SDG-8

Title:

A decent day's pay for a decent day's work: Lessons to be learnt from fair trade small producers' experiences in global markets

Author:

Ana Cristina Ribeiro-Duthie

Affiliation:

Research Higher Degree at the University of Tasmania

Abstract:

This chapter focuses on the Sustainable Development Goal 8: Decent Work and Economic Growth. The theoretical framework from Evolutionary Economics is reviewed and used to facilitate the understanding of developing countries' economic aspects. The relations to sustainable development actions are addressed through case studies centered on fair trade initiatives – a market solution that links developed and developing economies through production and trade relations based on good market practices. In a model that seeks to address inequalities generated by conventional trade, the fair trade standard assures stable prices and income together with decent work conditions for small producers from developing economies. The methodological approach of this qualitative study was a literature review associated with a comparative analysis of case studies published about fair trade certified small-scale producers. Small rice farmers from Thailand and small quinoa farmers from Bolivia are presented to illustrate the potential to produce social benefits within a sustainable development framework proposed by the fair trade model. Drawing from both case studies, the chapter ends with recommendations for multilateral trade agreements and policies design regarding agriculture development.

Keywords:

Economic Growth; Decent Work Conditions; Evolutionary Economics; Sustainable Development Goals; Fair Trade; Social Change.

1. Introduction

Conventional analysis on economic development has thus far focused on the conditions and drivers that the developing economies are unable to fulfill. As such, analysis regarding those parameters within the context of least developed or developing nations will often be incomplete and sometimes counterproductive. Although some least developed and developing economies seem to break the laws of classical and neoclassical Economics lessons to improve development in their own way – success using such an approach requires a broader analysis of socio-economic factors. Recognizing this, one could argue that Evolutionary Economics is useful in the sense that it accommodates learning and knowledge of individual actors participating actively in real life economics. However, limitations for a holistic evolutionary analysis of the least developed and developing economies' realities remain, despite the contribution of evolutionary theorists in explaining the role of entrepreneurial innovative solutions for existing bottlenecks for development in these

countries. Some of the solutions are from within the market despite not relying solely on market mechanisms to succeed as a liberalist perspective would sustain.

In the end, there is no complete answer regarding which economic model would be best suited to analyse least developed, underdeveloped or developing economiesⁱ. As conventional analysis of the determinants of economic development appears to fail to embrace the complexity of those countries' realities, it follows that conventional solutions for developmental inclusiveness may indeed also fail. While a theoretical approach is necessary, urgent action is required to overcome deep developmental constraints. The Sustainable Development Goals (SDG's) work as a call for change to these pressing issues.

Inspired by the words of the managing director of the International Monetary Fund (IMF), Christine Legarde, at the 2017 World Economic Forum, any international institution may contribute to address the economies 'left behind'. In her view, globalization has been incredibly effective and is not going to be stopped, however it is not working for all (Legarde, 2017) – which needs to be both recognized and addressed. In Legarde's view, "globalisation is embedded in the way capital moves around, in the way in which a lot of people around the world work, transact, move, (...) and are used to getting certain products cheaply" (Legarde, 2017). However, a big part of the world, approximately "3.6 billion people that we are not talking about enough (...) who constitute 50% of the global economy" (Legarde, 2017) must be included through effective actions so they too can benefit from globalization. According to Legarde, the "improvement of (their) living standards depends massively on international trade (...) on participating in the global economy" (Legarde, 2017). As the IMF managing director states: "we cannot go ahead without them". Legarde highlights that "globalization has to work for all and to do that, *changes*" and efforts have to be made (Legarde, 2017 – my emphasis). This can be heard as a call for socio-economic responsibility and sustainable development.

The SDG's constitute a valuable guide to addressing those left behind, and the 17 SDG's capture several aspects that can be considered essential for global wellbeing. In line with those concerns, it can be seen that the fair trade movement has already started connecting many of the dots. In this case, perhaps the "effort" suggested by the fair trade movement is that "getting products cheaply" cannot be maintained at the expense of the 3.6 billion people who require the same decent work conditions, stable source of income, food security and living standards improvements as everybody else in society. Considering this, the standards for production and consumption need to be raised to attend social responsibility requirements and not only to assure cheapest prices. Sustainability certification schemes such as Fairtradeⁱⁱ propose ethical standards for production and trade to progress the economy through assurance of decent work conditions, while respecting human rights and the environment. Fair trade "draws explicitly on civic values and qualifications in promoting labor rights" (Riisgaard, 2015, p. 124). Work, health and safety standards are required for fair trade certification within an ambitious agenda that is consistent with the SDG-8. As such, this chapter addresses Economic growth and decent work and its links to sustainable development actions through case studies centered around the fair trade initiative – a market solution which links developed and developing economies through production and trade based on market good practices. Fair trade can be understood as an emerging "response to the negative effects of globalization" (Murray & Reynolds, 2007, p. 4), not as a mere "antiglobalization" but as a "new globalization" (Murray & Reynolds, 2007, p. 6).

