

2003 World Social Forum

Summary of the round table and workshops on Fair Trade, Consumer Responsibility and Cooperative Movement

In the framework of the 3rd World Social Forum held in Porto Alegre (Brazil) on January 23 to 28, 2003, a round table (gathering 6 participants with an audience of 800 people) and 5 workshops (of 30 to 50 people) on Fair Trade, consumer responsibility and the cooperative movement, have been prepared by the Fair Trade Workshop of the Socio-Economy of Solidarity Workgroup of the Alliance for a Responsible, Plural and United World and by the Citizen mobilisation in the economy group (France).

The round table and the workshops benefited from the participation of experiences of several continents (Latin and North America, Europe, Asia) and of discussions of high quality, consigned by reporters in every session. The reporters met for this intermediate summary, which was in turn an input for the general summary on socio-economy of solidarity, available on the <http://www.socioeco.org> site.

Here is the list of the sessions contemplated for the elaboration of this document:

Round table: Consumer Responsibility and Fair trade. January 24, 2003,

Workshops organized by the “Fair Trade Workshop”- January 25, 2003

- Fair Trade as means to promote local and regional sustainable development
- Organic Agriculture and Fair Trade movements : what synergies ?
- Cooperative movement, self-managed production and Fair Trade

Workshops organized by the Citizen mobilisation in the economy group:

- How can finance of solidarity actively support the financing of Fair Trade ?
- Engaged consumerism and conventional consumerism : how are they different ?

Introduction

Every citizen can get involved politically and socially to act against neoliberal globalization. But we can also begin to act as early as today and opt for another world through our everyday economic choices. Among our most important choices are the decisions of purchase or not to purchase. It is from this awareness that is born more than 40 years ago the Fair Trade movement, which proposes some alternatives to conventional international trade, basing trade exchange on relations of partnership between consumers and producers respecting economic (fair price, prefinancing), social and environmental criteria encouraging sustainable development.

CONVERGENCE

A plural movement, that must develop its impact and its range,

The Fair Trade movement today expresses itself in a variety of practices and conceptions, in particular with regard to the responsibilities of the different actors. In spite of some divergences, these practices are complementary. They encourage the organization of producers, consumers and purchasing groups for trade relations respecting dignity and the economic and social rights of producers. They are also a means for the consumer to exercise a pressure on corporations (agri-food and distribution in particular). After having known a constant progression during the last years, this movement sees today the need to go beyond its present achievements.

Among the main challenges identified during the World Social Forum, one can mention :

- The need to increase the **market shares of Fair Trade**, so that more small producers can find outlets on the international markets.
- The need to **use Fair Trade as a leverage for the transformation of the rules of international trade**. For some actors, this objective means that Fair Trade must develop itself like a real **social movement**.
- Fair Trade must **assume a role of consumers education**. It must also continue to set up of the campaigns of pressure on corporations and on public authorities.

STRATEGIES

The construction of a Fair Trade from the local level

Many participants of the workshops highlighted the fact that, if Fair Trade is to represent a real alternative to conventional trade relations, we need to reconsider these relations from the local level, and **to develop Fair Trade relations within countries of the South, and within countries of the North**. Otherwise, Fair Trade will just mime the logic of international trade, while being at best a factor of alleviation (and non of challenge) of its negative consequences.

Fair and socially responsible trade relations must therefore be built from the local level, allowing to reach higher levels: regional, national and international. These relations can rely on the existing alliances between small producers and local consumers: cooperatives or networks of producers and consumers, etc. According to some participants, a fair trade of products of the South towards the North is essentially **complementary** of fairer exchange relations at the local and regional levels.

This idea of South - South and North - North Fair Trade appeared to many participants like a necessary extension of the common meaning of the concept of " Fair Trade ", usually understood like a trade of products of the South towards the North. In spite of its novelty, the practical application of this idea should be able to benefit from the support and the experience accumulated by the North - South Fair Trade. The latter remains therefore necessary as a tool for international solidarity.

