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DISSERTATION

JUST BANANAS?
A FAIR TRADE ALTERNATIVE FOR SMALL-SCALE PRODUCERS IN THE DOMINICAN REPUBLIC

Submitted by

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Department of Sociology

In partial fulfillment of the requirements

For the Degree of Doctor of Philosophy

Colorado State University

Fort Collins, Colorado

Spring 2002

COLORADO STATE UNIVERSITY

September 28, 2001

WE HEREBY RECOMMEND THAT THE DISSERTATION PREPARED UNDER OUR SUPERVISION BY AIMEE SHRECK ENTITLED 'JUST BANANAS? A FAIR TRADE ALTERNATIVE FOR SMALL-SCALE PRODUCERS IN THE DOMINICAN REPUBLIC' BE ACCEPTED AS FULFILLING IN PART REQUIREMENTS FRO THE DEGREE OF DOCTOR OF PHILOSOPHY.

Committee on Graduate Work

Adviser

Department Head

ABSTRACT

JUST BANANAS?
A FAIR TRADE ALTERNATIVE FOR SMALL-SCALE
PRODUCERS IN THE DOMINICAN REPUBLIC

The Fair Trade movement is one of a growing number of contemporary social movements that have emerged to contest the neoliberal, capitalist, and corporate driven process of globalization. The movement seeks to draw from a rising consumer consciousness in the North to improve agricultural conditions in the South by altering exploitative trade relations that govern global exchange. This dissertation questions the extent to which Fair Trade may be a powerful force for overcoming inequitable trade relations, or whether it presents yet another empty promise of capitalist penetration of producer/consumer relations.

The study draws on field work in the Azua Valley of the Dominican Republic and focuses on the level of production to better understand the implications of Fair Trade initiatives. Primary data includes interviews with a random sample of the Fair Trade banana producers in the region (n=115), participant and non-participant observations, and in-depth field interviews with a range of actors involved in the Fair Trade banana initiative.

In addition to examining the implications of Fair Trade for producers involved, I also consider the potential these initiatives might hold for achieving the movement's more ambitious goal of altering the current system of international trade. I argue that the Fair Trade movement is a counter-hegemonic social movement which can be understood as part

of a broader, Gramscian "war of position." However, while it successfully redistributes material resources to small-scale commodity producers, the movement's transformative potential is limited in important ways, notably by its reproduction of the historical power asymmetry between North and South. My analysis proceeds from an assumption that many Fair Trade advocates seek substantive, qualitative, and transformative change in the political economy of food and agriculture. But, given the present limitations for Fair Trade initiatives to bring about this kind of change, I argue they need to revisit the way Fair Trade is conducted today. In order to take advantage of its possibilities, the Fair Trade movement must engage in a critical reflection to re-conceptualize what underlies the notion of Fair Trade.

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acknowledgements

This dissertation could have never been attempted, let alone completed, without the support, guidance, and encouragement of many people and organizations. Research for the study was supported in part by the John D. and Catherine T. MacArthur Foundation and by the Sociology Department at Colorado State University. I must begin by thanking the very many banana producers from Azua, the packing station workers, and their families who shared their experiences and opened their homes to me. This study would also never have been possible without the insights from, and cooperation of, the banana exporters in Azua, especially Christoph Meier, Jetta van den Berg, and Francisco Soto. Representatives from various Fair Trade organizations helped me gain a broader understanding of the challenges facing the Fair Trade initiatives and the movement more broadly. In particular, I'd like to thank Emilie Dardaine and Frans Papma from FLO, Kerry Jones and Guido Gomez from Oxfam-GB in Santo Domingo, Marike Runneboom de Peña of Max Havelaar-NL in Monte Cristi, and Alistair Smith of Banana Link. Discussions with participants at the Fair Trade workshop in Keystone, Colorado were also invaluable in furthering my understanding of the Fair Trade movement.

The challenges of conducting field work in Dominican Republic and Azua were made easier thanks to the insights and guidance of numerous kind and patient individuals, especially Juan Andujar of Habitat, Luis Cabrera of Fecainmat, Rafael García of the Cooperativa Francisco Rosario Sanchez, and Librado Custodio of Finca 6, Fernando Decena

of Horizontes and Aprobata. I will certainly not forget the assistance of Ime during countless interviews, nor the friendly faces of Linda, Chris and Letzbia, and Miladys in Azua. The breaks from Azua in Santo Domingo and even Hondo Valle were another essential reason this study was completed. Here, I must thank numerous friends for making the capital my second home, especially Bea and everyone in her beautiful home, Jane (in Hondo Valle too), Yudi, Light, and Andrea.

The members of my Ph.D. committee deserve special thanks for guiding me through the challenges of field research and writing a dissertation. Doug Murray, the chair of my committee who suffered through many drafts, has been enthusiastic and encouraging as well as helpfully critical throughout my studies at Colorado State. Laura Raynolds is an invaluable advisor who has guided me in countless ways over the past few years. As a wonderful complement to Doug and Laura, Pete Taylor has consistently provided me with constructive and thoughtful feedback about my ideas and writing. Finally, as an outside member, Dimitris Stevis shared his helpful insights about earlier drafts of these chapters.

Finally, I am quite sure I would never have finished this project without the encouragement of my friends and family. I will always be grateful to Johan Six for putting up with me for the length of this process. I'd also like to thank incredible friends for their support and feedback, sociological and otherwise–especially Amory Starr, Melissa Hippard, Angela Benedetti, Karin Wirthlin, Amy Cornish, and the rest of the group.

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We need to say no to the neoliberal fatalism that we are witnessing at the end of this century, informed by the ethics of the market, an ethics in which a minority makes most profits against the lives of the majority. In other words, those who cannot compete, die. This is a perverse ethics that, in fact, lacks ethics.

~ Paulo Freire in

Ideology Matters

CHAPTER I

INTRODUCTION: THE FAIR TRADE MOVEMENT AND THE GLOBAL AGRO-FOOD SYSTEM

Of all the fruits marketed in today's supermarkets, the banana is the least interesting. Always available and cheap, it is now taken for granted. No longer the exotic commodity ... the banana is commonplace and bought out of habit ... about the only thing that distinguish[es] one banana from another is its sticker.[1]

A seven year long trade war between the world's two largest economies, the United States and the European Union, suggests that bananas may be far from commonplace and certainly not "taken for granted" in the global economy today. Likewise, impressive growth rates of around twenty percent per year in demand for organically produced and alternatively traded bananas (FAO 1999a; Banana Link 2001) casts doubt that the fruit is the "least interesting" of all. Launched in 1996, a Fair Trade banana initiative is a new and appealing alternative that has taken off in just a short time. Fair Trade seeks to draw from a rising consumer consciousness in the North to improve agricultural conditions in the South by altering exploitative trade relations that govern global exchange. This dissertation questions the extent to which Fair Trade may be a powerful force for overcoming inequitable trade relations, or whether it is rather a sort of postmodern opium for the masses, offering yet another empty promise of capitalist penetration of producer/consumer relations. Drawing

on a detailed case study of the Fair Trade banana initiative in the Dominican Republic, I will argue that as a counter-hegemonic social movement, Fair Trade holds important potentials and yet is simultaneously limited in multiple ways.

1. Introduction

While this dissertation is not a study about globalization or resistance to globalization *per se*, Fair Trade is being considered here as one of a growing number of efforts put forth by citizens who are increasingly refusing to accept as inevitable the dominant form of globalization. Therefore, before moving forward I begin with a brief overview of this important phenomenon.

On the streets, within the academy, and over the world wide web, discontent with neoliberal, capitalist, and corporate driven process of globalization is being expressed both cogently and passionately. The current path of globalization is proving to be devastating for the majority of the world, particularly the poor (in the South and North), indigenous peoples, and the environment on which transnational corporations (TNCs) tread in their race to accumulate capital.

Collectively, the efforts of scholars to make sense of 'globalization' comprise a rapidly growing body of literature which will not be reviewed here. Recognizing there are lively academic debates about the nature, process, and even existence of something called as 'globalization', I am compelled to follow theorists who conceptualize a process of capitalist, economic globalization that is real, yet tentative, uneven, and incomplete. This approach is summarized by Held et al. (1999) as the 'transformationalist' position and incorporates insights from a number of scholars (including among others Giddens 1990; Hoogvelt 1997;

Scholte 1993; Castells 1996; Rosenau 1990; Sassen 1996) whose work suggests "globalization is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order" (Held et al. 1999:7). At the same time, however, these theorists emphasize that it is a "long-term historical process which is inscribed with contradictions and which is significantly shaped by conjunctural factors" and thus "make no claims about the future trajectory of globalization" (Held et al. 1999:7).

In this study, then, the term globalization refers to a process of economic globalization which is rooted in capitalism, driven by transnational corporate actors, and upheld by the dominant ideology of neoliberalism (Sklair 1995; Held et al 1999; Amin 2001). Yet, the process is neither complete nor is its outcome confirmed. From this position, the hegemony of neoliberal globalization is characterized by a spread of the belief that the principles of the capitalist market should guide major social and political decision making; that the role of the state in the global economy should be minimized; and that transnational corporations should be able to engage in unfettered free trade in goods and services, have the freedom to invest anywhere, while capital should circulate freely through the global economy (George 2001).

2. Opposition and the Agro-Food System

Trends like increasing trade liberalization and the dominance of powerful transnational corporate actors that characterize the global economy are reproduced in what is described as the global agro-food system. This system has seen a rise in "private global regulation" in which TNCs have become the "major agents attempting to regulate agro-food conditions, that is, to organize stable conditions of production and consumption which

allow them to plan investment, sourcing of agricultural materials, and marketing on a global scale" (Friedmann 1993: 52). At the turn of the century, the agro-food system is characterized by a deepening polarization at the level of consumption, in both North and South. In addition, the production and distribution of food is increasingly driven by global demand and the internationalization of the agro-food industry (Watts and Goodman 1997: 2-3).

In addition, the neoliberal economic policies upon which it is based are designed to encourage free trade and favors the large scale, high-input agriculture widely practiced by TNCs. Moreover, this industrial model of agriculture is kept profitable through the use of labor and environmental practices that are both exploitative and destructive. Thus, as the process of globalization intensifies, agricultural producers all over the world are finding it more and more challenging to compete and survive doing what many have been doing for the past 5,000 years.

Perhaps unsurprisingly, given that approximately 1.3 billion people are engaged in the agricultural labor force (CGIAR 2001) and all of us eat, the global agro-food system has emerged as a critical target of contestation and opposition. Discontent with its present configuration is manifested as an impressive and diverse range of new initiatives. This mushrooming of alternatives to the industrial agriculture paradigm (which was characterized by the postwar Green Revolution technologies and is exacerbated by the biotechnologies of the "second" Green Revolution today) is being considered, promoted, and implemented at varying scales by a range of public, private, and civil society actors (Magdoff et al. 2000a). This may be interpreted as a response to powerful critiques of the Green Revolution, export agriculture development initiatives, and their devastating effects on Third World

communities and the environment (Shiva 1991; Goering et al. 1993). Implicit in these attempts to develop alternatives that are 'better' or 'greener' is agreement that present conventional practices are *unsatisfactory* to at least some segments of the population. Though some alternatives are clearly more oppositional and progressive than others, the activity in this sector shows a growing awareness of the contradictions perpetuated by the agro-food system today.

These alternatives and the movements supporting them are providing us with new and different choices regarding how our food is grown, distributed, and traded. For instance, the organic agriculture sector is one of the most dynamic, growing at a rate of twenty percent per year over the past decade (Klonsky 2000) and offers an alternative form of production to the industrial model characteristic of the dominant agro-food system. A growing intolerance of genetically modified crops has also sparked mobilization against this specific form of industrial agriculture. The growth in Community Supported Agriculture (Imhoff 1996; Cone and Myhre 2000) and farmers markets (Hinrichs et al. 2001) are examples of two alternatives favoring local distribution of food over the thousands of miles most conventional meals have traveled. Finally, alternative or fair trading efforts have also emerged to challenge further intensification of the present agro-food system (Renard 1999a; Murray and Raynolds 2000; DuToit 2001a). For instance, Fair Trade alternatives reject dominant trading patterns in favor of a different model that is concerned with principles of equity and social justice. These initiatives are market-based options that take advantage of both the international market structure, through which they operate, as well as the space alongside it in which a parallel network of trading partners committed to providing a more equitable form of global exchange is being formed.

Considered together, these kinds of alternatives reveal the dissatisfaction of a wide range of actors. However, some caution that the range of interests presently seeking to transform agriculture might be both a strength and a weakness. While "family farmers, sustainable agriculture proponents, migrant farmworkers, environmentalists, health- and environmentally-conscious consumers, and third world peasants" all clearly have an interest in changing the current system, their alternative visions are not necessarily compatible (Magdoff et al. 2000b:20-21).

A series of recent publications reflects the serious attention that is being given to these emerging alternatives by social scientists who recognize this concern. They are engaged in debates about why, how, and where these alternatives are developing. Most importantly, they are considering what they mean and how they should be studied (see Buttel 2001; Magdoff et al. 2000a; Marsden 2000; McMichael 2000a; Watts and Goodman 1997).

Taking seriously both the challenge of understanding these emerging initiatives and the empirical conditions that create such a demand for better alternatives, Friedmann has pointed out that the types of alternatives needed most are the ones that will not only confront, but reverse the destructive trends that characterize the conventional agro-food system (Friedmann 1993). Drawing on her observation, this study takes an in-depth look at the Fair Trade movement to examine the extent to which it may contribute to this goal.

3. A Brief History of Alternative Trade

The origins of alternative trade are generally traced to the 1960s when church-based and development organizations, primarily in Europe, set up small shops where they sold

handicrafts and similar items purchased directly from Third World producer groups. Consumers supported this form of solidarity trade by paying higher prices, knowing the producers would receive a fair return for their work. By the 1970s, the movement supporting alternative trade was starting to be organized through a network of Alternative Trade Organizations (ATOs) which began meeting informally every several years. The 1980s United States' blockade against Nicaragua gave the movement another push as European ATOs organized campaigns to import bananas and coffee in support of the Sandanistas. Alternative trading efforts in the United States took off more slowly than in European counterparts, but the movement has recently begun to take off more forcefully. This can be seen in the rapid growth of the Fair Trade coffee initiative (Conroy 2001) and the recent launch of Fair Trade certified cocoa products in February 2002 (Global Exchange 2002).

At first, the movement was very small and limited to localized efforts. It was driven primarily by a desire to find markets for producers who were excluded from mainstream international distribution channels. It was not organized more formally until the mid-1980s when the different groups began to see the momentum of their efforts taking off and started thinking about promoting the model more intently. Their model was increasingly referred to as 'fair trade' signaling the intention to promote a more socially just international trading system. Then in 1989, the International Federation of Alternative Trade (IFAT) was founded to create a network of ATOs from around the world and a forum in which to exchange ideas and information (IFAT 2001). Shortly afterwards, the European Fair Trade Association (EFTA) was organized in 1990. Today this group represents twelve major fair

trade importing organizations and about 60 percent of the European fair trade imports (EFTA 1998).

The concept of fair trading became more formalized with the adoption of labels backed by a certification procedure to differentiate fairly traded from conventional products for consumers wanting to support it. The first labeling initiative was the Dutch 'Max Havelaar' label that debuted in 1988 with coffee, marking an expansion of fair trade away from strictly handicrafts. By focusing on tropical commodities produced for export to Northern markets, the fair trade movement committed itself to reaching a growing population of agricultural producers who have been made increasingly dependent on unstable agro-export markets. Once certified, a producer group is placed on the Fair Trade register for the particular commodity and Fair Trade registered importers can sell products from these groups using a Fair Trade label. This shift also marks the period in which fair trade began to expand from its limited trading channels organized by ATOs into mainstream markets. The certification of the production process and the labels give greater legitimacy to the fair trade message and communicate to consumers that the production process of the goods carrying the label was inspected and certified by an ATO.

With the rise in certification and labeling, the practice of fair trade began to take a slightly different form as well. In return for the guarantee that products were produced according to a set of social, and now more recently environmental criteria, consumers support fair trade by purchasing the labeled products at somewhat higher prices (usually about ten percent). A Fair Trade organization in turn promises to return the higher prices to the producers.

Today, the scope of fair trade products has grown considerably, as has the scale of the fair trade market. In Europe alone there are now over 63,000 retail outlets where fairly traded products can be purchased (EFTA 2001a). The major national labeling initiatives joined together in 1997 in order to better coordinate their work and certification procedures. This umbrella group, the Fairtrade Labelling Organizations International (FLO), is responsible for collecting data and overseeing the monitoring and certification of products that will bear their Fair Trade label (see Appendix A for overview of FLO's certification program). Members are primarily European countries but national initiatives also include the United States, Canada, and Japan.[2] Today, FLO's "consumer guarantee" is given to coffee, chocolate, orange juice, honey, tea, sugar, and bananas, with the possibility of additional products in the near future, such as mangoes.

All of the major European Fair trade networks – FLO, IFAT, NEWS! (an association of 'world shops' that sells fairly traded products) and EFTA – have been cooperating informally since 1996 under another umbrella group called FINE (an acronym taken from the first letters of the names of each group). In April 1999, FINE agreed on the following as a definition for Fair Trade, in an effort to add standardization to the growing movement.

> Fair trade is an alternative approach to conventional trade. It is a trading partnership which aims for sustainable development of excluded and disadvantaged producers. It seeks to do this by providing better trading conditions, by awareness raising and by campaigning (EFTA 2001a:5).

In the remainder of the dissertation, the term Fair Trade refers specifically to the more formalized concept of fair trading that involves compliance with a set of certification standards (the FLO banana criteria are summarized in Appendix B) and monitoring of the producer groups by FLO.

4. Fair Trade: A Social Movement and a Multi-Dimensional Concept

Despite efforts of Fair Trade organizations to clearly define their alternative trade model, 'fair trade' remains a complex idea. For some, fair trade is a term which refers primarily to a social movement, for others a marketing initiative, a label, an alternative vision for international trade, or a characteristic of commodity production. This reflects the fact that Fair Trade operates at multiple levels and across multiple dimensions. Fair Trade actors embrace any or all of these descriptions, yet these alternate conceptions of Fair Trade are not necessarily complementary.

Indeed, the idea of 'fair trade' is an appealing one, and not only to those wanting to fundamentally alter the current structure of international trade relations. So reasonable is the concept of fairness, it would almost be surprising to encounter popular opposition to the proposal that trade should be fair. As one journalist commented, "should someone ask, 'aren't you in favor of Fair Trade?', then any hesitation or demurral is likely to be interpreted as being in favor of 'Unfair Trade'" (Johnson 2001:1). Yet, such allure makes claims to 'fair trade' both provocative and suspect. The increasing popularity and vulnerability of fair trading can be illustrated by looking briefly at the range of applications of the idea.

For starters, the most neoliberal of economists insist any trade that is not 'free trade' is inherently unfair (Bhagwati 1995; Kamath 1994) and therefore reject the distinction between free and fair trade as a false one. For them, the type of fair trade being proposed by this movement is merely preferential treatment, protectionist, and hence anything but fair. In stark contrast to this line of reasoning, *The Nation* described the 'Battle in Seattle' between demonstrators and the World Trade Organization (WTO) as a fight between those committed to 'fair trade' (the demonstrators) and those protecting their corporate interests in

the name of 'free trade' (*The Nation* 1999). Similarly, an array of interest groups that joined forces in 1999 to defeat fast-track legislation proposed by then-President Clinton now refer to themselves as the 'fair trade coalition'.

Thus, much like its founding slogan, "trade not aid," the idea of fair trade is flexible enough that it can accommodate a diverse range of initiatives claiming to be engaged in a more socially just form of international trade. For example, internationally recognized companies such as Ben and Jerry's and the Body Shop have been promoting fair trade in mainstream markets for decades. And, even though Anita Roddick (founder of the Body Shop) is a well-known and outspoken advocate of fair trade (Roddick 2000), Naomi Klein nevertheless includes the Body Shop alongside decidedly pro-free trade transnational corporations in her book *No Logo* (1999) that exposes the destructive downside of corporate branding.

Meanwhile, the "mainstreaming" of fair trade (James 2000) in the United States is arguably complete, now that coffee-giant Starbucks has agreed to participate (Starbucks 2000). As of summer 2001, more than 85 coffee roasters had signed up with TransFair USA (the US Fair Trade organization working under the FLO umbrella) and Fair Trade certified coffee is now available at about 7,000 retail locations, including Safeway supermarkets. Yet, such corporate involvement should not be surprising. As Langeland (1999) has argued, the increasing attraction of consumers to fair trade products represents a lucrative "vigilant market" that provides "a great opportunity for business to capitalise on embracing sustainability" (Langeland 1999:89).

However, such flexibility of the term 'fair trade' should be seen as both a weakness and a strength. If we wish to analyze the possibilities and limits of Fair Trade initiatives, the

way it is defined becomes critical. The lack of clarity about the concept provokes both blanket celebration and harsh critique of the Fair Trade model – neither of which necessarily further our understanding of it (for instance see Grimes 2001; Starr 2000; Entine 1996).

In this study, I follow Murray and Raynolds (2000) and argue that a fundamental question to ask of Fair Trade is if and how it might bring about progressive and transformative change in the global agro-food system. To do so, I privilege a conceptualization of Fair Trade as a social movement (Raynolds 2000a). For, to explore this concern, it is most helpful to consider it as a movement, rather than as a network, as do several others (for instance, Whatmore and Thorne 1997; Goodman and Goodman 2001), as a market (Liddell 2000; Lamb and Belling 2000) or simply as another form of production, as it can seem for producers being certified.

The findings presented in the pages that follow support observations that Fair Trade "is not a panacea for all the injustices in global exchange" (Nash 2001:179) but still represents a "promising, though not unproblematic, avenue for molding a more environmentally sound and socially just world agro-food system" (Murray and Raynolds 2000:66). I believe that to better understand these promises and problems, a more comprehensive outline of the meanings behind the concept of 'fair trade' is needed.

Towards a Conceptual Definition of Fair Trade

Conceptualizing Fair Trade should begin with a comprehensive exploration of how the term is used and why it deserves attention. Then, a clear conceptual definition can be outlined and used analytically. This exercise is important for (at least) the following three

reasons. First, and most obviously, since the term is often applied loosely, it is critical to specify exactly what is meant by Fair Trade before proceeding to critically analyze it.

Second, it can help protect the movement from charges against Fair Trade for failing to do something it does not attempt to do. For instance, alternative trading efforts have been criticized for failing to eliminate South/North trade relations (Starr 2000). The Fair Trade movement, however, is being driven by a desire to make international trade more fair and does not problematize international trade *per se*. Quiet to the contrary, central in most descriptions of Fair Trade is a focus on the very relations that characterize trade between North and South (see below). As this study demonstrates, there are important criticisms that can and should be directed at Fair Trade initiatives. To engage in constructive dialogue with the movement, however, I find it more helpful to focus on the way Fair Trade operates rather than to close off the possibility of strengthening the concept by rejecting it outright.

Third, the definition and principles agreed upon by ATOs themselves will not necessarily further our understanding of Fair Trade. Drawing on a set of principles that outline the philosophy of Fair Trade only to use it as an evaluative standard on which to base a judgment is not particularly helpful. This type of approach would focus attention on the extent to which Fair Trade achieves an ideal, and treat success as either present or absent. In doing so, it denies consideration of what may have in fact been accomplished. Instead, I suggest successes can be more appropriately measured according to the degree to which they contribute to the Fair Trade movement's broader goals, which might be better measured along a continuum.[3] Moreover, some of the most important benefits of Fair Trade may actually be intangible (Robins et al. 1999) and prove difficult to link directly to any one or another of the Fair Trade principles. Therefore, in moving towards a useful

conceptualization of Fair Trade, I will explore the way the movement organizations define and present their own goals to the public, activists' ideas about Fair Trade, and the way social scientists understand the movement.

As stated by David Ransom in Verso's recent *No-Nonsense Guide to Fair Trade,* Fair Trade is, in its widest sense a "seed of an alternative that can flourish more vigorously than is sometimes assumed" (Ransom 2001:22). For some, then, Fair Trade refers to a social movement that dates to the 1960s and mobilizes around a strategy of "trade not aid." For others, it is primarily a market in which to sell a particular set of products. As suggested by Lamb and Belling of FLO, it is "a system primarily aimed at ensuring market access and a fair trading relationship" (Lamb and Belling 2000:43). It could also be summed up as a strategy that when used successfully brings improved benefits to disadvantaged, small-scale producers (Gereffi 2000). Finally, Fair Trade is often broadly understood as a central component in a wider network of Northern and Southern organizations that work together to realize an alternative to mainstream commercial trade (Brown 1993).

Table 1.1 summarizes the way Fair Trade organizations articulate the central aspect, or defining characteristic of Fair Trade to the public. For these groups, Fair Trade refers to a way for Southern producers and Northern consumers to be connected via a specialty market based on principles of justice not normally associated with conventional trade. Sustainable development, social justice, and fair terms of trade for farmers are the common themes in these straightforward mission statements.

Table 1.1: Fair Trade Organizations' Define Fair Trade

Fair Trade ...
... offers 'access to international trade with good conditions for farmers and workers in disadvantaged parts of the Third World...' [Max Havelaar]
... can be seen as a bridge between northern consumers and southern producers and 'is better than aid' [IFAT]
... is 'a better deal' for marginalized producers that helps put them on the 'road towards sustainable development' [FLO]
... is characterized by a 'sustainable model of international trade based on economic justice' [Global Exchange]
... is about mutual respect, prices, right to organize, and enforcement of health, safety, and wage laws. [Fair Trade Federation]
... is an 'innovative concept that connects producers and consumers in more equitable, more meaningful, and more sustainable ways' and ' is both values and market driven' [TransFair USA]
... 'is about better prices, decent working conditions, local sustainability, and fair terms of trade for farmers and workers in the developing world' [Fairtrade Foundation]
... represents 'an alternative approach to conventional international trade. It is a trading partnership which aims at sustainable development' [EFTA]

By contrast, many Fair Trade activists express a more complex vision of Fair Trade that better reflects the tensions it has embedded within it.[4] Describing her vision of Fair Trade, Pauline Tiffen, a prominent Fair Trade activist from the UK remarks that

> Fair Trade is a challenge to human identity and connection. Post-colonial globalization gives us no choice...[it] allows us to show that TNCs aren't (and can't be) the only game in town. The arrogance of the WTO defies intelligence and sanity . . . Fair Trade has the seeds of a certain logic that can unravel big institutions in a way that regulation can't.

More concisely, Jonathan Rosenthal of Equal Exchange (a Fair Trade coffee partner in the US) describes Fair Trade as "a new economic model."

Alistair Smith of Banana Link, an NGO based in the UK, reminds us that Fair Trade is not an end in itself, but rather should be understood as a transition tool. This cautionary note draws attention to activists' understanding of the limits of their strategy. These limits are further explained by activists working with Fair Trade producer groups in Mexico (Gereffi 2000):

> On the one hand, Fair Trade is a business. It must be profitable, and people have to survive. On the other hand, Fair Trade is a social movement and a network. However, Fair Trade can't do that much because it has the enemy (trade) inside itself (Gereffi 2000).

An Alternative Trade Relationship. Sociologists and other social scientists attentive to Fair Trade approach it in still another way. Seen from this perspective, Fair Trade and other similar initiatives explicitly call into question the structure and practice of global trade, in particular South/North trade and attempt to provide an alternative system on which such trade could be modeled. For this reason, a conceptual definition of Fair Trade must also reflect the fact that it may represent an important theoretical and empirical challenge to the current agro-food system (Raynolds 2000a).

For instance, Fair Trade seeks to expose what William Tabb calls the greatest myth of all, that "the market has as its principal purpose the service of human needs rather than the aggrandizement of capitalists and their corporations" (1999:2). Indeed, at the turn of the century, an undeniable characteristic of the agro-food system has emerged. Food production these days is motivated more for profit than for human sustenance (Magdoff et al. 2000b). Thus, Fair Trade initiatives represent one of a growing number of resistance movements working against the perpetuation of this trend. This kind of consciousness raising is an important foundation for the broader struggle to transform the agro-food system.

However, as it is based on a strategy of working "in and against" the market (Brown 1993), Fair Trade is riddled with a fundamental contradiction alluded to in the comments from Fair Trade activists above. This strategy has both advantages and disadvantages, as this and other studies demonstrate, yet committing to working within the same system that the movement seeks to change is a complicated and contradictory task (Murray and Raynolds 2000; Renard 1999a). Accordingly, it should not be considered *the* solution to the many complex problems that result from hundreds of years of (economic) colonization and exploitation.

As an alternative trade relationship in an era when trade liberalization privileges the circulation of capital while subordinating the implementation of social policies to a global corporate regime based on efficiency not equity (McMichael 2000b) Fair Trade also makes an oppositional political statement.

Anthropologist June Nash (2000) notes that it can play an important role in sustaining producer groups and their families. She goes on to suggest that the alternative

model has the potential to overcome the fetishism of commodities,[5] yet concludes that it will not alone solve all the inequities produced by conventional patterns of international trade. At the same time, Peter Evans discusses a range of transnational action that is seeking to "act globally" to shift power to better favor those disadvantaged at the local level. Fair Trade could be considered another of these efforts, which he describes as "counter-hegemonic" globalization from below (Evans 2000).

Finally, Fair Trade might also be thought of as sort of value-adding without processing. Through Fair Trade labeling, otherwise identical commodities can be imbued with social and sometimes environmental meaning, an attribute for which some consumers are willing to pay more (Renard 1999a; Goodman and Goodman 2001). Product labels are used as a way to shorten the social distance between first world consumers and Third World producers. Inviting consumers to question where their food was grown, the labels help to demystify the process of production and distribution, and in the meantime, re-connect the polar ends of the commodity chain (Murray and Raynolds 2000; Arce and Marsden 1993). In this way, Fair Trade in food commodities is one reflection of a wider trend in which agricultural production is being shaped by (mostly Northerners') concerns about the environment, personal health, safety, ethics, and animal welfare (Watts and Goodman 1997).

However, this kind of niche marketing, which by definition reflects a specialized, narrow consumer interest, is not the best strategy for increasing market security for Third World commodity producers. Over time, once these markets begin to grow, they tend to become less lucrative and cannot provide security for a mass of farmers (Magdoff et al. 2000b; Conroy et al. 1996; Glover and Kusterer 1990). Nonetheless, Fair Trade initiatives can provide much needed and often critical support to small farmers who are able to

participate (Renard 1999b; Simpson and Rapone 2000). Thus, the conclusions of Watts and Goodman are instructive. Taking into consideration the limitations of such responses to consumer-driven concerns, they argue that "the greening [and likewise 'fairing'] of agriculture may represent possibilities for small farmers who can legitimately present themselves as the purveyors of natural produce or sustainable land use." Moreover, alternative trading fits into the "new spheres of regulation and political struggle within agro-food systems everywhere" (Watts and Goodman 1997: 22, citing Murdoch and Marsden 1994).

Taken together, this review illustrates a multi-dimensionality of Fair Trade and underscores the reasons why analyzing 'Fair Trade' can be challenging. For instance, in evaluating its potential, do we focus on the strength of the social movement or on the facility with which small farmers are entering Northern markets with the assistance of a Fair Trade certification? Judging the success of Fair Trade, do we evaluate the extent to which it brings us closer to 'sustainable development' or provides a real alternative to the conventional agro-food system? As a transitional tool, can/does Fair Trade represent an alternative economic model? Is it a challenge to the power of transnational corporations or a means for strengthening small farmers' competitive position vis-a-vis much larger players? While I do not propose there are simple of even singular answers to these questions, I do suggest that without a more systematic method with which to consider the possibilities and concerns that Fair Trade creates, these questions and answers remain entangled.

Therefore, summarizing the preceding review, the concept of Fair Trade in this study shall refer to:

- a system of social and environmental standards, certification, and labels administered by Fair Trade organizations that is designed to deliver material rewards to producers who participate
- a social movement seeking to alter conventional North/South trade relationships by shortening the social distance between Northern consumers and Southern producers
- a strategy of working both "in and against" the market to achieve to make more fair the terms in which otherwise marginalized, small-scale producers are integrated into the global economy

In this way, the Fair Trade movement is contesting the conventional agro-food system and rejects the exploitative social and environmental relations of production that characterizes this system (Murray and Raynolds 2000). Thinking about Fair Trade in this way prompts questions about how it might (or might not) present a challenge to current patterns of trade. Importantly, it also raises questions about how Fair Trade compares with other competing initiatives.

5. The Fair Trade Banana Initiative

The international banana sector has been called "a classic example of inequitable primary commodity trade" (Chambron and Smith 1998:84). It epitomizes all that is being renounced by the anti-corporate alternative globalization movement as unfair, unsustainable, and pursued for the sake of corporate profit at the expense of the people and environment. The cast of characters starring in this industry is the same as that found in other sectors where Fair Trade initiatives have arisen: transnational corporations, colluding governments, small farmers, highly exploited labor forces working huge plantations, and extremely toxic

agrochemicals. Moreover, the entire banana industry is in a state of crisis resulting from overproduction and a process of restructuring that has been dubbed a "banana perestroika" (Banana Link 2000). Together, this combination of factors makes bananas an obvious candidate for Fair Trade.

Consistent with its history as a colonial commodity produced for the North by the South, the present day banana industry continues to extract profit for transnational corporations while returning little to the communities producing the fruit. As the crisis intensifies, small-scale independent producers and plantation workers are being affected worst. In the mid-1990s, roughly 15,000 small farmers were forced out of the banana sector in the Windward Islands and in the latter half of 2000 approximately 10,000 workers have been laid off in Costa Rica alone (Banana Link 2000). While the large scale plantations, on which bananas destined for export markets are typically grown, have never been ecologically sustainable, agrochemical abuse has only gotten worse, especially in the past fifty years. The intensive production methods and pesticide overuse in the banana industry has proven devastating for both the health of the communities who depend on it and to the ecosystems that struggle to sustain it (Bourgois 1989; Moberg 1996).

The banana trade is oligopolistic in structure, with two vertically integrated corporations, Dole Food and Chiquita Brands, controlling over 50 percent of the world market. Production is concentrated in Central and Latin America and international trade is valued at roughly five billion dollars (FAO 2000a) Between 1988 and 1998, world exports doubled to 12 million tons. Today, Ecuador is both the largest exporter of bananas and the country with the lowest cost of production. (Liddell 2000; Chambron and Smith 1998).

Alternative production and marketing in the banana sector has taken off dramatically since the mid-1990s, in large part as a response to falling profit margins in the conventional trade. More than simple marketing strategies, some of the initiatives also represent efforts to improve the exploitative production conditions, which have received increasing media attention in the past few years. For instance, there are currently at least five different certification schemes in practice, each of which makes claims about improving the social and/or environmental soundness of banana production. These include organic production, ISO 14001, the Council for Economic Priorities Accreditation Agency's SA 8000 standard, Rainforest Alliance/Chiquita's Better Banana (or Eco-OK) Program in addition to Fair Trade labeling. The UK's Ethical Trade Initiative is also conducting one of its pilot programs on banana production in Costa Rica. Even those of us who take seriously the threat of corporate interests coopting the most progressive initiatives also acknowledge that participation of TNCs also reflects an acknowledgment of growing demands for less exploitative agricultural practices and trade. At the very least, we are witnessing the move of the alternative trade market from a niche in the margins to the mainstream.