In its 30 years of existence, fair trade has called attention to the old economic assumption of lowest prices being a priority, which has ensured poverty for many working people given the slavery-like work conditions practiced in the search for profit maximization. The practice of lowering costs at any price, with no respect for human rights or labour policies is addressed by the Fairtrade standards with stringency and transparency, following the ILO conventions for good working conditions, described below. Among the initiatives to demonstrate the global emergence of the SDG-8, this study focuses on fair trade food production which constitutes an inclusive decent work opportunity for rural and remote areas within the Global South, and a potential driver of economic growth.

Hence, to assure the orientation that “the 50% of the global economy” (Legarde, 2017) must be included as more than a mere rhetoric, perhaps efforts also need to be made regarding changing the assumptions that classical economic models rely upon. This means, to assure the 50% of the global economy left behind – by policies and decision makers’ – progress, efforts must also be made by those who are future-focused. This move can be surprisingly hard, as some people are attached to beliefs and values even if those beliefs seem to be contradicted by facts. Social change requires a dramatic change of behaviour, of course at the individual level but also at an organizational level. Our approach is then to follow and readdress Legarde’s recommendation that we should “adopt the right narratives, the right language” in order “to make globalisation work for all, not only for some happy few” (Legarde, 2017). This chapter aims to contribute with analysis and recommendations for policy design related to agriculture development identified through fair trade initiatives, given its potential for economic growth and decent work conditions assurance.

2. Literature reviews

2.1. The Fair Trade model and the SDG-8

Fair trade is a social movement striving to change conventional trade and promote economic growth by exposing small producers in developing countries in global markets. How is this proposed social change enabled? By establishing a fair price, sufficient to provide a stable income and to protect small producers from price fluctuations in exchange for a production based on stringent ethical standards in line with the fair trade certification label. Fair trade aims to promote the following values and principles: creating opportunities for small producers in social and economically disadvantaged areas; establishing and maintaining long-term commercial relations with respect to democracy, transparency and accountability; paying a fair price to producers; paying a social bonus for community development; pre-funding to assure production sustainability; rejecting child labour; rejecting forced labour; practicing non-discrimination (gender; association); promoting capacity building; protecting the environment (FLO 2016-2017; WFTO, 2016).

Welcomed by small producers and farmers associations (Carlisle, 2016; Barratt Brown, 2007; Shiesari & Gruninger, 2014) this alternative trade model received positive reviews from several academic studies (Sharma, Abidi & Khan, 2018; Englund & Berndes, 2015; Becchetti, Conzo, Pierluigi & Gianfreda, 2012; Udomkit & Winnett, 2002; Rice, 2001); but also criticism (Garret et al., 2016; Thavat, 2011; Carimentrand & Ballet, 2010). The fair trade movement was launched in 1988 as a solidary movement to aid coffee farmers in Mexico. It is possible to observe the progress of a sustainability agenda in the fair trade organisations’ corporate social responsibility reports across the yearsⁱⁱⁱ. This evolution can be understood as developing in line to the maturity of the concept of sustainable development since its inception on the world stage by the Brundtland Commission in 1987. This means that fair trade organisations have shown

effective commitment to targets expressed in the sustainable development goals (SDG) since they were released by the United Nations (UN) in 2015. Even before that, fair trade organisations demonstrated their alignment with the Millennium Development Goals established by UN and released in 2008. Prior to this, sustainability values were present in case studies and social responsibility reports made available by the Fairtrade Foundation (FF) since 2001.

The Fairtrade (and fair trade) model, through establishing a floor price above the market price, works to address inequalities in the market, and to protect small producers from prices volatility risks. This minimum price standard assures a stable income to small farmers, which allows them to plan and invest in their production. Whenever the market price goes above the *fair* price, the market price is guaranteed for fair trade producers. A certified fair trade producer will have the guarantee of a buyer and assurance of a stable income from his production. This trade initiative can make difference for small producers' working conditions, livelihoods, their families, the community where they grow food, the local economy and international trade. At every level of the fair trade supply chain, a degree of social change is shared. Half of the global population subjected to hunger is constituted by small farmers (FAO, 2012), as such the change promoted by the fair trade model, despite viewed as small by some analysis of the movement, can have impact for small producers and wealth generation. Fair trade constitutes less than 5% of the global trade while the main fair trade organisation produces revenues above USD\$ 8 billion a year (as per table 1). This example shows that sustainable development innovative solutions are welcome to economic growth. In accordance to Legarde (2017), every international institution can play a role to include those marginalised from the global economic transactions. Small-scale farmers must not be left behind.

