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How fair is Fairtrade?
An analysis of Fairtrade
by Amartya Sen´s "The Idea of Justice"

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“We can’t create paradise on earth, nor shall we, but isn’t it better to daydream and to do what we can than to accept exploitation in darkness?”

(Van der Hoff Boersma 2014: xviii)
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PREFACE

Fairtrade has caught my attention since the beginning of my studies, because it is not just “another aid program asking for donations”, but an initiative that promises real empowerment for farmers and workers in Asia, Africa and Latin America. It is an innovative way of changing consumption and production patterns. Still, Fairtrade also faces critique at many levels. It turns out, that the critique is always punctuated by high expectations: people seem to assume, that Fairtrade can achieve (from one day to the other) perfect justice in trade. All the injustice surrounding us, and the disillusioning results of many initiatives, often leads to people resigning: “I cannot change anything anyways, so I just live my life and try to ignore the injustice surrounding me.”

When I tripped over Amartya Sen’s justice theory, it seemed like a great, motivating and down-to-earth approach and answer to critical voices. It appeared to be a good starting point to analyze how Fairtrade can lead to more justice in trade.

Since May 2014 I have been working at the Press and Media Department of Fairtrade Austria. The research question developed before I started to work, but my experiences later on at Fairtrade Austria have obviously influenced, enriched and shaped the writing process.

I would like to thank many people surrounding me for their great support. To my parents, for their love and belief in me, and for making my studies possible. To my outstanding boyfriend, for his love, support and patience. To amazing friends that have been by my side since the first months of my studies. To the international development department at the University of Vienna, for creating room that allows real critical thinking. To Fairtrade Austria, for being a part of a great team when taking small steps towards more justice in trade. To my interview partners, for their time and enlightening conversations. And to O.Univ.-Prof. Mag. Dr. Ingeborg Gerda Gabriel, for her excellent assistance, expertise and refreshing thoughts and advices. Thank you.
1 INTRODUCTION

Farmers and workers in the Global South are struggling due to unjust world trade¹, and the majority of people on the other side of the world are aware of that fact. In the context of globalization, it is one of many severe injustices the world has to deal with: food sustainability, climate change, inequality, poverty and economic crisis are some of the big fish. Solutions are urgently needed.

The Sustainable Development Goals (SDGs), which will replace the Millennium Development Goals (MDGs), are currently under the last revision and will be decided upon in September this year. The international community intends to set up 17 goals, which will, without any doubt, shape the development discourse of the next decades. The proposed goal number 12 “Ensure sustainable consumption and production patterns”² (United Nations 2014: 18f.) is critically important for Fairtrade: it is a great first step forward to acknowledging the urgent need for more sustainability in this very important field that concerns the daily life of all of us. Fairtrade can help to ensure, that that goal will be met by 2030. But how much can Fairtrade contribute exactly?

Fairtrade has grown tremendously in the last decade, but is also (or just because of its growth) facing critique from many directions. People seem to assume, that Fairtrade is capable to ensure perfect justice to farmers and workers. Is Fairtrade, considering all the critique it faces, enough for ensuring justice in trade?

This thesis will deal with the question, how Fairtrade contributes to more (global) justice. It will use Amartya Sen’s book “The Idea of Justice”, that was published in 2009 (Sen 2009), to evaluate, how just Fairtrade really is. The research question is

¹ The phrase „Global North – Global South“ is used in this thesis, even though the author is well aware of the difficulties and discrepancies these terms are raising. This wording still seems more appropriate then “Developed – Developing/Underdeveloped” or “First World – Third World”. The subordination of the half of the world in our language, which leads to a constant re-construction of relationships of power and dependency, needs to always be present in our thinking and reasoning. This issue is also discussed in chapter 4.4.1.4. and Englert/Grau/Komlosy 2006: 13ff.
² Other proposed goals are relevant for Fairtrade as well: especially goal 1, 2, 8, 10, 13 (see United Nations 2014).
therefore: How “fair” is Fairtrade evaluated by Amartya Sen´s justice theory\(^3\)? And further questions are: How can critique Fairtrade faces be analyzed by Sen´s theory? And what are the analysis’ limitations?

Amartya Sen’s justice theory and Fairtrade have an interdisciplinary approach in common. The world’s most critical current injustices, which were outlined above, cannot be solved with one discipline alone. Sen is exceeding disciplinary borders all the time, which is why he is a role model to many (see Neuhäuser 2013: 14). Further, Sen’s very pragmatic approach to justice is applicable easily to a “down-to-earth” organization like Fairtrade.

Before outlining the structure of the thesis, one might ask: What is the definition of justice used in this thesis? According to Sen, a strict definition for what justice is, is not needed. In his justice theories’ 400 pages, he never briefly describes a definition of justice. According to Sen, we are all experts in feeling, when something is unjust, and in then wanting to fight this injustice. “[W]hat tends to “inflame the minds” of suffering humanity cannot but be of immediate interest both to policy-making and to the diagnosis of injustice.” (Sen 2009: 388) In this thesis, this is what is meant when talking about justice: The sense (that we all have inside of us), which tells us, if something is just or unjust.

### 1.1 Structure

This thesis consists of four parts. The first part is about fair trade and Fairtrade. The concept is described and the difference between the two is outlined. Then, the Fairtrade impact on farmers and workers in the Global South, Fairtrade’s contribution to global justice, is outlined, and a brief overview over case studies will show, in how far the Fairtrade system leads to actual change for farmers and workers.

The second part is concerned with Amartya Sen’s “The Idea of Justice”. It is not the intention to summarize his book; rather, the most important aspects and concepts will be discussed: Plural Grounding, Objective Public Reasoning, the role of

\(^3\) Amartya Sen himself describes his book as “a theory of justice in a very broad sense.” (Sen 2009: ix) Some critics argue that “The Idea of Justice” is too broad to be considered a theory at all (see Reiman 2011: 24, Celikates 2010, chapter 5.2.). This thesis is using the term “theory” when talking about “The Idea of Justice”.

institutions and individuals, and justice on a global scale. The three questions: 
*HOW can justice be improved? WHO are “players of justice”? and WHERE should justice be improved?* lead through the chapters. It might seem odd that the question *WHAT is justice?* does not receive any intention. But just as already explained above, Sen does not waste time to find an answer to that question - for him, people have a “natural sense” of something being severely unjust, which is enough for taking actions to fight the felt injustice. By Comparing, a solution needs to be found. Many of Sen´s ideas are deductions or a critique of other philosophers, especially Adam Smith and John Rawls. It is not possible in this thesis to outline and compare the justice theories of all those that paved the way for Sen. The focus is therefore on what Sen actually had to say.

The third part is linking Amartya Sen´s most important concepts with Fairtrade and the critique it faces. Amongst others, it will be outlined why Fairtrade can be defined as the “second-best proxy in the absence of the wider implementation of justice at the global level” (Walton 2010: 434), how there is more than one way for justice through Fairtrade and how the challenging concept of mass balance needs to be discussed by Objective Public Reasoning. In the case of global justice, the critique, that Fairtrade is fostering (instead of dissolving) North-South hierarchies, will receive close attention in the form of a case example.

It is not possible to discuss all the critique and challenges Fairtrade is facing. The goal is instead to illustrate, how some of the current critique can be analyzed and brought into a new spotlight by using Amartya Sen´s “The idea of justice”.

The fourth and last part concerns the limitations that appear when analyzing Fairtrade by Amartya Sen´s justice theory. Initially, there was no intention to outline limitations. But during the examination, it turned out that the thesis would be incomplete without briefly discussing the analysis´ limitations.

### 1.2 Scientific Approach

The source for this thesis has, for the biggest part, been a substantial literature research. While there is an enormous extent of case studies that examine the impact Fairtrade has on farmers and workers, there is much less research regarding
the Fairtrade system as a whole. Still, in the last years since 2009, some great contributions have been made to examining fair trade/Fairtrade as an institution. Especially the question, if Fairtrade is/should work with or against the market, with or against capitalism, received attention. The literature was chosen not only due to its relevance for the research question, but also regarding to its timeliness, the context, in which it was written, and the motivation (if known) and backgrounds of the authors. Tamara Stenn is the only scholar that has linked fair trade and “The Idea of Justice” (Stenn 2013a; Stenn 2013b). Her analysis goes into a different direction and the arguments presented in this thesis disagree with some of her conclusions.

Fairtrade documents and papers are, if possible, from Fairtrade International, and not from one of its bodies. As the strategies and views of those sometimes diverge, it was assumed that the papers from Fairtrade International would most probably reflect the position of Fairtrade as a whole. For the theoretical part of the thesis, Sen’s “The Idea of Justice” has been the core source, some other literature on (global) justice has been used to underline his arguments.

Further, two qualitative expert interviews, setup as guideline oriented interviews (see Dannecker/Vossemer 2014: 158ff.), were conducted. The first one with Andrea Richert, new markets manager at Fairtrade International, has taken place in the beginning of the research process, when the research question was still developing. Regarding to Bogner, Littig and Menz, this was an “explorative expert interview”, which is applied in the first phase of the research project to gain knowledge about the research field, awareness of scientific issues and the generation of the research question (Bogner/Littig/Menz 2005: 23). The second interview with Harriet Lamb, CEO of Fairtrade International, has taken place later on. The guideline for this expert interview has mostly been about critique Fairtrade faces and on how to deal with that critique.

In the next step, interviews, literature and documents have been analyzed and categorized by a thematic analysis, “a method for identifying, analyzing and reporting patterns (themes) within data” (Braun/Clarke 2006: 79). A deductive,  

4 Many scholars, that are doing research about fair trade, are some way or the other connected to a fair trade organization. They write out of a specific „insider view“. For example: Laura Raynolds is Co-Director of the Center for Fair & Alternative Trade, Tamara Stenn is the founder of a fair trade knitwear company with production in Bolivia and Peru and Shannon Sutton has been working for Fairtrade Canada.

5 See chapter 4.2.
also called theory driven, approach has been chosen in which the researcher is
driven by his/her research question (Braun/Clarke 2006: 84, Boyatzis 1998: 33).
The categorization has been made regarding to the most important pillars of
Sen’s justice theory on one hand and critique Fairtrade faces on the other hand.
Further, the analysis has taken place at a latent level: it goes beyond the semantic
content, and also intends to identify underlying ideologies, beliefs and assump-
tions, that shape the semantic content of the data (Boyatzis 1998: 16f.). It is cru-
cial to acknowledge, that the researchers own theoretical positions and values,
and in this thesis especially the experiences and influences when working at
Fairtrade Austria, have shaped and influenced the outcome: “social research […]
typically involves carving out unacknowledged pieces of narrative evidence that
we select, edit, and deploy to border our arguments” (Fine 2003: 218). This fact
is not seen as an obstacle, but as enriching the outcome of this thesis.
2 What is Fair Trade?

In the following chapters, it will be defined, what fair trade is, and how it needs to be distinguished from Fairtrade. In the next step, it will be explained, how Fairtrade works by outlining the income and non-income benefits and the Fairtrade impact on farmers and workers.

2.1 Fair Trade vs. Fairtrade

Fair trade can be understood in many ways. It is a term used for labels, seals of quality, organizations, certain trade policies and a marketing and Corporate Social Responsibility (CSR) - strategy, it is a development model as well as a movement, and it is part of a lifestyle of a growing number of people. A huge variety of players are involved and get connected through fair trade: consumers, volunteers, organizations in the Global North and South, civil society organizations, farmers and workers, cooperatives and plantations, and an enormous (and still growing) amount of enterprises along the value chain.

The term has certainly become a "boom" since fair trade started in the middle of the 20th century. In the framework of dependency theory and critique on the world capitalist system, an alternative to the existing world trade system was searched for. "Trade not aid" was identified as the key solution to fight against unfair commodity prices. Prices should not be the result of the demand and supply market mechanism; instead they should emerge by direct process of negotiation between consumers and producers, based on a concept of fairness to all that

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6 The roots of fair trade can be traced back to several origin points, both in the United States and in Europe. Some scholars argue that fair trade was established even earlier.

7 Dependency theory is a development theory that originated in the 1960s in Latin America. It claims that hierarchical interdependences exist between the Global North (metropolis) and South (peripheries), which are limiting the possibility of “development” for the peripheries. Important representatives are among others Andre Gunder Frank (see Frank 1966) and Raúl Prebisch (see Prebisch 1964).

8 In Delhi/India in 1968, at the second UNCTAD conference, the slogan „trade not aid” was used to emphasize the necessity of fairness in trade relations between the Global North and South (see: UNCTAD 1968).
is involved (Fridell 2004: 416f.). The Alternative Trading Organizations (ATOs), that developed in the following years, were founded on the basis of private relationships with farmers in the Global South (in the beginnings in Latin America, later on also in Africa and Asia) and their goal was not only to assist the farmers in their most important needs, but also to lay the foundations for the development of a new, alternative (and fair) trading system (Fridell 2004: 417). Since those “childhood years”, a lot has happened, but “trade not aid” is still at the core of the movement.

The fair trade network grew rapidly. In the 1990s more than 60 fair trade importing organizations supplied the products for thousands of world shops all over Europe (Fridell 2004: 417). In 2001, the informal working group FINE⁹, consisting of four biggest and most influential fair trade networks worldwide, agreed on a common definition of fair trade:

“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.” (FINE 2001: 1)

The plurality of systems, stakeholders and organizations involved in fair trade makes it necessary to carefully separate between different terms, which are often used incorrectly and confusingly.

Fair trade is a general term described by the definition above. It includes all kinds of organizations, movements and enterprises involved, which are characterized by varying missions, legal forms and types of customers they serve (Becchetti/Huybrechts 2008: 736). Fair trade needs to be strictly differentiated from Fairtrade. Fairtrade refers to the concrete activities of the organization Fairtrade International (Fairtrade Labelling Organizations International/FLO eV)¹⁰ and all its bodies: National Fairtrade Organizations (NFOs, formerly called Labelling Initiatives) and Fairtrade Marketing Organizations (FMOs), FLOCERT

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⁹ FINE consists of the following four fair trade networks: FLO (Fairtrade Labelling Organization International), IFAT (International Fair Trade Organization, now called WFTO: World Fair Trade Organization), NEWS (Network of European World Shops) and EFTA (the European Fair Trade Association).

and Fairtrade producers. Fairtrade is therefore the term used for the certification system that is operated by Fairtrade International, a multi-stakeholder and non-profit organization, which has its headquarters in Bonn, Germany (Fairtrade International/WFTO/FLO-Cert 2011: 1).

Fairtrade International was established in 1997 to unite the NFOs, which were established in Europe years before. Its goal was to harmonize the worldwide standards and certification. In 2002, Fairtrade International launched the Fairtrade mark, which was introduced to improve the international visibility of the mark in supermarket shelves and to simplify trade and export (Fairtrade International n.y. b).

NFOs and FMOs are members of Fairtrade International. At the moment, there are 24 NFOs\(^{11}\) responsible for licensing, marketing, business development and awareness raising in their country or region. The FMOs\(^{12}\) are regional or national organizations that promote the Fairtrade system and Fairtrade products regionally. Those organizations are not full members of Fairtrade International, as they are not empowered to license products.

The FLO-CERT GmbH\(^{13}\) is an independent global certification and verification body that certifies Fairtrade products. It was founded in 2003 and it evaluates Fairtrade certification applications, monitors the compliance with Fairtrade standards through audits and decides if Fairtrade certification can be granted. Its task is to ensure and check the credibility, quality and independence of Fairtrade.

In addition to those bodies, three producer networks represent the interests of small-scale producers and workers. Those are Fairtrade Africa\(^{14}\), the Latin American and Caribbean Network of Fairtrade Small holder and Workers Organisations (CLAC)\(^{15}\), and the Network of Asia and Pacific Producers (NAPP)\(^{16}\). These networks can be understood as lobbyists of farmers and workers in the global

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\(^{15}\) CLAC: http://clac-comerciojusto.org/ [Access: 15.4.2014].

\(^{16}\) NAPP: http://fairtradenapp.org/ [Access: 15.4.2014].
Fairtrade system. They differentiate enormously in their demands and priorities in the dialogue with Fairtrade International.\textsuperscript{17} While CLAC, for example, focuses on the representation of small-scale farmers and has for a long time opposed the opening of the Fairtrade system to plantation workers\textsuperscript{18}, this is not a universal Southern position, quite on the contrary: in South Africa empowerment of black workers and advancement of land reform are a primary concern (Wilkinson/Mascarenhas 2007a: 132).

Because standards and control mechanisms between different fair trade organizations are diverse, and there are different strategies, that are followed, an analysis of fair trade in general is not feasible in this thesis. Therefore, I will focus on the analysis of Fairtrade.\textsuperscript{19}

Fairtrade has been and still is growing constantly. The numbers of Fairtrade stakeholders\textsuperscript{20} as well as consumers are expanding. As of today, there are 1.210 producer organizations, which represent over 1.5 million farmers and workers in 74 countries. They have received over 95.2 estimated million EUR of Fairtrade premium in 2012/13. This is 10 percent growth in comparison to the year before. (Fairtrade International 2015: 66) 62 percent of all farmers and workers live in Africa and the Middle East. Latin America and the Caribbean account for 21 percent, and Asia and Oceania for 17 percent. (Fairtrade International 2015: 18)

There are already 1.300 fair trade towns in over 20 countries and 1.800 fair trade schools in six countries. Fairtrade is the most widely recognized ethical label globally. (Fairtrade International 2012/13: 3)

\textsuperscript{17} This fact is discussed in detail in chapter 4.4.1.2: The view of the Global South.
\textsuperscript{18} In 1994 Fairtrade certified the first tea plantations. Since then, not only small-scale farmers, but also plantation workers has been a part of the Fairtrade system.
\textsuperscript{19} Some authors quoted in this thesis use the terms fair trade and Fairtrade differently, or mix them up because of lacking knowledge or a different understanding. Direct quotes in this thesis will cite the original terms used by the authors. The same applies to a gender-sensitive writing: direct quotes will not be adopted.
\textsuperscript{20} This term refers to all actively involved in Fairtrade: Fairtrade International, FLOCERT, producers, traders, NFOs, NMOs, producer networks, volunteers and many more.
2.2 HOW DOES FAIRTRADE WORK?

Before analyzing the question, in how far can Fairtrade contribute to justice, the most important Fairtrade mechanisms will be described. This chapter focuses on the producer level. Firstly, income and non-income benefits of Fairtrade standards for farmers and workers will be explained. Secondly, it will be evaluated in how far impact studies underline that certification really improves the standard of living of farmers and workers and which challenges the Fairtrade system faces at the producer level.

