A HISTORY of FAIR TRADE in CONTEMPORARY BRITAIN

From Civil Society Campaigns to Corporate Compliance

Matthew Anderson

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List of Abbreviations

AAM	Anti-Apartheid Movement
ACP	African Caribbean and Pacific countries
ATO	Alternative Trade Organisation
CA	Consumers' Association
CAFOD	Catholic Agency for Overseas Development *(formerly Catholic Fund for Overseas Development)*
CAP	Common Agricultural Policy
CI	Consumers International
CTS	Co-operative Tea Society
CU	Consumers' Union
CWC	Ceylon Workers' Congress
CWS	Co-operative Wholesale Society
DFID	Department for International Development
ECRA	Ethical Consumer Research Association
EFTA	European Fair Trade Association
ELTSA	End Loans to Southern Africa
ETI	Ethical Trading Initiative
EVS	European Values Study
FLO	Fairtrade International (*formerly Fairtrade Labelling Organizations International*)
FTAANZ	Fair Trade Association of Australia and New Zealand
FTF	Fairtrade Foundation
FTM	Fairtrade Mark
GLC	Greater London Council
GNI	Gross National Income
GNP	Gross National Product
HbS	Helping by Selling
HDI	Human Development Index

ICA	International Coffee Agreement
ICA	International Co-operative Alliance
ICFTU	International Confederation of Free Trade Unions
IFAD	International Fund for Agricultural Development
IFAT	International Fair Trade Association (*formerly International Federation for Alternative Trade)*
IGD	Institute of Grocery Distribution
IOCU	International Organisation of Consumers Unions (later CI)
ISEDC	International Small Enterprise Development Centre
ITUC	International Trade Union Confederation
NEWS	Network of European World Shops
NIC	Newly Industrializing Countries
NIEO	New International Economic Order
NGO	Non-Governmental Organisation
MCC	Mennonite Central Committee
MDG	Millennium Development Goals
MNC	Multinational Corporation
OA	Oxfam Activities
OECD	Organisation for Economic Co-operation and Development
OT	Oxfam Trading
OXFAM	Oxford Committee for Famine Relief
STABEX	Stabilisation of Export earnings
TEAR Fund	The Evangelical Alliance Relief Fund
TGCA	Toledo Cacao Growers Association
TNC	Transnational Corporation
TUC	Trades Union Congress
TWIN	Third World Information Network
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
WCC	World Council of Churches
WCL	World Confederation of Labour

WDM World Development Movement
WFTO World Fair Trade Organization
WFTU World Federation of Trade Unions
WTO World Trade Organization

Introduction: A New International 'Moral Economy'?

Fairtrade has been hailed as one of the retail success stories of the past decade.[1] Sales of Fairtrade products in Britain have significantly outperformed retail analysts' most optimistic predictions in recent years, reaching £1.78 billion in 2013.[2] Britain is now firmly established as the leading European Fairtrade market,[3] fuelling media speculation as to why Fairtrade has taken root so firmly. Many commentators have looked to the British consumer in answering this question. Journalists have reported that: 'Britons over the past decade have become a nation of ethical shoppers'.[4] Some have looked to investigate 'how consumer power sparked a Fairtrade revolution on our high streets'.[5] Fairtrade's success in mobilising consumer support has certainly been impressive, but is this the full story?

The aim of this book is to consider whether consumer demand provides an adequate explanation for the growth of Fairtrade in Britain. By adopting a methodology that looks beyond the 'ethical shopping trolley', a wider Fair Trade social movement is revealed, grounded in the work of non-governmental organisations (NGOs) and alternative trade organisations (ATOs). I will argue that the emergence of Fair Trade in late twentieth-century Britain has only partly been the result of 'the market' responding to consumer demand. Of greater significance, although often overlooked, was the role of the social movement that successfully began to integrate political consumerism within its international development campaigns.[6] This approach presents an opportunity to consider a theory of change that places less emphasis on individual behaviour change and opens up space to explore ideas about collective consumption, public procurement and corporate compliance.