Fair trade related to food production is worth stressing due to constraints of agricultural practices combined with realities of small producers. These include: price variations caused by supply/demand mechanisms which weakens small farmers; small farm size which grows a smaller crop volume and exposes small producers to loss when prices are lowered due to competition from large scale producers who may benefit from economy of scale; small land in remote areas facing high transportation costs with effects on distribution and final prices; lack of access to market; lack of information technology and literacy skills making small producers vulnerable in market exposure and price negotiations. This list illustrates challenges for agriculture development and the several risks small farmers are exposed to. The case studies selected embody a social change in process and can exemplify the delivery of SDG-8 addressed by the fair trade standards on working conditions. Guidelines are clearly expressed in the standards of Fairtrade for Small-scale Producer Organisations. According to Fairtrade International's standards, requirements for certification include assurance of a detailed set of criteria which are partially reproduced below from the latest Fairtrade version (Fairtrade, 2019):

- freedom from discrimination based on “race, colour, sex, religion, political opinion, national extraction or social origin”;
- “no tests for pregnancy, HIV/AIDS or genetic disorders”;
- “no tolerance of gender based violence”;
- “freedom from forced or compulsory labour”. In case such practice is identified among the member organisations, procedures should be implemented to avoid that adults are “employed in abusive, exploitative and unacceptable work conditions as defined by ILO Conventions 29 and 105”;

- no offer of housing conditional to employment is tolerated. “Spouses have the right to work elsewhere”;
- “no children under 15 years old employed”. In case such practice is identified, remediation procedures should be placed to avoid the continuous abuse;
- “no hazardous work for children under 18 years old”;
- payments are made under regular intervals and documented;
- salaries for workers are set at official minimum wages for similar occupations, following national or regional average wages. In addition, “you and your members gradually increase salaries above the regional average and the official minimum wage”;
- “ensure that all permanent workers have a legally binding contract and are aware of their rights and duties, responsibilities, salaries, and work schedules as part of the legal labour contract”;
- ensure hiring and working conditions to subcontracted workers according to this standard, and whenever possible assign them as permanent workers;
- occupational health and safety based on ILO Convention 155 is assured to all workers.

Fairtrade International counts upon 1.5 million small producers in 74 countries. It is worth noting that Fairtrade is not the sole fair trade organization in the market, but it is a primary reference point for the movement, which provides statistical data on a regular and consistent manner and this aspect facilitates research and assessment.

Interestingly, the fair trade movement has been confronted regarding working conditions exactly due to the requirement of decent and high standard work conditions for small producers. In this case, the criticism being that the smallest producers cannot afford to meet the (high) standards; or to invest in the necessary decent work requirements; nor to change their informal work arrangements to achieve labour rights standards (Smith, 2014; Taotawin, 2011; Thavat, 2011). A concern that is understandable, although those arguments can be disputed. Fair trade’s decent work criteria can be seen by some as too strict and even unattainable, as a pattern lifted from developed economies and transported directly to underdeveloped or developing countries. However, it is of note that work, health and safety (WHS) involves a significant cost for any responsible business and should not be misrepresented. The assurance of WHS should be a prime standard for anyone anywhere and unfortunately it can be used as a gateway to lower production costs in conventional practices. This type of practice is common in least developed/developing countries given the intense job competition, unbalanced power relations, asymmetric information. In this sense, the evolutionary perspective seems able to explain the insight of fair trade initiatives in terms of social entrepreneurship, whose limitations can be addressed to advance the necessary social change agenda.

2.2. Evolutionary Economics and Developing Economies constraints to be overcome

Given the challenging characteristics of developing or underdeveloped countries, the approach of evolutionary economics when it integrates change, appears to meet a basic non-excludable condition for understanding the dynamics of the underdeveloped/developing economies^{iv}. When considering economic models, classical and neoclassical economic analysis are not sufficient in explaining underdeveloped countries’ economic challenges as they focus on market equilibrium and optimal conditions for operating markets.

