Fair Trade and Corporate Social Responsibility

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FAIR TRADE AND CORPORATE SOCIAL RESPONSIBILITY

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This paper examines how the expansion of mainstreaming of Fair Trade over the last decade and the increasing corporate attention to social responsibility during the same period is resulting in Fair Trade evolving as a form of corporate social responsibility. We further examine the challenges this poses for the Fair Trade movement.

Keywords: Fair Trade, corporate social responsibility, producers, mainstreaming, companies, certification.

Introduction

Fair Trade is an organised social movement which aims to help marginalised producers and workers in developing countries to move from a position of vulnerability to security and economic self-sufficiency. It does this by offering them particular market structures for the sale of products that bring particular benefits to them. It also mobilises consumer awareness in developed countries to purchase Fair Trade products by encouraging consumers to base decisions on trust and charity rather than solely on market competition. In the beginning Fair Trade marketed these products mainly through alternative trading outlets such as world shops, NGO charity shops and specialist mail-order companies. This has changed in the last decade with Fair Trade entering into business relationships with mainstream transnational corporations, large-scale traders, distributors, supermarkets and other retailers.

This transition to the mainstreaming of Fair Trade coincides with the growing attention of business enterprises to policies addressing social, including trading, working and environmental conditions, which comes under the general rubric of corporate social responsibility (CSR). This paper explores how the mainstreaming of Fair Trade along with the growth of CSR is resulting in the convergence of Fair Trade into a form of CSR. This poses difficult challenges for the Fair Trade movement in terms of exploiting the opportunities arising from the growth of CSR without eroding its identity and traditional principles. The paper reviews the developments over time in the Fair Trade movement and its entry into mainstream marketing. It then discusses the rise of CSR among corporate entities and analyses how the mainstreaming of Fair Trade and the concurrent rise of CSR is resulting in the maturing of Fair Trade into a form of CSR. The article then discusses the challenges this poses for Fair Trade.

The evolution of Fair Trade

The Fair Trade markets find their roots in more than 50 years of alternative trade relationships based on principles of solidarity rather than simply on market and price competition. A variety of alternative trade organisations (ATOs) proliferated in Europe and North America between the 1950s and 1980s with the objective of helping disadvantaged groups in poor countries.[1] They began purchasing products, mainly handicrafts, from poor producers and producer NGOs in the Global South at above-market prices, selling them directly to conscientious consumers in the Global North. In the late 1980s and early 1990s, the ATOs consolidated their efforts within four major associations: The Network of European Worldshops (NEWS!); the European Fair Trade Association (EFTA); the Fair Trade Federation (FTF); and the International Fair Trade Association (IFAT), now called the World Fair Trade Organization (WFTO).[2] These associations act as forums for exchange between producer associations and alternative importers, marketing organisations and retailers, and create a web of connections with consumers.

A new dimension was added to the Fair Trade movement with the introduction of the

Fair Trade label in 1988. In 1997 the certification and labelling activities of various Fair Trade associations were harmonised and consolidated under the Fairtrade Labelling Organizations International (FLO). The FLO activities in major markets are overseen by national initiatives such as TransFair in the USA and the Fairtrade Foundation in the UK. Initially, the FLO was both the regulator and provider of certification services. To avoid potential conflicts of interest, an autonomous international inspection and certification company was created from the FLO in 2004, the FLO-CERT, which has taken over from the FLO the function of providing inspection and certification services.

The most recognised definition of Fair Trade as it stands today was created by the FINE (2006):[3]

> 'Fair Trade is a trading partnership, based on dialogue, transparency and respect, which seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade organizations (backed by consumers) are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.'