Public surveys of consumer behaviour in relation to Fair Trade and ethical foods have attempted to define 'the ethical consumer' based on

socio-demographic factors such as age, gender and social class.[7] Market research studies tend to define the purchase of Fair Trade products as a lifestyle choice for those who can afford it, highlighting the importance of the more affluent 'middle-classes', with greater access to disposable income.[8] Respondents may be asked about price, quality, brand image and product attributes, but surveys rarely offer a sense of the consumer's 'world view'. It is rare in commercially focused market research for studies to investigate Fair Trade shoppers' political views, religious beliefs or the extent of their involvement with related organisations and networks. Deciphering this social and cultural data may not have direct commercial application, but an understanding of these networks offers potential for a deeper insight into the motivations of Fair Trade supporters. By broadening the scope of the analysis beyond the individual consumer, the dynamics of the Fair Trade social movement take on a greater significance. This movement has contributed to all aspects of Fair Trade from launching international trading ventures, providing assistance to producers, setting up church stalls, campaigning on the streets and lobbying government.

Prominent in much of the recent academic work on Fair Trade have been studies into the operations of global supply chains and impact assessments of Fairtrade certification on the livelihoods of producers in the global South.[9] But this has led to something of an imbalance in terms of understanding the workings of Fair Trade companies and organisations. There is now an opportunity for more detailed academic studies of those groups engaged in Fair Trade in the global North. This book is not a traditional business history, although it does include detailed case studies of Fair Trade businesses; instead what it explores is a history of ideas. The motivation for this research has been to understand what has made Fair Trade, to use Chip and Dan Heath's phrase, a 'sticky idea'.[10] It was this capacity for the idea of Fair Trade to be easily understood and remembered that has been so important in its success to date. In their book, *Made to Stick*, Chip and Dan Heath outline six principles nearly all 'sticky ideas' have in common: (1) Simplicity; (2) Unexpectedness; (3) Concreteness; (4) Credibility; (5) Emotions; (6) Stories. Fair Trade's success as a 'sticky idea' is perhaps most clearly demonstrated in its ability to motivate behaviour change. Working across global supply chains, the idea of Fair Trade has successfully encouraged producers to adopt new business models, retailers to stock new lines, consumers to support new products, governments to assist new programmes.

Revisiting the existing historical narrative of Fair Trade in contemporary Britain, provides a valuable opportunity to explore alternative approaches to some of the key questions that have faced the movement.

These include: Should Fair Trade represent an alternative model of trade, or act as a transformative force within the market? What is the relationship of Fair Trade to the wider global justice movement? How can Fair Trade expand its market recognition and still maintain its founding values? As different organisations worked to address these questions how they responded shaped the experience and model of Fair Trade. Over time alternative trading practices were adapted and refined, producer partnerships evolved and deepened, and development education programmes were updated to include new ideas and practices. For some organisations these changes happened gradually as their experience of Fair Trade evolved, for others there were significant 'tipping points' that fundamentally changed the nature of their engagement with Fair Trade.[11]

This research investigates the motivation of those organisations that pioneered Fair Trade and looks to understand the political, religious and intellectual ideas behind the movement and how these ideas shaped the model of alternative trade. The story of Fair Trade in modern Britain encompasses a surprisingly broad spectrum of civil society groups, and this book tracks their efforts from the early 1970s to shape what was to become perhaps one of the most diverse social movements of the twentieth century. Led by development agencies, faith-based groups and campaign organisations, Fair Trade was formulated as a powerful critique of global trade relations and promoted as a genuine opportunity for reviving international development efforts. But there were also tensions. Many within the NGO community assumed that they would find natural allies in the co-operative movement, the trade unions and consumer organisations; but in practice these relationships proved complex and at times conflicting. Fair Trade was in competition with another 'sticky idea' – Free Trade.[12] The dominance of Free Trade as *the* economic orthodoxy of the late twentieth century was such that even actors critical of neoliberal economics found that the terms of debate had been framed within the intellectual and political confines of this model. It is perhaps not surprising that there was resistance to ideas that required engaging with the concept of a new economic order. These institutionalised power dynamics represented a barrier to 'intrapreneurs'[13] and creative thinking, making it difficult for new ideas, such as Fair Trade, to gain traction or 'stick'.