Meet pareto optimal conditions is far from feasible for underdeveloped economies, whose characteristics are remote to optimal equilibrium and skip objective economic laws. Foster

& Metcalfe (2012) contribute to outlining underdeveloped economies features such as: realities of strict markets; bounded rationality; institutions poorly developed; uncertainty; economic knowledge incomplete. Follow this analytical pathway could diversify the economic approach to such realities. Underdeveloped/developing economies characteristics are endogenously related to uncertainty and instability of markets. In such contexts, possible achievements of fair trade initiatives – which brings together developing and developed economies in a viable trade model – can be understood.

As “evolutionary theories place the diversity of behaviour, rather than the uniformity of behaviour” (Foster & Metcalfe, 2012, p. 422), it seemed appropriate to stress those categories as a framework in this analysis. Uncertainty – a constitutive part of those economies – has the potential to bring a positive effect as such characteristic is a great field to innovation, according to Schumpeter (Schumpeter, 1939; Dopfer, 2011). In the same extent, predictability may not apply to those underdeveloped or developing countries, exactly because the history of their market behaviour do not always dispose of a stable or predictable pattern to allow forecasting. This feature may largely undermine investors interest and consequently, credit availability, leaving to these countries a marginal role to advance their productive processes and to participate in international trade.

Nevertheless, under an evolutionary regard, there is hope. According to Witt (1992), a crucial characteristic of Evolutionary Economics is associated with change, as the same author explains: the emphasis is on “becoming rather than being in the economy” (Witt, 1992, p. 405). Following Witt’s insight, the inspirational factor on the term “evolution” can be then linked to “the capacity of an economy, or some part of it, to generate change from within” (Witt, 1992, p. 406). Therefore, an evolutionary perspective seems more suitable in case of growth within a context that skip from classical economic conditions to run models given the admission of variances from inside the economy. Underdeveloped/developing economies are operating, despite no optimal pareto conditions, and in some extraordinary cases, outcomes would surpass predictions. Thus, the historical evolution of developing economies should be regarded in their specificities.

According to a Schumpeterian perspective, while invention relies more on technological or scientific development (Research & Development), which is not always available in underdeveloped or developing economies, innovation can be in place with the use and application of an invention in a different manner, facilitated by the presence of financial credit. This aspect may explain how some countries meet the conditions to creatively innovate whereas others do not. Under the Schumpeterian point of view from Dopfer (2011), the main aspect related to the neoclassical model failure is this dynamic of individual behaviour not being properly considered. In the classical doctrine “the activities of individuals had no role to play” at an objective “machinery” (Dopfer, 2011, p. 105).

Dopfer (2011) compares the individual role in the neoclassical model to a passive behaviour while in his Schumpeterian inspired model, the individual is actively engaged in changing the reality (Dopfer, 2011, p. 105), which includes economy. This dynamic of individuals overcoming objective laws (Dopfer, 2011, p. 106) seems applicable to underdeveloped and developing economies in their peculiar manner of improving their economies even though not fully equipped to do so. In these instances, Schumpeter’s proposal of radical innovation may be suitable to contemplate underdeveloped and developing economies. Evolutionary economic perspective certainly can be complimentary and bring new insights for admitting plasticity and uncertainty of markets as able to promote innovation.

With the neo-Schumpeterian evolutionary economists not only behaviour with its potential to change over time is included in the model, but also technological, organizational and institutional change are recognized as “the core drivers of economic growth” (Foster & Metcalfe, 2012, p. 425). From analysing underdeveloped or developing countries, in many cases there is no basic technological development; organizations did not achieve a homogeneous pattern for operating when compared to developed economies; and not all institutions accomplish with basic needs of individuals. Despite those unfulfilled requirements, sometimes entrepreneurs may surpass those challenging realities creating (and innovating). According to Schumpeter (1942), innovation occurs as a disruptive process, when energetic entrepreneurs break the circle destroying an existing course of the economy by introducing new combinations. The entrepreneur “revolutionizes the economic structure from within” in a constant process of “creative destruction” (Schumpeter, 1942, p. 83), and this is an essential role for economic development (Schumpeter, 1952/1997).

