Fair Trade and Fair Trade Certification of Food and Agricultural Commodities
Promises, Pitfalls, and Possibilities

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ABSTRACT: The global circulation of food and agricultural commodities is increasingly influenced by the ethical choices of Western consumers and activists who want to see a socially and environmentally sustainable trade regime in place. These desires have culminated in the formation of an elaborate system of rules, which govern the physical and social conditions of food production and circulation, reflected in transnational ethical regimes such as fair trade. Fair trade operates through certifying producer communities with sustainable production methods and socially just production relationships. By examining interdisciplinary academic engagements with fair trade, we argue that fair trade certification is a transnational bio-political regime; although, it holds the potential for reflecting global counterpolitics. By reviewing the literature on the emergence and history of fair trade certification, agro-food chains, case studies on certified producer communities and the certification process, this article shows that fair trade certification is a new governing mechanism to discipline farmers and producers in the Global South by drawing them into globalized market relationships. However, recent studies suggest that fair trade also leaves open the potential for creative iterations of the fair trade idea in producer communities to give voice to their situated struggles for justice. Thus, fair trade constitutes a contested moral terrain that mediates between the visions of justice harbored by producers and activists in the Global South and reflexive practices of the Western consumers. To map these critical developments around fair trade and fair trade certification, close ethnographic attention to the material and symbolic life of certification is vital.

KEYWORDS: agro-food networks, creative iterations of fair trade, ethical trade, fair trade certification, organic certification, politics of certification

Fair trade and fair trade certification of food and agricultural commodities restore ethics and morality to economic practices of trading, investing, buying, and selling. Economic actions remain unmoored from ethical considerations of how they affect people’s lives and livelihoods. Fair trade as an alternative model aims to provide an ethical anchor by establishing partnership-based dialogue between producers or farmers and ethical consumers (Murray and Raynolds...
The dialogue depends on certification of producers and their products for ethical and ecologically sound production practices (West 2010). It is also a process of meaning making, where an “economy of semiology” (Dolan 2008) constructs an emotional bridge between cosmopolitan or Western consumers and the Third World or Southern producers.

Cosmopolitan consumers attempt to reinscribe ethics into their shopping practices through dialogue, partnership, and equal exchange with producer-farmers; however, to what extent are these relational ethics actualized? Does the “economy of semiology” also operate as a new technical rationality with a moral twist? Does fair trade contest the unequal market based exchanges between Northern markets and Southern producers, or does it reinforce existing asymmetrical market relations that constrain and discipline food producers and small farmers in new and subtle ways?

To address the above questions, we locate fair trade and fair trade certification in the context of economic globalization. Recent economic globalization is guided by neoliberal principles, that is, doctrines and policies that accord the market rather than the state the main role in satisfying basic human needs (Edelman and Haugerud 2005). Fair trade as a nonstatist (Fridell 2007) way of regulating the global trade in agricultural commodities tends to fill the gap left by the rollback of the state. Thus, fair trade practices and state practices become comparable in many ways. Provisioning of basic needs and dispensing of social and economic justice—the activities of a public institution, the state—is now partly taken up by private and transnational organizations administering fair trade.

This partial privatization of state actions through fair trade also signals the emergence of private transnational regimes of governance (Busch and Bain 2004; Mutersbaugh 2005; Vandergeest 2007). The logic of these transnational governing practices is similar to the ones of the state that rule over a national society. Michel Foucault (1990: 13) identifies the logic of the modern state’s ruling practices as biopolitical, since administrative and political practices of the state derive their legitimacy by fostering self-disciplining of its citizens by regulating “bio”—the ordinary and existential life of individuals or citizens. These individuals and citizens constitute a national society where individuals and groups depend on each other and impersonal bureaucratic rules for their basic existence. Thus, biopolitics operates by regulating society through the self-regulation of individual citizens.

In the era of globalization, mutual dependence extends beyond the borders of nations. Hence, transnational governance mechanisms like fair trade have emerged to govern trade relationships that traverse continents. The fair trade model and its practice of certifying and labeling food and agricultural commodities are means of nurturing ecological and equitable life on a transnational scale. Fair trade practices also operate as a regulating, disciplining, and governing mechanism that is both restrictive and productive. It entails technical interventions in producer communities by monitoring and inspecting farms and farming techniques, checking the conditions of on-farm labor relations, and tracking the use of fair trade premium by farming communities to approve fair trade labeling of agricultural products. In this sense, fair trade fosters individual and collective self-regulation among producer communities and is a transnational biopolitical regime.

Moreover, the effects of fair trade as a biopolitical regime are similar to the effects of bureaucratic and governing practices of the state in instructive ways. A contradiction between a bureaucratically inclusive national society and exclusions that curtail rights of minorities characterizes state-centric biopolitics (Ong and Collier 2005: 15). This incessant clash between inclusive ideals and actual facts of exclusion is also the emerging trait of fair trade, which promises equality and justice for marginalized producers. Incidents of exclusion of marginalized farmers, who find meeting fair trade standards costly, are very common as corporations are appropriating
the fair trade model or making use of certification practices. Thus the fair trade label, whose primary purpose is to convey on-the-ground situations in producer and farmer communities, is displaced to give a false sense of moral choice to consumers buying labeled products. Consequently, the goal of defetishizing the commodity is defeated by further fetishizing the imagined moral relationship that the consumer strikes with the producer. This has lead Mark Moberg and Sarah Lyon (2010: 8) to see fair trade as “shaped advantage” that enables “a limited number of producers to enter the global market under more favorable terms, utilizing enhanced institutional capacity and marketing skills to tap into a growing niche market.”

