How Fair is Fair Trade?

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I am sitting at Peet’s coffee in Berkeley reading Jaffee’s excellent sociological study of fair trade. The words of a Zapotec producer echo in my ears, “People in your country need to understand how hard people work to make this coffee… that they work too hard. And to know the suffering they experience, because I think they don’t know about it.” [p. 234.] If they read Jaffee, they will know. Maybe the book ought to be on the shelves, since the café confirms Jaffee’s observation that fair trade is but one “choice” among many, a niche market with tangible benefits to small producers and much potential, but certainly not generating structural change, reducing poverty, or delivering social justice.

The author makes four interrelated and convincing arguments: that fair trade does have positive effects on producers, but it is not a panacea for poverty; that the European and U.S. fair trade movement is made up of people with differing visions, leading to different practices, controversy, and tensions; that while fair trade aims to bring change to the global marketplace, it is at a point in its development when the risk of being co-opted by global capitalists is very real; and, that since capitalism will not change without political action, fair trade is a necessary component in that struggle, but it is not enough.

The argument is convincing, making this book a primer on fair trade for anyone interested in the complexities of the issue. Jaffee takes a fruitful dual approach to the topic: he analyzes the effects of fair trade on producers and follows the development of the model in the consumer nations. To test the claims of fair trade promoters that communities who participate in the movement are better off, he compares two groups of farmers: a coop selling organic coffee on the fair trade market (in this case the largely indigenous Michiza cooperative in Oaxaca) and their neighbors, “conventional” family farmers selling on the world market. The comparison comes at a key time, when a glut of coffee has sent the global price tumbling to record lows, hurting small farmers to the point of devastation in some areas, including the highlands of Oaxaca that Jaffee studied. If fair trade works, then this is the time it ought to show. Although Jaffee concludes that it does, the picture is more complex than that, pointing to the limitations and unexpected consequences of fair trade on producers. The chapters on Oaxaca illustrate the intricacies and hardships of production, the high standards and demands organic fair trade places on producers, and the challenges and transformations that the communities must undergo to participate in this global experiment. Jaffee touches on numerous topics here, including household income, debt, labor, spending patterns, environmental practices, food security, and emigration, making those chapters rich in detail and depth. My only quibble with that part of the research was that Jaffee largely missed the gender implications of all that he uncovered. He devotes one paragraph to gender when it is clear that he had accumulated material for much more analysis. [p. 244.] Nevertheless, the reader will no doubt come away with a deeper understanding indeed of what it took to produce that daily caffeine fix.
Jaffee also does a critical examination of the fair trade movement in Europe and the United States. He analyzes the diverse origins of the movement in the 1960s and 1970s and how those roots affect the philosophies and approaches of its players: is the point simply to gain market access in the North for producers in the South or to use the market to subvert it? Is it even possible to do the latter? The author explores the dynamics within the movement, the different political and ideological positions of the major actors, the dangers posed by the rapid growth of fair trade, and the entry of the corporations into the picture. He explains the controversy within the movement over the thorny issue of whose fair trade is it. Should fair trade be a channel for small, alternative, anti-capitalist markets? Or should Starbucks, Procter & Gamble, and Chiquita Banana be part of the game? Jaffee, moreover, pushes the issue further, reminding fair trade that the question extends South: the producers are asking why the rules of fair trade are all made in the North, without consulting the very people in whose name the movement was founded and who are supposed to benefit from it. Is the “legacy of colonialism” alive and well in fair trade? [p. 228.] You will have to read the book to find out. The audience for this work is not limited to an academic public. It deserves wide readership and debate, particularly of the provocative recommendations Jaffee makes at the end. Brewing Justice is a must for anyone who believes that another world is possible.