As one of the better known of these efforts, the Fair Trade banana initiative offers one possible alternative to the socially and environmentally damaging industry. Under FLO's certification program, both small-scale producers and plantations can be certified to sell their fruit with the Fair Trade label. Small growers must be collectively organized into democratic associations such as cooperatives while plantation workers must be free to form independent unions in accordance with ILO Conventions 87 and 98 (see Appendix B). The first Fair Trade bananas were launched in the Netherlands in 1996 and came from a plantation in Ghana. They were an instant success, gaining ten percent of the market in the

initial months (Banana Link 1997). Today, Fair Trade bananas are available in eight European countries from seven registered producer groups from six Latin American countries.

Statement of Research Questions

The purpose of this dissertation is to explore empirically and theoretically the potential and possibilities opened up by the alternative model of trade proposed by Fair Trade organizations. As Evans (2000) has recently argued, a primary question to ask of emerging counter-hegemonic alternatives is what their effect will be for the lives of those who are "most prejudiced by the dominant thrust of globalization" (Evans 2000:231).

In this study I examine the implications of Fair Trade for the producers who are themselves directly involved in the production of Fair Trade bananas. More broadly, I also consider the potential that Fair Trade initiatives might hold for achieving their more ambitious goal of altering the current system of agricultural trade. In doing so, the study contributes to our understanding of how progressive social change might be brought about by initiatives such as Fair Trade. It also examines the perpetuation of a power asymmetry between North and South and the limits this creates for Fair Trade to move beyond facilitating redistribution in the agro-food system and radically transform the system itself.

The analysis that follows is guided by the following sets of research questions which reflect these concerns.

- What kinds of benefits do farmers receive from their certification and participation in Fair Trade? What kinds of obstacles prevent them from receiving the promises Fair Trade is supposed to hold for them?
- What is the potential of Fair Trade for contributing to transformative and progressive change in the global agro-food system? What factors limit this potential, and (how) can they be overcome?

The research for this study was conducted with small-scale producers banana growers in the Azua Valley of the Dominican Republic. The Azua Valley is home to approximately 750 banana growers who export their fruit to Europe. The banana production in Azua is somewhat exceptional when compared to other Latin American banana producing regions since it is a relatively recent export crop for many in this area. Though the Dominican Republic was an important banana exporter in earlier periods, in the recent past it has not been a major player in the conventional banana trade. In addition, almost all of the bananas are produced under organic agriculture methods, making the Fair Trade bananas from Azua the bananas the only ones certified as both Fair Trade and organically grown.

6. Outline of Dissertation

Immediately following this introductory chapter is a theoretical chapter, II, upon which the subsequent analysis will draw. In Chapter II, I explore one way to examine the potentials and limits of the contemporary social movements that contest, in various ways, the process of economic globalization and the hegemony of neoliberalism. Problematizing the limited utility of grouping together diverse forms of oppositional social action as 'resistance', I construct a typology comprising three ideal types for what I've called counter-hegemonic social action'. I suggest using these types as a framework for analyzing the multiple dimensions of Fair Trade, identifying the alternative's transformative potential, and specifying its limitations.

Moving on, Chapter III is a brief statement about the research design and methodology guiding the study. I relied on multiple methods for collecting the data,

including personal interviews, ethnographic observation, and document analysis. In particular, I discuss the fieldwork component of the research and provide an overview of the case study in the Dominican Republic.

The next chapter, IV, expands the background of the Dominican banana industry, with special attention to the emergence of the organic banana sector. I consider the implications that organic banana production has had for the small-scale producers in the Azua Valley. I suggest that a number of the problems associated with conventionally produced nontraditional agriculture exports are reproduced. Importantly, the anticipated price premium that generally accompanies organic production is less stable than might be expected. Therefore, the Fair Trade initiative provides much-needed support that is either absent or declining for producers growing organic bananas.

The Fair Trade banana initiative is explored in detail in Chapters V and VI. Data for these discussions comes primarily from interviews with the producers and others who are involved principally in the banana sector in Azua. In chapter V, I discuss the paradoxical experience of Fair Trade for the producers, and the implications raised by the central contradiction of Fair Trade – its reliance on the market – for Fair Trade banana production. This analysis is broken down into a discussion of a series of dilemmas confronting the Fair Trade initiative in the Dominican Republic. After considering what I call the dilemmas of the market, dilemmas of the model, and dilemmas of implementation I conclude that they raise a number of related challenges to which Fair Trade organizations must respond.

Then, in Chapter VI, I use the experience of one particular producer group, Finca 6, to further explore the impact Fair Trade can have for participants. Fair Trade provides several means for fostering positive social change at the level of production. In particular,

growers from Finca 6 have begun to see real material benefits and can also receive benefits from the security provided by the Fair Trade market. Moreover, the organizational capacity of the producers' association is being strengthened with the support of FLO. Finally, the case study reveals critical limitations to maximizing the potential of Fair Trade.

To address the broader research questions concerned with the transformative potential of Fair Trade, I return in Chapter VII to the theoretical framework laid out in Chapter II. In particular, I compare the strategies and tactics incorporated into the Fair Trade banana initiative with the typology of social action discussed below. Conclusions from this analysis proceed from a primary observation that Fair Trade corresponds to each of the three forms of counter-hegemonic action. Thus, in this concluding section, the potentials and limits of the Fair Trade movement in terms of each form is explored, drawing on the findings from the case of bananas. Importantly , Fair Trade achieves success in redistributing resources more equitably, and typifies closely the second form, redistributive action. Nonetheless, I argue that a reconsideration of how Fair Trade is conceptualized by the movement will be needed in order for it to realize more of its transformative potential.

ENDNOTES

[1] Susan Willis (1991:51), "Learning from the Banana."

[2] As of March 2002, FLO members and associate members include National Initiatives from Austria, Belgium, France, Germany, Canada, England, Italy, Denmark, Ireland, Norway, Japan, Finland, Switzerland, Sweden, Luxemburg, the Netherlands, and the United States.

[3] Thinking about such a continuum, an ideal Fair Trade situation does not necessarily have to be placed at the end as the goal. It could alternatively, perhaps more appropriately, be situated as a step toward a more fundamentally different end.

[4] The following comments were made at a workshop on Fair Trade in Keystone, Colorado in May 2000 and are cited from Gereffi (2000).

[5] Allen and Kovach's (2000) more detailed argument with respect to organic agriculture could apply to Fair Trade products as well.

CHAPTER II

THEORETICAL FRAMEWORK: COUNTER-HEGEMONIC SOCIAL ACTION AND SOCIAL CHANGE

1. Introduction

A desire to understand progressive social change, particularly what motivates some members of society to act in ways that will bring it about and what prevents others from fighting for it, has a long history in the discipline of sociology. Indeed, nagging questions about what counts as social change and which forms of meaningful social action will lead to it remain central to the debate among social scientists about the relationship between structure and agency. While many contemporary theorists continue to draw on discussions first raised in the classic works of social theorists during the nineteenth century, the current phenomenon of globalization introduces new challenges to these debates.

The temptation to transfer an overly deterministic and economistic interpretation of capitalism to the global economy has led some observers to conceptualize globalization as a totalizing and inevitable process. Such a conceptualization, however, reifies social structure while implying any real agency is highly unlikely.

However, empirical attention to the wide range of social movements active today highlights the practical improbability of such capitalist driven globalization as an inevitable outcome. Documentation of the diversity of current social movements contesting the

process of globalization reveals not only that their scope is also global but more importantly that they are increasingly naming common enemies. Moreover, they are seeking alternatives to the process of globalization coming from 'above' and offering instead visions of a 'globalization from below' (Brecher and Costello 1998; Starr 2000; Falk 1993).

For this reason, a thoughtful consideration of contemporary social action and change must follow those theorists who understand the process of globalization to be real and consequential, yet refuse to credit the process with being complete and inevitable. Again, this comes closest to the position outlined by Held et al. (1999) as the 'transformationalist' position to globalization.[1] According to this position, as globalization weakens the power of the nation state, and hence, the significance of the state as the critical locus of contestation, it simultaneously opens up spaces above and below the level of the state as legitimate sites for social action (Tickell and Peck 1995; Lie 1996).

Although global expansion of the capitalist economy (which is arguably central to the process of globalization) generates multiple sites for resistance (Jessop 1997), there are important questions about that resistance which need to addressed. For instance, the theoretical existence of spaces for contesting globalization is analytically distinct from the practical *realization* of the progressive social changes being demanded. How do we understand and evaluate the potentials of the movements against global capitalism (Sklair 1995), the possibilities opened up by those confronting corporate globalization (Starr 2000), and the successes of the actions that drive 'globalization from below' (Falk 2000)?

More specifically, will these movements achieve their goals and alter or even disrupt the global economy, the centerpiece of globalization? As Peter Evans has noted, resistance is not by definition oppositional. In his words, "the surprising resilience and adaptive ability of

ordinary people whose lives have become transnational does not necessarily challenge the dominant global rules, the way these rules are made, or the economic ideology that legitimates them" (Evans 2000:230). This raises another related question: how do we compare different forms of social action which are, to varying degrees, oppositional and promising in terms of bringing about positive change for the greater part of society?

A collection of essays edited by Barry Gills (2000a) draws attention to the currency of this question within the particular context of globalization. Acknowledging the diversity of issues around which contemporary social movements opposing neoliberal globalization are organized, he insists in the introduction that "it is no longer sufficient for critics of globalization to simply 'document transnational neo-liberalism'" and insists instead that "there is a profound need for rethinking the question of what social practices now constitute viable political strategies in the world economy" (Gills 2000b:3-4). These social practices, collectively referred to as the 'politics of resistance', are understood as action that represents the broader interests in society and hold the potential to transform the political situation, producing a real alternative (Gills 2000b:4).

Following Gills' argument, I suggest that the growth in competing alternatives emerging within the global agro-food system confirms the need for social scientists to build on present theoretical understanding of social action in order to better recognize the practical implications of these social movements. However, given the passive connotation of the term 'resistance', I find that a more encompassing concept is necessary to grasp the full range of possible social actions that individuals engage in and the relationship of such action to progressive social change.

2. Resistance and Counter-Hegemony

As opposition to the dominant form of globalization mounts, the range of forms of social action being adopted grows as well. Consequently, contemporary social movements seeking to create viable alternatives to an exploitative global economy are expected to address obvious questions which have both theoretical and practical implications. Why should one participate in the movement? Will this strategy create any lasting change? What will the change look like? Whose lives will be improved?

These are the same issues found at the center of discussions about the Fair Trade movement. For instance, proponents are asked to justify the strategy of operating within the same capitalist system they identify as problematic while skeptics draw attention to the limitations stemming from such choices thereby casting doubt on the possibility that Fair Trade has the potential to bring about real social change. Meanwhile, critical consumers and policy makers seek answers as to whether and why they should give their support to Fair Trade products.

In this way, the ultimate question for this movement and others appears to be reduced to, 'should this movement be taken seriously?' Unfortunately, when framed as such, there is a temptation (and perhaps an implicit expectation) to provide a simple yes or no answer. However, to have this expectation of any contemporary movement reveals an unstated assumption that the movement is unidimensional, which is not necessarily the case. As described above, the Fair Trade movement, like many other movements contesting globalization today, operates in multiple ways and incorporates multiple forms of social action in its tactics. It involves a diverse range of actors who participate in various ways and with varying degrees of commitment. To simplify one's analysis of Fair Trade in this way will

unnecessarily limit our understanding of the movement, its strategy, its tactics, and its broader potential.

Theorizing about and comparing forms of resistance has a long tradition among analysts of social change. Many of the frameworks used in such exercises owe some intellectual debt to Marx's theory of praxis and historical materialism (Marx [1867]1977; Marx and Engels [1888]1988). I suggest drawing on this tradition to build a conceptual framework and explore these questions about agency and change in the context of this mounting opposition to globalization. In particular, Antonio Gramsci's theoretical discussion of 'war of position' outlined in the Prison Notebooks (1971) provides a useful conceptual tool and starting point from which to launch a more comprehensive analysis of the social action engaged in by actors in contestation of the current pattern of economic globalization.[2]

As did the other Western Marxists seeking to make sense of Marx's revolutionary theory and predictions (Anderson 1976), Gramsci recognized that political struggle was enormously complex (Gramsci 1971:229). He proposed that a successful revolutionary strategy for transformation in society would have to include multiple forms of action. On one hand, political struggle against the hegemony of a dominant system could be confronted directly, as in a frontal attack or a 'war of movement.' On the other, and more often, the sites of struggle are dispersed and the system is confronted indirectly, as in a 'war of position.' He compares this form of struggle to trench warfare and offered boycotts as an example of a moment in such a 'war of position'. Though far slower and a less direct strategy, the 'war of position' is ultimately a stronger way to fight against the a hegemonic

system. Moreover, according to Gramsci, winning a war of position will be decisive while winning a battle in a 'war of movement' is not.

In their analysis of "resistance as counterhegemony" Chin and Mittelman (2000:32) explain that Gramsci's 'wars' represent multiple dimensions of resistance, or "expressions of counterhegemonic consciousness at the collective level" and "represent moments in history when individuals come together in violent and nonviolent confrontations with the state." They also remind us that not only are forms of resistance multiple, but so too are the agents of resistance diverse, sites of resistance found at multiple levels, and forms of struggle many. Applied to this conceptualization of resistance, a 'war of position' can be particularly helpful since not only does a 'war of position' accommodate diverse strategies of social action, but its success depends on political struggle occurring at multiple levels and in various sites. A 'war of position' does not privilege one particular tactic or level of engagement. Moreover, as an inclusive strategy for bringing radical social change, it reflects the actual practice of an alternative globalization movement[3] which seeks to incorporate all of the diversity among activists by advocating respect for a 'diversity of tactics' in their actions. Applying Gramsci's understanding of the possibilities emerging out of a 'war of position' to the present day struggle against globalization, individual social movements and their potential need not be analyzed in isolation. Likewise, different forms of social action can be conceived of as different tactics, each of which has a legitimate place within a much broader 'war of position'.

However, since Gramsci was assuming the State as the site of political struggle, his concepts do not correspond directly to many of the social movements today.[4] As Chin and Mittelman (2000) note, with globalization, the target is not always the State. Thus, if we wish

to fruitfully draw on Gramscian concepts, and I argue we can, they need to be broadened in order to encompass new actors and the new sites of contestation in which the counter-hegemonic social action is occurring.

A remaining question, of course, concerns whether contemporary social action in fact can be considered counter-hegemonic. Recall that the contested process of globalization, as it is being discussed in this study, reflects the hegemony of neoliberalism. As the prevailing dominant ideology, neoliberalism and its manifestations are offered as necessary, inevitable, and of course, in everyone's best interests. Thus, to count as counter-hegemony social action must, minimally, express opposition to neoliberalism.

Following Evans (2000), I agree that it is useful to conceptualize some of the strategies and tactics adopted by contemporary social movements as counter-hegemonic not because they are likely to "overturn the whole apparatus" but because "they constitute challenges to 'business as usual' both globally and locally" (Evans 2000:231). He proposes a framework of potential counter-hegemonic globalization which includes three kinds of transnational action, each of which shifts power by connecting less privileged Third World groups with political actors who may be able to affect decisions in hegemonic global networks. Though I share a similar concern with Evans (i.e., the real possibility of counter-hegemonic action having a progressive effect and ultimately leading to a change in the structure of the global system itself [Evans 2000:231-32]), I do not adopt his framework.[5] Instead, I am concerned with finding a way to compare and contrast the different forms of social action (that comprise a modern day war of position) in terms of the degree to which they confront the system and their potential for fostering progressive and transformative social change.

Social action is manifested in numerous ways, for different purposes, by a wide range of social actors. Yet, not all social action should be celebrated as contributing to progressive change. On the contrary, it may be the case that much of the social action undertaken today is not explicitly oppositional and confrontational. If *all* social action does not hold potential to foster positive change, how can we derive meaningful insights about the theoretical and practical potentials of contemporary expressions of agency? After all, should there not be a way to tell the difference between "fashion and a fight" (Starr 2000:35)?

To address some of the questions about social change and agency and inform our understanding about relative strengths and limitations of progressive movements, I construct a typology of counter-hegemonic social action. What follows, then, is an attempt to build on the insights of others to explicitly differentiate between varying expressions of social action. In particular, I share Starr's concern "about our ability to recognize agency when we see it" (Starr 2000:35) and her belief that there must be a difference between "fashion and a fight" (Starr 200:350). Similarly, I problematize the possibility that everything–declared or not–may qualify as resistance (Chin and Mittelman 2000: 42). Taking seriously these problematics I propose working from a hierarchy of ideal types of social action that can guide a critical analysis of the competing forms of social actions, their strategies for social change, and their relationship to broader efforts to bring about structural transformation in society.

3. Typology of Counter-Hegemonic Social Action

In this section, I outline the way I've conceptualized various forms of social action which are arguably counter-hegemonic into three types (see Table 2.1). This typology can serve as a useful framework for characterizing and comparing competing forms of individual

Table 2.1: Counter Hegemonic Forms of Social Action

TYPE OF ACTION		IMPLICATION FOR SOCIAL CHANGE
• acts of resistance	⇨	• non-participation in the system
• redistributive action	⇨	• reform of the system
• radical social action	⇨	• structural transformation of the system

and collective action (agency) and their potential for confronting and altering hegemonic structures in society. These characterizations are proposed as ideal types (Weber 1949), and as such do not intend to correspond completely to real situations of social action. Therefore, these types are constructed to be used as theoretical constructs to facilitate an analysis of the actions undertaken by counter-hegemonic movements. It is thus unnecessary (and indeed unlikely) for any movement's actions to perfectly reflect one or another of the types. However, for analytical purposes, a particular tactic or strategy could be compared to these ideal types.

Concern with classifying social action according to its transformative potential or its ability to bring about meaningful social change has a long history. Indeed, a desire to create conditions that will foster social and political change has long captured the attention of social scientists who have, in varying ways, drawn on Marx's anticipation of that moment in which the proletariat transforms itself from a "class of itself" into a "class for itself" (Marx and Engels [1888]1988). For instance, this insight has guided many theorists who have subsequently sought to distinguish between antagonistic and nonantagonistic contradictions of capital (Mao 1967); revolutionary reforms and reformist reforms (Gorz 1973); or passive revolution and wars of position and movement (Gramsci 1971). More recently, scholars

rooted more firmly in community development and organizing than in the Marxist tradition have raised similar concerns. Kennedy and Tilly (1990) suggest a useful distinction should be made between redistributive and transformative populism while Starr (2000) offers that it may be helpful to differentiate between resistance and struggle.

Related to these conceptualizations is a debate about the development of a political consciousness among oppressed groups. Certainly for Marx, the proletariat's false consciousness was a convenient explanation for that class's failure to act collectively and decisively. However, a complex combination of developments that include the passage of time, revolutionary uprisings led by peasants not proletarians, and Gramsci's insights highlighting the importance of hegemony have since encouraged more sophisticated theories about the role of consciousness in social change.

Nevertheless, a reading of contemporary, mostly poststructural studies of resistance, reveals a growing reluctance to place too much importance on the relevance of actors' consciousness. Though celebrations of survival strategies and cultural forms of resistance (for instance, Escobar 1995; Scott 1990) appear to demonstrate the popularity of this approach, it is important to question the utility of such a blanket approach to resistance which leaves us unprepared to analyze the difference between everyday forms of resistance and purposive and directed collective action.

Thus, I maintain that consciousness about one's actions is an important dimension of counter-hegemonic action. However, since presence or absence of a revolutionary consciousness may be too simplistic a framework from which to work, I suggest following scholars such as Paulo Freire, who understood consciousness to be a continuous, not a discrete, variable (Freire [1970]2000). He emphasizes the importance of that process in

which individuals develop a critical consciousness (which he calls *conscientização*[6]) about their world. He insisted that there was a critical moment in political struggle for social change in which an actor ceases being an Object and became instead a Subject, an actor in her or his world. Thus critical consciousness is understood to be central to the process of empowerment and emancipation from oppression.

Applying social science to the real world too often involves simplifying our analyses of complex social phenomena into dualistic categories which are more useful for practical decision making. For instance, with respect to social change, there is a temptation for us to try to conclude that a tactic or strategy is successful (in bringing about change) or not. Described below are three hierarchically ranked types of social action that I propose in response to the alternative conceptualizations of social action reviewed above. This framework seeks to break away from the tendencies to either divide actions into dichotomous categories, or group them together and celebrate all forms of resistance as equivalent.

Second, the framework acknowledges that many counter-hegemonic actors possess, in varying degrees, an explicit or implicit consciousness about the meaning of their actions and therefore incorporates an analysis of this dimension into each type.

Overview of the Typology

The heading "counter-hegemonic social action" is used here to capture the diverse range of possible social action I would like to be able to compare and contrast. Such action is conceptually defined as *action undertaken by a social actor(s), either implicitly or explicitly in contestation of the hegemony of neoliberal globalization and with the intention of bringing about progressive*

social change in society. Thus, counter-hegemonic action is defined to encompass a broad spectrum of social action, but to exclude action that does not in any way provoke critiques of the dominant ideology or contest the status quo.[7] In addition, the actor presumes, minimally, that an alternative vision of society is needed in order to really improve it. Finally, it implies that any real alternative (i.e., the counter-hegemony) will require radical transformation of society.

Counter-hegemonic social action is further broken down into three more narrowly defined types of action: acts of resistance, redistributive action, and radical social action, each of which is believed to have a particular relationship to the process of social change. Figure 2.1 depicts the relationship of each type to each other and its relationship to change. These three types should not be considered mutually exclusive. Instead, I understand them to be overlapping in such a way that redistributive action will build upon and extend beyond acts of resistance, and radical action will not preclude either resistance or redistributive action. Moreover, they are hierarchically ordered in terms of both their capacity for bringing about structural transformation in society and in the degree to which they explicitly confront the social structures presently upholding the hegemony of neoliberal globalization. These structures include the global economy as well as the institutions that comprise the superstructure, all of which perpetuate a hegemonic system (Gramsci 1971).

In the remainder of this chapter, I will fill out this conceptual framework by outlining in greater detail the different types of action and the implications of each type for fostering lasting, positive social change. As suggested above, the framework can then guide a comprehensive analysis of the radical potential of counter-hegemonic movements. Importantly, the framework enables us to examine the multidimensionality of these

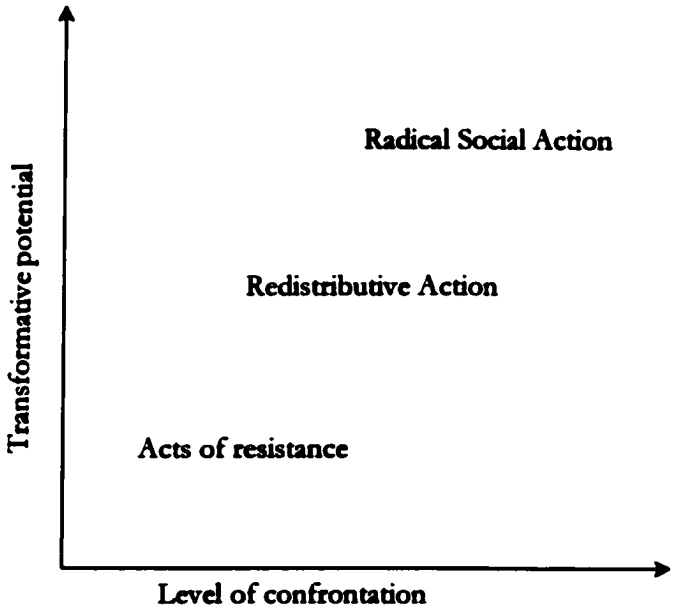


Figure 2.1 Three Types of Counter-Hegemonic Social Action

movements and identify where the relative strengths and limitations lie.

Acts of Resistance. Scott's (1990) analysis of 'infrapolitics' and the 'arts of resistance' confirms the complexity of determining what kinds of social action might be interpreted as agentic political statements. Examining a range of actions that are not always declared expressions of resistance, Scott insists that sometimes actors will only carry out 'public transcripts' which might not include any manifest critique or signs of resistance to their social realities. Since such actors are typically living under particularly oppressive conditions, their real critique of the dominant ideology is found only in what he calls 'hidden transcripts', i.e., what is said and done by the oppressed only when safely out of the range of observation by the dominant group. This infrapolitics could consist of footdragging or

gossip, yet through these everyday forms of resistance, a counter-hegemonic consciousness can be developed (Scott 1990).

What I'm calling 'acts of resistance' (see Table 2.2) draws on Scott's discussion of resistance. More specifically, this term refers to action that contests the social system, or an aspect of the social system which the actor rejects. It could be characterized as nonparticipation. Since any hegemony presumes the consent and hence the participation of subordinate and oppressed groups, non-participation can be considered counter-hegemonic.

Sometimes acts of resistance are conscious, but, to acknowledge the possibilities raised by others that consciousness may not be a prerequisite for resistance, these acts may also be performed unconsciously. Similarly, the resistance can be either explicit or implicit (as in a 'hidden transcript). As such, acts of resistance sometimes will be directly confrontational, but since this form of action is not necessarily communicated explicitly, clearly it will not always be confrontational.

Actors engaged in resistance are often individuals, however, one can also imagine collective resistance, as in a large scale boycott. Whether individually or collectively, these actors are expressing their rejection of the status quo. However, they may not yet be committed to an alternative vision for redesigning the system. This means that to count as acts of resistance, action must be politically motivated at least at some level and thus excludes those personal choices which reflect only individual tastes or desires, such as purchasing decisions or a preference for particular television programs.

Using a more narrow definition of resistance than others who are working to analyze this concept (for instance, see the contributions in the volume by Gills 2000a) is an effort to reduce confusion that I believe the term 'resistance' tends to evoke. 'Resistance' has a

Table 2.2 Acts of Resistance: Overview

TYPE I: ACTS OF RESISTANCE
• social action contesting a social system or an aspect of a social system that is rejected by the actor • non-participation in the dominant system • individual or collective action • conscious or unconscious • may be implicit or explicit • source of injustice may or may not be understood by actor • does not directly confront the contested structure or system • not always communicated explicitly • actor not necessarily committed to a specific alternative vision for redesigning the system that is contested, but action expresses a rejection of the status quo • politically motivated
IMPLICATIONS FOR SOCIAL CHANGE
• most conservatively, resistance expresses refusal to acquiesce to a system determined to be unacceptable by the actor • more radically, resistance is an explicit expression of non-participation and challenges working of the hegemonic system • conservative acts may reflect: personal safety reasons in highly oppressive situations, a lower level of commitment by the actor, material constraints • resistance not necessarily openly declared and may not be recognized as action seeking change as its end goal • the desired change may not yet be articulated by actor to observers
RELATIONSHIP TO OTHER FORMS OF ACTION
• least explicitly confrontational of the three types of action • generally demands a lower level of commitment from the actor • most likely to attract widespread participation from society

passive connotation insofar as just about anything can be resisted, however, new alternatives are not created out of resisting those found unacceptable. Therefore, differentiating acts of resistance from the other more proactive forms of action helps to overcome the confusion that can arise when diverse forms of social action are all grouped together under the catch-all category of 'resistance'. Moreover, this conceptual definition is a step towards addressing the problem of analytically distinguishing between infrapolitics and "openly declared forms of resistance" (Chin and Mittelman 2000:34-35).

In terms of its relationship to social change and its potential for fostering a real alternative to the hegemony of neoliberal globalization, acts of resistance are the most conservative of the three types of counter-hegemonic action. Yet, even within this type of action, it is possible to imagine a range of implications. At the conservative end of the spectrum, resistance expresses the refusal to acquiesce to a system that has been determined unacceptable to the actor(s). I propose that this kind of resistance may be chosen for various reasons, such as for personal safety reasons in highly oppressive situations, material constraints, or a lower level of commitment by the actor. Refusal, then, is the most passive kind of resistance that shall be included in this category and by itself holds very little possibility for actually bring about change. On the other hand, more radical resistance would be an explicit expression of non-participation such as civil disobedience. In this form, resistance can present challenges to and even disrupt the working of the system.

Since lasting and transformative social change may not always be included as an end goal for these actors and the desired change may not even be obvious to actors or observers, when taken alone, acts of resistance appear to have the least potential for radically altering society. Thus, this type is placed (relative to the other two types) as the least explicitly

confrontational. Generally, resistance will demand a lower level of commitment from the actor, yet for this reason it is the most likely to attract widespread participation from society.

Redistributive Action. The second type of action in this typology is called redistributive action to emphasize a primary concern of actors for making less inequitable the distribution of resources among members of society (see Table 2.3). 'Redistributive action' is conceptually defined relative to the other two types and draws on Kennedy and Tilly's analysis of redistributive and transformative populism[8] (Kennedy and Tilly 1990). Like acts of resistance, this type of action also contests a social system or an aspect of a social system, but it involves a conscious effort to redistribute material resources to those members of a community or society who are disadvantaged by the present pattern of distribution. Thus, the action is communicated explicitly in the community in which the action takes place. Importantly, these actors identify the contested social system (or aspect of it) as the source of the inequity and/or injustice that is in need of revision. In this sense alone, such action is counter-hegemonic since the dominant ideology seeks to convince us that disadvantaged individuals hold most responsibility for their position in society, thereby shifting responsibility away from the system and onto individuals.

However, the structural sources of the prevailing inequitable distribution of resources are not necessarily understood by all actors engaged in redistributive action. That is, full comprehension of the structural critique should not be considered a prerequisite for participation in this form of counter-hegemony. Similarly, some of these actors may possess an alternative vision for redesigning the system but this vision does not necessarily involve a total rejection of the status quo. Rather, this type of action is primarily intended to bring about progressive reform in the system. Perhaps reflecting a strategy of pragmatism,

Table 2.3 Redistributive Action: Overview

TYPE II: REDISTRIBUTIVE ACTION
• social action contesting a social system or an aspect of a social system that is rejected by the actor • conscious effort to redistribute material resources more equitably among members of a community or society • intent communicated explicitly • source of inequity or injustice defined as rooted in the social system • structural sources of inequality may not be understood by all • actors have alternative vision for redesigning the system • action primarily directed towards reforming not rejecting system • act is politically motivated, but desired political solution is conservative
IMPLICATIONS FOR SOCIAL CHANGE
• most conservatively, redistributive change is seen as an end in itself • more radically, redistribution is seen as just a stepping stone towards more transformative change that must be fought for in the future • successful actions bring redistribution of resources such that less powerful and disadvantaged members of society benefit • the social system is reformed but overall structure is not radically altered
RELATIONSHIP TO OTHER FORMS
• action more ostensibly confrontational than acts of resistance • actors are likely to be more committed to strategy and goals of a broader movement since action is typically collective • most likely to attract participation from progressive individuals who recognize fault in the hegemonic system but fear losing too much if the status quo is radically altered

reforming the system may be viewed as the only viable option and is thus chosen as a strategy most capable of achieving success.

Finally, as explicitly politically motivated action, redistributive action is clearly differentiated from those acts of resistance that are only suggestive in terms of necessary political change. However, this more tentative strategy for bringing it about is perhaps best described as practicing "politics of the possible" (Kennedy and Tilly 1990:315).

The notion of a "politics of the possible" suggests actors are opting for a more conservative strategy to bring about progressive change in a community. Successful redistributive actions can be progressive insofar as those less powerful and the more disadvantaged members of society will positively benefit from the changes that take place. Ideally, the social system will be reformed in such a way that the overall structure is not radically altered, but instead is readjusted to reduce the incidence of inequity and injustice.

For some actors, redistributive change might be seen as an end in itself. Presumably, these actors are likely to be progressive individuals who recognize fault in the hegemonic system but fear losing too much (since they indeed have more to lose) if the status quo would be radically altered. On the other hand, redistributive goals for social change may also be adopted by actors who believe that in the longer term, the struggle must ultimately be for more transformative change, as in a Gramscian war of position.

In comparison to resistance, then, redistributive action is more openly declared and therefore ostensibly more confrontational and less passive. This form of action typically occurs at a collective level, perhaps suggesting a greater level of commitment to goals of a broader movement. Finally, it stops short of insisting on a new structure for society, whether

because of a belief that the present one has the potential to be improved or because the strategy of reform appears a more viable one under the given circumstances.

Radical Social Action. As Figure 2.1 suggests, radical social action holds the greatest potential for bringing about transformative social change and is the most directly confrontational type of action in this typology. In other words, I propose that radical social action is the most 'counter-hegemonic' of the three types of action described here (see Table 2.4). Like acts of resistance and redistributive action, a conceptual definition of this form of action builds from the assumption that it is action which contests a social system or some aspect of a social system that the actor rejects. Given societal transformation as an end goal, I argue that this level of action is critical since only here do the structural contradictions in society begin to really be challenged openly. Radical social action is both explicit and consciously directed against the persistence of the status quo. It stems from actors' belief that the dominant ideology is simply incapable of fostering conditions that would correct the most serious inequities and injustices in society.[9] Moreover, the intention of radical social action is communicated explicitly to the society in which it takes place.

The redistribution of resources is understood in this case to be necessary but not sufficient to improve society. Therefore, the action may or may not include working towards this goal. This reflects actors' understanding that the source(s) of inequity and injustice is structural, hence energy directed towards reforming the system is perhaps not being used most effectively. Reform is not necessarily refuted, rather there is a recognition that reform may bring abut palliative change in the short term, however, the source of the problems will remain more or less intact if action stops here. Hence, reform strategies should only be seen as a partial or immediate solution.

Table 2.4 Radical Social Action: Overview

TYPE III: RADICAL SOCIAL ACTION
• social action contesting a social system or an aspect of a social system that is rejected by the actor • explicit and consciously directed against the status quo. • dominant ideology found incapable of correcting inequities and injustices in society • redistribution of resource understood as necessary but action may not include this goal • intent communicated explicitly • source of inequity or injustice is structural • actors hold alternative vision for transformation of the prevailing system • reform may bring about palliative change in the short term, but problems will remain more or less intact • reform strategies acceptable as partial or immediate solution • action is politically motivated and designed to alter a power structure that produces and reproduces inequitable, oppressive social relations
IMPLICATIONS FOR SOCIAL CHANGE
• most conservatively, transformative change brings about something new which satisfies those actors fighting for the change • more radically, society is progressively transformed and implications of change re-evaluated in the future • successful action brings about radical change that transforms system into something qualitatively different • ideally, the new social system will significantly alter the inequity and injustice in prevailing system to advantage of those who previously benefitted least • change not necessarily accepted as complete
RELATIONSHIP TO OTHER FORMS
• action direct and targets unambiguous • most confrontational form of action in the typology • actors are highly committed to transformative goals • action is collective • likely to attract participation from individuals willing to take higher risks in radically altering the status quo • those protective of hegemonic structure will attempt to de-legitimize actions in the eyes of potential sympathizers

These actors have alternative visions for a structurally transformed social system. Their visions are not shaped by what might be possible or what is most likely to succeed in the short run. As such, action is politically motivated and designed to truly alter a power structure that consistently produces and reproduces inequitable, oppressive social conditions for a majority of the world. More conservative or shorter term visions might be characterized as 'band-aid' type solutions for deep wounds. That is, they might make one feel better for a while but a scar will remain and the wound will not really be healed.

If successful, radical social action will bring about radical social change that truly transforms the contested system into something qualitatively different (this is again drawing on Kennedy and Tilly's framework). Ideally, the newly transformed system will significantly alter the inequity and injustice that characterize the prevailing one to the benefit of those who were most excluded from the advantages conferred by the previous hegemonic system. At minimum, the transformative change brings about something new which satisfies those actors fighting for change. At best, society is progressively transformed and the implications of the changes will be evaluated in the future. Thus, in the most radical sense, the resulting change is not necessarily accepted as complete.

