

**« Lessons and inputs of Fair Trade in the development of different trade relations
based on food sovereignty”
(first draft)**

The basic idea of this note is that fair trade in its concepts as in its practice contributes to an alternative approach in economic relations between growers and consumers, in terms of both positive input and its weaknesses.

1. Even though we need to distinguish between these weaknesses. There are objective weaknesses, such as the low volume that fair trade represents compared with the overall trade in a given product, including coffee, which is the showcase product of fair trade. A relatively low number of products concerned, be it agricultural or artisanal ones. Fair trade only concerns niche markets, linked to particular consumer behaviour patterns, and a restricted if growing list of product. Advertising is used by certain companies and certain distribution chains, to exploit the idea (Dagris , for cotton...). It is likewise rare for the entire branch to be “fair”, particularly in the heavy segment of “transport”.

Another weakness that has frequently been denounced by detractors of fair trade is the will of certain promoters or players to get us to believe that this kind of trade is capable by itself of changing the current economic *modus operandi* (for example JP BORIS in the final chapter of his book “Commerce inequitable” p. 178). It is not the dominant image that comes across of the positions held and practice of French and other NGOs, players in the fair trade market, or people who have similar ideas. It would appear that that these NGOs use fair trade as the vector of a more radical posture in terms of the dominant economic rules and practice of international trade. It is true that certain Anglo-Saxon NGOs play a greater part in this ambiguity, due to their less radical ideology, helped or not by the lesser radical significance of the meaning of “fair trade” compared with “commerce équitable” in French, even if both terms are, to a certain extent ambiguous.

2. The input of fair trade is both a reality and an ideology. It concerns two main points: fair price and the organisation of trade relations.

Fair price: we can discuss the exact level of what constitutes a fair price for ever, particularly in the case of agricultural or artisanal production, where all the family contribute to the work, which therefore does not correspond to market norms, and all this within an economic framework that is essentially non-monetary and for the most part informal. Furthermore, agricultural produce is submitted to many variables, and the cost of artisanal products can depend on the creativity of the craftspeople and variations in cost of some raw materials. It is nevertheless possible to reach a compromise solution, by taking the fundamental needs of a family or a worker into consideration. Over and above the fairness of the price in terms of level, the stability of the price is fundamental for producers and growers. These aspects of fair trade are of course essential from the point of view of the real economy of the producer or grower. They also play an essential

ideological part for growers, and even more so for consumers. For growers, the fairness of price per se allows for satisfactory pay to be taken out, and allows them to gain access to the status of recognised grower, rather than depending on traders. For consumers and growers alike, this notion of fair price is the basis for undermining the logic of the market with its exploitation of primary growers and the haphazard aspects of speculation. It is intrinsic to the nature of the relationship between growers and consumers that is totally modified, and this change is a factor that undermines the system, at least for certain consumers and organisers of fair trade.

A step that goes even further when the operators articulate 'fair price' and 'fair volume', and take the question of the place of export into account, compared with necessary food crops or artisanal products for local use. This brings into play the question of the role of exchange of goods with distant places, as opposed to more local trading that is likely to develop another kind of solidarity, and provide a better response in terms of development.

A new organisation of trade and exchange; it is already at the heart of the question of price, but also presents important complementary aspects at either end of the chain: the general need for growers to organise themselves within a cooperative, the level of organisation, and the respect of specifications, to think about outlets, and production volume. This level of organisation and respect of specifications are, unfortunately not accessible to all growers, and fair trade is undergoing a certain selectivity process. We can thus see that the stakeholders of fair trade are obliged to fit into a more global process; From the consumer's point of view, the input is first and foremost ideological, in undermining the liberal market. More globally, this organisation of exchange in the context of partnership, even if it is necessary to avoid idealisation, allow us to envisage exchange in a more cooperative and less purely mercantile way between growers and consumers. It at least gets away from the domination of some firms.

3. The question that remains is how the dual input at concrete and ideological level to fair trade have had and continue to have positive impacts on the advancing of food sovereignty. It is possible to identify these effects both in terms of the content of fair trade and in terms of basic shortages.

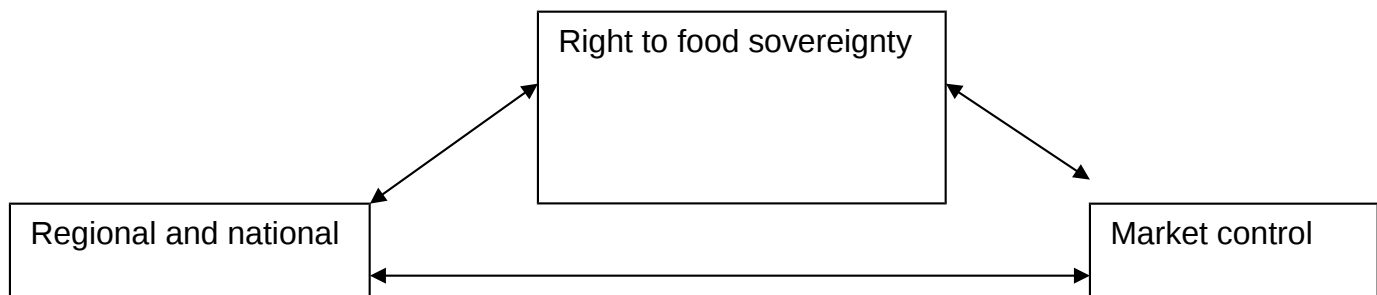
The contents of fair trade has undoubtedly played an important part in the emerging concept of food sovereignty in the 1990s, and more specifically in Via Campesina's proposal of providing a first definition at the 1996 food summit in Rome. By seeking to escape the liberal trade that resulted from the deregulations of the 1980 agreements and the 1994 agreement, the players of fair trade no doubt contributed to an ideological advance based on the necessity of defending sovereignty of communities and the preservation of local agriculture. On the practical side, the development of radical NGOs, less related to fair trade, than critics of the existing system, consolidated the camp of the opposition.

But this model effect and laboratory of fair trade related to food sovereignty is restricted to the limits of fair trade, and these limits require a total reorganisation of the rules and methods of exchange, completely outside of the scope of this approach.

4. And it is necessary to agree on the contents of the conditions of food sovereignty. Most of its promoters limit themselves to promoting the principle and translating it into alternative national policies in favour of family or peasant-based agriculture. These national policies are based on a supposition of different international rules, partially promoted and tried and tested but at a small scale and for specific products through fair trade. These rules suppose radical change.

- The drafting of effective, i.e. applicable and...applied international rights (the right of food sovereignty) to replace the current WTO rules, whose definition of food sovereignty is: **each country (State) or group of countries (States) has an effective right to satisfy its food needs in the way that seems to them to be the most appropriate, and without any dumping of other countries' produce.**
- Establishing policies and regulatory tools for markets as a complement to the right to food sovereignty, that allow, among other things, prices that are stable and that yield a positive financial return for growers, whatever their level of competitiveness, and need to exchange. This supposes a combination of agreements per product, regional agreements and new preferential agreements that allow an escape from the pressure of the most competitive growers and dominant companies.

Implementing food sovereignty at international and national level presupposes three complementary conditions that can be drawn as follows:



Which leads to another question: would such a system, based on true food sovereignty suffice to generalise true fair trade? This answer to the question, on the other hand, is based on an equitable approach. But this debate is not part of what is under discussion here.