Defining Fair Trade (and Fairtrade)[14]

The wider social movement behind Fair Trade has campaigned collectively to embed the concepts of justice and sustainable development

at the heart of trade structures and practices.[15] This philosophy has evolved through experience and dialogue over the last 40 years. The most widely accepted definition of Fair Trade is found in the Charter of Fair Trade Principles:

> Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South. Fair Trade Organizations, backed by consumers, are engaged actively in supporting producers, awareness raising and in campaigning for changes in the rules and practice of conventional international trade.[16]

Rather than dogmatically following a single approach the influences and practices of Fair Trade have been diverse and have evolved over time, constantly updated and renewed. In responding to the *Charter of Fair Trade Principles*, agreed in 2009, Ian Bretman stated, 'For decades, Fair Trade initiatives all around the world have been focussed on addressing the practical problems faced by producers, rather than trying to make a theory work in practice.'[17] The different approaches to Fair Trade are most clearly seen in the two distinct channels: the independent product certification route as operated by Fairtrade International[18] and the integrated supply chain route as supported by the World Fair Trade Organization (WFTO)[19] (using its own Guarantee System). Despite these different approaches, both WFTO and Fairtrade International have agreed on the core principles of Fair Trade. These include: (1) Market access for marginalised producers; (2) Sustainable and equitable trading relationships; (3) Capacity building and empowerment; (4) Consumer awareness raising and advocacy; (5) Fair Trade as a 'social contract'.[20]

As the Fair Trade movement, and particularly certified Fairtrade, looks to 'tip the balance' and move further into mainstream markets, its alternative trading model has received increased critical attention. Questions about the impact and effectiveness of Fairtrade have intensified with the rise of alternative sustainability standards.[21] Specific aspects of Fairtrade certification have been criticised for failing to integrate temporary workers and not delivering benefits for marginalised employees who are neither co-operative members nor covered by the Hired Labour Standards.[22] More broadly the ability of Fairtrade to increase wages, improve production processes and strengthen gender

relations have been challenged in recent studies.[23] Many impact evaluations are showing mixed results; however, with the challenges that exist in relation to appropriate design, methods and rigour, it remains difficult to isolate and measure impact.[24] On balance, findings from academic impact studies suggest that producers within the Fairtrade system achieve 'significant though not universal positive changes' in economic and social outcomes compared to conventional trade.[25] While Fair Trade may not be sufficient to address structural issues of trade and inequality, as a dynamic model, it has demonstrated an ability to evolve and adapt based on stakeholder consultation and dialogue. The research objectives of this book are not focused specifically on the impact of Fair Trade, but the intention is to contribute to the wider discourse about ownership, governance and theory of change.

Most studies of Fair Trade in Britain include some overview of the formation of the Fairtrade Foundation and the standard biographical details are reasonably well-known: the Fairtrade Foundation was set up in July 1992 by CAFOD (Catholic Fund for Overseas Development), Christian Aid, New Consumer, Oxfam, Traidcraft Exchange and the World Development Movement, and later joined by the Women's Institute. The role of the Fairtrade Foundation is to monitor and license the FAIRTRADE Mark in the United Kingdom.[26] The Fairtrade Foundation identified its joint goals: 'to challenge the conventional model of trade, and offer a progressive alternative for a sustainable future.'[27] And, 'to empower consumers to take responsibility for the role they play when they buy products from the third world'.[28] Beyond these details there is only limited academic consideration of the roles played by these founding organisations. Although several of these organisations are established household names, others are not (in particular New Consumer).[29] This has raised some questions about the legitimacy and governance of the Fairtrade Foundation – to what extent are its members qualified to act as guardians of the movement? For the Fairtrade Foundation its credibility is based on the perceived experience and independence of its member organisations, and this high level of trust is particularly important given public scepticism about the proliferation of social labels.[30]