In this sense, despite economies of underdeveloped and developing countries are not standardized models to which classical economic laws could be applied to generate predictable patterns of solutions, their realities of uncertainty could benefit from an evolutionary analysis as well as to contribute for building economic knowledge. Based on Malerba et al. (1999) one could say that singular realities may constitute land to grow knowledge even if based on empirical evidence. This leads to his assumption that “theorizing” is about some particular contexts (Malerba et al., 1999, p. 37). It seems that within the evolutionary perspective there is room to focus on diverse realities and on what this shift may add to the understanding of economic dynamics. Malerba et al. (1999) contributes showing through an evolutionary history-friendly approach that “what economists know about the economic world comes in the form of relatively detailed knowledge about particular contexts” (Malerba et al., 1999, p. 37). Cimoli & Katz (2003) when analyzing Latin America, for instance, observed that “undergoing fundamental changes in the model of production organization” were “gradually enforcing the creation of a new, more competitive (...) pattern of development” (Cimoli & Katz, 2003, p. 389). However, they also observed that “productivity growth has not been rapid enough, nor has the pattern of production specialization been transformed in the direction of activities with higher value added” (Cimoli & Katz, 2003, p. 389) in those countries. Thus, the process of creative destruction cannot assure to this group of underdeveloped and developing economies a macro level of stability. Of course, there remain market asymmetries and bounded rationalities, as well as lack of institutional and organizational support to drive their process of development – which are termed meso rules, or institutional structures (Dopfer, 2011). It seems that the uncertainty of economic environment in those countries cannot assure innovation if basic needs provided by meso structures are not a guarantee. The entrepreneur must spend his energy fighting for standards of living and working. Therefore, beyond theory, empirical evidence reinforces the need of reviewing some classical concepts and recognizing the limitations of evolutionary economic approach as well.

The example of fair trade may illustrate how the alternative model addresses innovation but also depends upon meso structures, which the trade model recognizes in importance by assuring them through the social premium. The fair trade model provides stable income to marginalised producers from underdeveloped/developing countries at one hand. On another hand, through the “social premium”, it creates conditions to finance “meso structures” for the producer’s community socio-economic and environmental development. However, the fair trade movement is a singular contribution within the course of the entire economy. It seems there is potential that the movement’s impact could be expanded with support of government

policies and multi stakeholder partnerships, broadening its social change benefits and sustainable development targets and vision.

3. Is there anything definitive about fair trade?

Despite limits for a complete analysis of developing economies' realities, there are contributions which facilitate the comprehension of some mechanisms in role in such economies. Economic development has been dominated by two main competing schools of thought – Marxism and Liberalism – and both do not fully contemplate underdeveloped economies' specificities. On the one hand, Marxism is considered to reduce developing economies problems to politics constraints whereas Liberalism reduces the problems to market constraints.

The main critique to Marxism originates from the structuralism approach (Choat, 2010), which proposes that Marxism does not go beyond its political criticism and the strict belief in the role of state to distribute income. As a result, it does not recognize the market reality and its potential dynamics as having a distributional effect. On another hand, an analogous criticism can be applied to the Liberalism where a government role is undermined in favor of the “invisible hand” that would solely allow the market flow and grow with the competition.

The higher price instead of the lowest price for products and the high standards in which they are required to be produced and distributed within the fair trade model is an undeniable challenge to classical economic assumptions – which has succeeded as the increasing rate of fair trade revenues demonstrates, feeding the legacy of the ethical consumerism model. Table 1 demonstrates the increasing revenues of the first entrant in the market, Fairtrade International. If there is anything definitive about fair trade it seems to be the response of consumers to sustainability standards, reflected in the increasing rate of Fairtrade sales.

Table 1 demonstrating Fairtrade International revenues per year in billions of Euros. Data collected and compiled from FLO reports 2003-2004 to 2016-2017.

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$832	\$1.1	\$1.6	\$2.3	\$2.9	\$3.4	\$4.3	\$4.9	\$4.8	\$5.5	\$5.9	\$7.3	\$7.8

Although the wealth and income generation, and allegedly changing realities of small producers and communities, this socio-economic-environmental change is also criticized. Fair trade faces criticism for using market tools and language to challenge the same market: the movement's challenge to the conventional trade model is accused of limitation because it relies upon commoditization and thus it is not politically activist enough. Fair trade is accused of excessive stringency for the small producers whose precarious conditions – financial, institutional, organizational – are out of the scope of the requirements for ethical trade. Fair trade is criticized because the proposed fair price higher than market prices for products holding the fair trade seal creates a surplus that would not return entirely to small producers, but it is shared along the supply chain with an amount going, for example, to retailers. Fair trade has been criticized for the space given to large corporations as Starbucks and Nestle, which enjoy of the fairness halo effect of holding the fair trade labelling but actually purchasing a very small amount of fair trade coffee (Barratt Brown, 2007). It can be observed that the movement is judged both from a Liberal and a Marxist perspective. This reinforces the relevance of an evolutionary perspective proposed in this analysis. Fair trade is proposed to be simply seen as an example from within the market that uses the market language and tools to challenge the

same market and produce social change. For doing so, its contribution can be recognised as a transitional model, able to generate "change from within" and perhaps capable of creative destruction to deliver sustainable development. Still a fundamental question remains: how revolutionary is the fair trade movement? Has it succeeded to include the reality of underdeveloped/developing countries, or just by imposing the high standards of developed economies? I let the forthcoming case studies speak by themselves, with their specificities contributing to the debate on fair trade potential contributions for sustainable development based on empirical knowledge.