Finally, radical social action is directed against targets that are unambiguous. This raises its potential for creating transformative change above the other two types of action since the actors possess a critical consciousness about what they are struggling against and what they are fighting for. The actors engaged in this type action are highly committed to transformative goals and successful action will be collective. Participation is most likely to be attractive for individuals willing to take on higher risks in order to win greater rewards (i.e., a radically altered status quo). Nonetheless, those in power will be compelled to try to de-

legitimize these actors and this form of counter-hegemony in the eyes of potential sympathizers - making consent from the mainstream society most difficult to achieve.

4. Conclusion

Taken together, these strategies and tactics conforming to the three types of action may comprise a 'war of position' against the hegemony of neoliberal globalization. The conceptual framework and typology presented here guides the following study of the Fair Trade movement and the case of Fair Trade banana production in the Dominican Republic. In the chapters that follow, I consider the various forms of action this movement engages in to analyze the potentials and limits of Fair Trade as a viable and real alternative to the present patterns of international trade that characterize the global agro-food system. As a counterhegemonic movement, Fair Trade has been described as holding promise, but "not unproblematic" (Murray and Raynolds 2000). This study both confirms and specifies this assessment.

On the other hand, to evaluate the effectiveness and viability of an alternative such as Fair Trade, it is arguably first necessary to determine whether, or to what extent, it has a positive impact for the marginalized producers, "whose lives are most prejudiced by the dominant thrust of globalization" (Evans 2000:231). For this reason, the case study focuses on the implementation of Fair Trade at the level of production. At the same time, it must be recognized that focusing on this level of analysis will not capture the complete story, but rather may provide the best level from which to start.

After presenting an analysis of the case study (in Chapters IV-VI), I return directly to the issues raised in this chapter and apply the empirical data about Fair Trade in bananas to

the abstract ideal types just described. As an analytical tool, I will argue this typology of counter-hegemonic social action provides us with a useful means of understanding the strengths and limits of the Fair Trade movement.

ENDNOTES

[1] Held et al. (1999) have characterized the debate among social scientists about globalization into three broad schools which they call hyperglobalizers, sceptics, and transformationalists. Each of these schools represents a distinct approach to understanding the phenomenon of globalization.

[2] As part of the first generation of 'Western Marxists' engaged in theorizing about revolutionary change during the interwar years (Anderson 1976), Gramsci was seeking to make sense of the failure of socialist revolutions to replace capitalism. Through this exercise and the related desire to save Marxism from economic determinism comes the theory of hegemony which is often considered the most central and original idea in Gramsci's theory (Bocock 1986).

[3] Sometimes the 'alternative globalization movement' is called the anti-globalization movement. These titles refer to a worldwide movement of activists who explicitly reject the neoliberal, corporate driven process of economic globalization and gain most attention during mass action demonstrations such as those which took place in Seattle (1999), Quebec City (2001), and Genoa (2001).

[4] Many of the contemporary 'new social movements' are so described to recognize how the sites of political struggle are no longer centered on the State, and mobilization is instead organized around issues such as identity or environment rather than exclusively around class (Melucci 1994)

[5] Evans considers three kinds of transnational action as possible expressions of counterhegemonic globalization: "transnational advocacy networks," drawing on the work of Keck and Sikkink (1998); transnational consumer/labor networks; and the labor movement.

[6] More specifically, conscientização political, and economic contradictions, and to take action against the oppressive elements of reality (Freire [1970]2000:35).

[7] Take for instance the act of not purchasing Nike shoes. The professional businesswoman who never dresses in athletic clothing is not engaging in counter-hegemonic action, but another citizen participating in a boycott of the company's products because of her concern about Nike's labor practices is (see also Starr's [2000] concern with knowing the difference between a fashion and a fight).

[8] Kennedy and Tilly outline these concepts in the context of community development with communities of color and argue in favor of transformative populism as a strategy for transforming consciousness through empowerment to confront deeper questions of structural change (Kennedy and Tilly 1990).

[9] This allows that the current social system may be able to correct some problems but not the most critical ones.

CHAPTER III

A NOTE ON METHODOLOGY

Research for this study centers around eight months of fieldwork conducted in the Dominican Republic with Fair Trade banana growers. The Dominican Republic is a pioneer in the export of alternatively produced and traded bananas. The country is a leading supplier of organically grown bananas which are shipped to the United States, Japan, and Europe. More importantly for this study, there are several associations of producers registered by the Fairtrade Labelling Organizations International (FLO) and currently supplying the European Fair Trade banana market. The fieldwork began with a month of preliminary field research in October 1999 during which I was able to make initial contacts with some producer groups, exporters, and other key actors with interests in the growing industry including extension agents, certification inspectors, and government officials. After confirming that my research questions were both timely and relevant, I returned to the field for an additional seven months. The majority of the fieldwork took place in the Azua Valley, a province in the Southern region of the country (see Figure 3.1a, b). Azua is home to approximately 800 small scale banana producers. Roughly two-thirds of them belong to a Fair Trade certified association.

In an attempt to understand the experience of the producers themselves and the way in which they encounter both the local and global milieus, I worked with multiple methods

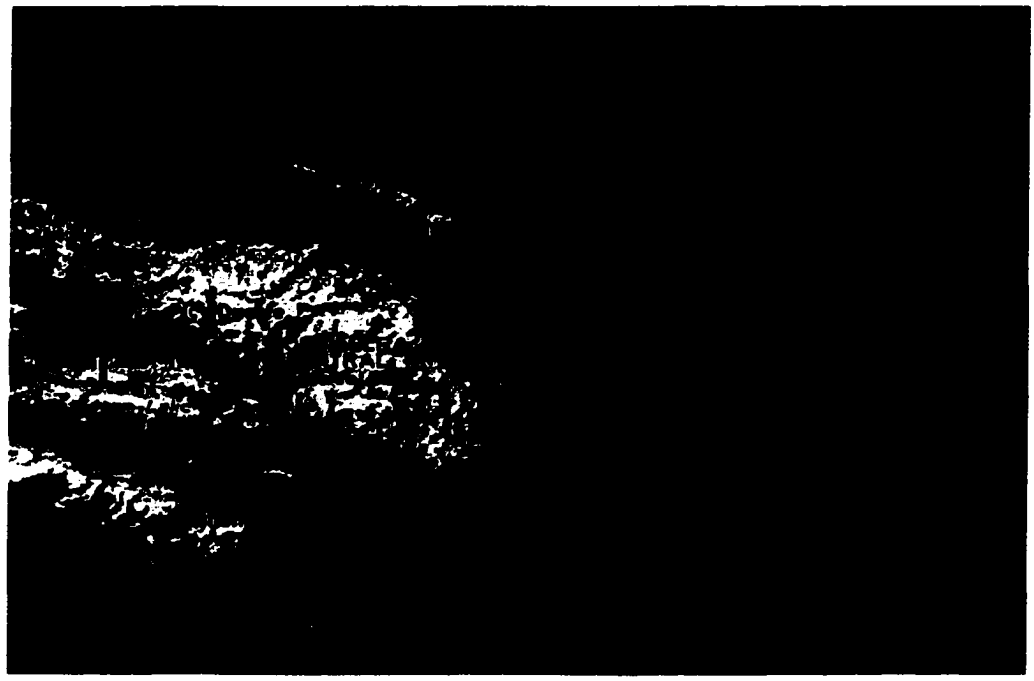


Figure 3.1a: Map of the Dominican Republic

Figure 3.1b: Detailed Map of Province of Azua

that together provided me with a richer understanding of the way the producers interact with each other, their associations, the exporters and the market, and the Fair Trade system and its representatives. Beginning with a case study approach, I relied on in-depth and semi-structured interviews, participant and non-participant observations, and document analysis to understand the situation. This variety of methods permitted me to answer different types of questions which often span multiple levels of analysis and sometimes presented themselves only during the process of investigation. In addition, examining my central research questions with a number of different approaches enabled me to triangulate and validate findings in an effort to come closer to understanding the reality in which the banana producers live (Denzin and Lincoln 1994; Alford and Friedland 1985). On a number of occasions, this design proved invaluable. Oftentimes producers' or exporters' explanations of events, policies, or experiences proved inexplicable when taken alone. Only after corroboration or further explanation by one or more other actors did the event begin to make sense. This is most likely related to the cloudy and at best incomplete understanding that the producers have of the export banana industry and the different priorities and perceptions the exporters hold. This chapter continues with a more detailed description of the methods and introduces the case study which will be elaborated in the chapters that follow.

1. Methods

Producer Interviews

The primary source of data about the producers' experiences is the producers themselves. Between April and August 2000 I conducted semi-structured, face to face

interviews with a random sample of organic banana producers (N=115). A 67-item questionnaire was designed to collect information on growers' experience with organic banana production and Fair Trade as well as their economic activities, socioeconomic situation, and basic demographics. The majority of the questions inquire about the respondent's banana production and their ideas about Fair Trade. Questions were both closed- and open-ended. The questionnaire was pretested with a small group of banana producers and afterwards revised with the assistance of a member of a local federation of *campesino* organizations that worked closely with and supported many of the banana producing groups.

Most of the interviews took place in the respondent homes during the afternoon or early evening, after work in the field was completed for the day. Very occasionally I interviewed a producer in the field, after repeated attempts to find him at home failed. Each interview took approximately one and a quarter hours to complete, and variation in length (from fifty minutes to two hours) depended to a great extent on the level of understanding the producer had about Fair Trade. All of the producer interviews were conducted in Spanish and responses were recorded in writing only, directly on the questionnaire.

Sampling. The sample of producers chosen for personal interviews was drawn from a sampling frame constructed from lists of producers who were currently certified[1] to export bananas. Each of the three exporters that were set up to export small farmers' organic bananas at the time I began this part of the research provided lists of growers from whom they purchased bananas. Each list was essentially a list of certified producers from whom they purchased fruit and who were organized into a producer association. This was the best available representation of the actual population of organic banana farmers in the Azua

Valley. All banana growers in the valley had to have their land certified if their fruit was being exported.

From this sampling frame, the sample was selected by a systematic random sampling procedure with a random start and stratified according to producer association. Initially, a total of forty producers from each of three groups were selected. Since two of the three exporters worked with producers that were registered Fair Trade, the sampling method was designed to capture the proportion of Fair Trade versus non-Fair Trade producers. In the end, 96 percent of the intended interviews (115 out of 120) were completed. Five producers could neither be reached nor replaced.[2]

While I believe that this group of producers is representative of the above-defined population, it is limited in that it only offers us insight about the experience of those farmers who are already integrated to some extent into the export banana industry. The bias of the research design towards those producers who already have potential access to the international market has been criticized since it excludes producers who would like to export their bananas but are presently without certification and therefore market access. This limitation precludes any analysis about the impact that Fair Trade could potentially realize in the valley. However, this also assumes that there are a number of producers not certified to export their bananas who wish to. This is an assumption that I cannot confirm based on my research. Moreover, the research questions central to this study are well addressed by the sample that I did select.

In-Depth Interviews

In addition to the individual producer interviews, I conducted a series of loosely-structured, in-depth interviews with representatives from the different producer groups, the

exporting companies, FLO, and other local agencies and organizations working to support the banana industry. I spoke multiple times, sometimes formally and sometimes informally, with most of these key informants throughout the duration of my stay in the field. The perspectives each of these actors shared about the banana industry, the export opportunities, the problems and benefits the growers receive, and Fair Trade all complemented each other and allowed me to get a wide range of explanations and a glimpse of the industry from a number of different angles.

Interviews with the exporters were conducted primarily to better understand their role in the industry from their own perspective. The exporters were willing to assist me and were frank about their experiences with FLO as well as their thoughts about Fair Trade and its impact in the valley. Their first hand experience with the international export market was also instructive and important to understand – especially since the exporters' discussion of the international market often differs from the perceptions of the producers.

The less structured interviews with representatives from the producer associations provided me an opportunity to discuss in greater detail some issues that arose during the individual interviews as well as a chance to learn more about the associations themselves. From these interviews, I created profiles of each of the associations of producers that were growing and/or supporting the banana growers which highlighted the organizational strengths and weaknesses as well as the experiences of each group. Together, these more flexible interviews helped compensate for the limits of using a structured questionnaire. They provided a way for me to inquire about new issues which arose only during the process of discovery that continued throughout my time in the field. Further, they gave me an opportunity to ask for more specific and detailed explanations about some questions. This

kind of explanation would have been burdensome to do in each producer interview. Since my relationship with each informant grew stronger as time passed, I was eventually included in more sensitive discussions about the political climate in the region, the problems particular to each of the actors, and the changes within the industry during its short but dynamic seven year history.

Observations

The data collected from the interviews make sense only within the broader context of the national and international export banana industry. As the weakest, least powerful link in this commodity chain, the small farmers are in a position where they must respond to the strict demands of the organic, fresh fruit export market – a reality about which they have little knowledge or understanding.

Ethnographic participant and non-participant observations made it possible for me to understand this context, and particularly the way in which the producers interact within it. As a student and outsider I was able to explore the contours and implications of their reality continuously through privileged access to and observation of events many producers are prohibited from experiencing themselves.[3] My observations took place in the *parcelas,* at homes and in the communities, at producer association meetings, at packing stations, during meetings and other encounters between the exporters and producers, with FLO monitors and representatives, and occasionally around town. At some of the packing stations I was invited to participate and help the workers as they cut, washed, and boxed the fruit in preparation for shipping. I also accompanied the trucks to the fields to pick up the stems to be transported to the packing station.

These field observations thus complemented the data I gathered from the interviews and strengthened my ongoing analysis and understanding of the producers' experiences. Just as they helped to contextualize and verify other findings, observations also directed my attention to new questions and were important when writing the questionnaire.

Document Analysis

The final component of the data collection involved gathering relevant documents and archived data concerning Fair Trade, bananas, and birth and growth of the Dominican national organic banana initiatives. Conscious of its leadership in organic agricultural exports, there are presently various efforts being made by the Dominican State and various NGOs to support alternative agriculture development. Although still young, many of these efforts are being documented. The information made available by the Fairtrade Labelling Organization was also important and helps place the Dominican banana producers in a broader international context, in relation to other Fair Trade producers from other countries. Collection and analysis of these documents strengthens the study since they enhance the understanding of the Dominican case as well as place it in a global context of alternative banana production in which these producers compete.

2. The case study

This research focuses on examining the reality facing small scale producers who are growing and exporting Fair Trade certified bananas. Following Friedland's (1984) approach to the study of agricultural commodity systems, this study was designed to sharpen our incomplete understanding of a Fair Trade commodity system by looking closely at the

production end of the chain. Given the limited systematic and empirical documentation of the implications of Fair Trade production, this dissertation may be seen as an initial investigation into the viability of Fair Trade for the producers involved and as an alternative to the conventional agriculture export system. While special effort was made to understand the particular way in which the producers encounter the Fair Trade system, concurrent attention was given to understanding how and why their experience is shaped by and interacts with the other links along the commodity chain.

Bananas are an extremely important agricultural commodity, in terms of both trade and volume of production. As the world's most important fresh fruit export with annual trade valued at around US$5 billion, (FAO 2000a) bananas hold a notable place in the global fresh fruit and vegetable system. As the fourth most important staple crop, banana production is also critical to the food security of millions. Today there are and estimated 36,400 small scale banana farmers supplying the export market, representing 8-9 percent of all export banana production (Smith 1999). Today bananas are the only fresh fruit commodity being marketed as Fair Trade. Since their launch in 1996, they have captured both international attention as well as impressive market shares. The market has grown continuously since then. Fair Trade labeled bananas are available in at least eight countries in Europe and come from six different countries.

The communities of the Azua Valley were chosen for fieldwork since it is here that the largest number of small-scale, Fair Trade banana farmers are growing their fruit. These producers join other small farmers from only a handful of other countries in seeking benefits from alternatively produced and traded bananas. Table 3.1 presents a summary description of the producer associations registered with FLO.

Table 3.1 Fair Trade Banana Production

Producer Group	Number of Members (approximate)	Primary Market(s)	Type of bananas
Asoproban Colombia	217 2.5 ha (avg) per member	Germany Switzerland	conventional
Coopetrabasur Costa Rica	69 307 ha total, shared by all	Switzerland Denmark Netherlands	conventional
Amina Dominican Republic	25 2-3 ha per member	UK Germany	in transition to organic
Aprobata Dominican Republic	243 1.1 ha (avg) per member	Switzerland Sweden Germany	organic
Finca 6 Dominican Republic	250 1.5-2 ha per member	Germany	organic
Juliana Jaramillo Dominican Republic	24 2-3 ha per member	UK	conventional
Maximo Gomez Dominican Republic	22 2-3 ha per member	UK Germany	organic
El Guabo Ecuador	66 310 ha total, shared by all	Switzerland Holland Denmark	conventional
VREL Ghana	852 permanent workers on plantation of 300 ha	Denmark Belgium Netherlands	conventional
WINFA Windward Islands	292 1 ha (avg) per member	UK	conventional

source: FLO Banana Register Profiles (1999a, 2000) and fieldwork

At the time of the fieldwork, only the two largest banana producer associations were registered by FLO, although a number of the smaller associations had applied for certification but been turned down. The Association of Finca 6 and Aprobata worked closely with the two major exporters, Savid and Horizontes Orgánico, respectively. In addition to these two groups, the study also included producers from a third association, the Cooperativa Francisco Rosario Sanchez. This group was exporting organic, but not Fair Trade, bananas. Thus, the original sample was comprised of forty producers from each of these groups.

This study precludes generalizability to Fair Trade producers in other regions and of other commodities. However, the experiences of the groups included in this study can nonetheless increase our understanding of how Fair Trade producers more generally are being integrated into Fair Trade initiatives and the issues they face. In comparison to other registered producer groups, banana growers from Azua are organized into larger associations but produce on smaller plots of land (FLO 1999a). One important characteristic of the Dominican industry is worth noting. In the Dominican Republic Fair Trade banana initiative, producers sell their fruit first to an exporter and therefore do not bypass this intermediary as some Fair Trade initiatives do (notably in coffee and elsewhere with bananas). This distinction is significant since it is typically between the importer and exporting party that the terms of the Fair Trade agreement are made. Implications of this system will be discussed more thoroughly below in Chapter V. For purposes of comparison, then, it is important to recognize that this organization of production and exporting adds yet another link in the beginning of the commodity chain. Thus, the particular concerns about this type of system will probably be absent, (though not necessarily

irrelevant) in situations where exporting is done directly. Finally, the producers here are the only ones who are exporting both certified organic and Fair Trade bananas (the rest of the Fair Trade bananas compete in the conventional banana market. Nevertheless, the experience of the Azua producers can still be instructive and informs our understanding of the implications of Fair Trade on the producers who look to the Fair Trade market as a viable alternative and a means for sustaining their livelihoods.

ENDNOTES

[1] In order to qualify a product as 'organic' for export, the producer's land must be certified by an organic certification agency that verifies production methods comply with internationally recognized standards.

[2] The reasons for this include: in prison, death, left to play baseball in the USA, limited access to the producer list, and a growing number of producers who were abandoning their bananas in favor of plantain or tomato, crops they felt offered greater security and stability.

[3] For instance, I could meet with the exporters and producers alike. I was permitted to attend meetings of the *junta directiva* of a producers' association while other members are not invited. I was also able to schedule appointments to meet with the exporters easily, while the growers reported having great difficulty making it past the receptionist.

CHAPTER IV

EXPORTING ORGANICS: SMALL-SCALE BANANA PRODUCTION IN THE DOMINICAN REPUBLIC

This chapter provides a background of the sector within which the Dominican Fair Trade banana initiative fits. It begins with a discussion of the growth of the organic agriculture sector of the agro-food system. Since the Fair Trade banana production in Azua is also certified as organic, the growers can potentially benefit from the intersection of these two specialty markets. Though the dissertation focuses on the implications of Fair Trade, an overview of the organic banana sector is helpful to place it into a broader context. Therefore, in this chapter, I describe the way the organic sector has been actively created and widely supported in the Dominican Republic. The attention it has received is a response to the high hopes organic agriculture supporters hold in terms of the benefits that exporting organic fruits and vegetables can deliver to small-scale producers in the South. However, an analysis of the banana producers' experiences suggests there is a divide between the promises and realities of organic banana production. After discussing this inconsistency, I suggest that in important ways the problems arising out of the organic banana initiative are reminiscent of problems that plagued other nontraditional agriculture export initiatives. There remains a need for alternatives that will support the banana farmers since organic

production falls short of its promises. Therefore, I conclude the chapter by suggesting Fair Trade has greater potential to provide a viable alternative to farmers.

1. Introduction

Impressive growth in the production and consumption of organic agriculture is attracting the attention of scholars, activists, agribusiness, as well as governments and non-governmental organizations. What began as a small, niche market in the 1960s is quickly being transformed into one of the most dynamic sectors in the global agro-food system. Global sales of organic products were over US$10 billion in 1997 and were projected to double in 2000 (Zygmont 2000).

This increasing interest in organic food comes primarily from wealthier, health conscious consumers concentrated in North America, Europe, and Japan. The rapid market growth also reflects wider consumer concerns about agrochemicals, food additives, and their response to a number of recent food scares such as bovine spongiform encephalopathy (BSE) or Mad Cow disease. In addition, there is a growing active resistance to the integration of genetically modified organisms (GMOs) into the conventional food system.

Behind the growth in the market is a sharp rise in both scale and scope of organic production. The ITC reports certified organic agriculture growing in more than 130 countries for commercial sales (Zygmont 2000). The current trajectory of growth predicts as much as 30 percent of Europe's acreage could be under organic cultivation in just ten years (Halweil 2001). Also notable is the increasing role of the South in the organic industry. Mirroring a more widespread increase in demand for fresh fruit and vegetables in the North during the past decade (Friedland 1994a), demand for organic produce is now on the rise as

well. Since the Southern countries are important exporters of conventional fruits and vegetables, in certain respects, the incorporation of Southern producers into the organic sector merely reflects the changing demands of their market. Argentina, for example, had over one million hectares dedicated to organic production in 1999, more than tripling their organic production area in one year. It is one of the largest producers of organic apples and pears. A whole range of organic fruit and vegetables is being grown in Chile as well, all for export markets (Zygmont 2000). Another reason for the growth in organic exports from South to North is related to the entrance of transnational corporations as major players in the organic industry, seeking to capture returns from the high-value sector (Pollan 2001; Buck et al. 1997). For example, Dole and Chiquita, the two largest transnational players in the banana industry, are involved in is producing and exporting organic bananas.

Organic agriculture is also viewed as a strategy for rural development that can offer a viable alternative to conventional commodity production. For small-scale farmers, the argument goes, the labor intensity of organic agriculture can be easily absorbed by household labor. Moreover, as the FAO suggests, higher price premiums are expected, making organics a lucrative new possibility for the developing world (FAO 1999b).

The rise of this sector has prompted a range of social scientists to try to understand theoretically what the implications of organics may have for the global agro-food system.[1] The market for organic food is driven by consumers who, through their purchasing decisions, express support of a different form of agricultural production. Some suggest that a rise in agriculture alternatives such as organics could represent an institutional and political challenge to the conventional agriculture system under which most of our food is grown (Goodman and Goodman 2001; Magdoff et al. 2000b). The interest in organic agriculture

can also be considered as a strand of an emerging alterative trade movement that is trying to challenge the dominance of conventional production and trade by "re-embed[ding] commodity circuits within ecological and social relations" (Raynolds 2000a:298). The possibility that organic agriculture could represent a better alternative to conventional agro-food system must be considered in light of the fact that even with the impressive growth in the sector, it still represents only a small fraction of our food supply. As Allen and Kovach (2000) warn, though, there are limits to a market-driven strategy bringing about fundamental change the agro-food system. Moreover, the codification of organic agriculture has made it "safe for capital" (Guthman 1998), thereby facilitating the integration of (or appropriation by) agribusiness into the organic sector (Buck et al. 1997; Pollan 2001). The entrance of these large corporations that dominate the conventional food system likewise casts doubt on the potential of the organic movement to foment positive social change.

Nonetheless, the logic of the organic movement proposes that "organic praxis brings good husbandry to the land and healthy, nutritious food to consumers" (Goodman and Goodman 2001). Absent from this promise, however, is an indication of what the boom in organic agriculture means for producers.

In the remainder of the chapter, I focus on organic banana production in the Azua Valley to consider the implications of the incorporation of small-scale growers into an increasingly international organic sector. Interviews with producers suggest that the promises to small farmers tend to be overstated. Environmentally, organic production is a vast improvement from previous agricultural initiatives in the valley. However, a range of concerns can also be identified, suggesting the possibility that organics may represent the next wave of nontraditional[2] agricultural commodity exports for the Dominican Republic.

Material rewards to small-scale growers have declined since organic bananas were first introduced into the market. A changing international context and increasing competition, especially from much larger farms has translated into falling prices and rising quality expectations. Moreover, many producers still find themselves dependent on a volatile specialty market and on a single crop.

2. The Creation of an Organic Export Sector

In the Dominican Republic, a long historical dependency on agricultural commodity export has fostered the country's capacity to respond to changes in the global economy. Today, in response to the rapid rise in demand for organic produce, development initiatives are incorporating organic agriculture with a growing fervor. Sponsored by the state as well as other national and international agencies and organizations, these initiatives are designed with the hope that the higher prices, rising demand, and a more environmentally sustainable form of production agriculture will converge to offer a viable strategy for rural development and provide a better alternative for disadvantaged, small-scale farmers.

Such a dynamic organic agriculture sector did not emerge in the Dominican Republic out of an alternative agriculture movement driven by farmers committed to agroecological principles (Altieri 1995) and local health conscious consumers as it did in the United States and Europe. Rather, the organic export sector has been actively promoted by a quite a different group of supporters and the national market for organics is extremely small.

Alternative agriculture was first introduced to the country in 1982 by a Swedish rural development group that founded the Centro Regional de Estudios de Alternativas Rurales (CREAR), a school where organic agriculture techniques are now taught (Helvetas 1999).

However, the widespread adoption of organic agriculture and effective creation of an export program can be traced to the early 1990s. It followed closely on the heels of a then-fledgling nontraditional agriculture export strategy which began to decline towards the end of the 1980s (Raynolds 1994b). Today, promotion of organic agriculture is sponsored by a wide range of local, national, and international groups. A recent analysis of the sector lists 21 institutions and 26 specialists involved in some aspect of the organic industry (Helvetas 1999), and this list is not comprehensive.

National governments and their development agencies, including the Swiss association for international cooperation, Helvetas, Japanese development group, JICA, Germany's GTZ, and the US Agency for International Development (AID) provide important support, capital, and expertise. Dominican promoters include but are not limited to FAMA (Fundación de Agricultura y Medio Ambiente), JAD (Junta Agroempresarial Dominicana) together with its Committee for Organic Agriculture, CEDAF (Centro para el Desarrollo Agropecuario y Agroforestal), a key recipient of USAID funding, and NGOs such as GRAN (Grupo de Desarollo Rural Nacional). The state's participation has also been significant. In 1997, the Dominican Secretary of Agriculture (SEA) even created a special Division of Sustainable Agriculture and Rural Development Alternatives which focuses primarily on the development of organic agriculture in the country. Under its leadership twenty-three courses and workshops were organized for producers and agronomists in its first two years. A recent edition of *El Exportador Dominicano*, a trade journal published by the Center for Promotion of Dominican Exports (CEDOPEX 1999a) was entirely devoted to organic agriculture, demonstrating a commitment to launch the new products internationally. Finally, there are presently no less than three universities and a

handful of Institutes and technical schools offering special courses and conducting research on organic agriculture in a clear effort to strengthen the knowledge base of Dominicans so that reliance on foreigners can decline in the future. Importantly, all of these effort are also aligned with the UN FAO's (Food and Agriculture Organization) belief that organic agricultural exports offer an important opportunity for small scale producers who seek more favorable integration into the global agro-food system (FAO 1999a).

Up to now, the efforts certainly appear to be paying off. Tables 4.1 and 4.2 include more data illustrating the breadth and rapid growth in the industry. The Dominican Republic is a leader among Latin American countries in terms of certified producers, with approximately 9,000. In 1998, there were over 4,200 hectares under certified[3] organic cultivation, 80 percent of which is cacao, coffee, and bananas. In the same year the JAD reported that the Dominican Republic exported 85,000 tonnes of organic products, 70% of which went to Europe. By 1999 there were five internationally recognized organic certification agencies with offices in the country, and several more that worked there but without permanent offices. CEDOPEX has data collected on ten different organic products being exported to more than twelve countries (Solís 1999:10-11).[4] Moreover, there are additional products being grown organically, but are either still in conversion, currently only sold nationally, or for which separate data is not collected. For instance, besides the products listed in Table 4.1, other organic products include: Chinese vegetables, honey, spices such as oregano and ginger, flowers, yucca, sweet potato, and pineapples. Finally, a recent launch of organic chocolate flavored ice cream by BON (a national chain), a limited selection of organic produce in some supermarkets, and a small organic food market in Santo Domingo suggest the sector may begin to take off locally as well.

Table 4.1: Production, Value, and Export of Selected Organic Products

Product	Number of Producers	1997 Volume[1]	1998 Volume	1999[3] Volume	Increase in Value[2] 1997 - 1998
Bananas	1500	11,765.7	20,028.0	13,395.8	137%
Coffee	1000	163.6	202.5	147.4	69%
Cacao	5000	1,484.9	2,124.7	652.4	57%
Mango	10	-	285.4	49.8	-
Coconut	300	70.8	181.4	182.4	-

[1]Volumes are in metric tonnes
[2]Values is in US$, fob
[3]January-July only

source: CEDOPEX, 1999a

Table 4.2: Destinations of Organic Products Exported from the Dominican Republic, 1997-1999

Country	1997-1999 [1], MT	US$	This Period
The Netherlands	13,823.7	3,126,052	25.9%
Germany	10,139.7	2,484,631	20.6%
Belgium	9,000.6	2,406,405	19.9%
United States	5,382.2	1,964,798	16.3%
United Kingdom	1,758.6	1,502,093	12.4%
Total	40,104.8	11,483,979	95.1%

[1]data are for January-July only

source: CEDOPEX, 1999a

As this overview suggests, the Dominican organic agriculture sector has received a wide range of international and national support. Given this level of interest, it is perhaps unsurprising that the country has become a leading supplier for the thriving niche market. In the following section, I examine the implications this trend has had for the organic banana growers involved.

3. Organic Banana Production

The commercialization of organic bananas in the Azua valley began in earnest after 1989 when a few foreign investors realized that the small farmers were growing bananas without any added chemical inputs and recognized an opportunity to supply a growing niche market that was yet unfulfilled. At that time, there was no sign of black sigatoka (*mycosphaerella fijiensis*), a potentially devastating disease which is typically controlled by routine spraying with potent fungicides. The cost of the chemical inputs was beyond the economic reach of most of the small-scale growers anyway. During the next ten years, the Dominican Republic rose to become the world's most important supplier of organic bananas (FAO 2001) with a majority of producers and at least half of the production coming from the Azua valley. Today, there are an estimated 1,500 producers cultivating organic bananas throughout the country (Rubens 1999).

Organization of Production

Banana production in Azua is organized around a mixed system of contract and open market production (Raynolds 1994a). There are three primary exporting companies operating out of Azua, each of which purchases bananas from the small growers in the valley as well as from larger producers in the North (located in the regions of Mao and Monte Cristi). One of these exporters also sources bananas from its own medium sized farm. However, only one company offers contracts to the small farmers, and then only to one geographically distinct group of about 250 producers.[5] As a result, a majority of the producers in the valley were 'independent' and free to sell to whichever company would buy. Of the producers interviewed only 37 percent had a contract, reflecting the actual

proportion of growers that have signed contacts. The remainder sold to whichever of the other companies was willing to purchase their harvest. These exporters claimed to keep track of who the 'good' producers were and competed with each other to buy from these farmers.

A majority of the banana growers were already incorporated into the global agro-food system long before the exporters began to search for suppliers in the early 1990s. The Azua Valley has a history of export agriculture production and was an important region during the 1980s for nontraditional agriculture projects (Raynolds and Bonilla 1999; Murray and Hoppin 1992). By sourcing their production from here, exporters found communities already experienced with exporting, contract or satellite-grower production, and familiar with the strict quality requirements of Northern specialty markets. They were also accustomed to the vulnerability of their own economic security being tied to the changing consumer preferences in countries faraway.

Setting up in the Azua valley also gave the exporters indirect access to land they had to neither purchase nor maintain. As is the case with a majority of the national organic agriculture export production (Agroempresa 1998), much of the cultivated land in Azua was distributed by agrarian reform policies. Seventy-seven percent of the banana producers interviewed were farming on agrarian reform land, for which few have definitive titles. Finally, by locating here exporters were also able to take advantage of a comprehensive system of canals and waterways that was built in conjunction with the agrarian reform project (Proyecto Ysura) to provide irrigation through the valley. This system can potentially bring water to even the smallest *parcelas* in the district, which is important because irrigation is critical for banana production in a semi-arid region such as Azua. It was perhaps because

of this combination of factors, and the fact that bananas promised to bring them returns higher than they had seen before with any other crop, that the exporters found so many producers willing to try something new.

With encouragement from the companies as well as the from state extension agents and NGOs who had high expectations for the initiative, many growers switched their production to bananas or increased the area they had planted with bananas. The first task was to get the land certified by an external certification agency whose seal of approval would be recognized internationally. This is an expensive undertaking and can cost more than $1,000 initially since inspectors must often be flown in from Europe or the United States. Because small-scale growers cannot afford this kind of expense, nor do they have enough knowledge about the certification procedure, exporters took on the responsibility for them.

One of the main reasons small-scale, peasant households are considered ideally suited for organic crops is an assumption that they will enjoy lower costs of production since they do not have to purchase expensive agrochemicals and they can exploit their family's labor. Labor costs are typically the highest cost in organic systems since the work otherwise done by the chemicals must be replaced by manual labor. Since bananas can be harvested and sold every two to three weeks under normal conditions and plants can last twenty years or more, the fruit soon proved to be worth the effort. In addition to the steady income, bananas captured very high prices in the initial years. Producers frequently reminisced about the early days, when they often received 80 pesos (US$5.00) per box and sold their fruit regularly (ideally, twice a month). In the beginning, these growers had little competition, and enjoyed benefits of supplying a niche market in which demand was growing consistently.