In 2006 representatives of the Philippine and Asian Fair Trade organisations stated that they were 'tired of being lectured and dictated to from the North countries [*sic*]'.[31] They argued that there was an imbalance in the Fair Trade system and that 'labelling companies have to be challenged because the power they have to exclude small producers is awesome. To be certified by them is success in the markets to be refused or

shunned is a one way ticket to oblivion.'[32] Questions were also raised about governance and ownership of the movement. Shay Cullen, founder of PREDA,[33] argued that, 'No one knows where the authority to make and impose their rules on others came from. They seem to be self-appointed.'[34] The Fair Trade movement and the labelling initiatives have been mindful of this critique and there is evidence of increasing engagement with a wider debate about authentic partnerships and who represents 'authentic' Fair Trade.[35] Fairtrade International launched a New Standards Framework in 2011 and has also revised its General Assembly to give producers a greater role in the governance of the organisation.[36] For its part the WFTO has looked to strengthen its regional membership and has restated its commitment that small farmers and artisans should be the main focus in all governance structures and decision-making within the Fair Trade movement.[37] But despite these recent developments, some critics argue that Fair Trade has yet to adequately address the conceptual and practical challenges that have been raised.[38] Given this context, a historical reassessment of the basis and evolution of the Fair Trade model is particularly timely.

Consumer demand and the politics of consumption

Alex Nicholls and Charlotte Opal in their influential book, *Fair Trade: Market-Driven Ethical*, define Fair Trade as 'a consumer-driven phenomenon, underpinned by the growth of "ethical" consumption more generally'.[39] They further argue that: 'Fair Trade is entirely a consumer choice model, it operates within the larger free trade model of unregulated international commerce'.[40] In contrast, Clive Barnett, Nick Clark, Paul Cloke and Alice Malpass question whether Fair Trade really represents a triumph of market logic. They argue that 'the growth of ethical consumerism is not simply about spontaneous changes in consumer demand being met by more or less elastic market supply; nor is the politics of this activity primarily about the aggregation of myriad privatised preferences'.[41] They have attempted to develop a broadly political, rather than a narrowly economic approach to Fair Trade and ethical consumerism. This has led them to highlight the role of organisations involved in Fair Trade which seek to embed ethical purchasing in wider programmes of mobilisation, activism, lobbying and campaigning. Using the activities of Traidcraft as an example, they argue that 'agency needs to be located not in the activities of consumers but in the articulation of intermediary organisations, social networks, and everyday practices of social reproduction'.[42]

Embracing a longer view of consumption and consumer studies, Daniel Miller declared that 'consumption has become the vanguard of history'.[43] Miller was optimistic about the potential of ethical or 'progressive consumption'. He argued that, 'what is required is a "middle-range" morality, which re-inscribes on to the surface of commodities their consequences for producers, often from the developing world'.[44] But despite extensive academic research and media coverage, the concept of 'the consumer' remains hard to pin down. Tim Lang and Yiannis Gabriel have shown that, 'consumers come in millions of forms, broken down and divided by class, income, family, gender, taste, lifestyle, aspirations, etc.'.[45] They have suggested that this diversity therefore makes it misleading to talk of 'the consumer'.[46] While the diversity of consumer interests should not be underestimated, Matthew Hilton's research offers a nuanced assessment of the history of consumer politics that argues, 'consumerism has shown its greatest potential as a movement for historical change when it has attached itself to a broad set of social democratic principles that coalesce with other interests in society'.[47] Fair Trade's success as a 'consumer movement change' needs to be understood as highly contingent on its connection to wider social networks that defined these 'everyday practices of social reproduction' in relation to global issues of trade, poverty and international development.