2.2.1 INCOME AND NON-INCOME BENEFITS

The Fairtrade system intends to empower marginalized small-scale farmers and wage-related workers by helping them to escape the marginalized position they are in through income gains as well as other social and environmental improvements. The Fairtrade International certification system transforms Fairtrade principles into certain rules, so-called standards, which regulate the production and trade of products with the Fairtrade label (Raynolds 2012: 279). Fairtrade standards have over time been developed for a growing number of products. Currently, the following products can be Fairtrade certified: bananas, cane sugar, cocoa, coffee, flowers and plants, cotton, tea, dried fruit, fresh fruit, fruit juice, gold, herbs, herbal tea and spices, honey, nuts, oilseeds and oleaginous fruit, quinoa, rice, sports balls, timber, vegetables and wine grapes21 (Fairtrade International 2015: 54).

At the production level, there are standards for small-scale farmers organized in cooperatives on one hand, and workers on plantations on the other hand. While in some product categories both cooperatives and plantations can produce Fairtrade products (e.g. bananas), other products are only available from small-scale farmer cooperatives (e.g. coffee or cocoa).

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21 Listed regarding to sales volumes in 2012-13: bananas: highest sales volume; wine grapes: smallest sales volume.
The Fairtrade minimum price and the Fairtrade premium form the foundations of the Fairtrade system. The Fairtrade minimum price\textsuperscript{22} is the price that producers must at least receive, no matter how fluctuating and/or low the world market price is. It works as a safety net and is a guarantee for producers to receive a certain pay for their product. The minimum price should cover at least the costs of production. If the world market price is higher than the minimum price, self-evidently the higher price needs to be paid. The Fairtrade premium is an additional amount of money that producers receive. It must be used to improve social, economical and/or environmental conditions of the community. Where to invest needs to be decided upon democratically. Most frequently, the Fairtrade premium is used for improving health and education of the community and for improvements in productivity. (Fairtrade International 2014a: III)

Additionally to the Fairtrade minimum price and the Fairtrade premium, for certified organic products\textsuperscript{23} an organic differential must be paid. It is added to the minimum price/world market price (depending on which one of the two is higher) and the Fairtrade premium.\textsuperscript{24} (Fairtrade International 2014a: III)

Fairtrade standards also cover a detailed variety of non-income benefits. There are two kinds of standards: core requirements, that are principles, that must be complied with, and development requirements, where a certain score needs to be achieved and improvements on the scale need to be reported regularly. In the case of hired labor on plantations, since 2014 all requirements need to be met already when getting licensed.

Internationally recognized standards and conventions (mainly from the International Labor Organisation ILO) are applied for the design of the most standards. Examples for such social standards are good working conditions, freedom of discrimination, prohibition of forced or bonded labor and child labor, freedom of association and collective bargaining, documented payment and legally bound written contracts of workers and the necessity of a safe workplace. A democratic structure of cooperatives and transparent administration and effective control

\textsuperscript{22} The Fairtrade minimum price applies to almost all Fairtrade products. However, there are a few exceptions such as cane sugar and some vegetable (see: Fairtrade International 2014a).

\textsuperscript{23} 51 percent of Fairtrade producer organizations also hold an „organic“ certification (Fairtrade International 2015: 62).

\textsuperscript{24} There are exceptions to those guidelines. Different markets for different products require specific standards. FLOs standard setting is an extremely complicated and detailed work. (see: Fairtrade International 2012).
over the organizations’ management are some of the obligatory standards that are set up to ensure democracy, participation and transparency.

Further, there is a wide variety of environmental standards: rules and requirements that deal with environmental concerns such as soil erosion, water management, waste management, prohibition of genetically modified organisms, conservation of biodiversity, climate change risk reduction activity, reduction of energy and green gas emissions and many more. A list of prohibited substances, which cannot be used in the production process, needs to be acknowledged. Another very important pillar is the necessity to provide training for farmers and other involved parties to raise awareness and safety, and improve environmental protection in all of the mentioned areas.

To some economic standards belong traceability (depending on product group direct or indirect), contract design and correct product identification. Those apply to the traders involved in the value chain. The organization also needs to take measures to improve empowerment and development of farmers and workers and their communities. (Fairtrade International 2014b, Fairtrade International 2011a)

For hired labor on plantations, there are also standards that regulate the respect of land rights of local and indigenous peoples, the empowerment of workers and the necessity to raise awareness for Fairtrade and to inform the workers of their duties and rights in the Fairtrade system. Further, access to primary education for all children of permanent workers needs to be guaranteed and the workers right to unionize, the social security provided to workers, the arrangements of maternity leave and many more are explicitly mandated. (Fairtrade International 2014b)

2.2.1 THE FAIRTRADE IMPACT ON FARMERS AND WORKERS

An enormous amount of case studies are investigating, if the Fairtrade system and its standards really keep what they have promised and if income and non-income standards really benefit the farmers and workers. Hudson, Hudson and Fridell have studied different results of many Fairtrade case studies and came to the conclusion that even though methods and quality of case studies vary, a cer-
tain consensus emerges about the benefits of the Fairtrade system (Hudson/Hudson/Fridell 2013: 90) which will be outlined as followed: Many case studies suggest that Fairtrade income benefits are slight, but existing, and incomes are more stable then in conventional trade (CEVAL 2012: v). Nevertheless, income benefits are not high enough to escape marginalization and poverty. A serious issue is the structural inability of most cooperatives and plantations to sell all their harvest to Fairtrade (Hudson/Hudson/Fridell 2013: 90). Bacon outlined this issue already in 2005, when he discovered in a case study about a coffee cooperative in northern Nicaragua that up to 60 percent of the harvest had to be sold on the conventional market (Bacon 2005: 505), even though the costs of Fairtrade certification and standards apply to the whole harvest. The need and challenge to enlarge the producer organizations’ sales to Fairtrade terms is well known. In the 2014 Monitoring Report, Fairtrade International published that cocoa cooperatives can for instance only sell 40 percent of their harvest to Fairtrade terms, cotton farmers only 33 percent and in the case of tea on hired labor organizations the share is as low as 6 percent (Fairtrade International 2015).

Fairtrade premium benefits like improved health, access to education (primary and trainings) and empowerment are widely acknowledged to be helpful to the development of the community (Bacon 2005, CEVAL 2012, Fridell 2007: 221). The real benefits of Fairtrade are more and more stated to being the non-income benefits. The CEVAL impact study, for example, describes Fairtrade as a “door opener” to new partnerships, easier access to markets and more production knowledge (CEVAL 2012: 61). Further, there is more land security because of a lower risk of losing land titles (Bacon 2005: 506).

One frequently discussed issue is the role of women and the transformation of traditional gender roles.25 Many case studies show that Fairtrade does not seem to be able to break open these roles, which are of course deeply anchored in many societies. Still, several studies do prove that women’s participation has improved through Fairtrade (CEVAL 2012: 27ff., 32; Lyon/Bezaury/Mutersbaugh 2010). A case study commissioned by the Fairtrade Foundation recently identified three main barriers to women’s participation as members, leaders and em-

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25 One quarter of all Fairtrade farmers (22 percent) and workers (46 percent) are women (Fairtrade International 2015: 26).
employees in Fairtrade organizations: 1) Producer organizations rules, structures and practices; 2) Sociocultural norms and practices; 3) Women’s individual circumstances and choices (Fairtrade Foundation 2015: 5). Also missing knowledge about the Fairtrade system is quite common for many small-scale farmers and workers. Top-down decision making and insufficient information flow between different stakeholders lead to limited understanding of how Fairtrade works (Lyon 2007: 257, Valkila/Nygren 2010). This problem is intensified by many producers prevalent illiteracy (CEVAL 2012: vi).

Another current challenge in the Fairtrade system is the situation of seasonal workers working for smallholder farmers in Fairtrade cooperatives. Historically, the movement was focused on smallholder farmers, and the Fairtrade standards were developed to ensure a better life for them. A study by SOAS examined the poorest rural workers’ situation in Ethiopia and Uganda and found out that “Fairtrade has made no positive difference – relative to other forms of employment in the production of the same crops – to wage workers” (Cramer/Johnston/Oya et. al 2014: 120). The background of this finding: currently, there are no Fairtrade standards that apply to the people that are working for smallholder farmers. This study’s results received a lot of media coverage and public attention in all over Europe (see for instance The Guardian 2014, The Economist 2014, Der Spiegel 2014).

Despite discovered shortcomings in the Fairtrade system, generally speaking, there is a consensus that Fairtrade farmers and workers are better off than conventional ones. Therefore, the farmers and workers experience an improvement in their capabilities and freedoms, the farmers and workers “capability to do things he or she has reason to value” (Sen 2009: 231) are enlarged. Rather than measuring the benefits of Fairtrade only by an increased income, direct indicators for the quality of life, well-being and freedom should be used to measure the well-being of farmers and workers. Just as Gross Domestic Product (GDP) is insufficient to evaluate the well-being of societies, pure income evaluations of farmers and workers are not satisfactory. Therefore, the focus of the case studies

26 SOAS (University of London) is a Higher Education institution specializing in the study of Asia, Africa and the Near and Middle East: https://www.soas.ac.uk/ [Access: 5.5.2015].

27 Fairtrade statement on the SOAS-study: http://www.fairtrade.net/single-view+M5a2383b864f.html. [Access: 20.5.2015]. A revision of the Fairtrade standard for cooperatives, which will also take into account workers on smallholder farms, is currently developed.
on non-income benefits are supported by Amartya Sen’s Freedom Based Capability Approach\textsuperscript{28}, because the actual opportunities a farmer/worker has should be put at the core (Sen 2009: 253). Either way, the capabilities and freedoms are hard to measure and evaluate, and it is not reasonable to conclude from case study results that analyzed one product group or region onto the whole Fairtrade system.

Concluding, Fairtrade does improve capabilities and freedoms of farmers and workers, but it could do so to an even higher extent. The Fairtrade certification system needs to be constantly evaluated and improved to enable farmers and workers in the Global South to increase their capabilities and freedoms.

Fairtrade is for many reasons criticized by many. Some criticism arose in the early days, while others (for instance, that Fairtrade does not benefit workers on smallholder farms) have appeared recently. Some of the most important criticisms will be discussed in this thesis. What can Fairtrade do to contribute to global justice? Where are its limits? In how far is Fairtrade an initiative for global justice? Before these questions can be answered, the theoretical basis of this thesis, “The Idea of Justice” by Amartya Sen, will be given attention.

\textsuperscript{28} Amartya Sen’s capability approach will be outlined in chapter 3.2.
Achieving justice in an unjust world has been concerning humans for centuries, even millennia. The definition and reasoning about justice is one of the oldest philosophical concerns (Holzleithner 2009: 15). In the Nicomachean Ethics, Aristotle already reasoned, that “[...] Justice is often thought to be the chief of the virtues, and more sublime ‘or than the evening or the morning star’; and we have the proverb- In Justice is all virtue found in sum.” (Aristotle NE: 1129b) Plato dedicated the whole book “Republic” to the question, what justice and injustice are: “What is the nature of injustice compared with justice?” (Plato, Republic 351a)

Later on, in the medieval times, Thomas Aquinas classified injustice as normal state and justice as an ideal, which can never be reached completely (Holzleithner 2009: 26f.). Centuries later, Hume was looking into property and the acceptance of material differences. He concluded that ideal justice/equality is impracticable; it cannot and should not be achieved. (Hume 1912 [1777]: Section III, Part 2) Those are only few of many philosophers over time, who reasoned about the concepts of justice and injustice, which is concerned with two pillars: 1) justice as a virtue for individuals 2) justice regarding the institutions, which structure a society (Enderle/ Homann/Honnecker et. al 1993: 352; Ladwig 2011: 38).

In the 20th century, John Rawls29, an American philosopher and Harvard professor, managed to enliven the justice debate. The starting point was the publication of his book “A theory of justice” in 1971 (see Rawls 1999 [1971]). Rawls defined justice as fairness and intended to solve the philosophical issue of identifying impartial institutional principles of justice (see: Enderle/Homann/Honnecker et. al 1993: 352).

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29 * 21st of February 1921 in Baltimore, Maryland † 24th of November 2002 in Lexington, Massachusetts.
He tried to show with a thought experiment that behind a “veil of ignorance” there is an initial situation of equality given, which allows Rawls to define principles of justice. Free and reasonable people in a fair and equal initial situation shall decide about principles of justice for the society. He concluded that under these conditions all human beings would agree on the following two principles of justice:

“(a) Each person has the same indefeasible claim to a fully adequate scheme of equal basic liberties, which scheme is compatible with the same scheme of liberties for all; and

(b) Social and economic inequalities are to satisfy two conditions: first, they are to be attached to offices and positions open to all under conditions of fair equality of opportunity; and second, they are to be the greatest benefit of the least-advantaged members of society (the difference principle)” (Rawls 2001: 42f.)

Principle (a) is prior to principle (b). The same is valid for the sub items in principle (b): It is not allowed to intervene in equal opportunities for all to value the difference principle more. (Rawls 2001: 43)

These two principles have triggered a philosophical debate in how far universal principles of justice can exist and be defined in our plural society (Holzleithner 2009: 39). Amartya Sen, one of the most influential reviewer of Rawls’ work, argues that principles of justice are neither necessary nor sufficient when fighting against injustice.30

Amartya Sen, born in 1933 in India, is one of the most influential intellectuals of our time. His name was repeatedly put on the “100 Leading Global Thinkers” list31. In 1998, he received the Nobel Prize in Economic Sciences for his contributions to welfare economics: social choice, welfare measurement and poverty.32 He got especially famous for his work on the causes of famine, which was led by personal experience of witnessing the Bengal famine of 1943 at the age of nine, where three million people died (Sen 2009: 339). Later on, he received attention for opposing GDP as measurement for welfare and instead proposed the “Freedom Based Capability Approach”, and helped to develop the Human Development Index (HDI). His success was triggered by the fact that he is an economist and a

30 In chapter 3.1.1. Sen’s redundancy argument is explained: principles of justice are neither necessary nor sufficient. In chapter 5.1. this line of argument is questioned and criticized.
philosopher, and is capable of outstandingly combining the two sciences interdisciplinary (Neuhäuser 2013: 9ff.). Sen has spent most of his life at British and American elite universities and is currently a professor at Harvard University. He has always reasoned about justice issues in his academic career. In 2009, he published the book “The Idea of Justice”, which summarized and gave concrete shape to his thoughts and his contribution to the justice debate. It was in memory and at the same time a critique of Rawls’ justice theory.

Sen emphasizes Rawls appeal to understand and define justice as fairness. He states that “justice has to be seen in terms of the demands of fairness” (Sen 2009: 53):

“So what is fairness? This foundational idea can be given shape in various ways, but central to it must be a demand to avoid bias in our evaluations, taking note of the interests and concerns of others as well, and in particular the need to avoid being influenced by our respective vested interests, or by our personal priorities or eccentricities or prejudices. It can broadly be seen as a demand for impartiality.” (Sen 2009: 54)

Justice is always imperfectly fulfilled. As explained above, Thomas Aquinas already concluded in medieval times that justice is an unreachable ideal. Justice is further possible only through fairness, defined as the impartial implementation of justice. This understanding of justice as fairness is also used in this thesis.

While Sen is in favor of Rawls suggestion to define justice as fairness (see Sen 2009: 62), he is criticizing and distancing himself from Rawls in three matters: 1) the philosophical debate regarding justice should not focus on principles for a state of ideal justice that cannot be reached anyways; 2) justice should not be understood only as a virtue for institutions, but also for the actions of individuals; 3) justice issues are important to be looked at on a global scale, they do not stop at nation states borders. Further, Sen gives very high significance to democracy. (Sen 2009: 90; Neuhäuser 2013: 16) For Sen, justice is a regulatory idea (Neuhäuser 2013: 91). Instead of theorizing on how to identify justice principles, he focuses on a very pragmatic approach: comparing different possibilities and choosing the more just option – and therefore fighting against real-life injustice.

“Sen combines a deep sensitivity towards the human condition of the underprivileged with an unrelenting commitment to the demands of logic and reason.” (Osmani 2010: 599) “The Idea of Justice” is an appeal to be smart and active, to think about (in)justice, to reason about it, to discuss it and debate it and to involve as many people with as many different perspectives as possible. It is an appeal to put justice on the top of the agenda.

In the following chapters, justice and the fight against injustice will be the center of discussion. A selection of Amartya Sen’s most relevant concepts outlined in “The Idea of Justice” will be examined. Therefore, the first section will discuss the question HOW can justice be achieved: In what kinds of settings and with what kinds of instruments can injustice be fought? What does Sen mean with transcendental institutions and why does he argue that transcendentalism is not going to fight severe injustice in today’s world? The second section will discuss WHO are “players” of justice? Who is important and should be involved in the fight for a more just world? The third question is concerned with locality. WHERE should justice be on the agenda? Justice in the world, rather than only inside and between nation states, is emphasized.

3.1 HOW CAN JUSTICE BE IMPROVED?

3.1.1 JUSTICE BY COMPARING

The most important point Sen wants to make in his book “The Idea of Justice” is the fact that justice should be fought for by Comparing rather than by looking for the perfectly just.

The integral line of reasoning of the leading philosophers starting in European Enlightenment was the one Sen calls Transcendentalism. Transcendentalism has two features. First, the attention of these philosophers was concentrated on the search for a concept of perfect justice rather than comparison. Second, the focus

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was concentrated on institutions rather than on actual societies. (Sen 2009: 5ff.) The idea is, that if a society has justice principles available on which to measure justice, this fact will lead to more justice in society. But for Sen, a universally valid theory of justice that determines principles of justice is not practically realizable. Sen therefore refers to his book as “a theory of justice in a very broad sense” (Sen 2009: ix).

Sen rejects what he calls Transcendentalism and, instead, he proposes Realization Focused Comparisons.\(^{35}\) In this way of dealing with justice, societies, that already exist or could emerge, are compared. The removal of manifest injustice from the world one lives in is the priority. Therefore, injustice, rather than justice, is the focus of Realization Focused Comparisons. (Sen 2009: 7) An “accomplishment-based understanding of justice” (Sen 2009: 18) is necessary. This approach motivates to take action; it deals with severe injustice in today’s world, and does not waste time to think about how could a perfectly just society look like. People’s lives and experience, instead of the composition of perfect institutions, are the core of Sen’s work.

