

## Tea and fig – two leaves of fair trade

Nestlé's attempt to jump on the bandwagon is, says **Stan Thekaekara**, at once encouraging and disconcerting. (See also: [The Wrong Label](#) - by **David Ransom**.)

'Fair trade is no longer seen as some small shop stuck in the back of a church – it is now smart and upmarket, on the shelves of supermarkets. But this is disconcerting, to, because it reduces fair trade to just a brand, a range of products and nothing to do with the way we conduct our trade.

We have been working with indigenous people in South India who are small tea growers, and for many years we used to sell our tea to GEPA, a fair trade organization in Germany – long before fair trade became a household term, and long before big business started training their guns on what is obviously seen as a lucrative market opportunity.

In 1994 I was part of a discussion about the possibility of introducing fair trade labelling, following the success in Europe of labelling child-labour-free carpets ([www.rugmark.org](http://www.rugmark.org)) and of the Max Havelaar mark for fair trade coffee in the Netherlands. It was seen as the best way to move from a fringe activity into the mainstream.

The advantages were obvious, but so were the dangers. No-one was quite sure what would happen. It was done hoping for the best. Now, with Nestlé the latest big company to announce a fairly traded coffee in its product line, it is perhaps a good time to take stock.

### The good side

Fair trade has a long history, but no-one can deny that labelling and the efforts of the Fairtrade Foundation ([www.fairtrade.org.uk](http://www.fairtrade.org.uk)) in Britain raised its profile and led to an impressive growth. Sales of products carrying the Fairtrade Mark more than doubled, to reach an estimated retail value of \$245 million in 2004.

More, fair trade became a household name. According to the latest MORI poll of consumer awareness, one in two adults correctly identified the green, black and blue Fairtrade logo, and four out of five of these said the independent guarantee was important to them. Consumer awareness has obviously increased and has forced the market to respond.

Fair trade in the 1970s was associated more with handicraft items and less with everyday consumer products. A typical 'one world' shop had a handful of products from a handful of producer groups. Today there are more than 1,000, ranging from coffee, tea, fruits, juices, wine, rum and chocolate to roses and footballs.

### The flip side

But, no matter how impressive the growth, it is a drop in the ocean. The farmers and producers benefiting from fair trade are the lucky, chosen few – often accessing fair trade more by chance than by design. And while supporters of the movement are quick to celebrate the latest big entrant into their fold, the unanswered questions linger on.

It is interesting that Nestlé refused to say how much fair trade coffee it was hoping to sell. And I wonder how much Starbucks does? I walked into a Starbucks coffee shop a few months ago which had 'fair trade' splashed all over it, and I thought wow! Starbucks has become a fair trade company.

I found out only later that, like most of the unsuspecting public, I had jumped to an obvious but wrong conclusion. One fair trade coffee blend does not a fair trade company make! No matter how loud you shout about it.

John Hilary, policy director at War on Want, apparently jumped to this conclusion as well, when he asked: ‘How can such a company (Nestlé) get the fair trade mark?’ You cannot blame Hilary or me for drawing the conclusion that Nestlé’s Partners Blend – which acquired fair trade status – has given the *company* the fair trade mark. I polled a number of friends, and they all thought the same.

Nestlé – hold on everybody! Remember their baby food in Africa? The campaign to boycott Nestlé products that ran from the mid-1970s to the mid 1980s has been reinstated recently, since campaigners maintain that, in spite of pressure from various sources, Nestlé continues with its non-compliance with ethical standards.

The list is as long as your arm: child labour, genetically engineered crops, demanding millions of dollars as compensation from *Ethiopia*, which nationalized one of its companies – compensation from Ethiopia, where famine is a way of life for most of its people! In a global internet vote at the time of the World Economic Forum in 2005, Nestlé was the clear winner of the Public Eye Awards for corporate *irresponsibility*!

A web poll by Baby Milk Action ([www.babymilkaction.org](http://www.babymilkaction.org)) of Nestlé boycotters (90 per cent of whom happen to be fair trade supporters – surprise, surprise!) showed that 79 per cent thought that the fair trade mark meant that the company was ethical. Only 17 per cent of these *informed* consumers understood that the Fairtrade Mark given to Nestlé’s Planters Blend is not an endorsement of Nestlé as a company.

Nestlé may have refused to commit to how much fair trade coffee it would sell. But consider this: all the fair trade coffee sold across the globe represents only *three per cent* of the coffee sold by Nestlé. So even if Nestlé captured the entire world fair trade coffee market, 97 per cent of their coffee would remain outside this system. And would we be wrong to presume, given Nestlé’s track record, this would be *unfairly traded* coffee?

While we must applaud the Fairtrade Foundation for this success, let us not lose sight of the fact that, apart from Partners Blend, the rest is business as usual for Nestlé.

And this is a danger that all of us who support fair trade, and the movement for a more just world, have to be acutely conscious of; while fair trade is surely a step – a very small step – in the right direction, it falls far short of achieving global trade justice.

Unless companies see ethics as an integral part of their operation and not as a little stick-on badge, I am afraid we will all have to hang our heads in shame for living in such a rich world with so many poor people.

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<http://www.newint.org/features/fair-trade/index.html>