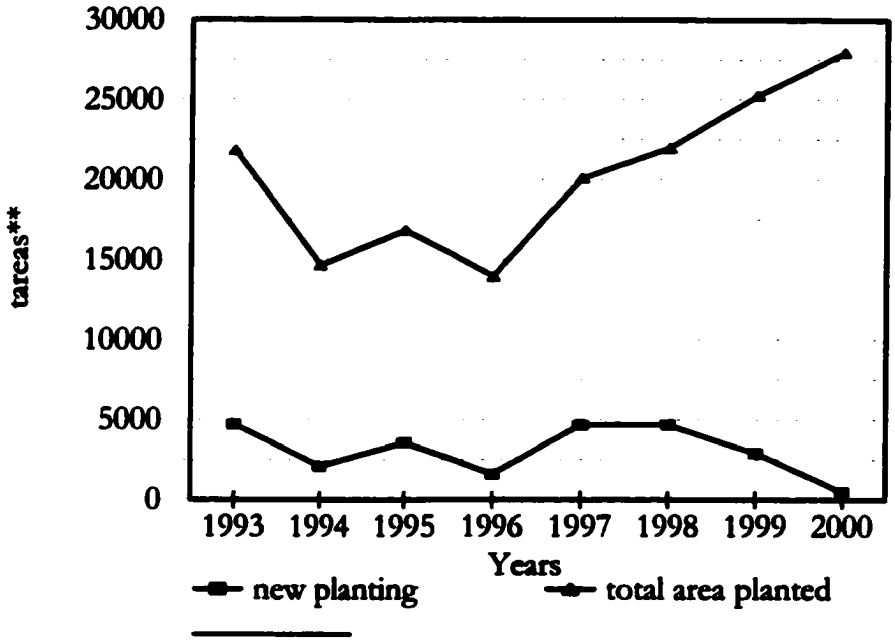
For many, bananas soon became their crop of preference. A full 72 percent reported that they preferred bananas to their previous crop(s). Since they are all small-scale growers, with a median size of landholding only 2.1 hectares, relatively high prices and year round sales of bananas was favored over other crops that were sold for much lower prices locally or harvested only seasonally. By the summer of 2000, there were almost 28,000 tareas (1,761 ha) of bananas being grown in the Azua valley, comprising 11% of the land under cultivation (SEA 2000). As shown in Figure 4.1, production rose in the mid-1990s after the two leading companies began expanding their operations. Moreover, producers were quite pleased with their production and status as pioneers in the organic banana trade. One article about an organic producer group went so far as to boast:

> Their agricultural practices and care of the environment are making a big name for the Dominican Republic overseas. They produce the best organic banana in the world, with a sweet taste, delicious and pleasant, like the charm of the beautiful Dominican women.... They are modest people, very proud to know that the fruit of their work is valued in the most demanding markets of the world (Agroempresa 2000:2).

From this perspective, the organic banana sector appears to be fulfilling its promise. However, despite a near-doubling of the total area under bananas between 1994 and 2000, a decline in new planting of bananas towards the end of this period hints at a more complex reality facing the producers (see Figure 4.1).

4. Promises and Realities: Producer Experiences

Less than ten years later, farmers have already begun to see advantages they previously enjoyed slip away. Even as the sector continues to grow at the national level, enthusiasm locally for bananas has begun to weaken. Production crises in the winter and demand/market crises in the summer erode the security they thought organic bananas could



*Jan-July only
**1ha=16 tareas

source: SEA 2000

Figure 4.1: Cultivation of Bananas in Azua Valley, 1993-2000*

bring.[6] The end of 1999 and early months of 2000 proved to be fatal for bananas in several parts of the valley. First, exceptionally cold weather resulted in serious problems caused by the 'chilling' of the fruit. This forced exporting to practically halt for several weeks, but only after damaged fruit ripened prematurely en route to Europe and exporters were forced to pay dearly for the losses. Then, in March, the Secretary of Agriculture confirmed the arrival of black sigatoka in Azua for the first time (personal interviews; Rubens 2000). By mid-March, a tour through the *parcelas* revealed entire sections of the valley's bananas totally lost to the disease. By the time production began to return to normal again, summer arrived and, as usual, demand fell.

The year was particularly difficult for the small farmers. By the middle of 2000, demand for bananas in Azua was substantially lower than in previous years. "The worst summer we have ever had," admitted producers and exporters alike. The outlook starkly contrasted the confidence they had revealed just a few months prior. During initial interviews in the fall and winter with representatives from the industry, the outlook for the future was very optimistic: they projected that the small farmers from Azua had the potential to export 18-20 containers per week. In reality, during July and August of that year perhaps a quarter of the expected volume was exported each week.

By this time, producers were also starting to become impatient with ever-stricter market demands, declining farmgate prices, and the limited quantities of bananas that were being purchased by the companies. A series of complaints reported in the *Listín Diario* (the leading national newspaper) noted that many producers blamed the state and the exporters for the overproduction, which, compounded by shrinking demand was creating a crisis for the producers. Representatives from producer groups charged that the Secretary of Agriculture and the companies "motivated this massive planting of bananas and today do not have the capacity to buy them" (Andujar 2000). The crisis has continued ever since, and as a result many producer have begun to take their land out of bananas reasoning, "we cannot eat plain bananas 7 days a week" (Andujar 2000).

A closer examination of the experiences of organic banana producers in Azua is instructive. This study suggests the benefits of organic production may be overstated and reveals a number of issues affecting the potential of exporting organic crops as a positive rural development strategy. In the remainder of this chapter, I discuss four key issues that emerged as important. The issues draw attention to some inconsistencies between the

promises and realities for growers and provide a background for the remainder of the dissertation. They introduce the sometimes contradictory dynamics in the sector which will be expanded upon in the following chapters.

Market (In)Security

For small-scale producers who depend primarily on just one crop and cultivate a small area of land, stable prices and a secure market are critical. Producers prefer crops that will bring high returns, but perhaps as importantly they also need to grow crops they can sell once harvested. Therefore, the economic security found in stable prices and demand is an essential component of any alternative that intends to offer viable development opportunities for rural communities. Just how much security, then, do organic bananas really offer producers?

Exporters and agronomists in the region argue that bananas are ideal for small-scale agriculture precisely because the fruit can be cut year round and sold every fourteen days. Likewise, claims by industry analysts suggest demand for organic bananas is growing, especially in Europe and the US. Most producers, however, report that this is no longer the case. Instead, they continually complain about the limited outlet for their product. When asked what their biggest problem was, the most common response was that they could not sell their bananas regularly ("*no hay salida*" or "*no hay mercado*"). Of the 115 producers interviewed, less than half (48 percent) reported that they had sold their fruit for export during the previous month and only 11 percent of them had been able to sell their harvest the expected two times during that month. Table 4.3 provides greater detail of the instability of the market, illustrating that many of the producers have been unsuccessful in

Table 4.3: Months Since Producer Last Exported

Months	N	Percent
current	56	48
1-2	9	8
3-5	10	9
6-8	7	6
9-12	5	4
12 or more	13	11
not available	15	13
Total	115	99[a]

[a]does not total 100 due to rounding error

selling to an exporter for many months. Included in these numbers is a group of producers (n=15) who could not provide any response since they had not been able to export for such a long time.

Organic products are expected to have a high price premium to reward producers for their efforts. However, even though organic bananas capture high prices in Northern supermarkets, the average price to producers does not always reflect the premium. The average retail price per pound of organic bananas in the US is $0.99, more than double the average price for conventionally grown fruit (Sauvé 1999). By the end of 2000, though, exporters saw the f.o.b. price for a 40-pound box of bananas fall to $7.00, down from $11.00 the previous year. Meanwhile, the average price to producers was close to eight cents per pound[7] (net) in March, 2000 and fell by as much as 20 percent in some cases by the end of the summer. These falling prices can be attributed to new and increased areas of production in Latin America, including the entrance of transnational corporations into the organic banana sector (FAO 2001:5).

What these examples tell us is that the opportunities and benefits to producers are limited by market insecurity that has worsened in the past few years. Some of the volatility is absorbed by export contracts that some growers have. However, as the following sections suggest, small-scale growers still find themselves disadvantaged, especially versus exporters and larger growers. Even though each of the three companies continues to make purchases from the small growers, the proportion from small farms (of total export volume) is declining. With increasing regularity they source a majority of their orders from large- and medium-scale growers.

Contracts and the Role of Exporters

Conclusions about the effect of contracts for smallholder agriculture is generally regarded as mixed (Glover and Kusterer 1990; Little and Watts 1994; Raynolds 2000b). As is often the case, the importance of contracts must be considered in conjunction with the role played by the exporters. Overall, an export contract appears to be a positive advantage for the growers who have one. In cases where the producers have not signed a contract, though, a relationship with an exporter is still critical since there is so often greater supply than demand.

About two-thirds of the producers in the valley (and 63 percent of those interviewed) were considered to be 'independent' growers. Since they were not bound to a contract, it was argued, these farmers were 'free' to sell their harvest on the open market. However, many producers complained they were at a disadvantage compared with other producers. To them a contract meant that they would have more security since the companies would have greater responsibility to their contracted growers. They explained,

"the company doesn't have any obligation to us" (*"la compañía no tiene ningun compromiso con nosotros"*). On the other hand, many of the contract growers I spoke with complained that they had no choice but to sell to the company with whom they signed the contract, even when, in their view, the company was not abiding by the terms to which they signed.

As shown in Table 4.4, the contract does provide better security. Those with a contract were 20 percent more likely to have exported in the previous month. These growers are defined as 'current growers'. In addition, those without a contract were 15 percent more likely to have *not* exported in over a year than producers with a contract. A contract does not, however, guarantee the growers significantly higher or fixed prices and a sale every two weeks, as tended to be assumed by those without one.

The limited stability associated with the contract reflects the way it is written to divide risk between the firm and the growers which is a common feature of contract farming. Producers are expected to make available all their harvest while the company commits to purchasing only fruit of 'exportable quality.' This term is defined explicitly in the contract in a list of twenty-five criteria to which acceptable bananas must conform but many of the criteria are subjective and open to interpretation. The relationship is further specified such that during certain months the exporter agrees to purchase all exportable quality production but in the summer only 70 percent. Yet companies also reserve the right to purchase additional quantities when there is sufficient demand. The 70 percent minimum clause reflects the cyclical demand for bananas, which falls in the summer (personal communication Jetta van den Berg, 3.2.00; Savid S.A. 1997). An 'exportable quality' condition is certainly not unique to the Dominican Republic banana contracts. Small-scale

Table 4.4: The Effect of Contracts on Months Since Producer Last Exported

Number of Months since last export	Contract No	Yes
0	49%	69%
1 - 6	23%	17%
7 - 12	9%	11%
12 or more	19%	3%
total	100%	100%

growers in the Windward Islands have been dependent on this condition for many decades (Trouillot 1988; Grossman 1998).

Regardless of whether they offer contracts or not, the exporters are central players in the valley since it is only through them that growers have access to the international market. And, without this market access, bananas are far less attractive. Contrary to popular wisdom, organic banana production for export is costly for these small scale growers. They do not capture a price premium when sold nationally and the local market sales usually do not cover the cost of production. During periods when the exporters were not buying, many growers chose not to harvest since it would cost them more to cut the fruit than the price they could receive.

The divide between the promises and realities of organic agriculture can now be better understood. Central to this inconsistency is the contradiction exposed by an unfulfilled demand for organic bananas and a concomitant shrinking market for the small-scale producers in Azua. Two related phenomena help explain: the 'exportable quality' standards imposed by Northern markets–via importers and supermarkets, and the changing international context, particularly the entrance of new suppliers.

First, quality is perhaps the most critical characteristic of exported bananas. Consumers in the North are now accustomed to eating bananas which are large and blemish-free – two qualities whose attainment is facilitated by the agrochemical inputs typically applied to conventionally produced bananas. These consumer demands are passed on to exporters and in turn to producers through the rigid requirements imposed by importers, who are unwilling to take on the risk of bananas that may not sell because of cosmetic reasons.

Second, when organic banana production in Azua began in the mid-1990s, these growers were practically the only suppliers to the booming market. Similar to the evolution of other organic products, poorer quality bananas were at first readily accepted, since there was no competition. Thus even though the producers were always being pushed to produce a better quality fruit, they were able to harvest something that was still acceptable to importers. To put it simply, they could get away with selling lower quality fruit because there was little competing supply.

In just five short years, the situation has changed considerably. Today, Latin American suppliers of organic bananas include Colombia, Ecuador, Mexico, Costa Rica, and Honduras in addition to the Dominican Republic. Many of these newer competitors produce on much larger scale and thus benefit from economies of scale (including the better technical assistance that typically accompanies larger scale production) the small farmers cannot as will be seen in the next chapter as well. The greater scale of production also permits better coordination of production and harvesting, which is critical for achieving the consistent quality required by importers. Furthermore, many benefit from years of experience producing 'exportable quality' bananas (Ecuador is the largest exporter of

bananas in the world), something else the Dominican growers lack. Finally, there is also new, direct competition from larger producers in the Dominican Republic itself. One of the new organic plantations located in the North of the island cultivates 750 hectares of organic bananas and exports 18,000-20,000 boxes per week (CEDOPEX 1999b). To put this into perspective, the growers in Azua have an average of only 2.65 ha of land.

Environmental Issues

Other significant benefits promised by organic agriculture proponents are a healthier environment for producers and a more ecologically sustainable agriculture system. In this respect, there is greater consistency between the reality and the promises.

A paradoxical effect of the codification of organic agriculture is that it opens up space in the sector to two very different and unlikely participants: Third World producers and agro-food corporations. Thus far, more attention has been focused on the implications of organic standards in the North, particularly in California where the integration of corporate agriculture is pronounced (Guthman 1998; Buck et al. 1997). However, internationally recognized organic standards are also providing an opportunity for export dependent, small-scale producers in the South to reduce or eliminate their contact with harmful chemicals that they are typically expected to apply.

In Azua, many of the agroecological principles that have driven the organic movement in the North are still unknown. For most, 'organic' is equated with 'pesticide-free' agriculture and adopted because there are buyers who will pay decent prices for it. Nevertheless, growers frequently point out that their bananas are healthier since they are organic. Since the bananas are grown without the addition of fertilizers, pesticides, or

fungicides the cost of production associated with chemical controls is eliminated. Exposure of communities and packing station workers to the harmful chemicals is also absent.

This turn towards organic agriculture is a radical improvement to the agricultural production in the valley during the 1980s. At that time, the intensity of agrochemical use on other crops (especially melons and tomatoes) created an ecological disaster and cost an estimated $300,000 in lost local wages (Murray and Hoppin 1992).[8] The organic banana production also stands out in stark contrast to the environmental conditions under which conventional bananas are normally produced (Bourgois 1989; Moberg 1997).

Just because the initiative does not encourage chemical dependency, it does not follow that the producers, their families, and their land is free from all agrochemicals. Interviews revealed that a full 40 percent of growers use some kind of chemicals on other crops they grow. However, in a majority of these cases, this means occasional applications of fertilizer to other crops, rather than scheduled spraying of a harmful mixture of pesticides as was done previously. Overall then, the environmental benefits do reach producers.

Banana Dependencies

This section considers a set of issues that suggest a pattern of dependency which repeatedly emerged as a theme throughout the course of this research project. More specifically, I suggest that not unlike other export agriculture schemes, the organic banana initiative in Azua appears to encourage dependency on a single commodity, on volatile export markets, and on intermediaries. As the previous sections show, the export market does not always offer the security and stability that could contribute to positive and sustainable rural development sought by small-scale commodity producing communities.

Nevertheless, producers have placed much faith and invested substantial effort in bananas, thereby placing them in a position in which their household's well-being relies to a great extent on the success of the sector.

The percentage of land a producer commits to bananas is an important indicator of the degree to which the household depends on bananas. As shown in Table 4.5, almost 40 percent of the producers interviewed were dedicating between 80 and 100 percent of their land to bananas. What the table does not show is that the modal frequency was 100 percent (n=38, or 35% of respondents). It is also telling that in almost all cases, bananas plants are monocropped quite densely (a recommended planting distance of 2 x 2.0 m; 2250 ratoons per ha), rather than intercropped with other household or cash crops. Given this level of commitment to the banana harvest and the additional labor requirements associated with organic agriculture, producers also often rely on additional hired labor. Moreover, enthusiasm about bananas appears to be accompanied by a decline in the amount of subsistence crops grown in the household garden. As one grower explained to me: "we don't have time to take care of our *parcelita* anymore, bananas are very demanding." In cases where there was a household garden, it was usually either neglected or planted with bananas.

I have already suggested above that the power to define the 'quality' of an exportable banana lies far from the farmgate. Strict quality expectations are not unique to bananas, nor to organic food products. But, high-value niche markets such as this one are usually among the strictest in terms of quality demands. Thus, by participating in this kind of market success is intimately tied to a farmer's ability to produce a high quality fruit.

Since the critical role of exporters was discussed above, I bring up the importance of the exporters again only briefly. Given the extent to which growers rely on them for market

Table 4.5: Growers' Dependence on Bananas

Percent of Land Dedicated to Bananas	Producers	
	f	%
80-100%	42	39
60-79%	13	12
40-59%	17	16
20-39%	15	14
<20%	21	19
totals	108	100

access, the relationship between growers and exporters at times can be described as paternalistic. This was especially true for producers that had signed contracts, but also with other exporters to a lesser degree. Over the years, growers have become accustomed to the companies making most decisions about production and sales (for instance, who could sell, when, and how much was the decision of the company, and not the producers and/or their association). Their acceptance of this relationship allows exporters to maintain control over a disperse group of growers, but it also permits the growers to blame the company for most of their problems since they do not take responsibility for many decisions. Furthermore, very few producers have a solid understanding about the international banana market. About half named an exporter as their primary source of information and another 26 percent admitted that they did not know where they could go to learn more about the industry.

Finally, certification is a critical and expensive requirement needed for exporting organic agriculture products. Since the exporters acquire the certificate on behalf of the

growers, it represents another detail for which producers depend on the exporters. With the company as the effective owner of the certification, this setup binds growers to the company that holds the certificate for their land and prevents them from exporting directly.[9]

To conclude, the magnitude of the producers' dependence on a single commodity, certification, and powerful intermediaries raises questions about the long term viability of exporting organic bananas as a strategy for small-scale growers. The insecurity of their situation is further compounded by the increasing instability of the market, and the weak understanding they have regarding the venture into which they are integrated. In the final sections, I argue that the issues raised here are not unique to organic agriculture. These issues, however, limit the potential of exporting organic crops as a real alternative to producers and for bringing about any sort of radical change in the global agro-food system. Findings from the study however support arguments that Fair Trade may be a stronger alternative with greater possibilities for bringing a out progressive change.

5. Alternatives

The Next Wave of Nontraditionals?

Throughout the 1980s and into the early 1990s, the promise of economic growth and development for much of Latin America and the Caribbean's rural poor was supposed to emerge with the adoption of an outward-looking strategy of development centering around the export of new nontraditional agriculture (NTA) crops, such as broccoli, snow peas, melons, and strawberries. These relatively high-value crops were in high demand in the North (particularly in the United States) and heavily promoted to small scale producers as a more lucrative and viable alternative for them since the markets for and revenues from

traditional commodities like sugar, beef, and cotton were declining. Encouraged to diversify away from traditional exports and subsistence agriculture, small farmers were celebrated as ideally suited to produce these new products, which tend to be labor intensive, can be grown on small plots, and often received high prices since they were destined for upscale and specialty markets (Conroy et al., 1996; Llambi 1994; Barham et al. 1992). Does organic agriculture produced for Northern export markets represent the next wave of nontraditional agriculture promotion?

Just as aggregate statistics provoked initial excitement about the nontraditional agriculture sector (for instance, see Paus 1988a), from the perspective of national sector statistics, the Dominican organic banana industry represents a dynamic and successful opportunity. Concealed in these reports, however, are more complicated conclusions that can be drawn from producers' experiences. In fact, the issues raised in this study are reminiscent of concerns raised by those who reported on the implications of nontraditional agriculture export initiatives for the small-scale growers involved. In certain respects, rather than offering an alternative, this new export sector reproduces many of the problems previously encountered in other NTA schemes both in the Dominican Republic and elsewhere in Latin America (Glover and Kusterer 1990; Barham et al. 1992; Raynolds 2000b).

Even a brief review of the research on NTA projects highlights a number of parallels between organic and other nontraditional exports. While lucrative for exporters, NTA efforts have proven to be less than favorable for many of the small farmers involved. One key component of NTA export initiatives was the heavy reliance on the use of contracts by firms for their primary source of production (Glover and Kusterer 1990; Conroy et al. 1996).

Rising quality expectations were also formalized through the contracts, in a similar way that the banana contract incorporates the 'exportable quality' clause. Integration into these new export market sectors meant producers had to learn to grow unfamiliar and usually labor-intensive crops. Similarly, organic production techniques are unfamiliar to the growers in Azua, which complicates their struggle to produce high quality fruit. In addition, active recruitment of growers by exporters for these NTA initiatives was commonplace. Moreover, NTA was promoted by a range of national and international organizations, notably USAID. As are the organic exports, these new crops were also supposed to spur rural development and promote economic growth in poor communities (Conroy et al. 1996; Gwynne 1999; Glover and Kusterer 1990).

Not too long ago, the Dominican Republic was held up like a poster-child for nontraditional agriculture export success. Indeed, a rapid rise in production during the 1980s, characterized by a 13 percent annual rate increase through the mid-1980s (Mathieson 1988), even prompted *The Economist* to predict that the island nation would be "the Caribbean country which offers by far the most important agricultural and agroindustrial [investment] opportunities" (Burgaud 1986, cited in Raynolds 1994b:227).

The active promotion of the NTA sector was equally, if not more, supported by national and international groups, as the organic sector is today. Like elsewhere in Latin America, the development of the Dominican NTA sector reflects USAIDs promotion of nontraditionals as a strategy for economic development (Murray and Hoppin 1992). Success was also strongly encouraged by the state, whose actions reinforced conditions imposed by the IMF and World Bank. In particular, new laws created tax incentives to firms who

invested in NTA and exporters were granted state access to land where they could set up production very cheaply (Raynolds 1994b; Mathieson 1988).

If the short-lived success of the NTA initiatives in the Dominican Republic are any indication of the future of the organic sector, then supporters of the rapid expansion of organic agriculture might be more cautious in their enthusiasm. The socio-economic impact of nontraditional agriculture export initiatives has not included many of the rewards promised by promoters. Meanwhile, the environmental impact of the projects turned out to be far worse than had been expected (Murray and Hoppin 1992), which has not been the case for the organic sector.

Just as Conroy et al. (1996:29) asked whether the NTA programs heavily promoted in Central America were "merely more of the same?" today we ought to question whether organic agriculture exports represent a real opportunity that will bring greater security to small-scale producers in the South. Or, are they simply another, more environmentally friendly version of the NTA schemes that will reproduce a historical pattern of hope followed by dependency, vulnerability, and disappointment?

Arguably, the most important potential of organic agriculture is not found in its rapidly growing market share, which is being sparked by a wave of wealthy, health-conscious consumers in the North. Rather, social scientists have taken an interest in the rise of organic agriculture because of its potential to reject the socially and environmentally destructive relations that characterize the conventional agro-food system. In this way, it might provide something different, and better, for agricultural producers around the world. However, realization of this potential is presently limited by the reproduction of a series of concerns that have similarly limited the potential of previously adopted alternatives. As Rosset and

Altieri (1997) suggest, despite the more benign environmental impact of organic agriculture, which is nonetheless significant, this model of organic production will not alter the structure of the agro-food system. Nor will it be a fundamentally different alternative for typically marginalized, small-scale producers that are increasingly being encouraged to participate.

Fair Trade

In contrast to the way organic agriculture initiatives challenge the conventional agro-food system, strictly at the level of production, Fair Trade initiatives pursue change by altering the trading relationships between North and South. In a comparison of the international fair trade and organic movements, Raynolds (2000a) argues that this is what makes Fair Trade a more effective oppositional movement and a more promising alternative to the present corporate controlled agro-food system. The effectiveness and potential of alternatives such as these, however, depend centrally on the impact they have for the producers who are marginalized under the current system (Evans 2000).

In the remainder of the dissertation, I examine and discuss how the Fair Trade banana initiative attempts to re-regulate the banana sector and what the implications appear to be for the producers who are involved in the initiative. The growers in Azua are in a position to benefit from both organic agriculture and Fair Trade, making a strict comparison of the independent impact of each initiative impossible. Therefore, the remaining chapters focus on the implications of Fair Trade and how it has affected the lives of the organic banana producers.

This chapter suggests that in spite of the rewards of exporting organic bananas, many of the small-scale banana farmers are still disadvantaged. Interviews with both Fair Trade

Table 4.6: Overview of Banana Production in the Azua Valley

	Producers	
	Fair Trade	Non-Fair Trade
mean amount of landholding (ha)	2.33	3.75
mean amount of land planted in bananas (%)	65	47
producers with all land devoted to bananas (%)	41	16
producers with contract to export (%)	45	11
household income from bananas (% of producers)		
80-100%	36	27
60-80%	8	4
40-60%	21	15
20-40%	16	19
<20%	34	34
months since last exported (% of producers)		
0 (current)	61	39
1 - 3 months	17	4
4 - 6 months	8	4
7 - 12 months	13	0
13+ months	1	52
N	89	26

and strictly organic producers indicate that participants in the Fair Trade initiative are receiving important support that the others do not. While this argument will be expanded substantially in the pages that follow, I include the data in Table 4.6 here to draw attention to some of the differences between Fair Trade and non-Fair Trade participants.

As can be seen in the table, the greater commitment of land and resources to bananas by Fair Trade producers is notable. This is a reflection of several intersecting conditions. The Fair Trade growers are more likely to have a contract, which in turn provides greater market security and hence, greater incentive to devote resources to the production of bananas. The producers who have a contract are also more likely to receive

support from the company's Production Manager and agronomists. As will be seen below, some Fair Trade growers also receive important organizational support, which further encourages their commitment to bananas. At the same time, the data also reveals a greater dependency on bananas of Fair Trade growers, signaling an aspect of the initiative towards which attention might be warranted.

In the following two chapters, I discuss a range of dilemmas facing Fair Trade organizations and their implications for the producers to further explore the issues raised in this chapter. The continuity of the themes will be notable, but the issues will be examined from the perspective of Fair Trade and its capacity to provide an alternative for producers and contribute to progressive and positive change in the food system.

ENDNOTES

[1] Several recent journal issues reflect the growing attention that is being given to the rise in organic agriculture. For instance, see *Agriculture and Human Values* volume 17, 2000; *Sociologia Ruralis* volume 41 (1), 2001.

[2] The term 'nontraditional export' can refer to products that have not been produced in a country before; products that are being exported but have traditionally been produced for domestic consumption; or a new market for a traditional product. 'Nontraditional' products are normally defined as country-specific and were promoted extensively throughout Latin America through the decade of the 1980s especially (Barham et al. 1992; Conroy et al. 1996). Nontraditional agriculture will be discussed in greater detail below.

[3] Since in order to export organic products they must be externally certified by a special inspectors, 'certified organic' is often used to differentiate certified production from organic production which has not received an certificate. In the case of the Dominican Republic the land may be in conversion, which usually takes 3 years, or be called 'organic' by producers simply because they do not apply any agrochemicals. Elsewhere, the producer may not need or seek an external certification, or be in conversion, but still be employing organic techniques. In this discussion, to simplify, I use 'organic' to mean certified organic since I am discussing organic exports.

[4] The fact that disaggregated data on organic agriculture are even being collected is remarkable and confirms the country's commitment to the sector; in most countries national statistics specific to organic production and exports are often not available.

[5] This is the group known as Finca 6. Their experiences will be discussed at length in Chapter VI.

[6] To the frustration of all involved, there is an inverse relationship between supply and demand of bananas; when production is at its best during the summer, demand falls since there are more temperate fruits available, many families travel, and children are not sent to school where much fruit is consumed by students. By contrast, in the winter, when demand is highest in Europe, the colder weather means less productivity and smaller fruit.

[7] This calculation is based on the average price of 50$RD per 40-lb. box of bananas that producers received at the packing station. US$1 = RD$ 16.

[8] This disaster was an outbreak of the tobacco whitefly (*Bemisia tabaci*), a 'secondary pest' that became uncontrollable after all its natural enemies had been eliminated by overuse of pesticides on the melons and tomatoes. The outbreak effectively ended melon production shortly afterwards while the whitefly problem spread, affecting producers' subsistence crops as well (Murray and Hoppin 1992).

[9] Massey (1997) found a similar situation in Costa Rica where corporate exporters paid for the certification of growers' land so that they could process organic banana puree. The growers were then prohibited from selling any other products using the certification unless they went through the same intermediary.

CHAPTER V

FAIR TRADE BANANA PRODUCTION: DILEMMAS AND CHALLENGES

Without Fair Trade, the small producers would not be able to survive.
– Fair Trade banana exporter

They talk about Fair Trade, but there is nothing fair about the price we get.
– representative from Fair Trade producer group

1. Introduction

Chapter IV suggested that the opportunities opened up to small-scale growers by the organic banana market fall short of the expectations proposed by those promoting the expansion of organic agriculture for export to Northern markets. Furthermore, many of the experiences of the banana farmers appear to resemble those of other small-scale, export-dependent growers. As opposed to organic agriculture, which focuses on the differentiation of agriculture commodities at the point of production, Fair Trade initiatives attempt to engage producers in an alternative trading relationship that is more equitable than those characteristic of the conventional agro-food system. How does the Fair Trade movement seek to accomplish this task? What kinds of challenges does it face?

To address these questions, this chapter begins by describing the logic upon which Fair Trade is based. I then discuss the prospects of Fair Trade as a viable alternative for the producers who supply the Fair Trade market in order to begin examining the counter-

hegemonic potential of the movement. Casual observations indicate that Fair Trade represents a promising path for small-scale banana growers (Ransom 2001). However, this study reveals in greater detail some of the more complex realities that affect the impact of Fair Trade. Relying on the experiences of Fair Trade banana producers in the Dominican Republic, I suggest there are a number of dilemmas related to the Fair Trade movement's strategy for creating positive change in the agro-food system. These dilemmas in turn pose important challenges to the movement's ability to engage in counter-hegemonic social action and its capacity to provide a real alternative to the producers involved. After discussing the dilemmas and the some of the challenges facing the Fair Trade movement, I turn attention to some of the responses Fair Trade organizations have made. Then, in the following chapter I present a case study of one group of producers in order to illustrate in greater detail the sometimes contradictory implications that Fair Trade can have. As the case demonstrates, the dilemmas continue to create limits to what Fair Trade could potentially realize with respect to fostering positive and transformative change in the agro-food system. The case also describes some important and positive ways that FLO has responded to dilemmas locally, and confirms that participation in Fair Trade delivers important benefits to the banana producers involved and should not be overlooked.

2. "In and Against the Market"

As described by Brown (1993:156), the central premise of alternative trade, including the FLO Fair Trade initiatives being discussed here, is the belief that by working simultaneously "in and against the market" alternative trade organizations can help make trade more equitable, just, and fair for Southern partners in North-South trade relationships.

The terms of trade can be made more favorable for the South since there exists a growing segment of consumers who are willing to support 'fair trade' by paying higher prices for products that were produced under fair conditions and when they feel confident their extra dollars are being returned to the producers. To put this into practice, Fair Trade organizations have developed a system of certification, monitoring, and labels to deliver this guarantee to consumers. In addition, the model advocates trade to be as direct as possible so as to minimize the number of intermediaries through which a product must pass on the route from producer to consumer.

Central to this system is a set of criteria that Fair Trade organizations established to judge whether a product qualifies for "Fair Trade". As such, fairly produced commodities must conform to both social and environmental criteria. The criteria reflect consumers' concerns for social and environmental justice as well as the realities of social and environmental abuses that typify conventional agricultural production. Thus, the certification process is undertaken to ensure that the production process meets these criteria. Monitoring, carried out by Fair Trade organization representatives, confirms over the longer term that fairness is being upheld by the Fair Trade partners. Finally, the labels differentiate for consumers Fair Trade products from conventionally produced ones and symbolize a guarantee that the higher price is going to be passed on to deserving growers and not end up as profit for corporate stockholders. According to the FLO system, producers receive material benefits in the form of guaranteed minimum prices and a social premium (paid to the certified group of producers) based on the number of boxes sold on the Fair Trade market.

In the end, this alternative system of trade appears to propose a way for socially- and environmentally-conscious consumers in the North to satisfy their dual desires for consumption and altruism. In doing so, it makes it possible for them to reject an unjust mode of production that characterizes most food commodity production in the South without sacrificing our perpetual 'need' to consume.

As suggested by the introductory quotes, however, there are a number of complex contradictions embedded in the experience of Fair Trade banana producers in the Dominican Republic. Indeed, Fair Trade is providing a much needed market for small producers who otherwise find themselves squeezed out of the international trade in organic bananas. As was illustrated in the previous chapter, organic agriculture for export to Northern markets reproduces a number of shortcomings common to conventional export agriculture programs. Moreover, despite agreement among some actors that without Fair Trade small farmers would no longer be able to export their production and make a living growing bananas, a striking number of certified producers for the most part appear unaware that Fair Trade exists. Many others believe that the benefits from Fair Trade end up in the hands of the exporting companies rather than being passed on the producers. Therefore, in the remainder of this chapter I discuss how these contradictions are manifested into three related sets of dilemmas, creating challenges for Fair Trade organizations.

3. Fair Trade Dilemmas

The dilemmas that emerged from my analysis of the Fair Trade banana initiative in the Dominican Republic can be roughly grouped into three related types. I call them 'dilemmas of the market', 'dilemmas of the model', and 'dilemmas of implementation'.

These sets of dilemmas can be conceived as hierarchically ranked and as such wield disproportionate influence over the Fair Trade initiatives. In particular, the dilemmas of the market, stemming directly from the commitment of Fair Trade organizations to working in the market, prove to be the overarching dilemmas facing the Fair Trade movement. They in turn influence the two other sets of dilemmas and shape the opportunity structure of Fair Trade for all those involved. In a similar way, the dilemmas of the model affect the way Fair Trade is implemented locally and shape what is possible at the level of production. As illustrated in Figure 5.1, the influences of the dilemmas is overwhelmingly uni-directional such that the dilemmas of implementation reflect but do not directly affect the dilemmas of the

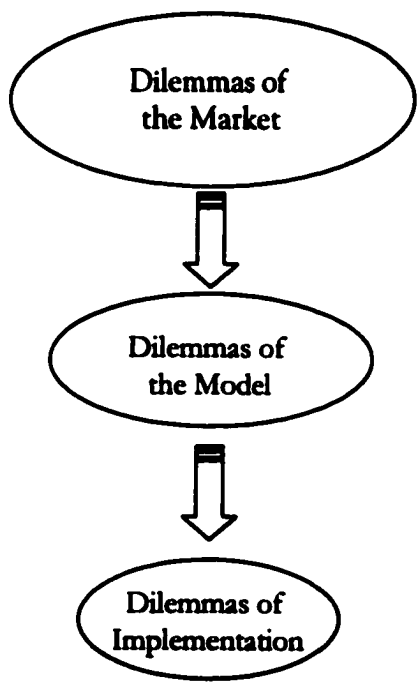


Figure 5.1: Conceptual Model of Fair Trade Dilemmas

market and model. In the following sections and in chapter VI, these tensions within Fair Trade are explored in greater depth.

Dilemmas of the Market

Emerging as a central dilemma for the Fair Trade banana initiative is the inherent tension that comes from trying to serve both the market as well as the producers. Each has different demands and needs which are not necessarily complementary. This means that responding to exigencies of the international banana trade in order to remain competitive may not reflect what is called for by the principles underlying Fair Trade or what may be best for the producers involved. In attempting to alter trade relations, the Fair Trade strategy calls for change to be driven by action at opposite ends of the commodity chain. In effect, the Fair Trade label 'markets' the conditions of production fostered by the small-scale producer to upscale Northern consumers willing to pay for such conditions. However, in the case of the bananas from the small farmers in the Dominican Republic, the fairly traded product must compete in an increasingly mainstream[1] market, against players who are oftentimes much larger and more powerful. This leads to a struggle in which the integrity of the Fair Trade system is directly challenged by the requirements needed to maintain a space in the market.