Sen uses the example of the abolishment of slavery to underline his point. When slavery was abolished, it was done because people wanted to act against a major injustice they identified, and for dissolving slavery of society there was no need to know how to make this society perfectly just. (Sen 2009: 21) Another example could be the exploitation of workers in the textile industry in Asia or the disproportion of what farmers in the Global South receive for a final product sold in Europe or the United States. One does not need to know how a perfectly just trading system looks like to see that this system is not fair and to therefore take actions against it.

Sen explains that a transcendental approach is neither necessary nor sufficient. It is not necessary to know what the perfectly just looks like to be able to compare two alternatives. If you choose between alternatives A and B, you do not need to know that the perfectly just alternative is C. And to know, that C is the best alternative, is not sufficient either to be able to make a good choice between A and B. Transcendentalism is therefore rejected for its redundancy (Sen 2009: 15f., 98f.).

\(^{35}\) Amartya Sen mentions Adam Smith, the Marquis de Condorcet, Jeremy Bentham, Mary Wollstonecraft, Karl Marx and John Stuart Mill as representatives of Realization Focused Comparisons (Sen 2009: 7).
For example: The knowledge, that Mount Everest is the highest mountain in the world, is neither necessary nor sufficient when comparing the heights of Mount Kilimanjaro and Mount McKinley (Sen 2009: 102).36

Sen uses two different terms from old Indian Sanskrit jurisprudence literature – niti and nyaya – to emphasize and explain his argument. Both terms are synonyms of justice, but while niti refers to "organizational propriety and behavioural correctness [...] nyaya stands for a comprehensive concept of realized justice" (Sen 2009: 20).

While niti involves more the institutions that invoke justice and conformity with a law-system, nyaya defines a broader approach and deals with societies and individuals themselves. The world, that one actually lives in, is what matters, not its institutions alone. (Sen 2009: 20) Sen argues that his approach of fighting injustice by comparing is a nyaya understanding of justice, while Transcendentalists are having a justice understanding of niti.

3.1.2 THERE IS MORE THAN ONE RIGHT WAY – PLURAL GROUNDING

Consider a serious injustice, let us say, farmers in the Global South are not able to secure their livelihood by farming anymore.37 Reasons, why this situation is unjust, might diverge between people who are shaped by their nationality, culture, traditions, experiences and beliefs. Individuals therefore evaluate this unjust situation differently. A person opposed to capitalism might interpret the problem being the exploitation related to an unfair economic system and free trade, while a person in favor of free trade will blame custom taxes and protectionist policies. A third person might interpret the injustice as failure of the government to provide for its people, and someone else might blame the consumers for not being sufficiently aware of their consumption’s consequences or the enterprises, for

36 Another example Sen refers to repeatedly is the knowledge of a perfect picture, which would not help when comparing between two other pictures – assuming, that the Mona Lisa is the perfect picture, this would not be helpful when comparing between a Picasso and a Dali (Sen 2009: 16, 101).

37 Author’s own example. Amartya Sen uses the example of the Iraq war in 2003. Opinions why the war should not have taken place differ, but all agree, that the decision to go to war was a mistake. (Sen 2009: 2f)
not acting socially responsible. Different reasons, why a situation is unjust, are found in many cases of severe injustice. Sen calls this phenomenon Plural Grounding.

The point, that Sen wants to make, is that there is often a plurality of competing reasons when discussing justice, which all claim to be fair, but differ from each other (Sen 2009: 12). There is not always “a single right way” to achieve justice. Even though there are various reasons, why a situation is unjust, all agree that something has to be done to remove this severe injustice.

Consider another example that Sen refers to quite often in his book. There are three children and one flute. One child made the flute, another child is the only child that actually knows how to play the flute, and the last child is poor and does not have any other toys to play with. Who deserves the flute the most? (Sen 2009: 12ff.) The point Sen makes with this example is that conflicting arguments cannot always be solved. In the flute example, an argument can be made for each of the children to deserve the flute. The child who made the flute will probably gain support from the libertarian, the child who knows how to play will deserve the flute the most regarding to the utilitarian, and the economic egalitarian would probably think, that the most just is giving the poor child the flute. (Sen 2009: 13f.)

Considering the colliding ideologies and beliefs, it may not be possible to identify or agree upon the child that deserves the flute the most. "Complete resolution is neither a requirement of a person’s own rationality, nor is it a condition of reasonable social choice, including a reason-based theory of justice.” (Sen 2009: 392) When comparing (un)just situations, a “rating” between them, relating to being more or less just, might not always be possible (Sen 2009: 395). While some cases might be easy to solve, others will involve very difficult decisions and will therefore be more problematic (Sen 2009: 397). In those cases, “partial solutions” can be agreed on that help to fight injustice. Regarding the farmer example, a “partial solution” could be the agreement that farmers are not able to sustain their livelihood anymore because world trade is unjust, without necessarily agreeing on the reasons for its unjustness. Nevertheless, a step towards identifying and in the next step fighting against this severe injustice has been made.
These thoughts make clear, that Sen rejects the transcendental theory not only because of its redundancy\textsuperscript{38}, but also because of its infeasibility. (Sen 2009: 15) It is impossible to deduce principles of perfect justice, because people reason differently and there can never be one single way of viewing justice. It is impossible to come to conclusion of the perfectly just neither in the trade justice nor in the flute example, because there is a plurality of values. Justice principles would not be helpful to solve the practical examples, because those principles can never align the plurality of values and ideologies of all people. The conclusion: the perfectly just cannot always be identified.

Summarized, there are multiple perspectives when experiencing or interpreting a situation. Justice is realized by comparison, but comparing does not need to result in a concrete rating, and at the same time, different reasons might be legitimate to examine an (in)justice issue. But what is important when people consider those issues?

### 3.1.3 The necessity for objective reasoning

People mostly detect injustice because they morally “feel” that something is not right. Outrage and emotion play a role in fighting injustice and should not be ignored by policy-makers and when diagnosing injustice, but they alone are not sufficient. What it needs is reasoning and critical testing of arguments. Investigation has to be done to know if an argument is well founded. (Sen 2009: 31ff.) “We have to go through doubts, questions, arguments and scrutiny to move towards conclusions about whether and how justice can be advanced.” (Sen 2009: 389) Reasoning is an instrument that converts an observation someone feels morally strong about into diagnosis of injustice (Sen 2009: 4). It is particularly helpful in questioning and analyzing ideologies and beliefs (Sen 2009: 35).

For all of these arguments, reasoning is a primary concept of Sen’s justice theory. People are capable of reasoning beyond their own self-interest, and rationality is not limited by it, Sen argues. Reasoning involves understanding on how actions influence others. (Sen 2009: 32f., 182)

\textsuperscript{38} The redundancy argument was explained in chapter 2.1.1.
“Reasoning can be concerned with the right way of viewing and treating other people, other cultures, other claims, and with examining different grounds for respect and tolerance.” (Sen 2009: 46f.) The need for reasoning is underlined by its demand for impartiality. Claims for at least some impartiality “are integral parts of the idea of justice and injustice.” (Sen 2009: 42) To put that simpler: when reasoning, people should be as objective as they possibly can be (Sen 2009: 40). Sen is also convinced, that “good” reasoning can overcome “bad” reasoning: “The remedy for bad reasoning lies in better reasoning, and it is indeed the job of reasoned scrutiny to move from the former to the latter.” (Sen 2009: 49)

Sen uses the term “positional objectivity” when he refers to “the objectivity of what can be observed from a specified position.” (Sen 2009: 157) Anybody taking the exact same position would make the same observation. But positions influence one’s objectivity and are therefore of great importance. Positional objectivity is essential to understand the concept of Plural Grounding. Different people interpret existing justice issue differently because people observe the issue from the diverging positions they stand in. (Sen 2009: 157ff.)

To conclude: For comparing which situation is more just, it needs impartiality (=fairness), critical testing and reasoning. Having those features, a public debate must be invoked, because “discussionless justice” (Sen 2009: 89) does not exist.

### 3.1.4 Justice by Constant Public Debate

Mutual understanding and communication among people is central to the attainment of a more just society (Sen 2009: 119) and a critical public, that is engaged in public reasoning, is inescapably important for good and more just public policy (Sen 1999: 123, 390). Therefore, reasoning should not take place on a personal scale alone, but in a public debate, which is obviously only functioning in a set of institutions that allow, or more precisely, encourage discussion as well as interaction (Sen 2009: 337). Sen argues that this set of institutions is only given in democracy. Only Public Reasoning in democracy can lead to a justice enhancement. Sen does not understand democracy as a set of institutions alone (like elections or the parliament – this would be a niti understanding) but as
“government by discussion” (Sen 2009: 324), which supports the *nyaya* understanding of justice. It is vitally important to Sen that democracy (at least in his understanding) is not a western concept, because “government by discussion” has long traditions in many other parts of the world as well. (Sen 2009: 322)

For Sen, Public Reasoning is the link between democracy and justice (Sen 2009: 326). If, for one reason or another, democracy fails, public discussion becomes impossible: if there is, for example, a lack of free and independent press, people cannot reason without fear and Public Reasoning cannot (sufficiently) take place. (Sen 2009: 327)

### 3.2 WHO ARE „PLAYERS OF JUSTICE“?

Many different players are contributing worldwide to fight against severe injustice. Gabriel describes three different players that are relevant for inducing solidarity. This division can also be used very well for defining the players that are engaging in fighting injustice. There is first, the macro-level of politics, second, the meso-level of civil society, and third, the micro-level of individuals. (Gabriel 2012: 19f.) Sen involves all three of these levels in his justice theory.

At the macro-level of politics, Sen focuses on the need for democracy. As discussed in the previous chapter, justice can just be enhanced by a democratic organization of politics. The primary task of politics is therefore to allow climate of open discussion and debate between as many agents as possible.

At the meso-level, civil society has the potential to campaign more just societies. It plays an important role in encouraging dialogue and raising awareness on severe injustices, last but not least at a global level. “In the associations of civil society people coordinate their actions by discussing and working things out [...]” (Young 1999: 144). Civil society is crucial, because it is making Public Reasoning a more diverse matter (Sen 2009: 151).

Institutions, that exist (at the macro- and meso-level), are central to the opportunities and freedoms people can enjoy (Sen 1999: 142). Institutions promote justice and are therefore important in any reasoning about justice. A mutual de-

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39 This phrase goes back to John Stuart Mill and Walter Bagehot.

40 Discussed in chapter 2.1.4.
pendence is given between institutional reform on one hand and behavioral change on the other hand (Sen 2009: 111). But Sen objects Transcendentalism because it is only concerned with getting institutions right, even though what really matters is what is actually happening in the world, and how the institutions affect peoples capabilities and lives. Actual social conditions (nyaya) are relevant in the end, not just the structure of institutions (niti). (Sen 2009: 82, 85f.) A nyaya understanding of institutions’ roles for justice is necessary.

At the micro-level, individuals engage in their fight for a more just world. By being part of reasoning, debating, discussing and comparing (in)justice, they are the core element of making the world a more just place. Individuals are capable of engaging in this process beyond their own interests and needs. (Sen 2009: 32f., 182) The concept of the homo economicus covers a very short-minded and reduced idea of human beings (Gabriel 2012: 12f.). Dealing with justice issues is therefore not (only) about mutual benefit and mutual cooperation. Sen agrees with Rawls that individuals have a sense for (in)justice which tells them, if something is just or unjust (Sen 2009: 63).

But how is a persons’ well-being measured? In reality, the well being of people and nations is (still) measured by GDP41. Sen rejects this measurement and, instead, he proposes the Freedom-Based Capability Approach, which is about “a person’s capability to do things he or she has reason to value.” (Sen 2009: 231) Direct indicators of the quality of life, well-being and freedom are used to measure a person’s well-being. Not means of living, but the actual opportunities a person has, are at the center of the discussion (Sen 2009: 253ff.). Central to the approach is the importance it gives to freedom, which is relevant for its opportunity aspect and its process aspect. The opportunity aspect refers to the opportunities people have to achieve what has value to them and the freedom to accomplish, what is important to them. The process aspect is about the freedom in “the process of choice itself” (Sen 2009: 228), because it is not only important to take into account what people actually do, but also what they could do, if they would

41 In February 2008, Nicolas Sarkozy, at that time president of France, asked Sen together with Stiglitz and Fitoussi, for the creation of “The Commission on the Measurement of Economic Performance and Social Progress”. The commission’s aim was the identification of the limitations of measuring economic and social progress with GDP. The report states that GDP has often been used to measure economic well-being, which is misleading. In fact, GDP is only measuring market production, which is not correlated with the social and economic well-being of societies. (Stiglitz/Sen/Fitoussi 2009: 137)
choose to use the opportunities they are having. The approach goes beyond actual achievement to opportunities an individual has. (Sen 2009: 235)

Capabilities are diverse, which makes evaluation and/or measurement harder, because they concern different aspects of life and freedom (Sen 2009: 239). Sen therefore refuses to offer a concrete list of capabilities.42 But he does offer a few examples:

“[C]apabilities like being able to avoid such deprivations as starvation, under-nourishment, escapable morbidity and premature mortality, as well as the freedoms that are associated with being literate and numerate, enjoying political participation and uncensored speech and so on.” (Sen 1999: 36)

Development is correlated to the freedom people are able to enjoy, rather than only people’s living standards and basic needs. If freedom of people is enhanced, a society develops. (Sen 1999: 3)

Last but not least, Sen emphasizes that people in powerful positions have a certain responsibility when it comes to fighting injustice.

“[I]f some action that can be freely undertaken is open to a person […], and if the person assesses that the undertaking of that action will create a more just situation in the world […], then that is argument enough for the person to consider seriously what he or she should do in view of these recognitions.” (Sen 2009: 206)

Power comes with responsibility, and it should at least be acknowledged that there is an “obligation to consider the case for action” (Sen 2009: 206).

### 3.3 WHERE SHOULD JUSTICE BE IMPROVED?

“Injustice anywhere is a threat to justice everywhere.”  
*Martin Luther King, Jr.*

Amartya Sen rejects the intranational and the international position when it comes to justice in the world. While intranational refers to justice between individuals in a nation, the international position refers to representatives of differ-

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42 Sen’s Capability Approach was developed in cooperation with Martha Nussbaum. Martha Nussbaum criticizes that Sen does not list a concrete list of capabilities, and therefore developed her own list of capabilities a person needs for a just life. (Nussbaum 2003: 41)
ent nations. Even though Sen admits that these two positions somehow cover the whole world population, he claims that they are not sufficient when discussing justice issues by Public Reasoning. (Sen 2009: 140) A more diverse dialogue needs to take place, which involves not only representatives of nations, but all kinds of voices to participate in a global dialogue.

Throughout the years of discussing justice in the world, different terms where used in the discourse.43 “Global justice” is a quite new and prominent expression and a concept, which brings a significant shift in terminology with it (Follesdal/Pogge 2005: 2). Injustice does matter at a global level, but “the tools that address injustices most effectively have historically been national” (Grugel/Uhlin 2012: 1709). The concept of global justice managed to break down this traditional arena between intranational and international relations and opened up a whole new field (Follesdal/Pogge 2005: 6). Globalization has managed to change the way questions of justice in the world are discussed. The scope of justice got enlarged, political communities connected to particular cultures are not as easily delimitable and identifiable as some decades ago and a new reality of sharing a single world is getting more awareness and attention from individuals as well as decision makers. (Hurrell 2001: 33)

Globalization has, on one hand, made justice issues more visible, because tremendous inventions, such as internet, have made it possible to communicate faster and without geographic limits. On the other hand, globalization has also deepened global injustice and has increased inequality. The Oxfam study “Even it up – Time to end extreme inequality” states that 70 percent of the world population lives in countries, in which the gap between rich and poor has widened within the last 30 years (see Oxfam International 2014).

The idea that injustice is a product of transnational relationships has opened up the focus on global injustice rather than on global justice in the global (in)justice discourse. This is another very important shift in thinking. Grugel and Uhlin argue that this shift leads away from the focus of how much responsibility people have to other people across borders and instead focuses on the relationship and connectedness between injustice and the global political economy (Grugel/Uhlin 2012: 1705f.).

43 Examples are: International Justice, International Ethics, Law of Nations etc.
As already discussed, Amartya Sen is a supporter of focusing on injustice rather than justice. Through Realization Focused Comparisons, the elimination of injustice in the present world by comparing societies or systems should help achieve more justice (see for example: Sen 2009: 7). One important reason, why Sen rejects Transcendentalism, is because he claims that it does not work at a global level. Global principles of justice, which Transcendentalism tries to define, are in need for a global state that can actually enforce those global principles. But the existence of a global state in the near future is highly unrealistic. (Sen 2009: 25) Walzer, who shares Sen’s line of argument, discusses that a global theory of justice would struggle with two practical difficulties. Firstly, nobody can act authoritarian in the name of a global theory of justice. There is no global justice agent with recognized legitimacy and secondly, a global theory of justice would be understood and interpreted differently by different people because of the diversity of nationality and culture. (Walzer 2011: 42) In absence of a global sovereign state, transcendentalists are incapable of finding solutions to global justice questions (Sen 2009: 25).

Sen distinguishes between Open and Closed Impartiality (see: Sen 2009: 124ff.). Closed Impartiality is the process of making impartial (=objective) judgments in an encircled space, like a society or a nation and for that society or nation, while Open Impartiality “can (and in some cases, must) invoke judgments, among others, from outside the focal group, to avoid parochial bias.” (Sen 2009: 123) Sen outlines three reasons, why defining, reasoning, debating and realizing justice in an intranational, and even an international setting (=Closed Impartiality) is not sufficient and why justice needs to be addressed beyond nation state’s borders and beyond an international dialogue that takes place only by nations representatives (Sen 2009: 129f.). These three reasons will be outlined in the following chapters.

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44 The focus on injustice by Realization Focused Comparisons was discussed in chapter 2.1.1.
45 Impartiality in general was discussed in chapter 2.1.2.
46 While Rawls’ justice theory is marked by Closed Impartiality, Adam Smith and his “impartial spectator” evokes Open Impartiality: Smith drew attention to the need to observe an issue from outside. Sen therefore is a supporter of Adam Smith’s “impartial spectator” (Sen 2009: 124)
3.3.1 WHERE DOES OUR NEIGHBORHOOD END?

When talking about justice, it is important to consider obligations people have to one another (Sen 2009: 129). The questions one should ask are: Who is our neighbor? And where does our neighborhood end? (Sen 2009: 170ff.) To argue that human beings have obligations only to their own neighborhood is a very limited view. Sen claims that this intellectual way of thinking of people in fixed communities or neighborhoods is very narrow and based on a fragile basis (Sen 2009: 171). While national states are important for legal matters, they might not have the same relevance in political or moral subjects. Sen claims that human beings are able to identify with various groups of people. While it is legitimate to identify with our close neighborhood, we can also identify with other groups of people that do not share the same nationality. This could apply to people sharing the same religion, same gender, or same language. People cannot be defined by one identity alone, and “multiple identities cut across national boundaries” 47 (Sen 2009: 129). New “neighborhoods” are created. The creation of new neighborhoods with people from far away has a very high importance to understanding justice in general, especially in the world of today, were globalization makes connections through all kinds of links possible (Sen 2009: 172).