4. Methodology

The methodological approach of this qualitative study was a literature review associated to a desktop-based review of case studies for a comparative analysis about fair trade certified small-scale producers. Small rice farmers from Thailand and small quinoa farmers from Bolivia are analysed regarding the SDG-8 in light with the potential of the fair trade initiative to produce positive outcomes, from which recommendations are drawn.

5. Case studies findings

5.1. Thai Rice Case

Thai rice farmers are brought into evidence to illustrate the fair trade initiative potential benefits. Findings were depicted from studies by Bechectti, Conzo & Gianfreda (2012). These small rice producers are from the northern, north eastern, and central regions of Thailand. They count approximately 1.100 producers who have joined Green Net, a non-governmental organization founded in 1993 to stand up for sustainability practices in agriculture. Green Net was created given the concern of producers and consumers with the use of pesticides and chemicals in the country and their impacts over public health and environment (Green Net). The contributions of fair trade affiliation related to those rice farmers were tested by Bechectti, Conzo & Gianfreda (2012), what is a rare finding related to staples, being more common the studies about fair trade top sales commodities such as coffee, cocoa, and fruits.

Rice farmers in Thailand have been the target of a national government policy to turn conventional rice farmers into organic ones regarding environmental protection and population's health. In 2004 the organic rice farms comprised 0.049% of all rice farms in the country (Bechectti, Conzo & Gianfreda, 2012, p. 119) and Thailand ranks among the world's top rice producers. Fair trade has worked in the country through cooperatives and NGOs as Green Net, joining efforts to increase sustainable development farming practices. Green Net was granted the Fairtrade (from Fairtrade Labelling Organisation) certification in 2002.

The initial Fairtrade premium was used to buy mills and computers to assist producers' cooperative. Green Net operates paying the small producers in advance, and those producers organized into groups buy the paddy and store them. Once rice is grown, they are milled and delivered to Green Net for packaging and trade, as Green Net receives export orders and systematizes sales. Thai rice is traded with countries as Germany, France, Italy and the UK.

According to Bechectti, Conzo & Gianfreda (2012) analysis, fair trade is an opportunity to increase the market access for small producers; and to reduce the vulnerability of producers who depends on "monopolistic transportation intermediaries" (Bechectti, Conzo & Gianfreda, 2012, p. 119). Drawing from reviews, those authors rejected the existence of stereotypical

exclusive relationships between fair trade affiliated producers and the fair trade channel, as some farmers continued to sell part of their production at the local market and to intermediaries. Bechectti, Conzo & Gianfreda's tested hypothesis demonstrated that fair trade affiliation added economic value more than on the control groups, showing an increase in income of fair trade affiliated producers. The latter were able to sell a higher percentage of their production, keeping family size and the amount for self-consumption equal in both groups compared. This meant that 1.100 producers secured a higher income while working with assurance of a set of good working conditions. Bechectti, Conzo & Gianfreda (2012) remarked the importance of promoting a culture of impact studies to explore further and assess this alternative in trade.

5.2. Bolivian Quinoa Case

The present example demonstrates that globalisation can have side effects, and a model to include small farmers can also increase inequalities in the presence of economic growth. While several authors recommend impact evaluation of fair trade, Carimentrand & Ballet (2010) stresses that numerous studies about the impact of certification schemes and fair trade exist. According to those authors, most of the studies indicate the positive effects of fair trade on "artisans, agricultural producers, and employees" (Carimentrand & Ballet, 2010, p. 3), however their study reports on a counterexample: the negative effects of quinoa peaking production to attend the fair trade export market.

