

## Fair Trade in the Mainstream

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### Background

Fair trade was established as a means of supporting marginalised producers in developing countries and developing greater social equity in trade. In the past decade it has burgeoned from a small market niche to having estimated annual sales of €0.5 billion (globally).

Key developments in the UK include:

- ➔ All supermarkets and many high street shops and cafes now stock a variety of fair trade products, including an increasing number of 'own brand' lines.
- ➔ The Co-op has transferred its entire own brand coffee and chocolate lines to fair trade, and has plans for further expansion of its fair trade offer.
- ➔ The global value chains linking fair trade producers to mainstream retailers sometimes include all the same actors as for non-fair trade goods.
- ➔ Many fair trade products now originate from large scale farms and plantations, with benefits channelled to workers as well as smallholders.

### Research Questions

These recent developments are indicative of a trend towards 'mainstreaming' fair trade. This research project will explore the implications of working in the mainstream for the fair trade movement and its associated producers and workers. In particular it will ask:

- ? What has led to the growth in fair trade in the UK mainstream, and how has it been achieved?
- ? What, if any, are the tensions between the commercial pressures of working in the mainstream and the social objectives of fair trade?
- ? How are any tensions being reconciled in practice?
- ? What are the implications of being positioned in mainstream fair trade value chains for producers and workers?
- ? What are the implications of mainstreaming for the future development of fair trade?

### Purpose of the Research

The IDS research is focused on two fair trade products that are being sourced in Africa and sold in UK supermarkets: South African fruit and Ghanaian cocoa (details overleaf). These case studies were selected as they provide contrasting examples of the way fair trade can operate in the mainstream. By applying the above research questions to each, we aim to contribute to both policy debate and academic analysis around fair trade.

The research will also contribute to a wider project looking at how to broaden and deepen the impact of fair trade, and the challenges that lie ahead. It is linked to a network of research on fair trade being carried out in North America, Europe, Africa and Latin America which is being co-ordinated by Colorado State University (USA).

## Case Study 1: Fruit from Thandi, South Africa

Since 2003, fair trade apples, grapes and oranges from South Africa have been on sale in UK supermarkets. Much of this fruit originates from farms involved in Thandi, a project aimed at empowering black producers and workers through facilitating their involvement in international trade. Thandi includes emerging small scale producers as well as larger commercial farms that have at least 25 per cent ownership by black workers and/or local communities. Thandi fruit is marketed by South Africa's largest fruit exporter, Capespan, which has been involved in the project from the start and provides the critical link between producers and the mainstream.

## Case Study 2: Cocoa from Kuapa Kokoo, Ghana

The Ghanaian cocoa producers' union Kuapa Kokoo is one of the best known sources of fair trade products. With over 40,000 farmer members, Kuapa Kokoo is organised in a tiered democratic structure that ensures producer representation at every level. In 1998 Kuapa Kokoo jointly founded the Day Chocolate Company to market fair trade chocolate. Day Chocolate launched the fair trade brands Divine and Dubble, both of which are now widely available in the high street. Kuapa Kokoo's fair trade sales to the mainstream were further boosted when, in 2002, the Co-op announced the transfer of all its own brand chocolate to fair trade (sourcing from Kuapa Kokoo).

## The Research Approach

The research will be undertaken using a qualitative case study approach within a Global Value Chain framework. Global Value Chain analysis explores the linkages from inception through production, distribution and retailing of goods to the end consumer. Interviews will be conducted at all levels of the value chain, from supermarket to farm, including organisations and institutions linked to the chain. The primary focus will be on qualitative data relating to governance and perspectives on the relationships between actors in and around the chain. This will be supplemented with quantitative data on the case study value chains (eg. number of firms at each level, employment at the production end).

## Research Outputs

Intended outputs include a report aimed at policy makers and practitioners, and an academic journal article. The report will be disseminated directly to all those who have participated in the study, and publicly via the IDS information and communications services. The case study findings will also form the basis of a chapter in a book to be published out of the global research network co-ordinated by Colorado State University.

## Research Funding

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