“We are increasingly linked not only by our mutual economic, social and political relations, but also by vaguely shared but far-reaching concerns about injustice and inhumanity that challenge our world, and the violence and terrorism that threaten it. Even our shared frustrations and shared thoughts on global helplessness can unite rather than divide. There are few non-neighbors left in the world today.” (Sen 2009: 173)

Summarizing the first point, people have obligations regarding the well-being of others, which do not end when they leave their own “neighborhood”. They have various identities, which are crossing borders, and by caring for the people from far away, their “neighborhood” gets enlarged and is not narrowed by any regional boundaries.

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47 Sen is opposing the „Clash of Civilizations“ by Samuel Huntington. People are not defined only by their religion and the fact, that everybody has and shares multiple identities, is oppressed/ignored. A “war between cultures” is therefore non-existent for Sen. (see: Sen 2010)
3.3.2 We Are All Connected

The second reason for the need to address (in)justice issues over national borders is the interconnectedness, that is given in our current world and that has spread tremendously in the past decades. Actions in one country do affect other countries and their citizens directly (Sen gives the example of the occupation of Iraq in 2003) or indirectly, through trade and commerce (Sen 2009: 129f.). A trade agreement like the currently discussed TTIP (Transatlantic Trade and Investment Partnership) between the United States and the European Union can have tremendous consequences in other parts of the world. An example: if United States cotton farmers will be advantaged by TTIP, Burkina Faso’s cotton farmers economic survival will be threatened (Forum Fairer Handel 2014a). The interdependence of interests leads to the fact that decisions made by one country have consequences for people in the whole world (Sen 2009: 402).

Follesdal and Pogge describe that the new philosophical framework of global justice makes that interconnectedness visible. The old framework of intra- and international justice gave responsibility to institutions in the society and for harms this institutions may cause internationally. The government’s responsibility was to comply with international laws and conventions. In the new philosophic framework, the global institutional order, that affects people directly and indirectly, enters the discussion. The interconnectedness among people all over the world is made visible. (Follesdal/Pogge 2005: 6f.) Lives, and therefore peoples’ freedom, opportunities and capabilities are affected by the actions taken by international as well as national institutions (Sen 2009: 403). Pogge states about the philosophical discussion on moral obligations and interconnectedness:

“As it is, the moral debate is largely focused on the extent to which affluent societies and persons have obligations to help others worse off than themselves. Some deny all such obligations, others claim them to be quite demanding. Both sides easily take for granted that it is as potential helpers that we are morally related to the starving abroad. This is true, of course. But the debate ignores that we are also and more significantly related to them as supporters of, and beneficiaries from, a global institutional order that substantially contributes to their destitution.” (Pogge 2002: 117)
Sen takes both of these aspects into account. He claims that people’s obligations are very relevant to the discussion of global justice (see point one above), but, at the same time, he does not ignore the global interconnectedness and the consequences the global institutional order has on people all over the world.

### 3.3.3 Listening to all kinds of voices

The third reason, why justice discussed and viewed in a national context is not satisfactory, is, how Sen calls it, parochialism. This refers to a certain kind of narrow-mindedness people quite naturally have; a tunnel vision that leads people through their lives and that is shaped by their environment. One could say, parochialism is the fact that people are stuck in their own view of the world, that got shaped by their environment, experiences, education, culture, and all of their identities. Overcoming parochialism is necessary, and cannot be done sufficiently in a national context alone. Different viewpoints from all over the world are necessary for discussing (in)justice.

Closed Impartiality is suffering from parochialism, while Open Impartiality permits voices to be heard. To give room to voices is very important and helps for a fuller and fairer understanding of justice issues, Sen claims. (Sen 2009: 131) Closed Impartiality on the other hand leads to a “trap of parochialism” (Sen 2009: 403). The risk involved is that voices and challenging counter arguments, that would enrich the discussion, are not coming up in a local or national context (Sen 2009: 403, 406). But a wide range of interpretations as well as inputs is very important. A person’s voice matters not only because her/his own interest is at stake, but also because her/his reasoning, judgment and arguments can give a benefit to the discussion. The voices, that are heard, do not necessarily need to be involved in the issue or affected by the outcome of the discussion. (Sen 2009: 108)

Closed Impartiality suffers from specific issues. The first issue is “exclusionary neglect”. Following the interconnectedness-argument, voices of people, that are affected by decisions, cannot be excluded from that decision making process. The second issue is “Inclusionary Incoherence”. The decisions a group makes can influence the size of the group. Defining the exact size of a group, that is involved in
decisions, becomes therefore impossible. The third issue is “Procedural Parochialism”. Closed Impartiality is not capable of addressing limitations such as prejudices in their own group. (Sen 2009: 138f.)

Voices, that are heard, are not necessarily releasing a complete estimation of how (un)just a situation is. Open Impartiality cannot solve every problem. (Sen 2009: 131) Also, arguments can be rejected; they do not need to be agreed on, (Sen 2009: 407) because the voices from outside the neighborhood should not be seen as judges, but as being less prejudiced compared to those that are directly involved in the issue (Sen 2009: 131).

“Voices that can make a difference come from several sources, including global institutions as well as less formal communications and exchanges. These articulations are not, of course, perfect for the purpose of global arguments, but they do exist and actually operate with some effectiveness, and they can be made more effective through supporting the institutions that help the dissemination of information and enhance the opportunities for discussions across borders. The plurality of sources enriches the reach of global democracy seen in this light.” (Sen 2009: 408)

Sen emphasizes that voices of all kinds of people, also of those that are marginalized and vulnerable, matter in the discussion of how to identify and then fight severe injustice (Sen 2009: 348). Not only is freedom of people deepened by giving a voice to them, but their different points of view also enrich the discussion and enable Open Impartiality.

Grugel and Uhlin also insist that global governance can only fight injustice, if a more extreme vision about the means of justice is found and voices, that were marginalized in the past, are heard in decision-making processes (Grugel/Uhlin 2012: 1703, 1714). In Sen’s language, this is clearly a pleading for Open Impartiality.

Sen’s insistence on listening to voices of all kinds of people is interpreted by Neuhäuser as a rejection of the currently popular trend of expertocracy. Experts can certainly also be caught in the “parochialism trap” and can therefore not alone guarantee Open Impartiality. (Neuhäuser 2013: 105) An example: In foreign aid in the discourse in the last years, experts have seemed to be from particular importance. Lepenies criticizes the “institutionalized know-it-all48”, which

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has led to little success in development cooperation for the fact that a one-sided knowledge transfer did more harm than good (see: Lepenies 2009). In the particular case of foreign aid, more Open Impartiality and listening to the voices of marginalized and vulnerable people would make new points of view visible and might change the approach of fighting global poverty, leading to more positive outcomes.

In many cases, Open Impartiality is far from being achieved. But there is hope.

What needs to be done?

“In today’s world, global dialogue, which is vitally important for global justice, comes not only through institutions like the United Nations or the WTO, but much more broadly through the media, through political agitation, through the committed work of citizens’ organizations and many NGOs, and through social work that draws not only on national identities but also on other commonalities, like trade union movements, cooperative operations, human rights campaigns or feminist activities. The cause of open impartiality is not entirely neglected in the contemporary world.” (Sen 2009: 151)

Summarized, the third reason, why justice must be a global issue, is the need for listening to all kinds of voices and avoiding all kinds of discriminations based on gender, skin color, expertise, nationality and others. The need to listen to different voices, which were affected by a different history as well as geography in the world, is emphasized.
4 FAIRTRADE AS A JUSTICE INITIATIVE

The following chapters, constituting the analytical part of this thesis, are connecting Fairtrade and the challenges it faces when trying to achieve more justice in trade with Amartya Sen’s “The Idea of Justice”. Fairtrade is often associated with solidarity and benevolence, with “doing something good”. Many even associate purchasing a Fairtrade product with a donation to charity. Fairtrade is among others categorized as ethical consumerism, poverty reduction, and an initiative for development (see Walton 2010). In the following chapters, it is explained why Fairtrade should, above all these categorizations, be supported because it sets small steps towards more global justice in trade. In how far this is achieved, will be also discussed in the following chapters. Therefore, the tools Amartya Sen outlines in his theory (Comparing, Plural Grounding, Objective Public Reasoning and the global scale of justice) will be given attention in relation to Fairtrade. Different criticism and challenges Fairtrade faces will be examined.

4.1 FAIRTRADE BY COMPARING

On the Fairtrade International website one can read: “Fairtrade’s vision is a world in which all producers can enjoy secure and sustainable livelihoods, fulfill their potential and decide on their future.” (Fairtrade International n.y. c) In the last decades, since the fair trade movement was born and also since Fairtrade was founded, unarguably only small steps have been made to reach this long-term goal. Fairtrade is far away from ultimate trade justice for all producers and workers in the Global South. It still reaches only 1.5 million smallholder farmers and workers (Fairtrade International 2015)\(^{49}\) – and even those often do not benefit sufficiently.\(^{50}\)

\(^{49}\) To compare: in total, there are estimated 450 million waged agricultural workers; the total worldwide workforce in agriculture is 1.1 billion – Fairtrade therefore only reaches out to a very small group of people. (ILO/FAO/IUF 2007: 32)

\(^{50}\) See chapter 3.2.1.
The core of Sen’s theory is that one should fight for justice by comparing, and the priority shall be the removing of manifest injustice in the world of today. The fair trade movement started years ago, because it identified a manifest injustice in the world: commodity trade between the Global North and South.

Sen states that you do not need to know, how perfect justice looks like, to choose between two alternatives A and B (Sen 2009: 15f., 98f.). It can be stated without doubt that there might be many ideas out there on how to make world trade perfectly just, but there is a lack of consensus on the issue and current power relations between nation states and regions make complete justice in trade in the near future (and it is safe to say also in the next decades) unreachable. But according to Sen, society does not need to be aware of how to arrange perfectly just world trade. And, to spin the argument further: Even if knowledge of how to arrange a perfectly just trade system exists, it would not help society to decide, if the Fairtrade system was more just than the conventional trade system. If it can be agreed upon, that Fairtrade farmers and workers are better off than farmers and workers participating in conventional trade, the case for supporting Fairtrade for a more just world is made. It is agreed by most research\textsuperscript{51} that Fairtrade does make a difference to farmers and workers, even if those benefits are often not outreaching enough. Still, there is a consensus that Fairtrade is “one of the most successful private regulatory initiatives involved in the promotion of more sustainable production and consumption.” (Smith/Van der Hoff 2012: 315)

Singer and Mason state that the protection of human rights and the promotion of welfare alone are a sufficient reason to support Fairtrade, even if the right long-term goals might not be endorsed (Singer/Mason 2006: 161f. quoted by Walton 2010: 442). They declare, “it is a mistake to think that because a proposal cannot solve a very big problem [for instance to achieve severe changes in trade policies or make transnational corporations less powerful] it cannot do any good at all” (Singer/Mason 2006: 165 quoted by Walton 2010: 442). Walton emphasizes that “imperfection should not be misconstrued as worthlessness.” (Walton 2010: 442) This can be translated as follows: Even if society is not aware of how to arrange perfectly just trade, small steps in the right direction are steps towards more justice and should therefore be supported. Sen is outlining the importance of these

\textsuperscript{51} See chapter 2.2.1.
small steps in the right direction, when he calls for an “accomplishment-based understanding of justice” (Sen 2009: 18).

Further, Sen is emphasizing to put peoples lives, rather than institutions, at the core and for fighting injustice, a hands-on approach is needed. A lot of research agrees that Fairtrade is doing just that:

“[Fairtrade] proposes an alternative way to trade by establishing a series of principles at the base of commercial relations. Relationships are no longer a question of compromises reached through economic agents who are looking to justify a certain marginal utility, but rather a question of people who are anchored in specific societies and who, through commercial transactions, seek to establish a real relationship of solidarity.” (Gendron/Bisaillon/Otero Rance 2009: 67)

Many argue that this focus on the people has led to the movement’s success. The combination of visionary goals and practical engagements has made Fairtrade popular. Raynolds and Murray describe it as “a practical guide for converting trade justice into practice.” (Raynolds/Murray 2007: 232) “The Idea of Justice” and Fairtrade therefore have a very pragmatic approach in common.

All these considerations plead for a nyaya understanding of justice in Fairtrade. It is what makes it a hands-on approach, putting people’s lives first. A good institutional structure and composition alone is not enough to enhance justice in trade. A more “comprehensive concept of realized justice” (Sen 2009: 20) is necessary.

“Looking at Fair Trade justice with nyaya means understanding peoples’ lives and how trade mixes through them. It includes the lives of business owners and consumers, institutional directors, political leaders, and producers; everyone touched by trade. A nyaya view of Fair Trade justice focuses on broad, interconnected, complex relationships.” (Stenn 2013b: 9)

Different stakeholders and bodies in the Fairtrade system interpret fair trade differently. An example is that some NFOs give more importance and resources to strengthening civil society, campaigning and political advocacy than others, which focus merely on their relationship with commercial partners and increasing sales by certifying products. It is the part of a nyaya understanding of justice, that these different understandings are heard, analyzed and given importance to.

The niti understanding of justice in the case of Fairtrade focuses on the composition and structure of the Fairtrade institutions: its standards, bodies, regulations, rules and norms. Stenn identifies Fairtrade as a “dual model” (Stenn 2013a: 491): She argues that both niti and nyaya are important, when analyzing the potential
of Fairtrade as a justice initiative. Apart from identifying this duality, Stenn also defines Fairtrade as an “institutional model of justice” (Stenn 2013a: 489): “At a time of growing inequality and unfairness, an institutional model of justice seems unlikely, yet one exists and is growing strong.” (Stenn 2013a: 489)

Stenn further argues that fair trade can be identified as a transcendental institution (Stenn 2013a: 494), which has the potential to ensure justice for the producers in the Global South:

“It could be argued that fair trade is a transcendental institution; it takes a unique approach to justice, creates guidelines – such as transparency, training, access to credit, fair wages, and safe working conditions – that ensure justice is served to producers and their communities. Fair trade does not try to improve justice or offer more justice than another institution; rather it uniquely defines and addresses it completely.” (Stenn 2013a: 494)

While it can be agreed upon the fact that Fairtrade does take a unique approach to justice, creates unique guidelines and ensures (more – not complete) justice for producers, it needs to be pointed out that Stenn is favoring transcendental institutions (and therefore a niti understanding), which Sen is rejecting for its redundancy and infeasibility (Sen 2009: 15f., 98f.). While Stenn argues that Fairtrade is ensuring total justice, in the paragraphs above it has been argued that Fairtrade is “only a more just alternative” to unjust world trade.

Walton published a paper called “What is Fair Trade?” in 2010, where he outlines existing conceptualizations of fair trade. He identifies two in this regard important conceptualizations: the complete ideal account and the interim account. (Walton 2010)

The complete ideal account is arguing that Fairtrade is employing “ideal trade arrangements” (Walton 2010: 434). The assumption is that markets must be structured in a specific way to achieve trade justice. Fairtrade ensures this specific, just structure. Therefore, fair trade is perfect market justice. (Walton 2010: 434f.) Stenn’s view of Fairtrade can be assigned to this account.

By contrast, the interim account categorizes “Fair Trade [as] a temporary measure designed as a second-best proxy in the absence of the wider implementation

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52 Stenn’s argument, that Fairtrade is a dual model, (where niti and nyaya are important) can be identified as a limitation/critique of Sen’s theory. The opposition between Transcendentalism and fighting injustice in the current world needs to be called into question. See chapter 5.1.

53 The redundancy argument is explained in chapter 2.1.1., the infeasibility argument in chapter 2.1.2.
of justice at the global level.” (Walton 2010: 434) We live in a world, which is not ideal. Fairtrade is the better option for producers, even though it cannot offer them complete justice either. What it does provide is “a form of justice-emulation or justice-promotion in the absence of justice being institutionalized at the global level.” (Walton 2010: 434) In this account, Fairtrade is conceptualized as an interim corrective.

Chandler identifies three main contributions of fair trade to global justice: First, it has a positive impact on producers directly involved in fair trade. Second, it gives consumers the opportunity to exercise a moral choice in their daily consumption preferences. Third, fair trade is an effective critique of unsustainable business practices. Despite these three great contributions, Chandler follows that fair trade cannot offer total global market justice. (Chandler 2006: 256) Walton himself is also in favor of the interim account:

“There is […] good reason to conceptualise Fair Trade as an attempt to establish interim global market justice in a non-ideal world: it can explain the market-critical stance of Fair Trade and provides an account of the assistance it offers producers, consistent both with the empirical realities of the project in practice and with the rhetoric of its actors.” (Walton 2010: 435)

This analysis of fair trade through Amartya Sen’s “The Idea of Justice” is suiting very well into the interim account. As already argued in the paragraphs above, Fairtrade does try to offer more justice than conventional trade. But the complete ideal account, just as Stenn’s definition of Fairtrade being a transcendental institution and a focus on a niti-justice understanding of Fairtrade, needs to be rejected – Fairtrade cannot offer perfect justice. Harriet Lamb, CEO of Fairtrade International, is emphasizing Fairtrade’s focus on people’s lives and the hands-on approach, and is well aware, that Fairtrade cannot offer perfect (market) justice to its producers:

“I don’t think we would claim for one minute to have all the answers of how do you make all trade fair. What rules do you have for trade at a global level, or what rules should governments have to support smallholders, or to support workers. It is in a constant process of debate and dialogue and struggling to find the right answers in each situation, and I think that is also why I love Fairtrade: It is not about a theory, it is not about an academic theory, of somebody writing policy, it is about day to day work you are doing in trade.” (Lamb 2014a)
Therefore, it can be argued that Harriet Lamb shares a *nyāya* understanding of Fairtrade and justice and would agree with Sen that justice should be fought for by comparing. In the foreword of a book by Francisco Van der Hoff Boersma, co-founder of Fairtrade\(^{54}\), she also emphasizes the need to put people and justice first. She writes:

“[…] and we have found success – to the cynics’ ever-lasting surprise – because we put people and justice first. Obviously, Fairtrade is not the answer to all the world’s problems. And we know painfully well that we are just at the very start of a long and difficult journey. But Fairtrade does contain the seeds of wider, far-reaching change.” (Lamb 2014b: ix)

If it can be agreed upon, that what Fairtrade offers is more (instead of perfect) trade justice for farmers and workers in the Global South, it is interesting to look at Fairtrade’s communication and marketing strategy – is that fact reflected in Fairtrade’s external communication? The critique, that Fairtrade is overclaiming its impact, has received some attention in the media lately. The German newspaper “Die Zeit” stated: “To eat [Fairtrade] biscuits will not change the world.”\(^{55}\) (Rohwetter 2014) Slogans like “The Power is in Your Hands” or “Change the World on Your Coffee Break” can be misleading and raise people’s expectations about what Fairtrade can achieve beyond the feasible. Harriet Lamb about eventual overclaiming the Fairtrade impact in the past:

“I think the genius in the early days towards 20 years ago was to take these incredibly complex issues of global trade and make them so so bold, that we reached out to the whole public. And we reached out to an emotional connection; we engaged and inspired people throughout the world to become behind Fairtrade. It was genius. […] However, in doing that, I hope we never overclaimed, but certainly by simplifying things so dramatically, we raised people’s expectations beyond reality. We all knew of course how complex reality is. We all know, that of course by buying a Fairtrade biscuit you can’t change the world, we know, that [identifying] the root causes of poverty and sustainable development is the work of decades and indeed centuries. […] So, of course this is going to take a long time, and its not at the minute a co-op starts selling their cocoa on Fairtrade terms, that roses spring from the garden and the children skip

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\(^{54}\) Francesco Van der Hoff Boersma, (his European name is Frans Van der Hoff), is founder of the UCIRI coffee cooperative in Mexico and has co-founded MaxHavelaar in 1988. Van der Hoff is a very influential and at the same time critical figure in the Fairtrade movement. For his profile see: Stenn 2013b: 13f.