Quinoa production from Peru, Bolivia and Ecuador summed 17,747 metric tonnes in 1970. In 2005 their production together had reached 53,443 metric tonnes. It is reported that Bolivian quinoa production has increased from the 1990 onwards, according to Carimentrand & Ballet (2010). Thus, Bolivian quinoa production departed from 344 tones in 1990, to deliver 1,423 tonnes in 2000, and 7,641 in 2006 (Carimentrand & Ballet, 2010). In the case studied, quinoa is grown in eight administrative provinces from the Bolivian Altiplano, and each province is divided into municipalities that include different communities. The middle of years 2000 is marked by the arrival of agro-industrial business hiring producers to attend large commercial contracts given the increasing demand for quinoa in the global market. Carimentrand & Ballet (2010) argue about the risks of mainstreaming commodities' markets as it happened in the case of the royal quinoa grown in Bolivia. The commodity boom in the European market led to the introduction of mechanized cultivation to attend the sharply increased demand.

The imbalanced capacity of producers to afford mechanization increased the disparity in production. Advantages of mechanization had effects on land ownership, and the plain areas suitable to mechanized cultivation started being disputed. This caused social disruption with fights for land among producers and communities. As a result, disparities among producers have soared. The added value of the fair trade produced quinoa was transferred to agro-industrial companies who started hiring producers to guarantee large scale commercial contracts. Therefore, the direct transference of benefits to the small quinoa producers, who have assured the ethical consumption market to the fair trade model, was diverted.

In the associations and cooperatives, models to protect small producers interests by adding up strengths, there was deviation of collective interests to individual interests (Carimentrand & Ballet, 2010). In ANAPQUI (The National Association of Quinoa Producers) and APROQUIRY (The Regional Association of Quinoa Producers) the proportion of small producers' participation was reduced, according to examples provided by Carimentrand & Ballet (2010). In this case, one can see that the associations of producers did not address

collective interests and the wild fight for the external market created inequality due to mismanagement and priority to commercial contracts. In short, there was a booming economic growth with revenues from increasing sales but no evidence of sustainable development assured to small producers.

Authors report that the manual practices coexist with mechanized cultivation in the Bolivian Altiplano, as a result the disparities among different provinces and communities in the country remain (Carimentrand & Ballet, 2010). This is where externalities of globalisation for mainstreaming a product in the absence of enough planning and sustainable development partnerships – such as government and institutions – can lead, if stringent guidelines towards sustainability are disregarded or misrepresented.

6. Discussion

From both cases one can observe a prime lesson to learn: the global market access requires planning and surveillance under sustainable development guidelines to avoid externalities of over production. Further analysis indicates the advantages of assisting and protecting small farmers with price stabilization, anticipation of payments, decent work conditions, assisted market access, but also government policies and guidance with regards to environment protection and capacity building, as it happened in the case of Thai rice farmers.

Recognize and address the complexity of fair trade standards, the administrative logistics required, the understanding of accountability and procurement, and the respective labour arrangements are necessary steps to enable small producers performance to accrue benefits from the fair trade model. The returns to society can be that regional heterogeneity within countries find through the fair trade model for food products a sustainable development pathway for agriculture and community development. And this means more than economic growth and WHS standards for rural and remote areas of peripheric countries in the globe. Here follow policies recommendations topics for governments intervention to increase the chances of agriculture development related to this alternative trade model:

- facilitate access and storage of crop seeds to small farmers;
- act lowering input costs for small producers;
- balance asymmetrical power relations between small-scale farmers, medium size farmers and large-scale agri-food enterprises;
- agreements and surveillance to support the small farmers associations and cooperatives;
- facilitate access to credit so small farmers can undertake long-term investments;
- facilitate the access to processing plants;
- provide training so small farmers develop capacity building skills;
- provide transportation facilities to remote small farm lands;
- technical assistance to avoid socioenvironmental disruptions.

Each of the listed topics can turn into a bottleneck for small farmers if not well managed, and also for communities where they live. However, partnerships for sustainable development can turn small producers' steps into international trade feasible with social responsibility guidelines. This is the lesson Thai fair trade certified rice farmers demonstrated, producing great outcomes with support of government policies. Let alone all the work that need to be undertaken by the small farmers, but within the insightful social entrepreneurship initiative of fair trade a stable income and decent work conditions are secured. A great achievement for

small-scale producers' livelihoods considering that Fairtrade standards attendance constitute a pre-requisite to join the fair trade system and to maintain the fair trade certification label.

Although fair trade high standards face criticism, it is not a sound solution to lessen the robust fair trade working conditions requirements. On another hand, it is not fair that small producers are held solely accountable for internalizing the expenses to dignify their work and add value to their production when they are submitted to meso structures out of their control. Difficulties of producers, that are related to macroeconomic structures, should be addressed through partnerships for sustainable development as per the above recommendations, with emphasis on their capacity building. This important aspect was already remarked by the Food and Agriculture Organization of The United Nations (FAO), when it stated that "provision of education in rural areas is essential if smallholders are to participate in markets, as small farmers cannot trade in sophisticated chains if they are neither literate nor numerate" (FAO, 2012, p. 30). Training is usually provided by some fair trade organisations, but this also relies on meso structures from the localities where the products are grown. Once more, the value of partnerships for sustainable development can have a synergic effect.