However, the resemblance of state-centric biopolitics and fair trade extends beyond simply being a mechanism of domination. Disenfranchisement and exclusion notwithstanding, the idea of inclusiveness of state practices nurture expectations among citizens. These expectations make people aware of their rights and give rise to counterpolitics. Similarly, fair trade and its certification practices cultivate certain kinds of expectations in producer communities, even among the excluded groups (Lyon 2008; Sen 2009). These expectations serve as a launching pad for critical counterpolitics that tend to challenge and contest national (Majumder 2010) and transnational political economic relationships undergirding fair trade, conventional trade, state practices, as well as various kinds of inequalities within the producer communities, such as class and gender inequalities, that keep the poorest or the most disadvantaged groups from accessing the benefits of fair trade or trade in general (Renard and Pérez-Grovas 2007; Sen 2009). This aspect of fair trade is relatively unexamined and can be highlighted through ethnographic attention to the effects of fair trade certification in producer communities. Fair trade has set in motion a process that helps global market relations to penetrate the remotest corners of the world for resources, but it also creates potentials and possibilities for a global counterpolitics.

In this review article we show that the trajectory of fair trade is best understood as an interaction between fair trade as a social movement with commitment to ethical and environmental issues, and fair trade as a transnational biopolitical regime. The trajectory is marked by shifts, displacement of goals, reassertion of activist values, and uneven impacts on the ground. We argue that fair trade blurs the distinction between market-based exchanges of agricultural commodities that extract resources from the Global South, and the global counterpolitics that challenge inequities of market-based exchange. This blurring, we contend, has created new possibilities for producers to articulate their situated demands for social justice, but it is also a new system of disciplining producers.

To map out the contested terrain of fair trade and fair trade certification of food and agricultural commodities, we divided the article into four sections and a conclusion. The article begins with a brief history of the emergence of fair trade and fair trade certification, followed by a review of the theoretical literature on agro-food chains. The third section presents case studies on the diverging impacts of agricultural commodity certification. The next section presents findings from the first author’s ethnographic research in India (Sen 2009) to uphold how creative iterations of the fair trade idea are used to contest the disciplining of certification. We conclude with thoughts about the pitfalls and possibilities of this emerging trade initiative.

A Brief History of Fair Trade and Fair Trade Certification of Agricultural Commodities

The Fair Trade movement emerged out of the progressive solidarity movements, like the cooperative movement of the 1970s (Moore 2004), to question the harmful excesses of global free trade. Its roots lay in the post–World War II era of agricultural Fordism, which entailed use of
state-subsidized and productivity-enhancing technological inputs to produce for the mass market. Under this kind of production regime, fair trade was meant to protect marginalized Southern farmers from price fluctuations of conventional exports such as coffee and sugar (Raynolds and Wilkinson 2007). Thus, fair trade came to represent a direct moral connection between Western consumers and the farmer-producers in the South. It reflected the growing desires of Western consumers for safe and organically produced food products. Consequently, the target market for agro-food products under the fair trade system shifted from mass-market to the up-market quality conscious consumers. The shift required independent monitoring and certification of producers with little state involvement (Busch and Bain 2004).

The direct marketing links that activist consumers supported after 1970 (Murray and Raynolds 2007: 7) have gradually taken more concrete shape in pushing for ethical trade initiatives (ETIs) at the global scale, replacing small-scale solidarity buying that marked the initial phase of the development of alternative trade organizations. Further, the dominance of neoliberal policies in global trade, the collapse of the Bretton Woods, the creation of the World Trade Organization, the proliferation of structural adjustment programs (Fridell 2007: 30), and continued poverty of Third World workers and farmers raised concerns over the plight of the marginalized agricultural producers. As usual, Western consumer citizens began voting with their dollars to change business (Jaff ee 2007).

These concerns from consumer groups influenced the formation of market-based regulation and certification schemes that have affected the global traffic in agricultural commodities including coffee, tea, bananas, shrimp, cocoa, and wine. The initial efforts came from organizations that fought against poverty and hunger, like Christian Aid, World Development Movement, and Oxfam. Tradecraft in the UK and Ten Thousand Villages in the US first pushed for ethical labels in handicrafts. Starting with the Max Havelaar label in coffee in the 1980s, ethical labeling was extended to agricultural commodities generating new standards of production and trade. Over the years food labeling initiatives have proliferated, such as International Federation of Organic Agriculture Movements, the Rainforest Alliance, Fair Trade Labeling Organizations International (FLO) (Hatanaka 2010), EurepGap/GlobalGap (Friedmann and McNair 2008), Forest Stewardship Council Standards (Klooster 2010), and Aquaculture Certification Council (Vandergeest 2007). Collectively they constitute Transnational Alternative Agrifood Networks (TAAFNs), which prioritize social justice and sustainability within trade initiatives. Formed in 1997, FLO emerged as an umbrella organization that generates some basic rules of fair trade food certification and disseminates information on whether producer communities are receiving benefits of fair trade while engaging in sustainable social and ecological production practices. Based in Germany, FLO operates through national initiatives like Transfair USA and Fair Trade Foundation UK.

These food certification initiatives may have different and contradictory standards; however they concur on some basic values of social justice and sustainable production methods. There is a difference between simple organic certification and fair trade certification, although many producer communities might be compliant and certified under both standards (Sen 2009). Organic certification focuses on the quality of the product being certified, but fair trade certification involves product quality enhancement as well as linking marginalized agricultural producers in the Global South—removed from profitable circuits of global trade—with ethical consumer groups and retailers (Getz and Shreck 2006: 496). Tad Mutersbaugh (2005) further emphasizes that the fair trade label for agricultural products is crucial, as the certified label helps mark the difference in fair trade agricultural products that otherwise taste and smell the same as conventionally produced agro-food products. Nongovernmental institutions run this certification process, and their regulatory frameworks reflect the perceived desires and expecta-
tions of Northern consumers, retailers, and activists (Raynolds et al. 2007). Since 2000, large corporations like Starbucks, which were the critical targets of the early progressive movements, have begun participating in the certification processes, sometimes generating their own codes like the Café Practices Program (MacDonald 2007). The other characteristic is that the producer organizations’ participation is voluntary, but these organizations are lured by the possibility of reaching niche markets in the West. In many cases, the lack of economic opportunities provided by the local state and issues of state accountability increase the moral reach of these privatized ethical regimes.