\(^{55}\) Originally in German: “Kekse zu essen wird die Welt nicht retten.” Unofficial self-translation.
The trend to more sustainability and awareness on global issues has made the people more informed, but also more skeptical: The Fairtrade system is exposed to more scrutiny. The communication of the complexity and challenges Fairtrade faces is therefore crucially important for the future of the movement.

After highlighting the importance for Fairtrade to define justice as Comparing, and the need for a nyaya understanding of justice, because Fairtrade can be understood as “an attempt to establish interim global market justice in a non-ideal world” (Walton 2010: 431) and small steps are making the difference, one might ask: How do those small steps look like? Which accomplishment should Fairtrade focus on to make trade more just and to ultimately contribute to a more just world? At which level (trade politics, companies, consumers, farmers, workers…) can change be achieved? Is a complete change of the currently not working (capitalist) system an ultimate goal? Just as Amartya Sen empathized, there is more than one way to fight against severe injustice in today’s world.

### 4.2 More than One Way to Trade Justice

There is a plurality of competing reasons, why trade is unjust, and - going a step further - also on how to turn this fact around. Before discussing in detail in how far there is more than one way to reach more trade justice through Fairtrade, it needs to be at least mentioned that Fairtrade is only one way to reach more trade justice in general. An external comparison to other initiatives is a crucially important point to consider:

“Alternatively, does the defence of Fair Trade rest on more consequentialist considerations, such as its success in reducing poverty? If so, can it be shown that it is better at promoting a more just world than, for example, greater levels of corporate social responsibility from transnational companies, the money invested in development by corporate philanthropy, conditionality agreements placed on foreign direct investment, or even simply more donations to charity?”
(Walton 2010: 443)
The concept of Fairtrade faces critique and rejection from two politically motivated directions. These claim that Fairtrade might not be the best way to achieve more trade justice:

1) Free trade supporters argue that Fairtrade is hindering the functioning of the “invisible hand”, which is supposed to navigate the free market. It is argued that Fairtrade standards, especially the monetary benefits, are creating an imbalance to supply and demand (see Walton 2010: 441). In the case of coffee, Lindsey describes Fairtrade as a “well meaning dead end” (Lindsey 2004: 6): “Although [Fairtrade] does help a few lucky farmers, the fair trade campaign could end up inadvertently harming many others.” (Lindsey 2004: 7) Low coffee prices are a market signal that coffee supply is higher than demand. If one did not pay higher prices to coffee farmers (as it is the case in Fairtrade), they would likely look for an alternative source of livelihood, the supply-demand balance would be recreated and coffee prices would rise. The “invisible hand” should solve the issue.56

2) Coming from the complete opposite direction, Marxists are criticizing Fairtrade as well: a just market is impossible to create, because markets are a central element in capitalism – and capitalism can never lead to justice. Exploitation and power-imbances need to be broken down for creating real change. (see Fridell 2006: 20ff.) Fairtrade is incapable of doing that. It is stuck inside capitalist power relationships.

Even though these two radical rejections of Fairtrade exist, most evaluations do state that Fairtrade is an effective option when fighting for more justice in trade. Still, there is no agreement on HOW exactly Fairtrade should fight injustice. And this is where Plural Grounding enters the debate.

Regarding the people’s backgrounds, their political attitude, their values and different identities, they evaluate an unjust situation differently and give preference to different small steps towards more global justice. Becchetti and Huybrechts identify Fairtrade as a “mixed form-market” (Becchetti/Huybrechts 2008: 733), which is a market in which many different types of players coexist and compete.

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56 Harriet Lamb outlines a set of arguments against this free trade opposition to Fairtrade: „Debating with such [free trade] critics, I’ve struggled to stay calm while explaining that their world of theoretical "perfect" markets is divorced from the realities of the powerless and ignores the human and environmental costs. Perfect markets in textbook economics depend on access to perfect information, finance and a range of resources all in short supply among disadvantaged farmers.” (Lamb 2008: 105)
The most visible are non-profit organizations, cooperatives, plantations and a big variety of businesses (from one-man businesses to transnational corporations). Through Fairtrade, an extreme and unusual variety of different “identities” is dealing with each other, and each stakeholder identifies different steps that, in their view, can lead to more global justice in trade.

Many differences among stakeholders in the Fairtrade movement lead to tensions regarding how more trade justice should be achieved. Many authors have discussed these tensions. Gendron, Bisaillon und Otero Rance identify tensions between the initial perspective of the movement to be “radical and militant” and the second one being “softer and more commercial” (Gendron/Bisaillon/Otero Rance 2009: 64). Tallontire argues that the stakeholders come from two differently functioning groups – the “business camp” and the “development camp” – which are responsible for these tensions (Tallontire 2002: 12). Fairtrade organizations as well as the academic world are well aware of these tensions, which have existed at least since the Fairtrade mark was created and Fairtrade products were starting to be sold not only through alternative channels, but also in supermarkets. Gendron, Bisaillon and Otero Rance follow that this “institutionalization” of the movement led to many being worried that the transformative potential of Fairtrade could be weakened, because the institutionalization mainly took place economically, even though it should have taken place (more) politically (Gendron/Bisaillon/Otero Rance 2009: 64). The tensions between these two pillars or viewpoints in and about the movement will be given attention in the following sections.

4.2.1 ONE WAY: INSIDE CAPITALISM – A DOWN-TO-EARTH APPROACH

Proponents of the down-to-earth approach recognize Fairtrade as an instrument of correction for “bad side effects” of capitalism. Fairtrade’s task is therefore to give capitalism a more human face. In this approach, Fairtrade is a mechanism working inside capitalism, rather than against it. The focus on economics, rather than politics, is seen as the primary task of Fairtrade.
The FINE-definition of fair trade\textsuperscript{57} outlines that the movement “seeks greater equity \textit{in} international trade” and “better [not alternative] trading conditions.” (Walton 2010: 441) One can conclude that by the above mentioned definition, fair trade is assigning itself to a down-to-earth approach, because it is operating \textit{in} international trade, not \textit{against} it.

There is a widely spread agreement in the Fairtrade movement: if Fairtrade wants to be successful, it needs to focus on raising volumes (Gendron/Bisaillon/Otero Rance 2009: 64). As the transnational corporations are the biggest chance for Fairtrade to rapidly raise its volumes, cooperation with them is embraced.

“And I think for us it is absolutely critical that if we want to have a big impact on poverty to work with big companies, and that has always been our ambition: To take Fairtrade to the mainstream. So I think it is critical that we work with companies that can give us that kind of scale.” (Lamb 2014a)

The fact, that transnational corporations business practices often harm farmers, workers and the environment, is not enough as reason for opposing collaboration. Small steps towards more trade justice by transnational corporations are welcomed. Critical voices oppose this step; they argue that many companies use Fairtrade just to “green wash” their image.

When discussing the question, if Fairtrade should collaborate with transnational corporations, one needs to take the following into account: Imagine a coffee cooperative in Colombia. It has been Fairtrade certified for a while, but can only sell a very small percentage of its harvest under Fairtrade conditions. The cooperative gets the offer to sell all their harvest under Fairtrade conditions to a transnational company. It is most likely that the farmers will happily accept the offer. Also, a step towards more justice has been made, as the cooperative will (at least in the short-term) benefit from a much higher Fairtrade premium and other benefits than before the corporation with the multinational.

Many of Fairtrade’s structural decisions are led by these thoughts - a very pragmatic approach. The approach creates fast(er) change for farmers and workers in the Global South and is based on “a market logic and economic empowerment” (Tallontire/Nelson 2013: 44). But there is fear that these advantages are just short-term benefits and may not lead to structural change.

\textsuperscript{57} See chapter 3.1.
“There is a risk that pragmatic approaches, which emphasise economic empowerment over and above political empowerment, may introduce a “lock-in” such that once some immediate material benefits have been realised, there are few opportunities to develop socially and institutionally as dependencies are institutionalised to be able to challenge the terms of trading and position in value chains more fundamentally.” (Tallontire/Nelson 2013: 44)

4.2.2 Another Way: Against Capitalism – A Vision-for-change Approach

The opponents of this (quite) idealistic approach claim that for achieving the long-term vision of justice in trade, political change is necessary and shall be prioritized over increasing sales. They interpret Fairtrade as a tool to modify the neoliberal economic model, to transform the economy and to make fair trade for all a reality. The supporters of this approach declare (similarly to the Marxist perception explained above – but not opposing Fairtrade) that capitalism cannot ensure fair trade for all; instead, a complete change of the system is necessary. Fairtrade’s purpose is to achieve that change. Instead of understanding of development, that focuses on “market logic and economic empowerment”, development is primarily understood as “emphasizing rights and voice” (Tallontire/Nelson 2013: 44).

“A key aspect of the politicizing narrative in fair trade debates and documents is the importance placed on building collective assets and capabilities to challenge inequitable political and social structures, which is as important as building individual farmer capabilities.” (Tallontire/Nelson 2013: 39)

Supporters of the approach fear that Fairtrade leads to reproducing structural inequalities, instead of breaking them up (Tallontire 2009: 1004). Cooperation with transnational companies and other “large distribution channels is contrary to the principles and the alternative ideology of fair trade.” (Gendron/Bisaillon/Otero Rance 2009: 70) Therefore, Fairtrade should not collaborate with transnational corporations. But it is important to consider that if Fairtrade opposed to work with transnational corporations because ethically and politically those companies do more harm than good, this step would exclude many farmers and workers from benefiting from Fairtrade. Therefore, this ap-
proach is more inclusive. It identifies Fairtrade’s priority in focusing on achieving the political long-term vision, rather than short-term changes and fast economic benefits for farmers and workers in the Global South.

**4.2.3 STEP BY STEP – WITH PLURAL GROUNDING TOWARDS THE GOAL**

A strict division between the down-to-earth approach and the vision-for-change approach is not feasible in practice. Instead, these two approaches illustrate two radical ends along a continuum. Everything in-between the two radical ends exists in the fair trade movement as well as in Fairtrade.

“[…] these visions are both too extreme and one sided. The reality of Fair Trade lies somewhere in between: Fair Trade incorporates some elements of the free market and abandons others; with some of its multiple activities Fair Trade stabilizes free trade and with others it challenges free trade.” (Schmelzer 2006: 15)

In practice, this tightrope walk is always going to exist in the movement. “Balancing this double process of institutionalization [economically and politically] certainly represents the greatest current challenge of the fair trade movement” (Gendron/Bisaillon/Otero Rance 2009: 75). This challenge is certainly of very big scale, because there is a huge conflict potential given when actions are taken into consideration without critically examining both economic and political outcomes. Decisions made pragmatically can hurt the long-term-vision of the movement – and the other way around. Consider these examples:

1) A brand, that is owned by a transnational corporation, starts to certify a small range of their coffee sold. Even though the small range only accounts for a few percent of all their coffee sales quantity, comparing to small companies, those are still huge quantities that will benefit hundreds, maybe thousands of Fairtrade coffee farmers. At the same time, the Austrian civil society is claiming that other brands of the transnational corporation are violating human rights and organizes a campaign, which emphasizes the need for the transnational to stop its business practices, invoices consumers to boycott the corporation and to stop consuming its products and generally requests more justice in trade. Fairtrade is

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58 For instance: Nescafé, the coffee brand, is owned by Nestlé, the transnational corporation.
now in a difficult position: on one hand, it supports the campaign and wants to speak up to advocate for more justice in trade together with the civil society it gains support from. On the other hand, the coffee brand will pressure Fairtrade for publicly supporting the commitment to Fairtrade. Civil society will expect Fairtrade to take a stand in the campaign, and feels that only certifying a small percentage of the brands coffee is just a CSR-strategy for greenwashing the company’s image. Fairtrade’s reputation and credibility is at stake, a middle way needs to be found.

2) The supermarkets’ power in Europe has increased tremendously in the last decades. They have gained much influence in agricultural supply chains and are to an increasing degree responsible for the pricing pressures farmers have to deal with (see: BASIC 2014). Advocating against the supermarket’s power (a problem that needs to be addressed, if one wants to fight severe injustice in global trade) is a very delicate issue: If the advocacy is harming supermarkets, they may decide to banish Fairtrade products from their shelves, because they do not feel that Fairtrade is supporting their commitment. The consequence will be that many Fairtrade farmers will not be able to sell their products to Fairtrade terms anymore.

These two examples make apparent, why the movement is so challenged by the two radical ends of being down-to-earth on one hand and also having in mind a political long-term vision on the other hand. Both approaches claim to be fair and to fight severe injustice in trade, but there might not always exist a “single right way”. The different people involved in Fairtrade reason differently and would rank themselves on different spots along the continuum between the two extreme approaches. Depending on their political attitude, their background, and in practice also if they are part of the “business” or the “development” camp, they evaluate the situation differently and judge differently, how Fairtrade should lead to change. Just as in Amartya Sen’s example of three children, that all have a good reason to deserve the flute the most (Sen 2009: 13ff.), a rating, which approach is more just, is not possible. Instead, Fairtrade needs to look (and is frequently looking) for partial solutions.

“Fair Trade, then, represents not a challenge to the existence of the market itself, but rather to how markets are constructed and administered, how they deliver and apportion economic benefit to participants. This is not to suggest, however,
that participants in fair trade movements lack a radical vision of market restructuring to achieve greater social justice.” (Jaffee/Kloppenburg/Monroy 2004: 192)

For Sen, the key when looking for partial solutions is Objective Public Reasoning in a democratic setting. In the next chapter, it will be therefore evaluated, in how far Fairtrade is initiating and achieving constant public debate.

4.3 Trade Justice by Objective Public Reasoning and Public Debate

Outrage and emotion are important to identify and fight injustice. Outrage about unfair trading practices was an important factor when fair trade was founded, and it surely still motivates volunteers, consumers and all involved in the movement to plead for more justice in trade. But while outrage and emotion are important to identify severe injustice, when fighting this injustice and comparing between (un)just alternatives, Sen is convinced that Objective Public Reasoning is the key instrument. In how far does Objective Public Reasoning take place in Fairtrade? And in how far is impartiality given?

There is a (public) discussion about Fairtrade from two points of view, the outside (independent studies, other fair trade organizations, media, other development organizations…) and the inside (monitoring and evaluation unit at Fairtrade International59, communication among all Fairtrade bodies…) taking place. Further, the inside and the outside are interacting and communicating as well: through their external communications, dialogue, events, campaigns, meetings and many more.

Objective Public Reasoning is especially important regarding various critiques Fairtrade faces. The currently debated critique on mass balance will be discussed in the following paragraphs:

What is mass balance? Mass balance is a tool Fairtrade uses, when a product’s physical traceability is not feasible. This can apply only to cocoa, cane sugar, orange juice and tea. The processor or manufactory (for instance, where cane sugar

farmers bring their harvest for graining) is allowed to mix Fairtrade ingredients with conventional ones, providing that the equivalent quantity of Fairtrade ingredients, that was processed by the site, is also sold as Fairtrade\(^{60}\) (= mass balance). A detailed documentation controlled by FLOCERT makes sure that the equivalent quantity is traded and that producers benefit from the Fairtrade standards (Fairtrade International: 2011c: 7). The justification means that there is a need for fast processing (sugar, oranges) and that Fairtrade amounts are too small and therefore separation in processing is not affordable. Without mass balance, many producers would be excluded from the Fairtrade system. (Fairtrade Austria n.y.) The German newspapers *Die Zeit* and *Der Spiegel* criticized mass balance in 2014. *Der Spiegel* wrote: “The consequences [of mass balance] for the consumer are grotesque: What is labeled Fairtrade, does not even need to contain Fairtrade.\(^{61}\)” (Klawitter 2014: 69) Not only media but also other fair trade organizations are skeptical and partly reject mass balance. They fear loss of customer trust and loosening of Fairtrade standards. More should be done to ensure physical traceability for all Fairtrade products\(^{62}\). (see Gala/Uken 2014, Forum Fairer Handel 2014b)

The media coverage of the issue has caused outrage and emotion. Many customers felt betrayed and misinformed: they were not aware of the fact, that the product they hold in their hands might not be directly traceable to a Fairtrade producer. The link that Fairtrade creates between customers and producers suddenly did not feel “real” anymore. Many consumers also seem to choose Fairtrade products because of ecological standards. They assume that Fairtrade products are healthier than conventional ones. This is misleading, because ecological standards are made for the producers’ well-being and protection, but in no way guarantee a healthier product in the supermarket shelves.\(^{63}\)

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\(^{60}\) The ingredients that are mixed need to be from the same kind and quality – if an operator is selling Fairtrade chocolate made with high quality cocoa, the Fairtrade chocolate purchased can not be low quality beans; green Fairtrade tea sold cannot be purchased as black tea, an organic product sold needs to be a purchased product that is also organic. (Fairtrade International 2011c: 9)


\(^{62}\) It seems to be forgotten in the debate that mass balance has existed from the beginning, it is not a new instrument, but only now people seem to start getting aware about its existence.