While this definition states the general principles of Fair Trade, there are a number of more precise prescriptions for Fair Trade certified products (FLO, 2008; Pierre, 2007):

- Traders pay producers an agreed minimum price that covers the costs of sustainable production and living, which gives way to the market price whenever this is above the minimum.
- Traders should, in addition to the minimum price, also provide a social premium, around 5–10%, for development and technical assistance.
- Fair Trade products must respect a series of social and environmental criteria.[4]
- Traders, as far as possible, must directly purchase from producers or producer organisations using long-term contracts to lessen the number of intermediaries and to promote long-term planning and stability.
- Traders should help provide producers credit, up to 60% of the purchase amount in advance, when requested.

To ensure that products comply with these prescriptions they must come from Fair Trade inspected and certified producers or producer organisations and the supply chain must also have been monitored by the Fair Trade organisations. The FLO stipulates the minimum criteria, such as price and premium calculations as well as contract and payment conditions that the trading process must fulfil in order for each product to be labelled and sold as Fair Trade. There may be some variations in Fair Trade certification procedures between products and organisations (large farm or co-operative). For some commodities such as coffee and cocoa, certification is available only to small-scale producer organisations (co-operatives of small producers); plantations and large family firms cannot be certified. Certification is available for large agricultural businesses producing other products such as bananas, tea and fruit, though, where applicable, products must be produced by workers organised in democratically run workers' groups or unions.

Until the late 1990s, Fair Trade products were marketed mainly through the ATOs. The institutional developments in Fair Trade certification and labelling since then coincide with Fair Trade moving into mainstream marketing – that is, the entry of Fair Trade products into conventional marketing circuits in pursuit of large-volume markets. This has proved highly successful, with Fair Trade's profile and sales expanding markedly. It has also facilitated the extension of Fair Trade into a number of new products, which now includes coffee, cocoa, tea, fruits, vegetables, fruit juices, chocolate, wine and beer, honey, preserves and spreads, sugar, nuts and seeds, rice, cut flowers, handicrafts, footballs and some cotton textiles, among others. Coffee still remains the most important product, accounting for roughly a quarter of Fair Trade sales (FLO, 2007).

In 2008, Fair Trade certified sales amounted to approximately US$4.1 billion (€2.89 billion) worldwide, directly benefiting over 1.5 million producers and workers. Though these sales represent only around 0.01% of the total food and beverage industry sales worldwide they are growing rapidly: sales grew 483% between 1998 and 2005, 41% between 2005 and 2006, 47% between 2006 and 2007, and by 22% between 2007 and 2008. Europe and North America are the main markets for Fair Trade products, and these products generally account for 0.5–5% of all sales in their product categories in these markets (FLO, 2008; Raynolds and Long, 2007).

The exponential growth of Fair Trade sales in recent years is due largely to the expansion of Fair Trade certified products in mainstream distribution and retail channels. Today, Fair Trade products can be purchased in all major supermarket chains. Supermarket sales have been significantly boosted by the expansion of supermarket 'own-brand' Fair Trade-labelled products. For example, the UK's Co-operative Group converted all of its own-label coffee and chocolate to Fair Trade in 2002 and 2003, respectively. In December 2006, British retailer Sainsbury's announced it would offer only Fair Trade bananas. In addition, large food producers and distributors such as Procter & Gamble, Nestlé, Kraft, Sara Lee, Chiquita, Del Monte, Dole, Ben & Jerry's, Starbucks, and Costa have also developed Fair Trade lines.

The intensified mainstreaming of Fair Trade is increasingly subjecting it to the forces of global trade and development. The growth of Fair Trade is following the pattern of conventional trade, fuelled by the increasing participation of mainstream corporate and retail circuits using conventional and costly marketing tools. They now exert greater influence over Fair Trade networks and the product supply chain. Though ATOs played a vital role in shaping and popularising the Fair Trade movement, their role has been somewhat sidelined: 'Fair trade labelling has moved from being a radical solidarity movement to a mainstream trend in retail' (Nicholls and Opal, 2005, p. 142). This has led to considerable tension within the Fair Trade movement. Mainstreaming has enabled Fair Trade products to access supermarket shelves, but it has diluted the conception of Fair Trade as a component of the solidarity economy movement, while blending it more and more with the forces affecting conventional commodity chains (Wilkinson, 2007).