New Terrain for Fair Trade. One dilemma of the market emerges from the fact that bananas are the first fresh product to be labeled by FLO. The launch of the first Fair Trade bananas in the Netherlands during the fall of 1996 represented a move for Fair Trade organizations into the new territory of marketing fresh produce. Previously, Fair Trade food products were limited to non-perishables like coffee, tea, and honey. Applying the Fair

Trade model to a fresh fruit like bananas placed Fair Trade squarely into one of the most competitive and globalized sectors in the agro-food system (Friedland 1994b).

The addition of produce to the Fair Trade product line has brought unprecedented success in terms of sales. Indeed, Fair Trade bananas captured 11 percent of the market for bananas in their first launch in the Netherlands (Banana Link 1997). In comparison to other Fair Trade commodities, the success is remarkable. Previously, coffee was the best-selling Fair Trade product capturing a maximum of 4 percent of the market. Sales of bananas have since leveled off in the Netherlands but continue to maintain a market share of 16 percent in Switzerland[2] and research suggests that demand remains consistently greater than supply. The Swiss market currently accounts for about 60 percent of all Fair Trade bananas, followed by the Dutch market, which accounts for 23 percent sales (Belling 2000).

At the same time, however, a dilemma is introduced. Involving a fresh fruit commodity that must travel long distances, banana trading demands special requirements which complicate the application of the Fair Trade model to bananas. Fair Trade bananas are distributed through mainstream channels. They may be ripened alongside conventionally traded fruit by special ripening houses. Later, they are marketed and sold in large, corporate supermarkets where they are displayed next to their conventionally produced competitors. The specialty shops that feature other Fair Trade commodities, like coffee and honey, or crafts are not designed to accommodate highly perishable produce such as bananas. Moreover, long before the bananas reach the supermarket shelves, the fruit must be transported on special, refrigerated ships so it does not ripen prematurely. The shipping is typically controlled by these same mainstream competitors, namely the transnational fruit corporations, such as Dole, Chiquita, or Geest.

Success becomes more dependent on powerful intermediary actors who already control a majority of the segments of the commodity chain. At the same time, the situation creates an opportunity for Fair Trade bananas to potentially reach many more households than other Fair Trade products have since consumers who do not typically venture into smaller specialty shops will encounter them in the produce section of their grocery store. Likewise, it opens up the opportunity for a far larger number of producers to participate.

Thus, the structure of trade in the banana industry combined with the strict requirements involved in importing fresh bananas precludes the shortening of the chain by circumventing the conventional intermediaries as is proposed by the Fair Trade model. This means the chain along which the Fair Trade banana travels may be identical to the journey taken by conventional bananas. This poses a real challenge for Fair Trade bananas to be traded directly as is suggested by the Fair Trade philosophy. Further, it means that the locus of differentiation between conventional and alternative bananas should occur at the level of production if there is to be a real distinction between the products.

Quality

> All farmers know how important quality is. But for banana farmers, shipping across the oceans a highly perishable fresh fruit, it is a weekly headache made worse by the fact that there are no legally binding quality standards.
> - FLO Members Bulletin[3]

As discussed in chapter IV, the 'exportable quality' requirement imposed on producers directly reflects the demands that come with working within a mainstream market where cosmetic quality is of critical importance. Even though the Fair Trade market is credited with being the best alternative available in the Azua Valley, it is only a possibility

for those producers who are able to produce a 'quality' banana that will satisfy the requirements dictated by the buyers. This creates a dilemma for Fair Trade advocates promoting the alternative as one that rewards socially and environmentally sound production. Without the buyers in Europe, the producers are without a market for their fair trade bananas. However, the strict quality requirements tend to be very difficult (or perhaps even impossible) for the small-scale producers to meet since scale issues are intimately related to quality. As a result, the overriding criterion for participation in the Fair Trade banana market gets reduced to fruit *quality* and the 'best' producers are the ones who end up receiving the greatest benefits. Looking at the Fair Trade criteria on which certification is based, however, we do not find anything linking participation and benefits to quality of fruit (see Appendix A for a summary of the banana criteria). Nonetheless, production of a high quality fruit appears to be turning into a default Fair Trade criterion.

Fair Trade initiatives aim to bring benefits to small-scale producers, and the growers in Azua are the largest group of small-scale producers of organic and Fair Trade bananas. Thus, as issue of scale emerges as increasingly significant, it has direct implications for their situation. It is perhaps not a surprise that previously celebrated advantages of organic agriculture for small-scale producers[4] are quickly being eroded as larger-scale enterprises prove capable of receiving an organic certificate. Today, larger farms with more access to capital benefit from costly technological innovations (such as cable-systems to transport the fruit, which prevents bruising) and a trained labor force to maintain their fields. Advantages such as these result in consistently higher quality bananas, which importers and consumers now expect. Moreover, the larger producers, for the most part, have a clearer understanding

of the international market and how it operates. All of this puts the smaller producers at a disadvantage they did not have when first began selling their bananas overseas.

The ever-stricter quality expectations also explain exporters' reluctance to buy marginal quality fruit from the small farmers, even when they have a contract. According to present practice in Azua, losses resulting from unacceptable quality at the port are shouldered by the exporters.[5] The specifications of the losses are determined through negotiation with importers who carefully inspect the bananas upon arrival in Europe. One recent report on the production of organic bananas in the Dominican Republic lists twenty-nine different defects falling into five separate categories, each of which can cause a box of bananas to be rejected (Admiraal 2000). Some of the rejections can be prevented with careful selection at the packing station, such as weight of the carton, size, grade, age of fruit, stains, and bruises. Other problems, such as crown rot, premature ripening, crushed or otherwise damaged cartons show up or occur only later. Since the producers never see the eventual result of what appears to be a small latex stain in the field (i.e., a much darker stain once the fruit is ripened and unacceptable to most supermarkets and consumers), they do not always understand the rigidity of the selection process and often express skepticism about the requirements. In one of the first interviews I had with the Junta Directiva of one producer association, they explained that they would like to have a person who would work for them (as opposed to the company) to monitor the fruit once it arrives in Europe to insure that they were being treated fairly.

The exporters all recount how the tolerance of the supermarket buyers with respect to quality is in fact diminishing rapidly as new suppliers offer higher quality bananas. As proof of the decreasing tolerance, one of the exporters explained that in the first two

months of 2000, they had to pay over US$100,00 in claims for rejected bananas from the small farmers, almost a third of the claims of the entire previous year.[6] By the middle of 2000, the president of one company predicted that within a year, there would no longer be a difference in the tolerance of quality between conventional and organic bananas– regardless of whether they are destined for the Fair Trade market (Admiraal 2000:7). After returning from a trip overseas and seeing that Dole has begun marketing its own organic bananas, she expressed concern for the future of the small farmers in Azua since their production could never compete with the quality of the larger-scale, corporate-grown bananas. Perhaps most disconcerting is that while expressing concern for future of the smaller producers, another exporter revealed that there were buyers that placed orders but explicitly requested bananas that *did not* come from the small farmers since the quality of their bananas had been too inconsistent.[7]

Why is it so difficult for the small farmers to consistently produce a exportable quality bananas? Depending on who one asks, the explanations range from a belief that the small farmers are lazy or unmotivated to a conspiracy-like theory suggesting that they really do and the companies simply prefer not to purchase their fruit. While there may be some truth to each of these explanations, the answer is probably more complex. It rather appears that the smaller scale growers have a number of factors working against them which makes it more difficult to produce acceptable fruit. As a representative of a progressive federation of producers explained, quality banana production is problematic because implementing the recommended techniques and practices for growing exportable bananas lies beyond the economic reality of most producer households. For instance, this technical package calls for irrigation three times per month, as water is a critical ingredient necessary if the bananas

are to grow large enough for export. Assuming there is sufficient water for each producer to irrigate so frequently, (a questionable assumption given the number of growers and the semi-arid climate) irrigation of the fields requires access to electricity, a functioning pump, and is best performed in the evening or at night when evaporation will be reduced. Electricity, however, remains sporadic in this rural area. Heavy usage can also leave the pumps in disrepair for weeks until producers come up with the resources to repair them. Irrigating is also a labor intensive activity and costs of labor may be prohibitive for producers who do not have family members who can help. In actuality, most growers were able to irrigate about once every month. This example, then, illustrates the complexity of providing just one of the prescribed agricultural practices.

Other reasons for the poorer quality harvests also stem from the inconsistency of field management. More than two-thirds (68 percent) of the producers rely on temporary additional hired labor (not family) to help maintain the conditions in the *parcela*. This hired labor typically assists the producer in the laborious and continuous tasks of pruning, weeding, and deflowering the young fruit. Bananas are surprisingly fragile; if the trees are not properly pruned and maintained, a brisk wind may blow the leaves of one tree in to the fruit of another and sufficiently mark the hand making it unacceptable for export. The workers, usually less sensitive than growers to the selection process and quality requirements, may be less cautious when handling the fruit in the field. The large number of growers sharing a relatively small area also makes coordination of certain tasks like applying fertilizer especially difficult. Such uncoordinated efforts preclude the possibility of having large, consistent quality harvests even when many of the plots with bananas are adjacent to each other. Finally, according to some industry agronomists, the journey from the producer's

field to the packing station may be the most hazardous to the fruit in terms of quality. Because the smaller growers do not have their own packing facilities as do the larger ones, stems must be transported sometimes for several miles on bumpy, poorly maintained roads aboard foam-lined trucks. Even though the foam helps protect the stems, with each jolt of the truck comes another opportunity for the *'golpe'* (in this case, a bruise) that will disqualify the fruit for export. Again, the larger operations have fewer concerns about transport. The largest farms transport the stems on cables, just as they do on the large banana plantations in Central America while others have their own packing stations close enough that the stems are often carried by hand to the station on the foam-lined shoulders of experienced workers.

Thus, many producers had fallen into what might be called a 'quality treadmill'. It typically occurs like this: their fruit is being rejected at a higher than average rate, which forces them to sell on the local market at a significant loss; they become demotivated to maintain their *parcela* because they are not receiving enough income from sales to justify the costs of maintenance; the bananas growing in poorly maintained conditions are not of exportable quality and so the producer has a lot of rejected fruit. Compounding the cycle is the struggle to meet rising expectations. With each season, the definition of 'exportable quality' becomes more strict (for similar examples of how quality demands affect small farmers see Glover and Kusterer 1990).

Quality poses a dilemma precisely because of this seemingly perpetual struggle for quality. With cosmetic quality demands as the final gatekeeper and the larger scale growers better able to satisfy them, the intentions of Fair Trade get subordinated by the market.

Dilemmas of the Model

What I call dilemmas of the model are issues that are centered around the difficulty of defining and ensuring fairness cross-culturally, and within an unequal power structure. These dilemmas are built into the Fair Trade model and therefore reflect the way the Fair Trade alternative has been conceptualized by proponents. This conceptualization of Fair Trade includes a commitment to the strategy of working in and against the market to create change and thus inherits the dilemmas of the market described above.

In certain respects, the insistence on monitoring and certification is a response to the impersonality of the international market in which Fair Trade bananas compete. The Fair Trade label is supposed to identify a more socially and environmentally friendly bunch of bananas to consumers. In doing so, it invites them to challenge the fetishization of commodity trade by choosing a product for a reason other than its price (Raynolds 2000a; Allen and Kovach 2000). Without the monitoring, though, the label loses its meaning for consumers who have grown accustomed to seek out the legitimacy of claims such as those of fairness and justice. In a different respect, this need for monitoring to demonstrate legitimacy reflects an underlying top-down implementation strategy upon which the Fair Trade model was built.

For FLO banana initiatives, the notion of fairness is operationalized into a set of sixteen criteria (Appendix B). Fulfillment of the criteria in turn translates into a judgment about whether the producers qualify as 'Fair Trade producers' and thereby be included on a register with other such groups. In particular, the way the judgments are made and how the criteria are imposed create dilemmas for realization of the Fair Trade movement's broader goals and raises some concerns about how fairness is being ensured.

Monitoring. Monitoring can be understood as problematic because of the way it is done (in a top-down fashion), by whom (the Fair Trade organizations in the North), and upon whom it is imposed (the Southern producers). I suggest it creates a dilemma for the organizations hoping to promote an alternative for export commodity producers because this model of monitoring is not always seen as fair by all actors involved, especially the ones it is intended to support.

To appreciate why producers complain that fair trade is not necessarily fair ("*se dicen comercio justo, pero no es justo*") one must recognize that they are speaking from a particular place, which corresponds to their relative position in the Fair Trade relationship. They are the least powerful actors, even in the Fair Trade system. Moreover, they are being offered assistance in the form of material rewards in exchange for subjecting their practices to inspection and monitoring by foreigners in a more powerful economic and political position.

Through formal and informal interviews, it soon became clear how from this vantage point, the Fair Trade system may not always appear to offer anything different, let alone fairer, for the banana producers. In fact, since many were already accustomed to producing food to sell to intermediaries who in turn resell it to buyers elsewhere, this venture into bananas is in certain ways more of the same. Thus, producers often do not feel that they are participating in a system any fairer than previous ones. They are still providing a special product for someone else's consumption.

The importance of this concern was articulated in a discussion among Fair Trade advocates from both North and South. What emerged was a critique of the method of monitoring institutionalized by FLO. As it exists today, the differentiation between conventional and Fair Trade products is supposed to occur at the level of production.

However, as suggested by the discussion above of importer manipulation of quality standards, much of what is arguably *unfair* about the current trade in food and agriculture occurs in the middle segments of the chain. Why, then, is there no formal monitoring of the North? Why, ask representatives from the South, is the gaze of inspection directed only at the producers and not at the intermediaries? Instead, it has been suggested that a fairer monitoring program should be extended so that all of the links in the commodity chain would have to qualify before participating in Fair Trade (Fair Trade Workshop 2000).

Whose Criteria? A separate but related dilemma concerns appropriateness and applicability of the Fair Trade criteria to local situations. Given the diversity and complexity of export commodity producers in the Third World, defining a set of criteria that can be used effectively is clearly an enormous challenge. Under the umbrella of FLO, there are specific sets of criteria for each of the Fair Trade products currently being marketed. For bananas, there are actually two sets of criteria: one designed for certifying larger scale production (i.e., plantations) where the producer organization is "structurally dependent on hired labor" and the other for collective organizations comprised of many individual small-scale producers (FLO 2000a). For the first type of organization, there are requirements regarding representation of workers and labor conditions, while the second type of organization is held to an additional requirement regarding democratic control. Nevertheless, some of the findings from this study suggest that despite the efforts to come up with suitable criteria, they may still be incomplete or even inappropriate.

Sometimes the criteria may not be relevant to specific local conditions. One example is how the Fair Trade guaranteed minimum price is defined. In the Dominican Republic, the minimum price was set at $11.00 per box of organic bananas. Yet, producers

reported their price per box (on average) to be only RD$50 (~$3.00). This inconsistency comes from the difference in how the Fair Trade minimum price is defined and the way the bananas are sold locally. The $11.00 per box refers to a guaranteed minimum f.o.b. price – the price that an exporter will receive for each box of Fair Trade bananas sold. The 50 pesos, by contrast, is the farmgate price that producers receive from exporters. The apparent curiosity of having a guaranteed minimum f.o.b. price is explained by the uniqueness of the situation in the Dominican Republic. In all the other countries supplying the Fair Trade banana market, the potential conflict stemming from this minimum price definition is absent because the certified Fair Trade producers are also the exporters. Thus, they receive and manage the f.o.b. price directly. That is, only in the Dominican Republic do the Fair Trade banana growers sell first to a local intermediary, the exporter.

This kind of inconsistency reinforces producers' skepticism about Fair Trade providing them with a 'fair' alternative and, in doing so, challenges the legitimacy of the Fair Trade label from their perspective since the current farmgate price often fails to cover even the cost of production.

A different kind of dilemma emerges when the certification criteria do not take into consideration local practices that could be made fairer. For instance, some observers have noted the absence of attention to household dynamics. Fair Trade production often encourages the planting of crops whose earnings are typically controlled by men. Researchers have documented examples of cases where women were both advantaged and disadvantaged when the male head of household was involved in an alternative production scheme (Blowfield et al. n.d.; Blumberg 1985). If increased earnings are passed on to producers (who in Azua were almost exclusively male[8]), how is it then distributed among the

household? An arguable weakness of Fair Trade initiatives is that the criteria do not explicitly address this issue of how household dynamics may change as a result of participation.

Despite the widely recognized increase in labor requirements that accompany a transition to organic agriculture,[9] there are also no criteria written to protect the laborers responsible for maintaining and harvesting small farmers' bananas. As noted above, there are specific criteria included to protect workers and inspect labor conditions, but only on larger scale operations (i.e., those which are structurally dependent on hired labor, which is interpreted to exist when "essential production functions cannot be performed without permanently employing workers" [FLO 2000a:1]). The criteria and requirements that apply for plantations appear only as suggestions for small farmers who hire day labor.

The exemption of small-scale production from labor criteria raises some concern for two reasons. First, the increased labor demanded by small-scale organic production is frequently supplied by household members. It is reasonable to suspect that the availability of household laborers combined with the additional work necessary for organic production makes it more susceptible than conventional production to labor exploitation. Second, even though few had permanent laborers employed, many growers contracted additional help on a regular basis, or whenever they could afford to. For many, this was each time they cut their harvest (as often as bi-weekly). The limited resources of these small farmers, however, also encouraged them to seek out the cheapest source of labor. In the region where I worked, this meant Haitians, a group that has historically and systematically been exploited in the Dominican Republic. Consequently, it was not uncommon to hear respondents explain, "the Dominicans are too expensive, the Haitians work for less" when asked to

describe their hiring practices. In addition, many depend on a contract labor arrangement in which they pay one contractor a lump sum of money for a particular job, usually weeding and "cleaning" the parcela, and then this contractor employs a number of workers. As a result, producers may not know exactly how many workers are on their field, or how much they are actually being paid.

I bring in this example in order to illustrate a dilemma that stems from the Fair Trade model. It shows how the definition and use of the criteria may actually fail to address key issues regarding "fairness" for one group, while at the same time appear to be paternalistic in other respects. The criteria for what qualifies as *fair* has been developed to a great extent by Fair Trade activists in the North. These criteria and the unidirectional monitoring may simultaneously (and perhaps unfairly) impose the values of the Northern activists upon Third World producers who are meant to be beneficiaries of the Fair Trade system *and* ignore significant local realities which encourages the perpetuation of practices which could be interpreted as unfair.

Dilemmas of Implementation

As opposed to the issues raised in the previous sections which primarily reflect conceptual aspects of Fair Trade, the dilemmas of implementation refer to concerns that emerged through an analysis of the way Fair Trade is being practiced. The discussion below highlights some of the more specific issues that were revealed in the course of the fieldwork for this study. As I noted earlier, both the dilemmas of the market as well as the dilemmas of the model shape the possibilities for implementing Fair Trade initiatives. In addition, their implications resonate (either directly or indirectly) at the level of production, where Fair

Trade is implemented. The three dilemmas described here are also simultaneously dilemmas for the Fair Trade movement though, because they affect the prospects for Fair Trade to create change at the local level.

La gran falta de conocimiento. A generally weak understanding of producers about the local banana industry, the international market, and Fair Trade presents a critical dilemma for the success of the Fair Trade initiative in Azua. Although it is not surprising that small-scale banana growers without a formal education lack a sophisticated understanding about Fair Trade and how it works, it is perplexing to find that many of the registered producers do not know what Fair Trade is, or even that they are participating in something alternative.

This lack of knowledge about the sector in which they compete and more importantly about the initiative in which they are supposed to be partners is problematic. It casts doubt on the effectiveness of Fair Trade creating equitable partnerships if many are even unaware of its existence. Research done with producers groups involved with different Fair Trade commodities has found similar circumstances (Renard 1999b; Tallontire 2000).

Even though about three-quarters (77.4 percent) of the sample was recognized by FLO as registered Fair Trade banana producers, only half identified themselves as such. The producers who do have some knowledge of Fair Trade generally have only a very elementary and partial understanding of it. For example, one of the exporters has designed a system of distributing the social premium ($1.75 per box) so that all of the members received a part of it, according to the proportion of bananas sold during a given period. While only a fraction of this association could explain how it was distributed, many knew about the existence of a premium and that it was divided into thirds for distribution. Given the way the benefits were calculated and the limited volume of Fair Trade bananas this group was selling, the

amount of the premium passed on to individuals tended to be quite insignificant. This led many recipients to doubt that it was any kind of real premium or benefit they were receiving anyway. Members of the other registered association tended to have an even poorer understanding about the social premium, in some cases doubting its real existence. There was instead a popular rumor that this premium existed but that it was sent to the company which kept it for itself, rather than passing it on to its rightful recipients. Significantly, none of the producers interviewed mentioned or knew of the minimum prices guaranteed by FLO, nor of the long term commitment Fair Trade partners are expected to make to producers.

The flip side of this more limited understanding is a paradoxical level of detail regarding certain other aspects of the industry which many producers retain. One particular example is quite revealing. Often the same producers who could not recall or provide answers to far less complex questions would launch into a sophisticated explanation about the problem with counter-cyclical supply and demand patterns in the Dominican Republic and Europe. The often repeated analysis demonstrates the capacity of the producers to both comprehend and recall elaborate explanations about the banana industry and trade – when serious efforts are made to share the information with them.

This *falta de conocimiento* effectively serves as structural barrier that creates limits to the impact Fair Trade might have in producing communities. While in theory, Fair Trade may be able to bring about positive change, the very limited understanding that many banana growers have about their participation in the alternative trade system permits a primarily material impact to be felt in these communities. This does not mean the material rewards are insignificant. Rather, the economic potential of just one weekly container of

Fair Trade bananas translates into a social premium that can reach almost $17,000.- per week or $67,200.- per month.[10] Clearly, the potential of this premium is considerable, especially if there are multiple containers of fruit being sent. However, Fair Trade initiatives strive to offer a viable strategy for rural development which demands more than higher prices and inflow of cash into a community.

Trade or Aid? In the banana producing communities of Azua, the widespread, incomplete understanding of Fair Trade fed into a related misconception about the intent of Fair Trade. Interviews suggest that many see Fair Trade as simply another form of development aid (for a similar experience among Fair Trade honey producers in Tanzania, see Fisher 1997). This dilemma is amplified by the fact that the Fair Trade movement has built itself upon a philosophy of development that seeks to provide "trade, not aid" in an effort to encourage more equitable North/South relations.

To paraphrase what one producer explained, 'Max Havelaar is a guy from Europe and he likes us small farmers, and he buys our bananas.' His statement captured a feeling of many of the banana growers interviewed. Thus, few realize there are criteria they have met which, in turn, qualify them to receive benefits from Fair Trade. One agronomist working for the Secretary of Agriculture with the banana farmers in Azua interprets this attitude as closely tied to a more general cultural phenomenon that has been fostered over the years in the valley. He finds that "there is *una cultura de recibir* (culture of receiving) among the producers in Azua." He attributes it to the historical development of export agriculture, which has been strongly supported by international development agency initiatives, combined with the centrality of national agrarian reform projects in the valley.

The feeling that they are not participants generates a sense of passivity among the banana producers. As the agronomist explained, they are well accustomed to being recipients of aid, or of being on the receiving end of a paternalistic, dependent relationship. They appear to both embrace and reject the paternalism. On the one hand, a paternalistic relationship with exporters permits them to blame their problems on a common enemy, "*la compañía*". Faulting the companies for poor quality, for instance, is customary; producers encourage in each other a belief that their bananas are really good enough for export, and that the company rejects it anyway. On the other hand, the prevailing desire of growers to circumvent these same companies and export their bananas themselves directly illustrates a rejection of the relationship.

Each instance, however, suggests an underlying notion of fatalism, in the sense that they appear to have accepted, to a large degree, being price-takers and their dependence on the exporters. For instance, complaining about the smaller amount of sales this past summer, one producer protested that the company used to buy more, but now has its own farm and "has abandoned us" (*nos abandonó*). Many producers also lamented that the company had simply stopped coming by to schedule a packing day (when they would pick up the stems ready for harvesting and pack the ones passing the quality inspection). However, since they typically did not make inquiries about the change, they were left without an explanation why their sales had fallen.

Finally, the language in which even the most knowledgeable local leaders speak about Fair Trade betrays an underlying conception of Fair Trade as another type of aid. Their conceptualization of Fair Trade lacks a sense of entitlement on the part of growers

and challenges any suggestion that it is a participatory program (personal communication A. Smith).

Organizational Incapacity. The final dilemma I include in this discussion is related to the weakness of the producers' associations engaged in Fair Trade. According to FLO's certification criteria, small-scale Fair Trade commodity producers must be organized into collective organizations, i.e., associations or cooperatives to be considered for the banana register. The social premium should then be distributed to the organization as a whole to ensure that the benefits reach all members as well as the greater community. Research suggests that this may be easier said than done. In fact, weakly organized groups of producers may actually limit the impact of that Fair Trade can have.

Many of the Fair Trade producers interviewed for this study did not realize they were members of a collective organization certified and registered by FLO. Weak organizations, however, are not unique to the banana growers' associations in Azua. In many rural regions of Latin America, associations of producers are more likely to be only loosely- rather than strongly-organized. Nonetheless, the weak organizational capacity found here influences the effectiveness of Fair Trade organizations relying on the associations to oversee the initiatives locally.

Meanwhile, there is also a prevailing attitude that the associations are not particularly useful to individual members. A full 41 percent of those interviewed responded that there were no benefits to be gained from organizing. The rest were slightly more optimistic about the local organizations, but most had a difficult time explaining why they felt that there might be advantages to joining an association or cooperative. In many cases, they accept that they are associated with one or another group, but do not feel like they made an actual

decision to join because of perceived benefits of membership. Part of the reason for this position is that members do not always think their associations have the ability to accomplish their intended goals. During interviews with leaders of the various banana producer associations, the representatives frequently explained that their groups were weak and members unmotivated. In describing his pessimism with the banana producers association to which he belonged, one grower provided a clear explanation of why producers saw few benefits of their membership status:

> The officers of the association do not have the capacity [to bring benefits to the members] because they do not have the education necessary to fight [on behalf of the growers] with the company. (*la Junta no tiene la capacidad porque no tiene la educación necesaria luchar con [la compañia]*).

When the members themselves exhibit a low level of consciousness about their associations, it raises a question about the very existence, or at least about the legitimacy, of the organization. In Azua, there was one extreme case of a relatively powerless Fair Trade organization to which few members realized they belonged. It was dubbed "*una fantasma*" (a ghost) by some of its members. The situation magnifies the dilemma since this organization is one of the ones certified and registered by FLO.

It was created by an exporter with the hope that it would open up channels of communication between the company and the growers. It has an elected president in addition to elected representatives from the various geographical districts. Unlike the association that will be discussed in the following chapter, this one has members spread throughout the valley. All of the producers know the elected president, but few see him as a spokesperson for the average producer. Significantly, only fourteen percent of the members of this association interviewed knew that they were listed as members of the

association. The situation shows that the potential of Fair Trade initiatives may be limited by the weak organizational capacities of producer groups with whom they work.

Can Fair Trade make a difference only in areas where there are already strong organizations? If so, such a prerequisite appears to undermine a primary goal of Fair Trade: providing support to the most marginalized producers. It is not uncommon or unusual to find weak organizations associated with situations where 'independent' growers are incorporated into export agriculture schemes. In Azua, a great number of the growers are not bound together with a common contract, nor encouraged to organize independently. This reinforces the feeling among many that producers' associations do not place members in an advantageous position relative to the exporters or other intermediaries. This pessimism, however, may be misdirected. In the following chapter, an in-depth look at the implications of Fair Trade for the growers through an examination of the experiences of another Fair Trade producer association reveals that there can be important benefits from membership in a Fair Trade certified group. it also points out an important area towards which Fair Trade organizations must direct their attention.

4. Challenges Raised

Considered together, these sets of dilemmas present the Fair Trade movement with a series of daunting challenges. The complexity of them is related to their strategy for creating change being tied to closely to the market (Fair Trade Workshop 2000; Murray and Raynolds 2000). Even though the market can create opportunities for alternatives like Fair Trade (Jessop 1997; Evans 2000) the limits of a marketing strategy has implications which are manifested at the level of production.

Representatives from FLO appear to have a realistic grasp of the contradiction the market brings to Fair Trade. Though at times expressing frustration with the difficulties of balancing competing and often conflicting demands, FLO prioritizes keeping the producers in the market. After all, without a market, there is no Fair Trade (personal communication, F. Papma; Lamb and Belling 2000).

However, what has evolved is a situation in which the overriding criterion for participation in Fair Trade is fruit quality. The explicit Fair Trade criteria are being overshadowed by quality expectations in order to satisfy demands of the most powerful links in the chain. It raises a challenge to FLO since these criteria form the core of the Fair Trade relationship. It is for these guarantees that Northern consumers are willing to pay a premium. Moreover, it is in the compliance with the set of criteria that Fair Trade's expression of 'fairness' is supposed to lie.

For producers, the centrality of the cosmetic quality concerns means that the greatest benefits of Fair Trade tend to end up with a small number of 'good' producers, who are able to export all or most of their production. Fair Trade provides them an outlet for their production, but, it is likely that these growers would be able to export their fruit even without the Fair Trade market. The majority of the producers, by contrast, harvest bananas of much more marginal quality and are left out of the market, arguably putting them in greater need of support. At one point during the summer of 2000, the contrast was striking. There were about 50 'good' producers supplying the Fair Trade market with two containers per week while another 200 or so producers competed to sell their bananas to organic-only buyers who requested only a quarter of the volume that the Fair Trade buyers requested during this period. This reality casts doubt on the ability of the Fair Trade model to provide

a stable and viable alternative including a guaranteed market for certified producers. In addition, it poses a challenge to Fair Trade organizations to address the possibility of Fair Trade creating pockets of wealth within already disadvantaged communities (Conroy et al. 1996).

The dilemmas embedded in the Fair Trade model also raise critical challenges. In particular, the prospect for reaching the broader goals of creating equitable partnerships between North and South are limited by the only superficial integration of producers in the development of Fair Trade criteria. The top-down and sometime paternalistic approach of Fair Trade organizations (Tallontire 2000; Blowfield 1999) threatens to reproduce the power relations that dominate conventional trade, though under perhaps less unfair terms. I suggest that the main challenge that emerges is whether the present Fair Trade model can address these dilemmas satisfactorily so that Fair Trade can offer a radical alternative to otherwise marginalized small-scale growers. I will expand this in greater detail in Chapters VII and VIII.

The dilemmas also suggest that producers might be getting left out of the dominant discourse of the Fair Trade movement. Who has the power to define fair? Although Fair Trade was created as a response to growing interest in supporting Third World producers who are disadvantaged by unfair trading practices, important questions can be raised about the meaning of fair. Is 'fairness' a universal concept with a definition that transcends time and space? Or, is 'fair' a notion that is contextually variable? When growers do not understand their active role in Fair Trade, they can hardly participate fully as equitable partners, demand 'fair' treatment, or contest aspects of Fair Trade that they may not find agreeable. Achieving the goal of empowering the Fair Trade producers should demand,

minimally, that producers be able to contribute to discussions about fairness and engage with Fair Trade organizations as partners.

This provokes the feeling that foreigners have again arrived with a plan to 'help' and that Fair Trade is just another form of aid. The Fair Trade model does not attempt to raise consciousness among producers that there are alternatives to planting all their land with a high-value export commodity produced for Northern consumers rather than for local consumption. There is also an element of paternalism that is rooted in the Fair Trade system's unbalanced focus on the requirements of certification and monitoring at the level of production.[11]

Not least of all, the commitment of working closely with small-scale producer organizations raises different sorts of challenges. As will be demonstrated in the following chapter, the challenge of how to work with and support weaker groups in order to strengthen their organizational capacities will also perhaps the most critical in the long term.

5. Responses

Before moving on to illustrate the more specific implications of Fair Trade for banana producers in Azua, I conclude this chapter with some remarks about the responses FLO has given to some of the issues raised in this chapter. FLO's capacity to respond to these concerns, however, is also shaped by the dilemmas of the market. Thus, important questions arise. How much power do the Fair Trade actors (in particular, FLO) have to make demands on the powerful, central segments that control the banana commodity chain? For instance, if one of the intermediary parties fails to uphold their agreement as a Fair Trade partner, what can FLO do to get them to comply? As a voluntary system, how can

Fair Trade protect its integrity and at the same time provide support to registered producers? This research suggests that just as reliance on the mainstream market poses limitations for producers, it also presents limits for FLO and thwarts the organization's capacity to respond to some of the producers' greatest concerns.

In attempting to alter unfair trade relations, Fair Trade focuses on changing what consumers buy and how producers act. In return for their participation in Fair Trade, consumers are rewarded with a socially and environmentally sound product whereas the producers receive increased security and better prices. What this strategy is missing is a way to alter the practices of the intermediaries, arguably the most powerful actors in the system. Unfortunately, this omission leaves Fair Trade organizations unable to be as responsive as they might prefer. FLO remains only tangentially associated with the commodity chain, serving rather as an administrator or facilitator of a system. Given the organization's relatively small size and young age, it should not be surprising that FLO holds little power in comparison to the corporate-controlled intermediary segments of the banana chain, particularly importers and distributors.

An example that came up during the course of this research helps illustrate this relative weakness. Payment of the social premium is the responsibility of the Fair Trade importer, who is supposed to transfer it periodically to the registered organizations, based on the amount of acceptable boxes that arrive at the port. In Azua, this premium was typically paid to the exporter and then was supposed to be passed on to the producer associations so that it could be used by the association to benefit the community. However, while interviewing the producers, it became clear that many of them did not know much about Fair Trade, and very few could explain to me how the premium was being used. In

attempting to understand this surprising finding, I learned that one of the European Fair Trade importers had not paid the premium for many months. FLO appeared to have few choices of action available to them to remedy the situation. If they removed the delinquent importer from their register of certified Fair Trade importers, they risked losing an important market for the producers. It would also mean they would have to find another importer willing to participate in Fair Trade so that the growing demand would continue to be supplied.

Voluntary participation means that there are few feasible ways for FLO to impose sanctions on an importer that is not complying with their agreement. The importer, by contrast, is less vulnerable to a threat of FLO revoking their Fair Trade import certification since even without the Fair Trade label, they can still import bananas. Without Fair Trade buyers though, FLO's role disappears. In this case, the importer did eventually pay the premium, but it was many months late in arriving to the producers.[12]

In certain ways, the weak sanctioning of intermediaries permits them to participate, or comply, only to the extent that they wish. The use of contracts provides another example of the way Fair Trade criteria can be evaded. Even while the Fair Trade movement claims that producers must be supported with long-term, stable commitments with importers, growers in Azua had no guarantees of a Fair Trade market for their product. Renard (1999b:251-63) describes a parallel weakness in the Fair Trade coffee relationships. Evasion of commitments by more powerful intermediaries appears to permit them access to the best of both worlds such that they benefit from supplying the growing demand for fairly traded goods but when the demands of the Fair Trade system are too unreasonable, they find ways to avoid complying with some criteria. Unwilling to risk losing a buyer that is interested in

facilitating the Fair Trade chain, FLO must make compromises which can weaken the promise of the Fair Trade system. The absence of a formal contract relationship between one of the registered associations with their primary exporter also exemplifies this phenomenon.