Under the broad rubric comprising economic, social, and environmental development, the FLO (n.d.) outlines general objectives of fair trade on its website:

- ensure that producers receive prices that cover their average costs of sustainable production;
- provide an additional fair trade premium which can be invested in projects that enhance social, economic and environmental development;
- enable pre-financing for producers who require it;
- facilitate long-term trading partnerships and enable greater producer control over the trading process;
- set clear minimum and progressive criteria to ensure that the conditions of production and trade of all fair trade certified products are socially and economically fair and environmentally responsible.

Through these standards, FLO tries to guarantee that the bargaining power of food producers in the Global South is protected. In addition to providing guaranteed prices and a social premium, FLO ensures that producers are represented by democratically elected bargaining institutions, like producer-cooperatives (for farmers) and unions (for hired workers). It also tries to enhance production and marketing skills for producer families beyond the production of the certified commodity by creating opportunities for nonfarm employment.

To guarantee producer compliance, in the past decade FLO and other TAAFNs (Getz and Shreck 2006; Hatanaka 2010) have devised a system of third-party certification (TPC) that aims to increase “partnership and traceability” (Friedmann and McNair 2008; Raynolds 2009: 1083). FLO subsidiaries send independent inspectors to visit producer organizations each year to check for compliance with these goals. They conduct periodic trainings in producer communities, making sure that producers understand the goals of the larger fair trade initiatives. FLO verification and auditing rules for certification are based on the International Standards Organization 65 quality standards for organic agriculture. Recently, many certification initiatives have begun an internal control system, where key representatives of producer communities, like Peasant Inspectors or Community Technical Officers (CTOs), work to ensure quality production (Mutersbaugh 2008).

Despite good intentions behind creating the fair trade label, what remains unclear sometimes is what exactly is being tested under the broad umbrella of quality. The label assures consumers of a variety of standards and values that they might want to see fulfilled within the fair trade system, which often leads to confusion (Moore 2004). Peter Vandergeest (2007: 1154) distinguishes between “experience based quality certification” (taste) and “credence based” (nonmaterial, ethical). The challenges of certifying for extrinsic ethical qualities, such as fair labor use in production, are difficult and attained through what Tad Mutersbaugh calls “just in space” regulation of labor practices. Mutersbaugh distinguishes this form of product quality mainte-
nance from the Fordist system of production, where the final product’s quality was tested at the end of the production process. In this new system of product quality maintenance, monitoring of quality begins at the site of procurement of raw materials. For example, in the case of fair trade tea production in Darjeeling, the monitoring would start with an inspection of whether workers (in plantations) and farmers (in tea producing households) were being treated with respect. When the fair trade label is found on a package of tea it means that the product, the people producing the product, and those involved in certifying it have been checked for quality (Mutersbaugh 2005).

In addition to transnational certification processes being getting centralized through FLO, there has been a push for regional certification and labeling initiatives. The impetus for designing and promoting these so-called local initiatives stands as a critique of the perceived top-down directives of transnational certification regimes. Harriet Friedmann and Amber McNair (2008) describe these as alternative regulatory schemes, which give more freedom to local producers to innovate and maintain their regional distinction, defying fair trade’s biopolitical aspect. For instance, the Slow Food Foundation for Biodiversity created Presidia—an initiative of local producer groups, which have more power to maintain quality through their own efforts to innovate, instead of following the narrow standards of quality defined in global value chains. This enables a greater respect for the producers’ own methods, instead of the mainstreaming of organics (Guthman 2004). Similarly in Mexico there is the Coyote Royal regional label for agriproducts aimed to protect indigenous varieties and local methods of farming. The Local Food Product campaign in Canada resulted in a productive partnership of local growers to promote farm products from the area that were being wiped out by larger corporations promoting organic or sustainable agriculture. Some scholars see these new initiatives as new regional institutional alternatives with concrete local effects, compared to the more militant antiglobalization movements (Friedmann and McNair 2008: 427).

Indigenous cultivation methods are being celebrated through these regional labeling initiatives, but other scholars propose the need for adjusting certification rules to reflect the contested regional histories, because much of the promise of labels is to enlighten consumers about the potential ecological and social impacts of sustainable production. In post-apartheid South Africa, wineries in the Western Cape region have seen changes in ownership and management composition as a result of the reforms made by the African National Congress. Initiatives like Black Economic Empowerment have resulted in white winery owners seeking out partnership with black owners. However, land distribution and some changes in farm ownership have done little to change the existing unequal worker relations in the farms (Moseley 2008). In 2004, FLO developed some country-specific criteria to reflect the specificity of fair trade certification to address place-specific inequities. Wineries would now have to make sure that there would be worker co-ownership of 25 percent of the business to ensure more power for black partners.

To assess further whether fair trade and fair trade certification of food and agricultural commodities is engendering any structural changes in the power imbalances within global commodity networks, it is important to look at the theoretical frames used to analyze such networks and ascertain their adequacy.

**Fair Trade, Fair Trade Certification, and Agro-Food Networks: An Evaluation of Existing Frameworks**

Scholars trying to understand the relationship between fair trade and conventional agro-food chains can broadly be divided into two camps, fair trade skeptics and fair trade enthusiasts, both
influenced directly or indirectly by the commodity chain approach. We briefly discuss the commodity chain approach here to clearly distinguish between these two groups.