The rise of corporate social responsibility

Fair Trade is not the only initiative that speaks of fair business and trading practices and sustainable production. Another set of internationally recognised social standards is rooted in CSR. COM (2001) defines CSR as 'a concept whereby companies integrate social and environmental concerns in their business operations on a voluntary basis'. It underlines the thinking that companies are responsible for their actions in a sphere wider than that covered by the mere profit-and-loss statement; that social responsibility requires a response to needs defined outside the business operations, but not necessarily without the participation of the business. In that sense CSR is a business organisation's configuration of principles of social responsibility, processes of social responsiveness, and policies, programmes and observable outcomes as they relate to the firm's societal relationships (Wood, 1991). Dahlsrud (2008) identified five key dimensions of CSR: environmental, social, economic, stakeholder and voluntariness.

Many major corporations around the world now seek to address issues of CSR. Given extensive concern over health and safety issues as well as respecting the ILO Core Labour Standards, most companies have in place policies addressing these issues, but many companies go beyond and have policies addressing other social conditions (Tallontire and Vorley, 2005). More than half of the world's biggest companies reveal details of their environmental and social performance (Buck, 2005). The well-known global accounting firm KPMG found in its study that 52% of the 250 largest corporations published CSR reports and that they covered a much wider range of issues in 2005 than they had covered in 2002 (Grodnik and Conroy, 2007). Firms such as Calvert Financial Services now issue regular assessments of the social, environmental and governance performance of many companies, including the full range of activities from workplace and business practices, human rights behaviour, environmental responsibility and community relations (CSRwire, 2006).

There can be several reasons for companies engaging in CSR. The highly visible brand names of large corporations create key pressure points for them. To the degree that the symbolic and financial value of global brands has risen over recent years, so too has corporate vulnerability to image damage (Lury, 2004). The internet has created new mechanisms for virtually instant global awareness of charges of social responsibility, such as environmental and human rights violations. Seizing this opportunity, NGOs and social movement groups at times pursue a powerful strategy of 'naming and shaming' – publicising corporate practices for not conforming to their social and environmental visions. The objective of such campaigns can range from promoting some self-interest or propelling social and environmental improvements. Undoubtedly, this puts pressure on actors with branded product areas and high identity content.

It will be wrong to assign this as being the main reason that has propelled multinational and large corporations into embracing CSR. More important is the fact that companies operate within the market and hence it is good business practice for them to respond to social and environmental preferences and the concerns of the consumer and civil society. The expectations of society with respect to corporate behaviour have increased dramatically so it is in the interest of companies to respond. Moreover, some companies recognise that to employ CSR need not be in opposition to their interests; rather satisfying the needs of different stakeholder groups should bring financial benefits to a socially responsible company. The rationale for this is the preference of stakeholders to transact with a firm that observes CSR; in addition, CSR publicity may serve as a good protectionist or price discrimination system (Barnett, 2007).

However, according to Donaldson and Preston (1995, p. 67), there are also genuine considerations for some companies that embrace CSR. The basis for the social responsibility of such companies is the recognition that 'the interests of all stakeholders are of intrinsic value, that is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interest of some other group, such as the shareowners'.

The CSR policies of companies usually take the form of offering increased disclosure, social and ethical accounting, sustainability reports, codes of conduct and the like. These are rich sources of information that allow the community to monitor businesses. The policies also include promoting alternative models of fair and ethical production and trading business practices. This is reflected in the codes of conduct, certification and product seals adopted by corporate entities (Busch and Bain, 2004; Hughes, 2005). There are now numerous standards and certifications, some that operate for individual products of a firm and some across all or several products of a firm.