The limited capacity of FLO to be responsive is partly a result of the structural conditions of the market into which the Fair Trade alternative is embedded and partly a weakness of the FLO and the Fair Trade movement more generally. Despite frustration among Fair Trade proponents and FLO representatives about the primacy of fruit quality as the most critical criterion for Fair Trade participation, FLO appears to have little choice but to respond to the supermarket buyers' expectations and pass them on to the producers. This compromise, however, has considerable implications. At a more general level, it undermines the potential of the Fair Trade system to truly challenge what is unfair about current trade practices, and thereby raises questions about the viability of Fair Trade as real alternative to conventional trade. More concretely, the necessary concentration on responding to demands of the market draws attention away from other challenges which are raised about the working of the Fair Trade system. I will return to these issues again later in chapters VII and VIII.

Nonetheless, FLO has been effective in working within the environment which producers face daily. For instance, they have been reconsidering the inapplicability of the f.o.b. minimum price for the Dominican Republic. Exporters and producers alike indicate that they are in favor of having a Fair Trade minimum farmgate price instead of the system that is being used now and FLO is considering how to make this change and the implications it would have.[13] In the following chapter, I explore more fully some of the ways

Fair Trade is working positively in one of the largest communities of Fair Trade producers, Finca 6. In the past few months, FLO has demonstrated its commitment to working with the banana growers' association of Finca 6, thereby seeking to respond to some of the concerns raised here.

ENDNOTES

[1] Recall that in the Fair Trade bananas in the Dominican Republic are organically grown in addition to being Fair Trade certified. I am suggesting here that the organic banana market is beginning to resemble to the mainstream, conventional market for bananas. This is because of the entrance of large-scale competition from TNCs (in particular Dole) and the reliance on conventional distribution channels.

[2] It is notable that demand remains highest in Switzerland, the one country importing Fair Trade bananas that is not a member of the European Union and therefore not bound to the controversial import regime and licensing requirements that currently oversees the banana trade.

[3] FLO (2000c:4).

[4] The advantages usually cited are the lower costs of inputs, availability of household members to perform much of the additional labor demanded by organic agriculture, and higher prices.

[5] Initially, all of the exporters took responsibility for the selection process, and determined which fruit qualified as 'exportable quality'. Recently, however, Savid passed on this responsibility to the banana producer association, with whom they have a contract. Horizontes continues to be responsible for packing. The third major exporter in Azua, Ecofair, has a mixed policy, taking charge of packing in certain areas but passing on the responsibility to a particularly organized group of producers in another *finca*. Interviews with exporters revealed that they all held different opinions about which approach was the best. There was some agreement, though, that the producers simply were unable to take on costs of losses inevitably incurred with exporting the bananas. It is important to note that this and other risks associated with exporting were passed on to Fair Trade banana farmers in the North.

[6] In Azua, producers are paid on a per box basis according to the number of boxes sold at the packing station and these subsequent claims are not charged to the individual producers. This is why the exporters are unwilling to ship fruit of questionable quality. There was talk of the producers' associations eventually taking on responsibility for the fruit that is packed.

[7] This requirement is easier to control than one may imagine. Each producer selling bananas is assigned a specific identification code number that is stamped on every box s/he packs. This allows, if necessary, the fruit to be traced all the way back to the individual producer and *parcela* from which it comes.

[8] It is important to recognize that in other regions, the level of participation of women in Fair Trade banana production is much greater, notably in the Windward Islands. The gendered nature of participation is certainly also an area in which greater attention could be paid.

[9] This is because much of the work previously done with chemical inputs is replaced by manual labor.

[10] This calculation ($16,800.- per week) is based on a standard shipping container of 960 boxes, each with a premium of $1.75 per box. Sometimes containers are packed with 1080 boxes, which translates to $18,900.- per week; $75,600.- per month.

[11] There is no "chain of custody" requirement in Fair Trade certification, as is found in the Forest Stewardship Council's timber certification program for example.

[12] Whether it was pressure from FLO that instigated their compliance remains unclear. Perhaps they would have paid the premium on their own time regardless of FLO's requests. Either way, the importer was in violation of the Fair Trade agreement it signed.

[13] Another way that FLO could address this limitation would be by working with the Association so they could begin to export directly. This alternative is far more challenging, and demands considerable strengthening of the organization's capacity. It would, however, better reflect the broader aim of Fair Trade to shorten commodity chains by trading directly with disadvantaged producers.

CHAPTER VI

LESSONS FROM FINCA 6

Does Fair Trade represent something more than a label that permits wealthy, socially- and environmentally-conscious customers in the North to continue to consume commodities they have grown to enjoy and expect? Murray and Raynolds (2000:67) have suggested that the greatest challenge facing alternative trade groups is making sure "they go beyond creating a parallel...market for alternative products in the North, to address their broader mission of transforming international commerce." In this chapter, I focus on experiences of Fair Trade certified banana farmers to discuss the implications of Fair Trade at the local level. From the perspective of producers, does Fair Trade appear to be a real alternative to conventional trade? Much of the analysis focuses on a case study of one association of banana producers that has been participating in Fair Trade since 1997. A closer look at how this group encounters Fair Trade highlights some of the ways that the Fairtrade Labelling Organizations International (FLO) is confronting the dilemmas and challenges raised in Chapter V by working closely with producers. At the same time it illustrates how some of the issues limit FLO's ability to achieve their ambitious mission.

The case study examines the potential of Fair Trade as a counter-hegemonic social movement by exploring some of the ways Fair Trade is manifested locally. The experiences

discussed here suggest that even within the 'alternative banana' sector[1], Fair Trade provides critical support to growers and creates opportunities that would otherwise not exist. If some successes can be documented in a case such as this, the potential should be far greater in communities starting from conditions far worse than those found in Azua's banana valley. Therefore, my analysis of Fair Trade bananas in the Dominican Republic concentrates on how it is actually negotiated locally rather than on an evaluation of how well or poorly Fair Trade compares with the ideals of the movement as stated in promotional literature (which is written for an entirely different purpose altogether).[2]

The discussion begins with a background to the case which includes a short history of the community of Finca 6, the producer association, and their introduction to bananas. The remainder of this chapter focuses on describing how Fair Trade has, on balance, been beneficial for Finca 6. Despite the important shortcomings discussed in the previous chapter and limitations that emerge from this case study, a number of positive changes can be attributed to Finca 6's participation in Fair Trade. In particular, the producers have begun to receive substantial material returns; the capacity of the producers' association is being strengthened; and increased market security is supporting the community. After reviewing a few examples and considering the implications they have, I conclude with a discussion about some lessons that can be taken from the example of Finca 6.

1. Background

The impact of Fair Trade banana production in Finca 6 cannot realistically be separated from the introduction of bananas into the region and the community. In important respects, the Dominican Republic is unlike other regions that have historically

depended on banana production for export, such as the Windward Islands or Central America. Growers and workers in the traditional banana exporting regions have experienced a long history of exploitation by transnational corporations. By contrast, as described below, the social relations of production in Azua did not have to be significantly altered to qualify for Fair Trade certification. Likewise, banana production in Azua has never been subject to the high levels of agrochemical inputs that have devastating negative effects on the health of the natural environment, producers, plantation workers, and communities in traditional banana producing regions (Bourgois 1989; Chambron and Smith 1998; Moberg 1997). Since bananas grow in the Azua Valley without the addition of agrochemical inputs, and few growers can afford the expense of unnecessary inputs without going into debt, the bananas are essentially "organic by default". This is not to suggest that pesticides and other toxic chemicals are not used in Azua or that the growers are expressing a philosophical commitment[3] to organic agriculture. Rather, a majority of the agriculture in the valley, notably tomatoes, is conventional and quite chemical-dependent. Indeed, the history of agriculture in Azua is marked by a period in the 1980s during which pesticide abuse led to a crisis, creating an ecological nightmare and causing many exports from the country to be automatically detained (Murray and Hoppin 1992).

Thus, banana production in Azua has never really resembled the exploitative conditions for which Fair Trade is proposed as an alternative. This somewhat atypical situation complicates efforts to evaluate the independent effect of Fair Trade, apart from the introduction of bananas in Azua. It does not, however, make such an exercise impossible. On the contrary, I argue that understanding the potentials and limits of Fair Trade banana production in this arguably special case can be instructive and useful. As suggested in

Chapter V, given the structure of the Fair Trade banana chain, differentiation should be notable at the level of production. Therefore, we should expect that Fair Trade banana production will be an improvement over the unsustainable practices that characterize conventional production. Focusing on the case in Azua where the influence of Fair Trade could be expected to be more subtle reveals certain barriers to the potential of Fair Trade that may be otherwise overlooked in a more extreme comparison. By increasing our understanding of how, why, and where the promises of Fair Trade are being compromised or unrealized under these circumstances, the Fair Trade model can only be strengthened.

Finca 6[4]

Established in 1993 as an agrarian reform district (officially known as Proyecto Decentralizado AC-370, Doña Emma Balaguer), the name 'Finca 6' (Farm 6) refers to both a community and the area of land on which they farm. Just a few miles outside the city of Azua, residents of Finca 6 live in a community built especially for them by the government. The community hosts about 250 banana producing households who were relocated from the mountains to the west. Each family was provided with a house and a provisional title to a section of 400 ha of irrigated farmland (about 1.6 ha per household). Ransom (1999:20) explains their origins:

> The story really began in 1992, with a small environmental disaster. In the mountains that march westwards across the troubled border of the Dominican Republic with Haiti, there were 250 families living in a state of virtual destitution. They began to burn down the forest in which they lived, to make charcoal for sale. [In response to a request for help, the Government] built an entire village for [the] community, complete with utilities, paved roads, health centre, school, church and halfway decent homes. It also handed over a plot of fallow, fertile land large enough for every family to have its own 'parcel'.

The community is still young and relatively inexperienced with respect to agricultural commodity production. When one inquires about Finca 6, agronomists and exporters alike are quick to explain that the Finca 6 producers are not traditionally agriculturalists, and thus lack the agronomic background that other banana growers have acquired over the years. At first, the families began their foray into agriculture by cultivating crops such as cassava, plantain, and bananas for household consumption and sale on the local market. Some also grew tomatoes and/or corn which was then sold for processing or canning to agribusiness firms with operations in the valley.

Not long after the community was settled, these new producers were approached by an organic banana exporting company, Savid, S.A. with a proposal for them to cultivate and sell organic bananas to the company.[5] Initial excitement about the initiative was spurred by guarantees of a production contract, high prices, and promises of a rapidly expanding market for the new specialty product. As a result, many producers signed up. Shortly thereafter they formed the Association of Banana Producers of Finca 6 so that they could better negotiate with the company since Savid did not want to negotiate with each producer individually.[6] In 1997 they were certified by Max Havelaar–Netherlands, the oldest Fair Trade labelling organization (described in more detail in Chapter I).

Since its creation in 1994, Savid has played an important role in the development of the banana industry in the Dominican Republic. The company contracts with both small farmers from Finca 6 and larger-scale growers in the North. It is the world's largest exporter of organic bananas (Admiraal 2000), and exports a majority of the Dominican Fair Trade bananas. The Association's relationship with Savid is unique for the valley, and makes them the only banana producers with a contract.

The producers from Finca 6 are atypical in other important respects when compared with the other banana growers in Azua (see Table 6.1). Most significantly, Finca 6 is considerably more dependent on bananas than are other groups of producers and other communities. In just a few years, bananas have become a way of life for members of the community. For example, it is difficult to find a producer that does not have some land under bananas or a connection to the industry (such as working in the packing station or transporting the bananas), and Savid is a household word. Considering their commitment to the crop, it is easy to see why. On average, these producers have only 25.9 tareas of land (1.6 ha) and an overwhelming amount of it is planted with bananas. Figure 6.1 illustrates the variation in land commitment to bananas. Indeed, roughly 70 percent of the Finca 6 producers have dedicated all their land to cultivating bananas, with the average around 86 percent.

Almost all the growers interviewed (74 percent) report that they prefer bananas to other crops. Bananas are favored for a number of reasons, but especially for the relatively high price they can receive *when they are able to sell for export.* In addition, unlike other crops, bananas can be harvested every two to three weeks, providing year-round income, and the plants continue to bear fruit for many years (up to 20 according to some reports).

There are several reasons for choosing Finca 6 as a case for more detailed study. As noted above, the Finca 6 growers are the only ones in the valley with a banana production contract with an exporter. Though imperfect as are most export contracts (Little and Watts 1994; Glover and Kusterer 1990), this contract relationship has been important in terms of market access, agricultural extension service, and overall support. As a relatively small and self-contained community, Finca 6 was an ideal place to learn about the banana

Table 6.1: A Comparison Between Finca 6 and Other Banana Producers

	Finca 6	not Finca 6
agriculture		
mean area of landholding in hectares	1.6	3.2
mean years of experience with bananas	3.1	11.8
dependency on bananas		
percent of land cultivated with bananas	85.8	48.5
percent of households with all land under bananas	68.6	19.2
percent of households with over 60% of income from banan	61.6	30.3
labor		
percent reliant on additional hired labor for bananas	66.7	68.4
mean cost of additional labor (per month in $RD)	1218	1120
producer characteristics		
mean age	46	52.2
mean years of education	2.5	4
mean household size	5.1	5.6
percent male	100	93
percent married or in union	87.2	81.6
n	39	76

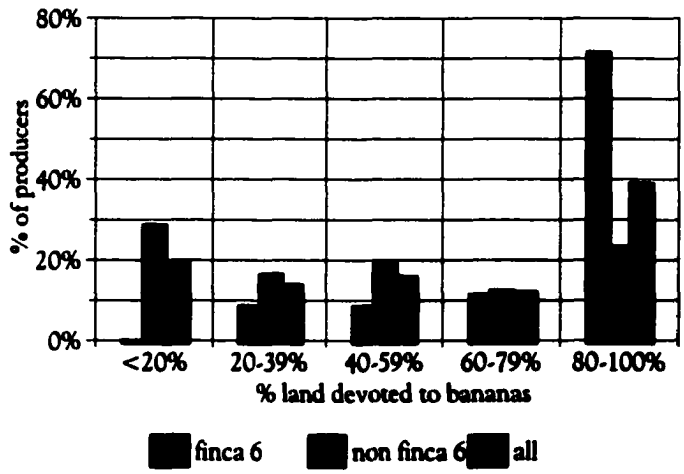


Figure 6.1 Dependency on Bananas According to Land Commitment

industry, the cultivation of the fruit, and the experience of banana producers and their families. Moreover, most of the community participates in the banana industry in some way, as producers, as laborers, driving trucks to transport the bananas, as members of the association, as workers in the packing station, or in some combination of these roles. Thus, any impact that Fair Trade might have on a community would be best seen here since the other communities in the valley have far fewer banana producers (in absolute and relative terms) who are producing for export and involved in Fair Trade production.

Finally, the Association from Finca 6 is the most widely known and perhaps the most important of the registered Fair Trade banana organizations in the Dominican Republic.[7] In terms of volume of Fair Trade production, almost all of their sales are made on the Fair Trade market. Since the middle of 2000, they have been exporting about 2.5 containers weekly. The other Fair Trade producer organization in Azua, by contrast, was averaging less than a container per week and their export volume has been falling for several months (personal communication, C. Meier). FLO also directs particular attention to the situation of the Finca 6 growers. For instance, in the spring of 2000, FLO initiated a project to support the producers of Finca 6. The project involved sending a FLO representative to live in the community and work with the association full time, helping them to get better organized. The importance of this decision by FLO is central to the present analysis of the Finca 6 experience and will be discussed in greater depth below.

2. Fair Trade Production and the Potential for Positive Change

Fair Trade intends to offer increased protection to disadvantaged Third World producers against fluctuations in the market and other unfavorable conditions that prevail in

the conventional agro-food system. Since the summer of 1999, when producers witnessed an unprecedented decline in prices, the global banana industry has been in a state of crisis from which it has yet to recover. For instance, during a period of just 9 months (December, 1999-August, 2000), the producers' net price for a 40-pound box of bananas in Azua fell by 33 percent. This crisis, compounded by overproduction and efforts to further liberalize global trade, makes the benefits promised by Fair Trade, particularly market security and guaranteed prices, very attractive to growers (Banana Link 2000a). Despite the crisis, demand for Fair Trade bananas still exceeds supply and is expected to continue growing, thereby providing increased market security to registered growers.

As recipients of the benefits, how have the Finca 6 banana producers and their community fared? Has Fair Trade made a difference in the community? In the spring of 2000, Finca 6 began a process of change and started to realize some of the benefits of their participation in Fair Trade, making their case particularly instructive for increasing our limited understanding of the impact that Fair Trade has at the local level. During this time they received their first direct payment of the Fair Trade social premium. They also began to gain greater independence from Savid, and experimented with new ways to strengthen their organization while learning about the expectations of the international market. A glimpse at this process suggests that even though in practice Fair Trade may not always resemble what it proposes in theory, overall it has had a positive effect in this community. Turning now to specific examples, I frame my discussion of the producers' experiences around three interrelated areas: the material benefits, organizational capacity building, and the significance of working within the market.

Material Benefits of Fair Trade

When thinking about the benefits Fair Trade brings to Third World communities, proponents typically emphasize the guaranteed minimum prices and social premium. These material returns to the communities are promoted as key components of what makes Fair Trade an alternative model of trade. Each of them, however, has unique implications for producers.

The social premium. The Fair Trade social premium is set by FLO at $1.75 per 40-pound box and is paid by the importer to registered Fair Trade organizations. It is intended to finance projects that will benefit the community as a whole. Considering that the Finca 6 producers export an average of 2,000-2,500 boxes of Fair Trade bananas each week, the premium can bring significant and consistent economic returns which can reach upwards of $4,000 per week.

Allocation of the premium was initially managed for the Association by the company. When production was just beginning, Savid chose to pre-finance several needed projects (such as preparation of the roads within the farm to permit trucks to transport the fruit to the packing station, and the purchase of generators and pumps for irrigation) with the understanding that the debt would eventually be repaid by the Association with funds from the Fair Trade premium. When Hurricane George hit the island in 1998, destroying much of the banana production in the region, the company also pre-financed the recovery of Finca 6.

During the spring of 2000, the debt was finally repaid and the Association received its first payment of the premium directly. The initial installments were used to make much needed improvements in the Association office, beginning with the purchase of a computer

and installation of a telephone line. The premium continues to be invested in the maintenance of the infrastructure on the farm and for projects to improve the quality of their fruit. This allows the producers to finally observe first hand the positive impact that Fair Trade can have. Together with other efforts to educate members about Fair Trade the producers are starting to gain a better understanding about their participation in an alternative trade system. They continue to receive the premium and have been engaged in a process of learning to manage large sums of money for the first time.

Minimum Prices. In addition to the social premium, FLO requires that importers pay a guaranteed minimum price, which is defined according to county of origin. This price serves as a buffer against unfavorable price fluctuations and can thus provide direct income to producer households. For growers, compliance with the minimum price guarantee is not always obvious though. The producers' contract specifies a base price (from which various reductions are then taken) per box to be paid by the exporter, but there is nothing that indicates the price will be higher if the bananas are subsequently sold with a Fair Trade label.[8] Only some of the exported bananas are sold as Fair Trade however. Since the price per box is always the same, producers do not always know when their fruit is being sold as Fair Trade, for which a higher price could be expected. Thus, in Azua the primary material benefits come from the social premium at this time.

Organizational Capacity

The role of the producers' associations is central to understanding the implications of Fair Trade and some of the challenges confronting Fair Trade organizations. Recall that according to FLO's criteria, small-scale producers can only participate in Fair Trade through

collective organizations (i.e., democratically controlled cooperatives and/or associations) (FLO 2000a). As already suggested, the relative strength or weakness of such organizations, however, influences the potential that Fair Trade can have, especially with respect to the effectiveness with which the material benefits are utilized. A review of some of the ways in which the Finca 6 Association has evolved as a Fair Trade partner offers insight into how the organization is being strengthened and how FLO is responding to some of the challenges facing the Fair Trade initiative.

The contractual agreement between Savid and the Association of Banana Producers of Finca 6 marked the start of a close, sometimes paternalistic relationship between the company and the community. According to the company's owner, working with inexperienced growers has been challenging and involved providing much technical assistance and guidance over the years. Even though she suggests that exporting bananas from Finca 6 is probably an unwise business decision, Savid re-signed a five year contract with the Association at the end of 1998, and she believes the Fair Trade market is needed to help the small farmers as competition intensifies (personal communication, J.van den Berg).

The close contact between the producers and Savid is unusual when compared with the relationship between the other exporters and growers in the valley, notably because none of the other exporters offer contracts. On any given day, the Production Manager for Savid makes multiple trips to the packing stations and through the community. Checking in with the growers, spot checking the quality of the fruit being selected, and responding to questions and/or problems that inevitably arise, these trips ensure that the company and the producers keep in close contact. This relationship, however, has fostered a situation of dependency for Finca 6 that prompted one observer to remark: "So pervasive is the

influence of Savid that I wonder whether it doesn't sometimes feel like their employer" (Ransom 1999:22).

Nevertheless, producers realize that "the company can withdraw from us whenever it wants to...[so] we have to remain organized" (Association member, quoted in Ransom 1999:22). Though they are formally organized, like many of the other producers' associations in the region, their organizational capacity is relatively weak. In fact, during the first several years of this arrangement, Savid took responsibility for practically the entire process of exporting (including collection, selection, boxing, payment of producers) with the exception of the labor that took place on the farm, leaving the growers little reason to seek stronger leadership. Recently, however, this has all begun to change, in no small part because of increased attention from FLO directed towards the group.

Over the course of several months, the Association began to take on greater responsibilities which has contributed to an overall strengthening of the organization and lessening of their reliance on the company. For instance, they took over the duty of selecting and packing the bananas, which involves such tasks as scheduling the cutting and transportation, overseeing the selection process, and the boxing of the fruit. Shortly after receiving their first direct payment of the Fair Trade premium, the Association also took over the job of paying the producers, a complicated responsibility that the company had previously done.

A great deal of what has been accomplished coincides with the arrival of a Fair Trade representative to the community. Sent by FLO with the daunting task of "organizing the producers of Finca 6," this representative was originally scheduled to spend 3 months in the community. More than a year later, her contract has been renewed twice and she is still

there. Her arrival and commitment to working with the Association, however, has proven to be critical. Without her guidance, the Association would probably not have been able to realize many of their recent accomplishments. Nor would Savid have felt like it could shift the control over these tasks to the Association without her assistance. To a great degree, the weak organizational capacity is a product of a very low level of formal education the Finca 6 producers have (an average of only 2.5 years) that is further compounded by the youth of the community and their relative inexperience with agriculture.

As Finca 6 takes on more of the tasks that the company had previously done, they are beginning to learn how difficult it can be to satisfy the growers and the market. They are experimenting with several projects to improve their overall and individual quality which should, in turn, increase the volume of their shipments. One such project involves the formation of collective worker brigades to help raise the overall conditions in the farm so that quality of the fruit will be both better and more consistent. Under this program the brigades, organized by the association, are sent to help clean and maintain (weed, prune, deleaf, fertilize, etc.) plots that are not being kept up satisfactorily by the *parcelero* himself.

The establishment of these worker brigades is part of a larger project initiated through collaboration between FLO, Savid, and the Producers' Association. The centerpiece was a signed agreement between the members of the Association and the directors of the Association in which each producer agreed to participate in a 'Plan for Quality Control, 2000'. Under this plan, the Association oversees the elements of production most critical to quality, including fertilization, fumigation, protecting the maturing fruit, and packing. The cost is distributed among the producers via a reduction taken per box packed. Any producer that did not sign on to this agreement was taken out of

the pool of producers eligible to sell to the Fair Trade market. The need to improve their quality was indeed critical since orders for Finca 6 bananas were being decreased weekly because of quality complaints. The creation and implementation of the Plan is one of the first efforts of the Association to take on a major project.

Exportable Quality and Market Access

Small-scale production of a highly perishable fruit for a market dominated by a few multinational corporations is extremely challenging and one of the reasons Fair Trade is being adopted in this sector. Since it is difficult for small farmers to compete on price alone, exporters suggest that Fair Trade buyers may represent the *only* means for these growers to secure an export market for their bananas (personal communication, C. Meier; J. van den Berg). Even though bananas are often preferred because of their year-round harvest, they fail to provide producing households with a constant source of income when there is no outlet for the harvest. One of the most widely voiced complaints by producers about bananas was the insecurity of the export market. Most agreed that if their only outlet for the fruit was the local market, it was not worth harvesting. This implies that the market access Fair Trade provides to qualified small-scale producers might actually be the most critical advantage they receive from their certification.

Moreover, since they first began exporting, Finca 6 producers have witnessed both the demand for organic bananas as well as its price fall as a result of the various dilemmas related to the market. This is partially a result of the entrance of new, larger competitors (especially from Mexico and Ecuador, in addition to the Dominican Republic) in the organic banana market. It is also a reflection of the 'exportable quality' stipulation specified in the

growers' contract that releases the exporter from its commitment to purchase any bananas that are not found to meet the high quality demanded for export.[9] Thus, even though most analysts agree that the demand for organic bananas remains greater than the current supply, ever-stricter quality requirements exacerbate this imbalance. Quality demands effectively limit the export volume capacity of producers unable to meet these expectations, particularly small-scale growers. Increasing competition simultaneously pushes prices down.

Nonetheless, bananas are preferred over other commodities for several reasons. As it was explained to me, "when bananas are good, there is nothing better." That is, when the fruit can be sold for export, there is no alternative in the valley that will bring the kind of consistent returns that bananas do. Fair Trade facilitates access to the export market, and hence, by extension, supports what is widely regarded as the best alternative currently available to producers in Azua. A comparison of data on exporting from interviews with Fair Trade and non-Fair Trade producers is especially telling. As illustrated in Figure 6.2, producers who have access to the Fair Trade market are much more likely to be what I have called "currently exporting," i.e., producers who reported having sold to an exporter within the month previous to the interview. Findings based on the entire random sample (of 115 producers) show an inverse relationship in which Fair Trade producers are more likely to have exported recently while non-Fair Trade producers are more likely to have not exported recently. For instance, 61 percent of the Fair Trade versus only 39 percent of the non-Fair Trade producers are currently exporting. Perhaps even more striking is that over half (52 percent) of non-Fair Trade producers had not exported in over a year. Many of the growers in this category come from communities whose land has never quite recovered from the

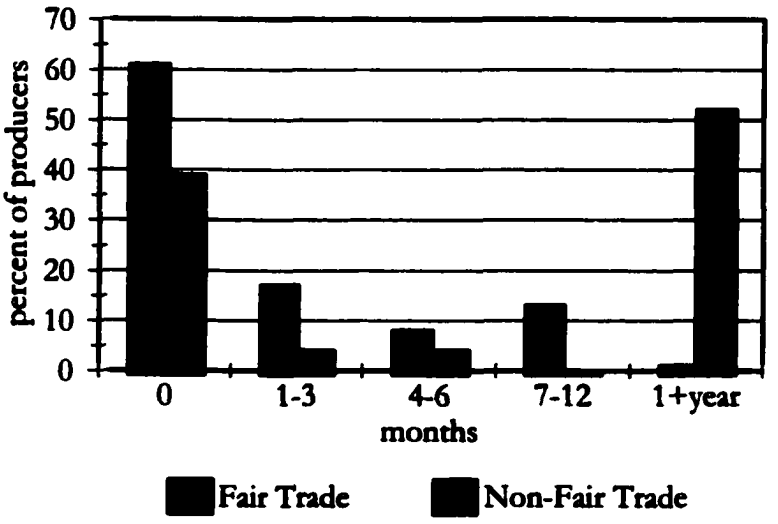


Figure 6.2: Months since last exported, Fair Trade vs Non-Fair Trade Producers

hurricane that passed in 1998. As a result, even though they still have bananas growing, the quality of their fruit is unacceptable for exporting.

The market access opened by Fair Trade is therefore a significant and positive benefit to the growers, even if their limited understanding of the complexities of international banana trade prohibits them from fully grasping this advantage. In terms of economic support for individual households, the increased market security is most important. For, even when farmgate prices are high, if producers are unable to export their bananas, they will have to settle for whatever they can capture on the local market, which often does not even cover costs of harvesting.

3. Limits and Potentials of Fair Trade Banana Production

The Finca 6 case illustrates some of the complexities of alternative banana production discussed in the previous chapter. For instance, here too I found producers had a very limited understanding of Fair Trade: among the growers from Finca 6, only half knew what it was and few had much knowledge about how it worked, or that there were criteria with which they were supposed to comply. In addition, Fair Trade was simply seen as a form of aid rather than something in which they were actively participating. However, the case also demonstrates the potential of Fair Trade for the producers and the community even as it suggests there are also important limitations to what Fair Trade may be capable of doing.

Considering Fair Trade from the perspective of the producers helps understand some of the dilemmas of Fair Trade banana production. In Finca 6, growers are only just starting to recognize their role in the Fair Trade relationship. Until a more comprehensive understanding is developed, equitable partnership may remain elusive. However, this does not prevent other positive impacts of Fair Trade from reaching the community.

Finally receiving payments from the social premium provides the Association with direct economic benefits from Fair Trade. The promise of a future Fair Trade premium allowed Savid to pre-finance the recovery of the farm after Hurricane George, thereby permitting the producers to begin exporting sooner. Such use of the premium provided critical support needed by the growers and enabled them to recuperate from the hurricane more easily than other producers in the valley. In fact, some of the other growers have yet to recover and have not exported since before the hurricane.

Since the debt to Savid is now repaid, the premium has been earmarked for projects targeting the production process and the Association. The urgency of responding to importers' complaints and threats to cancel orders from the small farmers has caused FLO and the Association to prioritize such projects (personal communication, FLO).

The size of the Fair Trade premium is clearly substantial. However, it is supposed to be distributed such that it benefits the community as a whole. To represent a viable alternative to conventional practices and offer long-term support, Fair Trade organizations may not wish to rely on the trickling down of benefits from the *junta directiva* to the rest of the community or from the male producer to the rest of the household. During the time I was in the field there were no real efforts to increase the larger community's participation in discussions about how to allocate the premium. A lack of the women's input in the Association and in other decision making processes was particularly notable by its absence. Unless the benefits are better distributed to a broader range of the producing households (a challenge that has thus far been impossible to meet given the demands of the market), Fair Trade has the potential to increase inequality at the local level, a phenomenon not uncommon to other nontraditional export agriculture schemes targeting small-scale producers (Glover and Kusterer 1990; Conroy et al. 1996).

Determining how to best support capacity building in the producer Associations and organizing communities may be the greatest challenge facing Fair Trade groups such as FLO. As a community, Finca 6 at times seems to accept their ties to Savid as they allow them to blame their problems on a common enemy, "*la compañía.*" Independence, though, demands an organization capable of taking over responsibilities otherwise performed by someone else. The Finca 6 Association has taken a series of small steps away from their

close ties with Savid, but even these seem to depend on the full-time residence of a FLO representative in the community. This person has provided invaluable support, yet one hopes that the growers' have not simply shifted their dependence on the company to FLO. Her presence, however, also underscores FLO's commitment to working with weaker organizations who may be in greatest need of the support and guidance, and not limiting Fair Trade partnership to the groups already more capable.

Despite growers' rising level of knowledge, their sense of entitlement to alternative trade is limited to an expectation that high-quality bananas can open up access to higher-paying export markets. This reflects a low level of producer consciousness. However, this lack of understanding on the part of producers also prevents realization of the greater potential of Fair Trade participation promised to growers. More attention could be placed on educating producers about Fair Trade (for which a range of efforts are currently underway) so that they might eventually fill their role was equal partners, rather than as beneficiaries of an aid package and suppliers of a specialty market.

As suggested above, access to the alternative banana market is one of the most critical benefits of Fair Trade for small-scale producers trying to compete against multinational corporations in the export banana industry. The downside of this form of support is the quality dilemma described earlier. Even though Fair Trade importers express their support of small farmers, they nonetheless appear unyielding with respect to their quality expectations. Far from demonstrating their flexibility on the issue of quality, some buyers have threatened to cease purchasing from Finca 6 unless their quality improved considerably.

Conforming to the dictates of the market means that a small proportion of the growers with the highest quality benefit most, even in the Fair Trade market. A Fair Trade banana farmer from Ghana explains the implications clearly (Blay 2000:53):

> A major constrain [*sic*] to Fair Trade bananas is that consumers expect this social, environmental and consumer-friendly bananas to have the same size and appearance as conventional bananas. Consumers should however realize that ... you either get a big cosmetic banana produced to the detriment of the environment and fellow humans or a slightly smaller banana with reasonable 'quality defects' but produced under environmentally and socially sound conditions.

When Fair Trade criteria concerning the social and environmental relations of production and the Fair Trade goal of providing a real alternative to the conventional system are subordinated to quality, it seems that working "in the market" takes precedence over working "against the market."

Thus, the case study shows some of ways that the constraint of working within the present agro-food system remains the greatest barrier to alternative trade truly transforming international trade relations and providing a radically different option to producers. The banana industry is structured in a way that precludes a real shortening of the commodity chain by circumventing conventional intermediaries as is done with other Fair Trade products. Quality requirements placed on exporters by distributors have become an unofficial gatekeeper[10]– permitting only the 'best' of the small-scale producers to access the lucrative, specialty market. It can also have the effect of subordinating the autonomy of individual producers to the demands of the market, as in the example of the Quality Control Plan described above. With its implementation, producers were left with little choice but to sign the agreement as it was presented to them.

4. Lessons Learned

From the perspective of the producers, Fair Trade hardly resembles a strategy that confronts the "injustices inherent in the world economy and tries to transform North/South trade" (Raynolds 2000a:301) much less one that "alleviate[s] poverty in the South" (EFTA 2001a:5) or helps producers "get back on their feet and trade their way out of poverty with a renewed sense of pride" (FLO 2000b). It would be irresponsible, however, to draw from this a conclusion that Fair Trade has nothing significant to offer its registered producers. Disadvantaged, small-scale farmers who are marginalized in the global agro-food system do not suddenly become primary beneficiaries of the international banana industry when they become Fair Trade producers. Nonetheless, the experience of Finca 6 provides evidence that participation in Fair Trade can provide a number of different forms of support to these producers.

A few final cautionary lessons should also be taken from the case study presented here. On average, Fair Trade producers devote about 20 percent more of their total land to bananas and are 25 percent more likely to have converted all of their land to banana production. In Finca 6 there is a dangerously high level of dependence on a single, export commodity. This puts the livelihood of the community vulnerable to the whims of wealthy Northern consumers who create the demand for this high-value, specialty product. From the point of view of the grower, though, this makes sense. Increasing production of the crop which brings most benefits is not unreasonable. However, paradoxically, this pattern also increases the growers' exposure to the instabilities they face in the global economy and raises concern about whether Fair Trade participation might be displacing efforts to diversify production and compromising production for household consumption.[11]

Second, the case study highlights how FLO demonstrates its commitment to the small-scale producers in Azua, even given the constraints described in Chapter V. At the same time, the course of action chosen by FLO (significantly prioritizing the marketing concerns) is a clear reflection of the predominance of the market dilemmas that confront Fair Trade.