From the perspective of commodity chain approach, global trade in agricultural commodities looks like a chain of relationships through which value of the goods is appropriated. The value appropriation depends on distribution of power in the commodity chain. At one end of the chain figures the farmer or the producer and at the other end the Northern supermarkets and retailers. Globalization, commodity chain theorists contend, gives unprecedented power to Northern retailers because marketing of agricultural products become crucial for realizing the value of the commodities. Thus, commodity chains become buyer-driven rather than producer-driven, that is global corporations and retailers appropriate the value of agricultural products at the expense of marginalized producers (Gereffi et al. 1994).

Following this line of analysis, fair trade skeptics find little difference between the workings of fair trade–influenced commodity chains and conventional commodity chains. They see fair trade as further entrenching the market system (Guthman 2007; Moberg and Lyon 2010; Wilson 2010) through a “new system of private governance” (Gereffi et al. 2001: 57). Conversely, fair trade enthusiasts claim that fair trade is an alternative globalization process that empowers farmers in the South (Bacon 2005; Taylor 2005).

A middle ground between these two approaches is required to appreciate the effects of fair trade on producer communities and wider power inequalities. Seeing fair trade as a moral terrain of struggle between various kinds of groups, such as big corporations, activists, marginalized producers, big plantations, wealthy farmers, and women farmers is a possible middle ground. Borrowing a metaphor from Daniel Jaffe (2007), fair trade can be seen as a “dance with the devils.” The metaphor suggests the contradictory nature of fair trade, which primarily wanted to counter the big corporation-dominated agro-food chains. But expansion of fair trade means bringing the conventional agro-food chains into its ambit and potentially compromising its goals. However, the “dance” also signals a process and performance whose outcome is unpredictable and open-ended with radical possibilities.

Conceptualizing fair trade as a terrain of struggle requires complicating the commodity chain analysis. Laura Raynolds and John Wilkinson (2007) argue that the image of commodity networks helps conceptualize fair trade in nondeterministic ways in contrast with the global commodity or value chain imagery that creates a dichotomy between buyer-driven versus producer-driven commodity chains and thereby loses sight of power struggles within them. Commodity chain analysts have also recognized the importance of the term network over chain (Gerreffi et al. 2005). Networks, Gerreffi and his colleagues argue, constitute one of the three modes of organizing relationships between firms or in the case of agricultural commodities, among farmers, retailers, and consumers. The other two modes are the market and the hierarchical bureaucratic control. In the case of market-based transactions, producers, traders, and consumers can change their trading partners easily; under hierarchical bureaucratic control, switching partners is almost impossible. Networks are an intermediate form of conducting trading partnerships or transactions among entities located across borders. Networks are also contingent on a constant interplay between economic and symbolic aspects of life. Flow of power is much more complex in a network than in a bureaucratic and hierarchical setting where actions and interactions are completely codified.

Gerreffi et al. (2005) have developed a typology of commodity and value chain governance based on the complexity of transactions, ability to codify transactions and capabilities of suppliers: modular case, relational mode, and the captive mode. In the modular case the production chain is segmented—that is commodities move across many entities—allowing relative supplier or producer autonomy. In the relational mode, solidarity and cooperation among the producers,
suppliers, and retailers stabilize power across the network. In the captive mode, producers are strictly controlled by demands of retailers with strict contracts (see Ponte 2002). The relational mode best describes fair trade–based transactions, where retailers, certifying institutions, and producers come together to uphold sustainability in trade. Fair trade–based transactions may also shift toward captive mode or modular form depending on the degree of power asymmetry between Northern retailers and Southern producers.

This typology locates fair trade within a broader context of agro-food trade, but it can also be used to show how power operates in an indirect fashion often coupled with morality. Although in the relational mode trust is a key coordinating element, power and disciplining often work through such relationships of trust as producers in many cases are eager to comply with fair trade certification rules for reaching niche markets. When producer communities are fair trade certified, a relationship of trust ensues between monitoring institutions like FLO and representatives of producer organizations like cooperative governing body members. Producer-community insiders are responsible for ensuring community compliance with fair trade or organic standards (Mutersbaugh 2008). Here, the biopolitical aspect of fair trade becomes salient, as power does not work through coercion or constraints, but through communities self-regulating their production priorities themselves.

Moreover, the relationship of trust at times masks the internal battles over resources and representations in producer communities. Thus in fair trade certified Darjeeling’s tea cooperatives (Sen 2009) and Guatemalan coffee cooperatives (Lyon 2008), women producers find it increasingly difficult to claim a share of the monetary benefits coming from fair trade certification. Male dominance of key cooperative affairs persists in the face of fair trade certification, which belies the promise of the larger movement aimed at empowering the weakest among the producers. There are several studies of fair trade that point out that broader and deeper historical inequalities are unaddressed through certification (Busch and Bain 2004; Dolan 2008; Shreck 2005). Nonetheless there are also instances where fair trade certification acts as the primary vehicle of redistribution of resources. Fair trade premium brings money for development (Sen 2009; Valkila and Nygren 2009) helps producer communities enter niche markets, and reduces small farmer vulnerability (Bacon 2005). Fair trade networks serve as an excellent tool for redistributing wealth from Northern consumers to Southern producers. For instance, after the first three years of its banana program, FLO assessed that annually two million dollars was being transferred to banana producers in eleven registered producer associations (Shreck 2005: 223).