Fair Trade as a form of CSR

The product differentiation between Fair Trade and non-Fair Trade goods is in the circumstances under which the goods are produced and marketed and not in their quality. Fair Trade tells the consumers that their purchase will help finance a more equitable way of doing business. This way Fair Trade seeks to influence the economic decisions of one set of stakeholders, the consumers, by providing an assurance about the social and ethical impact of a business process on another group of stakeholders, the producers and workers. This is similar to CSR firms influencing consumers by promoting their social activity in promoting worker welfare, and environment. Consumers' expression of their feelings of responsibility towards society translates into a willingness to buy and pay a price premium for Fair Trade products, while that for CSR products translates into brand loyalty which can be a source of competitive advantage for companies marketing these products (Porter and Kramer, 2006). In this sense, both Fair Trade and CSR are an expression of the rise and development of 'social responsibility' of consumer society, and differentiation and image building seem to be the main motivations driving their policies for promoting sales (Castaldo *et al.*, 2009).

Some NGOs, trade unions and proponents of Fair Trade express serious doubts as to whether CSR is nothing more than window-dressing. Their main point of criticism is the voluntary character of these mechanisms. They contend that only enforceable regulations can really ensure that social responsibility is respected and implemented by companies. The criticism seems rather odd as certified Fair Trade too is an example of a form of corporate accountability. The Fair Trade label is a non-governmental monitoring system granting licences and a guarantee for consumers. The Fair Trade organisations present themselves as a trustworthy guarantee that labelled products respect the Fair Trade concept and the Fair Trade networks act as trusted mediators.

In the case of CSR products the companies follow a range of mechanisms for imposing and auditing full corporate accountability. These efforts could be through self-regulation, or first-party certifications. Where firms use internal mechanisms for standard setting and monitoring they rely on their own brand reputations in assuring consumers of the validity of their CSR claims. To bolster the legitimacy of their claims, companies also pursue stakeholder standard-setting and third-party certifications that shift standard setting and monitoring to stakeholders and outside agencies, respectively.

Another point put forward against CSR is that companies are directly involved in the production or trade of products for making a profit, which casts doubts on their invoking CSR unless it helps profits. Fair Trade organisations, on the other hand, generate more trust because of their charitable status and for only being involved in monitoring and promoting Fair Trade. However, these are not sound arguments. In general, companies following a CSR policy are more transparent and any misuse of CSR is subject to risk of exposure, which can be catastrophic for a brand image. Also CSR need not be at cross-purposes with profit: competition, efficiency and CSR goals can complement each other, at least in the long run. Furthermore, even the charitable Fair Trade organisations have to earn their expenses and thus have a vested interest (similar to companies) to promote the Fair Trade label as suppliers and traders pay fees for using the label. Therefore it is only fair that we recognise companies for their CSR efforts rather than dismiss all such efforts as window-dressing. Admittedly there will be some instances of misuse of CSR as there will be for Fair Trade.

Nevertheless, there is much tension involved in the development of CSR standards and the indicators used to measure them. Who are standards for? How, and by whom, are they created? How are they maintained? It is sometimes alleged that the CSR rhetoric of companies misleads consumers. Pierre (2007) feels that the ambiguity often arises from the use of terms such as 'sustainability' or 'responsibility', which are vague enough to lead people to believe whatever communication experts want them to believe. There is therefore demand for greater accountability and transparency from companies following an active CSR policy, encouraging many of them to opt for independent third-party certification and verification checks.

Fair Trade also suffers from similar tensions. The intended beneficiaries, smallholders and workers, sometimes see it as exclusionary, unrealistic and imposed by stronger stakeholders. They feel that the strategies, codes, inspection and certification methods are designed by agencies in the industrialised world and imposed on them (Farnworth and Goodman, 2006). When it comes to consumers, a flaw of the Fair Trade concept is that consumers cannot assess whether the fair conditions claimed are respected. Gebben and Gitsham (2007) report that some consumers who otherwise endorse the Fair Trade concept, because of ignorance of how and whether the Fair Trade system works, do not actually buy Fair Trade products. Some commentators (Economist, 2006; Harford, 2005; Jacquiau, 2006; Potts, 2004; Sellers, 2005; Weber, 2007) are critical of the marketing rhetoric of Fair Trade misleading consumers into thinking that almost all the extra price premium they are paying for Fair Trade products is passed on to the producer while the reality is very different: they generally receive only a small fraction of the extra margin consumers pay.