Intellectual origins of Fair Trade: A longer history

Frank Trentmann, in his history of Britain as a *Free Trade Nation* has argued that 'the moral view of the world according to Fair Trade has a historical blind spot'.[48] This, he argues, is illustrated in the failure of the Fair Trade movement to recognise that in the late nineteenth and early twentieth centuries, 'morally energized civic-minded consumers opted for Free Trade'.[49] Although Trentmann acknowledges that 'there is no direct line between this kind of racial stereotyping and the ethical consumerism of more recent years', he contends that the Buy Empire Goods campaign 'occupies an intermediary stage towards Fair Trade'.[50] He concludes his description of Empire Day in Oxford in 1927, by declaring that, 'here was an imperial precursor to the international Fair Trade movement that would spring up half a century later'.[51]

But these attempts to demonstrate an element of continuity from the consumer support for the Empire Marketing Board to Fairtrade Foundation significantly underplay the extent to which the Fair Trade movement of the late twentieth century represented a 'switch [of]

moral tracks'.[52] Trentmann argues that Fair Trade needs to be placed in 'a longer more troubled genealogy of consumption and power'.[53] This may be true, but at the same time Fair Trade's origins as a protest movement need to be clearly articulated. Fair Trade did not develop *from* the Buy Empire Goods campaign rather Fair Trade emerged (somewhat belatedly) *in opposition* to this 'conservative imperial consumerism'. Arguably, the modern Fair Trade movement developed as a historically specific, internationalist vision that was shaped by the experiences of the anti-apartheid movement, was motivated by solidarity with socialist countries such as Nicaragua, was informed by liberation theology and was articulated in consumer activism such as the fair tea prices campaign. If one seeks to uncover a longer history of Fair Trade that encapsulates the experiences of the eighteenth and nineteenth centuries, there are more fruitful parallels to explore in the philosophy and practices of the social critics and protest movements of the time.

The politicization of consumption in Britain has a long and well-documented history dating back to at least the eighteenth century. E. P. Thompson in 'The moral economy in the English crowd in the eighteenth century,' developed an analysis of traditional rights and customs that would encourage scholars to rethink their interpretation of 'food riots'.[54] The concept of the 'moral economy' has been applied to research in numerous fields and historical periods – the study of Fair Trade is no exception. Although Thompson himself was uneasy about the extension of the concept beyond 'eighteenth-century crowd action' it has proved a valuable tool for numerous academic debates.[55] Gavin Fridell has argued that, 'Whereas the old moral economy in England described by Thompson asserted the right of the poor consumers to gain access to the means of life, the new international moral economy of Fair Trade asserts the right of poor producers to get a fair price for what they sell on the market'.[56] Rather than the threat of riot as its political force, the Fair Trade moral economy is seen to rely on activist and consumer pressure – and the threat of bad publicity challenging the reputation of brands owned by multinational corporation's (MNC's).[57]

If crowd action in Thompson's 'moral economy' had primarily been about consumers imposing their rights to food at fair or 'customary level', social thinkers during the nineteenth century started to articulate a concept of consumer duty. John Ruskin, the nineteenth-century social thinker, believed that strengthening relations between the consumer and producer was central to moralising the market. Ruskin believed that value of goods and human labour had been undermined by the

industrialisation of production and that the market could not be relied on to reflect the true value of goods or labour. Ruskin wrote in *Unto This Last* (1862), 'What anything is worth it [the market] can not tell you; all that it can tell is the exchange value.'[58] Ruskin articulated what he believed was the consumers' responsibility: 'In all buying, consider first, what condition of existence you cause in the producers of what you buy; secondly, whether the sum you have paid is just to the producer, and in due proportion, lodged in his hands.'[59] The challenge for Fair Trade was how to integrate these simple sounding lessons into the commercial practices of international business.

Taken together the concepts of 'market failure' and 'consumer duty' have been fundamental to Fair Trade campaigns. The failings of international markets have been highlighted by fluctuating commodity prices which at times have left producers receiving less for their goods than the cost of production. Ruskin saw the relations between consumer and producer breaking down; with the introduction of the factory system in England the home was no longer the centre of production. The Fair Trade movement also looked to bridge the gap between consumer and producer; but in the global markets of the twentieth century, this meant reconnecting with producers in the 'Third World'.