\(^{63}\) Exception: when also holding an organic certification.
Fairtrade has reacted by increasing open communication and awareness raising of mass balance and the difficulties in the process of realizing direct traceability. In the future, Fairtrade products packaging will contain a reference to mass balance. In the long run, direct traceability is the goal. The Fairtrade sugar cooperative Manduvira64 in Paraguay is a great example: they managed to build a producer-owned sugar mill. The creation of value stays with the producers and direct traceability of sugar is becoming possible. (Fairtrade International 2014c)

In how far is impartiality given and Objective Public Reasoning happening in the debate concerning mass balance? The media has managed to put the issue on the agenda. The outrage it created should “be used to motivate, rather than to replace, reasoning.” (Sen 2009: 389) But there has been little Objective Reasoning in the media: little investigation has lead to misleading formulations and sometimes even erroneous ascertainments. For deciding how to deal with mass balance, a public debate through Objective Public Reasoning needs to be held. With Plural Grounding, the more just alternatives can be discussed. “We have to go through doubts, questions, arguments and scrutiny to move towards conclusions about whether and how justice can be advanced.” (Sen 2009: 389) Reasoning and critical testing of all arguments is needed, because “discussionless justice” does not exist. And, most importantly: Objective Public Reasoning (about mass balance, but also any other questions around Fairtrade) needs to be discussed on a global scale.

4.4 TRADE JUSTICE FOR ALL - THE GLOBAL SCALE

Sen argues in his „The Idea of Justice” that all the instruments discussed above (Comparing, Plural Grounding, Objective Public Reasoning) need to be happening on a global scale, rather than only inside of a framework of nation states (Sen 2009: 140). How does Fairtrade contribute to more global justice? Disadvantaged and often exploited farmers and workers in the Global South benefit, at least to some extent, from participating in Fairtrade. Their capabilities and freedom are enlarged because of income and non-income benefits. Many case

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study results\textsuperscript{65} outline that the actual opportunities a farmer/worker has, are enlarged by Fairtrade certification. Sen suggests that it is those actual opportunities, that should be put at the core when evaluating the well-being of the individuals (Sen 2009: 253). The enlargement of opportunities, freedom and capabilities of underprivileged and disadvantaged farmers and workers in the world we live in is Fairtrade’s primary contribution to (global) justice.

But Fairtrade does not only contribute to justice by improving the livelihood of farmers and workers, it also contributes to identifying global justice as an important issue, because the fair trade movement managed to create links between the Global North and South, between core and periphery (for instance: Raynolds 2002, Jaffee/Kloppenburg/Monroy 2004: 171). Those links between northern consumers and southern producers lead to certain advantages. In the early years of Fairtrade (and obviously also before Fairtrade even existed), the lack of information disabled consumers to make rational choices about the products they chose in the supermarkets:

“Consumers were not aware of how little producers received for their product (and how much corporations made). They did not know of all these adverse social and environmental effects that were occurring due to neo-liberal trade reforms. Consumers were not making rational choices because they did not have the information to make rational choices. There was, as some would say, a “veil” between consumption and production which did not allow consumers to understand the real impact of their consumption choices.” (Van der Hoff Boersma 2008: 55)

Fairtrade therefore opened up an alternative to the reductionist view of the consumer acting as a homo economicus alone (Becchetti/Huybrechts 2008: 746). Many authors define this as the most relevant and influential success of the Fairtrade movement. Hudson and Hudson even claim that Fairtrade managed to challenge commodity fetishism. People do not relate to the characteristics of the final product alone anymore, but also to the labor that created the commodity; to the “history of origin” that the commodity has. Rather than the final product’s characteristics (such as price, packaging, lifestyle association etc.), social relationships among people and how the product ended up in the supermarket

\textsuperscript{65} See chapter 2.2.1.
shelves (for instance social and environmental concerns) get relevant. (see Hudson/Hudson 2003)

Further, a voluntary redistribution of the world’s wealth and the knowledge transfer from the Global North to the Global South, for instance in regard to productivity or environmental concerns, that can help producers to be successful and settle on other markets, as well as the varied connections of different people involved in the Fairtrade network are positive impacts (Bailly/Poos 2010: 7). Through the established links between consumers and producers, a step is made towards Open Impartiality. The “neighborhoods” of many people has got enlarged since Fairtrade started, because consumers could better relate to the realities of producers in the Global South.

Fairtrade therefore helped to put global justice on the top of the agenda and to discuss justice in the world in a new way. It contributed to the acknowledgement, that humanity is sharing one single world. (see Hurrell 2001: 33) The connectedness of the world has been made visible: actions in one place (what product do you buy in the supermarket?) affect people in another place (the producers that produce the goods that later end up in the supermarket). Lots of parochialism is overcome, human beings have a broader view of the world and more voices are heard.

But in how far are new links created automatically leading to more justice? Van der Hoff Boersma criticizes that poverty reduction is the “link” between northern consumers and southern producers, rather than the values and principles that are necessary for a more just trade system. According to him, the focus on the consequences, rather than the cause of unjust trade, will not lead to long-term change. (Van der Hoff Boersma 2008: 58) Many others also criticize those links, because it is claimed that they have “normalized and naturalized dichotomous power relations” (Naylor 2014: 273). This critique will receive attention in the following part of the thesis. In how far is Fairtrade strengthening, instead of dissolving, North-South hierarchies? The case example will outline, how Amartya Sen’s “The Idea of Justice” can be applied to another concrete critique Fairtrade faces.

66 This argument by Bailly and Poos is afflicted with a certain eurocentrism. A knowledge transfer is always given in both directions.
4.4.1 CASE EXAMPLE: NORTH-SOUTH HIERARCHIES

“The fair trade rules are primarily conceived in the North, based on the markets of the North, and on the consumers of the North.”

(Bailly/Poos 2010: 11)

Critics argue that Fairtrade is fostering North-South hierarchies through Fairtrade’s organizational structure and decision-making; and that Fairtrade does not manage to break open power relationships in global trade. Instead, it strengthens a world that is characterized by a dichotomization between the Global North and South, between the “Developed” and the “Underdeveloped”. In the following chapters, this critique will be outlined and linked to Amartya Sen’s “The Idea of Justice”. The case example shall explain Amartya Sen’s approach to (global) justice. It will show, in how far small steps can make a difference and lead to less injustice. In the first step, the critique will be outlined in more details. Secondly, the voices of the Global South will receive attention: What is the farmers’ and workers’ opinion on North-South hierarchies in the Fairtrade system? Next, it will be outlined, in how far Fairtrade has reacted to the critique in the last years. And in the last step, it will be discussed, in how far steps towards more (global) justice have been made.

4.4.1.1 NORTH-SOUTH HIERARCHIES CRITIQUE EXPLAINED

Despite the positive impacts of the links established by Fairtrade between consumers and producers, there are many voices\(^\text{67}\) that criticize Fairtrade for the structure of those links: Fairtrade’s North-South relations are said to strengthen, or at least are not able to fight, colonialisms. Fairtrade products are produced in the Global South and consumed in the Global North. By selling products only for export, producers keep depending on the Global North as they have been since colonial times.

\(^{67}\) Those voices are coming from the movement itself as well as other civil society movements, students, policy makers, but also from Fairtrade producers. This chapter focuses on the critique by the academic world and civil society - the producers’ critique will be discussed in the next chapter: 4.4.1.2.
The agriculture and food sector plays an especially important role in the Global North-South relations because they are the earliest and most important commodities traded on the world market. Fairtrade is dealing with many commodities that are often called “colonial goods”, like coffee or bananas. Therefore, Fairtrade products are especially relevant and focused on when discussing the Global North-South relations (Raynolds/Wilkinson 2007: 33). When talking about colonialisms, it is necessary to mention that not only the traditional occupation of regions by the colonial powers are structured by colonialisms. The informal political and/or economical predominance and asymmetric power of states, regions, international organizations and transnational cooperation’s are also carrying forward colonialisms. (Englert/Grau/Komlosy 2006: 21).

One of the often expressed critiques is, that Fairtrade is linked to mass exports, rather than to “real fair trade” that is not restricted by geographical dimensions or North-South discrepancies. The large volumes sold under the Fairtrade label make the producers in the Global South dependent on the Fairtrade system (that is based in the Global North) and on the world market (Bailly/Poos 2010: 11). Fairtrade is therefore not capable of challenging the Northern hegemony of the global trade system, it might even strengthen it, so the accusation.

Fairtrade as a system is not only criticized for fostering a division between a “northern consumer subject” and a “southern producer subject” (see Naylor 2014: 275) (even though, producers actually can be and often are consumers at the same time), but also between the geographical North and South and between the “developed” and the “underdeveloped” (or “developing”) world (Naylor 2014: 277). This simple “dichotomization of the world” (Murphy 2013: 140) is very problematic and is carrying forward stereotypes that have characterized the foreign aid and development discourse since modernization theory68 separated between traditional and modern societies and postulated a universally valid development path that is performed in stages (see Komlosy 2007: 64ff.).

Further, it is criticized that the organizational structure and decision making is based in the Global North. “The fair trade rules are primarily conceived in the North, based on the markets of the North, and on the consumers of the North.” (Bailly/Poos 2010: 11) For that reason, Van der Hoff Boersma, co-founder of

68 Representatives of modernization theory are, amongst others: Alex Inkeles, Walt Whitman Rostow and Samuel Phillips Huntington.
Fairtrade, sees the key challenge of the Fairtrade movement in the need for democratization process of Fairtrade’s formal structures to give more voice to small producers (Van der Hoff Boersma 2008: 51) because “[t]here is, of course, no greater irony than Southern interpretations of fair trade remaining ‘peripheral’” (Smith/Van der Hoff Boersma 2012: 323).

4.4.1.2 The View of the Global South

If there is no greater irony than not listening to Fairtrade producers, then it is necessary to analyze what these voices actually stand for. Sen emphasizes the need to listen to all kinds of voices.

“The view of the Global South” is actually a misleading title for this chapter, because the Global South cannot and should not be seen as something homogeneous, quite the opposite: the demands, wishes and problems of producers vary enormously. It is important to be aware that there are many different, partly mutually contradicting voices in the so-called “Global South”. The three producer networks, but also the countries, regions and product groups represent different interests and opinions and deal with different challenges. Even the Fairtrade producers in a region (and surely even in a cooperative) are characterized by heterogeneity. Producers’ voices are heard regarding to power relations. Women, migrants or landless workers are often disadvantaged. Therefore, issues of who is enabled to participate (and who is represented by whom) and therefore heard, are important to consider. (Sutton 2013: 80)

Even though the heterogeneity of producers’ voices always needs to be present when analyzing North-South hierarchies in Fairtrade, Wilkinson and Mascarenhas list four demands of the Global South, a “southern agenda”:

1) There is a necessity of small producer organizations to participate more in the European markets. Sales to the Global North need to be increased so that existing producers can sell all their harvest (not just a certain percentage) under Fairtrade conditions and new producer organizations can be certified. Andrea Richert, new markets manager at Fairtrade International, agrees: “[T]here is one common agenda, which is to have more sales.” (Richert 2014) Further, ra-
ther than only exporting raw materials, producers would like to be integrated in more parts of the value chain, for instance in processing their raw products.

2) Fairtrade International needs to change and adapt policies and develop national and more flexible Fairtrade systems. Players in the Global South increasingly question Fairtrade for its political, operational and strategic decisions.

3) Fairtrade needs to be established locally and regionally, and trade should also be possible from South to South, because “Fair trade […] is not necessarily far trade.” (Jaffee/Kloppenburg/Monroy 2004: 171) Fairtrade products should also be available for low-income consumers.

4) Changes in the multilateral arena are necessary, and economic and social asymmetries between the Global North and South need to be acknowledged. (Wilkinson/Mascarenhas 2007: 131ff.)

Adding to this “southern agenda”,

“[t]here is a strong sentiment among many that they were the ones that created FT and that FT is supposed to work for them. They believe that fair trade is not merely a certification programme, but a movement for social justice. They feel that FLO (and some of the LIs) have lost touch with this movement and have been co-opted by corporate interests.” (Reed 2012: 311)

In the following, the positions of the three producer networks Latin American and Caribbean Network of Fairtrade Small holder and Workers Organisations (CLAC), Fairtrade Africa and the Network of Asia and Pacific Producers (NAPP) are outlined:

The CLAC in Latin America has its roots in the Latin American Network of Small Coffee Producers and in the Latin American Network of Small Beekeepers, both founded in 1996. The CLAC was founded in 2004 in Oaxaca, Mexico. (CLAC 2014) According to the fact that Fairtrade was created in Latin America, and was founded as an alternative to the capitalist world market system in the time of dependency theory, the CLAC is the most political of the producer networks (Sutton 2013: 83). Since its foundation, the CLAC has fought for profound changes in the Fairtrade system and for more producer participation in the decision-making

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69 There exists a lack of information on producer networks, especially on Fairtrade Africa and NAPP. Research papers practically do not exist and external communication available online is minimal.
processes (Coscione 2013: 2). When the umbrella body Fairtrade International was founded in 1997, some claimed that the producers were not heard enough and not involved sufficiently in decisions, and in the following years

“There developed, above everything, a profound cultural fraction between the Latin American producers and the European National Initiatives. Even though the movement has been born in the South, the internal structure of the FLO system soon enforced the northern hegemony; referring to many, even a new form of colonialism was created.”70 (Coscione 2013: 2)

The decision of Fairtrade International to work with plantations to support labor workers has also received opposition by the Latin American producer network (Wilkinson/Mascarenhas 2007: 132). This opposition reached its peak when in 2011, Fairtrade USA71 separated from Fairtrade International and decided upon a new “Fairtrade for all” strategy, which allowed the certification of coffee plantations (Fair Trade USA: 2012). Fairtrade International is opposing this step, because in the case of coffee, most plantations do not have a permanent workforce and Fairtrade benefits would be hard to keep track of. Further, it is argued that coffee is the flagship of Fairtrade and a majority of coffee producers are small-scale farmers. The encouragement of coffee plantations could further harm small-scale farmers in their ability to compete in the global market. (Fairtrade International n.y. a)

When Fair Trade USAs decision was announced, Merling Preza, president of the Red Café network, which is CLAC’s coffee network, representing the interests of Latin American small-scale coffee farmers, officially stated:

“In accordance with FLO, the CLAC and Red Café were created to strengthen and empower the small producer organizations, exploited by the traditional commercial systems. This is why we ask all the actors with awareness and with capacity of incidence in the fair trade system to put forward and in first position the interests of the small producers.” (Preza 2011)

The Latin American opposition to plantation certification is best understood when looking at FUNDEPPO (Fundación de Pequeños Productores Organizados)

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70 Originally in Spanish: “Se desarrolló, sobre todo, una profunda fractura cultural entre los productores latinoamericanos y las iniciativas nacionales europeas. […] A pesar de haber nacido en el Sur [el movimiento], en la estructura interna del sistema FLO pronto prevaleció la hegemonía del Norte, según muchos, hasta se generó una nueva forma de colonialismo.” Unofficial self-translation.

and their SPP\textsuperscript{72} (Small Producer Symbol), which was founded in 2010. Production on a small scale, direct trade and development of local markets are some of the principles that are encouraged by the SSP. (FUNDEPPO 2010) This parallel label was created to support and raise awareness for small-scale producers in accordance with CLAC.

Further, in Mexico, the parallel label CJM\textsuperscript{73} (Comercio Justo Mexico) was launched in as early as 1999 and applied fair trade principles to the local market. Smith outlines two differences between CJM and Fairtrade International: 1) certification is allowed for small producers only; 2) stricter, obligatory requirements for large and multinational companies to contribute to the development of the community (Smith 2008: 4f.).\textsuperscript{74}

The plantation debate is also connected with the debate about transnational corporations. The entry of corporations like Starbucks or Nestlé into the Fairtrade system is connected with various concerns coming from many producer voices, especially from Mexico: direct purchasing is sometimes impossible because transnational corporations like Starbucks work together with trading companies, because they buy only a very small percentage from Fairtrade cooperatives and are only greenwashing their image, and also, sales of ATOs could scale down because they might lose consumers to transnational corporations\textsuperscript{75} (Renard/Pérez-Grovas 2007: 151f).

A closer analysis of these initiatives and their relationships to Fairtrade International might help to understand the priorities, problems faced and the understanding of fair trade in Latin America. The strong ties the fair trade movement has with the solidarity economy movement on the continent is also of relevance (Wilkinson/Mascarenhas 2007: 129).

Summarized, the CLAC has a very special position in the Fairtrade network, and it is constantly encouraging debate and change in the Fairtrade system.

“The CLAC is just the kind of provocative organization of co-ops that one would hope would emerge in the fair trade movement as it matures. It is a reflection of the movement’s success in creating a self-reflective and self-critical dem-

\textsuperscript{72} Símbolo de Pequeños Productores: http://home.spp.coop [Access: 5.5.2014].


\textsuperscript{74} Many scholars criticizing Fairtrade present CJM as an example for “real” empowerment and dissolution of North-South hierarchies: Bailly/Poos 2010: 22f., Jaffee/Kloppenburg/Monroy 2004: 186ff, Smith 2008, Smith/Van der Hoff Boersma: 2012;

\textsuperscript{75} Example: Cafédirect and Nescafé Partner’s Blend in the UK.
ocratic landscape that brings producers, and I would argue co-ops, to the fore.”

(Barrett 2010)

Fairtrade Africa, established in 2005, has a less rebellious history than the Latin Americans have. When analyzing their reaction on Fair Trade USA splitting from Fairtrade International (Fairtrade Africa 2011), two conclusions can be made: First, there is no reference of disagreeing with certifying coffee plantations. For cultural and regional circumstances, for instance in South Africa workers even have a special role in the Fairtrade system. The empowerment of black rural workers and the advancement of land reform are priorities for the South Africans. (Wilkinson/Mascarenhas 2007: 132) Therefore, the focus on small-scale farmers organized in cooperatives in the Fairtrade system is not a universal position of Southern players. This does not mean that competitive situations between small-scale producer cooperatives and workers do not exist. Tech analyzes the tea sector in South Africa and concludes that regional, individual and sectoral characteristics need to be considered more carefully so that small-scale tea farmers do not suffer a comparative disadvantage compared to plantations (Tech 2012: 417).