Thus fair trade complicates the workings of power within commodity networks. It does not just work in terms of captive relationships between producers, retailers or buyers, but much more subtly. Fair trade draws producers from remote areas into trade networks through an allure of the possibility of entering niche markets. Certification practices give rise to community-based monitoring and changes community dynamics, thereby making it similar to operation of biopower through self-disciplining as described by Foucault (1990). Partial successes or “shaped advantage” (Moberg and Lyon 2010) keep the allure of trade alive even in the minds of groups less affected by the redistributive benefits of fair trade. As a transnational initiative fair trade has given rise to a range of possibilities where one finds a genuine commitment to social justice and environmental issues at one extreme and token responses at the other.

Seeing fair trade as a gamut of occurrences helps us discern the complex interaction between mainstream trade regimes theorized under commodity chain analysis and alternative trade regimes that grew out of social movements. It is because of their interaction that neoliberal tendencies of controlling the global food economy through depoliticized and transnational market relations have been pushed to address the social, political, and environmental issues, which are otherwise considered externalities. Thus fair trade blurs the distinction between market-based
exchanges of agricultural commodities that extract resources from the Global South, and the
global counterpolitics or social movements that challenge inequities of market-based exchange.
For Laura Raynolds and John Wilkinson, “the terrain of social movements has now become the
terrain of competing market growth strategies. The cost of the neoliberal dream of transform-
ing market economies into market societies has become an unimaginable expansion of market
responsibility and accountability” (2007: 42). Although expansion of market responsibility may
remain limited, Raynolds and Wilkinson certainly point toward the blurring between market-
based exchanges of agricultural commodities and the global counter-politics.

Value Contradictions, Resource Disparities, and Conflicts
over Representation in Fair Trade Certification

One can categorize the tensions within fair trade into three broad headings. First, value con-
tradictions, that is contradictory demands of market and profit-maximization principles, on
the one hand, and social justice and ethical priorities on the other hand. Second, resource and
access inequality among the Southern producers that affect certification. Third, representational
problems, that is exclusion of Southern farmers from the fair trade labeling and certifying orga-
nizations. Struggles, critiques, claims, and counterclaims are constitutive of the fair trade sys-
tem because it seeks to defetishize the commodity by further fetishizing it. It tries to use brand
certification, labeling, and other market strategies to contest fetishism on which global market
relations are based.2

Value Contradictions

Recent case studies on fair trade report a gradual waning of commitment to social justice goals
in fair trade practices. The seeds of this shift reside in fair trade's success, its acceptance in main-
stream trade networks (Jaffee and Howard 2010). Fair trade monitoring organizations, such as
FLO and Transfair USA, have partly given into the demands of mainstream trade networks. One
can see a goal displacement in the monitoring organization from more activist-oriented goals to
more technical or commercial goals. FLO affiliates measure their success more in quantitative
and statistical terms, which narrowly pursue increasing fair trade sale volumes as an end in itself
(Raynolds and Murray 2007: 225). In doing so they are driven more by market demands than by
the development needs of producer-communities thereby upholding the dominant economic
model of trade. They tend to rely on dependable sourcing rather than exploring and connecting
the absolutely marginalized. This trend is pronounced in Transfair USA's certification of corpo-
rate produced bananas for the US market (Raynolds 2007).

In their study of supermarket branding of fair trade in the UK, Barrientos and Smith (2007)
discuss a scenario where the key elements of fair trade, such as partnership, are lost when super-
markets introduce their own brand of fair trade goods. The authors demonstrate that the abil-
ity to brand fair trade goods, such as cocoa from Ghana and fresh fruits from South Africa,
give the supermarkets enormous power to dominate the trade network. The trading practices
of the supermarkets tend to resemble the practices of conventional agro-food chains where
buyers call the shots. The supermarkets with FLO-certified brands pass on the risk that they
face in serving the consumers to the producers. Supermarkets require year-round supply, com-
petitive prices, and just-in-time production. The producers are disciplined by these require-
ments. In the case of South African fresh fruits, the concerned UK supermarket with its own
fair trade brand also switched from one producer to another to maximize its profits and meet
the consumer demands. Although the supermarkets that adopted fair trade gave more farm gate prices than conventional traders, some farmers questioned the benefits of fair trade for them because following fair trade conditionalities also doubles the cost of production. Thus fair trade becomes the arena of dispute over prices, requirements, and costs of production. The recent extension of the fair trade label to plantation-produced crops and beverages have escalated concerns over inequities within the system. Plantations have material and symbolic resources to meet certification standards without much hassle. This is one aspect of value compromise with the extension of fair trade to certify more products. What plantations do once they are fair trade certified is alarming and points to further value contradictions within the fair trade certification system (Sen 2009). For instance, tea plantations in India decrease their vulnerability in the global tea trade as they have more resources (money, personnel, and contacts) to make direct connections with retailers and independent buyers interested in selling fair trade tea to the West. In this way plantations protect themselves from the volatile local auctions where prices for tea export are set. It is impossible to track how these “fair trade” gains are actually translating into worker empowerment (Sen 2009). The way in which benefits of fair trade can accrue to laborers may require standards specific to a country region or a place. In South Africa, which has a history of racism and white domination over farm ownership, simple implementation of FLO standards is inadequate (Kruger and Du Toit 2007; Moseley 2008). For similar reasons, in Latin America, fair trade fails to reduce inequities but indirectly radicalizes the demands of the marginalized producers. Latin American and Caribbean Coordination of Fair Trade Small Producers asserts that structural changes within plantation type producer organizations can only occur when fruit plantations become worker-owned collectives (Raynolds and Murray 2007: 228).