This is understandable: 'fairness' is not an attribute that consumers can check in the product as, aside from the label, Fair Trade products are not distinguishable from conventional products. This situation leads to an information asymmetry between the buyers and sellers of these products. Therefore, buyers who believe in Fair Trade principles also need to trust the Fair Trade label. This trust is nourished by the information they have about Fair Trade, by stories and media reports they read about it, by endorsements from various sources, by its trade campaigning, by the accountability and transparency exhibited by it, and other considerations such as who retails the products. Likewise, buyers wishing to support products produced by companies following an active CSR policy need to trust the CSR claims and guarantees and this trust is nurtured in much the same way as that for Fair Trade products.

Supporters of Fair Trade claim that it is the only 'social responsibility scheme' that offers a financial counterpart (premium) above the market price of a product to help producers.[5] Although Fair Trade is the only scheme that makes an explicit provision for a price premium, the net premium actually received by producers can be far lower. Fair Trade producers incur additional expenditure in order to meet particular production, trading and certification conditions. Furthermore, there is a limit to how comfortable Fair Trade can be in the competitive market. The Fair Trade premium has to remain within reasonable limits as consumers have in mind a maximum level of the premium they are willing to accept. Fair Trade prices must follow other prices if the prices of competitive brands plummet.[6] If all this is taken into account in the computations, then the net premium for a Fair Trade producer drops down significantly.

Steinrucken and Jaenichen (2007) report that not only Fair Trade but also business companies can pay extra for social production methods. One example is the franchise company Starbucks that developed Coffee and Farmer Equity (CAFÉ) practices in 2001 as part of its 'Preferred Supplier Program'.[7] The practices define criteria for socially responsible coffee. Starbucks sources coffee from producers based on third parties' evaluation of coffee against these criteria. Producers earn a premium over the market price based on a points system for environmental (50%), social (30%) and economic (20%) criteria. The premium, though discretionary on the part of Starbucks, is well known for being quite handsome (Tallontire and Vorley, 2005). The scheme also rewards producers by offering stability to preferred suppliers through longer-term contracts.

But some, in particular supporters of Fair Trade, feel that the Starbucks' rhetoric about 'social responsibility' or 'equitable relationships with communities' is trying to mix up two different things: conventional business and social responsibility. Starbucks is paying the price in order to assure supplies of quality coffee, but no premium is involved. It is an abuse of language to call this socially responsible business. The criticism does not take into account that socially responsible business could also mean good business. A business company can pay extra for 'social' production methods. This could generate a pay-off because the company gets a positive (social) image and consumers may be willing to pay the company for this.

The Berndt (2007) study finds that, in the case of coffee, sales outlets such as Starbucks, Allegro and Peet's are in fact encouraging development and socially conscious business practices that go a long way to improve the lives of small farmers by providing higher income from coffee production as well as long-term and stable business ties between coffee producers and coffee distributors. As Jeff Teter, President of Allegro Coffee, explains: 'We have growers we have ongoing relationships with. We spend money back on projects in the growers' community . . . We're doing it because we feel it is the right thing. But it's also good business.' Therefore, the CSR practices of companies should be given their due credit for promoting a social agenda including the furthering of interests of producers and stakeholders through long-term relationships based on mutual respect, which in many ways is similar to the objectives of Fair Trade.