Finally, Finca 6 represents only about a third of the small-scale banana production in the Azua Valley. As I suggested above, in certain respects their experience is unique and should not be generalized to all banana producers in Azua, or even to all Fair Trade banana producers in the region. I chose to present their experience because it helps to demonstrate how, in spite of the multiple challenges facing the Fair Trade banana initiative (which include the short time since Fair Trade participation began, the inexperience of the producers organization and its relative *in*capacities, and the history and culture of agriculture in Azua), there are still important ways that it contributes to the counter-hegemonic war of position outlined earlier. In this way, Fair Trade efforts represent a provocative alternative to what typically characterizes smallholder export agriculture in the Third World. Positive social change occurs slowly and through a process that is sometimes quite complex. Yet the Fair Trade banana initiative in Finca 6 is also dynamic. Studying how the producers and FLO are learning to negotiate acceptable solutions to the challenges that arise can ultimately strengthen the Fair Trade model.

In the final two chapters of the dissertation, I draw on these analyses to draw more substantive conclusions. In the next chapter, I formulate a framework that could be used to make a comprehensive analysis of Fair Trade and its potential for contributing positively to

change in the global agro-food system. Then in the concluding chapter, I offer some ways for Fair Trade organizations to respond more assertively to the challenges they face.

ENDNOTES

[1] The alternative banana sector would include bananas sourced from initiatives such as Fair Trade, organic agriculture, Ethical Trading, Better Banana Program, and so on.

[2] There are several approaches for analyzing Fair Trade, its impact, and its potential. However, this chapter focuses on what Fair Trade is doing rather than on what it is not doing. Detailing and documenting when and where Fair Trade production meets (or fails to meet) its prescribed criteria is less useful to Fair Trade organizations and producers alike. On the other hand, when trying to understand the success and potential of Fair Trade at a more abstract level of analysis, there are reasons to examine more closely what Fair Trade sets out achieve. I broaden my analysis to include this in the concluding chapter.

[3] In some analyses of organic agriculture in the Third World, producers' philosophical commitment to 'natural' agricultural practices is identified and organic agriculture is celebrated as a means for traditional commodity producers to assert their (often indigenous) identity and embed it into the production of their crops. For instance, see Nigh (1997) and Hernández-Castillo and Nigh (1998) for an example of indigenous coffee production.

[4] The data and analysis presented in this chapter is based on 39 producer interviews conducted with a random sample of members of the Association of Banana Producers of Finca 6; participant observation in the community, at association meetings, and at the packing stations; interviews with the various representatives of Savid, including the owner and the head of production; interviews with a FLO representative working in Finca 6; and informal interviews with numerous other Finca 6 community members including both producers and their families.

[5] The producers from Finca 6 are not the only ones that were approached by Savid when the company was just beginning. In the initial years, Savid purchased bananas from over 500 growers from all parts of the valley. After Hurricane George hit the region in 1998, destroying most of the agriculture in the valley, the company made a decision to re-sign contracts only with the producers from (or with land close to) Finca 6. This reorganization reduced the number of growers from whom Savid purchased bananas by half. At the time of the fieldwork, there were still many growers who formerly sold to Savid that had still not really recuperated from the loss of their buyer.

[6] The desire to work with a producer association is consistent with "many other agribusiness firms [that see] advantages in the formation of an organization to mediate between management and outgrowers" (Glover and Kusterer 1990:104-5). In several of the

other communities, there remain fledgling banana producer associations which were formed for the same reason in the early 1990s. Lacking the technical assistance they once had and the opportunity to pack their bananas for export, the farms tend to be in very poor condition, and hence, yield only very low-quality fruit. Nevertheless, members of these associations report that they are waiting for another company that will buy their bananas.

[7] For instance, government agronomists, national and international NGOs, recognize the name Finca 6 and associate the producers with organic and sometimes Fair Trade production. There has also been an issue of the *New Internationalist* on banana production that included an article about Finca 6 and their experience as Fair Trade, organic producers. This is in marked contrast with the other registered Fair Trade banana organization in Azua. When inquiring about this group, none of the agronomists or local NGOs involved in the banana industry had heard of the association.

[8] In Azua, producers typically bring their harvest to the packing station where it is sorted for quality and boxed. While the boxes are identical, some are eventually sold to Fair Trade buyers, while others are just sold as organic.

[9] Again, this type of clause is not unique to the contract with Savid. Rather, the use of 'exportable quality' requirements have been in practice for many decades. In the case of Finca 6, the exporter agrees to purchase 100% of "exportable quality" fruit during the winter months and 70% during the summer, when demand falls. Trouillot's (1988) work on the banana industry in the Windward Islands includes an excellent history and analysis this type of clause.

[10] There is a conspicuous lack of attention by Fair Trade organizations to the powerful actors who control the middle of the commodity chains. This critique is also being voiced by Southern Fair Trade partners who challenge the unidirectionality of the monitoring process (North to South) and question who monitors the North (comments by Maria Elena Martinez Torres, Fair Trade Workshop 2000)?

[11] Like many small-scale commodity producers in the Third World, those in Azua have historically been made dependent on export agriculture. In this region, a critique of export dependency can appear as uninformed and idealistic romanticism. However, most Finca 6 growers were actually not incorporated into export agriculture schemes prior to their initiation into banana production. Moreover, we should also realize that stimulating reliance on a single cash crop whose sales depend upon wealthy and often fickle Northern consumers may be seen as irresponsible and is certainly contrary to a Fair Trade movement ideal of encouraging diversification. Alternatively, the increased income and security provided by bananas could be invested in other crops so that any future (and not unlikely) disadvantageous changes in the banana industry would not be totally devastating for these growers. For instance, we should hope that the current situation of the banana farmers in the Windward Islands does not foreshadow the future of the Azua Valley (at a smaller scale, of course).

CHAPTER VII

FAIR TRADE AS SOCIAL ACTION: POTENTIALS AND LIMITS

As should now be clear, Fair Trade is at once both personal and political. Affecting the lives of thousands of small-scale producers and their families, Fair Trade is a successful means for bringing much needed material benefits to individual producers. Furthermore, it represents a way for individual consumers, through their purchasing decisions, to support efforts that challenge the global agro-food system as we know it. In this sense, it is also a political act. A recent newsletter from the UK's Fairtrade Foundation explains: "The act of buying Fairtrade products is also a way of sending a political message. It says that you care about creating a fairer world trading system, and care enough to put your money where your mouth is...each Fairtrade purchase is a vote for a better world" (Fairtrade Foundation 2001). However, Fair Trade is more complicated than this token of consumer advice implies. As the previous chapters have suggested, Fair Trade initiatives are not always able to accomplish what they set out to do. In fact, the very strategy upon which Fair Trade is based embeds an important contradiction within these initiatives, and the concept of 'Fair Trade' carries with it ideological baggage that has practical implications for those involved.

This does not mean it fails to deliver important benefits to certified producers. It is not a zero-sum game. Instead, success can be achieved in different ways and attention to the

multiple ways participants engage in Fair Trade actions helps demonstrate this somewhat paradoxical conclusion.

Having explored the implications of Fair Trade for banana producers, a number of important questions about Fair Trade alternatives remain. For instance, what is the real potential of Fair Trade for the different actors involved? Can/does it create positive social change at the level of production? Can/does Fair Trade really transform relations in the agro-food system? In this chapter, I consider the relative importance of Fair Trade alternatives, based on insights gained from this study. By comparing strategies and tactics developed by the Fair Trade movement with the three types of counter-hegemonic social action laid out in Chapter II, it becomes possible to address these questions about the potentials and limits of the Fair Trade movement. These questions lie at the heart of any debate about counter-hegemonic alternatives, and this analysis will offer insight as to whether Fair Trade is something that should be taken seriously, and whether it is a movement that individuals seeking progressive change in the global economy should consider supporting. Analyzing Fair Trade in terms of these ideal types can also be helpful for unpacking the tensions, contradictions, and possibilities embedded in Fair Trade alternatives.

The research presented in this dissertation suggests the Fair Trade movement does not conform to just one of the three types of social action. Rather it corresponds in different ways to each of them. Therefore, this concluding chapter will review how the Fair Trade movement has the potential to support action that is at once resistance, redistributive, and radical. In particular, I will discuss a series of examples which demonstrate how Fair Trade initiatives contribute to broader counter-hegemonic struggles against neoliberal

globalization and can therefore be analyzed as participating in a present-day version of a war of position (Gramsci 1971). The counter-hegemonic potential of Fair Trade is realized most successfully in terms of acts of resistance by actors in the North and as redistributive action that shifts material resources from North to South, or from consumer to producer. Up to now, however, Fair Trade alternatives hold only the theoretical potential to exhibit characteristics of radical social action.

This initial conclusion leaves open the possibility for the Fair Trade movement to realize more of its potential. I believe such an undertaking would demand a critical rethinking of the Fair Trade concept and model by Northern Fair Trade organizations in conjunction with their Southern partners. In order to make Fair Trade a more powerful and oppositional form of action, a re-visioning by the movement should address at least the following four interrelated concerns: [1] the power asymmetry between Fair Trade actors in the North and South [2] a conservative understanding of empowerment by Fair Trade organizations (and perhaps by producers as well) [3] the limited role of producers as partners in Fair Trade relationships and [4] the unequal distribution of responsibility (along the commodity chain) for making trade more fair. I will address each of these in detail in the concluding chapter.

1. Fair Trade as Resistance

Once again, alternative trade initiatives can be understood as part of a growing and active discontent with the direction in which society is headed under the banner of 'free trade' and the ideology of neoliberalism. More specifically, Fair Trade provides a way for consumers and producers to continue their consumption and production activities but

partially avoid participating in the conventional trading system. The steady growth of Fair Trade in terms of sales, number of producers involved, diversity of products, and increasing recognition by consumers and politicians demonstrates the success of the Fair Trade movement in resisting the hegemony of the conventional agro-food system. In particular, there appear to be two major ways that actors are engaging in acts of resistance in the name of Fair Trade. In the North, socially conscious consumers are, in a sense, voting with their dollars and thus their shopping preferences become a form of resistance. Second, Fair Trade certified producers in the South can be seen as resisting by their non-participation in conventional export channels.

Resistance in the North

As a flourishing niche market wherein consumers demonstrate their willingness to purchase specialty food products because of the social meaning attributed to them, the Fair Trade market represents a challenge to neoliberalism and an alternative to competition based solely on price (Renard 1999a). Here I include two examples of how supporting the Fair Trade market can be understood as consumer acts of resistance.

Fair Trade consumption is rising impressively in Europe. Aggregate Fair Trade sales have been growing at an average annual rate of 5 percent (EFTA 1998:25). In some cases there have been increases of almost 100 percent in retail turnover during the 1990s. For bananas in particular, sales have risen by over 20 percent per year since first being launched in 1996 (Banana Link 2001a). The actions of the socially conscious consumers driving this growth compare favorably with the ideal type of acts of resistance in several respects. First, insofar as each Fair Trade purchase represents non-participation in the conventional market,

it is resistance. In addition, while the purchases demonstrate the consumers' rejection of a conventional product, the real source of injustice that accompanies conventional goods is not necessarily understood. Moreover, these actors may not wish to redesign the entire system or communicate their action explicitly.

Decisions by important political actors to support Fair Trade can also be interpreted as acts of resistance. The recognition of Fair Trade by the European Union (EU) is particularly notable. For example, within the EU there has been a recent call to incorporate Fair Trade into its aid policies (a report on Fair Trade written by the European Commission, and an article by the Directorate General for Development on the future of Fair Trade [European Commission 1999; EFTA 2001b]). P. Nielson of the European Commission (in FLO, n.d.) explains the EU's position on Fair Trade as follows:

> Fair Trade plays a very important role in EU development policies by helping to educate people in the North and by assisting marginalized producers and communities in the South to participate in a more equitable way in the world economy.

In addition, though perhaps mostly symbolic, the European Parliament, Commission, and Economic and Social Committee have all committed to serving Fair Trade coffee at their meetings (EFTA 2001b:15). This reflects the work of Fair Trade advocacy groups bringing attention to their cause. However, the participation of the EU is an example of a more conservative form of resistance since the EU has no commitment to a broader critique of the free trade or globalization. On the contrary, the primary actions of EU institutions are fully aligned with the neoliberal projects.[1]

Considered together, these examples support assertions that the Fair Trade movement has achieved important successes in the realm of consumer politics (Raynolds 2000a). It also confirms that alternatives to present practices are not only possible, but are

successful (Tiffen 1999), thereby refuting the necessity and inevitability of conventional patterns characterizing the dominant agro-food system. Fair Trade shows empirically the fallacy of the fatalism underlying the pervasive belief that 'there is no alternative' to the dominant patterns. It likewise demonstrates that global networking and reach is not unique to TNCs (Whatmore and Thorne 1997) which can be critical for further mobilizing the consumer support needed to sustain alternatives like Fair Trade. In this sense, its expressions of resistance must be viewed as counter-hegemonic.

Resistance in the South

Following the conceptual definition of resistance as non-participation, the actions of farmers in the South who elect to participate in Fair Trade initiatives should also be understood as acts of resistance. Thus, as the number of small-scale producers registered by Fair Trade organizations to use the Fair Trade label rises, so too does the level of resistance to trade via conventional agro-food commodity systems.

In comparison with the consumers whose purchasing decisions support the Fair Trade market, the producers supporting the market as suppliers may do so for different reasons. As this case study suggests, improved access to an export market is one of the principal benefits Fair Trade producers receive from their certification. Regardless whether or not they understand the way the Fair Trade market operates, by selling their fruit through alternative channels they are resisting participation in the more exploitative ones. And, like any grower with a harvest to sell, Fair Trade farmers welcome terms of trade that are more favorable and cover the cost of their production.

Many producers' unambiguous commitment to any export market casts some doubt as to whether their participation in Fair Trade should be counted as resistance at all if the decision is based on higher prices alone. Though only a small fraction of the Fair Trade banana producers involved in this study expressed any explicit rejection of the trading system per se, I suggest their role in Fair Trade can nonetheless be understood as counter-hegemonic. For, insofar as survival under oppressive and exploitative conditions is in and of itself an act of resistance (Reagon 1982; Scott 1990) so too is their participation in Fair Trade an act of resistance. Moreover, since consumers of Fair Trade are not expected to reject the capitalist trading system that delivers them their tropical commodities, neither should the producers be held to such an expectation. However, if social action in this form hopes to contribute to altering capitalist relations, a stronger critique of the system by both sets of actors will of course be necessary.

Limits to a Strategy of Resistance

Purchasing and producing Fair Trade commodities can thus be understood as counter-hegemonic acts of resistance. The locus of this action is centered around the Fair Trade market, which is a critical but contradictory aspect of the Fair Trade model. Although these acts are moving Fair Trade from a marginal niche to the mainstream market, there are a number of factors that limit the potential of this strategy for social change.

First, since 'fair trade' is often demanded as a more equitable alternative to the dominant form of 'free trade', Free Trade Agreements (like NAFTA or the proposed FTAA) and the governance of international trade by the WTO represent a significant challenge to the expansion of the Fair Trade market. This is because differentiation of commodities

according to how they are produced is seen by neoliberal economists who draft these agreements as contradictory to the WTO's mission of eliminating barriers to trade. Therefore, explicit commitments to supporting Fair Trade efforts are likely be found unacceptable by the WTO.[2] Furthermore, the governance of international trade by these Free Trade Agreements may also threaten the viability of the Fair Trade market. For instance, the rulings in the recent Banana Wars and the subsequent trade regime agreed upon by the EU and the US threaten to erode future opportunities for Fair Trade bananas. The 'winners' in the trade war are believed to be TNCs, notably Chiquita (Banana Link 2001b), while tens of thousands of small-scale banana growers are the real losers. This suggests that despite its place on the political agenda, Fair Trade and the concerns behind it are nevertheless subordinated to a far more powerful corporate agenda which relies on free trade.

A second limitation to market-based resistance stems from the very same enthusiasm that contributed to the growth in alternative trade in the first place. Research suggests consumers and retailers are beginning to suffer from 'label fatigue' as the multiplication of competing certification schemes becomes overwhelming and the differentiation between labels becomes confusing and even questionable (FAO 2000b; Blowfield et al. n.d.; Watkins 1998). There clearly are differences between the major competing certification initiatives: in what they stand for (the criteria upon which they are based), how they are allocated, who supports them, and whom they are intended to support. However, this means there is a challenge for more progressive initiatives such as Fair Trade to really differentiate themselves from others that represent less 'alternative' alternatives.

I suggest that Fair Trade consumer campaigns are counter-hegemonic in one sense, since they invite consumers to ask questions about where their products come from and under what conditions are they produced. However, for the most part the marketing campaigns fail to really critique the *over*consumption patterns of the North more generally. Instead, they encourage consumers to keep on consuming, insisting that by purchasing Fair Trade products, they are contributing to a better world and voting for more social justice in the trade system[3] (Lyon 2001).

Increasing participation by TNCs in social and environmental certification programs also raises some questions. For instance, should Starbucks Fair Trade certified coffee purchases really count as counter-hegemonic resistance? Or, does TNC involvement actually pose a threat and signal the co-optation of this lucrative niche market? The participation of mainstream retailers in the Fair Trade market does confirm growing consumer demand and expand the size of the market (which is crucial for producers). Yet, given their histories, the contribution of corporate schemes to progressive change in the agro-food system (such as the teaming up of Chiquita/Rainforest Alliance [Murray and Raynolds 2000]) should be evaluated cautiously.

Finally, there is a limit to the form of resistance by Fair Trade producers in the South. though they are producing for an alternative market, a large majority of the growers interviewed had at best a weak understanding of how the Fair Trade market worked and few saw Fair Trade as an alternative they had chosen for themselves. Access to any market, for these producers, is critical for their survival as small-scale banana farmers. Nonetheless, the poor understanding of their role as Fair Trade 'partners' suggests producers' resistance is a limited strategy for bringing about any real transformation in the agro-food system.

Considered together, these limitations to the potential of Fair Trade as resistance are consistent with the earlier discussion of acts of resistance. In particular, analyzing Fair Trade as resistance brings back the problematic of how to recognize undeclared actions as resistance. Likewise, Fair Trade shoppers and suppliers successfully resist without any necessary commitment to an alternative vision for the global agro-food system. Nor do they need to understand the source of inequity in the system they are opting out of. Thus, largely implicit, and sometimes perhaps unconscious, Fair Trade market opportunities are thus counter-hegemonic in a modestly confrontational sense but alone are unlikely to bring about transformative change.

2. Fair Trade as Redistributive Action

In this section, I review the way actors taking part in the Fair Trade banana initiative are engaging in the second form of counter-hegemonic social action, redistributive action. The redistributive potential of Fair Trade initiatives is best understood by examining how the movement's strategy for bringing together producers and consumers via certification and labels is implemented. This analysis draws particularly on the discussion of Fair Trade in Chapter V and the case study of Finca 6 presented in Chapter VI.

Redistribution of Resources

As suggested above, much of the Fair Trade movement's counter-hegemonic activity comes from its success in redistributing resources more equitably. First and foremost, participation in Fair Trade can bring producers material benefits, improved access to Northern markets, and support for organizational capacity building of their producers'

associations. In this way, the Fair Trade networks serve as an excellent tool for redistributing wealth from Northern consumers to Southern producers in the form of increased household income from higher prices. In fact, based on the first three years of its banana program, FLO estimates an average of $2 million from Fair Trade banana sales is transferred annually to producers in eleven registered associations (FLO n.d.).

As noted in the previous section, for Dominican banana producers, Fair Trade certification represents a means for securing greater access to a lucrative export market in Europe. As the international competition for organic bananas intensifies, particularly with the inclusion of much larger, and now transnational corporate suppliers (like Dole and Chiquita), small-scale growers in Azua find their market share shrinking rapidly. Quickly eroding are the advantages they held (almost exclusively) not long ago. The result is a new, more environmentally friendly playing field, on which, once again, small farmers are at a disadvantage. This makes the importance of the Fair Trade market opportunity even greater for them. Moreover, since bananas are widely regarded as the most worthwhile of the agricultural alternatives for small farmers in the Azua Valley, and certification enables some farmers to continue harvesting bananas, Fair Trade sales must be understood as having a significant impact within this context. And, as was shown in the previous chapter, the resources that are transferred to producers' communities can be substantial.

The Fair Trade model also offers a vehicle for consumers who want to partake in a 'fairer' form of international trade to redistribute their wealth and income. The strategy for improving resource allocation through the current system of trade is consistent with the conceptualization of redistributive action outlined earlier. In this case, Fair Trade networks facilitate the redistribution of material resources so producers receive a larger share of the

final price of their product. Thus, as redistributive action, the Fair Trade movement holds great potential, much of which is realized successfully.

Finally, the Fair Trade movement's core strategy of working "in and against" the capitalist market exemplifies an explicit effort to bring about reform in the agro-food system. This commitment to fostering positive change from within the contested system is critical for the success achieved thus far, as it permits Fair Trade goods to be traded through channels which are already established, yet without relying fully on conventional players. In addition, it facilitates the entrance of these products into mainstream retail outlets, permitting the largest possible number of consumers to encounter Fair Trade products on their trips to the supermarket.

Limits to Redistributive Action

Analyzing Fair Trade in terms of redistributive action also reveals important limits to the full realization of its potential. These limitations stem from the structural barrier the market imposes on Fair Trade initiatives, the weakness of Fair Trade producer organizations, and the role that exporters can play in Fair Trade networks.

As we have seen, working "in the market" unfortunately has its downside. Launching the Fair Trade market within conventional banana marketing and distribution channels can limit the extent to which producers receive the maximum benefits of Fair Trade. Especially from the perspective of the small farmers, the fact that demand for Fair Trade bananas currently exceeds supply is not comforting when, as we have seen, the market remains the biggest obstacle to Fair Trade exports. Likewise, that 74 percent of European consumers say they would be willing to buy Fair Trade bananas if they were available in their

supermarket loses its appeal when an adequate supply is rejected at the farmgate for superficial cosmetic reasons. Thus, the quality expectations that limit market access for producers also serve as structural barriers to the redistributive potential of Fair Trade.

As explained previously, quality standards are dictated by consumers and retailers, through importers, to producers. Even for the Fair Trade markets, producers must meet exportable quality expectations. In the case of bananas, meeting the expectations remains a critical challenge for small farmers. Many of the cosmetic requirements can be met much more easily when fields are equipped with cable systems to transport the harvested fruit, but such technological economies of scale are beyond the reach of the small-scale producers whom Fair Trade is intended to support.

Once the Fair Trade exchange is complete, there is yet another possible pitfall that could compromise the redistributive capacity of Fair Trade. The material benefits are supposed to be passed on to producers by way of the associations registered by FLO. However, as the previous chapters suggested, the organizational capacity of these groups can be very weak. In order for the rewards from the Fair Trade social premium to reach beyond the immediate sphere of production, organizations must have the capacity to invest it in ways that will bring positive social as well as economic returns to the community as a whole. Given most producers' lack of understanding about premiums and minimum prices and the limited participation of the greater community (notably the women) in decisions about Fair Trade resources, the current situation poses limits to the success of these redistributive strategies.

Third, the structure of the Fair Trade relationship can also act as a limitation to successful redistributive action. In the case of the Dominican Fair Trade banana initiative,

the arrangement is particularly challenging. Recall that a Fair Trade minimum price (defined by FLO) is paid to registered Fair Trade exporters by similarly registered Fair Trade importers. This exchange is overseen by FLO. In Azua, since the producers were only able to export their fruit via one of several exporting companies, they never actually saw the guaranteed minimum prices themselves. Though some exporters paid the growers a higher farmgate price for bananas destined for the Fair Trade market, this was not always the case. Moreover, a lack of transparency between exporters and growers regarding prices calls into question whether the redistribution of resources is being maximized in favor of the producers. Lastly, a profile of production shows that less than half (45 percent) of the Fair Trade producers had an export contract, and many had no price guarantees thereby illustrating how the structure of the Fair Trade relationship can undermine its potential. In addition, it suggests the weak organizational capacity of Fair Trade producer groups may also limit the extent of their benefits. Unaware of how Fair Trade is intended to operate, the organizations are not in a position to negotiate with exporters or FLO to get a 'fairer' deal.

3. Fair Trade as Radical Social Action

Potentials

What makes Fair Trade unique in the growing sea of certification programs and labeling schemes is that certification is ostensibly awarded based on the trade relationship. This is a crucial distinction versus other certificates (such as organic agriculture) that are based almost solely on the production process since arguably, the most offensive aspects of the dominant global agro-food system are not a result of independent production choices made by small-scale farmers in the South.[4]

However, I believe that at present the Fair Trade movement holds only a theoretical potential to demonstrate the kind of radical social action that confronts and firmly rejects the dominant ideology upholding the hegemonic system. More specifically, the explicit desire of the Fair Trade movement to actually alter trade relations between the North and South (Brown 1993; Murray and Raynolds 2000) is critical and suggests a more radical potential for the movement. Moreover, these ATOs are working to make trade relations more transparent, thereby "demystifying global trade and creating more equitable relations of change" (Raynolds 2000a:298). Nevertheless, up to now, the strategies and tactics adopted by Fair Trade actors do not demonstrate this empirically.

Though all Fair Trade activists may not be satisfied with the more conservative goals of reform and redistribution, this study suggests that at this point, the more ambitious goals involving transforming conventional trade patterns are not being realized. Further, I argue below that given the way Fair Trade is presently conceptualized and implemented by the major Fair Trade organizations, the implicitly radical promises of this movement is unlikely to be delivered.

Limits to the Transformative Strategy

Considering Fair Trade as a form of radical social action directs most attention to the limitations or challenges facing Fair Trade alternatives which strive, in the longer run, to transform exploitative relations characterizing the agro-food system today. This analysis gives insight into how things like power, participation, and paternalism are articulated in Fair Trade initiatives. It also questions whether the concept of 'fair' can be meaningfully operationalized into a set of observable criteria by one group for another. Not least of all it

serves as a reminder of the barriers imposed by Fair Trade initiatives' dependence on powerful actors who pledge allegiance to the capitalist system.

I suggest the limits to Fair Trade as a form of radical social action can be summarized roughly into three related concerns regarding the way Fair Trade is conceptualized from the start; the top-down implementation of the initiatives; and the concentration of power in the middle of the Fair Trade chain. I will address each of these in turn.

Fair Trade is conceptualized in such a way that it depends on the capitalist market, which presents a fundamental problem for transformative change that would involve rejecting and replacing this contested system. In addition, as a social movement, Fair Trade ultimately seeks to facilitate the inclusion of otherwise marginalized groups into the dominant system, revealing one way it falls short of being truly transformative. As will be shown, the effects of this conceptualization reverberate throughout the multiple ways Fair Trade is practiced.

The manner in which Fair Trade initiatives are implemented can be described as top-down. For instance, the groundwork for Fair Trade initiatives was outlined by activists who are perhaps exclusively coming from the North. The definition of 'fair' has likewise been worked out by Fair Trade organizations in Europe. Decisions regarding which producer groups to work with and which commodities to certify are made by actors representing ATOs in the North as well. Finally, the possibility of being certified and the criteria upon which certification shall be based is offered to producer groups in the South. This is a central concern for some Fair Trade activists in the South as well, who also

question the uni-directional inspection of Southern producer groups by Northern Fair Trade organizations (Gereffi 2000).

The research presented in this study suggests that it is these practices that permit Fair Trade producers to feel like recipients of aid, making it difficult to truly empower the growers, as Fair Trade proponents claim their alternative does. The lack of knowledge on the part of producers about Fair Trade can be partially explained by this as well, since for many, Fair Trade was presented as yet another scheme dreamed up by foreigners with the stated goal of helping small farmers - a routine they had seen in various forms before.

In a related sense, there is a real concern regarding the distribution of power along the Fair Trade commodity chain. In reality, Fair Trade commodity chains are not immune to the demands of powerful actors who control conventional chains. Thus, although an alternative trade relationship is what FLO certifies, it is clear that only select trades are being targeted for altering. FLO, for instance, "makes no claim to include all actors in the chain" (Lamb and Belling 2000:43). For banana initiatives, these most powerful actors are retailers, ripeners, shippers, and importers. Since most of these conventional players are exempt from fulfilling any Fair Trade criteria, they continue to maintain control in the Fair Trade banana sector.

In the end the reason that Fair Trade organizations must yield to these actors is rooted in how Fair Trade has been conceptualized to rely so heavily on the market and its existing distribution channels. This situation also reinforces the top-down manner in which the terms of fair trade are dictated largely without the input of producers.

4. Concluding Remarks

Though sometimes masked by a promotional slogan about Southern producers becoming equal partners, Fair Trade organizations are driven by a commitment to sustainable development (refer to Table 1.1). Like 'development', 'sustainable development' is a contradictory concept and both have been the subject of serious critique (for instance, see Escobar 1995; Sachs 1992; Lélé 1991). The idea of 'sustainable development' can actually be traced back to a belief that modernization and 'development' of the North is a desirable and achievable goal for the rest of the world (Rostow 1960). Dependency theorists, however, pointed out the flaws in such a logic many years ago (Cardoso and Faletto 1979; Frank 1976). Later, when the Brundtland Report responded to the destructive implications of 'modernization' projects and made an international call for 'sustainable' development (WCED 1987) it accepted implicitly the necessity of 'development' nonetheless. As Sachs notes, "but the frame stays the same: 'sustainable development' calls for the conservation of development" (1993:10).[5]

In a similar way, Fair Trade projects call into question the injustice and inequities that characterize the free trade system yet adopt the basic structure of international trade by problematizing it as a framework in need of reform. In doing so, paternalistic, often neo-colonial, relations that support current patterns of trade in tropical agriculture commodities are not really challenged. Instead, Fair Trade attempts to make the present patterns of exchange more equitable. Only, just as traditional colonialism was based on a model of dependence, even a 'fair' version of neo-colonialism threatens to reproduce it, under a more socially and environmentally friendly guise.[6]

Meanwhile, dependency stretches its reach far beyond the Third World. We in the North are extremely dependent on export agriculture, particularly the export dependency of the South. Our lifestyles are intimately connected to the very relations that are critiqued by the Fair Trade movement. It is herein that the contradiction of market dependency expresses itself most sharply. Reliance on the market as the engine of change reinforces the top-down approach to achieving change. Thus, Fair Trade perpetuates the North's power to dictate the type and volume of production in the South of what are almost all historically colonial commodities. Furthermore, reliance on the market and by extension on consumption to bring about positive change at the level of production legitimates the primacy of 'quality' in Fair Trade exchanges. Waridel and Teitelbaum (1999) explain:

> Very few people are ready to spend money on a product that doesn't taste good even if they believe in the cause it represents. Fair Trade products must have the same characteristics as their conventional counterparts especially in terms of taste, and wherever possible, of cost.

This insight alludes to the limits of the counter-hegemonic potential of Fair Trade initiatives. Based on conversations with committed Fair Trade activists, it is clear that there are some in the movement who would like to confront the current agro-food system with a more radical challenge. However, the commitment to using the capitalist market as a vehicle for delivering Fair Trade products to consumers precludes more explicitly oppositional tactics.

In the end, without supermarkets agreeing to sell Fair Trade bananas, the market would never be able to prosper as it has, and producers would never receive the level of financial support they do. At the same time, supermarket participation becomes highly unlikely if Fair Trade organizations would hold retailers to a set of criteria similar to the one to which producers must comply. In this situation, compromises are made for the overall success of the movement. Yet, paradoxically, there are many winners in the Fair Trade

battle of this war of position: consumers who make more feel-good purchases to satisfy their conscience, supermarkets who draw these consumers by supplying these products, producers, who are selling at higher volumes, and Fair Trade organizations who proudly report increasing sales. In the short term, the compromise of more fundamental change (via radical social action) for immediate results (through such acts of resistance) seems reasonable. In the longer term, however, has Fair Trade really challenged or altered the conventional agro-food system? The distribution of power is hardly disturbed and the conventional system seems to win.

In conclusion, I believe there is space for the Fair Trade movement to reconsider the fundamental premises underlying its model and/or modify the way it is being implemented.[7] In doing so, Fair Trade initiatives may expand their potential to contribute to longer term and more radical changes in the future. I will turn now in final chapter to the address four issues I believe the movement must address if it wishes to realize more of this potential.

ENDNOTES

[1] In addition to the EU, other international institutions are also starting to recognize the possibilities that Fair Trade may open up. In 1998, the UNDP Human Development Report referred specifically to the growth and significance of the Fair Trade movement (EFTA 2001b). Then in 1999, the FAO Commodity and Trade Division demonstrated its own recognition of the importance of responsible banana production and trade when the Intergovernmental Group on Bananas and Tropical Fruits discussed for the first time the relevance of fair trade bananas (FAO 1999b). The explicit support of groups like these would further bolster the impact of Fair Trade as resistance, but like the support of the EU should be interpreted cautiously nonetheless.

[2] Thus far, voluntary decisions regarding Fair Trade are not being challenged under the WTO. However, any allowances that could be interpreted as 'preferential treatment' would not be permitted. Meanwhile, other decisions of this organization undermine possibilities for building up Fair Trade markets, as the following example demonstrates.

[3] Rather than suggesting Northerners must stop eating bananas altogether, I raise these issues to draw some attention to the somewhat tenuous role of 'consumption' in a strategy that hopes to alter capitalist trade relations. Perhaps Fair Trade groups pursuing this strategy could better integrate a critique of overconsumption into their campaigns.

[4] For example, writing about ethical trade, Mick Blowfield cites an example of producing pineapples for export that illustrates what I mean by growers' 'independent' decisions. He writes: "But ongoing work with the Ghana pineapple industry shows that part of the reason for the degree of chemical use is to meet consumer demand for a golden fruit, and to ripen fruit at short notice for European wholesalers who seem unable to predict market demand" (Blowfield 1999:766). Many production practices adopted by banana farmers in Azua were similarly guided by "what the company says." Some tomato growers in this region were not even aware of what chemical inputs were being applied to their own fields since it was stipulated in their contract that the company would be responsible for this aspect of production.

[5] I am not arguing against any 'development' in the South, however, as critical development scholars (such as the ones referenced above) have noted, the concept of 'development' is frequently used to refer to a path of modernization similar to the one carved out by countries in the North. As history has demonstrated, such 'development' was possible in large part because of the North's exploitative relations with the South and with the global environment. This is what makes calls for 'development' difficult, since it is neither likely nor desirable that the South should replicate this pattern of development.

[6] This is not a rejection of international exchange and a call for localism (Bennholdt-Thomsen and Mies 1999). On the contrary, I believe it is important for the Fair Trade movement to take seriously the historical dependence of many primary producers in the South on international trade. Nonetheless, in committing to improving these relations, attention can still be given to altering , and not reproducing the form of these relations.

[7] Although it is not yet clear how it will change the organization or the initiatives, it is important to point out that FLO is currently undergoing a process of restructuring, reviewing their procedures and structures. The goals of this effort are to increase credibility as a certification body, improve efficiency within FLO as an institution, and increase transparency towards producers and consumers (FLO 2000d).

CHAPTER VIII

BEYOND ALTRUISM?

No matter how dynamic, an economic system that has little or no use for better than half of the world's population can and must be radically transformed.[1]

1. Introduction

The research for this study convinces me it would be a disservice to highlight only the benefits of Fair Trade while forgiving the concerns that arise when considering its implications of Fair Trade for producers. However, it would also be irresponsible to suggest that the shortcomings of Fair Trade production (with which FLO is actively working to overcome) erase the positive impact that the initiatives have in the communities.

Even if impressive financial returns do not alter the position of producers as the least powerful link in the commodity chain, the support growers receive from FLO and the Fair Trade premium clearly buffers them from some of the unfavorable conditions they inevitably face in the global banana market. Even if Fair Trade could be implemented according to its ideal, a closer look at these ideals suggests that the practical implications would remain limited because of the way the Fair Trade model is designed. Without working towards more transformative changes in the global economic order, Fair Trade will likely reproduce and perpetuate some of the intrinsically inequitable and hierarchical relationships that define conventional trade today.