Although plantation certification perpetuates the vulnerability of workers, the process of retrocertification of tea, prevalent before 2009, posed challenges for small tea producers in Kenya (Dolan 2008: 308–309). Unlike other agricultural products, tea was not labeled fair trade at its moment of entry into the commodity chain. At the Mombasa auction, tea was sold to brokers as black tea. How much of it was to be sold under the fair trade label was determined when Western retailers let importers know how much fair trade tea they wish to purchase. Tea factories in Kenya were thus never fully sure about the amount of fair trade premium they were going to receive in the end, which negatively affected their social development plans with the premium and they also lost interest they could have earned on premium money over time. These case studies demonstrate that despite its inclusive ideals, mainstreaming of fair trade and extension of the label to large producers and retailers, compromises the social justice goals.

**Resource Inequality**

Fair trade seeks to directly connect producers in the Global South and consumers in the Global North. However, reaching the marginalized poor farmers and wage laborers in the South by cutting the middlemen off is easier said than done. Success, acceptance, and popularity of the fair trade business model based on branding and labeling tends to take a toll on distributing benefits of the global trade in agricultural commodities to the most disadvantaged groups. Some argue that the recent expansion of fair trade shows its effectiveness to transform wage labor and small farmer enterprises and broaden the distribution of benefits; others contend that this process is promoting the integration of fundamentally unjust operations into the fair trade network. For example, in the case of bananas (Raynolds 2007), exporting is so complicated that harmful intermediaries are required to get quality fruit to the market. Entering the fair trade network also requires significant collective capacities and connections in
which the more economically savvy producers and producer collectives succeed. Recent studies show that market trends are discouraging small farmers from joining fair trade networks. Increasing quality and volume requirements allow larger and more commercially oriented farmers to take advantage of the system. For example in Brazil’s orange juice sector, stringent quality standards, blend requirements, and the demand for large continuous supplies have sharply increased the share of large capital-intensive enterprises in fair trade exports (Wilkinson and Mascarenhas 2007). The same is the case in the coffee sector in Mexico and the quinoa sector in Bolivia. In Bolivia, export incentives given to large quinoa-growers through fair trade often makes quinoa, a staple diet for the local population, expensive in the domestic market (Cáseres et al. 2007).

Moreover, acquiring organic and fair trade certification is difficult for small and marginal farmers. First, there are material barriers (like high certification fees) to getting quality or organic certification, buying or preparing organic manure, and sustaining organic production. Often the shift to organic cultivation is funded by fair trade premium, but the premium money is not always adequate for small and marginal farmers to keep up with the organic and fair trade standards. Tad Mutersbaugh demonstrates that smaller producer organizations are most burdened by certification as fair trade premium price covers the costs of sustainable production, but certification costs are paid “as poll tax, such that all producers, regardless of farm size, contribute equal amounts” (2002: 1170) to certification.

Second, the level of literacy among farming communities determines their ability to follow certification guidelines (Mutersbaugh 2008). Thus participation in or accessing the fair trade network depends on material and symbolic resources unevenly distributed among rural producers. Although landholding size is an important determinant of this unevenness, political and social connections also create differences within the small and marginal farmer groups. Thus social movements in Brazil and other Latin American countries question the appropriateness of fair trade for small and marginal farmers’ development priorities. Many scholars have underscored how the process of gaining fair trade and organic certification can create inequality in resource access among producers. Even when vegetable and herb farmers in del Cabo Mexico (Getz and Shreck 2006: 494) decided to form a cooperative to pool in for meeting the high certification costs, problems of cooperation between members resulted in closing the cooperative to new members. This created a situation where existing cooperative members with membership numbers became objects of envy for farmers who could no longer enter the coop. The membership numbers, which were proof of compliance with fair trade organic certification, raised the symbolic and material resources of certain farmers. These producer hierarchies created further cleavages in farming communities. Certified farmers would now have to give up long standing sourcing relationships held with noncertified farmers to maintain certification, undermining localized systems of exchange and reciprocity. Farmers with membership numbers also engaged in unethical practices and emerged as a new class of middlemen who gradually moved away from direct farming. They engaged more in rent-seeking practices by sourcing their produce from nonmembers. Fair trade certification is also creating a class of local experts on whom producer communities depend on for getting through the certification process (Mutersbaugh 2008), but such dependence creates harmful externalities. As Christy Getz and Aimee Shreck note,
was in charge of certification, and he developed a reputation for only certifying extra land for those farmers he liked. (2006: 494–495)

As these case studies demonstrate, local resource differentials among producers not only affect who can get certified, but resource differentials result from the process of certification itself, making it possible for certification to perpetuate exclusionary practices. We discuss the exclusionary tendencies in certification next.

**Representation and Power**

Scholars researching fair trade and its empowerment potential are raising serious questions about representation to assess the effectiveness of fair trade. Fair trade places importance on the inclusion and adequate representation of marginalized groups in producer organizations. For instance, women's empowerment is one of FLO's key impact areas. According to FLO, “Important investments can be made in women's income generating activities that are not related to the farm, thereby strengthening their income, business experience, and position in the family” (cited in Lyon 2008: 259). Sarah Lyon, in her study of gender equity within fair trade certified coffee producing organizations alerts us to serious shortcomings of certification to mitigate gender-based inequities in three areas: first, women cannot democratically participate in voting and other procedures of the coffee cooperative; second, male cooperative members are not very supportive of women's nonfarm income generating activities; third, there is a general lack of support for women coffee producers. Local patriarchal norms and the burden of household chores prevent women from effective participation in the cooperative's affairs. Further, certification guidelines do not engage with the issue of labor appropriation within households. Lyon proposes a participatory certification process, where certifiers would work with ordinary cooperative members to identify the interests and desires of all groups within the cooperative. Participatory certification would also ensure that certifiers find place specific solutions to promote gender equity.