Perspectives for Fair Trade as a means to promote local sustainable development

The main objective of the Fair Trade movement is sustainable development. However one knows that a development of this type is built from local communities. As a tool for local development, Fair Trade comes however up with several difficulties :

- The knowledge on the impact of South-North Fair Trade on local development is very scarce.
- Often, producers of the South that are partners of the Fair Trade movement have more allies in the North than in their own countries, and therefore develop very few alliances at a local level.

It is therefore necessary to bring closer producers and consumers in each of our countries.

In Brazil, for example, the political awareness should also be appearing in everyday awareness for the consumers, who could build fairer and more direct trade relations with the small ecological producers of their own country, whose incomes are precarious.

The **movement of organic agriculture** (or agro-ecology) and the movement of Fair Trade contributes each to one of the base line of sustainable development (ecological, and socioeconomic). Yet, these two movements ignore one another. **We must try to develop synergies between these two movements**. Successful experiences and practices illustrate possible synergies in the following areas:

Certification :

- Articulate Fair Trade and Organic Agriculture labels, while creating adapted fair and inexpensive forms of certification.

Distribution :

- o Develop existing synergies, following the successful practices of distribution networks in small and medium outlets for Fair Trade and organic products, respecting the producers and the environment. These distribution networks relying on local shops enable the reinforcement of the local economy and small local producers. They encourage more direct relationships between producers and consumers, while minimizing the negative ecological impact of products transportation.

For a balanced development of Fair Trade

Fair Trade is called to develop itself to meet the expectations of small producers and committed consumers. How do we ensure this development without being recovered by conventional economy, or becoming just a way of being part of it ?

- The development of Fair Trade is to be achieved through a **broad development of decentralized structures**, among others of distribution structures close to the local level, working professionally, and organized in networks. The proximity of retail outlets encourages the education of consumers and the articulation of Fair Trade with social movements and the local development players.
- Some functions are necessarily centralized, in particular purchasing pools and organizations that import or export Fair Trade products. However, **these centralized functions must remain under the democratic control of basic structures**, organized in network.
- **Fair Trade labels** allow the marketing at a wider scale of Fair Trade products, through large surface stores. This strategy presents however the risk that Fair Trade goes under the control of these powerful economic actors. It is necessary to set up appropriate strategies enabling to limit this risk. Experimentations and brainstorming are in progress in this field.

- The actions of **socially responsible finance** must help Fair Trade to earn the means of its independence and an autonomous development. The producers organizations, the distributors and other Fair Trade actors lack of working funds. Inversely, Fair Trade remains today an under-exploited potential by socially responsible finance. An alliance between the initiatives of Fair Trade and socially responsible finance is therefore necessary and desirable. These two worlds must stop ignoring one another.

QUESTIONS IN DISCUSSION / POSSIBLE DIVERGENCES

- The following issues remained in discussion, and would deserve to be studied thoroughly, to define better the proposed strategies, or to acknowledge some divergences :
- **Need to study thoroughly the notion of South - South and North - North Fair Trade and to specify its practical applications and the strategies to be implemented.** If South - South Fair Trade is acknowledged by many partners from the South, the idea of North- North Fair Trade is not necessarily recognized or accepted in the North.
- **The issue of certification** has been the subject of important discussions in the workshops. The utility of a formal, fair or organic certification doesn't appear obvious to all. Are the labels necessary tools or do they have only a transitory utility? What criteria do the agencies of certification themselves comply to?
- **The issue of distribution** of Fair Trade products and products of small producers in general is worth to be studied in-depth: viewed like a simple means of marketing of products of South by the Fair Trade labels, the practices of the big distributors are denounced by local producers. Can we set up distribution structures consistent with the principles of Fair Trade?

CONCLUSIONS

Main fields of convergence in terms of strategies

- Fair Trade must pursue its development supporting it on economic structures closest as possible of the local level, controlling the more centralized tools, if it wishes to develop itself as a movement aiming social transformation by a transformation of trade relations.
- Fair Trade, socially responsible finance and organic agriculture are movements that should be interested in coming closer and working together, because their purposes are identical.
- The federations and international networks of Fair Trade can become platforms of action for practical application of these proposals and of Fair Trade as a tool for local development.

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