The second conclusion, that can be made when analyzing Fairtrade Africa’s reaction, is that they claim that their voices were not heard, and that decisions were made in the United States without involving producers and workers in the decision making process. Fairtrade Africa is committed to make the African producers and workers voices heard. Critique to the Fairtrade system does exist, even if it is not as harsh as some Latin American voices are. Boudewijn Goosens, the executive director of FLSA (Fairtrade Label South Africa), stated in an interview: “In principle fair trade is a very European concept and FLSA is committed to changing this.” (Adema 2009) And in an interview in research conducted by Tech (see above), a South African Fairtrade employee stated:

“And there is no one, who knows better, how to solve his/her problems than him/herself. Fair Trade as a system should know, that nobody is more capable to solve South Africa’s problems than South Africa.”76 (Tech 2012: 419)

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The NAPP and Fairtrade in Asia are without doubt the quietest voice of the three producer networks. Information about their structure, goals and work is rare and hard to find. The inclusion of small and medium enterprises is a priority (Wilkinson/Mascarenhas 2007: 135f.) and further key demands are Southern fair trade markets, greater participation in European markets and the adaptation of Fairtrade International policies in a multilateral trade context (Asia Fair Trade 2005 quoted by Wilkinson/Mascarenhas 2007: 125). In the case of Fair Trade USA separation, the Asian producer network focused especially on the need for a unity and a global movement, and it is concerned that partnerships with companies based in the United States could continue successfully (Fairtrade NAP 2011). Concluding, especially in Asia and Africa, more research is necessary regarding the Southern demands and voices in the Fairtrade system. Only limited information is available online, and therefore it can be stated that the Asian and African producer networks speak quietly and are less present in comparison to the voices of Fairtrade International and the NFOs.

In regard to Plural Grounding, Objective Public Reasoning and Open Impartiality that evoke more justice, a dialogue between all actors (including actors that are not directly involved in Fairtrade, like FUNDEPPO or CJM) is fundamental for the future of the movement. Again, the arguments, that have been discussed, are in no case homogenous opinions. Imagine for instance the voices of Latin American coffee plantation workers: they would surely support the certification of coffee plantations, because their working conditions would improve through Fairtrade benefits.

“While the gravity of the conflicts should not be underestimated there are grounds for seeing these as a condition for the emergence of a global Fair Trade movement in which the Southern actors are no longer reduced to the role of beneficiaries but assume the status of autonomous partners.” (Wilkinson/Mascarenhas 2007: 135)

Most producers, especially in Latin America, support the changes Fairtrade International has made in the last years (Coscione 2013: 1). These changes will be discussed in the following chapter.
4.4.1.3 (RE)ACTIONS OF FAIRTRADE INTERNATIONAL

In the last years, severe changes have been made in the Fairtrade system, which might influence the critique that Fairtrade is a European concept that reinforces North-South hierarchies: 1) increase of producer representation in decision-making; 2) buildup of new markets in the Global South and promotion of South–South trade; 3) transitioning producer services from Fairtrade International to the producer networks.

1.) Fairtrade International’s decision-making processes have been changed to allow greater participation of stakeholders in the Global South. In 2011 it was decided to increase producer representation in the decision-making processes of Fairtrade International. In the highest decision making body, the General Assembly, the producer networks have now equal say as the NFOs. The new constitution was approved in 2013. (Fairtrade International 2012/13: 18)

Also, the new composition of the board is reflecting equality: it consists of four producer representatives, four NFO representatives and three independent members (Fairtrade International 2012/13: 18). Fairtrade International describes itself as a “unique ownership model” that makes “producers half owners of the global Fairtrade system.” (Fairtrade International 2011b)

2.) The second tremendous change and challenge of the Fairtrade system is the creation of “new markets” that foster the supply of Fairtrade products in producer countries as well as South-South trade. This is a revolutionary step for Fairtrade: from many producer groups pushed for a long time, only in recent months the “new markets” gained relevance in the decision-making. The new market initiative’s goal is to bring Fairtrade products to the local markets, which leads to producers being able to have more sales and more value-added in those markets. FMOs are established, which are then building up the local market for Fairtrade products. Fairtrade products are currently available on local markets in India, South Africa and Kenya. In 2015, an FMO in Brazil was launched. 20 potential new markets (for example Mexico, Argentina or Poland) are on the wait-

77 FMOs are not involved in the decision-making processes, because they do not have a full-membership status.

ing list for building up FMOs, and therefore creating new markets. (Fairtrade Austria 2014: 3f., Richert 2014).

The new markets are one important point in Fairtrade’s strategy “Unlocking the Power of the Many” from 2013 – 2015: to build up relatively new markets in the United States, India and Brazil (Fairtrade International 2013: 2). “Fairtrade is on the rise in new markets with producer countries leading the way, giving farmers more opportunities to sell their goods locally on Fairtrade terms.” (Fairtrade International 2012/13: 10)

3.) Last but not least, the producer services are relocated to the producer networks. Fairtrade Africa led the way when it started to take charge of producer services in the region in 2014. The work previously done by Fairtrade International’s Producer Services was transferred to Fairtrade Africa. (Fairtrade Africa 2014) CLAC followed in April 2015 and NAPP is expected to follow soon.

Further plans concern the financing of Fairtrade International in regard to reducing costs in Europe to be able to have more budgets available in producer countries (Fairtrade International 2013: 3). Harriet Lamb sees the goal of all these changes in “really making sure we are led by the producers in the South, for whom we work”, (Lamb 2014a) so “[s]tep by step they are taking the future into their own hands, becoming strategic partners in locally-led development” (Fairtrade International 2012/13: 6). Fairtrade producers, especially Latin Americans, support the changes and empowerment of producers (Coscione 2013: 1). Boudewijn Goosens, the executive director of FLSA (Fairtrade Label South Africa), has stated in an interview after agreeing with Fairtrade International that Fairtrade products will be also available on South African supermarket shelves:

“The relationship with FLO has improved dramatically in the last six months and we feel that we are now treated as serious partners. With a potential local market and a booming number of licensees, South Africa is the pioneer in the development of fair trade in the South.” (Adema 2009)
4.4.1.4 **DECOMPOSITION OF NORTH-SOUTH HIERARCHIES - STEPS TOWARDS MORE JUSTICE?**

Are the organizational changes made by Fairtrade International developments that lead the way towards more (global) justice? Do those steps ensure more empowerment and inclusion of producer’s voices? Objective Public Reasoning has led to the decision that changes were necessary. Among many possible options, the changes discussed in the chapter above were decided upon by comparing the possible alternatives.

The decision to build up local, Southern new markets is a tremendous challenge, but also a great opportunity for the movement: it allows access to new kinds of local players like civil society, governments, experts and enterprises (Wilkinson/Mascarenhas 2007: 128). New stakeholders, that previously had no “development function” (NRET 2000 quoted by Tallontire 2002: 17), are brought together. Automatically, new voices are listened to and parochialism is overcome.

Regional fair trade can also play an important role in ensuring food sustainability, if low-income consumers are also able to access Fairtrade products (see: Jaffee/Kloppenburg/Monroy 2004: 171f.). Further, and probably most importantly, the new markets are challenging and dissolving the division and dichotomization between a “wealthy northern consumer subject” and an “impoverished southern producer subject” (Nayor 2014: 278). “South-South fair trade would re-appropriate the term “fair” and would give it a local dimension, no doubt with less stringent criteria, but closer to local reality.” (Bailly/Poos 2010: 17)

The Fairtrade standards do not necessarily have to become “less stringent”, but the buildup of new markets will unquestionably entail severe challenges and difficulties for Fairtrade as a movement and especially for the Fairtrade standards. “If building demand for fair trade products in the rich North is a formidable task, creating a domestic fair trade market in the Third World would seem a challenge of Herculean proportions.” (Jaffee/Kloppenburg/Monroy 2004: 185) But not only raising awareness in the population and building up partnerships with companies is a difficult task. Fairtrade standards, which have developed over the years,
are set up to make North-South trade fair and need to be adapted to South-South and regional trade. Consider this example:

Northern consumers with high awareness of Fairtrade usually also consider other sustainability issues in their consumption choices. One especially important and currently popular is to buy locally. Fairtrade is (in its external communication) offering consumers a sustainable choice for products that are not growing locally. Fairtrade standards have been developed in a long process for the different Fairtrade product categories. But the demand for types of products in the South is different from the demand in the North. Habit of eating and diets obviously vary, and therefore, the demand for Fairtrade products is not identical. From a Southern perspective, it is probably smarter to certify the products, which are eaten daily. For instance: certifying maize and beans in Latin America, the daily diet of most people, will have a bigger impact than certifying peripheral products. Further, and this is the issue, Fairtrade standards for products like apples (that are growing locally in Europe) have been developed. The Southern consumers (and the apple producers) benefit, but how will (at least some) European consumers react if those products also end up on their supermarket shelves and compete with locally grown apples? And would this be a step towards or away from global justice?

The point is that Fairtrade standards need adaption and adjustment to the new point of departure, which surely is a difficult task, but need not necessarily lead to a softening of Fairtrade standards. By Comparing and Objective Public Reasoning, the most just way needs to be found.

Even though the changes Fairtrade has made to its organizational structure might lead to further challenges and criticism, unarguably the first step towards listening to more stakeholders in the Fairtrade system has been made. Fairtrade is overcoming a certain kind of parochialism, because new voices will receive attention and new perspectives of Fairtrade stakeholders in Asia, Africa and Latin America will be listened to. But who is heard and who excluded? How much parochialism is really overcome?

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79. All Fairtrade standards can be viewed online: http://www.fairtrade.net/our-standards.html. [Access: 5.5.2015].

80. A Fairtrade standard for apples does exist and Fairtrade apples are currently produced in South Africa. As far as known apples are not (yet) available in the European market.
The producer networks now “own” 50 percent of the Fairtrade system. But Sutton is concerned about the kind of participation that Fairtrade fosters. “[I]t is important to look beyond the vagueness of “producer participation” to explore exactly which individuals are encapsulated in these efforts to foster more collaborative governance, as well as whose voices are heard.” (Sutton 2013: 80) Are the heterogeneous producers all democratically represented? How can those producers be accordingly represented, that even lack basic information on what Fairtrade is in general?81 Who is empowered to speak for whom?

Conveying stronger voices is a very complex process. It is essential to consider representation and exclusion when discussing the issue (Sutton 2013: 84). “A person’s voice may count either because her interests are involved, or because her reasoning and judgement can enlighten a discussion.” (Sen 2009: 108) According to Sen, Open Impartiality should also involve people outside the affected group (Sen 2009: 123). In the Fairtrade system, the voices of producers and workers are the focal group and therefore listening to their voices alone, even though that is obviously also a very important task, cannot be sufficient. Listening to voices of all kinds of people, also the most vulnerable (Sen 2009: 348f.), is necessary. This could regard landless producers, who are not able to participate in Fairtrade, migrant workers, seasonal workers without fixed contracts, women and children. In no way can expert knowledge alone be sufficient to dissolve North-South hierarchies in Fairtrade (see Neuhäuser 2013: 105). But often “[v]oices of minority, less educated, diffident, or culturally subordinate participants are [...] drowned out by those who are wealthy, confident, accustomed to management, or otherwise privileged.” (Fung 2004: 5) Those, who speak European languages, may for instance have a substantial advantage and are heard much easier and better than those who are lacking that skill.

Further, it might not be sufficient to give more power and voice to “the South”, but it needs to be defined, what is meant by that term. This is especially important because it is not known in how far the organizational changes in Fairtrade have impacted the individual producers. (Sutton 2013: 73) The North-South divide, as already discussed, is a problematic categorization and might not be useful when analyzing, which voices are heard, because not all individuals in

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81 See chapter 2.2.1.: case studies show that many producers are lacking knowledge of the Fairtrade system.
the geographical South/in producer countries are identical. Not every “Southern voice” is automatically unheard and distinguished by vulnerability, powerlessness and disadvantage. Just as in Europe, there are zones of wealth and zones of poverty, characterized by inequality and complex power relationships. The North-South dichotomization is unable to capture that complexity. (see Englert/Grau/Komlosy 2006: 13ff.) “Southern” participation does not necessarily mean participation and inclusion of vulnerable and marginalized groups. An example can be the analysis of who is in the boards of the newly founded FMOs and the producer networks. Are those people (previously) marginalized and vulnerable “poor” farmers and workers, and is the heterogeneity of producers reflected in the composition of the boards? Or are the board members (being realistic) senior management of large cooperatives and plantations? In how far are those in leadership positions advocating democratically for “their” farmers and workers, and not for their own interests and business? When a new FMO is founded, Andrea Richert stated in the beginning of the formation of the board the following about the difficulties:

“So you can’t force [a corporation], you need to make people understand what Fairtrade means. It’s not only to have more profit from sales, it is for the support and benefit of the producers and that needs to get in their head and that is not easy, because normally people think of their […] personal advantage in their business.” (Richert 2014)

Another example is the election of Marike de Peña as Chair of Fairtrade International Board in 2014 (Fairtrade International 2014d). While it indeed is a great step towards more justice to appoint a producer network representative to this position, this should not be misunderstood as an empowerment of a “Southern voice”. Marike de Peña was born and raised in Netherlands and can be representing, but has never been by herself a vulnerable and marginalized farmer or worker.

As these examples show, the dichotomization of the world in the Global North and a Global South is oversimplifying the deep complexity of the issue.

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82 For example: Fairtrade Africa’s board chairman is Chief Adam Tampuri, on the Fairtrade Africa website communicated as being a cashew farmer, but he is actually also the Chair of this cashew cooperative, that has more than 800 members. See: http://www.fairtradeafrica.net/about-us/structure/ [Access: 6.5.2015].
83 Marike de Peña is also chair of CLAC.
As already discussed\(^{84}\), the buildup of new markets in the Global South leads to a continuing enhancement of the neighborhood of many people. A new level of emancipation from the Global North can be reached.

“Opting for fair trade consumption will no longer solely be an entitlement reserved for consumers in the North but will also be for those with average incomes in the South. It will be up to them to demonstrate their solidarity with their producers, with their poorer countrymen.” (Bailly/Poos 2010: 35)

Consumers in the Global South will learn about unfairness in trade and enlarge their neighborhood. The products they consume will link them with the producers, even if and maybe especially because the justification of Fairtrade in Southern markets builds on different reasons than in the traditional Fairtrade countries. Abhishk Jani, CEO of Fairtrade India, explains:

“Statements like “help the producers in the Third World”, or something similar do not work in India. Poverty here is everywhere. Therefore we argue, that the purchase of Fairtrade products is a conscious decision, and we call on the strong feeling for justice of Indians and the consciousness to plead for the right matters. It is also about national pride – if you buy Fairtrade products, you do something for your own country and the people, who live here. That is how consumption turns to a political act.” \(^{85}\) (Abhishk quoted by Fairtrade Austria 2014: 6)

A change in the perception of Fairtrade in the North can be also achieved. If the Global South will be connected not only with impoverished producers, but also with consumers, a substantial North-South hierarchy will be dissolved. With good external communications, many stereotypes can be overcome through the establishment of new markets.

Summarized, changes made in the organizational structure are a great and welcomed step towards more justice. It is clear, that Fairtrade will not be able to dissolve North-South hierarchies that have been reinforced since colonization alone. But still, Fairtrade has made important steps towards more justice. The four demands of the Global South that Wilkinson and Mascarenhas identified in

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\(^{84}\) See chapter 4.4.

2007\textsuperscript{86} have all received attention by Fairtrade International. Changes and improvements have been undertaken, more or less intensely, for every claim. Those first steps are important steps towards fighting the probably biggest global injustice in the world of today: the consequences of colonialism, imperialism and a deeply unjust world economy.

\textsuperscript{86} See chapter 4.4.1.2.
5 Limitations...

In the last chapters it has been analyzed in details how just Fairtrade is measured by Sen’s “The Idea of Justice”. As discussed, many up-to-date questions and critique Fairtrade faces can be described and analyzed very easily by using Sen’s pragmatic approach. “The Idea of Justice” is capable of picturing the plurality of reasons that lead to discussions about (in)justice extremely well (Wagner 2014: 135). Still, two critically important limitations have been identified in the preceding analysis: The first limitation is discussing, in how far an opposition between Transcendentalism and Realization Focused comparison needs to be questioned. Knowledge about the perfect just can be helpful when deciding between unjust situations and choosing the more just. Knowledge of how perfectly just trade can be achieved might influence strategic decisions made by Fairtrade and benefit the system. The second limitation is that Sen’s “The Idea of Justice” fails to identify power relationships and concentration of power as having a severe influence on (in)justice issues. The next chapters will describe and discuss these two boundaries.

5.1...When not knowing how perfect trade justice looks like

“It may not be possible to say what’s just without arguing about the nature of the good life”

Sandel 2009: 207

The opposition between Transcendentalism and Realization Focused Comparison needs to be called into question. Can society ever escape a transcendental foundation of justice? Critics argue that Sen underestimates the importance of ideal justice: Kamm argues that Sen is not trying to develop a new theory of justice. According to Kamm, Sen rather says that society does not need a theory of
justice at all.\textsuperscript{87} (Kamm 2011: 89) Deneulin describes Sen’s approach as a “non-commitment to a conception of the good” (Deneulin 2011: 795) – but can one really deny that any kind of commitment to perfect justice is necessary, or at least helpful? Many scholars disagree with Sen; they argue that “thinking about justice seems inescapably to engage us in thinking about the best way to live.” (Sandel 2009: 10)

Kamm argues that we need a theory of justice to identify injustice and to decide whether and how injustice should be fought (Kamm 2011: 84). While some injustices are easy to identify (examples, that Sen describes are famine and slavery\textsuperscript{88}), others might be more hidden, complex and/or entrapped. It needs to be questioned if Plural Grounding, Comparing and Objective Public Reasoning can always lead to the identification of the more just option.

Consider this example: Imagine one free trade supporter, one Marxist (both rejecting Fairtrade from different angles\textsuperscript{89}) and one Fairtrade supporter – considering their thoughts and beliefs, even when taking into account all aspects and conducting Objective Public Reasoning, they will probably not agree on the most just way by Plural Grounding alone to make world trade more fair. It is therefore not (always) easy to identify the more just option when Comparing. Principles of how to organize perfect justice in trade would be helpful, so that even people with completely opposed moral concepts and ideologies can agree on what steps to take towards less injustice in a society.

Deneulin offers a great example to also outline this point: at the Copenhagen talks on climate change, many stakeholders came together to talk about the handling of climate change. By Plural Grounding, Objective Public Reasoning and with (at least intended) Open Impartiality, a solution was searched for. There was even a consensus, that climate change is a threat and something needs to be done against it urgently. But still, the outcome was minimal, even disappointing. The conclusion: Comparing, Reasoning and Plural Grounding alone are not always enough to take steps towards justice. (Deneulin 2010: 387ff.) The stakeholders did not manage to overcome their positional objectivity.