From the early nineteenth century, Peter Gurney argues that co-operators had developed 'a democratic, ethical model of consumption – a "moral economy of co-operation" – that depended on an associated, active membership rather than the gullible mass consumers preferred by capitalist manufactures and advertisers'.[60] Gurney's work was a clear extension of the analytical discourse outlined 30 years earlier. E. P. Thompson concluded his now famous thesis by arguing that, 'The moral economy of the crowd took longer to die: it is picked up by the early co-operative flour mills, by some Owenite socialists, and it lingered on for years somewhere in the bowels of the Co-operative Wholesale Society.'[61] A number of revisionist studies have sought to highlight the persistence of a socially progressive co-operative philosophy. Stephen Yeo stated that, 'The fact the world did not go their way should not be allowed to conceal what Holyoake called the "world-making" project of co-operators' and that, 'results need not be allowed to erase struggles, nor need defeat be equated with failure.'[62]

Building on this understanding of the Co-operative movement as a pioneer of ethical consumerism, recent studies on Fair Trade have frequently looked to the Co-op in their historical assessments of the movement. Tim Lang and Yiannis Gabriel situated the Co-operative movement within the first wave, of what they describe as 'active consumers'. In

Lang and Gabriel's model of consumer activism the first wave, 'took note of, helped and began to adopt the vitality and appeal of the fourth wave [alternative consumerism] by making new commitments to position co-operatives as more trustworthy sources of the necessities of life'.[63] Alex Nicholls and Charlotte Opal have developed an alternative model for understanding Fair Trade based on the commercial growth of the market. Within this model the Co-operative Group is also identified as a 'naturally sympathetic retail business' and situated in the third wave of development, building upon the work of ATOs.[64] But while the model of co-operative trade has been an important inspiration, international co-op to co-op trade in the nineteenth and twentieth century was not necessarily a direct precursor of Fair Trade.[65]

Christian led 'consumer-orientated activism' also has interesting historical precedents in popular campaigns of the eighteenth and the nineteenth centuries.[66] The most well-known example of this form of Christian moral critique of consumption is the boycott of slave-produced sugar, led by Thomas Clarkson and supported by Christian shoppers. From 1791, the Abolitionists encouraged consumers to switch to honey instead of sugar or to buy sugar from the East Indies which was free from slavery. One grocer from Birmingham reported that his sugar sales halved in just four months.[67] It is estimated that during the boycott approximately 300,000 consumers abandoned slave-produced sugar.[68] But despite the success of this campaign, revisionist studies have shown that other factors including commercial pressures on plantations and the impact of slave revolts were probably of equal importance.[69]

Perhaps less well-known is the White List Movement instigated by the Christian Social Union (CSU) from 1887 to 1914. The White Lists were a form of retail certification that guaranteed that products made in Britain had been manufactured under at least minimum working conditions. Although focused on conditions in British factories, the organisation and certification of the 'human rights content' of goods, exhibited features in common with the internationally directed model of twentieth-century Fairtrade labelling.[70] By 1908, Oxford, Birkenhead, Leeds and Leicester all had White Lists of over a hundred firms. And in Manchester, the White List included 700 firms from 40 different trades. But the expansion of the White List Movement was curtailed by the First World War and it was never successfully revived in post-war Britain. Julien Vincent, political and social historian, has argued that through the CSU's involvement in the White List campaigns 'the Christian ideal was not secularised, but that economic life became re-sacralised, and re-enchanted'.[71]