The question of representing the interests of marginalized producers gets even more complicated when we consider the mainstreaming of fair trade, which has resulted in sourcing from producers whose conditions of operation are not conducive to representing the interests of women workers. Stephanie Barrientos, Catherine Dolan, and Anne Tallontire (2003) underscore the growing informalization and feminization of the labor process in African horticulture and the fresh produce business. Although buyers such as supermarkets and retailers are increasingly forced to comply with a plethora of codes and their costs, they try to minimize the burden by transferring some of the costs to producers who remain in the informal economy. Being in the informal sector, women workers balance both production and family maintenance at their own cost. Even though they are supplying to organizations abiding by sound labor codes, supporting maternity leave and collective bargaining, it does not matter for women workers in the informal economy as they do not have an organization to represent them.

The exclusion of targeted beneficiaries in setting standards and making certification decisions is another major area of concern. Peter Vandergeest (2007) advocates taking the approach of Community Based Natural Resource Management (CBNRM) to give local communities more power in setting certification standards. Based on his study of how Environmental Regulatory Networks (ERN) affects organic shrimp farming certification. He claims that “when communities are mentioned in the standards, it is almost always in relation to the so-called social standards typically included in certification templates. These standards often mandate varying combinations of consultation, sharing of benefits, labor rights, and respecting property and/or
Fair Trade and Fair Trade Certification of Food and Agricultural Commodities

human rights. But they do not allow for including local communities in the process of setting, monitoring, or enforcing technical standards” (Vandergeest 2007: 1155).

In Thailand, community-based collective action and local government initiatives kept the negative environmental impacts of shrimp farming under control. The work of environmental regulation performed here reflects that of CBNRM. In recent years, concern among many Western buyers and retailers over the environmental and social impacts of shrimp farming have increased monitoring of shrimp farms by transnational regulatory bodies, most notably the Aquaculture Certification Council. These two regulatory imperatives do not necessarily work together. The environmental standards of certification are put in a technical language in which local communities have no say. Vandergeest (2007) proposes that no matter how difficult the task, local communities should be involved in setting some of these standards because transnational ethical initiatives are after all meant for protecting the interests of local communities.

As mentioned earlier, the fair trade certification system also alters its certification regimen as seen in the case of South African wineries, where country-specific criteria for certification emerged to address historic inequities (Moseley 2008). In the next section we illustrate that despite the failure of its intentions, fair trade—in an indirect way—has the potential to raise the awareness of marginalized producers about their value in producing sustainable organic commodities for the global market. Marginalized women farmers become conscious of their entitlements through their engagements with and critique of fair trade certification.

Counterpolitics and Creative Iterations of Fair Trade

While the existing literature on fair trade tries to determine the movement’s outcome vis-à-vis its stated intentions and promise, a new and exciting line of enquiry is emerging. The latter places emphasis on the meaning of fair trade and certification in people’s everyday lives; how the subjective social experience of fair trade certification is lived and mobilized for situated struggles for empowerment. Such nuanced analysis of the “ethical cultural politics” (Mutersbaugh and Lyon 2010: 29) of certification processes is possible through intense ethnographic fieldwork in fair trade certified producer communities to understand how fair trade articulates with the subjective aspirations for justice nurtured by its targeted beneficiaries. Catherine Dolan’s (2008) qualitative study of fair trade tea in Kenya locates fair trade within the broader field of development and examines how the “key tenets of the Fair Trade system—empowerment, transparency, partnership, and democratic participation—are realized among tea producers in Kiegoi.” She further suggests that the attainment of ideals of fair trade “remains at best inchoate and at worse absent from the experience of many actors engaged in Kenyan Fair Trade tea, where the trajectory of ethical outcomes is mediated by an array of conflicting interests, both within and beyond the commodity chain” (2008: 306).

Dolan’s claim is powerful and is substantiated by her findings in which tea farmers make no qualitative distinction between this new potentially empowering form of trade and earlier forms of development assistance carried out by missionaries and development practitioners. Tea farmers in Kiegoi understand fair trade to be a more permanent form of development assistance compared to projects that have dried up. They do not see themselves as empowered partners in this new sustainable trade regime as they cannot make a meaningful distinction between the top-down workings of fair trade. Dolan brings out the complexity of how fair trade’s meaning gets situated within place-based understandings of development. In Mexico, certification of organic coffee depends on the hard labor of Community Technical Officers (CTOs) who take on the arduous job of checking for quality. CTOs use this service work to derive pride from organic
certification work, because organic farming is seen as part of their indigenous tradition of voluntary work called *cargo* (Mutersbaugh 2008). The meaning of fair trade or organic certification is powerfully shaped by factors outside the commodity chain, like colonial and postcolonial legacies of development assistance, or localized symbolic economies of work.

The social life and meaning making around fair trade is a powerful site for examining the potential for empowerment. Though Dolan's formulation of the absence and inchoateness of fair trade's ideals from producer's lived realities is accurate, ethnographic findings from Darjeeling, India (Sen 2009) extends this line of research by examining the gendered resource battles within Fair Trade and organic certified tea cooperatives.

The context of these gendered resource battles was the shift to fair trade-organic tea cultivation in Darjeeling in the 1990s. Women tea farmers and their organic methods of cultivation came to the limelight when big plantations were forced to adopt organic tea production in the 1990s, giving up green revolution technologies popularized by the postcolonial Indian state in the 1960s. Such conversion was not easy. The switch to organic methods and abandoning of chemical fertilizers resulted in a 30 percent decline in the total tea production for each plantation. To counter the productivity loss resulting from organic and fair trade certification, plantations increasingly relied on contractual agreements with tea farmers who were categorized by the local state as producers of “illegal tea,” majority of them are women.