At present Fair Trade can be described as a vehicle for tilting the balance of power in commodity systems so that benefits are less inequitably distributed, and so that trade becomes less unfair for the Third World producers of our food. Rather than a cure for ills resulting from centuries of exploitation, Fair Trade is better understood as a band-aid or elixir that will alleviate some of the pain, but will be unable to alleviate more fundamental ills.

The global agro-food system is being treated by the Fair Trade movement as if it were a chronic disease, one whose symptoms can be treated but not really eliminated. The Fair Trade movement seems to lack a clear vision of liberation from the so-called free market, capitalist system into which the agro-food system fits. By committing to work "within the market" Fair Trade initiatives embrace a political economy of food and agriculture that grew out of colonial relations which today are only partially masked as free trade and globalization. Without the vision or means for emancipation from the system, might Fair Trade be a postmodern form of a mass opiate?

This is a question that remains open. I believe it is one that will be answered by the future actions chosen by Fair Trade supporters in their struggle to create an alternative system of trade based on principles of justice. Nevertheless, I suggest that while it is by no means implicit, there are spaces in the Fair Trade model right now for its architects to create a more radical basis for opposition.[2] Representing three forms of counter-hegemonic action, the Fair Trade movement can already be seen as one element of a war of position against the hegemony of neoliberal globalization. The task of this chapter, then, is to explore what might need to be done to increase the potential of Fair Trade to become part of a more fundamentally counter-hegemonic force for profound and sweeping change.

2. Critique of the Fair Trade Concept: Summary

The current conceptualization of Fair Trade by ATOs has encouraged a rapid growth of the Fair Trade market. But this conceptualization has other ramifications as well. Implemented in a top-down fashion, Fair Trade initiatives reinforce a historical and paternalistic belief that the North knows what is best for the South. The definition also privileges the demands of the market while subordinating the quest for truly equitable trade relations. In doing so, a message is sent to producers that Fair Trade can facilitate their access to the international banana market under better terms. But, the terms are still being set by others without any (or at best only perfunctory) input from the growers themselves. Hence, trade becomes 'fairer' and producers become 'better-price-takers' but a fundamentally inequitable and unjust system is never radically altered.

The conceptualization also permits Fair Trade efforts to be disproportionately focused on 'helping' the South. However, as Maria Elena Martinez-Torres of Desarollo Alternativo in Mexico insists "Fair Trade is related not only to the human needs and dignity of the South, but also the North. Fair Trade can help us (in the North) to have more dignity in our everyday lives" (Gereffi 2000). With the balance of power still heavily tilted towards the North, the social changes associated with Fair Trade are likely to be tentative and fall short of being transformative unless the North begins to take greater responsibility for its role in the current and alternative trade patterns. To draw on Gramsci's concepts again, it appears that Fair Trade initiatives may be ceding to a "passive revolution" tactic being used by the agents of the dominant system. Gramsci describes passive revolution as a technique of the bourgeoisie used to prevent the development of a revolutionary adversary (Sassoon 1987). As such, it can be used to prevent transformative change by accepting some of the

counter-hegemonic demands being made by oppositional groups. In doing so, the struggle is directed by those in power to protect the hegemony of the status quo.

This discussion proceeds from an assumption that many Fair Trade advocates do indeed seek more substantive, qualitative, and transformative change in the political economy of food and agriculture. But given the present limitations for Fair Trade initiatives to bring about this kind of change, I will argue they need to revisit the way Fair Trade is conducted today. In order to take full advantage of its possibilities, the Fair Trade movement must engage in a critical reflection of its own philosophy, strategies, and tactics and re-conceptualize what underlies the notion of Fair Trade. In the following pages, I will suggest that this re-conceptualization should include, at minimum, a rethinking of:

- the lingering power asymmetry between North and South
- the conservative understanding of empowerment by the movement
- the limited participation of Southern partners
- the unequal distribution of responsibilities along the Fair Trade chain

Power Asymmetry

Embedded within but unstated in the Fair Trade strategy are traditional power relations and underlying assumptions that exacerbate the limitations keeping the movement from achieving more of its radical potential. In a critique of the Ethical Trade Initiative (a competing private sector effort to improve international relations) DuToit explains this situation[3] unambiguously:

> the global politics of private sector re-regulation [have] real and complex links to the broader history of European (and now American) cultural and economic imperialism. Initiatives that purport to represent "global" "human" and "universal" concerns all to easily involve concerns that can

> easily lead to the development of structures the systematic effect of which is the further institutionalisation of unequal power relations between North and South (DuToit 2001a:15).

The power asymmetry between Northern and Southern groups involved in Fair Trade is most clearly highlighted by the misconception producers have about Fair Trade being a form of development aid and the narrow focus of Northerners on the certification aspect of Fair Trade. As long as Fair Trade comes across as aid, equality between partners will never be attained. In fact, it is arguable that an 'aid' relationship is inevitably non-reciprocal and hence unequal (Freire [1969]1998). However, the manner in which Fair Trade initiatives are implemented casts doubt on the ability of the Fair Trade movement to realistically correct the 'aid' connotation as the following discussion of the centrality of certification for Fair Trade organizations explains.

Asymmetry in Fair Trade Certification. It is fair to suggest the merit or impact of Fair Trade (and other similar certification initiatives) is less related to the specific criteria upon which a certificate of compliance is based and more tied to accomplishments the initiative is capable of and the principles upon which it is based. Nonetheless, there is an overwhelming focus on the certification criteria and independent monitoring of production.[4] Considering the length and breadth of most commodity chains, this focus seems rather narrow. More importantly, while this focus encourages debate about how to ensure 'fairness' and 'equity' through annual inspections, attention is simultaneously drawn away from other issues, such as how and why certain problems are constructed or which actors and voices are empowered (DuToit 2001b).

The FAO's recent Ad-hoc Expert Meeting on socially and environmentally responsible banana production and trade was called to compare and contrast different certification initiatives. One of the conclusions of that meeting was the identification of inspection and monitoring as areas where competing initiatives could learn from each other. This conclusion highlights the group's commitment to altering production but diverts attention away from the other links in the commodity chains which are, arguably, in greater need of alteration.[5]

In Murray and Raynolds recap of the standards for Fair Trade certification, the emphasis on monitoring the South is also revealed. From their list of five basic standards (which they adapt from FLO's official standards), all but one refers to conditions producers must meet. In addition, that one condition is the most vaguely written of them all. It states only that "trade must be as direct as possible to maximize the return to producers" (Murray and Raynolds 2000:69).

In the end, Fair Trade certification appears to be the result of a Northern NGO giving its stamp of approval to a group of producers in the South. Despite efforts to make sure the Fair Trade criteria are locally appropriate, the reality remains that they are defined in the North and imposed in the South. Reciprocity is for the most part absent in this process, raising questions about how producers will participate in Fair Trade as equal partners (see below and Tallontire 2000 for a critique of participation by Fair Trade coffee producers). Examining this approach to certifying partners uncovers the power asymmetry being reproduced in the model of Fair Trade that is currently used. Finally, I suspect it is also this power structure that allows the Fair Trade banana farmers in the Dominican Republic or bee collectors in Tanzania (Fisher 1997) to consider it as another form of development aid.

Emancipatory Empowerment

Related to the need to address this asymmetrical power structure, Fair Trade organizations should also rethink their goal of empowering small-scale producers through participation in Fair Trade initiatives. At present, the power asymmetries built into the Fair Trade model serve as barriers to real empowerment, and in turn, weaken the potential of the movement.

Empowerment is a term used frequently but rarely defined. In its most popular usage, it usually refers to the expansion of a person or group's power position, enabling or promoting self-actualization. What will bring about empowerment locally, of course, is variable. That is, empowerment depends explicitly on whatever gives some people more power and others less, which in turn depends on a host of complex factors that include history, culture, and geo-political location. Since power is so often tied to the dominant political economy, empowerment will often be associated with strengthening one's position within the dominant or mainstream paradigm.

In this sense, Fair Trade may well bring about the empowerment of disadvantaged small farmers. Additionally, as a means to empower Third World communities, Fair Trade holds enormous potential. Yet this vision of empowerment does not seriously threaten the status quo, making it unlikely that even a widespread adoption of Fair Trade will ever fundamentally alter conventional trade relations.

An alternative vision of empowerment was articulated by Paulo Freire ([1970]2000) who saw empowerment as far more radicalizing. As he understood it, empowerment was accompanied by the development of a critical consciousness to liberate those who are seen as marginal and are oppressed.[6] Without this critical consciousness, individuals could not

become active Subjects in their own lives and were not really empowered. Freire would remind Fair Trade organizations that the 'marginalized' producers whom Fair Trade is supposed to empower are actually not 'marginal' as they do not live outside of society. In his words, "they have always been 'inside'-inside the structure which made them 'beings for others' (Freire [1970]2000:74)." This then implies that "the solution is not to 'integrate' them into the structure of oppression, but to transform the structure so that they can become 'beings for themselves'" (Freire [1970]2000:74). However, Fair Trade is based on integration into the structure, and not about transforming it. If the Fair Trade movement wishes to follow a different trajectory that may contribute to this more emancipatory form of empowerment, it must re-commit to working toward transformative goals.

This means that the anticipation of resistance must not exonerate more powerful actors from expectations that they too could improve their own practices to make them more equitable. For instance, the exclusion of intermediaries from the responsibility of meeting Fair Trade criteria reflects a defining characteristic of 'power.'[7] As a result, the power held by different actors along the commodity chain is unequally distributed. Moreover, the power of the stronger actors is intimately tied to the disempowerment of weaker actors (Luttrell 1990). Thus, if the Fair Trade model truly hopes to 'empower' those with the least amount of it (i.e., the producers), then somewhere else, power must be given up. This proposal is hardly likely to be welcomed by those who stand to lose. As Friedmann explains: "Any so-called development leads to new configurations of power. The potential restructuring of power is what impels those who expect to lose some ... to resist it" (1992: 35, fn). Yet, can this kind of emancipatory empowerment really occur

without a restructuring of the power relations that create the need for alternatives like Fair Trade in the first place?

Participation and Partnership

An implication of the Fair Trade movement's somewhat conservative understanding of power is manifested in the precarious relationship between producers and other Fair Trade actors. As a result, Fair Trade groups are facing a daunting practical challenge of improving the superficial partnership role currently played by some of the registered producers (Tallontire 2000). Unwilling to dismiss Fair Trade initiatives because of the incomplete achievement of all their goals, I argue instead that ATOs must work on moving closer to their stated ideals of partnership rooted in a truly equitable trade relationship.

Freire insisted that an equitable partnership was dependent on the achievement of reciprocity between groups or individuals (Freire [1970]2000). Absent a reciprocal relationship with producer groups, Fair Trade organizations will continue to impose criteria upon the producers rather than negotiate a consensual arrangement reflective of an equitable partnership. Moreover, as a strategy for real empowerment and structural transformation, Fair Trade will fail. For, as Freire warns,

> Attempting to liberate the oppressed without their reflective participation in the act of liberation is to treat them as objects which must be saved from a burning building; it is to lead them into the populist pitfall and transform them into masses which can be manipulated (Freire [1970]2000:65).

Moving closer to a reciprocal relationship with producers will require more than a cursory commitment to change by Northern Fair Trade organizations. It must include greater Southern participation in the design, organization, and implementation of Fair Trade initiatives. Building upon this commitment must therefore be included in any rethinking of

the Fair Trade model. Most immediately, this means improving communication with producers about Fair Trade. They must be better informed about what they are participating in before they can ever hope to participate as equal partners.

While conducting this research, it was clear that FLO was keenly concerned with this weakness and actively working to provide greater levels of support to some groups, as was seen in the case of Finca 6. One of the obvious ways to address this issue is to provide education for producers. Education, though, can be a vague prescription. When calling for education for producers, we must ask, what kind of education? I suggest that if Fair Trade is going to address the issues discussed here, then it must be education supportive of the development of the critical consciousness mentioned above among producers and their communities. This occurs through a process of *conscientização*[8] during which one learns to perceive social, political, and economic contradictions so that s/he may begin to take action against oppressive elements of reality (Freire 1970; [1970]2000). Far from arguing against any form of external support, I believe it becomes part of the Fair Trade organization's role to question the extent to which their education programs fail to challenge (and in turn reinforce) the status quo and power structure it upholds. The fostering of a critical, political consciousness must become a part of developing equitable partnerships and central to the process of empowerment (Friedmann 1992; Kennedy and Tilly 1990).

In terms of Fair Trade, this might involve moving from a focus on the certification process to encouraging *conscientização*, thereby enabling a critical perception and demystification of the relations embedded in international trade. The organization of a series of recent meetings of banana producers (including a number of Fair Trade producers) through an initiative for longer term South-South exchanges demonstrates the possibility of

more horizontal exchanges of knowledge. During the first of the meetings (in which I took part), producers spent a day discussing what the definition of a 'sustainable banana' must include. It was the first time the producers had participated in any such encounter and is an example of how Fair Trade organizations might better incorporate the input of their Southern partners. Once interactions between Fair Trade partners become more reciprocal, Northern and Southern participants could contribute more equally to the development of their relationship and Fair Trade strategies.

These changes at the level of production, of course, represent parallel challenges that must be addressed by Fair Trade counterparts in the North. Education efforts directed at the other end of the chain must also be aligned with developing a critical consciousness among the privileged consumers who purchase Fair Trade products. By encouraging the same process of *conscientização* among participants in the North, Fair Trade organizations both embrace and pass on to consumers a greater degree of the responsibilities for altering trade patterns, an issue I explain in more detail below. For if the selective consumption promoted through Fair Trade is to be even a small part of greater efforts to transform international trading patterns, it must be combined with a critique of the overconsumption habits we have grown accustomed to see as an entitlement, rather than as part of the problem. Using privilege to foster positive social change means, at minimum, recognizing the contradiction of challenging capitalism by promoting consumption.

Redistributing Responsibility

Calling attention to the responsibilities of consumers and other participants in the chain, Waridel and Teitelbaum (1999) simultaneously put out a warning about the limits to a

market-based strategy of resistance. Even though there may be enormous potential for Fair Trade sales in Northern markets, they insist

> there must be a recognition...that such trade does not develop without an effective strategy. This includes a realization, on the part of consumers, of the effects of their choices, as well as the involvement of commercial players who are ready to accept their social and environmental responsibilities.

Thus, the final aspect of Fair Trade that I want to discuss is the way the Fair Trade movement assigns responsibility for making trade more fair. My concern here includes questions about why responsibilities for altering trade relations appear to fall disproportionately on the shoulders of producers when they are in the least powerful position in the commodity chain.

I believe that to overcome its present limitations, the Fair Trade movement must work on incorporating more of the actors involved in international exchange to even out the imbalances characterizing its form today. This challenging task entails refocusing the Fair Trade spotlight to include the parts of the chain where the power really lies. Taking on this challenge and the ones mentioned above is certainly no easy feat, but it will strengthen the counter-hegemonic potential of the Fair Trade movement and hence its contribution to the struggles in the 'war of position' suggested earlier.

Table 8.1 outlines the primary ways Fair Trade initiatives organize the distribution of responsibilities.[9] Grouped according to who, what, and how responsibility is divided and enforced, the table illustrates the variability in prerequisites for participation in Fair Trade, according to the place along the chain.

The unbalanced distribution of requirements and rules for producers in relation to other participants is obvious. The farther the bananas travel away from the point of production, it seems, the fewer and weaker are the criteria for participation. There are

Table 8.1: Distribution of responsibilities among Fair Trade banana chain actors

Who is responsible?		Responsibility any?	Responsibility enforced?	What is the responsibility?	How is it enforced?
Producers		✓	✓	Compliance with social and environmental criteria that define: - how production should be done - how producers should be organized - how producers should conduct their business	Producer groups inspected by a monitor from a ATO to determine if certification will be granted. Certification must be maintained through periodic monitoring.
Traders	Exporters	✓	~	Compliance with trading criteria according to agreement with Fair Trade importer	Weak, but permission can be revoked by FLO.
	Shippers	×	×	None	None
	Importers	✓	~	Compliance with trading criteria according to contract with FLO: - Fairtrade label used only on products from registered producers - Agree to long-term contract with producers, pay a minimum price, f.o.b. and social premium	Contract is legally binding, but is not always enforced.
	Ripeners	×	×	None	None
Fair Trade Organizations		✓	✓, ~	- Administer licenses to traders using Fairtrade label - Support of Fair Trade initiatives - Monitoring	- Fair Trade organizations are in many respects self-monitoring. - Awareness raising campaigns to increase sales and support initiatives.
Retailers		~	×	Sell the bananas	None. Participation is voluntary.
Consumers		~	×	Purchase the bananas	None. Individual decides to purchase or not.

Key: ✓ Yes
~ Yes, but weak
× None

source: see Note 9

obvious reasons for some parts of this pattern. For instance, the chances of multinational supermarket chains agreeing to carry Fair Trade bananas if they must first agree to pay part of the premium to producers for the privilege, or to monitoring of their own labor practices by a Fair Trade organization, are extremely unlikely. Some supermarkets in the UK have even been hesitant to carry Fair Trade bananas lest consumers begin to question what is unfair about the other bananas. After all, in the UK, bananas make the single highest contribution to supermarkets' profits (Banana Link 2001c:7).

An analysis of the different responsibilities proposes the following remarks. First, Fair Trade importers are critical players and key to the success of these initiatives. Without importers who are willing to pay the guaranteed minimum prices to exporters and the premium to the registered producers, the bananas (or other product) could not be fairly traded. These importers are required to sign a contract with FLO, however enforcement of the terms can be difficult (personal communication, M. Runneboom). Thus, when these partners fall short on their part of the agreement, it is not surprising that Fair Trade organizations might let these infringements pass (Renard 1999b).

Sometimes monitoring at the level of production may be overlooked when there are other, more pressing concerns that must be addressed. However, at the same time, monitoring of producer groups is taken seriously and comes with greater enforcement capacities. According to research by ÉquiTerre, a Canadian Fair Trade group, of 324 coffee producer organizations listed on the Fair Trade coffee register 136 were only accepted provisionally until they could demonstrate their commitment for at least two harvests (Waridel and Teitelbaum 1999). While I was conducting this research, there were also several banana producing groups that were denied certification by FLO.

For their part, shippers and ripeners do not partake actively in Fair Trade initiatives. Neither trader is held to any sort of criteria to measure the 'fairness' of their business practices. To the contrary, securing space on the refrigerated carriers needed to transport bananas from South to North can be a real challenge for Fair Trade banana initiatives. The boats are frequently owned or controlled by banana-producing TNCs, sometimes making it difficult to reserve room for small shipments of Fair Trade labeled fruit.[10]

Finally, it is perhaps ultimately up to consumers to demonstrate their responsibility by demanding and purchasing fairly traded commodities. Consumer campaigning in Europe for Fair Trade bananas has thus far been successful in persuading many major supermarkets to sell the bananas. Yet, the only apparent requirement for consumers who wish to participate in Fair Trade is that they have enough disposable income to support the purchase of luxury goods.

To conclude, it appears that there is quite a bit of room for maneuver if the Fair Trade movement wants to address this concern. Between the intermediaries shouldering little to no responsibility, as in the current model, and the opposite extreme which would hold each segment of the chain to strict Fair Trade criteria (which is at present quite unrealistic) it must be possible to redistribute responsibility more equitably. At present, consumers are expected to pay more for a Fair Trade product so the price to producers covers at least the cost of production. Presenting the logic of Fair Trade like this deflects attention from the many other exchanges that must be accounted for in the final retail price of a commodity. Why must the higher producer price be passed on to consumers and not shared equally among intermediary traders? Can trade relations be altered and made more

fair if the most powerful segments of the commodity system (i.e., the distributors [Friedland 1994b]) are left intact?

3. Conclusions

Wary of the merit of both altruism and Fair Trade, a friend recently remarked to me that 'fair trade' "at its very best only asks people for a few drops of part-time altruism," what, then, did I mean with 'beyond altruism'? First, the role of altruism in the Fair Trade movement seems fair, given the way Fair Trade is promoted to consumers and that over 100,000 volunteers are included in Fair Trade networks (EFTA 2001a). Second, moving beyond altruism means not only finding but also challenging the root of the problems that make Fair Trade necessary.

In my exploration of social action and agency I find that altruism and charity can be characterized as acts of resistance or even redistribution, but this will get us only so far. This kind of social action is rooted in privilege. When our actions start and stop here, there is a danger that we may protect ourselves from the discovery of why trade is so unfair. Without taking social action beyond the checkout counter, Fair Trade supporters allow it to function in a way that leads producers to believe they are merely aid recipients. Thus, I suggest that as conceputalized today, Fair Trade must be seen as a stepping stone. Understood as an end in itself, Fair Trade loses its progressive flair and potential to contribute to more radical social change.

Figuring out why is a critical part of the process of bringing about transformative change. Failure to inquire why Fair Trade initiatives are so attractive to so many diverse actors obscures our understanding of it. We are shielded from seeing what structural

changes might be needed. Transformative change will necessarily involve a reorganization of the power structure that has produced the need for initiatives like alternative trade. But, as Audre Lorde stated so clearly, "the master's tools will never dismantle the master's house. They may allow us to temporarily beat him at his own game, but they will never enable us to bring about genuine change" (Lorde 1984:113). Since Fair Trade, like altruism, does not necessarily insist on transforming the structures of privilege and power, it could turn into but another one of the master's tools.

Thus, moving beyond altruism means rethinking the way Fair Trade is understood and incorporating the concerns raised in this chapter into a revised vision for Fair Trade initiatives. In addition, it reflects Raynolds (2000a:306) observation that to deliver its transformative promise, the Fair Trade movement must make sure its work goes

> beyond the realm of consumer politics, where individuals with discretionary income make positive purchasing decisions, to the realm of citizen politics, where people make positive collective decisions about the nature of acceptable production and trade practices.

Perhaps the greatest challenge to a more radical version of Fair Trade still lies ahead. For, if it becomes a greater threat to the status quo, it will be met with much more opposition than it has thus far. Today, Fair Trade appears to be trying to correct the explicit unfairness of international trade without seriously disrupting the status quo. But, as a carrot rather than a stick, Fair Trade initiatives might dupe us into believing severe, structural inequities institutionalized in the global agro-food system can be corrected by purchasing decisions and a few sets of rules to guide production and the primary trading exchanges.

In the rapidly changing terrain in which bananas are traded internationally, claims of 'sustainable bananas' are multiplying rapidly. Dole banana operations in the Philippines were recently awarded the first SA8000 social certification. Walmart presented Chiquita with

its 'Environmental Supplier of the Year' recognition for its Better Banana Project. Ethical Trade bananas are on their way from Costa Rica to the UK. Organic bananas are being sourced from large corporate plantations. The distinct focus of Fair Trade suggests it may be the most promising of these sustainability-seeking initiatives. To realize its broader potential, its strengths must not be abandoned, but rather be further strengthened so that Fair Trade might contribute, in the long run, to a positive transformation of the agro-food system. In this way, the Fair Trade movement could reposition itself among other efforts engaged in this war of position to engage in more transformative actions in the future.

ENDNOTES

[1] J.Friedmann (1992:13).

[2] I firmly reject a conclusion that Fair Trade should be thrown out because of its limitations. This would be politically and practically irresponsible, disregarding the positive impact Fair Trade has had thus far. If we argue against and reject alternatives that fail to confront the system directly we eliminate many formal and informal institutions and efforts that together create a safety net for many who might otherwise have fallen to the bottom. These include much of what is defined as cultural or creative resistance and held up as examples of empowerment. At the same time, celebrating resistance and survival strategies (Scott 1990) can inadvertently relieve powerful institutions (especially transnational corporations and nation states) of responsibility for the inequalities that necessitate these actions and that they have contributed to directly. I hope the Fair Trade movement can take what does work, and build upon and around it to create a stronger alternative.

[3] In contrast to the conclusions DuToit comes to, Gereffi et al. (2001) point out that private sector certification efforts are filing a void where state regulation of corporate behavior has not been forthcoming. However, it can also be seen as a convenient way for the private sector to write their own rules while preempting more rigorous legislation. In any case, it is probably too soon to draw definitive conclusions about the outcomes it will have.

[4] It is, of course, arguable, that 'independent' monitoring is critical if monitoring is to be meaningful at all. After all, the superficial efforts by TNCs to self-monitor labor conditions in the factories where they have contracted out production threaten to undermine more rigorous struggles (by labor and anti-sweatshop groups) to really improve these conditions. However, I believe the certification process involving Fair Trade is not exactly the same and should not be compared in the same way.

[5] To take another different yet parallel example, consider how one of the latest biotechnology inventions, 'Golden Rice,' is being promoted. This golden rice has been genetically modified so that it is enriched with beta carotene, a source of vitamin A. Proposed as an innovative product created to bring nutrients to the malnourished poor, this rice will fight the blindness that accompanies vitamin A deficiency. While perhaps millions of dollars are spent to develop a miracle cure, the legitimacy of biotechnology is supposed to be improved as its opponents will now see how it can be used to create something besides the widely opposed terminator technology that affects food we eat. In developing and promoting products such as Golden Rice, attention is displaced away from the causes of malnutrition to debates about whether it is an appropriate use of a controversial technology.

[6] For Freire, a situation of oppression is any "in which 'A' objectively exploits 'B' or hinders his and her pursuit of self-affirmation as a responsible person" ([1970]2000:55).

[7] Power, as defined by Max Weber, is the ability to exert one's will despite the resistance of others. In terms of Fair Trade, leaving intact the practices of some traders because of their anticipated refusal to cooperate with adherence to certification criteria, legitimizes their power in the commodity chain. In the meantime, it also reflects the relative weakness of Fair Trade organizations to include all segments of the commodity chain in their model. By appearing to grant some intermediaries with immunity from certification requirements and responsibility for making trade more equitable, Fair Trade initiatives inadvertently reinforce the structure which supports the predominant unfair trade relations.

[8] Freire describes the three stages of consciousness that lead up to the development of critical consciousness most explicitly in an essay published 1970. The stages are a semi-intransitive mode of consciousness, centrally characterized by fatalism; a naïve transitive mode of consciousness, in which one begins to see things anew and a popular consciousness emerges; and third, critical consciousness, which ultimately challenges the power elite and comes about only through praxis.

[9] The information presented in this table comes from a number of sources. They include the FLO Banana Criteria document (Appendix B), the contract between FLO and Fair Trade importers, and the trade rules that pertain specifically to bananas (FLO 1999), communication with numerous Fair Trade participants (anonymous) including exporters, producers, and various FLO representatives, in addition to personal observations.

[10] For example, this has been observed in cases of Fair Trade bananas from both the Windward Islands and Ghana (personal communication, K. Jones; Blay 2000).

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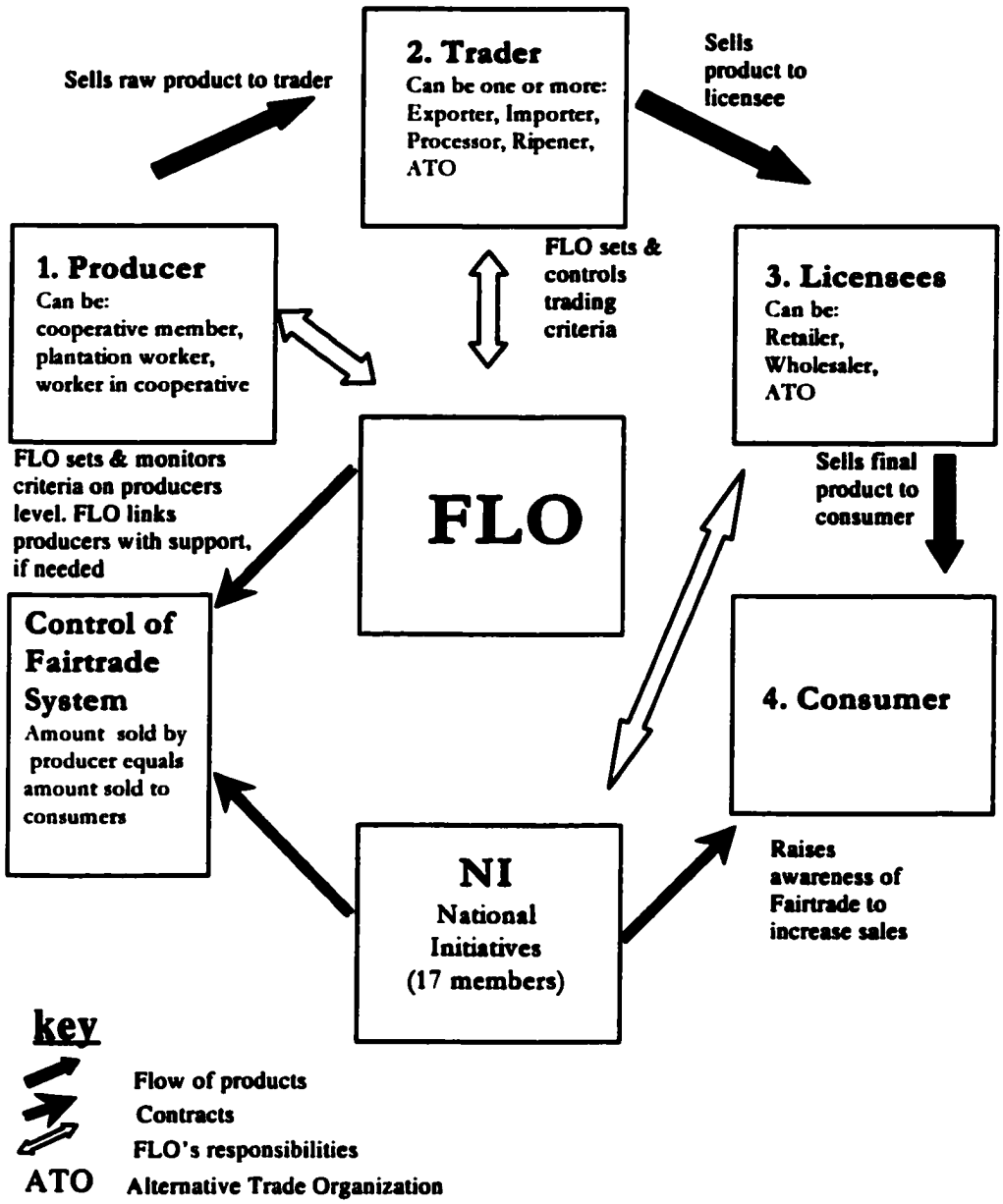
APPENDIX A: FLO Fairtrade Labelling System



source: adapted from Fairtrade Labelling Organization International website
http://www.fairtrade.net/en/how_does_flo_work.htm

APPENDIX B

FLO FAIR TRADE BANANA CRITERIA

Notes:
[1] Each of the criterion are further broken down into minimum requirements and process requirements, each of which has associated means of verification. This information is summarized from the banana criteria section of FLO's website: www.fairtrade.net/banana.html.

[2] Some of the criteria apply to all certified organizations; others are specific to the type of organization. Organizations that are *structurally dependent on hired labor* have different requirements concerning representation of workers and labor conditions. Collective organizations (such as the ones described in this study) are held to requirements regarding democratic control of the organization.

Section	Criteria
Sec I	*CHARACTERISTICS OF COLLECTIVE ORGANIZATIONS* ✓ Small producers can participate in Fairtrade through collective organizations (cooperatives and/or associations). Their members should participate in the decisions on the general policy, including decisions related to the benefits of Fairtrade. These organizations shall not practice discrimination.[a]
Sec II	*CRITERIA ON LABOR CONDITIONS* [b,c] ✓ Freedom of Association: Based on ILO Conventions 87 and 98. "Workers and employers shall have the right to establish and to join organizations of their own choosing, and to draw up their constitutions and rules, to elect their representatives and to formulate their programmes." [87, art. 2,3] "Workers' and employers' organizations shall have the right to establish and join federations and confederations and the right to affiliate with international organizations" [87, art.5] "Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment." [98, art.1.1] "protection shall be applied in respect of acts calculated to make the

employment of a worker subject to the condition that he shall not join a union" [98, art. 1.2a]
✓ Collective bargaining: Based on ILO Convention 98, "Methods appropriate to national conditions shall be established for the purpose of ensuring respect for the right to organize and measures shall be taken to encourage full development and utilization of machinery for voluntary negotiation between employers or employers' organizations and workers' organizations, with a view to the regulation of terms and conditions of employment by means of collective agreements." [art. 3,4]

✓ Conditions of Employment: Based on ILO Conventions 110 [plantation convention], 100 [equal remuneration], 111 [discrimination] as points of reference. At minimum, wages must be in line with or exceeding the average within the locality for similar occupations and in line with or exceeding national laws and agreements on minimum wages. Workers are expected (by FLO) to receive better than average wages. Wages are seen as part of a company's running costs and should be covered by the minimum price. To increase wages to levels above average, the premium can be used.

✓ Discriminatory practices: Based on ILO Convention 111 which reject "any distinction, exclusion or preference made on the basis of race, color, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation." [art.1]

✓Forced Labor and Child Labor: Based on sections of ILO Conventions 29, 105, 138. Forced or bonded labor should not occur. Bonded labor can be the result of forms of indebtedness of workers to company or middlemen. Children may only work if education is not jeopardized; if they work, they should not execute tasks that are especially hazardous for them due to their age.

Sec III *OCCUPATIONAL HEALTH AND SAFETY*[a,b]

✓ Based on ILO Convention 155: "to prevent accidents and injury to health arising out of, linked with or occurring in the course of work, by minimizing, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

Sec IV *ENVIRONMENTAL CRITERIA*[a,b]

✓ Integrated Crop Management (ICM): Producers should practice ICM, which aims to establish a balance between business results and high level environmental protection, through permanent monitoring of economic and environmental parameters; using an integrated cultivation and conservation plan which is permanently adapted; taking into account local soil and climate

conditions; minimizes use of chemical fertilizers and pesticides, partially or gradually replacing them with organic fertilizers and controls.

✓Ecosystems of high ecological value: Ecosystems such as virgin forests, protected areas, lagoons, swamps, surface water bodies, and springs as well as areas of high cultural value should be respected and protected.

✓ Erosion Control: Agricultural practices must conserve and improve soil structure, life, and fertility to sustain long term productivity; reduce negative environmental impact by silting of rivers and other waterways.

✓ Water Resource Protection: from pollution by chemicals; with special attention to conservation of drinking water sources.

✓ Agrochemicals: The use of which should be minimized and replaced by organic and/or biological methods.

✓ Waste: Minimization of waste and the environmental impact of waste; cutting back on use of resources, external inputs; enhancing reusing and recycling material; disposal should not damage natural ecosystems.

✓ Map: Provide an up-to-date map of the banana growing area to FLO, including a summary of historic land use.

Sec V *CAPACITY AND PLANNING REQUIREMENTS*[a,b]

✓ Premium Work Plan: Annual plan drawn up by producer organization, in consultation with all beneficiaries. Plan should maintain compliance with minimum requirements and make progress on process requirements; foster development of organization.

✓ Education and Responsibilities: Requires a committee or person in charge of planning and implementing social and environmental criteria; group should have an environmental education program for members, staff, and workers.

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[a]Applies to collective organizations [cooperatives or associations]
[b]Applies to organizations structurally dependent on hired labor
[c]Collective organizations are encouraged to comply when they employ laborers on their own farms