\textsuperscript{87} There is a conflict in Kamm’s argument: Sen does identify „The Idea of Justice” as “a theory of justice in a very broad sense.” (Sen 2009: ix) See chapter 3.1.1.

\textsuperscript{88} It is also criticized that Sen does not use enough concrete examples to describe how his ideas can be interpreted and used in real-life. (Deneulin 2011: 790)

\textsuperscript{89} The free trade and Marxist objections to Fairtrade are outlined in chapter 4.2.
Different values will lead to a different conclusion about how to deal with a particular situation. “The Idea of Justice” is assuming that “good reasoning” can conquer “bad reasoning” (Sen 2009: 49, Deneulin 2011: 790). Unfortunately, history has shown that often, it has taken loads of time to overcome bad reasoning (for instance in the case of slavery or colonialism; or up-to-date injustices like unfair trade policies or the often inhuman handling of asylum seekers by the European Union/Frontex).

If Plural Grounding is not sufficient for agreeing to a settlement or a “partial solution”, then we might need a “more limited theory of justice” (Kamm 2011: 89) than what Sen is offering. In that case, principles of justice could be helpful. “Indeed, it would be very surprising if the core principles of justice were to be radically different for transcendental and comparative exercises.” (Osmani 2010: 607) In the case of the Mount Everest example\textsuperscript{90}, this means, that if there was a set of principles (in this case a measuring method) measuring the height of the Mount Everest\textsuperscript{91}, then those principles could also be helpful when measuring other mountains.

“What Sen is failing to grasp is that [...] the attempt to specify ideal justice is an attempt to tell us what justice is, not simply to identify one set of institutions as perfect.” (Reiman 2011: 27) In the case of the mountain example: It is not of importance (neither necessary nor sufficient) to know the highest mountain when comparing the height of two other mountains. But if you have already developed a method of how to measure the sea level of the Mount Everest, this knowledge will help you to measure and compare all the other mountains in our world. Further, you also know how high the concerned mountains are in comparison to the highest mountain in the world.

What does this mean for Fairtrade? If one knows that perfectly just trade can only be sustained with small, local businesses and structurally, transnational corporations will never lead to justice in trade, would Fairtrade still corporate with those companies? In how far would this knowledge influence the strategic decisions made by Fairtrade to corporate with transnational corporations? Would Fairtrade stop the corporation, or would this knowledge be irrelevant be-

\textsuperscript{90} See chapter 3.1.1.
\textsuperscript{91} See chapter 3.1.1. and Sen 2009: 102.
cause Fairtrade is “only” “an attempt to establish interim global market justice in a non-ideal world” (Walton 2010: 431)?

Another problem, when not knowing how perfect justice looks like, is that correcting for a severe injustice to one group of people may turn out to harm another group (Kamm 2011: 85f.). For example: Fair Trade USA’s decision to work also with hired labor in coffee is an improvement for coffee workers, but is most probably at the same time harming the coffee farmers’ competitiveness and therefore threatening their livelihood. Correcting for a severe injustice may also lead to other damages, like environmental degradation. This shows that there is not necessarily a connection between the removal of a specific injustice and approaching perfect justice. (see Kamm 2011: 85f.) This leads to the conclusion, that how perfect justice in trade looks like should be considered in the decision-taking process.

To sum up, Sen’s “The Idea of Justice” needs to be criticised for establishing an opposition between Transcendentalism and Realization Focused Comparisons. It needs to be acknowledged that knowing about perfect trade justice (or any other justice issue) can only be beneficial when comparing real-life injustices and when deciding, which steps Fairtrade wants to take in the future.

It needs to be outlined that Sen does not deny that reasoning about how human beings can have a good life, is very important (Deneulin 2010: 385). He is just pointing out that philosophers need to focus more on the most important: a nyaya understanding of justice and to fight severe injustice in the world of today.

To conclude the thoughts about this limitation: principles of justice are, as outlined by Sen in details, neither necessary nor sufficient. Still, they can be helpful and should therefore be taken into consideration when reasoning which steps to take towards more justice. Transcendentalism and Realization Focused Comparison should therefore be seen as a supplement, rather than being mutually exclusive.
5.2 ...WHEN NOT TAKING POWER RELATIONSHIPS INTO ACCOUNT

Sen’s “The Idea of Justice” does not manage (nor intend) to make power relationships and concentration of power visible. But when fighting injustice, an understanding of the fact, that justice is structural, is needed. (Deneulin 2011: 787)

“Injustice is not about an individual having more or less of a good than another person (whether resources, freedoms or rights), but about structures being corrupted and diverted from the good they serve. Injustice is structural.” (Deneulin 2011: 794)

This shortfall exists at two levels. First: Individuals always act and reason inside of structures. Every choice an individual makes and every reasoning about justice is automatically influenced by structures that are defined by the cultural sphere one lives in. For instance, while in some regions people live in structures where the community and family are very important, other regions are coined by individualism. Individuals cannot act detached from these structures. Second: It is not individuals that are responsible for severe injustices, but the structures inside which the individuals act. Therefore, unjust trade cannot be traced back to individuals’ wrong decisions (alone). Neither policy makers in transnational companies or supermarkets, nor corrupted intermediary traders or consumers, that buy the cheapest product, are to blame hastily for injustices in trade. Instead, the economic and political structures, which those individuals are stuck in, are to blame primarily. Those are responsible for the severe injustice farmers and workers in the Global South are confronted with.

Structures can even be corrupted in a way that when acting inside an unjust structure, it might seem like acting in the name of justice (Deneulin 2011: 794). Decision-takers in trade policy (stuck in a “free trade” structure) might think that they are doing something just when in reality, their actions are only leading to (more) injustice.

"[The] idea of justice for the “real world” has to incorporate an analysis of the just or unjust nature of economic, cultural and political structures,

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92 See the example about accepting coffee plantains into the Fairtrade system. Coffee workers will benefit, but at the same time, small-scale coffee farmers will be harmed. Chapter 5.1.
whether they constitute the structuring conditions of a good life in common or whether they are perverted from that aim.” (Deneulin 2011: 795)

Richards also agrees that Sen’s theory should be concerned with the structures that justice is embedded in:

“The Idea of Justice […] tells its readers little or nothing about how to overcome the principal structural obstacles to building a more just world. It contributes little or nothing to understanding why social movements that struggle for justice are so often unsuccessful. Sen and his interlocutors fail to connect the normative idea of justice with the dynamic forces that drive the global economy toward ever more injustice.” (Richards 2012: 327)

This shortfall of Sen’s “The Idea of Justice” can be identified as a “political deficit” (Celikates 2010). His comments on political justice questions are neither controversial nor do they animate to take actions against a particular injustice (Dworkin 2011: 476f.). It would have been helpful if Sen had discussed how Public Reasoning can take place inside of “bad” structures and in how far political countermovements can lead to change (Celikates 2010). Further, Sen did not rely on any theory of political relations, which is probably why his remarks on political topics were so seldom (Kamm 2011: 89). Richards argues that Sen is “unaware of the conflicts between the logic of capital accumulation and the achievement of justice” (Richards 2012: 327). Sen’s theory is therefore written inside of the structure of the neoliberal economic order. Inside that structure, the most important is to preserve the “conditions required for profit making” (Richards 2012: 327). Sen does not seem to question this structure, and therefore does not give any guidance on how to deal with this “bad” structure, that is responsible for much of the world’s current injustice.

Summarized: unfortunately, political and economic power relationships, structures and concentration of power are not discussed at all by Sen. But a discussion would certainly be extremely helpful when analyzing, how just Fairtrade is. Fairtrade consists of power relationships: those surrounding Fairtrade and those inside of Fairtrade (see Sutton 2013: 79f.). When analyzing, who is heard and why, power relationships and conflicts of interest need to be taken into consideration. It is not enough to demand Open Impartiality, Objective Public Reasoning and Plural Grounding, if you are not (sufficiently) aware of the power asymmetries among organizations as well as individuals. Just as Plural Grounding and Objective Public
Reasoning did not lead to any manifest achievements at the Copenhagen talks (hierarchical power relationships are probably responsible for the failure of the agreement), there is a threat that this happens when Fairtrade takes strategic decisions - even every-day decisions are at risk. Power relationships and a “bad structure”, namely, the economic and political order we live in, need to be questioned and canvassed into the analysis.

Further criticism Sen faces are, that he is not giving enough concrete instructions to take precise actions against injustice (Wagner 2014: 139), and that he is not distinguishing between justice and benevolence (see Reiman 2011: 24). Some even claim that “The Idea of Justice” is therefore not a “real” theory (see Reiman 2011: 24, Celikates 2010). These and further criticism cannot be outlined in this thesis.

Taking down-to-earth decisions is a good thing. It helps us to keep our feet on the ground and to make realistic choices; it is efficient and enables us to take steps towards justice inside of an unjust world. But is there enough space given for a bigger “vision for change”? Many scholars fear that Fairtrade’s vision is, slowly but steadily, getting lost. Without guidelines for behavior or a concrete set of rules, it seems frustrating to know that all that can be done for reaching justice is Comparing, Plural Grounding, Objective Public Reasoning, and listening to all kinds of voices. Even if the knowledge about perfect justice in trade is neither necessary nor sufficient, it still is, without doubt, extremely important to reason about it. If reasoning does not take place anymore, because ideal justice in trade cannot be reached anyways, then there is also a quite high risk that the vision of Fairtrade will get lost. What is needed in Fairtrade is a good balance along the continuum between the down-to-earth and the vision-for-change approach. Therefore, it can be concluded that the future of the movement is dependent on “down-to-earth visionaries”.
6 CONCLUSION

"We can’t just sit around waiting for a global solution."
Elinor Ostrom

Amartya Sen identifies the “expansion of valuable freedoms as a matter of justice.” (Deneulin 2011: 788) This is a revolutionary thought for development studies: The task of development is to make the world less unjust. “The Idea of Justice” has a potential to change how development studies are interpreted: away from poverty reduction and towards fighting (global) injustices (Deneulin 2011: 788). The SDGs will show, in how far the international development discourse will make steps towards this view. This is also a crucial task for Fairtrade: its impact should be seen as taking steps towards justice in trade, rather than only achieving poverty reduction for farmers and workers.

One crucially important element in the analysis is the continuum between the down-to-earth and the visionary-for-change approach. Every Fairtrade response to critique and challenges can be placed along the continuum. By Comparing, Plural Grounding and Objective Public Reasoning, the best way for every challenge can be found to make the next step towards more justice in trade. The new markets case example has shown that Fairtrade is reacting to critique and is applying Sen’s instruments. Still, it needs to be at least mentioned, that no actions are apolitical. When taking a pragmatic step, this is also a highly political decision. And, as outlined in the chapter about limitations, it is crucial to take into account power relationships, which Sen is not putting attention to in his work.

Summarizing this thesis analysis: there is no doubt, that Fairtrade, in Amartya Sen’s nyaya understanding, is taking small steps towards more justice for farmers and workers in the Global South.

“I always say that Fairtrade is a little bit like unpeeling an onion. You peel it of, and then beyond you find the next layer and the next layer, and we were working only with small holders originally. Then we realised we couldn’t do that if we wouldn’t also look at the question, the problems of child labor at the communities, next you realize you also need to look at the issues of workers on
As long as Fairtrade keeps going “deeper and deeper”, small steps are taken and Fairtrade is on a good path towards more justice in trade.

The most critique Fairtrade faces is concerned with a niti understanding: how Fairtrade’s standards and guidelines are set so that the institutional framework ensures that justice receives incomprehension. By Sen’s instruments, namely by Comparing, Objective Public Reasoning and Plural Grounding, the most just steps need to be found and frequently reassessed. Constructive critique is very important and gives impulses for reflection. But Objective Public Reasoning needs to take place – “outrage and emotion” are not sufficient. The nyaya understanding, the mission of Fairtrade and justice, is intact: there still is common agreement on the all-encompassing goals of Fairtrade (Stenn 2013b: 25).

Fairtrade is also a part of a bigger movement that creates change. It is contributing to bringing sustainability issues to the mainstream, which is a very important contribution towards more justice.

The findings in this thesis plead for supporting Fairtrade and they shall also underline to Fairtrade stakeholders the urgent need for awareness raising: Fairtrade cannot, from one day to the other, achieve perfect justice in trade. But still, it does make small steps and is a great initiative against a severe injustice in today’s world. It is crucial for the future of the movement to make people understand the complexity of the global trade system as well as of the Fairtrade system, and the challenges the Fairtrade system faces. This thesis calls for Fairtrade stakeholders to be “down-to-earth visionaries” when comparing and deciding, which steps to take next.

It can be agreed with Sutton, that “further research into Fairtrade governance is clearly necessary” (Sutton 2013: 84). Especially, to figure out which voices are heard, who is excluded, and how more voices can be included into decision-making. More research is needed, that questions in how far Fairtrade as a system allows Open Impartiality. It is also disturbing, that most research is done in the Global North. Even when it comes to participation of voices from the Global South, there is almost no research conducted by producer countries available (or cannot be accessed). Fairtrade could, for instance, set a goal to encourage universities in Latin America, Asia and Africa to conduct research.
This thesis is the departure point for many more research questions: Other Fairtrade challenges and critique that did not find place in this thesis (for instance: the aspirational steps towards achieving a living wage) could also be analyzed by Sen’s instruments, and in greater details than possible in this paper. It would be highly interesting to analyze, in how far the justice understanding of Fairtrade stakeholders and decision makers is matching Amartya Sen’s understanding of justice. Other initiatives, for instance for ethical investment or development projects, can certainly also be analyzed very well by Sen’s justice theory.

“We can’t just sit around waiting for a global solution.” ⁹³ Neither should we wait for someone, who manages to define principles of justice that the whole world will agree to. They might be helpful, but they do not exist for now. It is about us, the world’s population, to get active and to fight against severe injustice – which we have more than enough of in our world. Fairtrade is one small cog in a big wheel of many great initiatives, which bring forward necessary changes to make this world, trade and global relations more just.

⁹³ This quote is from Elinor Ostrom, vocalized in the context of climate change. Ostrom was the first woman to receive the Nobel Prize in Economic Sciences in 2009.
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APPENDIX

ENGLISH ABSTRACT

Fairtrade has experienced tremendous growth in the past years, but a lot of voices also criticize the initiative: the farmers and workers in the Global South do not benefit enough, the real beneficiaries are the transnational corporations, Fairtrade is a Northern concept that is fostering (instead of dissolving) North-South hierarchies, it is just another aid program that does more harm than good. Amartya Sen argues in his book “The Idea of Justice” (2009) that justice should be understood as existing to a matter of degree, it should be evaluated along a continuum. Rather than looking for principles, which define the perfectly just society (like most philosophers used to do), one should compare unjust situations and choose the less unjust. His theory is a hands-on approach. This thesis is linking Sen’s justice theory and Fairtrade. It is concerned with the question, in how far Fairtrade contributes to more (global) justice. The data, consisting of a substantial literature research and two expert interviews, has been analyzed by a thematic analysis. Amartya Sen’s most important concepts of Comparing, Plural Grounding, Objective Public Reasoning and Justice on a Global Scale are linked with Fairtrade critique and used to discuss some challenges Fairtrade faces. Special attention is given to the critique that Fairtrade is fostering, instead of dissolving, North-South hierarchies. It results that Fairtrade does lead to more justice by constantly taking small steps towards it. Still, two limitations are identified: The first limitation is about the renunciation of knowing how a perfectly just society could look like and that knowledge about how perfectly just trade can be achieved might influence strategic decisions made by Fairtrade. The second limitation is that Sen’s Idea of Justice fails to identify power relationships and concentration of power as having a severe influence on (in)justice issues.
GERMAN ABSTRACT

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<tr>
<td>ATO</td>
<td>Alternative Trade Organization</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CLAC</td>
<td>Coordinadora Latinoamericana y del Caribe de Pequeños Productores de Comercio Justo: Latin American and Caribbean Network of Fairtrade Small holder and Workers Organisations</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate Social Responsibility</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization</td>
</tr>
<tr>
<td>FLO</td>
<td>Fairtrade International, Fairtrade Labelling Organizations International eV</td>
</tr>
<tr>
<td>FLSA</td>
<td>Fairtrade Label South Africa</td>
</tr>
<tr>
<td>FMO</td>
<td>Fairtrade Marketing Organization</td>
</tr>
<tr>
<td>FUNDEPPO</td>
<td>Fundación de Pequeños Productores Organizados: Foundation for Organized Small Producers</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>HDI</td>
<td>Human Development Index</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labor Organization</td>
</tr>
<tr>
<td>IUF</td>
<td>International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>NAPP</td>
<td>Network of Asia and Pacific Producers</td>
</tr>
<tr>
<td>NFO</td>
<td>National Fairtrade Organization</td>
</tr>
<tr>
<td>NGO</td>
<td>Nongovernmental Organization</td>
</tr>
<tr>
<td>SDG</td>
<td>Sustainable Development Goal</td>
</tr>
<tr>
<td>SSP</td>
<td>Símbolo de los Pequeños Productores, Small Producer Symbol</td>
</tr>
<tr>
<td>TTIP</td>
<td>Transatlantic Trade and Investment Partnership</td>
</tr>
<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
</tr>
<tr>
<td>WFTO</td>
<td>World Fair Trade Organization</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organization</td>
</tr>
</tbody>
</table>
CURRICULUM VITAE

ELISABETH WALLNER

EDUCATION
Since October 2012: Master International Development, University of Vienna
2012/13 and 2013/14: achievement scholarship

October 2009 – June 2012 Bachelor’s Degree in International Development,
University of Vienna
Erasmus semester in Antwerp/Belgium: February – July 2011

WORK EXPERIENCE
Since May 2014 Information, Press and Public Relations, FAIRTRADE Austria

May 2013 – July 2013 Internship in the Information, Press and Public Relation Department, FAIRTRADE Austria

September/October 2011 Internships in the Education department, MISSIO Austria

June 2012

September/October 2012

LANGUAGE SKILLS
English C1: Common European Framework of Reference for Languages
Spanish B2: Common European Framework of Reference for Languages
Dutch basic skills

OTHER
1-year training course: European Union, Leopold-Figl Haus, Vienna 2011/12
3 months training course: Media skills, Leopold-Figl Haus, Vienna 2014
Au-Pair Stay USA: August 2008 – September 2009
Voluntary work