7. Impact Sustainability – Final remarks

Fair trade was presented as an example of innovation for attaining sustainable development goals that deserved to be revisited and have its opportunities related to economic growth and income generation in rural areas of developing economies brought into evidence under an evolutionary economic analysis. As from the review of empirical contributions, the success story relied on multi stakeholder partnerships and their outcomes cannot be disregarded as an opportunity to address those left behind within the economic dynamics. The innovative fair trade model has been insightful in demonstrating the range and the reach of ethical consumerism in our contemporary society, and its attempts to address inequalities evidenced by globalization.

Notwithstanding the benefits of fair trade, the initiative can be improved to increase the outcomes. If all the criticisms are to be definitive about the fair trade movement, if fair trade is just about a niche market strategy and not a greater movement for social change, if the original fair trade model is turning into a free trade, if fair trade initiative is giving too much room for corporatization... that constitute a broad exploratory area for empirical research and development. If all those critics make sense, fair trade organisations have the chance to review its pathways, reinvent themselves to keep up with the social license conquered, in a continuous process of creative destruction. Or the movement will tend to be replaced for a model that readdresses its pitfalls.

The Thai rice case demonstrated the grounds to recognize the potential of fair trade to create more jobs and to broaden decent work conditions for small producers from developing countries involved in rice certification schemes, as well as the associated environmental benefits. Although it can be argued that these achievements are not universal when another fair trade food product as quinoa showed diverse effects. The argument of inequalities growth associated to the quinoa case works as a word of caution given the understandable motivation to bring high quality products into mainstream markets. With this in mind, there is need for more systematic studies with different methodological approaches to assure that research findings are available as a resource and tool for further sustainable development actions, and to assist in achieving the aims for social change brought by the fair trade movement. In this sense, strengthening the link between actions and research is strongly recommended.

A valuable remark is that as an alternative trade model, fair trade sheds light into the viability of an agriculture development model that does not have to surrender solely to the large agribusiness model to achieve economic growth. There is room for sustainable development actions through inclusive models for small farmers with the potential to increase job offerings and steady income sources within rural and remote areas, as the fair trade initiative has proven. This is of great relevance for governments challenge of addressing the drain of population from rural areas into urban settings seeking desperately for income source. This is important for intra-estate and local wealth generation. The level of fairness benefits to be obtained can be supported through government policies to enable agriculture not only for large agribusiness corporations, but also for small farmers. Considering that trade has a relevant role for wealth and income generation, trade agreements either on a regional and multilateral levels must be prioritized so the sustainability goals are not bypassed. In conclusion, on a decision makers level, the achievements or pitfalls of the fair trade movement may be managed to contribute further to social entrepreneurship, assuring the SDG-8 with spillover effects for attaining other sustainable development goals such as SDG-1, SDG-2, SDG-5, SDG-10, SDG-12, SDG-17.

8. Acknowledgments

I acknowledge the Australian Government for the Research Training Program Scholarship provided. And my supervisors at the University of Tasmania, Dr. Fred Gale and Dr. Hannah Murphy-Gregory.

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ⁱ Those terms were proposed by the UNDP (United Nations Development Programme) when mapping countries according to their score in the Human Development Index. Recently the term “underdeveloped” was substituted at the UNDP classification for “least developed countries”. However, “developing” has also been used to differentiate from “developed”.

ⁱⁱ Fairtrade is the trademark of Fairtrade International, also known as FLO (Fairtrade Labelling Organisation), the first fair trade certifier that established the standards in 1988. This model has been reproduced by several fair trade organisations thereafter, following closely or not the standards, principles and values of fairness in trade. Fair trade is used in this study to refer to the movement in general, not alluding to any specific organisation.

ⁱⁱⁱ The consistency of the fair trade aims with the Sustainable Development Goals was demonstrated in a recent work from Ribeiro-Duthie, A.C.; Gale, F. & Murphy-Gregory, H. (2018).

^{iv} There is a trend of simply addressing *non developed* countries as *developing* countries. This use is followed in this study whenever possible. However, the term *underdeveloped* was of common use when some articles used as reference here were published, in this case the term “underdeveloped” is kept, with no derogatory stress to one or another.