One of the most vivid critiques of nineteenth-century colonialism can be found in Eduard Douwes-Dekker's novel *Max Havelaar*.[72] The story follows the experiences of Max Havelaar, a Dutch colonial administrator who sought to improve conditions for coffee farmers in Indonesia, but was hindered in his mission by the indifference shown by the Dutch colonial government and coffee traders.[73] When it was first published in 1860, it was reported to have 'sent a shiver through the country'.[74] The main object of Havelaar's criticism was the Kultuurstelsel (Cultivation System) which was used by the Dutch to justify the compulsory cultivation of export crops. The book was discussed in the Dutch Parliament and was championed by those already opposed to the Cultivation System. By 1862, two years after the publication of *Max Havelaar* the Cultivation System was abolished for pepper, in 1863 for cloves and nutmeg, in 1865 for tea and in 1866 for tobacco. But one remnant of the Cultivation System persisted into the twentieth century – the compulsory cultivation of coffee, which continued until 1917.[75] Interest in the story of *Max Havelaar* was renewed when the first Fair Trade certification scheme, set up in the Netherlands in 1988, choose 'Max Havelaar' as the name for their certification label.

Modern Fair Trade and the twentieth-century development agenda

In 2006, the European Parliament adopted a resolution on Fair Trade that stated, 'while international trade agreements fail to deliver for the poor countries, the Fair Trade system has proved to be effective in poverty reduction and sustainable development'.[76] This policy agenda is backed by academic assessments critical of standard economic approaches to trade and economic growth. Professor Tim Jackson has argued that, 'Far from raising the living standard for those who most needed it, growth let much of the world's population down over the last 50 years. Wealth trickled up to the lucky few.'[77] Nowhere is the failure of economic growth more clearly evidenced than in the knowledge that 1 billion people across the world are living on less than $1 a day – half the price of a small cappuccino in Starbucks.[78] Building on public and academic interest there has been a shift in recent years towards greater institutional support and recognition for Fair Trade at an intergovernmental policy level.[79] But for much of its early history Fair Trade had been on the sidelines of major conferences and debates about the future of trade and development. While the Fair Trade movement had sought to influence this agenda, until recently, it had been dismissed as

a coalition of well-meaning volunteers, poorly equipped for the serious business of trade and international negotiations.

The past 50 years have witnessed significant shifts in development politics, philosophy and economics. But the impact on Fair Trade has been somewhat ambiguous and remains open to academic discussion. Gavin Fridell in his work on Fair Trade coffee sets out with the ambitious task of studying 'the structures of global capitalism' and providing 'a framework for situating Fair Trade within the "big questions" of a historically informed development theory'.[80] Fridell's broad reading of the influence of the development agenda on Fair Trade leads him to conclude that 'the reorientation within the fair trade network away from the state-led development promoted by the broader fair trade movement represents an overall setback for the network and its vision'.[81] While this assessment has the descriptive appeal of a grand narrative, there are aspects that do not seem to fit with the empirical evidence emerging from national studies of Fair Trade.[82] In particular there has been a tendency to conflate the 'fair trade movement' with the programmes of the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP), and in so doing present an assessment that overstates the extent of Fair Trade's statist orientation.

Rather than a macro-level approach, focused on raising official aid and restructuring international trade relations, the Fair Trade movement primarily looked to encourage a greater understanding among citizen-consumers in the North of the working conditions faced by producers in the global South. The aim was to recalibrate questions of international development so that they could be understood on a human scale. Instead of a state-led development programme, Fair Trade was pioneered and coordinated by a network of NGOs and ATOs. Talking more broadly about the rise of the NGO sector, Akira Iriye described its growth as 'one of the most impressive developments of twentieth-century world history'.[83] But he argued that in general historians have been extremely slow to recognise the contribution of this 'third sector'. So rather than acting as a standard bearer for official development slogans such as 'trade not aid', the Fair Trade movement represented an alternative vision of trade and development that favoured practical action and direct engagement with producers and communities in the South.[84]

The 1960s: First UN Development Decade

The launch of the first UN Development Decade raised hopes that the 1960s would witness a transformation in the Third World on a scale

comparable to the Marshall Plan's post-war European reconstruction. Official development assistance (ODA) increased from $5.2 billion in 1961 to $6.6 billion in 1967, but this was still significantly short of 0.7% of gross national product (GNP).[85] In 1968 Britain, (although not at the bottom of the table), had only contributed official aid to a value of 0.42% of GNP. Even at this level, the political nature of assistance was underscored by the fact that 43% of Britain's aid was wholly tied and another 16% was partly tied.[86] At this time France was considered among the leading donors of development assistance (with official aid at 0.72% of GNP).[87] But this figure somewhat overstated the level of French aid assistance, since it also included flows to France's overseas departments and territories – now excluded from ODA calculations.

