trade USA, formerly Transfair.) The Institute for Marketecology (IMO) introduced another

third-party certification system in 2006 that is being used by increasing numbers of producers. The other type of organization, led by the World Fair Trade Organization (WFTO), establishes principles and standards for Fair Trade operations, and evaluates Fair Trade groups to verify their compliance with these principles and standards.

Mainstreaming: Food and Beyond

The Fair Trade movement, which began in the aftermath of World War II, has expanded across the world. The movement has been most successful in Europe, especially England, where over 82% of consumers recognize FLO's Fair Trade certification symbol. In spite of the recent worldwide economic downturns, sales of Fair Trade goods have continued to increase around the world. Even during the recession of 2009, Fair Trade sales rose by 12%.

Many people associate Fair Trade with coffee, Fair Trade's highest selling product. Since 2003, Dunkin Donuts, a U.S. company, has served all of its espresso based drinks with 100% Fair Trade certified coffee and has purchased over twenty million pounds of Fair Trade coffee from small-scale coffee farmers. In 2009, in response to consumers' demands, Starbucks began to serve all Fair Trade coffee in its espresso-based beverages in England and Ireland, and expanded the policy to include all of Europe in March 2010. In the U.S., however, Starbucks' Fair Trade offerings are extremely limited.

Cocoa is Fair Trade's second leading product in terms of sales and volume and major chocolate companies have recently added Fair Trade product lines. In October 2009, Cadbury converted its Dairy Milk chocolate bar to Fair Trade certified in England and Ireland. Since January 2010, all KitKat bars sold in the United Kingdom (UK) and Ireland by Nestlé UK have been FLO-certified.

Fair Trade has also entered the clothing and textile industry. Fair Trade certification for cotton was introduced in 2006, and FLO predicts Fair Trade cotton will control 10% of the UK market by 2012. In 2009, Fair

Trade USA (formerly TransFair) introduced a special Fair Trade certification for textiles requiring that producers prove all aspects of their supply chains comply with FLO's Fair Trade standards. Top-end clothing brands such as Laura Ashley and TK Maxx have introduced major fashion lines using only Fair Trade cotton. People Tree, a major UK brand, uses only Fair Trade cotton and goes beyond this with a commitment to the principles of Fair Trade throughout its company. Recently, Global Style Network, a prestigious fashion research company, bestowed its Most Sustainable Fashion Brand award on People Tree. While the fashion industry struggled in 2009, People Tree saw a 20% increase in sales. Further proof that the company and movement are here to stay is the company's addition of Harry Potter star Emma Watson as the face of their brand.

Major companies in the U.S. have taken notice of the demand for Fair Trade. Even Walmart has joined the movement, launching six Fair Trade coffee lines in 2008. In February 2010, ice cream retailer Ben and Jerry's Homemade announced that it will use only Fair Trade certified ingredients in all 58 flavors it produces by 2011 in the EU and 2013 in the U.S. Thus, Ben and Jerry's is the first major mainstream U.S. retailer to commit to 100% Fair Trade in its product lines.

The Future of Mainstreaming

Much of the Fair Trade movement's current success can be attributed to increased public awareness of the unsustainable practices of conventional trade. When consumers see the consequences of their purchases and business leaders see the consequences of their decisions, they want to know how to make better choices. Fair Trade groups include education as an integral part of their programs, and such education will continue to promote mainstreaming of Fair Trade.

Companies such as Hershey's, which controls 52% of the chocolate industry in the U.S., provide a stark contrast with the actions of Cadbury and KitKat in the UK and Ireland. Hershey's purchases the majority of its chocolate from areas of Western African known for poor working conditions and abusive child labor and refuses to identify the sources of its chocolate. Consumer pressure can force companies like Hershey's to implement the principles of Fair Trade.

Conclusion

The Fair Trade movement has made great strides in recent years and the mainstreaming of Fair Trade products mark a significant step toward sustainable development in the business arena. The examples listed in this article show that major businesses throughout the world have responded to consumers' desire for sustainable choices in the goods they purchase every day. As more consumers become aware of the benefits of Fair Trade, the Fair Trade movement will further expand and eventually become a part of mainstream business throughout the world. ♦ [gBR Article 05-05](#), Copyright © 2011.

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