By giving prominence to women producers of illegal tea, the advent of fair trade overturned a colonial legacy that had deep sociopolitical implications. Legally, tea could only be produced in large-scale plantations with processing factories. This law remained in effect under the postcolonial regime. As a result, poor village women grew tea leaves illegally in the existing plantation fringes, which were their backyards, and sold them at local markets at dirt-cheap prices. Men went to work in the towns and cities; women who managed the household became tea farmers by default. They grew “illegal” tea with homemade/organic manure to supplement cash income.

Seeing the economic potential of fair trade alliances for small producers, an NGO helped organize some of the region’s small farmers into cooperatives so that they could better bargain with plantations. In the process of forming the cooperatives, male members of tea farming households gained prominence, even when the actual work of tea production was done by women. Women tea farmers were realizing their worth in the organic tea production process but they were also feeling a sense of loss, as male community members and local middlemen controlled the profits from tea sales. This realization of self-worth led them to wage a battle both within their households and in the male-dominated tea farmer's cooperative, by creatively appropriating the ideals of fair trade and coining their own terminology—*Swachcha Vyapar*. In Nepali, *swachcha* means fair, transparent, clean, pure, and *vyapar* means business. By using the phrase *Swachcha Vyapar*, women implied trade in tea without the involvement of middlemen. Therefore, *Swachcha Vyapar* was a creative and powerful iteration of the fair trade idea that indexed a gendered awareness about a fair trade network dominated by big plantations, male-dominated tea cooperatives, and male traders.

Women farmers juxtaposed fair trade with *Swachcha Vyapar* to contest the inadequacies of fair trade certification. Such contestations often took the shape of withholding their participation in the fair trade certified and male-dominated tea farmers’ cooperative in their community by strengthening a separate Women’s Wing of the cooperative. Through the Women’s Wing, women tea farmers wanted to claim a separate share of the cooperatives fair trade premium for their own economic projects, like returning microcredit loans. However, the male heads of the cooperative had refused such requests. Fair trade inspectors, who did not know much about intracommunity tussles over premium, believed that including women tea farmers in the opera-
tions of the tea cooperative was a positive step toward attaining gender equality, but women tea farmers did not consider this directive to be empowering. Women's Wing members, however, refused to give in to the inspector's suggestion, since they feared being completely dominated by the male cooperative members and losing a share of the premium. Members of Women's Wing knew that defying the inspector could result in the loss of fair trade certification for the cooperative, resulting in monetary losses, yet they went ahead with their decision. As many Women's Wing members mentioned, defying the inspector was a way to ensure real fair trade—Swachcha Vyapar—because certification did not guarantee them assistance for their income generation projects.

Through these contestations over inclusion and exclusion, the fair trade idea was infused with new situated moralities that signal how fair trade is made to work, despite the formal failure of its intended outcomes of maintaining gender equality. Without the advent of fair trade, there would be no mobilization for Swachcha Vyapar among women tea farmers. Ironically, fair trade and Swachcha Vyapar had an oppositional relationship in Darjeeling's villages as the fair trade certified co-operative was male-dominated.

The incongruity in fair trade ideals and practice and resultant counterpolitics demonstrates similar contradictions that Ong and Collier (2005: 15) point out with respect to biopolitics. The case of fair trade tea certification in Darjeeling and also the cases that Moberg and Lyon (2010) describe as “shaped advantages” are proof of tensions that underlie any bio-political regime of governance. Such inconsistencies, as we have shown, also provide communities and marginalized actors the much needed cultural rhetoric and political handle to question existing power structures both local and transnational that tends to control every detail of their productive and social life.

**Conclusion**

In this review article on fair trade and fair trade certification of food and agricultural commodities we have synthesized different aspects of the existing interdisciplinary literature. Fair trade is a recent entry in the history of global trade in food and agricultural commodities, yet it holds the potential for shaping the fundamental values of global trade. A movement, which began with activist aims of correcting inequalities of market-based global trade (Guthman 2007), and promoting quality food production across the world, has chosen to operate within market parameters. Working within the dominant paradigm of free market trade in agricultural commodities, fair trade has redirected a small amount of profit from global trade back to producer groups that serve as critical development assistance for their communities in the absence of state assisted development (Sen 2009). In that respect, fair trade certification has fulfilled some of the founding objectives of the movement to make trade become a tool for empowerment, not impoverishment, despite various shortcomings in application. Such material gains from fair trade for producer communities are important, however, the movement has also reached a critical moment where its social justice goals stand to be compromised as powerful corporations, plantations, and supermarkets—which have contributed to inequities in global trade—can acquire a fair trade label.

The expansion of fair trade through certifying more agro-food products is both a reason for celebration and a cause for concern. To be fair in its global operations, fair trade has had to centralize rule making. To satisfy quality requirements of its patrons in the West, it devised certification compliance guidelines in which producers from the Global South have very little say. Fair trade certification of food and agricultural commodities is ultimately based on tests
for compliance and not so much on partnerships; the latter would entail more intense localized negotiations over what constitutes fair trade. It is for this reason we have claimed fair trade's operations as biopolitical, as it wants to manage producers individually and collectively under the broad goal of maintaining quality and equality. However, in the numerous reiterations, interpretations, and appropriations of fair trade ideals by marginalized farmers, the movement opens up new dialogues in producer communities. Such critical dialogues constantly rejuvenate the search for justice, equity, and sustainability, making fair trade and fair trade certification speak to the place-based justice needs of producers.

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NOTES

1. The literature review in this article is drawn from the most cited articles on fair trade and fair trade certification in the past fifteen years.
2. Convention theory emphasizes how divergent norms are negotiated within and between commodity networks. During the Fordist period, agroindustries would assert the superiority of industrial/market conventions. This is first kind of fetishizing where agricultural products became like industrial commodities. However, growing mistrust for such commodities among consumers pushed corporations to highlight civic/domestic conventions. This is defetishizing by further fetishizing.
REFERENCES