The 0.7% target found strong backing in the shape of the Pearson Commission, appointed by World Bank President Robert McNamara in 1968. The Commission's 1969 Report proposed that ODA 'be raised to 0.70% of donor GNP by 1975, and in no case later than 1980'.[88] The 0.7% target was formally recognised in October 1970 when the UN General Assembly adopted a resolution including the goal that 'Each economically advanced country will progressively increase its official development assistance to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7% of its gross national product at market prices by the middle of the Decade.'[89] It is worth noting that with the revised System of National Accounts in 1993, GNP was replaced by gross national income (GNI), an equivalent concept. Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee members' performance against the 0.7% target is now measured in terms of ODA/GNI ratios.

The 1960s also witnessed growing momentum around the potential of international trade. Following the second UNCTAD conference in New Delhi in 1968, the phrase 'trade not aid' quickly gained popularity as a way of expressing the need to bridge the gap between foreign exchange available to developing countries through their exports and foreign exchange needed for their imports.[90] But international trade did not have a particularly good track record when it came to Third World development. Between 1953 and 1967, world trade as a whole increased by an average of 6.9% per year, but the gains from international trade continued to be amassed disproportionately by the industrialised countries of the North.[91] As a result, low-income countries' overall share of export earnings declined from 27% in 1953 to 19% in 1967.[92] For example, between 1953 and 1961 Brazil expanded its coffee exports by 90% in volume, but revenue fell by 35%.[93] The modest (and

somewhat simplistic) target of 5% annual growth rate in the GDP of developing countries was only achieved by a handful of countries and even then the benefits of economic growth failed to trickle down to the community level.

The objectives of Fair Trade were to provide micro-level trade interventions designed to support small-scale farmers and artisan producers disadvantaged by the failings of intergovernmental economic policies.[94] The movement was not state sponsored but led by international development agencies, campaign groups and Christian agencies.[95] While some academics have identified examples of what resembled early Fair Trade initiatives during the 1960s, in reality most of these operations were closer to commercial ventures than genuine Fair Trade companies. There were organisations such as Oxfam's Helping by Selling (HbS), that were operating trading companies and buying goods from producers in developing countries, but at this relatively early stage they were not offering wages any better than the market rate, they did not make advance payments and did not give producers any commitment to long-term development. This trading model arguably represented only 'a very limited "fair-trade" importing programme'.[96]

The 1970s: Second UN Development Decade

Development studies have characterised the 1970s as the decade when the South's power seemed to be growing.[97] Gilbert Rist, reflecting on the hope and enthusiasm of the time, described how 'the decade began in an almost revolutionary atmosphere marked by support for liberation movements, the growing influence of dependency theory, and hopes in Tanzania's original model of self-reliance'.[98] The oil crisis was perhaps the defining moment of the decade. Following the Israeli–Egyptian conflict of October 1973, the oil-exporting countries (OPEC) retaliated against Western support for Israel by quadrupling the price of crude oil. It seemed that for the first time the balance of economic power had tilted slightly towards the developing countries.[99] But for non-oil exporting Third World governments these measures only worsened their economic position. The price of imported Western manufactured goods increased dramatically while their earnings from exports of raw materials stagnated. Added to increased petroleum prices, the double burden vastly inflated Third World debt.[100]

In April/May 1974 the UN General Assembly held a special session to study the 'problems relating to raw materials and development'.[101] Following this session the UN General Assembly issued a Declaration