The evidence therefore does not support Fair Trade being unique and distinctive from CSR initiatives that are followed by companies selling products that are not certified by 'independent' bodies. Furthermore, the concessions required from Fair Trade impose certain limitations in terms of its ability to serve certain target groups through the network of ATOs by way of alternative consumer–producer relations. It means that Fair Trade growth, like conventional trade, is being driven by the increasing involvement of mainstream corporate entities, bringing it closer in many respects to the CSR movements of companies. This is evident from the growing trend of corporate brands and supermarkets introducing Fair Trade lines in furtherance of their CSR agendas. For example, Starbucks now markets Fair Trade coffee as one of its lines and is the largest purchaser of Fair Trade coffee in North America although Fair Trade coffee only comprises 3.7% of the company's purchases (Berndt, 2007).

Is CSR a challenge to Fair Trade?

Some commentators articulate that the rise of CSR with alternative models of 'fair and ethical' trading poses a substantial challenge to players in the Fair Trade sector. They feel that the space so slowly won by Fair Trade practitioners for transforming the international commodity chain may be captured by agro-food corporations able to transform this progressive initiative into a niche marketing scheme for products re-packaged under 'green' or 'ethical' symbols. They also express reservations that the rise of CSR may also lead to an undermining of the Fair Trade standards, particularly through the establishment of less 'socially progressive' criteria that over time bring fewer benefits and less reliability and sustainability to the alternative trade systems (Murray and Raynolds, 2007; Murray *et al.*, 2006).

In addition, conventional companies and retailers could leverage their social reputation by adopting a Fair Trade label for only one product line.[8] This leads to the situation where consumers may believe a company to be a Fair Trade practitioner (labelling used to build brand image), whereas in reality a small percentage of its product lines are actually bought under the terms of Fair Trade labelling. Those operating from a social movement base are concerned that these trends may represent a pattern of corporate 'clean washing' where Fair Trade is essentially 'put up for sale' (Dolan, 2009; Low and Davenport, 2006; Ransom, 2005). Fears are also expressed that it will be easy for corporate entities and retail outlets that use the Fair Trade label to switch to their own fair trading labels, rather than FLO's Fair Trade label (Wilkinson, 2007).

To gain a better understanding of the merits of these expressions we examine the social labelling trends of large companies in the coffee sector. We choose coffee as it is 'the backbone' of the Fair Trade movement. It is notable that most of the dominant coffee roasters such as Nestlé, Kraft, Procter & Gamble and Sara Lee have introduced niche brands, mostly high value, symbolising their commitment to social and ethical labels, including the Fair Trade label. Sara Lee uses the Whole Planet label for its Prebica brand; Nestlé the Fair Trade label for its Partners' Blend; Kraft and Lavazza use the Rainforest Alliance and the Bird-Friendly label for a range of their brands; Procter & Gamble have added both Fair Trade and Rainforest Alliance to its Millstone brand, and Starbucks uses the Fair Trade and its own Shared Planet label.[9]

In addition, big firms such as Sarah Lee, Kraft, Nestlé and the global retailer Ahold support other social initiatives like the Common Code for the Coffee Community (4C), Sustainable Agriculture Initiative and Utz Kapeh, which aim at becoming industry-wide social and ethical standards codes. It is now increasingly common to find a range of coffee brands on shelves of supermarkets sold by corporate entities with social labels reflecting some sort of commitment to social standards and 'good practices'. This trend is not restricted to coffee, but applies to most of the products that are sold under the Fair Trade label.[10]

The evidence does support an increasing usage of social labels including the Fair Trade label by businesses as part of their CSR practices. This has added a great dollop of social concern and action to mainstream business. Fair Trade supporters may take credit for the Fair Trade principles being reflected in the CSR policies of firms, but it does not justify dismissing all this effort as nothing but corporate 'clean washing'.[11] The use of social labels is not without additional costs incurred in inspection, certification and organising of the supply chain. It is for this reason that companies generally restrict their usage to high-value niche brands, so it is wrong to say that these brands are exploited by companies only for building their CSR image. Also some of the social labels are well known for their social achievements. For example, the Rainforest Alliance is said to have improved the economic opportunities for a large number of poor farmers and farm workers in Latin America. In recognition of this it received in

2004 an ambitious US$8.6 million grant from USAID to develop a range of commodities under its labelling campaigns (USAID, 2004).

Undoubtedly, Fair Trade cannot ignore the trend of growth of CSR, especially with the growing mainstreaming of Fair Trade. It offers an opportunity for the Fair Trade label to become popular with large companies as part of their CSR framework, which could mean a quantum jump in Fair Trade sales. In many respects the growth of CSR and Fair Trade can be seen as mutually reinforcing as they increase the overall public demand for 'socially responsible' products. At the same time it could potentially result in the Fair Trade movement being ultimately overtaken by the CSR strategies of retail and dominant firms, eroding the movement's capacity of helping marginalised producers and workers through alternative trading systems (Jacquiau, 2006; Wilkinson and Mascarenhas, 2007). The challenge for Fair Trade is to maintain its public appeal and identity, and the ability to blend with and work alongside the rise of CSR.

Conclusion

It is wrong to assume that the social values are only associated with Fair Trade or similar social movement groups. CSR has made it possible for them to be transformed into key facets of corporate profitability, branding and marketing. Whatever the motivation for companies to engage in CSR, the fact is that CSR is now integral to most corporate business. The transition in recent years of the Fair Trade movement towards a more intensified mainstreaming of its products has meant Fair Trade enlisting the resources of mainstream corporate branders, retailers and distributors to achieve an expansion in the global sales of Fair Trade labelled products. Consequently, corporate entities are increasingly adopting the Fair Trade label as a form of CSR commitment.

The Fair Trade movement has to take note of the emergence of CSR. It must recognise that to the extent it has adopted mainstreaming it has taken on board a range of production, product and marketing qualities of corporate entities that bring it closer in many respects to their CSR movements. Fair Trade is situated along a continuum from notions of the solidarity economy to CSR and the latter is strengthened with the emergence of mainstreaming. How this will affect the future of Fair Trade will only be known in coming years. It could mean exponential growth in Fair Trade as a result of it becoming integral to the CSR policies of companies or it could result in Fair Trade being marginalised by the alternative CSR strategies of companies.

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1. The ATOs included Sales Exchange for Refugee Rehabilitation and Vocation (SERRV), Oxfam, Goodwill Selling, Solidaridad, Traidcraft, Christian Aid, and other faith and development groups.
2. The WFTO has become the largest umbrella group representing ATOs from Europe (including NEWS! and EFTA), North America and the Pacific as well as producer organisations and individual members from Latin America, Africa and Asia.
3. The FINE is an informal alliance of the FLO, WFTO, NEWS! and EFTA to share information and co-operate on crucial issues such as advocacy and campaigning, standards and monitoring.
4. The criteria include adherence to the International Labour Organization (ILO) agreements such as those banning child and slave labour, guaranteeing a safe workplace and the right to unionise, adherence to the United Nations charter of human rights, and protection and conservation of the environment.
5. Fair Trade also takes credit for fostering long-term relationships between producers and buyers, which offers producers a stable income for their products.
6. This is true of any brand in a free-market system – Coke has to watch the Pepsi price and vice versa!
7. The CAFÉ practices were developed in collaboration with Scientific Certification Systems (SCS), a third-party evaluation and certification firm.
8. For example, Nestlé's Partners' Blend of Fair Trade coffee.
9. The Rainforest Alliance certifies sustainable management of forest and farmland and promises better economic opportunities for a large number of poor farmers and farm workers in Latin America; Bird Friendly goes a step further in terms of protection of species; the Whole Planet focus is on micro-finance and enterprise training for producers; and the Shared Planet emphasises Starbucks commitment to ethical sourcing, environmental stewardship and community involvement.
10. For example, the largest supplier of bananas, Chiquita Brands International, uses both the Fair Trade and Rainforest Alliance label.
11. The CSR policies of many companies include measures to enhance the position of small producers and workers in their supply chains (Barrientos and Dolan, 2006).

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